

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

April 3, 2019

19-04

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, April 3, 2019 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:03 p.m. Those in attendance were:

Present

Richard Y. Nelson, Vice Chair
Roy Priest, Chair Pro Tem
Linda Croom
Pamela Byrd
Frances Kelleher

Absent

Jackie Simon, Chair
Edgar Rodriguez

Also Attending

Stacy L. Spann, Executive Director
Ceciley Padget
Kayrine Brown
Charlotte Mbouma
Christina Autin
Cornelia Kent
Sheryl Hammond
Derrick Thompson
Ellen Goff
Rita Harris
Ian-Terrell Hawkins
Jay Shepherd
Ian Williams

Aisha Memon, Acting General Council
Jennifer Arrington
Bonnie Hodge
Lorie Seals
Lynn Hayes
Marcus Ervin
Hyunsuk Choi
Patrick Mattingly
Ethan Cohen
Fred Swan
Sherraine Rawlins
Shauna Sorrells
Terri Fowler

Resident Advisory Board

Yvenne Caughman, Vice Chair

IT Support

Irma Rodriguez
Gabriel Taube

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

Guest

Lawrence Robinson
Marsha Adebayo
Rev. Adebayo
Harvey Matthews
Mary Rooker
Bill Cook
Phillip Hough
Frank Anderson

Vice Chair Richard Y. Nelson convene the meeting due to delay of Chair Jackie Simon.

I. **Information Exchange**

Resident Advisory Board

- Yvonne Caughman, Vice Chair reported on the current activities of the Resident Advisory Board.

Community Forum

- No participants present

II. **Approval of Minutes**

- A. **Approval of Minutes of March 6, 2019** - The minutes were approved as submitted with a motion by Commissioner Kelleher and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Nelson, Priest, Croom, Byrd, and Kelleher. Commissioners Simon and Rodriguez were necessarily absent and did not participate in the vote.

III. **CONSENT ITEMS**

A. Approval New Participating Lender for the Single Family Mortgage Purchase Program

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

RESOLUTION NO: 19-34

RE: Approval of New Participating Lender for the Single Family Mortgage Purchase Program

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") approves lenders to participate in the Mortgage Purchase Program ("MPP"); and

WHEREAS, such participation is continuous and for multiple programs; and

WHEREAS, the Commission has approved an ongoing process for adding new lenders to the MPP; and

WHEREAS, Blue Ridge Bank, N.A. has applied for participation in the MPP; and

WHEREAS, Blue Ridge Bank, N.A. has satisfied the required criteria for admittance to the MPP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Blue Ridge Bank, N.A. is approved for participation in the Mortgage Purchase Program, effective immediately.

IV. **Information Exchange Continued**

Report of the Executive Director

- In addition to the Executive Director's written report, Mr. Spann informed the Board of HOC's testimony on County Bill 515. He also gave a brief update on the State's Opportunity Zone Legislation. Vice Chair Nelson requested to have a report on the Opportunity Zone at the next Development and Finance Committee meeting.

Commissioner Exchanger

- Vice Chair Nelson reported on HUD's new guidelines on Section 3. He wanted to know whether this would have any impact on HOC.
- Com. Priest had a question on HUD's RFP Moving to Work Demonstration and its impact on HOC. Mr. Spann informed the Board that Shauna Sorrells, Chief Operating Officer, and Lynn Hayes, Director of Housing Resources, have been following the implications of the procedures, and gave a brief summary.

Community Forum – Vice Chair Nelson reconvened

- Lawrence Robinson – addressed the Board concerning his status on Wait List and preference for disabled person house-whole. Lynn Hayes, Director of Housing Resources, explained the program process as it applies to preference to non-elderly disabled house-whole applicants. Further assistance was provided to Mr. Robinson in a closed meeting.
- Marsha Coleman-Adebayo – addressed the Board with a written statement regarding Macedonia Baptist Church/Moses African-American Cemetery and the conveying of the property. During her remarks Mrs. Coleman-Adebayo stated that she had received and reviewed Chair Simon's prepared remarks from the March Commission meeting and believed that Chair Simon stated that HOC had conveyed Parcel 175 to another entity. Vice Chair Nelson and Executive Director Spann stated that HOC had not conveyed Parcel 175.

Vice Chair Nelson's response, for the record...Staff reviewed the February and March Commission videos, as well as the final written statement delivered by Chair Simon at the February meeting and subsequently shared with Mrs. Coleman-Adebayo on February 13, 2019. No statement was made by the Commission about conveyance of Parcel 175 in any of those communications.

A copy of the February 6, 2019 Remarks are included as an attachment to this report.

V. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

1. Approval to Renew the Property Assistance Contract with Edgewood Management Corporation for Property Management Services at the Five HUBs for 20 Months

Charnita Jackson, Acting Property Management Director, and Sherraine Rawlins, Asset Manager, were the presenters.

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

RESOLUTION NO.: 19-35

**RE: Approval to Renew Property Assistance
Contract for 20 Months**

WHEREAS, the **Housing Opportunities Commission of Montgomery County (“HOC”)** has contracted with Edgewood-Vantage Management to perform certain property assistance functions for units within five (5) HUBs, including HUB A (Arcola Towers), HUB G (Emory Grove), HUB S (Seneca Ridge), HUB T (Towne Center Place), and HUB W (Waverly House) (together, the “Property”);

WHEREAS, staff desires to renew the current property assistance contract at the Property for twenty (20) months, with a contract end date of December 31, 2020;

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a twenty-month renewal of the property assistance contract at the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director 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 transaction contemplated herein.

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

1. Approval to Issue a Notice to Proceed with Commencement of Construction at Elizabeth House III and the South County Regional Recreational and Aquatic Center Prior to Closing of the Construction Loan

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

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

RESOLUTION NO.: 19-36

**RE: Approval to Issue a Notice to Proceed with
Commencement of Construction at Elizabeth House III
and the South County Regional Recreational and
Aquatic Center Prior to Closing of the Construction
Loan**

WHEREAS, Elizabeth House III is a planned mixed-use residential building with mixed-income housing and public amenities ("EH III") that is one part of a larger planned mixed-use development known as Elizabeth Square; and

WHEREAS, the fee interest in EH III is owned by Acorn Storage No. 1, LLC a subsidiary of Lee Development Group ("Acorn") and subject to a condominium regime (the "Condominium") that established three separate condominium units: (1) a unit comprised of the market rate apartments (the "Market Rate Condo"), (2) a unit comprised of the affordable apartments (the "LIHTC Condo"), and (3) a unit comprised of the South County Regional Recreation and Aquatic Center, a public recreational facility totaling 120,000 square feet (the "SCRRAC"), which will be operated by Montgomery County Department of Recreation, and approximately 7,411 square feet of ground floor retail intended to be leased to Holy Cross Hospital for a senior resource center and primary care facility and parking (the "Aquatic Center Condo"); and

WHEREAS, Acorn has leased (1) the Market Rate Condo to Elizabeth House III LLC, which is wholly owned by the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission"), (2) the LIHTC Condo to Elizabeth House III Limited Partnership, which is currently wholly owned by HOC (with the intent that a tax credit investor will ultimately be admitted as a limited partner), and (3) the Aquatic Center Condo to EH III Recreational Center LLC, which is wholly owned by HOC; and

WHEREAS, on January 10, 2018, the Commission approved \$2,957,802 of additional predevelopment funds to expedite the overall construction schedule by starting early work, which will save approximately three months in the construction schedule; and

WHEREAS, on November 7, 2018, the Commission authorized the Executive Director to sign the general contractor contract with Costello Construction ("Costello") for an amount not to exceed \$125 million for the construction of the EH III and the SCRRAC; and

WHEREAS, the selection of Costello was based on a hard bid process that allowed the most competitive pricing from bidders and their subcontractors, which assuming on a Notice to Proceed ("NTP") is incurred by April 2019; and

WHEREAS, on March 5, 2019, the Montgomery County Council approved an amendment to increase funding to HOC for the SCRRAC by \$7,076,290, which increased the County's total project commitment to HOC to \$62,346,290; and

WHEREAS, the inclusion of the SCRRAC into the overall development requires the execution of a General Development Agreement ("GDA") between the County and HOC; and

WHEREAS, staff is currently negotiating the GDA and anticipates it to be finalized by mid-April 2019, with projected execution of the GDA by the County by early June 2019; and

WHEREAS, HOC cannot close on the construction financing until the GDA is executed; and

WHEREAS, if the NTP is not provided to Costello in April 2019, Costello will not be obligated to hold their hard bid pricing; and

WHEREAS, based on the current construction environment, the hard bid pricing from Costello could increase due to the tight labor market, construction demand in the Washington Metro area, and trade tariffs; and

WHEREAS, staff is requesting approval to issue a NTP for the commencement of construction at EH III and the SCRRAC prior to closing of the construction loan in order to maintain Costello's hard bid pricing; and

WHEREAS, staff anticipates that additional funds will be required to fund the early start work completed between execution of the NTP and closing of the construction loan, and recommends that any such costs be funded from Alexander House Apartments' financing proceeds, which were previously committed to EH III by the Commission.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Elizabeth House III LLC, Elizabeth House III Limited Partnership, and EH III Recreational Center LLC, approves:

1. Issuing a Notice to Proceed to Costello Construction for the commencement of construction at Elizabeth House III and the South County Regional Recreational and Aquatic Center prior to closing of the construction loan; and
2. Funding costs incurred during the period between execution of the Notice to Proceed and closing on the construction loan from the financing proceeds from Alexander House Apartments;

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Elizabeth House III LLC, Elizabeth House III Limited Partnership, and EH III Recreational Center LLC, that the Executive Director of HOC is authorized, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

2. **Approval of Structure, Cost of Issuance Budget, and Adoption of A Series Resolution for 2019 Series A and 2019 Series B Single Family Mortgage Revenue Bonds for the Purpose of Issuing New Debt and Replacement Refunding Single Family Mortgage Revenue Bonds**

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 Kelleher and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Nelson, Priest, Croom, Byrd, and Kelleher. Commissioners Simon and Rodriguez were necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-37

RE: Approval of Structure, Cost of Issuance Budget, and Adoption of Series Resolutions for 2019 Series A and 2019 Series B Single Family Mortgage Revenue Bonds for the Purpose of Issuing New Debt and Replacement Refunding Single Family Mortgage Revenue Bonds

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") is 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, and authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes; and

WHEREAS, the Commission has issued various series of Single Family Mortgage Revenue Bonds under the Single Family Bond Resolution originally adopted on March 28, 1979, as amended (the "Bond Resolution"), a portion of which are currently outstanding; and

WHEREAS, the Bond Resolution authorizes the Commission to issue its bonds from time to time pursuant to one or more series resolutions in order to obtain funds to carry out its Single Family Mortgage Purchase Program (the "Single Family Program"); and

WHEREAS, the Commission desires to reduce its debt service expense in the Single Family Program and to produce low mortgage rates and new mortgage loans for Montgomery County, Maryland first time homebuyers; and

WHEREAS, financial market conditions are favorable for the Commission to issue replacement refunding bonds to recycle and preserve volume cap; and

WHEREAS, the Commission has determined to carry out the Single Family Program by issuing its 2019 Single Family Mortgage Revenue Bonds in one or more series beginning with 2019 Series A and 2019 Series B, and with each subsequent series, if any, to follow in alphabetical order (collectively, the "2019 Bonds") in a total aggregate principal amount not to exceed \$40,000,000; and

WHEREAS, the use of Private Activity Volume Cap for new debt and satisfaction of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) will be required; and

WHEREAS, in connection with the proposed issuance of the 2019 Bonds, the Commission has reviewed the recommended structure and the cost of issuance budget and has been provided with initial drafts of the series resolutions to be adopted prior to the issuance of the 2019 Bonds (collectively, the "Series Resolution"), and the preliminary official statement to be provided to prospective purchasers of the 2019 Bonds (the "POS," and following the sale of the 2019 Bonds and the appropriate revisions reflecting the final pricing and terms of the 2019 Bonds, the "Official Statement");

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves and/or authorizes the following:

1. The 2019 Bonds. The 2019 Bonds are authorized to be issued in a principal amount not to exceed \$40,000,000 to (i) replacement refund and redeem certain bonds outstanding under the Bond Resolution, (ii) make, purchase or finance newly originated Mortgage Loans (as defined in the Bond Resolution), and (iii) if necessary, fund certain required reserves.

2. Approval of the Series Resolution and the Structure of the 2019 Bonds. The 2019 Bonds are to be issued pursuant to the terms of the Bond Resolution and pursuant to the terms of the Series Resolution which have been provided to the Commission. The Commission hereby approves the current provisions of the Series Resolution and the structure of and the security for the 2019 Bonds set forth therein and in the POS. The Executive Director is hereby authorized to approve the final form of the Series Resolution, the POS and the Official Statement prior to the issuance of the 2019 Bonds.

3. Commission Documents. The Chair, the Vice-Chair, the Chair Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver the Series Resolution, the Official Statement and any such other documents and agreements to be prepared in connection with the issuance of the 2019 Bonds (the "Commission Documents") in such forms as shall be prepared and approved by the Chair, the Vice Chair, the Chair Pro Tem or the Executive Director, their execution and delivery of the Commission Documents being conclusive evidence of such approval and of the approval of the Commission and the Secretary of the Commission, or any other Authorized Representative (defined below), is hereby authorized and directed to affix the seal of the Commission to the Commission Documents and to attest the same.

4. Authorizing Ongoing Determinations under Commission Documents. The Executive Director is hereby authorized, without further authority from the Board of Commissioners, to perform any act, to execute any documents, and to make any ongoing determinations as may be required to be made on behalf of the Commission from time to time, including, but not limited to, the determination of other terms to be in effect with respect to the 2019 Bonds as shall be set forth in the Commission Documents.

5. Other Action. The Chair or Vice Chair or Chair Pro Tem and the Executive Director of the Commission or a person designated by the Executive Director to act on his behalf (the "Authorized Representative") are hereby authorized and directed to undertake any other actions necessary (i) for the issuance and sale of the 2019 Bonds, (ii) for the replacement refunding and redemption or repayment of prior bonds (the "Prior Bonds"), (iii) for the financing of new Mortgage Loans under the Single Family Program, (iv) for the performance of any and all actions required or contemplated under the Bond Resolution, the Series Resolution, the POS, the Official Statement and any other financing documents relating to the issuance of the 2019 Bonds, and (v) for the entire period during which the 2019 Bonds are outstanding following the issuance thereof.

6. Approval of Allocation of Volume Cap. The Commission approves the allocation of approximately \$30,000,000 of Private Activity Volume Cap to complete the transaction.

7. Approval of Cost of Issuance. The Commission approves the cost of issuance budget in an amount up to \$577,000 to be incurred by the Commission in connection with the issuance of the 2019 Bonds.

8. Appointment of Financial Advisor and Bond Counsel. Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2019 Bonds.

9. Action Approved and Confirmed. All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this resolution and in the furtherance of the issuance and sale of the 2019 Bonds, the refunding and redemption of the Prior Bonds and the financing of newly originated Mortgage Loans approved hereby and the execution, delivery and performance of the Commission Documents authorized hereby are in all respects approved and confirmed.

10. Severability. If any provision of this resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provision to be invalid, inoperative or unenforceable to any extent whatsoever.

11. Effective Date. This resolution shall take effect immediately.

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

RESOLUTION NO.: 19-37^A

RE: Approval of Series Resolution Providing for the Issuance and Sale of Single Family Mortgage Revenue Bonds, 2019 Series A of The Housing Opportunities Commission of Montgomery County

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

RESOLUTION NO.: 19-37^B

RE: Approval of Series Resolution Providing for the Issuance and Sale of Single Family Mortgage Revenue Bonds, 2019 Series B of The Housing Opportunities Commission of Montgomery County

3. Approval to Create a Pool of General Contractors for Renovations, Unit Turns and Repairs and Replacements at Various Multifamily Properties in Accordance with RFQ #2141

Kayrine Brown, Chief Investment and Real Estate Officer, and Sheryl Hammond, Planner, were the presenters.

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

RESOLUTION NO.: 19-38

RE: Approval to Create a Pool of General Contractors for Renovations, Unit Turns and Repairs & Replacements at Various Multifamily Properties In Accordance with RFQ #2141

WHEREAS, in furtherance of its mission to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland to ensure that no one in Montgomery County is living in substandard housing, the Housing Opportunities Commission of Montgomery County, Maryland (“HOC”) is establishing a pool of pre-qualified General Contractors to perform renovations, unit turns, and repairs and replacements on an as needed basis at various multifamily units (“Multifamily Units”); and

WHEREAS, HOC owns and operates various multifamily properties throughout Montgomery County, which require differing level of rehabilitation, including full unit renovation (“Unit Renovations”); and

WHEREAS, all Multifamily Units in the portfolio will require some level of renovation upon tenant turnover to prepare the unit for new leases (“Unit Turns”), but such renovation is not expected to be comprehensive nor be completed at the level anticipated for Unit Renovations; and

WHEREAS, all Multifamily Units in the portfolio will require some level of repairs and replacements of various items throughout occupancy and upon tenant turnover to prepare the unit for new leases (“Repairs & Replacements”), but such renovation is not expected to be comprehensive nor be completed at the level anticipated for Unit Renovations or Unit Turns; and

WHEREAS, to meet the comprehensive Unit Renovations and the ongoing Unit Turns and Repair & Replacement maintenance needs of the Multifamily Units, staff proposed creating a pool of General Contractors to perform required construction services, and as a consequence issued Request for Qualifications No. 2141 (the “RFQ”) on November 21, 2018, soliciting proposals from General Contractors interested in providing these services on an as-needed basis; and

WHEREAS, proposals were timely received from 19 firms and evaluated with numerical points allocated as outlined in the RFQ for Qualifications (50%), Management & Operations Skills (40%), Brochures & Supporting Material (10%); and

WHEREAS, applying the criteria described above to the Unit Renovations submissions, the following 17 firms received a score of 50 or higher: CBG Building Company, LLC; Centennial Contractors Enterprises; D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); CBP Constructors, LLC; SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago

Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; and

WHEREAS, applying the criteria described above to the Unit Turns submissions, the following 14 firms received a score of 50 or higher: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; and

WHEREAS, applying the criteria described above to the Repairs & Replacements submissions, the following 16 firms received a score of 50 or higher: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; BM Contracting, LLC; Atlantida Builders, Inc., Kinzo, Inc.; and Fayffer & Son's Construction Co., Inc.; and

WHEREAS, staff will then solicit bids from contractors within the appropriate pool based on the following criteria: pricing; project schedule; firm's capacity and staff availability; prior experience with the Agency; prior experience with Section 3; and certification(s) for MWE/MBE/DBE/SBE acceptable to the Commission; and

WHEREAS, funding will be from the respective properties' current and future Commission-approved capital and operating budgets.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: CBG Building Company, LLC; Centennial Contractors Enterprises; D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); CBP Constructors, LLC; SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; to create a pool of General Contractors to provide Unit Renovations services as-needed for annual zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; to create a pool of General Contractors to provide Unit Turns services as-needed for annual zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; BM Contracting, LLC; Atlantida Builders, Inc., Kinzo, Inc.; and Fayffer & Son's Construction Co., Inc.; to create a pool of General Contractors to provide Repair & Replacement services as-needed for annual zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED that The Housing Opportunities Commission of Montgomery County authorizes staff to solicit bids from contractors within the appropriate pool based on the following criteria: pricing; project schedule; firm's capacity and staff availability; prior experience with the Agency; prior experience with Section 3; and certification(s) for MWE/MBE/DBE/SBE acceptable to the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the funding from current and future Commission-approved capital and operating budgets for each property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that if a General Contractor's proposed aggregate scope of work for Unit Renovations exceeds the Executive Director's \$250,000 authorization limit, staff must return to the Commission for approval prior to awarding a contract.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

4. Approval to Create and Select Firms for A Qualified Pool of Real Estate Counsel in Accordance with RFQ #2150; Authorization to Execute Agreements for Service with Selected Firms; Approval to Engage Selected Firms; and Authorization to Pay for Services

Aisha Memon, Acting General Counsel, was the presenter.

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

RESOLUTION NO.: 19-39

RE: Approval to Create and Select Firms for A Qualified Pool of Real Estate Counsel in Accordance with RFQ #2150; Authorization to Execute Agreements for Service with Selected Firms; Approval to Engage Selected Firms; and Authorization To Pay for Services

WHEREAS, in May 2014, HOC approved the creation of a pool of legal counsel for real estate legal services to ensure efficient and effective management of its real estate legal concerns, and authorized staff to enter into contracts for a two-year period with three one-year renewals, which will expire as early as May 2019;

WHEREAS, HOC continues to engage in numerous real estate transactions that are time-sensitive in nature and require additional legal support from outside firms;

WHEREAS, in order to continue to have adequate legal support and in accordance with HOC's Procurement Policy staff issued a Request for Qualifications for Real Estate Legal Services (RFQ #2150) on February 9, 2019 (the "**RFQ**");

WHEREAS, the RFQ requested that firms submit qualifications to perform legal services in at least one of the following areas of service: (1) General Real Estate Transactions, (2) Land Use and Zoning, (3) Construction, (4) Real Estate Finance and Lending, (5) Environmental, (6) General Tax, (7) Affordable Housing, (8) Real Estate Transactions Utilizing Tax Credits, (9) Business and Corporate Transactions, (10) Tax-Exempt Bond Transactions, and (11) Fair Housing Law ("**Area of Service**");

WHEREAS, thirteen firms responded to the RFQ and an Evaluation Committee comprised of three (3) staff members evaluated the proposals based on a numerical scoring system outlined in the RFQ;

WHEREAS, the Evaluation Committee recommends that a total of twelve (12) firms (each a "**Qualified Firm**", together the "**Qualified Firms**") be included in a qualified pool of real estate legal counsel that is separated into each Area of Service (the "**Qualified Pool**");

WHEREAS, staff recommends that for each Area of Service preference be given to Qualified Firms selected for such Area of Service, but that staff retain flexibility to select a Qualified Firm not listed in an Area of Service if cost, time, or other efficiencies exist;

WHEREAS, staff recommends that the Commission enter into an Agreement for Service with each Qualified Firm for a term of two years with three one-year renewals to enable staff to engage the Qualified Firms on an as-needed basis throughout all phases of a project's development and operations; and

WHEREAS, Qualified Firms engaged by HOC staff will be paid from either a project's approved development budget or, if a budget as not yet been approved, from the Real Estate Working Capital Operating Fund (up to \$350,000), which will be repaid once a development budget has been approved.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves the creation of the Qualified Pool and the selection of the Qualified Firms into each Area of Service as shown below:

- A. General Real Estate:
 - Kutak Rock LLP
 - Holland & Knight LLP
 - Reno & Cavanaugh PLLC
 - Gallagher Evelius & Jones LLP
 - Ballard Spahr LLP
 - Shulman Rogers

Lerch, Early & Brewer, Chtd.
Klein Hornig LLP
Linowes and Blocher LLP
Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.

- B. Land Use and Zoning:
Lerch, Early & Brewer, Chtd.
Linowes and Blocher LLP
Shulman Rogers
Ballard Spahr LLP
Schnader Harrison Segal & Lewis LLP
- C. Construction:
Kutak Rock LLP
Shulman Rogers
Schnader Harrison Segal & Lewis LLP
- D. Real Estate Finance and Lending:
Kutak Rock LLP
Hessel, Aluise and Neun, PC
Reno & Cavanaugh PLLC
Ballard Spahr LLP
Gallagher Evelius & Jones LLP
Holland & Knight LLP
Klein Hornig LLP
Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.
Lerch, Early & Brewer, Chtd.
Linowes and Blocher LLP Shulman Rogers
- E. Environmental:
Kutak Rock LLP
Schnader Harrison Segal & Lewis LLP
Linowes and Blocher LLP
Holland & Knight LLP
Ballard Spahr LLP
- F. General Tax:
Kutak Rock LLP
Ballard Spahr LLP
Gallagher Evelius & Jones LLP
Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.
Lerch, Early & Brewer, Chtd.
Klein Hornig LLP
Holland & Knight LLP
Shulman Rogers
- G. Affordable Housing:
Reno & Cavanaugh LLP
Hessel, Aluise and Neun, PC Ballard Spahr LLP

Gallagher Evelius & Jones LLP

- H. Real Estate Transactions Utilizing Tax Credits:
Reno & Cavanaugh LLP
Kutak Rock LLP
Ballard Spahr LLP
Klein Hornig LLP
Gallagher Evelius & Jones LLP
Holland & Knight LLP
- I. Business and Corporate Transactions:
Holland & Knight LLP
Kutak Rock LLP
Selzer Gurvitch Rabin Wertheimer Polott & Obecny, P.C.
Ballard Spahr LLP
Shulamn Rogers
Reno & Cavanaugh LLP
Gallagher Evelius & Jones LLP
- J. Tax-Exempt Bond Transactions:Kutak Rock LLP
Holland & Knight LLP
Ballard Spahr LLP
Reno & Cavanaugh LLP
- K. Fair Housing Law:
Ballard Spahr LLP
Klein Hornig LLP
Reno & Cavanaugh LLP

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves that preference be given to Qualified Firms selected for each Area of Service, but that staff retain flexibility to select a Qualified Firm not listed in an Area of Service if cost, time, or other efficiencies exist.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to execute an Agreement for Services with each Qualified Firm for a term of two years with three one-year renewals.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes staff to engage Qualified Firms from the Qualified Pool on an as-needed basis for legal services required by a project throughout all phases of development or operation of such project.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes payment for engaged legal services from the Qualified Pool from either a project's approved development budget or, if a budget has not yet been approved, from the revolving Real Estate Working Capital Operating Fund (up to \$350,000), to be repaid once a development budget is approved.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

5. Authorization for the Executive Director to Enter into a Contract with Hooten Construction Company for the Renovation of 880 Bonifant Street Property to Serve as the new Silver Spring Customer Service Center

Zachary Marks, Director of Development, and Marcus Ervin, Housing Acquisition Manager, were the presenters.

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

RESOLUTION NO.: 19-40

RE: Authorization for the Executive Director to Enter Into a Contract with Hooten Construction Company for the Renovation of 880 Bonifant Street Property to Serve as the New Silver Spring Customer Service Center

WHEREAS, in furtherance of its mission to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland, the Housing Opportunities Commission of Montgomery County (“HOC”) intends to renovate the property known as 880 Bonifant (the “Property”) to serve as the new Silver Spring Customer Service Center; and

WHEREAS, the Property, located at 880 Bonifant Street, Silver Spring, MD, consists of an existing 4-story 12,000 square foot office building on 3,720 square feet of land near the intersection of Bonifant and Fenton Streets in Silver Spring, MD; and

WHEREAS, on May 2, 2018, the Commission approved funding up to \$4,500,000 from the County Revolving MPDU/PAF fund for the acquisition of the Property (the “Initial Funding”); and

WHEREAS, On August 20, 2018, the Commission completed the acquisition of the Property and proceeded with the design, entitlement, and procurement for a general contractor; and

WHEREAS, staff developed a scope of work with its architect, Karl Riedel Architecture, PC, to demolish existing partitions and finishes, fit out for new office spaces, improve the building’s façade, construct an accessible entry ramp, and other miscellaneous work; and

WHEREAS, due to the time sensitive nature of the project (requiring relocation of staff into 880 Bonifant by August-2019), the total budget expiring County building permits, and other factors staff engaged in an emergency procurement in accordance with HOC’s procurement policy; and

WHEREAS, pursuant to the emergency procurement, Hooten Construction Company (“Hooten”) was found to have the best value and delivery method, and staff recommends entering into a contract with Hooten for up to \$1,127,900; and

WHEREAS, there are insufficient funds remaining in the Initial Funding to complete the renovation of the Property, and staff requests that the Commission draw an additional \$55,279 from the County Revolving MPDU/PAF fund.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the scope of work for renovation of the Property is approved and the Executive Director is authorized to award a contract to Hooten Construction Company as contractor for the proposed renovations.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to execute a contract with Hooten Construction Company for an amount up to \$1,127,900 and that such funding will be partially provided from previously secured funding under the County Revolving MPDU/PAF fund.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to draw an additional \$55,279 from the County Revolving MPDU/PAF fund to complete the Property renovations.

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 transactions contemplated herein including, without limitation, the negotiation and execution of related documents.

C. Legislative and Regulatory Committee – Com. Byrd, Chair

1. Revisions to HOC’s Administrative Plan for the housing Choice Voucher Program to Update Formatting, Contract Typographical Errors, and Add Clarity to Chapter 1, 2, 5, and 6 of the Plan

Ethan Cohen, Housing Programs Coordinator, and Lynn Hayes, Director of Housing Resources,, were the presenters.

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

RESOLUTION NO.: 19-41

RE: Revisions to HOC’s Administrative Plan for the Housing Choice Voucher Program to Update Formatting, Correct Typographical Errors, and Add Clarity to Chapters 1, 2, 5, and 6 of the Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission”) desires to revise its Administrative Plan for the Housing Choice Voucher Program (the “Plan”) to update formatting, correct typographical errors, and add clarity to Chapters 1, 2, 5, and 6 of the Plan (the “Revisions”), as identified in the revised Plan attached hereto as Exhibit A; and

WHEREAS, a public comment period for the Revisions began on February 4, 2019 and concluded on April 3, 2019 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County adopts the Revisions, as identified in the revised Plan attached hereto as Exhibit A;

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director 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 actions contemplated herein.

2. Authorization to Submit HOC's Fiscal Years 2020-2024 Five Year Public Housing Agency Plan

Ethan Cohen, Housing Programs Coordinator, was the presenter.

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

RESOLUTION NO.: 19-42

**RE: Authorization to Submit HOC's
Fiscal Years 2020-2024 Five-Year Public
Housing Agency Plan**

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") seeks to implement the mandatory Annual and Five-Year PHA Plan requirements of the Quality Housing and Work Responsibility Act of 1998 (QHWRA); and

WHEREAS, the submission of the FY 2020-2024 Five-Year PHA Plan was prepared in accordance with 24 CFR Part 903 regulations and requirements for submission to the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, HOC worked in collaboration with HOC's Resident Advisory Board to obtain recommendations in the development of the proposed Five-Year PHA Plan Submission; and

WHEREAS, HOC obtained certification from local government officials that the proposed Five-Year PHA Plan Submission is consistent with the jurisdiction's Consolidated Plan; and

WHEREAS, HOC will conduct a Public Hearing on April 3, 2019 to obtain public comments regarding the proposed Five-Year PHA Plan Submission; and

WHEREAS, HOC has considered all comments and recommendations received and has incorporated all relevant changes in the proposed Five-Year PHA Plan Submission.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the FY 2020-2024 Five-Year PHA Plan and its submission to HUD no later than April 17, 2019, as required by federal regulation.

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.

VI. **ITEMS REQUIRING DELIBERATION and/or ACTION**

1. **Presentation of the Executive Director's FY 20 Recommended Budget** – Cornelia Ken, Chief Financial Officer, and Terri Fowler, Budget Officer, presented to the Board the recommended Budget. No action necessary.

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 5:07 p.m. and reconvened in closed session at approximately 5:15 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 April 3, 2019 at approximately 5:15 p.m. at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section(s) 3-305(b)(13) to discuss the funding, structuring, and development of a potential real estate transaction, and the organization, structuring, and operation of another potential real estate transaction..

The meeting was closed on a motion by Chair Pro Tem Priest, seconded by Commissioner Croom, with Commissioners Nelson, Priest, Croom, Byrd, and Kelleher unanimously voting in approval. Commissioners Simon and Rodriguez were necessarily absent and did not participate in the vote. The following persons were present during the closed session: Jackie Simon (arrived late), Richard Y. Nelson, Jr., Roy Priest, Linda Croom, Pamela Byrd, Frances Kelleher, Stacy Spann, Shauna Sorrells, Aisha Memon, Eamon Lorinez, Kayrine Brown, Christina Autin, Kathryn Hollister, Zachary Marks, Marcus Ervin, Cornelia Kent, Jay Shepherd, and Patrice Birdsong.

In closed session, the Commission discussed the following topic: the funding, structuring, and development of a potential real transaction, and the organization, structuring, and operation of another potential real estate transaction. The following actions were taken:

1. With a quorum present, the Commission duly adopted Resolution 19-45AS¹ and Resolution 19-45AS² with Commissioners Jackie Simon, Richard Y. Nelson, Jr., Roy Priest, Linda Croom, and Frances Kelleher voting in approval, which approved the following: execution of a ground lease for property located in Silver Spring, MD; execution of an agreement to provide for the oversight of design, development, and construction services ; the selection of an architect; a loan from the Opportunity Housing Reserve Fund (OHRF) to be secured by a first deed of trust on the land underlying the ground lease; and to draw on the PNC Bank, N.A. line of credit to fund the architect contact. Commissioner Pamela Byrd abstained. Commissioner Edgar Rodriguez was necessarily absent and did not participate in the vote.

2. With a quorum present, the Commission duly adopted Resolution 19-46AS with Commissioners Jackie Simon, Richard Y. Nelson, Jr., Roy Priest, Linda Croom, Pamela Byrd, and Frances Kelleher voting in approval, which approved the following: formation of a joint redevelopment entity; execution of the operating agreement for the joint redevelopment entity; formation of a single-purpose entity; transfer of property title to the single-purpose entity; and the contribution and assignment of ownership interests to the joint redevelopment entity. Commissioner Edgar Rodriguez was necessarily absent and did not participate in the vote.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Attachment

1 – February 2019 Commission Meeting Remarks – Chair Simon

Approved: May 8, 2018