

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Development and Finance Committee Minutes

April 22, 2022

For the official record of the Housing Opportunities Commission of Montgomery County, an open meeting of the Development and Finance Committee was conducted via an online platform and teleconference on Friday, April 22, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 10:02 a.m., available for viewing [here](#). Those in attendance were:

Present

Jackie Simon, Chair – Development and Finance Committee
Richard Y. Nelson, Jr. – Commissioner
Jeffrey Merkowitz – Commissioner

Also Attending via Online

Kayrine Brown, Acting Executive Director
Zachary Marks
Jennifer Arrington
Paige Gentry
Leidi Reyes
Jay Shepherd
Marcus Ervin
John Broullire
Gio Kaviladze
Olutomi Adebo

Aisha Memon, General Counsel
Timothy Goetzinger
Kathryn Hollister
Nathan Bovelie
Eugenia Pascual
Terri Fowler
Ellen Goff
Hyunsuk Choi
Gail Willison
Contessa Webster

IT Support

Aries Cruz

Commission Support

Patrice Birdsong, Spec. Asst. to Commission

Commissioner Simon opened the meeting with a welcome and introduction of the Commissioners participating on the Committee.

APPROVAL OF MINUTES

The minutes of the March 25, 2022 Development and Finance Committee open and closed session meetings was approved upon a motion by Commissioner Nelson and seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

DISCUSSION ITEMS

1. The Metropolitan: Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repairs of the Green Roof at Metropolitan Apartments

Marcus Ervin, Director of Real Estate, introduced Hyunsuk Choi, Housing Acquisition Manager, who provided a presentation requesting the Development and Finance Committee to recommend to the full Commission approval to (1) select Contracting Specialist Incorporated (CSI) as the waterproofing contractor for waterproofing repairs of the Green Roof at the Metropolitan Apartments; (2) authorize the Acting Executive Director to negotiate and execute a contract; (3) authorize project contingency costs; and (4) accept two separate allocations in the State of Maryland Capital Budget.

A motion was made by Commissioner Nelson and seconded by Commissioner Merkowitz to recommend to the full Commission for approval at the May 4, 2022 monthly meeting. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

2. HOC Headquarters: Approval of Construction Manager and Revised FY22 Predevelopment Budget and Funding Installment

Marcus Ervin, Director of Real Estate, introduced Jay Shepherd, Housing Acquisitions Manager, who provided a presentation requesting that the Development and Finance Committee join staff's recommendation to the full Commission to (1) select Jones Lang LaSalle (JLL) Incorporated as the third-party construction manager for the redevelopment of HOC Headquarters site; (2) authorize the Acting Executive Director to execute a contract that obligates HOC for only the pre-construction phase and provides HOC the ability to terminate the contract prior to the construction phase; (3) approve a revised predevelopment budget, previously approved in calendar year 2021, to account for additional soft costs in obtaining building permits prior to closing; (4) affirm the funding of the budget from the PNC Line of Credit; and (5) approve the final installment of development budget funding from the PNC Bank, N.A. Line of Credit.

A motion was made by Commissioner Nelson and seconded by Commissioner Merkowitz to recommend to the full Commission for approval at the May 4, 2022 monthly meeting. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

3. Brooke Park: Approval for the Acting Executive Director to Execute Change Order with Bennett Frank McCarthy Architects, Inc.

Marcus Ervin, Director of Real Estate, introduced Gio Kaviladze, who provided a presentation requesting the Development and Finance Committee join staff's recommendation to the full Commission to approve change orders #3 and #4 to the Bennett Frank McCarthy Architects, Inc. contract, and to authorize the Acting Executive Director to execute the change orders.

A motion was made by Commissioner Nelson and seconded by Commissioner Merkowitz to recommend to the full Commission for approval at the May 4, 2022 monthly meeting. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

4. Residence on the Lane (Upton): Approval for the Acting Executive Director to Execute Change Order to Closeout Construction Management Services

Jay Shepherd, Housing Acquisitions Manager, provided a presentation requesting the Development and Finance Committee join staff's recommendation to the full Commission to approve (1) a change order to the CFI Construction, Inc. contract; and (2) approve a contingency, which if used would increase the aggregate contract amount to \$586,000.

A motion was made by Commissioner Nelson and seconded by Commissioner Merkowitz to recommend to the full Commission for approval at the May 4, 2022 monthly meeting. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

5. Westside Shady Grove: Approval of Naming Westside Shady Grove in Accordance with HOC Naming Guidelines

Marcus Ervin, Director of Real Estate, provided a presentation requesting the Development and Finance Committee join staff's recommendation to the full Commission to approve the permanent name, "The Laureate" for HOC at Westside Shady Grove. Staff addressed questions of the Commissioners, including the suggestion to expound on other Poet Laureates as part of the narrative.

A motion was made by Commissioner Merkowitz and seconded by Commissioner Nelson to recommend to the full Commission for approval at the May 4, 2022 monthly meeting. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

Commissioner Simon read the Written Closing Statement. A motion was made by Commissioner Nelson and seconded by Commissioner Merkowitz to adopt the statement and close the meeting. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

Based upon this report and there being no further business to come before this session of the Development and Finance Committee, the Committee adjourned the open session at 11:46 a.m. and reconvened in closed session at 11:51 a.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Development and Finance Committee's closed session held on April 22, 2022 at approximately 11:51 a.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 Section 3-305(b)(3) to discuss (A) the potential acquisition/purchase of the fee simple interest of three multifamily properties (via a purchase and sale agreement) located in Bethesda, Maryland; and (B) the potential acquisition/purchase of multifamily property located in Lyttonsville, Maryland. The meeting was also closed under the authority of Section 3-305(b)(13) to discuss the confidential commercial and financial terms of HOC's acquisition of the three (3) multifamily properties located in Bethesda, Maryland (item A above).

The meeting was closed and the closing statement dated April 22, 2022 was adopted on a motion made by Richard Y. Nelson, Jr., seconded by Jeffrey Merkowitz, with Commissioners Jackie Simon, Richard Y. Nelson, Jr., and Jeffrey Merkowitz voting in favor of the motion. The following persons were present: Jackie Simon, Richard Y. Nelson, Jr., Jeffrey Merkowitz, Kayrine Brown, Aisha Memon, Zachary Marks, Gio Kaviladze, Ellen Goff, Gail Willison, Jennifer Arrington, John Broullire, Fred, Swan, Leidi Reyes, Marcus Ervin, Nathan Bovelleville, Paige Gentry, Timothy Goetzinger, and Patrice Birdsong.

In closed session, the Commission discussed the below topics and took the following actions:

1. **Topic:** The acquisition/purchase of the fee simple interest of three multifamily properties located in Bethesda, Maryland (pursuant to Section 3-305(b)(3)), and the confidential commercial and financial terms of the acquisition (pursuant to Section 3-305(b)(13)).
 - a. **Action Taken:** Staff requested that the Development and Finance Committee recommend to the full Commission (1) authorization for the Acting Executive Director to exit the due diligence period and complete the acquisition of the

property, (2) approval of staff's proposed Financing Plan, and (3) authorization to accept two loans to fund the acquisition. A motion was made by Commissioner Nelson to advance the item to the full Commission meeting on May 4, 2022. Commissioner Merkowitz seconded the motion, with Commissioners Merkowitz, Nelson, and Simon voting in approval. No resolution was presented or approved.

2. **Topic:** The acquisition/purchase of multifamily property located in Lyttonsville, Maryland (pursuant to Section 3-305(b)(3)).

a. **Action Taken:** Staff provided an update on the potential acquisition opportunity. Staff was directed to continue to follow up on the opportunity. No formal action was presented or taken.

The closed session was adjourned at 12:35 p.m.

Kayrine Brown
Acting Secretary/Treasurer

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