

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, Maryland 20895
(240) 773-9025

Minutes

February 3, 2016
16-02

The Annual meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, February 3, 2016 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:00 p.m. Those in attendance were:

Present

Sally Roman, Chair
Jackie Simon, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Christopher Hatcher
Linda Croom
Margaret McFarland

Also Attending

Stacy Spann, Executive Director	Carol April
Kelly McLaughlin, General Counsel	Susan Smith
Kayrine Brown	Shauna Sorrells
Elizabeth Arrington	Paulette Dudley
Jim Atwell	Lorie Seals
Jonathan Cartagena	Lola Knight
Fred Swan	Bill Anderson
Danette Lawrence	Angela McIntosh-Davis
Ugonna Ibebuchi	David Brody
Sheryl Hammond	Rita Harris
Hyunsuk "Wilson" Choi	Veronica Childers
Sandra Boujai	Ruth Jorge
Zachary Marks	Bobbie DaCosta
Anita Inman	Jose Garcia
Vivian Benjamin	Sal Dangamuwa
Belle Seyoum	Patrick Mattingly
Lynn Hayes	Darcel Cox
Gina Smith	Brian Selden
Ethan Cohen	
Stephanie Semones	

Commission Support

Patrice Birdsong, Spec. Asst. to the Com

IT Support

Irma Rodriguez

Guests

Suzanne Lofhjelm, Cong. Chris Van Hollen's Office

Jeff Samuel, Cong. John Delaney's Office

Kim Ball, HHS

Yvonne Caughman, RAB

David Lou

Sisera Daniel

Chair Roman convened the annual meeting of the Housing Opportunities Commission by first welcoming guest and staff. During this time she introduced the 2016 Housing Honor Roll recipient.

HOUSING HONOR ROLL AWARD

HOC gives the Housing Honor Roll Award annually to recognize outstanding efforts to provide a fair and affordable housing supply in Montgomery County. The honoree will receive an engraved plaque from the Commission and have their name engraved on the list of Housing Honor Roll Award Winners.

Jean Banks – Ms. Banks served as a Resident Commissioner for eight years, including several years as Chair Pro Tem. Ms. Banks also served on the Hearing Board, Legislative and Regulatory Committee. She was the Catalyst for HOC Works, the restructuring of the Resident Advisory Board, and our Youth Summer Internships. Ms. Banks' character, pleasant demeanor and outstanding work ethic were deeply appreciated by clients and staff. She was a consistent and tireless advocate on behalf of the families served by HOC. On behalf of Ms. Banks, her son, Tony received the award.

SPECIAL RECOGNITION AWARD

HOC gives the Special Recognition Awards annually to recognize outstanding efforts on behalf of HOC, its residents and affordable housing in our community. Honorees will receive a Plaque Certificate of Recognition from the Comm. This year's recipients are:

Roberto Piñero – Mr. Piñero served the commission for two and a half terms. He was appointed to an unprecedented three terms starting 2003. He served his community in many capacities on the Commission for Children and Youth, the Budget Committee of the Montgomery County Public School system and the Welfare Reform Task Force. During his tenure with the Commission, he served as Chair Pro Tem, Vice Chair and he was Chair for four years from 2011-2015.

Dr. DeRionne Pollard – Dr. Pollard, the President of Montgomery College has partnered with HOC Academy and HOC Works. Through HOC's partnership with Montgomery College, more than \$21,000 in tuition assistance has helped 27 HOC residents pursue degree and certification programs. Education has the power to change lives and that is exactly what is happening.

YEAR IN REVIEW

Stacy Spann, Executive Director, opened by extending thanks to the Commission, staff, Honorees, and the many community partners for their support of HOC. As an extended appreciation to this year's award recipients, Suzanne-Lofhjelm of Congressman Chris Van Hollen's Office, presented each honoree with Congressional Citations.

2016 Annual Meeting Speech

Re-Imagine, Re-Invent, Re-Position

- Tonight, my responsibility is to tell you about the amazing impact HOC had in 2015 with the leadership of our commissioners, the support of our volunteers, community partners as well as the hard work of each and every HOC staff member all on behalf of the families and individuals we serve who – by the way -represent some of the most vulnerable populations in this community. We looked at the challenges that needed to be confronted, and we faced them head-on to find new, innovative and more efficient ways to serve our clients.
- I also want to assure you that HOC remains a good steward of the community's trust. This organization is on sound financial footing and we are taking steps to ensure that our affordable housing resources remain available for this community over the long haul.
- Today, the state of public and affordable housing is at a crossroads. Nationally, the demand is higher than ever while the supply of available quality units is shrinking, affecting more than four million working, elderly, disabled and vulnerable families across the country. Rents are skyrocketing while wages remain stagnant.
- This crisis reaches every corner of the United States. Nationwide, nearly 25% of all renters spend more than half their income on rent. The need for affordable housing is overwhelming the capacity of federal, state and local governments to meet the demand. There are 11 million extremely low-income households competing for seven million affordable housing units. And the number of available units is shrinking each year because needed improvements and repairs go unmet, units fall into disrepair until they are

ultimately uninhabitable. Federal budgets simply can't keep up – and quite frankly have never sufficiently met the needs of public housing. That reality leaves four million households out in the cold. Where do they go? How are they supposed to not only survive but create their vision of success for themselves and their children?

- When we look at our own community, right here in Montgomery County, because we live in such a high-cost area, a family needs to earn \$28 an hour just to afford a two-bedroom apartment - and I'm not talking about a luxury apartment with all the bells, whistles and stainless steel appliances but simply a moderately priced unit – something decent and safe in which you can comfortably put your children to bed at night. That's what all of us want, right? But how is a working class family, working 40 hours at a minimum wage job – which by the way is \$8 an hour in Maryland – or a near minimum wage job going to afford to live in the community in which they work or anywhere close for that matter?
- Although wages in Montgomery County have risen 17% since 2001, the cost of housing has increased **62%** over the same period. The staggering gap between wages and rents puts affordable housing out of reach for thousands of people right here in our community.
- I could read off more statistics and give you more trends to try to convince you of the challenges we face – but you don't need any of that. We all know what lingers on the other side of those doors.
- In order to meet these challenges, HOC will have to continue to create its own path forward. We cannot be satisfied with doing business the way it has always been done. Old strategies of the past didn't always prioritize service with respect to how we assist clients. Old strategies certainly never delivered on meeting the full capital needs of public housing units leading to properties that proved unable to keep pace with current housing standards – instead relying on the notion that good enough was simply good enough. Old strategies did not always provide effective programs that supported client needs or their access to jobs and educational opportunities.

- At HOC, we decided that we needed to re-invent, re-position and re-imagine how we meet the affordable housing needs for the approximately 14,500 families we serve - families that depend on our efforts every day.
- In 2015, we had to **reinvent** what it meant to advance our mission in support of our clients and this community. Finding affordable housing is becoming more dire and much more difficult. At HOC, we found ways to make housing opportunities in Montgomery County easier by making use of technology, exploiting every opportunity to leverage our real estate assets, and creating partnerships that increase access to opportunity for the clients we serve who are striving to do the same for their families.
- First, people need access to the affordable housing resources that exist in Montgomery County – *Housing Opportunities* cannot be a reality in name only.
- Once we provided access, we needed to ensure that we actually have housing units available. And not just housing that is “good enough” but quality housing that is on a sustainable trajectory for the long haul. To accomplish this we had to **re-position** our real estate portfolio, and specifically our Public Housing units through significant investments to address their backlog of capital needs. And, we needed to invest in a way that will ultimately increase the overall supply of affordable units in the county.
- Finally, we had to **re-imagine** client and resident services and how we assist clients who are working hard to reach their vision of success for their families, by extending access to greater opportunities through employment training, educational access, internet connectivity and by unlocking opportunity wherever we see a closed door. Helping our clients achieve greater success, ultimately leads to HOC being able to serve more families on our wait list – a wait list that reflects a community that is growing and becoming more diverse.

- That is how we spent 2015: Re-inventing how we serve, Re-positioning our real estate for the long term and re-imagining how we create greater access to opportunities for our clients. You have heard me refer continuously to serving our clients – because that is what drives us to be more creative, to be more aggressive.

Re-Inventing How We Serve

- Housing Path
- One year ago, I stood here and said we would open the wait list in 2015. One of the ways we needed to re-invent our work was with our wait list and that's exactly we did. To put this work into perspective, HOC's wait list had been closed for eight years. Having a static wait list creates inefficiency and delay. Why would we assume that need remains static and unchanged? That makes no sense. If our waiting list is closed for years on end, how can we possibly say we are meeting the needs of our community today? So we used an "All Hands on Deck" approach and everyone at HOC worked as a team and designed and implemented a new online portal called HOC Housing Path.
- Through HOC Housing Path, a potential client now has one-stop shop access. Once a client registers on the wait list, they can be automatically matched against all housing opportunities within our properties as long as they qualify. Rather than managing multiple wait lists, requiring households to register against multiple lists and figure it out on their own, there is now **one** online application and those who register can update their information at anytime, ensuring that the data remains fresh. By going online, we increase client access and keep the wait list open continuously. A person in need of housing can apply today, tomorrow, next month or next year. Every person has that opportunity not just those who were in need 8 years ago. As of Monday, almost **29,000** applications have been submitted to the wait list.
- While that number sounds staggering, knowing true need with more certainty allows HOC and the county to have a more accurate reflection of the demand for affordable housing

within Montgomery County and challenges us to use our resources as efficiently and effectively as we possibly can if we are ever going to address those needs.

- We re-invented what it means to serve the housing needs of this community.

Compliance

- We also re-examined how we use HOC's staff expertise to best serve our clients. We realized that within our Compliance Division, we had built considerable knowledge expertise around best practices. So we took an "All Hands on Deck" approach to serving, that's exactly what I mean.
- We tapped this expertise to address vacancy and lease up within our properties. Compliance worked hard in 2015 to lease up units within HOC's housing portfolio. Beginning in April 2015, HOC leased a total of 203 units, and the team really hit their stride in the fall of 2015 averaging nearly a lease up a day each month in October, November and December.
- The impact of their hard work cannot be overstated. Every time they are successful and hand someone a set of keys, that means an elderly person, someone with a disability, a family were no longer housing insecure, homeless or at risk of homelessness. Remember, the majority of households in Montgomery County with an income of \$35,000 or less spend more than half of their pre-tax income on housing alone – that's an entire pay check including taxes just to rent a two bedroom apartment. HOC must continue to do whatever it takes to help families in need find quality, affordable housing and every member of the team will continue to make that happen.
- The Compliance team was also busy behind the scenes looking for ways to use technology to make their work more efficient and increase their productivity around conducting compliance reviews. That is why Compliance, along with IT, developed a new Quality Control Access Database solution. HOC saved money by tapping into the talents of our team and doing the work in-house. This new database allows Compliance to complete

reviews in a more timely and efficient manner, which benefits clients and ensures the agency is holding itself accountable.

- In order to serve this community now and going forward, HOC must think outside the box. We will always seek new leading-edge approaches to better connect people to affordable housing resources.

Re-Position

- Connecting people to affordable housing requires that we ensure our units are available and habitable. In order to do that we realized that we needed to re-position our housing stock and get the most out of every property and every unit.
- By extracting equity from our properties, we can pour it into other properties giving them new life. It is imperative that we do this now. How do we do that? HUD's RAD program has been a significant part of our strategy.
- **<Take Video - RAD>**
- The Rental Assistance Demonstration Program, RAD, is providing HOC with the necessary tools to preserve its deeply affordable housing stock and increase our housing portfolio, thereby, improve the lives of our current and future families.
- I am proud to say that HOC has closed on the conversion of nine of the eleven-approved multifamily sites from Public Housing to Project-Based Section 8 properties. Conversion through the Rental Assistance Demonstration program represents not only modernizing or entirely redeveloping our housing, it places it on a more reliable and sustainable funding platform.
- In 2015, HOC completed financing for the RAD conversion of two senior public housing properties: Arcola Towers and Waverly House. Both properties will begin renovations in the coming weeks. There are nearly 300 units at those two properties. Residents will have new energy-efficient appliances, new flooring, new kitchens, new bathrooms and windows when work is complete. The Real Estate team has seen residents break down in tears at the sight of their new modernized unit. Taking advantage of these tools has allowed HOC to change

the game when it comes to recapitalizing affordable real estate. Improving our properties physically can have meaningful and profound impacts on the lives of people who call it home. Arcola and Waverly both serve senior citizens, a vulnerable and growing population. The United States Census Bureau expects the number of people aged 65 and older to more than double by the year 2030 from 33 million to 74 million people, and one third of senior renters spend more than half their income on housing. Many live on a fixed income; they cannot afford a rent increase or utility spike. It is that simple.

- Another property undergoing investment, Elizabeth House, one of the last two RAD properties, received approval of its preliminary project plan in 2015 and is now on track to close this year. Holly Hall, the other remaining property, benefitted from the Montgomery County Council's approval of the White Oak Science Gateway Master Plan which conveyed a significant increase in density and laid the foundation for HOC to replace and increase the number of affordable units once this project is complete.
- In 2015, HOC collaborated with two private developers (Conifer Development of Woodfield Commons in Damascus, and Shelter Group of Park View Aspen Hill) who together have secured an allocation of nine percent Low-Income Housing Tax Credits from the state, bringing important resources to Montgomery County. Tax credits make the possibility of affordable housing in Montgomery County more economically feasible.
- When I first came to HOC, I told people my vision for Chevy Chase Lake. Nobody believed me. Everyone said it couldn't be done. Well, HOC is doing it. Our dream is becoming a reality. Chevy Chase Lake is now empty, the mortgage is prepaid and ongoing negotiations with a local developer, EYA are expected to conclude on February 5 (this coming Friday) with the transfer of two-thirds of the site. The remaining one-third will continue to be owned by HOC and is proposed as a 200-unit multifamily building that will produce 80 affordable and workforce housing units. This project demonstrates HOC's strategy for collaboration or leveraging its strength with private developers to increase the supply of housing units in the county. This is only the beginning!

- We cannot re-position without funding.
- Mortgage Finance recently closed on the financing for Arcola Towers and Waverly House in the amount of \$35 million in short-term and long-term tax-exempt bonds. It's a lot of money. Every dollar raised by these two transactions will be spent to acquire and rehab both properties, and if you have been inside either one of those properties, you know the buildings absolutely needed renovations and systems upgrade that were long overdue. The rewards of this financing will be realized for many years to come. The agency increases the value of its assets and, most importantly, is giving residents a modern, comfortable place to live so they can be proud of the place they call home.
- HOC also closed on financing for projects at Lakeview House in Bethesda, The Crossings at Olde Towne in Gaithersburg, Tanglewood and the Mortgage Finance division is working on the interim financing for Alexander House and Greenhills Apartments.
- HOC is re-positioning our housing stock while maintaining accountability. In 2015, HOC had 40 separate unqualified, audits for our properties and an unqualified audit for the agency overall. HOC basically got a clean bill of health and while we are undertaking a significant amount of refinancing and investment activity, we are doing so in a way that preserves the fiscal integrity and health of the commission. Know that our operations are sound; we are moving in ways that are fiscally responsible and our bottom line will remain strong.

Re-Imagine

- As times change, so must affordable housing. The industry is constantly evolving. HOC will have to re-imagine its programs and services because clients and their needs are changing. By re-imagining, we can create greater access to opportunity.

Housing Resources

- Housing Resources has streamlined processes to create internal controls and worked with IT to create better workflows and reports which ultimately benefit the client – and HOC continues to be a SEMAP high performer.

Resident Services

- Resident Services has worked diligently in the past year to ensure that residents retain their housing—once you are housed, you stay housed.
- We have formed partnerships with property management, outside agencies and residents to ensure housing stability and security. HOC is connecting clients to important services so they get the support they need whether it is mental health resources or disability issues. Because of their hard work last year, 100 percent of the residents of Supportive Housing Programs stayed in their homes. In other HOC programs, the retention rate was 96 percent. That is stability.
- We have also re-imagined HOC's role in the stability of family units. Mothers and fathers have a long-lasting impact on their children's lives; kids need role models. Unfortunately, not every father is involved 100 percent. It's a reality for too many of our clients. Forty percent of HOC's three-thousand Housing Choice Voucher households with children are led by single female adults. Those children need fathers to step up and HOC can provide men an important step. Resident Services has secured the first Fatherhood Initiative Grant ever awarded to a housing authority in the amount of \$695,000, renewable for 5 years. This grant will provide fatherhood classes and relationship counseling to families and allow HOC to offer workforce development training to each dad. HOC also held a Fatherhood Initiative event last June. Families spent the day together, played games, ate lunch and had the opportunity to engage in meaningful conversation. No texting, but actual talking. Quality time between a father and his children is priceless. This grant will help HOC cultivate those relationships.

- In 2015, Community Partners secured more than \$100,000 in funding to offer job training, reliable transportation and savings account assistance. This funding comes from outside donors and 100% of it goes directly to our clients. Since the creation of Community Partners 15 years ago, HOC has helped hundreds of clients.
- We are also re-imagining responsible homeownership and helping families unlock the door to their own home. In Montgomery County, 1 in 5 homeowners spend 35% or more of their income on housing. HOC is working with prospective homeowners so they not only own a home, but they stay in that home, and they can afford that home. Last year, HOC, using its Single Family Mortgage Purchase Program, created 126 new homeowners and funded 300 new closing cost and down payment assistance loans. Homeownership is very important. When you are able to purchase your own home, it gives you a sense of pride and accomplishment. Your hard work has paid off. You no longer need housing assistance because you have your own home. Families can put down roots here in Montgomery County, give their children a permanent place to live and attend school. This is their home, with their name on it. That is powerful. Further, every renter, particularly one who moves up from rental assistance, avails that unit for someone else to receive rental assistance.
- We have also re-imagined our role in the lives of clients and their families through workforce development and education.

HOC Academy

- One of HOC's new and exciting initiatives is HOC Academy which gives clients the tools and training to assume a more active role in improving their future and their family's future. HOC Academy added a multitude of classes and programs in 2015. I wish I could talk in detail about each one but I would be here all night, instead I'll share the highlights. The first Construction 101 course was held last year from February to April. The eight-week course taught students the basics of the construction industry. It was followed by HOC Academy's Building Trades Construction Course in the fall. Students received hands-on training in

drywall, plumbing, painting, soldering and cabinetry. They also had the opportunity to earn certifications necessary to work in the construction industry.

- **<Take Video - Shabazz>**
- HOC Academy partnered with the non-profit A Wider Circle to offer clients a one-week Job PREP Boot Camp which focused on resume writing, interview skills and job searching. Participants were also matched with a career coach who will spend the next year with them as they secure a position in their desired field or seek a promotion in their current career. HOC Academy formed partnerships with First Transit, D.C. Central Kitchen and other entities to offer clients career training and job opportunities.
- **<Take Video – Job P.R.E.P.>**
- Families need more than a voucher to succeed. HOC offers opportunities to people to change their lives and break the cycle of intergenerational poverty. We are investing in their future, their children’s future and the future of Montgomery County “by teaching them to fish”. An investment in knowledge pays the best interest.
- HOC Academy launched several new programs in 2015 for our youth including robotics clubs, chess camps and an IT club for girls.
- Most of the programs focused on STEM education– Science, Technology, Engineering and Math. That is where the future is headed. Children need to be presented with opportunities to experience STEM material in a fun and educational manner. Studies show that non-school related STEM education plays a prominent role in whether a low-income student chooses a career in a STEM field. Give them the tools, and they will learn. HOC youth are the next scientists, engineers, professors and programmers; they can do anything they want and we can give them the chance.
- **<Take Video – Youth Programs>**
- These programs are created, managed and led by HOC staff. We want them to excel. When staff performs at their very best, our clients reap the rewards.

Leadership Tomorrow

- Leadership is defined as someone who offers guidance or direction to a group. Everyone here has the ability to become a leader. In 2015, the first class of Leadership Tomorrow graduated. The Alpha class spent two years working on new projects and assignments. The same investment HOC makes every day on behalf of clients, we also do for employees. The goal is to create the next generation of supervisors, managers and executives. I am committed to cultivating employee talents and skills; they are the future of HOC. Beta Class is starting its second year and the new Gamma Class begins its program this month. We are re-imagining opportunities for staff to demonstrate and show their full potential. No other agency or company has a program like Leadership Tomorrow. It's an intense, challenging but rewarding program.

Future

- Now the question is what are we going to do next? 2015 was a success but we have no intention of slowing down in 2016. We will continue to re-imagine what it means to serve this county and our clients and how we use technology to enhance our ability to serve.
- As we bring our repositioned portfolio back on line we will continue to reimagine what it means to serve. We are in the process of standing up a Customer Relationship Management System that goes beyond the traditional call center. Rather than simply responding to inquiries and routing callers through our system, we will position the agency to turn those client contacts, at every turn into business knowledge. That means that whether a request comes in by phone, by email, through our website or through the front door, we want to track not only who made the request but what does it tell us about our business. Are we seeing trends, is this an area in which we can improve? Are maintenance requests being turned around in a way that meets our standards of excellence? And, are clients and the public getting their questions answered when they visit our website?

- This will enable us to get ahead of problems and continuously improve our business which is critical as we bring our properties back online and re-open developments over the next year and beyond.
- Speaking of our website....that will see improvements as well, as will all of our social media platforms. This community has long been at the forefront of ingenuity in terms of using its land use policy to expand the supply of integrated affordable housing and we want to do a better job of telling that story and advocating for our clients.
- And we will continue to aggressively seek opportunities to help our clients and young people get greater connectivity, more productively use the internet for knowledge based learning and build partnerships that create internships for our youth – whether those internships are here at HOC creating internet and media content or working with our partners like PNC bank.

Closing

- 2015 was a year of re-inventing, re-imaging and re-positioning to meet the growing needs of this community, our clients and the increasing demand for affordable housing. We achieved our goals but there's still more work to be done.
- I want to thank the Commission for your service and dedication. I look forward to working with you in 2016. Together, we are making a positive impact on the community and the people we serve now and in the future.

Mr. Spann introduced HOC's newest Commissioner, Linda Croom. Ms. Croom serves on the Board as Resident Commissioner. Ms. Croom is a member of HOC's Resident Advisory Board (RAB), and was President for eight years.

Immediately following the Executive Director's Year-In-Review presentation, the Commissioners took a brief recess.

The meeting reconvened at 5:00 p.m. with the election of officers.

Election of Officers

Mr. Spann opened the floor for the election of officers. Commissioner Hatcher made a nomination to reappoint the current officers - Sally Roman, Chair, Jackie Simon, Vice Chair, and Richard Y. Nelson, Jr., Chair Pro Tem. Being no other nominations, the officers were

unanimously elected. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Croom, Hatcher and McFarland.

The Consent Calendar was then approved upon a motion by Vice Chair Simon and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Croom, Hatcher and McFarland.

I. CONSENT ITEMS

A. Approval of Minutes of January 13, 2016 – The minutes were approved as submitted.

B. Consent to Property Operations Assistance Between Commission and Edgewood Management Corporation Relating to Hampden Lane, MHLP VII, MHLP VIII, MHLP IX, and MHLP X Properties – The following resolution was approved.

RESOLUTION: 16-09

RE: Consent to Property Operations Assistance Between Commission and Edgewood Management Corporation Relating to Hampden Lane, MHLP VII, MHLP VIII, MHLP IX, and MHLP X Properties

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is or controls the general partner of 4913 Hampden Lane Limited Partnership (the “Hampden Lane Owner”), Montgomery Homes Limited Partnership VII (the “MHLP VII Owner”), Montgomery Homes Limited Partnership VIII (the “MHLP VIII Owner”), Montgomery Homes Limited Partnership IX (the “MHLP IX Owner”) and Montgomery Homes Limited Partnership X (the “MHLP X Owner” and collectively, the “Owners”), each a Maryland limited partnership and the owner of housing units located in Montgomery County; and

WHEREAS, the Commission is the property manager of the property owned by the Owners pursuant to Management Agreements between each respective Owner and the Commission (collectively, the “Management Agreements”); and

WHEREAS, the Commission recognizes the need to market and operate the Portfolio with a brand that is positively perceived by the general market and, at the same time, administered in compliance with restrictions and Commission policies; and

WHEREAS, the Commission desires to continue to serve as manager of the Portfolio but wishes to subcontract certain property operations functions to another party; and

WHEREAS, the Commission issued a Request for Proposal to qualified firms to provide certain services in marketing and operating the Portfolio utilizing the brand of private company; and

WHEREAS, by Resolution No. 15-92, passed on November 3, 2015, the Commission authorized negotiation of and entry into a contract for property operations assistance services (the "Contract") with Edgewood Management Corporation ("Edgewood") for Commission-managed properties that are managed through the following five (5) Commission management hubs: Arcola Towers, Emory Grove, Seneca Ridge, Towne Centre Place and Waverly House (collectively, the "Management HUBs"); and

WHEREAS, the Management HUBs manage, among other units, 12 units owned by the Hampden Lane Owner, 33 units owned by the MHLP VII Owner, 40 units owned by the MHLP VIII Owner, 84 units owned by the MHLP IX Owner, and 48 units owned by the MHLP X Owner (collectively, the "Portfolio"); and

WHEREAS, the Commission has completed negotiation of the Contract with Edgewood and the parties are prepared to commence operations with respect to the Portfolio under its terms; and

WHEREAS, under the Contract, the Commission will retain direct supervision of Edgewood, review reports submitted in Yardi format, perform audit and reporting to third parties, provide technical support for Yardi, provide tenant services, perform the compliance function, and continue to manage and maintain discipline among the Commission's maintenance employees under the Commission's Personnel Policy and Collective Bargaining Agreement; and

WHEREAS, the Commission believes that contracting these property operations functions will be cost efficient, providing quicker lease up and re-letting of units in the Portfolio.

NOW, THEREFORE, BE IT RESOLVED by the Commission, acting for itself and for and on behalf of each Owner, as its general partner or the sole member of its general partner, that the Owners consent to the Commission's entry into the Contract with Edgewood to provide certain property operation services for the Portfolio, with the Commission continuing to serve as the manager of the Portfolio.

BE IT FURTHER RESOLVED by the Commission, acting for itself and for and on behalf of each Owner, as its general partner or the sole member of its general partner, that the Executive Director of the Commission is authorized to execute a consent to the Contract on behalf of each of the Owners, and without further action on their respective parts, to take such other actions as may be necessary and proper to carry out the transactions contemplated herein.

C. Approval of Selection of 2016 Housing Honor Roll and Special Recognition Award Recipients – The following resolutions were approved.

RESOLUTION: 16-10a

**RE: Approval of Selection of 2016
Housing Honor Roll Recipient**

WHEREAS, the Housing Opportunities Commission of Montgomery County annually honors people and organizations that have made outstanding contributions to affordable housing, the well-being of our residents and clients, or HOC operations; and

WHEREAS, the 2016 Housing Honor Roll award recipient is Jean Banks, a former HOC Commissioner and Chair Pro Tem; and

WHEREAS, Ms. Banks tirelessly advocated for affordable housing in Montgomery County; and

WHEREAS, Ms. Banks was dedicated and committed to serving the HOC clients, providing families and youth opportunities to succeed.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Jean Banks is the recipient of the 2016 Housing Honor Roll award.

RESOLUTION: 16-10b

**RE: Approval of Selection of 2016
Special Recognition Award
Recipient**

WHEREAS, the Housing Opportunities Commission of Montgomery County annually honors people and organizations that have made outstanding contributions to affordable housing, the well-being of our residents and clients, or HOC operations; and

WHEREAS, a 2016 Special Recognition Award is given to Roberto Pinero, a former Commissioner who served as Chair Pro Tem, Vice Chair and Chair; and

WHEREAS, Mr. Pinero has demonstrated an unwavering commitment to the clients of the Housing Opportunities Commission; and

WHEREAS, Mr. Pinero used his experience, leadership and expertise to ensure HOC balanced its capital needs, continued its excellent customer service and made responsible fiscal decisions to benefit clients and the agency.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Roberto Pinero is a recipient of a 2016 Special Recognition Award.

RESOLUTION: 16-10c

**RE: Approval of Selection of 2016
Special Recognition Award
Recipient**

WHEREAS, the Housing Opportunities Commission of Montgomery County annually honors people and organizations that have made outstanding contributions to affordable housing, the well-being of our residents and clients, or HOC operations; and

WHEREAS, a 2016 Special Recognition Award is given to Dr. DeRionne Pollard, President of Montgomery College; and

WHEREAS, her leadership and vision bolstered a partnership between Montgomery College and HOC; and

WHEREAS, the partnership has provided HOC residents with tuition assistance to pursue degree and certification programs.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Dr. Pollard is a recipient of a 2016 Special Recognition Award.

II. INFORMATION EXCHANGE

A. Report of the Executive Director – No additional reports

B. Commissioners Exchange

The Commissioners expressed their appreciation of all the hard work staff performed during the snow storm.

C. Community Forum

Yvonne Caughman, RAB President, updated on progress of the RAB and the newly elected Board.

III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

- 1. Approval to Select Miner Feinstein Architects as Interior Unit Architect, Authorization for the Executive Director to Negotiate and Execute a Contract, and Approval to fund the Predevelopment Expenditure for Alexander House Development Corporation**

Kayrine Brown, Chief Investment and Real Estate Officer, and Hyunsuk Choi, Senior Financial Analyst, were presenters.

The following resolution was adopted upon a motion by Vice Chair Simon and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Croom, Hatcher and McFarland.

RESOLUTION: 16-11

RE: Approval of the Selection by Alexander House Development Corporation (AHDC) of Miner Feinstein Architects as Interior Unit Architect and AHDC's Execution of an Architect Contract, and Approval to fund a Predevelopment Loan to AHDC

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission"), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing financing for the construction of rental housing properties which provide a public purpose; and

WHEREAS, Alexander House Apartments (the "Development") was originally constructed in 1992 at 8560 Second Avenue, near the Silver Spring Metro Station as a single sixteen-story building with 311 units, 203 parking spaces in a tri-level underground parking garage, management offices, maintenance and engineering rooms, as well as a common outdoor pool shared with Elizabeth House Apartments, the property adjacent to the north ; and

WHEREAS, the Development is an important element of the redevelopment of Elizabeth Square; and

WHEREAS, the preliminary and project plan for Elizabeth Square, which was approved on July 23, 2015, includes amendments to the Development; and

WHEREAS, minor site plan amendment approval was achieved for the Development on June 9, 2015, incorporating it seamlessly into the overall plan for Elizabeth Square; and

WHEREAS, on November 2, 2015, HOC issued a request for proposal ("RFP") #1975 for Architectural Services, Scope of Work and Design Documents for modernizing units of the Development (the "RFP"); and

WHEREAS, there were four respondents to the RFP, of which, Miner Feinstein Architects scored highest in the average of the evaluators' scores on the criteria with an average score of 94.67%; and

WHEREAS, HOC wishes to approve the engagement by AHDC of Miner Feinstein Architects as the architect for the interior unit renovations for the Development; and

WHEREAS, the Commission wishes to fund \$1,025,420 for predevelopment expenses at the Development with a loan to the Alexander House Development Corporation (the "Predevelopment Loan") from the Opportunity Housing Reserve Fund (OHRF"), to cover among other expenses, preliminary architectural services and the preparation of a LIHTC application for submission to the Maryland Department of Housing and Community Development ("DHCD"), which Predevelopment Loan will be repaid to the Commission at the time that AHDC closes on its construction financing; and

WHEREAS, the Commission will review and approve a Final Development Plan once the costs and budget are more fully understood and developed; and

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

1. It hereby approves the selection by Alexander House Development Corporation of Miner Feinstein Architects as Interior unit architect for the renovations of Alexander House Apartments and AHDC's execution of a contract for up to \$206,300 with Miner Feinstein Architects.
2. It presently intends and reasonably expects to finance certain predevelopment expenditures for Alexander House (the "Development") with money's currently contained in its OHRF.
3. It approves use of the OHRF to fund predevelopment expenditure of approximately \$1,025,420 as a loan to AHDC to be repaid from permanent tax-exempt bond financing or other proceeds
4. All of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings were made not earlier than 60 days prior to the date of this Resolution except preliminary expenditures related to the Development as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).
5. It presently intends and reasonably expects to participate in tax-exempt borrowings of which a portion of the proceeds will be applied to reimburse the Commission for its expenditures in connection with the Development.
6. All prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Development, shall be and the same hereby are in all respects ratified, approved and confirmed.
7. All other resolutions of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the *extent* of such inconsistency.

2. Approval to Select Miner Feinstein Architects as Interior Unit Architect, Authorization

for the Executive Director to Negotiate and Execute a Contract, and Approval to fund the Predevelopment Expenditure for Alexander House Development Corporation

Kayrine Brown, Chief Investment and Real Estate Officer, and Zachary Marks, Asst. Director of New Developments, were presenters.

The following resolution was adopted upon a motion by Vice Chair Simon and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Croom, Hatcher and McFarland.

RESOLUTION: 16-12

RE: Waiver of the Procurement Process in Extending Contract #14-1883B for Two Years for Advisory Services in Support of HOC's Participation in the RAD Program

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") issued RFP #1883 on May 10, 2013, to solicit proposals from qualified consultants capable of providing expertise in support of HOC's potential disposition efforts via the Renal Assistance Demonstration ("RAD") program; and

WHEREAS, on October 2, 2013, the Commission approved the selection of the Morrison Avenue Capital Partners/Censeo team ("MACP & C") to provide advisory services in support of HOC's participation in the RAD program; and

WHEREAS, the terms of the contract included a per-converted unit fee payable at various milestones for the conversion of each property and a duration of two years beginning upon execution, which occurred on November 4, 2013; and

WHEREAS, HOC has converted nine of its 11 Public Housing properties via the RAD program and has two unconverted properties which have received CHAPs and for whom plans have been determined for conversion; and

WHEREAS, HOC is satisfied with the quality of the advisory services provided by MACP & C.

NOW, THEREFORE, BE IT RESOLVED, by the Housing Opportunities Commission of Montgomery County that it waives its procurement process in extending contract #14-1883B for two years for advisory services with no other changes to the terms of the original contract.

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

contemplated herein including but not limited to the execution of any amendment to the original service contract.

IV. ***FUTURE ACTION ITEMS**
None

V. **NEW BUSINESS**
None

VI. **EXECUTIVE SESSION FINDINGS**
None

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

The meeting adjourned at 5:35 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

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