

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, Maryland 20895
(240) 627-9425

Special Session Minutes

April 19, 2019

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted on Friday, April 19, 2019 at 10400 Detrick Avenue, Kensington, Maryland beginning at 12:39 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Richard Y. Nelson, Vice Chair
Roy Priest, Chair Pro Tem
Pamela Byrd
Frances Kelleher

Absent

Linda Croom
Edgar Rodriguez (resigned effective April 8, 2019)

Also Attending

Stacy Spann, Executive Director
Cornelia Kent
Kayrine Brown
Erik Smith
Bonnie Hodge
Kathryn Hollister
Marcus Ervin

Aisha Memon, Acting General Council
Eamon Lorinez
Zachary Marks
Lynn Hayes
Ellen Goff
Vivian Benjamin

I. COMMITTEE REPORTS and RECOMMENDATION FOR ACTION

A. Legislative and Regulatory Committee – *Com. Byrd, Chair*

1. Authorization to Implement Voucher Payment Standards Based on HUD FY 2019 Small Area Fair Market Rents

Lynn Hayes, Director of Housing Resources, was the presenter.

The foregoing resolution was adopted upon a motion by Commissioner Byrd and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Byrd, and Kelleher. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-43

**RE: Authorization to Implement
Voucher Payment Standards Based on HUD FY 2019
Small Area Fair Market Rents**

WHEREAS, the regulations of the U.S. Department of Housing and Urban Development (“HUD”) require that the Housing Opportunities Commission of Montgomery County (“HOC”) establish and implement new Voucher Payment Standards (“VPS”) annually for use in HOC’s administration of the Housing Choice Voucher Program; and

WHEREAS, the establishment of these VPS must be based upon a percentage between 90 and 110 percent of the HUD Small Area Fair Market Rents (SAFMR) for the given fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County establishes the Voucher Payment Standards for FY 2019 as shown on Exhibit A.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized and directed, without further action on its part, to take any and all other actions necessary and proper to carry out the activities contemplated herein.

II. ITEMS REQUIRING DELIBERATION and/or ACTION

- 1. Approval to Buyout the Limited Partnership (“LP”) Interest from M&T Bank for The Metropolitan, Strathmore Court, Georgian Court, and The Barclay Apartments and Authorization to Use Funds Previously Approved for The Metropolitan to Complete the Buyback of the LP Interest for all Four Properties**

Marcus Ervin, Housing Acquisition Manager, was the presenter.

The foregoing resolution was adopted upon a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Byrd, and Kelleher. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-47

RE: Approval to Buyout the Limited Partnership (“LP”) Interests from M&T Bank for The Metropolitan, Strathmore Court, Georgian Court, and The Barclay Apartments, and Authorization to Use Funds Previously Approved for The Metropolitan to Complete the Buyback of the LP Interests for the Four Properties

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), or its wholly-owned and controlled affiliate, serve as the general partner (the “HOC GPs”) in a number of partnerships that own and operate affordable properties financed by LIHTC equity, where the initial 15-year compliance periods associated with the properties’ LIHTC financing have expired or are expiring in the near future (“Year 15 Properties”); and

WHEREAS, HOC wishes to acquire full ownership of the Year 15 Properties so that it may reinvest in and preserve the inventory of affordable housing at these locations, and so that it may eliminate its ongoing financial exposure under the current limited partnership agreements between HOC GPs and the LIHTC investors; and

WHEREAS, the Commission has negotiated an acquisition price of \$750,000, plus legal expenses in the amount of \$5,000, for the limited partner (“LP”) interests currently held by M&T Bank (“M&T”) in four (4) Year 15 Properties where HOC is the general partner: Strathmore Court (“Strathmore”), Georgian Court (“Georgian”), The Metropolitan (“Metropolitan”), and Barclay Apartments (“Barclay”) (collectively referred to herein as “the Properties”); and

WHEREAS, HOC desires to acquire the LP interest of the Properties through a previously formed wholly-owned Commission single purpose entity known as HOC YR15 LLC; and

WHEREAS, in order to fund the acquisition of the LP interests of the Properties, HOC wishes to utilize cash previously set aside to buy back the Metropolitan LP interest, and increase the amount by \$25,000 to a total of \$750,000, all of which will come from the Metropolitan Development Corporation cash reserves;

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on its own behalf and on behalf of HOC YR15 LLC, that it approves acquiring the limited partner interests in Strathmore, Georgian, Metropolitan and Barclay for \$750,000 plus \$5,000 in legal expenses.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves utilizing cash previously set aside to buy back the Metropolitan limited partner interest, and increase the amount by \$25,000 to a total of \$750,000, all of which will come from the Metropolitan Development Corporation cash reserves.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the general partner of Strathmore, Georgian, Metropolitan, and Barclay, approves amending, if necessary, the existing limited partnership agreements at the Properties to reflect the new ownership structure.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, that the Executive Director is authorized, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein, including but not limited to the execution of any and all documents related thereto.

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Based upon this report and there being no further business to come before this Special Session of the Commission, a motion was made and unanimously adopted to adjourn.

The meeting adjourned at 12:58 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: May 8, 2019