

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

October 7, 2020

20-09

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, October 7, 2020, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:02 p.m. Those in attendance were:

Present

Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jeffrey Merkwowitz
Jackie Simon

Absent

Roy Priest, Chair

Also Attending

Stacy L. Spann, Executive Director
Cornelia Kent
Kayrine Brown
Charnita Jackson
Fred Swan
Eugene Spencer
Jay Berkowitz
Paulette Dudley
Olutomi Adebo

Aisha Memon, General Counsel
Eamon Lorincz
Christina Autin
Zachary Marks
Nicolas Deandreis
Eugenia Pascual
Millicent Anglin
Jennifer Arrington
Sewavi Agbodjan

Resident Advisory Board

Shawntel Reddix-Thomas, Vice President
Yvonne Caughman

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

Guest

Christopher Rigaux, BACC
Marsha Coleman-Adebayo, BACC
Louis Wolf, BACC
Rev. Segun Adebayo, BACC

Guest (Cont'd)

Tim Willard, BACC
Adam Simon, BACC
Dr. Karen Wilson-Ama'Echefu, BACC

Vice Chair Kelleher opened the meeting with a welcome and roll call of Commissioners. Also informing of the reintroduction of Community Forum for public participation via virtual platform.

I. **Information Exchange**

- **Resident Advisory Board** - Former Vice President Yvonne Caughman thanked the RAB, Executive Director Stacy Spann, Fred Swan, Director of Resident Services, Rita Harris, Resident Services Special Assistant, and HOC Board of Commissioners, for allowing her to serve as Vice Chair of the Resident Advisory Board. She then introduced the new Vice Chair, Shawntel Reddix-Thomas, who provided an update on current activities of the RAB and her appreciation to serve as Vice Chair.
- **Community Forum** – Members of the Bethesda African-American Cemetery Coalition (BACC) addressed the Board concerning The Moses African Cemetery.
- **Tony Davis Scholarship Award Recognition** – Commissioner Simon introduced the three (3) recipients of the 2020 Tony Davis Memorial Scholarship Fund. HOC established this scholarship 20-years ago in memory and honor of Mr. Tony S. Davis, an HOC employee who devoted his life to volunteering, coaching and counseling in the Seneca Ridge Community. In the past 20-years 40 college bound students from HOC communities have been supported by this scholarship fund to help launch their college careers. This year's first place award winner is Natneal Kelkay who received a \$7,500 scholarship. Damesha Hall is the second place winner receiving \$3,500, and third place winner is Makayla Robinson who received \$3,000.

Executive Director's Report

- Stacy L. Spann, Executive Director, congratulated the recipients of the Tony Davis Scholarship award. He also expressed his appreciation to the HOC Team, especially during this time, for their support and continued hard work that they provide to the customers and their families serve. He highlighted and acknowledged various activities from his written report. Chair Pro Tem Nelson expressed kudos to the HOC Team.

- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Simon and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Kelleher, Nelson, Byrd, Croom, Merkowicz, and Simon. Chair Priest was necessarily absent and did not participate in the vote.

A. Approval of Minutes of September 9, 2020

B. Approval of Minutes of September 9, 2020 Administrative Session

III. **COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION**

A. Budget, Finance & Audit Committee – Com. Nelson, Chair

1. Acceptance of the Fourth Quarter FY'20 Budget to Actual Statement

Cornelia Kent, Chief Financial Officer, and Olutomi Adebo, Assistant Budget Officer, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Kelleher, Nelson, Byrd, Croom, Merkowicz, and Simon.

RESOLUTION NO.: 20-67

**Re: Acceptance of the Fourth Quarter
FY'20 Budget to Actual Statements**

WHEREAS, the Budget Policy for the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) states that quarterly budget to actual statements will be reviewed by the Commission;

WHEREAS, the Commission reviewed the Fourth Quarter FY’20 Budget to Actual Statements during its October 7, 2020 meeting;

WHEREAS, HOC ended FY’20 with an operating surplus of \$2,779,257; and

WHEREAS, it is recommended that \$2,779,257 be held in the General Fund to offset any loss of income due to the non-receipt of rental payments as a result of COVID-19 to ensure sufficient available cash to maintain timely payment of expenses.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Fourth Quarter FY’20 Budget to Actual Statements.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes the surplus of \$2,779,257 to be held in the General Fund to offset any loss of income due to the non-receipt of rental payments as a result of the COVID-19 Pandemic to ensure sufficient available cash to maintain timely payment of expenses.

2. Authorization to Write-Off Uncollectible Tenant Accounts Receivable

Cornelia Kent, Chief Financial Officer, and Eugenia Pascual, Controller, were the presenters.

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

RESOLUTION NO.: 20-68

**RE: Authorization to Write-off Uncollectible
Tenant Accounts Receivable**

WHEREAS, the current policy of the Housing Opportunities Commission of Montgomery County (“HOC”) is (i) to provide for an allowance for tenant accounts receivable balances that are delinquent for more than ninety (90) days; and (ii) to propose the write-off of former tenant balances; and

WHEREAS, staff periodically proposes the write-off of uncollected former tenant balances which updates the financial records to accurately reflect the receivables and the potential for collection; and

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period April 1, 2020 – June 30, 2020 is \$34,196, consisting of \$16,940 from Opportunity Housing properties, \$1,853 from Supportive Housing, and \$15,403 from RAD Properties.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all actions necessary and proper to write off \$34,196 in uncollectible accounts receivable related to (i) tenant balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

3. Acceptance of Calendar Year 2019 (CY'19) Audits of 900 Thayer Limited Partnership (LP) and HOC at The Upton II LLC

Cornelia Kent, Chief Financial Officer, and Eugenia Pascual, Controller, were the presenters.

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

RESOLUTION NO.: 20-69

RE: Acceptance of CY 2019 Audits of 900 Thayer Limited Partnership and HOC at the Upton II LLC

WHEREAS, the Housing Opportunities Commission of Montgomery County ("Commission"), or its wholly-owned or controlled affiliate, is the managing member in 900 Thayer Limited Partnership and HOC at the Upton II LLC;

WHEREAS, the calendar year annual audits for 900 Thayer Limited Partnership and HOC at the Upton II LLC have been completed; and

WHEREAS, a standard unqualified audit opinion was received from the respective independent certified public accounting firms who performed the audits for 900 Thayer Limited Partnership and HOC at the Upton II LLC.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County accepts the CY 2019 audits for 900 Thayer Limited Partnership and HOC at the Upton II LLC.

4. Approval to Renew Property Management Contracts for The Metropolitan and Strathmore for One Year

Charnita Jackson, Director of Property Management, and Millicent Anglin, Asset Manager, were the presenters.

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

RESOLUTION NO.: 20-70

RE: Approval to Renew Property Management Contracts for The Metropolitan and Strathmore for One Year

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") is the general partner of The Metropolitan of Bethesda Limited Partnership ("Metropolitan LP"), and Metropolitan LP owns 92 units at the development known as The Metropolitan located in Bethesda, Maryland (the "Metropolitan");

WHEREAS, HOC is the general partner of Strathmore Court Associates Limited Partnership (“Strathmore LP”), and Strathmore LP owns 51 units and HOC owns 151 units at the development known as Strathmore Court located in Bethesda, Maryland (“Strathmore,” together with the Metropolitan, the “Properties”); and

WHEREAS, staff desires to renew the current property management contracts at the Properties for one (1) year with Bozzuto Management Company.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of The Metropolitan of Bethesda Limited Partnership, as its general partner, that the Executive Director is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Metropolitan with Bozzuto Management Company.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Strathmore Court Associates Limited Partnership, as its general partner, that the Executive Director is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Strathmore with Bozzuto Management Company.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein, including the execution of any documents related thereto.

5. Approval to Renew Property Management Contracts for Spring Garden One Associates Limited Partnership (LP)

Charnita Jackson, Director of Property Management, and Jay Berkowitz, Asset Manager, were the presenters.

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

RESOLUTION NO.: 20-71

RE: Approval to Renew Property Management Contract for Spring Garden One Associates Limited Partnership

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the general partner of Spring Garden One Associates Limited Partnership (“Spring Garden LP”), and Spring Garden LP owns the development known as Spring Garden located in Silver Spring, Maryland (“Spring Garden”); and

WHEREAS, staff desires to renew the current property management contract at Spring Garden for one (1) year with Edgewood/Vantage Management.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Spring Garden One Associates Limited Partnership, as its general partner, that the Executive Director is hereby authorized and directed to execute a one (1) year renewal of the property management contact at Spring Garden.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein, including the execution of any documents related thereto.

6. Authorization to Submit the County Fiscal Year 2022 (FY'22) Maximum Agency Request Ceiling (MARC)

Cornelia Kent, Chief Financial Officer, and Olutomi Adebo, Assistant Budget Officer, were the presenters.

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

RESOLUTION NO.: 20-72

**RE: Authorization to Submit the County FY'22
Maximum Agency Request Ceiling (MARC)**

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") wishes to submit a request for County funds for FY'22; and

WHEREAS, the County has instructed HOC to submit a Maximum Agency Request Ceiling ("MARC") for FY' 22 in an amount not to exceed \$6,824,693, which is based on the FY'21 approved MARC of \$6,824,693 which does not include the estimate for projected FY'22 increases to compensation, health and retirement benefits.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves submitting a MARC to the County for FY'22 in the amount of \$6,824,693.

B. Development and Finance Committee – Com. Simon, Chair

1. Single Family Mortgage Purchase Program (SF MPP): Approval to Increase the Income Limits for the Single Family Mortgage Purchase Program

Kayrine Brown, Chief Investment and Real Estate Officer, and Jennifer Arrington, Assistant Director of Bond Management, were the presenters.

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

RESOLUTION NO.: 20-73

**RE: Approval to Increase the Income Limits
for the Single Family Mortgage Purchase Program**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") has operated the Single Family Mortgage Purchase Program ("MPP" or the "Program") since 1979; and

WHEREAS, on April 14, 2020, the U.S. Department of Housing and Urban Development published new national income limits; and

WHEREAS, the Commission approves income and sales price limits, which apply to the MPP, subject to rules and regulations governing Mortgage Revenue Bonds and Mortgage Backed Securities; and

WHEREAS, staff supports increasing the Program's income limits.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:

The maximum income limits for the Single Family Mortgage Purchase Program shall increase as follows:

Household Size	Maximum Income
1	\$105,840
2	\$151,200
3+	\$176,400

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all other actions necessary and proper to carry out the revisions to the Single Family Mortgage Purchase Program contemplated herein, including but not limited to the execution of any and all documents related thereto.

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 5:46 p.m. and reconvened in closed session at approximately 6:10 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County's closed session held on October 7, 2020 at approximately 6:10 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(3) and 3-305(b)(13) to discuss a potential real property acquisition and the confidential commercial and financial terms of a potential real estate transaction.

The meeting was closed on a motion by Chair Pro Tem Nelson, seconded by Byrd, with Commissioners Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon unanimously voting in approval. Chair Priest was necessarily absent and did not participate in the vote. The following persons were present during the closed session: Frances Kelleher, Richard Y. Nelson, Jr., Linda Croom, Jeffrey Merkowitz, Jackie Simon, Stacy Spann, Aisha Memon, Eamon Lorincz, Kayrine Brown, Gail Willison, Zachary Marks, Cornelia Kent, and Gio Kaviladze.

In closed session, the Commission discussed potential acquisitions of real property and the confidential commercial and financial terms of potential real estate transactions. Staff was given approval to proceed with one non-binding letter of intent and direction to hold on another non-binding letter of intent. No formal action was taken.

The closed session was adjourned at 7:50 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: November 4, 2020