

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

EXPANDED AGENDA

December 8, 2021

https://youtu.be/04Xz07uhUf4

In order to continue to implement recommended social distancing guidelines, HOC will conduct its meetings via an online platform and teleconference call until further notice

		Res
4:05 p.m.	I. <u>INFORMATION EXCHANGE</u>	
	A. Community Forum	
Page 5	B. Report of the Acting Executive Director	
	C. Commissioner Exchange	
4:30 p.m.	II. APPROVAL OF MINUTES	
Page 13	A. Approval of Minutes of November 3, 2021	
	B. Approval of Minutes of November 3, 2021 Closed Session	
Page 26	C. Approval of Minutes of November 4, 2021 Special Session	
Page 28	D. Approval of Minutes of November 19, 2021 Special Session	
	E. Approval of Minutes of November 19, 2021 Closed Special Session	
Page 31	F. Approval of Minutes of November 22, 2021 Special Session	
	G. Approval of Minutes of November 22, 2021 Closed Special Session	
4:40 p.m.	III. CLOSED AND SPECIAL SESSION RATIFICATION	
Page 34	 A. Ratification of Action Taken in Closed Special Session held on November 19, 2021 – Approval of Various Actions Related to the Ownership and Development of The Lindley 	21-111ASR (pg. 3
4:45 p.m.	IV. <u>CONSENT</u>	
Page 37	 A. Request to Authorize the Acting Chief Financial Officer to have the same Authority as the Chief Financial Officer as an Authorized Signer on HOC's Bank Accounts 	21-112 (pg. 40

4:55 p.m.	V. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR</u> <u>ACTION</u>	
	A. Administrative and Regulatory Committee – Com. Kelleher, Chair	
Page 43	 Housing Resources: Authorization to Implement Voucher Payment Standards Based on the Housing and Urban Development (HUD) Fiscal Year 2022 (FY'22) Small Area Fair Market Rents 	21-113 (pg. 58)
5:05 p.m.	B. Development and Finance Committee – Com. Simon, Chair	
Page 63	1. Heritage Emory Grove Concept Development: Approval	21-114 ^A (pg. 83)
	to Execute a Purchase Agreement for Disposition of the Emory Grove Village and Camp Hill Square; Approval of a	21-114 ^B (pg. 85) 21-114 ^C (pg. 86)
	Predevelopment Budget and Funding of a	21-114 (pg. 80)
	Predevelopment Budget and Funding of Predevelopment	
	Expenditures for Heritage Emory Grove; and Approval to	
	Draw on the PNC Bank, N.A. Real Estate Line of Credit to Fund the Predevelopment Expenditures	
5:10 p.m.		
Page 88	Cider Mill: Approval to Engage Eastern Concrete Construction to Bonlose Six Boofs at Cider Mill	21-115 (pg. 92)
	Construction to Replace Six Roofs at Cider Mill Apartments	
5:20 p.m.	VI. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u>	24.446 (
Page 94	Approval of Firm for Executive Recruiting	21-116 (pg. 97)
5:30 p.m. Page 100	 CLOSING STATEMENT Vote to close meeting 	
1 496 100	vote to close meeting	
5:35 p.m.	<u>ADJOURN</u>	
5:40 p.m.	CLOSED SESSION	
5.40 p.111.	The closed meeting will be called to order pursuant to Section 3-	
	305(b)(14) of the General Provisions Article of the Annotated Code of Maryland	
5:50 p.m.	ADJOURN	

NOTES:

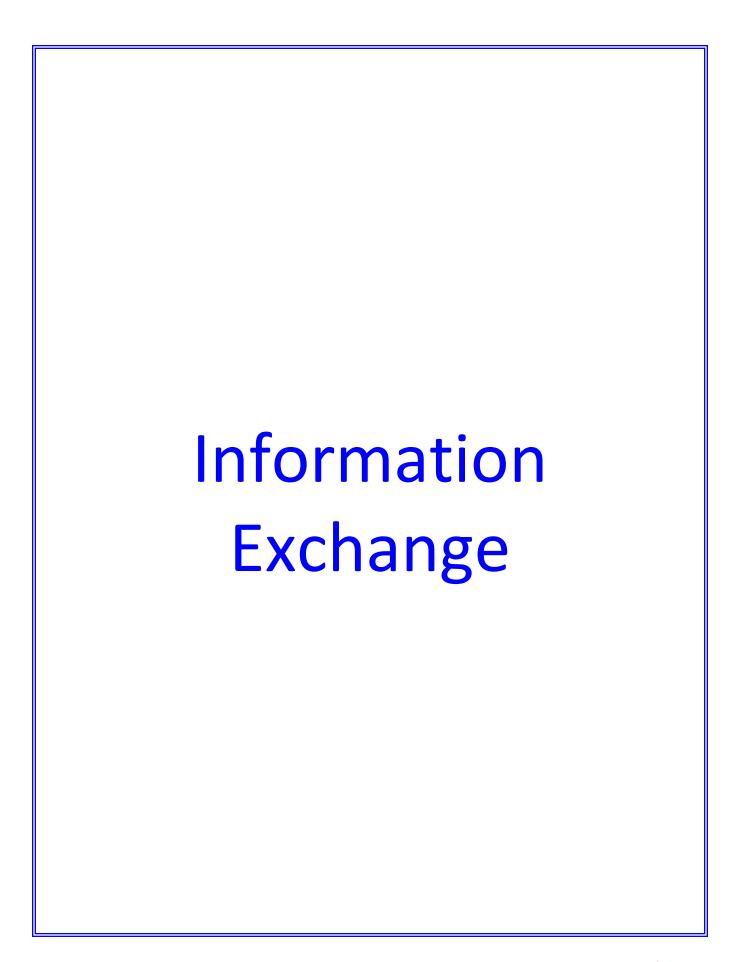
Page **2** of **3**

Posted: December 6, 2021

- 1. This Agenda is subject to change without notice.
- 2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
- 3. Times are approximate and may vary depending on length of discussion.
- 4. *These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.
- 5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.

Posted: December 6, 2021



Report of the Executive Director



Kayrine Brown December 8, 2021

Agency Issues Multifamily Housing Development Bonds for Key Developments Throughout the County

On December 7, 2021, HOC's Mortgage Finance, Finance and Legal team successfully closed on the 2021 Series C and 2021 Series D Multifamily Housing Development Bonds ("MHDB") totaling \$111,360,000 for the purpose of funding a mortgage loan, credit enhanced by the FHA Risk Sharing Program, for the acquisition, renovation and permanent financing of five (5) communities (together, the "Properties"), along with a bond reserve required by the 1996 Indenture.

The 2021 Series C bonds are tax-exempt and the 2021 Series D bonds are taxable, totaling \$104.25 million and \$7.12 million, respectively. All tax-exempt bonds issued under 2021 Series C required a like amount of volume cap; therefore, \$104.25 million in cap was allocated by the Department of Commerce of the State of Maryland for the transaction and a portion of the taxable bonds (\$4.12 million) issued under 2021 Series D funded the bond reserve requirement of the 1996 Indenture. Please see the summary chart below.

\$111,360,000 Multifamily Housing Development Bonds \$104,245,000 - 2021 Series C (tax-exempt) \$7,115,000 - 2021 Series D (taxable)								
Borrower	HOC at Willo	w Manor, LLC	HOC at Georgian Court, LLC		HOC at Shady Grove, LLC			
Property	Willow Manor at Clopper's Mill Willow Manor at Fair Hill Farm Willow Manor at Colesville		Georgian Court		Shady Grove Apartments			
Property Location	Germantown, MD Olney, MD Silver Spring, MD		Silver Spring, MD		Deerwood, MD			
Units/Affordability	286 Units 100% Age-Restricted & Affordable		147 Units 100% Affordable		144 Units 100% PBRA			
	57 20 189 20	≤ 40% AMI ≤ 50% AMI ≤ 60% AMI ≤ 80% AMI	29 118 1	≤ 50% AMI ≤ 60% AMI Quarters	144	≤ 50% AMI		
MHDB 2021CD Total Issuance	\$51,389,960		\$30,135,751		\$29,834,289			
MHDB 2021 Series C Bonds	\$46,555,000		\$28,990,000		\$28,700,000			
MHDB 2021 Series D Bonds	\$4,834,960 ¹		\$1,145,751 ²		\$1,134,289²			
FHA Risk Share Mortgage Loan	\$49,550,000		\$28,990,000		\$28,700,000			
Interest Rate (MIP not incl.)	t Rate (MIP not incl.) 3.15%		3.15%		3.15%			

¹Of this amount, \$2,995,000 is attributable to the mortgage loan and \$1,839,960 is attributable to the bond reserve.

As a result of the bond sale, which occurred on November 16 and November 17, 2021, the Properties will save 25 to 27 basis points on its mortgage loan interest rate. The Properties FHA Risk Share mortgage loan closings, along with the real estate and Low Income Housing Tax Credit investment closings, are expected to occur on or about December 14, 2021.

²Bond reserve amount.

Executive Director Presents Update on Housing Production Fund Activity

On December 6, 2021, Acting Executive Director Kayrine Brown, HOC Board Chair Roy Priest, and HOC staff presented a progress update to the Montgomery County Council's Planning, Housing, and Economic Development Committee on the Housing Production Fund.

On March 23, 2021, the Montgomery County Council approved a special appropriation and the creation of the Housing Production Fund ("HPF") — a revolving loan fund that will support the production of new affordable housing developments. A \$50 million bond issuance by HOC — with debt service covered by an annual appropriation of up to \$3.4 million by the County — provides revolving construction-period bridge financing, to be repaid at permanent closing after a maximum five-year period with 5% interest annually repaid to the Housing Initiative Fund ("HIF").

The HPF is utilized in conjunction with additional HOC investment, private investment, and conventional construction debt to finance construction and lease-up phases for new-construction projects. Permanent financing repays the initial HPF investment, which is subsequently returned to the HPF for investment in the next HPF project. Projects funded by the HPF are "30/70" new construction projects so that no less than 30% of a project's total units are affordable to low- and moderate-income residents and no more than 70% are market-rate units. The affordable units are set at two affordability levels. Ten percent (10%) of a project's units are at Moderately Priced Dwelling Unit ("MPDU") rents, which are affordable to a family of four making approximately \$85,000 or less, and 20% of project's units are at 50% of the AMI, which are affordable to a family of four making \$64,500 or less per year.

On August 17, 2021, HOC closed on the issuance of \$50 million in Limited Obligation Bonds (Housing Production Fund) Series 2021 (Federally Taxable) sold by the Commission to PNC Capital Markets, LLC and Wells Fargo Bank, National Association, as underwriters. The bond sale was well timed as the 10-year United States Treasury hit a low for the month of August of 1.19% at the time of pricing and settled at approximately 1.26%. With the low rate, the County's annual obligation will be \$3.071 million, though \$3.4 million was appropriated and the overall yield for the bond issuance was 2.8821%.

The first loan anticipated to close from the HPF in December 2021 is for \$14.3 million for construction of Westside Shady Grove. Westside Shady Grove is a \$121 million, 268-unit, transit-oriented, new construction development located next to the Shady Grove Metro Station. Of the 268 units, 30% (80 units) will be affordable, including 67 units at 50% AMI and 13 units at 65% AMI (MPDU income limit). The development predominantly consists of one- and two-bedroom units with a few studios and three-bedroom units. On January 28, 2021, HOC closed on a \$14.3 million short-term HIF loan from the County. Proceeds from the HPF loan will be used to repay the County's short-term loan from the HIF.

Construction is expected to be completed at the end of January 2023, and lease-up is expected to be completed by the end of February 2024, at which time the project would convert to permanent financing; therefore, it is expected that the \$14.3 million HPF loan will be returned to the HPF for a future project at the end of February 2024.

The balance of available funds from the HPF will then turn to development of Hillandale Gateway: a modern, energy-efficient, 463-unit mixed-use/mixed-income development located in Silver Spring, MD at the intersection of New Hampshire Ave and Interstate 495. The primary objective is to create an attractive, sustainable mixed-use, and mixed income community that will feature two residential buildings over retail/amenities with 30% affordable units – 10% of units at MPDU levels and 20% of units at 50% AMI. Sustainability goals will include targeting certifications such as LEED-H – Platinum, EnergyStar, PHIUS (Passive House) and Zero Net Energy (ZNE) within the Age Restricted Building. Additionally, the age-restricted building will feature a resiliency hub which are community-serving facilities augmented to support residents, coordinate communication, distribute resources, and reduce carbon pollution while enhancing quality of life.

HOC currently has several development projects in various stages of planning that will benefit from the HPF. Opportunities for future HPF investment – as well as a snapshot of the agency's production and preservation pipeline – were presented to the Committee, demonstrating the multitude of affordable housing opportunities primed for County and other investment.

Resident Services Team Provides Supplemental Services and Support Through the Holidays

The Service Coordination Unit provides assessment, counseling, information, referrals and program services to HOC customers. During the month of November 2021, staff continued to provide services primarily virtually due to the COVID-19 pandemic. Resident Counselors continued to engage HOC customers to determine their needs. During the month of November customers were referred to our partners and received food and other assistance. Resident counselors continued to perform wellness checks with customers to ensure their safety and assess their needs. Customers with delinquent rent were referred to the COVID-19 Rent Relief Program and the Housing Stabilization Program.

During the month of November HOC customers also continued to receive referrals to unemployment assistance, TCA, SNAP, MEAP, EARP and other benefit programs. Housing Stabilization staff continued to process a vast number of applications for rental assistance. Though resident counselors continued working remotely due to the COVID-19 pandemic, staff continues to come in as needed for emergencies and to assist with food distribution, vaccination clinics and other activities. Resident Counselors have also been in attendance at the HRD virtual briefings for new voucher recipients to provide information on the services that Resident Services offers. Additionally, the Resource Services team continues to provide services to persons with disabilities to meet their service needs.

Highlights for November activities of resident counselors include the following:

- Partnering with ROSS BODI and Olney MOMS to provide Thanksgiving meal baskets to customers at Town Center/Olney;
- Partnering with Omega Psi Phi Fraternity to provide holiday assistance to elementary school you in the HUB T area;
- Partnering with the Muslim Community Center to distribute food to customers of Stewartown;
- Partnering with the Goshen United Methodist Church to provide Thanksgiving meals to customers at Forest Oak Towers;
- Partnering with the Office of Energy Program to facilitate an energy savings workshop for customers at Cider Mill;

- Making additional referrals for the Holiday Giving Program which provides meals and gifts to county residents:
- Assisting with the coordination and facilitation of vaccination booster clinics at Arcola Towers, The Oaks at Four Corners, Elizabeth House and Forest Oak Towers;
- Assisting Property Management with gathering information from customers for the Community Development Block Grant rental assistance program;
- Facilitating resource sharing workshops;
- Facilitating virtual housing fundamentals workshops;
- Partnering with Nourishing Bethesda to distribute food to customers at Waverly House;
- Distributing gift cards to customers at Spring Gardens and voucher participants in underserved areas;
- Distributing gift cards to customers at Bauer Park to assistance with holiday meals;
- Partnering with the Rainbow Christian Development Center to distribute Thanksgiving food baskets to customers at Tanglewood;
- Facilitating the Senior Brown Bag food distribution at Bauer Park and Elizabeth House;
- Assisting with relocation efforts at Rockville Town Center; and
- Attending RAD conversion meetings and assisting customers at Stewartown and Shady Grove with the conversion process.

The Resident Services Division also continued to provide food resources and other supports with the help of Manna Food Center, Emmanuel Brinklow Seventh Day Adventist Church, Montgomery County Senior Nutrition Lunch Program, and the Capital Area Food Bank's Senior Brown Bag and My Groceries To Go programs. In November, 500 HOC customers were provided with food resources. Resident Services staff also continued to facilitate the Senior Nutrition Program. Although the county has resumed in-person congregate meals for the program, HOC will continue to deliver frozen meal boxes door-to-door for the safety and well-being of our customers until it is determined to be safe for customers to eat together.

Additionally, Resident Services partnered with Senior Planet Montgomery and Montgomery Department of Environmental Protection to facilitate a virtual webinar to help customers learn about how to save on their utility bills.

Resident Services – HOC Academy Supports STEAM Students and Small Business Enterprises Youth Enrichment

HOC Academy staff continued to recruit for HOC's College Success Program. There are currently six (6) high school seniors enrolled to date and seven (7) additional students have expressed interest. There are a total of 20 slots for the program. HOC Academy staff is also partnering with Kid Baker and food justice advocate Michael Platt to facilitate an educational series on "Cooking with STEAM." Afterschool STEAM programs are scheduled to begin in January 2022. HOC Academy will provide scholarships for 20 HOC youth to participate in STEAM programming offered by our partners.

Adult Education and Workforce Development

In November, HOC Academy staff facilitated two small business webinars. Ten customers attended the Resume Mastermind webinar and 15 customers attended the How to Become a Government Contractor webinar. As a result of the webinar, two HOC customer owned businesses have registered for the Small Business Enterprise

Course. The Small Business Enterprise Course is a two-day course that guides business owners through the application process to become a certified Small Business Enterprise (Woman/Minority Owned Business or Disenfranchised Business Enterprise).

HOC Academy staff continued to grant tuition assistance for customers for enrolling in courses at Montgomery College. In November, eight (8) customers received tuition assistance.

In the HOC Academy spotlight for November is customer Misty Wilson, who formalized her small business with the help of programming and resources provided by HOC. A participant in the Small Business Strategy Course, Misty recently formalized her Professional Counseling business. She is now working with HOC partner ALSTNTEC, LLC to complete her trade name and service mark application. Additionally, customer Someka Hanson, also a participant of the Small Business Strategy Course, completed and submitted all the required paperwork to formalize her business.

Resident Services – Financial Literacy Team Prepares Customers for Financial Success

The Financial Literacy Coach continued to work with HOC customers and individuals on the Housing Path waitlist on creating firm financial foundations for self-sufficiency and success. During the month of November, the Financial Literacy Coach provided one-on-one financial literacy coaching to eight (8) HOC customers and three (3) individuals from the Housing Path waitlist. The coaching sessions continue to cover topics including: creating a working budget; identifying disposable income; reading one's credit report; and creating and accomplishing monthly financial goals. Additionally, the Financial Literacy team held a virtual workshop covering budgeting and credit repair. Eleven (11) individuals participated in the workshop.

Resident Services – Supportive Housing Team Works to Keep Customers Housed

The Supportive Housing Program to provides housing assistance and case management services to 230 participants who are formerly homeless and have disabilities. The program services some of the most vulnerable residents of the county. In November 2021 program staff continued to conduct home visits with program participants. Program staff continue to wear the appropriate personal protective equipment and maintain distancing protocols for the safety of both customers and staff. Program staff also continued to refer program participants that have demonstrated no further need for supportive services to the Housing Resources team to be considered for Emergency Vouchers. Program staff are assisting these participants with the application process and required documentation. Program staff are also providing services to individuals currently receiving the Emergency Vouchers. These services include assistance with application fees, housing location, security deposits, moving assistance and obtaining household items. Program staff are currently recruiting for a housing locator to assist with finding housing units for those awarded an Emergency Voucher.

During the month of November program staff continued to implement the Rent Supplement Program (RSP). The RSP provides a shallow rental subsidy (up to \$600 per month) to county residents who struggle to pay their full rent with their current income. The program serves a large number of seniors on fixed incomes. The program serves up to 300 households, though there is currently a large number of vacant slots due to program exits. Program staff is working to fill these vacancies.

Resident Services – Fatherhood Initiative

HOC's Fatherhood Initiative program is the first and only housing agency to be awarded the national Fatherhood Initiative grant by the U.S. Department of Health and Human Services. HOC completed its first five-year grant and received recognition as a national model for best practices in program administration. HOC was awarded a second five-year grant and began enrolling new fathers in May 2021. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. October is the first month of year two of the grant. In October, the program enrolled 47 fathers. The enrollment target for year two of the grant is 356 participants.

HOC's Fatherhood Initiative also continued its participation in the Strengthening the Implementation of Responsible Fatherhood Programs (SIRF) Study. The study team will work closely with HOC's program to identify and overcome the challenges the program may face with respect to case management. The study also identifies challenges, helps implement possible solutions, examines the effects on the program, and make adjustments when needed. The SIRF study will produce usable, broadly applicable lessons to inform emerging best practices in recruiting, engaging, and retaining fatherhood participants, as well as methods for implementing rapid cycle evaluations within Responsible Fatherhood programs. During the month of November Fatherhood Initiative staff hired a temporary employee to assist with program implementation while a term employee is being recruited.

Housing Resources – Family Self Sufficiency Program Bolsters Financial Literacy Among Participants

In partnership with HOC, the Emmanuel Brinklow Seventh Day Adventist Church conducted a virtual Financial Literacy workshop for HOC customers on November 16, 2021. Twenty-eight customers/FSS participants attended the session on "Online Banking". During the interactive discussion, the presenter compared the differences between online banking versus a brick-and-mortar bank. One notable highlight that excited the participants was that interest rates are more competitive with an online bank account. The participants departed with many online banking resources to further explore.

FSS held its annual Thanksgiving raffle for program participants. A combination of gifts and gift cards were raffled as prizes. Eighty current participants attended the online drawing held on November 22, 2021. Fifty-eight lucky families were selected and picked up their winnings the following day.

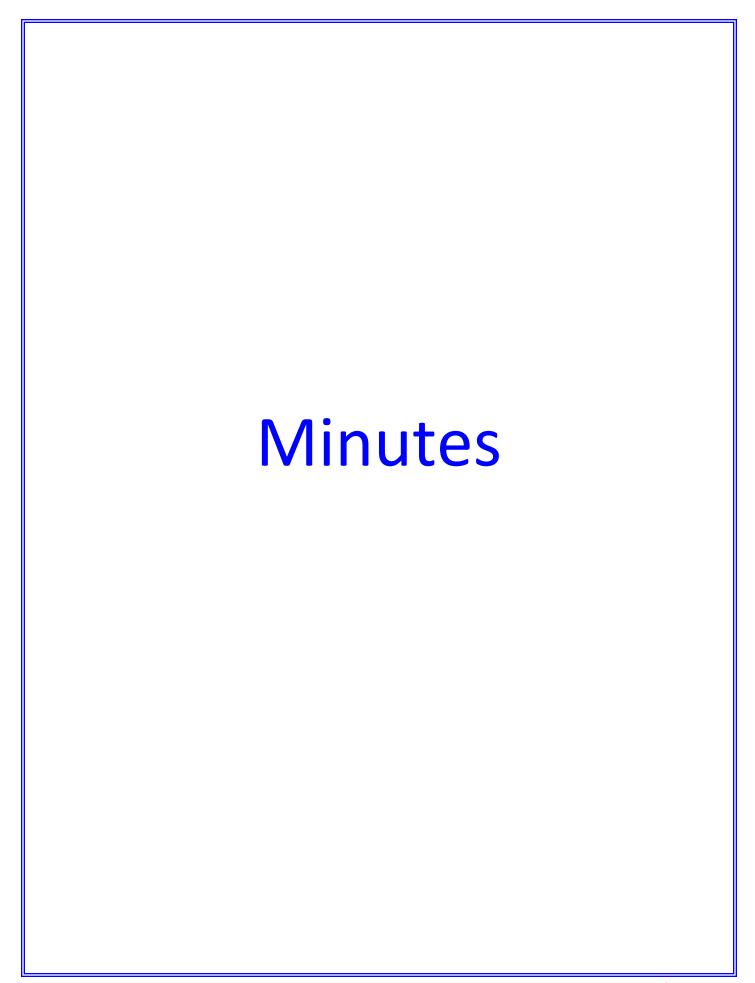
Housing Resources – Increasing Voucher Utilization and Getting People Housed

HOC has received 102 referrals from the County's Department of Health and Human Services ("HHS") for the Emergency Housing Voucher ("EHV") Program. To date, 78 families have been determined eligible for program participation with fourteen referrals still in process. Staff continues to meet with HHS regularly until the 118 vouchers are fully utilized.

Increasing the program utilization rate remains a priority until a minimum occupancy rate of 95% is achieved. The utilization rate has increased to 93% and we anticipate leasing additional families during the month of December. Additionally, 150 applicants were selected from the waitlist to receive vouchers during the month of November.

Currently, 367 families with issued vouchers are searching for suitable units to rent. One Hundred and four families have submitted the Request for Tenancy Approval Forms ("RFTA") to HOC and await pass inspection results and rent reasonableness testing.

To date, 1,925 families have been selected from the Housing Choice Voucher ("HCV") wait list this calendar year, of which 53% have responded to our communication. We continue to receive certification packets for selected applicants past the requested response dates and process them upon receipt. The response rate remains low during the pandemic and often certification packets trickle in after the requested return date due to delays in the mail system. As a result, correspondence is also sent electronically to customer email addresses on file to support more timely delivery of communications and forms.



HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

November 3, 2021

21-10

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, November 3, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:02 p.m. Those in attendance were:

Present via Teleconference

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

Absent

Linda Croom

Also Attending via Teleconference

Kayrine Brown, Acting Executive Director

Cornelia Kent
Timothy Goetzinger
Gail Willison
Marcus Ervin
Ian-Terrell Hawkins
Bonnie Hodge
Jay Shepherd
Zachary Marks

Guest

Nathan Bovelle

Mandy Merchant, CliftonLarsonAllen, LLC Karen Greiner, CliftonLarsonAllen, LLC

Aisha Memon, General Counsel

Terri Fowler
Fred Swan
Christina Autin
Gio Kaviladze
Darcel Cox
Lynn Hayes

Jennifer Arrington Eugenia Pascual Claire Kim

IT Support

Aries Cruz

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

Chair Priest opened the meeting welcoming all to the monthly meeting. There was a roll call of Commissioners participating. Commissioner Croom was necessarily absent.

I. <u>Information Exchange</u>

Community Forum

• There were no participants signed up for the Community Forum.

Executive Director's Report

• Kayrine Brown, Acting Executive Director, provided a verbal overview of the written report and addressed Commissioners' questions as she presented.

Commissioner Exchange

- Chair Priest announced that there is training available through NAHRO for Commissioners if interested.
- II. <u>Approval of Minutes</u> The minutes were approved as submitted with a motion by Commissioner Byrd and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Merkowitz, and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.
 - A. Approval of Minutes of October 6, 2021
 - B. Approval of Minutes of October 6, 2021 Closed Session
 - C. Approval of Minutes of October 25, 2021 Special Session
 - D. Approval of Minutes of October 25, 2021 Closed Special Session

There was an adjustment to the agenda to allow for representatives of the Audit Firm, CliftonLarsonAllen to present the Audit.

III. ITEMS REQUIRING DELIBERATION AND/OR ACTION

A. **Audit**: Acceptance of HOC Fiscal Year 2021 Audit Financial Statements, Single Audit Report, and Management Letter

Mandy Merchant and Karen Greiner of CliftonLarsonAllen, LLC, were the presenters.

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

RESOLUTION NO.: 21-110

RE: Acceptance of HOC FY'21Audited
Financial Statements Single Audit Report, and
Management Letter

WHEREAS, the independent auditors, CliftonLarsonAllen LLP, presented their report for FY'21, which included the FY'21 Audited Financial Statements, Single Audit Report, and Management Letter, to the Housing Opportunities Commission of Montgomery County (the "Commission"); and

WHEREAS, at a meeting held on November 3, 2021, the Commission reviewed the FY'21 Audited Financial Statements, Single Audit Report, and Management Letter.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County accepts the FY'21 Audited Financial Statements, Single Audit Report, and Management Letter prepared by CliftonLarsonAllen LLP.

IV. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

- A. Budget, Finance and Audit Committee Com. Nelson, Chair
 - Calendar Year 2022 Portfolio Budget: Approval of the Calendar Year 2022 Portfolio Budgets

Cornelia Kent, Chief Financial Officer, introduced Olutomi Adebo, Assistant Budget Officer, who was the presenter.

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

RESOLUTION NO.: 21-102 Portfolio Budget

RE: Approval of the Calendar Year 2022

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") is the general partner/ultimate managing member of the following entities: (1) Alexander House Apartments Limited Partnership (Alexander House); (2) Arcola Towers RAD Limited Partnership (Arcola Towers); (3) Bauer Park Apartments, LLC; (4) Forest Oak Towers Limited Partnership; (5) HOC at Georgian Court, LLC; (6) Greenhills Apartments Limited Partnership; (7) 4913 Hampden Lane Limited Partnership (Lasko Manor); (8) HOC at Willow Manor, LLC (Manor at Cloppers Mills, Manor at Colesville and Manor at Colesville); (9) HOC at Shady Grove, LLC; (10) Spring Garden One Associates Limited Partnership (Spring Garden); (11) HOC at Stewartown Homes, LLC; (12) Tanglewood and Sligo LP (Tanglewood/Sligo); (13) 900 Thayer Limited Partnership (Fenton Silver Spring); (14) HOC at The Upton II, LLC; (15) Waverly House RAD Limited Partnership (Waverly House); (16) Wheaton Metro Limited Partnership (MetroPointe) (together, the "LP and LLC Entities"); and

WHEREAS, HOC is the managing member of CCL Multifamily LLC ("CCL"), the owner of The Lindley; and

WHEREAS, as the general partner/ultimate managing member of the LP and LLC Entities and managing member of CCL, HOC manages the businesses and is liable for the debts; and

WHEREAS, the limited partners/non-managing members in LP and LLC Entities have contributed money and share in profits, but take no part in running the businesses and incur no liability with respect to the LP and LLC Entities beyond their contributions; and

WHEREAS, since HOC has a financial obligation to cover the debts of the LP and LLC Entities and CCL, HOC has an interest in the successful performance of LP and LLC Entities and CCL and, as such, should review their performances and approve their budgets; and

WHEREAS, the Budget, Finance and Audit Committee informally reviewed the CY'22 Budgets of the LP and LLC Entities at the October 12, 2021 meeting; and

WHEREAS, the Budget, Finance and Audit Committee also informally reviewed the CY'22 Budget of CCL, which is also operated on a Calendar Year basis, at the October 12, 2021 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of each of the LP and LLC Entities, as each entities' general partner/ultimate managing member, as appropriate, that it hereby approves the CY'22 Operating Budgets for the LP and LLC Entities, as shown on the attached Exhibit A.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of CCL Multifamily LLC, as its managing member, that it hereby approves the CY'22 Operating Budget for CCL, as shown on the attached <u>Exhibit A.</u>

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

2. Fiscal Year 2023 First County Operating Budget: Authorization to Submit the County FY'23 Maximum Agency Request Ceiling ("MARC")

Olutomi Adebo, Assistant Budget Officer, was the presenter.

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

RESOLUTION NO.: 21-103 RE: Authorization to Submit the County FY'23

Maximum Agency Request Ceiling ("MARC")

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") wishes to submit a request for County funds for FY'23; and

WHEREAS, the County has instructed HOC to submit a Maximum Agency Request Ceiling ("MARC") for FY' 23 in an amount not to exceed \$6,895,693, which is based on the FY'22 approved MARC of \$6,895,693 that does not include the estimate for projected FY'23 increases to compensation, health and retirement benefits.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves submitting a MARC to the County for FY'23 in the amount of \$6,895,693.

3. Calendar Year 2021 HOC at Stewartown Homes LLC Budget: Approval of the Calendar Year 2021 Budget Amendment for HOC at Stewartown Homes LLC

Olutomi Adebo, Assistant Budget Officer, was the presenter.

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

RESOLUTION NO.: 21-104

Re: Approval of the Calendar Year 2021

Budget Amendment for HOC at Stewartown

Homes LLC

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") refinanced Stewartown Homes (the "Property") using, among other financing sources, Low Income Housing Tax Credit ("LIHTC") equity on June 30, 2021; and

WHEREAS, the Property is owned by HOC at Stewartown Homes, LLC ("Owner"), and HOC is the sole member of HOC MM Stewartown Homes, LLC ("Managing Member"), the Owner's managing member; and

WHEREAS, HOC's budget policy requires a budget be prepared and adopted for Owner; And

WHEREAS, a CY'21 Budget Amendment for Owner was prepared and approved by the Commission on November 3, 2021; and

WHEREAS, the CY'21 Budget Amendment for Owner will incorporate a budget for the period of July 1 2021 through December 31 2021.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of Managing Member, acting on behalf of itself and on behalf of Owner, hereby approves the CY'21 Budget Amendment for Owner.

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

1. Garnkirk Apartments: Approval of a Predevelopment Budget and Funding of Predevelopment Expenditures for Garnkirk Apartments; Approval to Draw on the PNC Bank, N.A. Real Estate Line of Credit to Fund the Predevelopment Expenditure

Marcus Ervin, Director of Real Estate, was the presenter.

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

RE: Approval of a Predevelopment Budget
and Funding of Predevelopment Expenditures for
Garnkirk Apartments; Approval to Draw on the PNC
Bank, N.A. Real Estate Line of Credit to Fund the
Predevelopment Expenditures

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC"), a public body corporate and politic duly created, organized and existing under the laws of the state of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, to carry out and effectuate the purpose of providing affordable housing; and

WHEREAS, the Duffie Companies ("Duffie"), is the owner of a parcel located at Shawnee Lane and Observation Drive in Clarksburg, which is fully entitled for a 184-unit, wood frame apartment community wrapped around a 254-unit structured parking deck ("Garnkirk Farms Apartments" or the "Property"); and

WHEREAS, on December 4, 2020, Duffie submitted to HOC an unsolicited offer providing HOC the opportunity to acquire Garnkirk Farms Apartments via ground lease ("Ground Lease"); and

WHEREAS, on September 17, 2021, HOC (as the sole member of HOC at Garnkirk Farm, LLC) closed on the Ground Lease, which included as part of the consideration a right of first offer by Duffie or its affiliates to perform development and/or construction management services for Garnkirk Farms Apartments, provided the parties are able to negotiate mutually agreeable terms for such services; and

WHEREAS, at closing, Duffie assigned to HOC all of its existing design and development work product, and HOC is required to reimburse Duffie for the same at the earlier of closing on the first construction loan or January 1, 2023; and

WHEREAS, the Ground Lease allows HOC to defer rent payments until the earlier of the closing on the first lien construction loan or January 1, 2023; and

WHEREAS, the Commission desires to approve an initial predevelopment budget ("Predevelopment Budget") and funding ("Predevelopment Funding") in the amount of \$5,344,731 to cover the predevelopment expenditures related to development of the Property that include the costs related to finalizing the building design, paying for building permits, professional/legal fees, and payment of deferred ground lease payments prior to construction, which will be repaid at the closing of the construction financing anticipated to occur around May of 2023;

WHEREAS, the Commission may make taxable draws on the PNC Bank, N.A. Real Estate Line of Credit (the "\$150MM LOC") with interest payable at the contract rate for the line of credit facility and outstanding interest to be paid from the General Fund and reimbursed at the closing of the construction financing; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures for the redevelopment of the Property in an amount not to exceed \$100,000,000, all or a portion of which may reimburse the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date, which is 60 days prior to the date hereof, but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission's expenditures within 18 months of the later of the date of such capital expenditures or the date that the Property is placed in service (but in no event more than three years after the date of the original expenditure of such moneys); and

WHEREAS, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission's future tax-exempt borrowing for such projects named in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves a total Predevelopment Budget and Predevelopment Funding in the amount \$5,344,731 to cover the

predevelopment expenditures related to development of the Property that include the costs related to finalizing the building design, paying for building permits, professional/legal fees, and payment of deferred ground lease payments prior to construction which will be repaid at the closing of the construction financing anticipated to occur around May of 2023.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County supports the design, permitting, and development of Garnkirk Farms Apartments and authorizes a taxable draw of \$5,344,731 from the \$150MM RELOC with outstanding interest to be paid from the General Fund, both to be repaid at the closing of the construction financing anticipated to occur around the second May of 2023.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$100,000,000 will be applied to reimburse the Commission for its expenditures in connection with the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Executive Director is authorized, without any further action its part, 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.

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

RESOLUTION NO.: 21-105B

RE: Approval to Draw up to \$5,344,731 on the PNC

Bank, N.A. Real Estate Line of Credit to Provide

Predevelopment Funding for the development of

Garnkirk Apartments

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 for the rehabilitation of rental housing properties which provide a public purpose; and

WHEREAS, HOC closed on the ninety-nine year ground lease with the Duffie Companies ("Duffie") on September 17, 2021 to develop the fully-entitled 184-unit, wood frame apartment community wrapped around a 254-unit structure parking deck in Clarksburg ("Garnkirk Farms Apartments"); and

WHEREAS, the Commission desires to approve an initial predevelopment budget ("Predevelopment Budget") and funding ("Predevelopment Funding") in the amount of \$5,344,731 to cover the predevelopment expenditures related to development of the property that include the costs relating to finalizing the building design, paying for building permits, professional/legal fees, and payment of deferred ground lease payments prior to construction which will be repaid at the closing of the construction financing anticipated to occur around May of 2023; and

WHEREAS, HOC intends to fund the predevelopment expenditures by way of proceeds from a taxable draw on its PNC Bank N.A. Real Estate Line of Credit ("RELOC") of \$5,344,731, with interest payable at the contract rate for the RELOC.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes taxable draws on the RELOC in an amount not to exceed \$5,344,731 to fund the predevelopment expenditures for Garnkirk Farms Apartments, which will be repaid at the closing of the construction financing anticipated to occur around May of 2023.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

2. Westside Shady Grove: Approval of a Subordinate Loan from the Housing Production Fund to HOC at Westside Shady Grove LLC

Timothy Goetzinger, Chief Development Funds Officer, was the presenter.

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

RESOLUTION: 21-106

Re: Approval of a Subordinate Loan from the Housing Production Fund to HOC at Westside Shady Grove, LLC

WHEREAS, Westside Shady Grove Building D (the "Property") is currently under construction and will be a 268-unit mixed use apartment building with 21,000 square feet of retail space and serve as the Housing Opportunities Commission of Montgomery County's (the "Commission" or "HOC") Up-County Customer Service Center in the Westside Shady Grove area of Rockville, MD;

WHEREAS, Westside at Shady Grove Building D is owned by HOC at Westside Shady Grove LLC ("Owner"), which is ultimately controlled by the Commission;

WHEREAS, on December 9, 2020, the Commission passed Resolution 20-86 and Resolution 20-87, which approved the Final Development Plan and Financing Plan, respectively, for the Property, including Owner's acceptance of an approximately \$15 million loan from the Montgomery County Housing Initiative Fund ("HIF Loan");

WHEREAS, on May 5, 2021, the Commission passed Resolution 2021-46, which approved a Revolving Housing Production Fund Program (the "Housing Production Fund");

WHEREAS, the HIF loan was \$14.3 million and was accepted with the intention of substituting a loan from the Housing Production Fund in an equal amount when funds from the Housing Production fund became available;

WHEREAS, the loan from the Housing Production Fund will carry a maximum term of five (5) years, an interest rate of five percent (5%) and will be repaid at permanent financing, which is expected to be in February 2024.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, on its behalf and on behalf of the Owner, as the sole member of its ultimate managing member, that it approves the Owner accepting a Housing Production Fund Loan of up to \$14.3 million and paying off the HIF Loan.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, on its behalf and on behalf of the Owner, as the sole member of its ultimate managing member, that it approves the Owner executing a Housing Production Fund Deed of Trust, Loan Agreement, Regulatory Agreement, and Promissory Note.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on its behalf and on behalf of the Owner, as the sole member of its ultimate managing member, that the Acting Executive Director of HOC, or a duly appointed designee of the Acting Executive Director of HOC, is hereby authorized, without any further action on their respective parts, to execute such other documents and to take any and all other actions, in each case as necessary and proper, in the Acting Executive Director's judgment, to carry out the transaction and actions contemplated herein.

3. Westwood Tower: Approval of an Emergency Procurement Pursuant to Section 5.6(ii) of HOC's Procurement Policy for the Continuation of Litigation Services for Westwood Tower Apartments

Zachary Marks, Chief Real Estate and Investment Officer, was the presenter.

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

RESOLUTION NO.: 21-107

RE: Approval of an Emergency Procurement Pursuant to Section 5.6(ii) of HOC's Procurement Policy for the Continuation of Litigation Services for Westwood Tower Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") is the owner of a multifamily building located at 5401Westbard Avenue, Bethesda known as Westwood Tower Apartments ("Westwood Tower" or the "Property"); and

WHEREAS, in December 2019, staff solicited quotes pursuant to Section 5.2(a) of HOC's Procurement Policy ("Small Purchase Procedures") for legal consultation services for potential litigation regarding the Property; and

WHEREAS, staff received three written quotes and awarded the work to Douglas & Boykin PLLC ("Douglas"), the firm that submitted the lowest price; and

WHEREAS, on January 8, 2020, HOC entered into an agreement for services ("Agreement") with Douglas, which included HOC's ability to request that Douglas represent HOC in the event any litigation was filed; and

WHEREAS, on July 2, 2021, the Commission authorized the sale of Westwood Tower to a private purchaser; and

WHEREAS, on August 10, 2021, HOC was named as a defendant in a Complaint for Writ of Mandamus filed in the Circuit Court for Montgomery County, Maryland (Case No. 486734-V) by the Bethesda African Cemetery Coalition, Reverend Olusegun Adebayo, Darold Cuba, Geneva Nanette Hunter, and Montani Wallace, and shortly thereafter, staff engaged Douglas to represent HOC in the litigation; and

WHEREAS, as of October 27, 2021, the litigation still ongoing, and staff anticipates needing additional litigation services beyond the Small Purchase Procedure limit of \$150,000; and

WHEREAS, Section 5.6(ii) of HOC's Procurement Policy ("Section 5.6(ii)") provides for procurement by noncompetitive proposals when the award of contract is not feasible using competitive proposals and an emergency exists that threatens to cause serious injury to HOC; and

WHEREAS, given the ongoing developments in the litigation, the potentially serious legal and financial ramifications of the lawsuit, and in order to maintain continuity in HOC's legal strategy, the Commission wishes to approve an emergency procurement pursuant to Section 5.6(ii) for the continuation of litigation services provided by Douglas; and

WHEREAS, the Commission wishes to approve the use of Westwood Tower's existing property cash to fund future legal costs and fees associated the continuation of litigation services provided by Douglas in an amount not to exceed \$270,000.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes an emergency procurement pursuant to Section 5.6(ii) for the continuation of litigation services for Westwood Tower provided by Douglas.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the use of Westwood Tower's existing property cash to fund future legal costs and fees associated with the continuation of litigation services provided by Douglas in an amount not to exceed \$270,000.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

4. 4527 Avondale Street: Authorization for the Acting Executive Director to Negotiate and Execute a Purchase and Sale Agreement for the Disposition of 4527 Avondale to the National Center for Children and Families, and Authorization to Complete the Sale

Zachary Marks, Chief Real Estate and Investment Officer, was the presenter.

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

RESOLUTION NO.: 21-108

RE: Authorization for the Acting Executive
Director to Negotiate and Execute a Purchase
and Sale Agreement for the Disposition of 4527
Avondale Street, Bethesda to the National
Center for Children and Families, and
Authorization to Complete the Sale

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission"), a public body corporate and politic duly created, organized, and existing under the laws of the State of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, to carry out and effectuate the purpose of providing affordable housing; and

WHEREAS, on April 14, 2015, the Commission acquired four (4) rental apartment buildings consisting of 25-units located at 4500-02, 4504-06, 4508-10 and 4527 Avondale Street, Bethesda, MD 20814 under the County's Right of First Refusal Ordinance; and

WHEREAS, the Commission wishes to sell 4527 Avondale Street ("4527 Avondale" or the "Property") to the National Center for Children and Families ("NCCF"), a Bethesda-based nonprofit dedicated to providing housing to low-income families, many who would otherwise be at risk of homelessness; and

WHEREAS, NCCF wishes to purchase 4527 Avondale for the purpose of providing housing options to households earning at or below 50% AMI in support of the needs of the diverse children, youth, and families it serves; and

WHEREAS, NCCF owns two (2) neighboring rental apartment buildings at 4519 and 4523 Avondale Street, which they use for similar purposes; and

WHEREAS, current rents at 4527 Avondale are unrestricted, but priced at levels similar to the limits of the County's Moderately Priced Dwelling Unit program; and

WHEREAS, NCCF's proposed use would deepen the affordability at 4527 Avondale and connect future residents of the units at 4527 Avondale to NCCF's various supportive services programs; and

WHEREAS, NCCF is in discussions with Montgomery County's Department of Housing and Community Affairs ("DHCA") regarding DHCA's contract to purchase 4531 Avondale Street ("4531 Avondale"), the neighboring rental property directly to the west of 4527 Avondale; and

WHEREAS, DHCA has indicated that it would like to transfer the 4531 Avondale to NCCF at closing, and to close on the transaction on or before December 31, 2021; and

WHEREAS, the adjacency of 4527 Avondale and 4531 Avondale to NCCF's rental apartment buildings at 4519 and 4523 Avondale allows for more expedient operations and economic deployment of services; and

WHEREAS, on October 6, 2021, the Commission authorized the Acting Executive Director to enter into a non-binding letter of intent ("LOI") with the NCCF for the purchase and sale of 4527 Avondale, for a purchase price of \$1,225,000, requiring no earnest money deposit, and with a closing date on or before the date which 4531 Avondale closes; and

WHEREAS, the sale price for 4527 Avondale is equal to, and based on, the sales price of 4531 Avondale; and

WHEREAS, staff has not conducted an appraisal, but believes the contract price of 4531 Avondale reflects the fair market value for 4527 Avondale, given the nearly identical size, vintage, condition, and location of the properties; and

WHEREAS, the Commission wishes to authorize the Acting Executive Director to negotiate and execute a Purchase and Sale Agreement ("PSA") for the disposition of 4527 Avondale, pursuant to HOC's LOI with NCCF, and to complete the sale of the Property to NCCF; and

WHEREAS, the Commission desires that the net proceeds from the sale of 4527 Avondale, in the approximate amount of \$1,210,000, which is the purchase price less closing costs in the anticipated amount of \$15,000, be used to pay down the PNC Real Estate Line Of Credit ("RELOC") draw that was used to acquire the Property.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes the Acting Executive Director, or her designee, to negotiate and execute a PSA for the disposition of 4527 Avondale, pursuant to HOC's LOI with NCCF, and to complete the sale of the Property to NCCF.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the net proceeds from the sale of 4527 Avondale, in the approximate amount of \$1,210,000, which is the purchase price less closing costs in the anticipated amount of \$15,000, be used to pay down the PNC RELOC draw that was used to acquire the Property.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

Chair Priest read the Written Closing Statement. Commissioner Simon seconded the motion, with Commissioners Priest, Kelleher, Nelson, Byrd, Merkowitz, and Simon voting in approval. Commissioner Croom was necessarily absent and did not participate in the vote.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 5:49 p.m. and reconvened in closed session at 5:56 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 November 3, 2021 at approximately 5:56 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed (i) under the authority of Section 3-305(b)(3) to discuss the potential purchase of a multifamily property located in Bethesda, Maryland and a multifamily property located in Lyttonsville, Maryland; and (2) under the authority of Sections 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13) to discuss and obtain legal advice from counsel about ongoing litigation (pursuant to Sections 3-305(b)(7) and 3-305(b)(8)) that is subject to attorney-client privilege (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated November 3, 2021 was adopted on a motion made by Roy Priest., seconded by Jackie Simon, with Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Jeffrey Merkowitz, and Jackie Simon voting in favor of the motion. Commissioner Linda Croom was necessarily absent and did not participate in the vote. The following persons were present: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Jeffrey Merkowitz, Jackie Simon, Kayrine Brown, Aisha Memon, Zachary Marks, Gail Willison, Christina Autin, Darcel Cox, Timothy Goetzinger, Jennifer Arrington, Patrick Mattingly, Marcus Ervin, Gio Kaviladze, Claire Kim, Frederick Douglas, Curtis Boykin, Ian-Terrell Hawkins, and Patrice Birdsong.

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

- 1. **Topic**: The potential purchase of a multifamily property located in Bethesda, Maryland and a multifamily property located in Lyttonsville, Maryland (pursuant to Section 3-305(b)(3)).
 - a. **Action Taken**: With a quorum present, Commissioners Kelleher, Nelson, Merkowitz, and Simon voted in favor of staff proceeding with actions necessary to move forward with the acquisitions. Commissioner Priest opposed, Commissioner Byrd abstained, and Commissioner Croom was necessarily absent and did not participate in the vote. There was no resolution presented for approval.
- 2. **Topic**: Discussion with counsel about ongoing litigation impacting Westwood Tower Apartments (pursuant to Section 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13)).
 - a. **Action Taken**: The Commission informally agreed to proceed as advised by counsel. No formal action was taken.

The closed session was adjourned at 7:51 p.m.

Respectfully submitted,

Kayrine Brown Acting Secretary-Treasurer

/pmb

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

November 4, 2021

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Thursday, November 4, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 10:03 a.m. Those in attendance were:

Via Online/Teleconference

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

Absent

Jeffrey Merkowitz

Also Attending via Online/Teleconference

Kayrine Brown, Acting Executive Director

Christina Autin

Christina Autin

Marcus Ervin

Claire Kim

Aisha Memon, General Counsel

Zachary Marks

Cornelia Kent

Guest Commission Support

Jennifer McLaughlin, Design Collective
Cody Snively, Design Collective
Lisa Corrado, Design Collective
Scott Vieth, Design Collective
Aries Cruz

Pete McLaughlin, Promark Development

Chair Priest anonad the macting welcoming all to the Special Session of the Housing

Chair Priest opened the meeting welcoming all to the Special Session of the Housing Opportunities Commission, informing that this Special Session is being held to provide presentation of HOC's new headquarters located at Fenwick & Second Avenue. There was a roll call of participating Commissioners.

I. ITEM REQUIRING DELIBERTION and/or ACTION

Seonhee Kim, Design Collective

A. Fenwick & Second Avenue – HOC Headquarters Design Review Presentation

Special Session November 4, 2021 Page 2 of 2

Marcus Ervin, Director of Real Estate, opened with an introduction of the Design Collective Team and Pete McLauglin from Promark Development. The purpose of the Special Session was to provide an in depth presentation of the proposed building design.

There was detailed discussion as well as questions and answers among Commissioners, staff and the design team.

There being no further business to come before this special session of the Commission, the meeting adjourned at 11:13 a.m.

Respectfully submitted,

Kayrine Brown Acting Secretary-Treasurer

/pmb

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

November 19, 2021

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Friday, November 19, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:02 p.m. Those in attendance were:

Via Online/Teleconference

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

Absent

Pamela Byrd Linda Croom Jeffrey Merkowitz

Also Attending via Online/Teleconference

Kayrine Brown, Acting Executive Director

Marcus Ervin

Aisha Memon, General Counsel
Claire Kim

IT Support Commission Support

Aries Cruz Patrice Birdsong, Spec. Asst. to the Commission

Chair Priest opened the meeting welcoming all to the Special Session of the Housing Opportunities Commission. The sole item on the agenda was to conduct a vote to meet in closed session pursuant to Section 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland.

Chair Priest read the Written Closing Statement and the motion to adopt the Written Closing Statement and close the meeting was seconded by Chair Pro Tem Nelson. Commissioners Priest, Kelleher, Nelson, and Simon voted unanimously in approval. Commissioners Byrd, Croom and Merkowitz were necessarily absent and did not participate in the vote.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 4:04 p.m., and reconvened in closed session at 4:05 p.m.

Special Session November 19, 2021 Page 2 of 3

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 November 19, 2021 at approximately 4:05 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(13) to discuss the confidential commercial and financial information related to the ownership and development of The Lindley (a multifamily property located in Chevy Chase, Maryland).

The meeting was closed and the closing statement dated November 19, 2021 was adopted on a motion made by Chair Priest, seconded by Chair Pro Tem Nelson, with Commissioners Priest, Kelleher, Nelson, and Simon voting in favor of the motion. Commissioners Byrd, Croom, and Merkowitz were necessarily absent and did not participate in the vote. The following persons were present during the closed session: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Jackie Simon, Kayrine Brown, Aisha Memon, Zachary Marks, Marcus Ervin, Timothy Goetzinger, Gail Willison, Brian Kim, and Patrice Birdsong.

In closed session, the Commission discussed the below topic and took the following action:

- 1. **Topic**: Confidential commercial and financial information related to the ownership and development of The Lindley (which is owned by CCL Multifamily LLC, a Maryland limited liability company (the "Company")) (pursuant to Section 3-305(b)(13)).
 - a. Action Taken: With a quorum present, Commissioners Kelleher, Nelson, and Simon approved an amended version of Resolution 21-111AS, with Chair Priest being opposed, and with Commissioners Byrd, Croom, and Merkowitz being necessarily absent and not participating in the vote. Resolution 21-111AS approved the following actions:
 - i. Acting on behalf of itself and on behalf of the Company, as its managing member, the Commission authorized the Acting Executive Director of HOC to (1) purchase the current investor-member's interest in the Company, (2) pay the developer's fee, (3) execute a non-binding letter of intent with a new investor-member, (4) execute a new operating agreement for the Company with a new investor-member, and (5) take any and all other actions necessary and proper to carry out the transaction, including the execution of any documents.
 - ii. Authorized the use of the Opportunity Housing Bond Fund to pay for closing costs, consultant fees, legal fees, and other amounts necessary to close the transaction.
 - iii. Authorized the reservation of funds in the Opportunity Housing Reserve Fund to cover certain interest payments.
 - iv. Authorized a reserve account to deposit the spread between the mortgage payment and swap payment in order to cover certain interest payments.

Special Session November 19, 2021 Page 3 of 3

The closed session was adjourned at 5:31 p.m.

Respectfully submitted,

Kayrine Brown Acting Secretary-Treasurer

/pmb

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

November 22, 2021

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Monday, November 22, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 6:02 p.m. Those in attendance were:

Via Online/Teleconference

Roy Priest, Chair Frances Kelleher, Vice Chair Richard Y. Nelson, Chair Pro Tem Jeffrey Merkowitz Jackie Simon

Absent

Pamela Byrd Linda Croom

Also Attending via Online/Teleconference

Aisha Memon, General Counsel

IT Support

Commission Support

Aries Cruz Patrice Birdsong, Spec. Asst. to the Commission

Chair Priest opened the meeting welcoming all to the Special Session of the Housing Opportunities Commission. The sole item on the agenda was to conduct a vote to meet in closed session pursuant to Section 3-305(b)(14) of the General Provisions Article of the Annotated Code of Maryland.

Chair Priest read the Written Closing Statement and made the motion to close the meeting, which was seconded by Vice Chair Kelleher. Commissioners Priest, Kelleher, Nelson, Merkowitz, and Simon voted unanimously in approval. Commissioners Byrd and Croom were necessarily absent and did not participate in the vote.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 6:05 p.m., and reconvened in closed session at 6:10 p.m.

Special Session November 22, 2021 Page 2 of 2

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 November 22, 2021 at approximately 6:10 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(14) to discuss the proposals submitted by firms in response to RFP #2287 for Executive Recruiter Services, including allowing the firms to present their proposals to the Commission.

The meeting was closed and the closing statement dated November 22, 2021 was adopted on a motion made by Chair Priest, seconded by Vice Chair Kelleher, with Commissioners Priest, Kelleher, Nelson, Merkowitz, and Simon voting in favor of the motion. Commissioners Byrd and Croom were necessarily absent. The following persons were present during the closed session: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Jeffrey Merkowitz, and Jackie Simon. Also attending periodically were Geneva Taylor of Tellis Executive Search, Thavi Louanlavong of Siter Neubauer & Associates, and Stanley Quy of The Organizational Leadership Edge. Commissioners Pamela Byrd and Linda Croom were necessarily absent.

In closed session, the Commission discussed the below topic and took the following action:

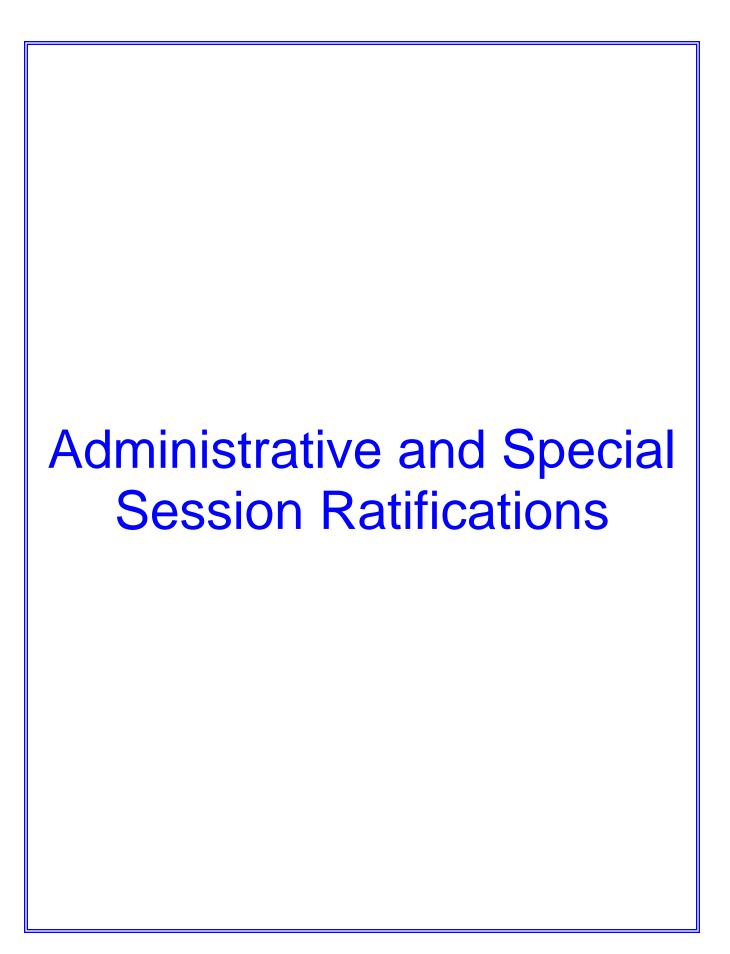
- 1. **Topic**: The presentation and subsequent discussion of the proposals submitted by firms in Response to RFP #2287 for Executive Recruiter Services (pursuant to Section 3-305(b)(14)).
 - a. Action Taken: The Commissioners asked the firms questions in response to their presentations and proposals, and then discussed next steps related to evaluating the firms. No action was taken.

The closed session was adjourned at 8:03 p.m.

Respectfully submitted,

Kayrine Brown Acting Secretary-Treasurer

/pmb



RATIFICATION OF ACTION TAKEN IN CLOSED SPECIAL SESSION ON NOVEMBER 19, 2021:

APPROVAL OF VARIOUS ACTIONS RELATED TO THE OWNERSHIP AND DEVELOPMENT OF THE LINDLEY

DECEMBER 8, 2021

- At a closed Special Session held on November 19, 2021, the Commission adopted Resolution 21-111AS in which the Commission approved (i) the purchase of the current investor-member's interest in CCL Multifamily LLC, the entity that owns The Lindley, (ii) paying the developer's fee, (iii) executing a non-binding letter of intent with a new investor-member, (iv) executing a new operating agreement with a new-investor member, (v) the use of the Opportunity Housing Bond Fund to pay for closing costs and other fees, (vi) reserving funds in the Opportunity Housing Reserve Fund to cover certain interest payments, (vii) creating a reserve account to deposit certain funds to cover certain interest payments; and (viii) executing any and all related documents.
- Consistent with the Commission's Second Amended and Restated Bylaws, the Commission
 wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action
 taken at the November 19, 2021 closed Special Session. Additionally, the Commission wishes to
 ratify any action taken since the Special Session with respect to the approved action.

RESOLUTION: 21-111ASR RE: Approval of Various Actions Related to the Ownership and Development of The Lindley

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") is the managing member of CCL Multifamily LLC, a Maryland limited liability company ("Company"), which is the owner entity of The Lindley, a 200-unit mixed-income Class-A rental development consisting of 120 market rate units, 40 affordable units, and 40 workforce housing units;

WHEREAS, at a closed Special Session duly called and held on November 19, 2021, with a quorum participating, the Commission adopted Resolution 21-111AS, with Commissioners Kelleher, Nelson, and Simon voting in approval, Commissioner Priest being opposed, and Commissioners Byrd, Croom, Merkowitz being necessarily absent and not participating in the vote;

WHEREAS, by adopting Resolution 21-111AS, the Commission took the following actions:

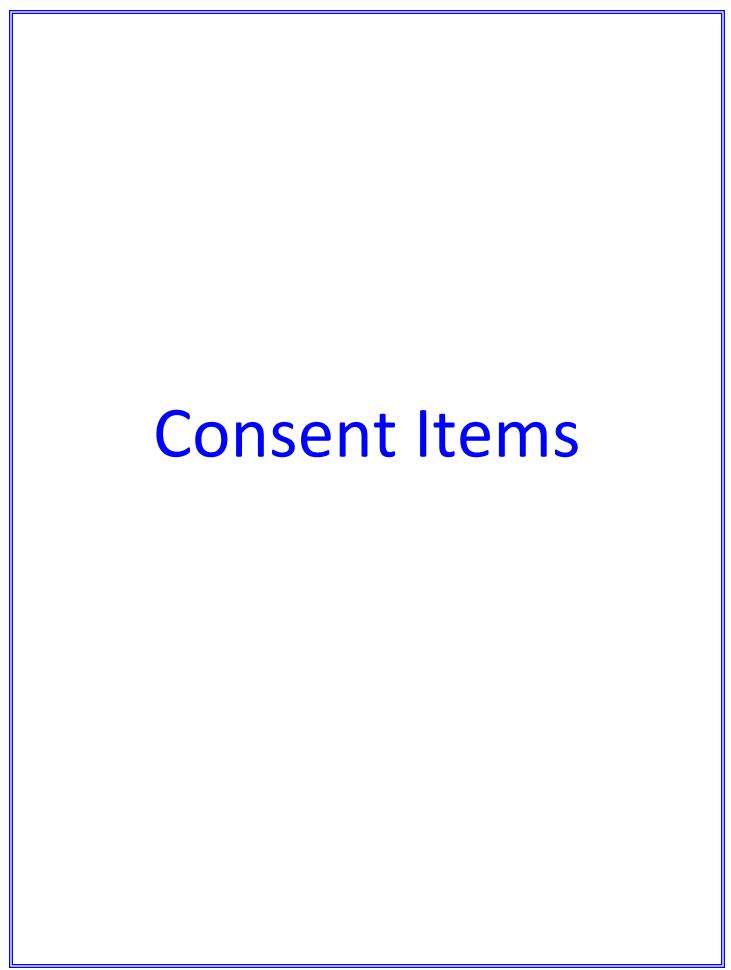
- Acting on behalf of itself and on behalf of the Company, as its managing member, authorized the
 Acting Executive Director of HOC to (1) purchase the current investor-member's interest in the
 Company, (2) pay the developer's fee, (3) execute a non-binding letter of intent with a new
 investor-member, (4) execute a new operating agreement for the Company with a new investormember, and (5) take any and all other actions necessary and proper to carry out the transaction,
 including the execution of any documents.
- Authorized the use of the Opportunity Housing Bond Fund to pay for closing costs, consultant fees, legal fees, and other amounts necessary to close the transaction.
- Authorized the reservation of funds in the Opportunity Housing Reserve Fund to cover certain interest payments.
- Authorized a reserve account to deposit the spread between the first mortgage payment plus related costs and true interest cost in order to cover certain interest payments.

WHEREAS, consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 21-111AS and any actions taken since November 19, 2021 to effectuate the actions contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 21-111AS and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on December 8, 2021.

S	
E	Patrice M. Birdsong
Α	Special Assistant to the Commission
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REQUEST TO AUTHORIZE THE ACTING CHIEF FINANCIAL OFFICER TO HAVE THE SAME AUTHORITY AS THE CHIEF FINANCIAL OFFICER AS AN AUTHORIZED SIGNER TO HOC'S BANK ACCOUNTS

December 8, 2021

- The Housing Opportunities Commission of Montgomery County ("HOC" or "Commission") historically maintains three authorized signers for its bank accounts.
- This is necessary because the Commission maintains numerous bank accounts with many financial institutions and frequently makes large payments, requiring at least two signers.
- Because of the recent departure of the Chief Financial Officer, staff
 is requesting that the Commission clarify that the Acting Chief
 Financial Officer has the same signing authority as the Chief
 Financial Officer in the event the position of Chief Financial Officer
 is vacant.
- The number of authorized signers to HOC's bank accounts will be limited to three signers who are members of the Executive Staff; therefore, staff recommends approval by the Commission.

MEMORANDUM

то:	Housing Opportunities Commission of Montgomery County
VIA:	Kayrine Brown, Acting Executive Director
FROM	Staff: Eugenia Pascual Division: Finance Ext. 9478
RE:	Request to Authorize the Acting Chief Financial Officer to have the same Authority as the Chief Financial Officer as an Authorized Signer to HOC's Bank Accounts
DATE:	December 8, 2021
STATUS: Con	sentX Deliberation Status Report Future Action
historically mathe Commissi frequently ma Because of th Commission cl Chief Financial	Opportunities Commission of Montgomery County ("HOC" or "Commission") intains three authorized signers for its bank accounts. This is necessary because on maintains numerous bank accounts with many financial institutions and kes large payments, requiring at least two signers. The recent departure of the Chief Financial Officer, staff is requesting that the arify that the Acting Chief Financial Officer has the same signing authority as the Officer in the event the position of Chief Financial Officer is vacant. The number signers to HOC's bank accounts will total three signers who are members of the
Does the Com signing author	DNSIDERATION: Inmission wish to authorize the Acting Chief Financial Officer to have the same ity as the Chief Financial Officer on HOC's bank accounts in the event the position cial Officer is vacant?
PRINCIPALS: HOC PNC Bank (prir	narily)
BUDGET IMPA There is no bu	ACT: dget impact from this request.

For formal action at the December 8, 2021 Commission meeting.

TIME FRAME:

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission authorize the Acting Chief Financial Officer to have the same signing authority as the Chief Financial Officer on all HOC bank accounts in the event the position of Chief Financial Officer is vacant.

RESOLUTION NO: 21-112

RE: Request to Authorize the Acting Chief Financial Officer to Have the Same Authority as the Chief Financial Officer as an Authorized Signer on HOC's Bank Accounts

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") has several bank accounts with various banking institutions (the "Accounts"); and

WHEREAS, HOC's Accounts currently have three (3) authorized signatories: the Chief Financial Officer, the Executive Director, and the Director of Human Resources; and

WHEREAS, with the recent departure of HOC's Chief Financial Officer, staff is requesting that the Commission authorize the Acting Chief Financial Officer to have the same signing authority as the Chief Financial Officer while the position of Chief Financial Officer is vacant; and

WHEREAS, all authorized signers shall be limited to members of the Executive Staff; and

WHEREAS, the Acting Chief Financial Officer is a member of the Executive Staff; and

WHEREAS, the Accounts shall have a three (3) authorized signers at this point in time.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Chief Financial Officer shall be an authorized signatory to HOC's Accounts in the event, and for so long as, the position of Chief Financial Officer is vacant, provided that the Accounts shall have a maximum of three authorized signers at any point in time, all of whom shall be members of the Executive Staff.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on December 8, 2021.

Patrice Birdsong Special Assistant to the Commission

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Committee Reports and Recommendations for Action

Administrative and Regulatory Committee



Authorization to Implement Voucher Payment Standards Based on HUD FY2022 Small Area Fair Market

Housing Resource Division

KAYRINE BROWN, ACTING EXECUTIVE DIRECTOR

Lynn Hayes, Director, Housing Resources Division Guidy Paul, Management Compliance Analyst Kashif Paul, Financial Analyst Frederic Colas, Financial Analyst, CMA

December 8, 2021





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- Annually, the Department of Housing and Urban Development ("HUD") publishes Fair Market Rents ("FMRs") for use in determining the Voucher Payment Standards ("VPSs") for the Housing Choice Voucher ("HCV") Program.
- FMRs represent the cost to rent a dwelling unit in the local housing market, including the costs of utilities .
- VPSs represent the maximum amount of subsidy that the Public Housing Authority ("PHA") can pay a private landlord on behalf of a HCV customer.
- VPSs may range from 90% 110% of the published FMRs and are established by the PHA.
- Historically, HUD established a single set of FMRs for units of various sizes in each metropolitan or rural area.
- HUD required the use of Small Area Fair Market Rents ("SAFMRs") in 24 designated metropolitan areas effective January 1, 2018.
- SAFMRs are FMRs calculated for specific Zip codes, according to the number of bedrooms, within metropolitan areas.
- SAFMRS reflect neighborhood rents more accurately than metro-level FMRs and allow HCV customers greater access to high-opportunity areas.
- Montgomery County, Maryland is included in the DC-VA-MD region required to use SAFMRs.
- Staff recommends that the Commission approve the Voucher Payment Standards for FY2022 to be equal to 110% of the published SAFMRs for all Zip codes and bedroom sizes, effective January 1, 2022.
- The recommended VPSs will reduce the rent burden for 1,192 Families or 90% of rent burdened households
- The recommended VPSs will allow families greater access to high-opportunity areas while increasing program utilization and maintaining a recommended reserve balance of 5% of our Annual Budget Authority ("ABA")



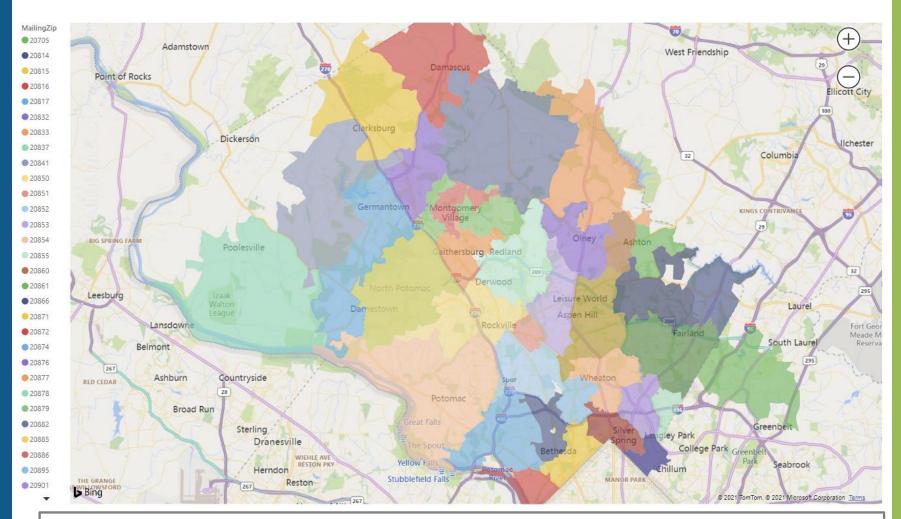
Methodology

- Each year, staff analyzes a combination of 71 Zip codes and five (5) bedroom sizes to determine new payment standard values within the new FMR limits set by HUD.
- This year, staff turned an arduous manual exercise into an automated and time saving process by using one of the most powerful and flexible methods of quantitative analysis, spreadsheet optimization.
- Specifically, staff used linear programming and the Excel function Solver.
- Linear programming involves optimizing a linear function subject to several linear constraints, expressed as linear inequalities or equalities.
- This year staff used the sum total of Voucher Payment Standards ("VPS") as the Objective; constraints of 90%- 110% of the published FY2022 SAFMR were applied to Solver.
- By setting the model in this way, Staff was able to "instruct" Excel to unburden as many families as possible while staying within the 90% 110% SAFMR range.
- Staff examined various outcomes and selected the solution that allowed for the fewest amount of families to be rent burdened.

*Zip = Zone Improvement Plan



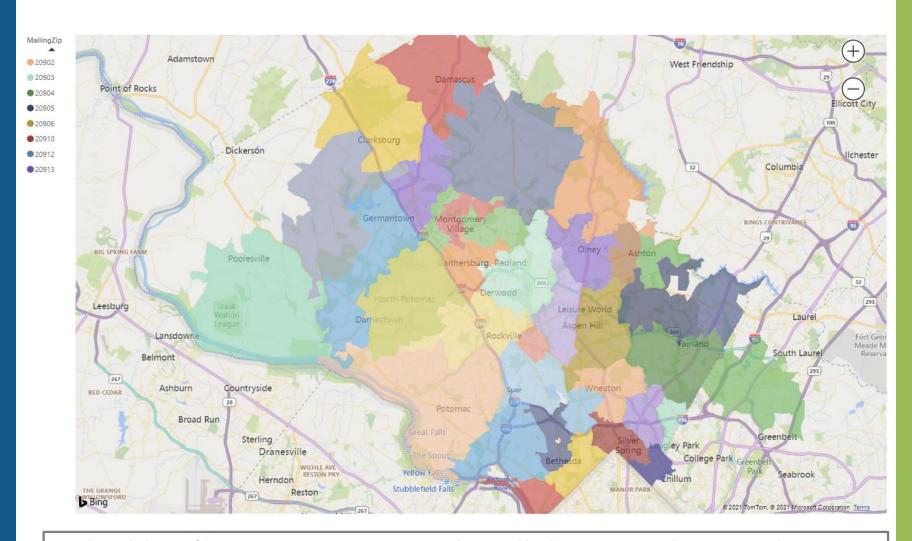
Montgomery County



- Color coded map of Montgomery County represents Zip codes served by the HCV program. There are currently 38.
- 33 ZIP codes have no voucher participants.



Montgomery County (Cont.)



- Color coded map of Montgomery County represents Zip codes served by the HCV program. There are currently 38.
- 33 ZIP codes have no voucher participants.

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Notable Increases in FMR

	NOTABLE INCREASES BY ZIP CODES AND BEDROOM SIZES															
ZIP Code	Efficiency	/ ZIP Code	Qne Bed	droom	ZIP Code	Two Bedroom	ZIP Code	Three Bedroor	n ZIP Code	Four Bedroom	ZIP Code	Five Bedroom	ZIP Code	Six Bedroom	ZIP Code	Seven Bedroom
20882	\$120			\$120	20882	\$130	20882	\$13	0 20882	\$140	20882	\$161	20882	\$182	20882	\$203
20853	\$100			\$80	20853	\$100	20853	\$10	0 20853	\$100	20853	\$115	20853	\$130	20853	\$145
20832	\$90			\$80	20832	\$90	20832	\$8	0 20832	\$70	20832	\$80	20832	\$91	20832	\$102
20838	\$80			\$70	20838	\$80	20838	\$6		\$30	20902	\$34	20902	\$39	20902	\$44
20842	\$70		_	\$60	20815	\$60	20902	\$5	0 20815	\$10	20815	\$12	20815	\$13	20815	\$14
20815	\$60			\$50	20902	\$60	20815	\$4	0 20838	\$10	20838	\$12	20838	\$13	20838	\$14
20816	\$60			\$50	20816	\$50	20850	\$3	0		20816	\$0	20816	\$0	20816	\$0
20902	\$60			\$40	20850	\$50	20903	\$3			20850	\$0	20850	\$0	20850	\$0
20850	\$50			\$40	20903	\$40	20816	\$2			20903	\$0	20903	\$0	20903	\$0
20839	\$40			\$40	20841	\$30	20877	\$1	0							
20841	\$40			\$30	20842	\$30	20878	\$1	0							
20854	\$40			\$30	20854	\$30	20886	\$1	0							
20878	\$40			\$30	20878	\$30	20901	\$1	0							
20886	\$40			\$30	20886	\$30										
20901	\$40	20839		\$20	20901	\$30										
20903	\$40	20886		\$20	20839	\$20										

Efficiencies were most positively impacted by the changes in the FMR with increases in 51 Zip codes or 72% of Montgomery County Zip codes, followed by 1 & 2 bedrooms with increases in 45 Zip codes or 63% of Montgomery County Zip codes.



Notable Decreases in FMR

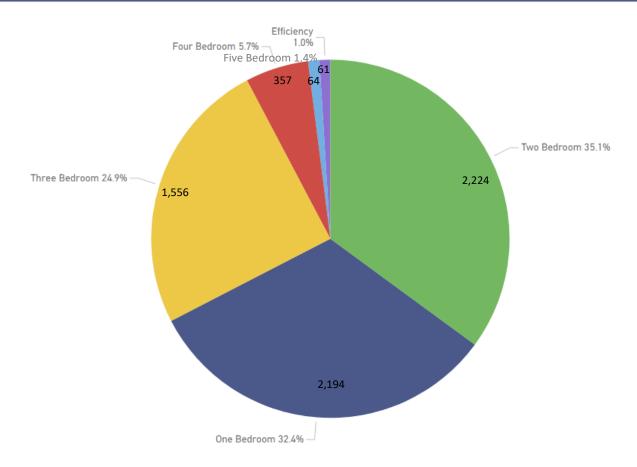
	NOTABLE DECREASES BY ZIP CODES AND BEDROOM SIZES														
ZIP Code	Efficiency	ZIP Code	Qne Bedroom	ZIP Code	Two Bedroom	ZIP Code	Three Bedroom	ZIP Code	Four Bedroom	ZIP Code	Five Bedroom	ZIP Code	Six Bedroom	ZIP Code	Seven Bedroom
20855	(\$10)	20855	(\$20)	20855	(\$20)	20814	(\$50)	20814	(\$90)	20814	(\$104)	20814	(\$117)	20814	(\$130)
20860	(\$10)	20860	(\$20)	20895	(\$20)	20818	(\$50)	20818	(\$90)	20818	(\$104)	20818	(\$117)	20818	(\$130)
20895	(\$10)	20895	(\$2 <mark>0)</mark> (\$30)	20860	(\$30)	20852	(\$50)	20852	(\$90)	20852	(\$104)	20852	(\$117)	20852	(\$130)
21771	(\$10)	20868	(\$40)	20880	(\$40)	20895	(\$50)	20895	(\$90)	20895	(\$104)	20895	(\$117)	20895	(\$130)
20880	(\$20)	20905	(\$40)	20868	(\$50)	20896	(\$50)	20896	(\$90)	20896	(\$104)	20896	(\$117)	20896	(\$130)
20868	(\$30)	21771	(\$40)	20905	(\$50)	20855	(\$60)	21771	(\$90)	21771	(\$104)	21771	(\$117)	21771	(\$130)
20905	(\$30)	20837	(\$50)	21771	(\$50)	20860	(\$70)	20839	(\$100)	20839	(\$115)	20839	(\$130)	20839	(\$145)
20837	(\$40)	20866	(\$50)	20837	(\$60)	20880	(\$70)	20855	(\$100)	20855	(\$115)	20855	(\$130)	20855	(\$145)
20866	(\$40)	20871 20861	(\$50) (\$60)	20866	(\$60)	21771	(\$70)	20860	(\$120)	20860	(\$138)	20860	(\$156)	20860	(\$174)
20871	(\$40)	20862	(\$100)	20871	(\$60)	20868	(\$100)	20880	(\$120)	20880	(\$138)	20880	(\$156)	20880	(\$174)
20861	(\$50)	20899	(\$100)	20861	(\$80)	20905	(\$100)	20868	(\$140)	20868	(\$161)	20868	(\$182)	20868	(\$203)
20862	(\$80)	20833	(\$120)	20899	(\$110)	20837	(\$110)	20905	(\$140)	20905	(\$161)	20905	(\$182)	20905	(\$203)
20899	(\$90)	20812	(\$140)	20862	(\$120)	20866	(\$110)	20837	(\$160)	20837	(\$184)	20837	(\$208)	20837	(\$232)
20833	(\$110)			20833	(\$140)	20871	(\$110)	20866	(\$160)	20866	(\$184)	20866	(\$208)	20866	(\$232)
20812	(\$130)			20812	(\$170)	20861	(\$140)	20871	(\$170)	20871	(\$196)	20871	(\$221)	20871	(\$246)
						20899	(\$150)	20899	(\$180)	20899	(\$207)	20899	(\$234)	20899	(\$261)
						20862	(\$180)	20861	(\$190)	20861	(\$218)	20861	(\$247)	20861	(\$276)
						20833	(\$220)	20862	(\$260)	20862	(\$299)	20862	(\$338)	20862	(\$377)
						20812	(\$260)	20833	(\$310)	20833	(\$356)	20833	(\$403)	20833	(\$450)
								20812	(\$350)	20812	(\$402)	20812	(\$455)	20812	(\$508)

4 bedroom units were negatively impacted with decreases in 62 Zip codes or 87% of Montgomery County Zip codes, followed by 3 bedroom with 56 Zip codes or 79% of Montgomery County Zip codes.



Unit Size Breakdown

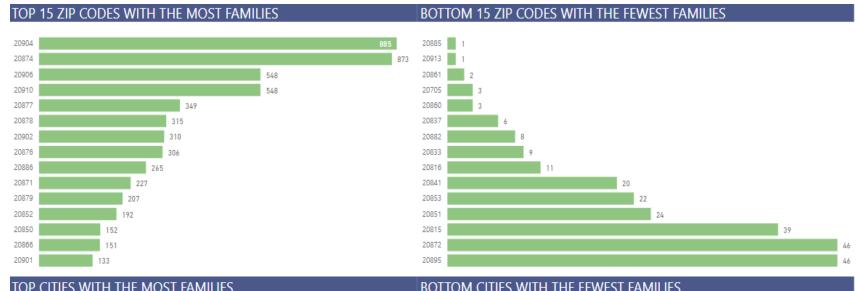
UNIT SIZE BREAKDOWN



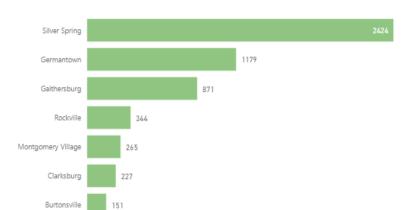
- Over 90% of HCV units are 1,2, and 3 bedrooms.
- With three (3) bedrooms experiencing a decrease in 56 Zip codes, up to 1,252 families would potentially be negatively impacted by the changes in the 2022 FMRs.



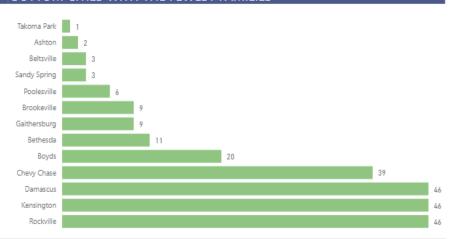
High/Low Concentration







CITIES WITH THE FEWEST FAMILIES



- Approximately 90% of our customers reside in the top 15 Zip codes or corresponding seven (7) submarkets.
- Conversely the bottom 15 Zip codes only house 3% of our customers.



Rent Burden Customers

6266

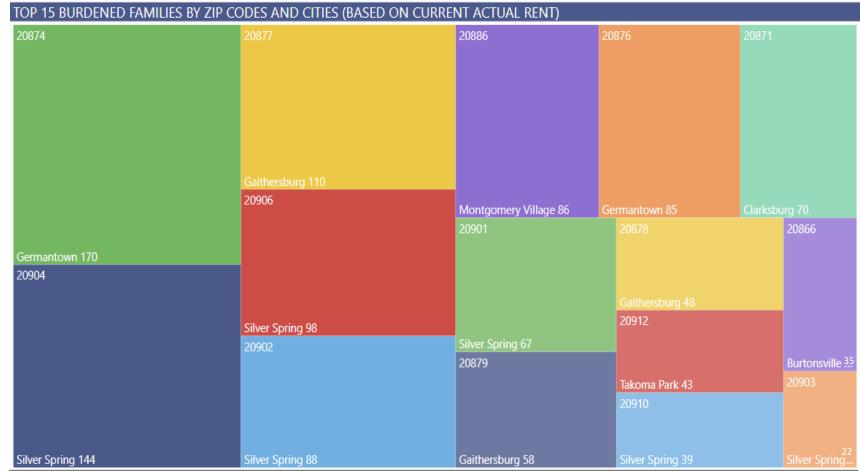
1325

21%

Total Nbr of Families

Nbr of Families Burdened

% of Families Burdened



- Approximately 90% of rent burden families reside in 34 of our Zip codes (Paying over 30% of income).
- Rent Burden Families on average pay 25% in excess of their 30% adjusted income.



Proposal and Sensitivity Analysis

PROPOSED VPS % (ASSUMING 1.4% MOCO VOLUNTARY RENT GUIDELINES INCREASE)

,	Suggested VPS as % of CY22 FMR	Projected Nbr of Families Burdened	Projected Increase in PUC (%)	Projected Reserves	At Risk of Recapture
	90%	4,135	-12.0%	17,790,224	12,464,729
	95%	3,102	-7.1%	14,960,703	9,635,209
	100%	2,077	-2.2%	12,131,183	6,805,689
	105%	1,229	2.7%	9,301,663	3,976,168
	110%	650	7.6%	6,472,142	1,146,648

RENT SENSITIVIT	Y ANALYSIS (ASSUMING	VPS AT 110% OF SAFMRS)	
Landlord Rent Increase	Projected Nbr of Families Burdened	Projected Increase in PUC (%)	Projected Estimated Reserves
1.4%	650	7.6%	\$6,472,142
2.0%	708	7.6%	\$6,472,142
2.5%	761	7.6%	\$6,472,142
3.0%	818	7.6%	\$6,472,142
3.5%	879	7.6%	\$6,472,142
4.0%	934	7.6%	\$6,472,142
4.5%	1,011	7.6%	\$6,472,142
5.0%	1,084	7.6%	\$6,472,142

*PUC = Per Unit Cost

- The proposal for the 2022 VPS is to apply 110% of 2022 SAFMR across all Zip codes and bedroom sizes.
- The benefits of this recommendation is threefold:
 - a) We would be able to alleviate rent burden for a greater number of families,
 - i. Preventing risk of rent burden for 90% of our families.
 - b) We would be able to bear the cost of this option,
 - i. Allows us to reduce our reserves and thus avoiding the risk of recapture by HUD.
 - c) We would be eligible for a re-benchmark of our funding based on our CY 2022 expenses.

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CHANGES IN THE NUMBER OF FAMILIES BURDENED BY ZIP CODES

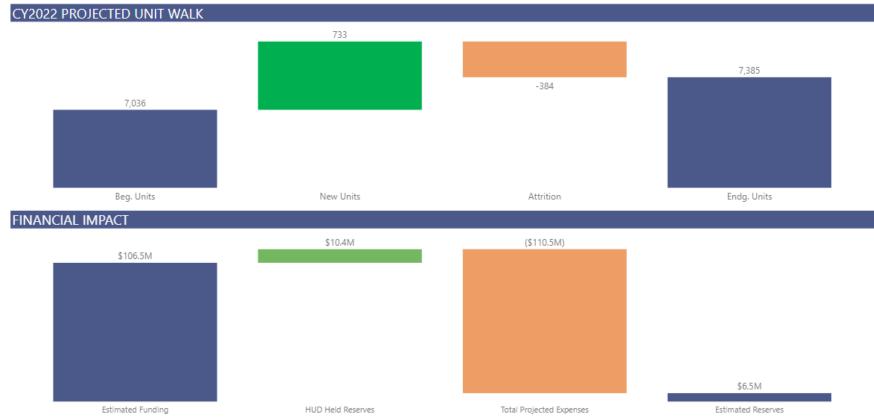
Zip Code	Nbr of Families	Rent Burdened (2021)	% Rent Burdened (2021)	Projected Rent Burdened (2022)	Projected % Rent Burdened (2022)	Projected Drop in Families Burden
20904	885	144	16%	66	7%	-78
20877	349	110	32%	50	14%	-60
20902	310	88	28%	34	11%	-54
20876	306	85	28%	39	13%	-46
20871	227	70	31%	30	13%	-40
20874	873	170	19%	131	15%	-39
20910	548	39	7%	4	1%	-35
20879	207	58	28%	25	12%	-33
20906	548	98	18%	66	12%	-32
20901	133	67	50%	36	27%	-31
20878	315	48	15%	19	6%	-29
20886	265	86	32%	62	23%	-24
20866	151	35	23%	13	9%	-22
20852	192	20	10%	0	0%	-20
20832	86	21	24%	2	2%	-19
20850	152	18	12%	2	1%	-16
20903	76	22	29%	7	9%	-15
20855	51	15	29%	1	2%	-14
20912	101	43	43%	30	30%	-13
20817	56	10	18%	2	4%	-8
20854	57	8	14%	0	0%	-8
20895	46	12	26%	4	9%	-8
20905	56	12	21%	5	9%	-7
20814	81	5	6%	0	0%	-5
20841	20	5	25%	0	0%	-5
20853	22	8	36%	3	14%	
20851	24	3	13%	0	0%	-3
20816	11	2	18%	0	0%	-2
20882	8	2	25%	0	0%	-2
20815	39	2	5%	1	3%	-1
20861	2	1	50%	0	0%	-1
20872	46	16	35%	16	35%	0
20885	1	1	100%	1	100%	0
20913	1	1	100%	1	100%	0
Total	6245	1325	21%	650	10%	-6

- The current proposal would allow us to decrease the rent burden for our customers from 21% to 10%.
- If the Payment Standard increases, it is applicable at the next annual certification for an existing voucher participant.
- If the Payment Standard decreases, it is applicable at the 2nd future annual recertification for an existing voucher participant.



Financial Impact

150 69.0% 7.6% (\$110.5M) \$6.5M
Call Ups/Mo Eligibility to Lease Per Unit Cost Incr. Projected Expenses Projected Reserves



- Staff projects that the program size will increase by 5% in CY2022.
- At 7,385 units, it is projected that the utilization rate will equate to 96% end of CY2022.
- New rates will be applied for existing families at their anniversary date. On average 600 recertification's are completed monthly.
- Reserves are projected to equal \$6.5M, representing 75% of a months program costs and consistent with HUD guidelines.

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Summary and Recommendation

ISSUES FOR CONSIDERATION

Does the Commission wish to accept staff's recommendation, which is supported by the Administrative and Regulatory Committee, to establish HOC's Fiscal Year 2022 Voucher Payment Standards herein described, and authorize the Acting Executive Director, or her designee, to implement the new Voucher Payment Standards detailed in the attached exhibit for HOC's administration of the Housing Choice Voucher Program during FY 2022?

PRINCIPALS

Housing Resources Division

BUDGET/FISCAL IMPACT

If adopted, the Fiscal Year 2022 VPS' will be applied subsequent to Commission approval for all newly admitted applicants, and at the annual recertification for all existing households. The anticipated Housing Assistance Payment expenditure will increase by 9.4% or \$10.3M, reducing the reserve balance to \$6.5M. It is anticipated that Calendar Year 2023 Annual Budgetary Authority will increase to \$113M.

TIMEFRAME

For formal action at the December 8, 2021, meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that Commission approve staff's recommendation to establish HOC's Fiscal Year ("FY") 2022 Voucher Payment Standards herein described, and authorize the Acting Executive Director, or her designee, to implement the new Voucher Payment Standards detailed in the attached exhibit for HOC's administration of the Housing Choice Voucher Program during FY 2022.

RESOLUTION: 21-113

RE: Authorization to Implement Voucher Payment Standards Based on HUD FY 2022 Small Area Fair Market Rents

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

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

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County establishes the Voucher Payment Standards for FY 2022 as shown on the **Exhibit**.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Executive Director, or her designee, 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.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on December 8, 2021.

S Patrice Birdsong
A Special Assistant to the Commission

EXHIBIT

Fiscal Year 2022 Voucher Payment Standard Tables

[Attached]

ZIP Code	e City	Curre	nt 2021 VP	PS .		Curre	ent 2021 '	VPS %	Suggested 2022 VPS			Suggested 2022 %					Dollar Difference in VPS									
		0 1	2	3	4	1	2	3	4	0	1	2	3	4	0	1	2	3	4	0		1	2	2	3	4
20705	Beltsville	\$ 1,260 \$ 1,459 \$	1,532 \$	2,006	\$ 2,454 909	6 102%	94%	96%	97%	\$1,551	\$1,584	\$1,804	\$2,288	\$2,739	110%	110%	110%	110%	110%	\$ 2	291	\$ 125	5 \$ 3	272 \$	282	\$ 285
20707	Laurel	\$ 1,314 \$ 1,341 \$	1,547 \$	2,005	\$ 2,455 909	6 90%	91%	92%	93%	\$1,628	\$1,661	\$1,892	\$2,398	\$2,871	110%	110%	110%	110%	110%	\$ 3	314	\$ 320) \$:	345 \$	393	\$ 416
20777	Highland	\$ 1,479 \$ 1,637 \$	1,938 \$	2,477	\$ 3,033 999	6 94%	91%	90%	95%	\$1,672	\$1,903	\$2,332	\$3,014	\$3,476	110%	110%	110%	110%	110%	\$ 1	193	\$ 266	5 \$ 3	394 \$	537	\$ 443
20812	Glen Echo			•			90%	90%	90%	\$2,354	\$2,398	\$2,728	\$3,454	\$4,147	110%	110%	110%	110%	110%	\$ 3	311	\$ 310) \$:	343 \$	394	\$ 439
20814	Bethesda			•	\$ 3,162 949		100%	95%	93%	\$2,068	\$2,101	\$2,398			110%	110%	110%	110%	110%	\$ 3	301	\$ 219	9 \$:	208 \$	366	\$ 479
20815	Chevy Chase	\$ 1,833 \$ 1,871 \$		•	\$ 3,283 949		100%		93%		\$2,255	\$2,563	\$3,245			110%	110%	110%	110%			\$ 384		293 \$,	\$ 611
20816	Bethesda		, ,	•	\$ 3,459 949			94%	94%	\$2,299	\$2,332	\$2,662	\$3,366				110%	110%	110%			\$ 294		434 \$		\$ 589
20817	Bethesda			•	\$ 3,541 929				97%	\$2,233	\$2,266				110%		110%	110%	110%	,		\$ 165		329 \$		\$ 386
20818	Cabin John	, , , , , , , ,	, .	•	\$ 3,474 909				90%	\$2,354	\$2,387	\$2,728	\$3,454				110%	110%	110%			\$ 425		487 \$		\$ 673
20824	Bethesda			•	\$ 2,717 959				95%						110%		110%	110%	110%			\$ 252		323 \$		\$ 374
20825	Chevy Chase			•	\$ 2,717 959				95%		\$1,782	\$2,035	. 1	\$3,091			110%	110%	110%		259	\$ 252		323 \$		\$ 374
20827	Bethesda			•	\$ 2,717 959				95%	\$1,760	\$1,782	\$2,035		\$3,091			110%	110%	110%			\$ 252		323 \$		\$ 374
20830	Olney			-	\$ 2,689 969				94%		. 1				110%		110%	110%	110%			\$ 269		269 \$		\$ 402
20832 20833	Olney Brookeville			•	\$ 3,121 919 \$ 3,708 909				103% 90%	\$1,936	. 1	\$2,244 \$2,761	\$2,838		110%		110% 110%	110% 110%	110% 110%	T .		\$ 293 \$ 332		138 \$ 376 \$	'	\$ 289 \$ 483
20837	Poolesville			•	\$ 2,808 909				90%	, ,	\$1,881	\$2,761		\$3,256			110%	110%	110%			\$ 332 \$ 297		376 \$ 336 \$		\$ 465 \$ 448
20838	Barnesville	. / ! / !		•	\$ 2,158 939				93%		\$1,881	\$1,683		\$2,563			110%	110%	110%			\$ 293		334 \$		\$ 405
20839	Beallsville	, , , , , , , ,	, .	-	\$ 2,158 939				93%	' / -	\$1,408	' '			110%		110%	110%	110%			\$ 236		267 \$		\$ 284
20841	Boyds		2,518 \$	•					90%		\$2,585	\$2,948	\$3,729				110%	110%	110%			\$ 497		430 \$		\$ 769
20842	Dickerson			•	\$ 1,947 103				103%	. /-	, ,	\$1,309			110%		110%	110%	110%			\$ 124		115 \$		\$ 765
20847	Rockville	' ' '		•	\$ 2,717 959				95%		\$1,782				110%		110%	110%	110%	_		\$ 252		305 \$		\$ 374
20848	Rockville			•	\$ 2,717 959		94%	95%	95%	\$1,760	\$1,782	\$2,035		\$3,091			110%	110%	110%	\$ 2	259	\$ 252		305 \$	332	\$ 374
20849	Rockville	, , , , , , , ,		-	\$ 2,717 959		94%	95%	95%	\$1,760	\$1,782	\$2,035			110%	110%	110%	110%	110%	\$ 2	259	\$ 252		305 \$		\$ 374
20850	Rockville			•	\$ 3,128 919		101%	104%	92%	\$2,123	\$2,167	\$2,464	\$3,124	\$3,740	110%	110%	110%	110%	110%	\$ 4	413	\$ 228		252 \$	202	\$ 612
20851	Rockville	\$ 1,501 \$ 1,530 \$	1,730 \$	5 2,242	\$ 2,717 959	6 95%	94%	95%	95%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 2	259	\$ 252	2 \$ 3	305 \$	332	\$ 374
20852	Rockville	\$ 1,710 \$ 1,970 \$	2,176 \$	2,793	\$ 3,140 909	6 101%	98%	98%	91%	\$2,101	\$2,134	\$2,431	\$3,080	\$3,696	110%	110%	110%	110%	110%	\$ 3	391	\$ 164	4 \$ 3	255 \$	287	\$ 556
20853	Rockville	\$ 1,323 \$ 1,501 \$	1,706 \$	2,192	\$ 2,597 989	6 108%	108%	108%	106%	\$1,595	\$1,617	\$1,848	\$2,343	\$2,805	110%	110%	110%	110%	110%	\$ 2	272	\$ 116	5 \$:	142 \$	151	\$ 208
20854	Potomac	\$ 2,043 \$ 2,158 \$	2,385 \$	3,060	\$ 3,708 909	6 93%	90%	90%	90%	\$2,541	\$2,585	\$2,948	\$3,729	\$4,477	110%	110%	110%	110%	110%	\$ 4	498	\$ 427	7 \$!	563 \$	669	\$ 769
20855	Derwood	\$ 1,638 \$ 1,804 \$	2,120 \$	2,720	\$ 3,126 909	6 97%	100%	100%	95%	\$1,991	\$2,024	\$2,310	\$2,926	\$3,509	110%	110%	110%	110%	110%	\$ 3	353	\$ 220) \$:	190 \$	206	\$ 383
20859	Potomac	\$ 1,501 \$ 1,530 \$	1,840 \$	5 2,242	\$ 2,660 959	6 95%	100%	95%	93%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 2	259	\$ 252	2 \$:	195 \$	332	\$ 431
20860	Sandy Spring	\$ 1,674 \$ 1,786 \$		•			94%	90%	90%						110%			110%	110%	\$ 3	61	\$ 282	2 \$ 3	314 \$	479	\$ 542
20861	Ashton	\$ 1,683 \$ 1,766 \$		•				90%							110%			110%	110%			\$ 269				\$ 442
20862	Brinklow	\$ 1,908 \$ 1,989 \$		•	* *			90%							110%			110%	110%			\$ 332				\$ 504
20866	Burtonsville	\$ 1,548 \$ 1,786 \$			-			100%							110%			110%	110%				5 \$:			\$ 167
20868	Spencerville	\$ 1,548 \$ 1,637 \$		•	* *			96%							110%			110%	110%					218 \$		\$ 470
20871	Clarksburg	\$ 1,890 \$ 2,060 \$		•											110%			110%	110%			\$ 151		75 \$		\$ 68
20872	Damascus	\$ 1,390 \$ 1,548 \$		•											110%			110%	110%		139		3 \$	5 \$	` '	\$ (27)
20874	Germantown	\$ 1,470 \$ 1,771 \$		-											110%			110%	110%		268)	222 ¢		\$ 218
20875	Germantown	\$ 1,454 \$ 1,497 \$ \$ 1,490 \$ 1,793 \$		•				94%							110%			110%	110%		306			323 \$ 11 \$		\$ 402
20876 20877	Germantown Gaithersburg	\$ 1,490 \$ 1,795 \$		•				106%							110% : 110% :			110% 110%	110% 110%		314 : 180 :	\$ 44 \$ 63		11 \$ 67 \$		\$ 63 \$ 58
	Gaithersburg	\$ 1,506 \$ 1,743 \$		•											110%			110%	110%		320					
20878 20879	Gaithersburg	\$ 1,470 \$ 1,712 \$			-										110%			110%	110%	\$ 2				90 \$ 91 \$		\$ 154 \$ 19
20075								100%																		•
20880	Washington Grove	\$ 1,542 \$ 1,597 \$	1,841 \$	2,380	\$ 2,919	JG/0	JJ/0	100/0	101/0	\$1,727	\$1,760	\$2,002	\$2,541	\$3,047	110%	110%	110%	110%	110%	\$ 1	185	\$ 163	3 \$:	161 \$	161	\$ 128
20882	Gaithersburg	\$ 1,519 \$ 1,598 \$	2,076 \$	5 2,241	\$ 2,709 929	6 94%	107%	90%	90%	\$1,958	\$2,002	\$2,277	\$2,882	\$3,465	110%	110%	110%	110%	110%	\$ 4	139	\$ 404	4 \$:	201 \$	641	\$ 756
20883	Gaithersburg	\$ 1,454 \$ 1,497 \$	1,712 \$	2,219	\$ 2,689 929	6 93%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 3	306	\$ 285	5 \$ 3	323 \$	355	\$ 402
20884	Gaithersburg	\$ 1,454 \$ 1,497 \$	1,712 \$	2,219	\$ 2,689 929	6 93%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 3	306	\$ 285	5 \$ 3	323 \$	355	\$ 402
20885	Gaithersburg	\$ 1,454 \$ 1,497 \$	1,712 \$	2,219	\$ 2,689 929	6 93%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 3	306	\$ 285	5 \$:	323 \$	355	\$ 402

ZIP Code	City		Cui	rent 2021	VPS			Curre	nt 2021	VPS %			Sugge	ested 202	2 VPS				Suggested	1 2022 %			Dollar D	ifference	in VPS	
		0	1	2	3	4	0	1	2	3	4	0	1	2	3	4	0	1	2	3	4	0	1	2	3	4
20886	Montgomery Village	\$ 1,297	\$ 1,595	\$ 1,815	\$ 2,332	\$ 2,816	92%	110%	110%	110%	110%	\$1,595	\$1,617	\$1,848	\$2,343	\$2,805	110%	110%	110%	110%	110%	\$ 298 \$	22	\$ 33	\$ 11	\$ (11)
20891	Kensington	\$ 1,519	\$ 1,513	\$ 1,766	\$ 2,266	\$ 2,717	96%	94%	96%	96%	95%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 241 \$	269	\$ 269	\$ 308	3 \$ 374
20895	Kensington	\$ 1,512	\$ 1,617	\$ 1,862	\$ 2,385	\$ 2,888	90%	94%	95%	95%	95%	\$1,837	\$1,870	\$2,134	\$2,706	\$3,245	110%	110%	110%	110%	110%	\$ 325 \$	253	\$ 272	\$ 321	\$ 357
20896	Garrett Park	\$ 1,647	\$ 1,692	\$ 1,926	\$ 2,466	\$ 2,988	90%	90%	90%	90%	90%	\$2,013	\$2,046	\$2,332	\$2,959	\$3,553	110%	110%	110%	110%	110%	\$ 366 \$	354	\$ 406	\$ 493	\$ \$ 565
20898	Gaithersburg	\$ 1,454	\$ 1,497	\$ 1,712	\$ 2,219	\$ 2,689	92%	93%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 306 \$	285	\$ 323	\$ 355	\$ 402
20899	Gaithersburg	\$ 989	\$ 1,020	\$ 1,194	\$ 1,561	\$ 1,947	103%	102%	103%	102%	103%	\$957	\$990	\$1,155	\$1,518	\$1,881	110%	110%	110%	110%	110%	\$ (32) \$	(30)	\$ (39)	\$ (43	3) \$ (66)
20901	Silver Spring	\$ 1,384	\$ 1,512	\$ 1,728	\$ 2,235	\$ 2,615	101%	108%	108%	109%	105%	\$1,551	\$1,573	\$1,793	\$2,266	\$2,728	110%	110%	110%	110%	110%	\$ 167 \$	61	\$ 65	\$ 31	\$ 113
20902	Silver Spring	\$ 1,561	\$ 1,716	\$ 1,958	\$ 2,508	\$ 2,909	102%	110%	110%	110%	105%	\$1,749	\$1,771	\$2,024	\$2,563	\$3,080	110%	110%	110%	110%	110%	\$ 188 \$	55	\$ 66	\$ 55	\$ 171
20903	Silver Spring	\$ 1,479	\$ 1,546	\$ 1,766	\$ 2,258	\$ 2,610	103%	105%	105%	105%	100%	\$1,628	\$1,661	\$1,892	\$2,398	\$2,871	110%	110%	110%	110%	110%	\$ 149 \$	115	\$ 126	\$ 140	\$ 261
20904	Silver Spring	\$ 1,479	\$ 1,786	\$ 2,017	\$ 2,394	\$ 3,128	93%	110%	109%	101%	109%	\$1,771	\$1,804	\$2,057	\$2,607	\$3,124	110%	110%	110%	110%	110%	\$ 292 \$	18	\$ 40	\$ 213	\$ \$ (4)
20905	Silver Spring	\$ 1,565	\$ 1,766	\$ 2,090	\$ 2,657	\$ 3,089	91%	100%	104%	103%	99%	\$1,859	\$1,892	\$2,156	\$2,728	\$3,278	110%	110%	110%	110%	110%	\$ 294 \$	126	\$ 66	\$ 71	\$ 189
20906	Silver Spring	\$ 1,519	\$ 1,766	\$ 2,017	\$ 2,536	\$ 3,014	96%	109%	109%	107%	105%	\$1,749	\$1,771	\$2,024	\$2,563	\$3,080	110%	110%	110%	110%	110%	\$ 230 \$	5	\$ 7	\$ 27	7 \$ 66
20907	Silver Spring	\$ 1,485	\$ 1,513	\$ 1,712	\$ 2,219	\$ 2,689	94%	94%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 275 \$	269	\$ 323	\$ 355	\$ 402
20910	Silver Spring	\$ 1,683	\$ 1,885	\$ 2,174	\$ 2,546	\$ 3,023	94%	103%	104%	95%	93%	\$1,991	\$2,024	\$2,310	\$2,926	\$3,509	110%	110%	110%	110%	110%	\$ 308 \$	139	\$ 136	\$ 380	\$ 486
20911	Silver Spring	\$ 1,485	\$ 1,513	\$ 1,712	\$ 2,219	\$ 2,689	94%	94%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 275 \$	269	\$ 323	\$ 355	\$ 402
20912	Takoma Park	\$ 1,150	\$ 1,395	\$ 1,577	\$ 1,777	\$ 2,202	92%	109%	108%	95%	97%	\$1,386	\$1,408	\$1,606	\$2,035	\$2,442	110%	110%	110%	110%	110%	\$ 236 \$	13	\$ 29	\$ 258	\$ \$ 240
20913	Takoma Park	\$ 1,485	\$ 1,513	\$ 1,712	\$ 2,219	\$ 2,689	94%	94%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 275 \$	269	\$ 323	\$ 355	\$ 402
20914	Silver Spring	\$ 1,479	\$ 1,546	\$ 1,766	\$ 2,258	\$ 2,803	94%	96%	96%	96%	98%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 281 \$	236	\$ 269	\$ 316	5 \$ 288
20915	Silver Spring	\$ 1,519	\$ 1,513	\$ 1,766	\$ 2,266	\$ 2,717	96%	94%	96%	96%	95%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 241 \$	269	\$ 269	\$ 308	3 \$ 374
20916	Silver Spring	\$ 1,519	\$ 1,513	\$ 1,766	\$ 2,266	\$ 2,717	96%	94%	96%	96%	95%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 241 \$	269	\$ 269	\$ 308	3 \$ 374
20918	Silver spring	\$ 1,485	\$ 1,513	\$ 1,712	\$ 2,219	\$ 2,689	94%	94%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 275 \$	269	\$ 323	\$ 355	\$ 402
21771	Mount Airy	\$ 1,291	\$ 1,332	\$ 1,593	\$ 2,052	\$ 2,519	97%	90%	90%	90%	94%	\$1,452	\$1,584	\$1,892	\$2,431	\$2,849	110%	110%	110%	110%	110%	\$ 161 \$	252	\$ 299	\$ 379	\$ 330
21797	Woodbine	\$ 1,113	\$ 1,143	\$ 1,431	\$ 1,854	\$ 2,162	106%	90%	90%	90%	92%	\$1,122	\$1,320	\$1,639	\$2,123	\$2,442	110%	110%	110%	110%	110%	\$ 9 \$	177	\$ 208	\$ 269	\$ 280

Development and Finance Committee

HERITAGE EMORY GROVE CONCEPT DEVELOPMENT: Approval to Execute a Purchase Agreement for Disposition of the Emory Grove Village & Camp Hill Square; Approval of a Predevelopment Budget and Funding of Predevelopment Expenditures for Heritage Emory Grove; and Approval to Draw on the \$150 Million PNC Bank, N.A. Bank, N.A. Real Estate Line of Credit to Fund the Predevelopment Expenditures and EGUMC Loan

GAITHERSBURG, MD



KAYRINE BROWN, ACTING EXECUTIVE DIRECTOR

JAY SHEPHERD, HOUSING ACQUISITION MANAGER
MARCUS ERVIN, DIRECTOR OF DEVELOPMENT
ZACHARY MARKS, CHIEF REAL ESTATE OFFICER



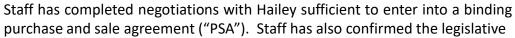
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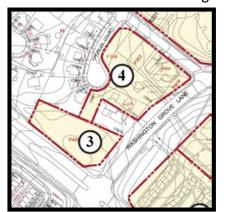


In October 2020, the Commission authorized the Executive Director to enter into a letter of intent ("LOI") for the disposition of HOC's Emory Grove Village and Camp Hill Square properties to Hailey Development, LC ("Hailey") for \$2.5MM. Hailey would redevelop the property to include approximately 80 units of for-sale town homes and 60 units of rental apartments. The sale is conditioned upon Hailey:

- Delivering 30% of all units at or below 60% AMI;
- Providing the 30% of for-sale TH lots to be MPDUs to Habitat for Humanity for construction at MPDU-restricted lot pricing (with Habitat targeting 30%-MPDU range for MPDU TH pricing);
- Equitable distribution of MPDUs throughout the new community with unified exterior architecture.



path for a zoning text amendment ("ZTA") necessary to deliver the rental portion. As such, staff is seeking Commission approval to enter into the PSA contingent upon the ZTA as well as a final installment of funding for costs associated with securing the ZTA.

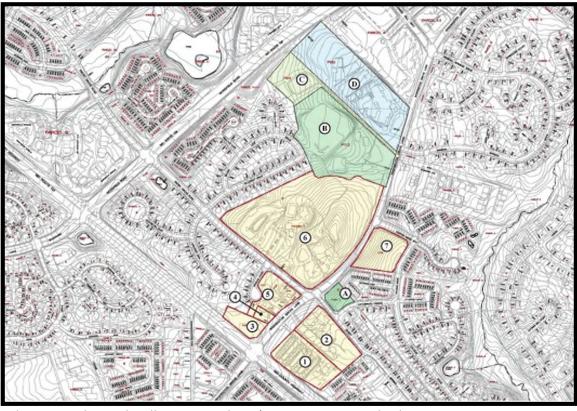


The Commission recently approved an amended loan of up to \$720,000 ("Amended Loan") to Emory Grove United Methodist Church ("EGUMC") for the acquisition of 17810 Washington Grove Lane ("17810 WGL"), the final privately owned property necessary to complete EGUMC's desired redevelopment aggregation. EGUMC has completed the negotiation with the owner of 17810 WGL for its sale at a price of \$535,000. Combined with the closing costs for the purchase and sale of 17810 WGL and the payoff of EGUMC's remaining mortgage on 17812 Washington Grove Lane ("17812 WGL"), the sale price is low enough for the Amended Loan to cover all three cost components. Staff is currently working with EGUMC to put loan documents in place and to fund the Amended Loan. Loan documents include HOC liens on 17810 WGL and 17812 WGL, which are the collateral for the amended loan.



Pursuit of the redevelopment of Emory Grove Village and Camp Hill Square was the genesis of the working relationship between EGUMC and HOC. In turn, collaboration on EGUMC's property aggregation led to the Heritage Emory Grove concept — a larger aggregation comprising EGUMC's and HOC's holdings along with other County and M-NCPPC properties (all remnants of Historic Emory Grove).

On August 19, 2021, HOC presented the Heritage Emory Grove redevelopment concept to the County Executive primarily to gain his support and authorization of the initiation of disposition of the County holdings. He responded enthusiastically and authorized the Department of General Services ("DGS") to begin the process of



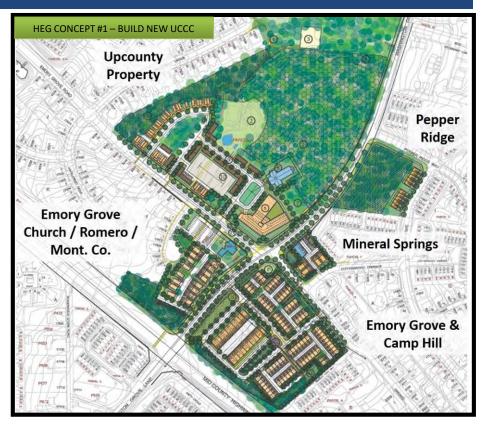
transferring the County-owned parcels (Parcels 3, 6, and 7 in the illustration above) to HOC. To entitle the Heritage Emory Grove redevelopment, parcels 6 and 7 will require rezoning; and, in general, HOC would act as master developer of the overall concept redevelopment plan.

In preparation for the property transfer, and to be sure that HOC can be responsive to questions and proposed covenants from the County Executive and County Council, staff requires feasibility funding for land planning, civil engineering, and land use legal. The source of the feasibility funding would be the \$150 million PNC Bank, N.A. Real Estate Line of Credit ("RELOC").

As proposed, HOC would simply act as steward for the ultimate disposition of the County property. As the County's Housing Authority, HOC is exempted from the typical disposition process. The County code allows both for the direct transfer of County-owned property to HOC and, where useful, at price below fair market value. This exemption allows the County to leverage HOC's expertise in affordable housing and to expedite important development projects like this one.

The current concept is predominately composed of forsale housing. Even the proposed pad for the senior rental apartments could be bid out to the private market. Much like HOC's disposition of its Emory Grove Village and Camp Hill Square properties, the end-user developers would be responsible for the cost of and resources necessary to gain entitlement and permitting.

HOC's costs, which would be reimbursed by either the County directly or from sales proceeds, would be limited to those consultants and contractors necessary to design the plan for disposition.



Staff's request for \$272,500 in feasibility spending is to establish the scope and budget of HOC's responsibilities as master planner for the ultimate disposition of the County land. The disposition will be governed by expected covenants around affordability, finalization of unit type and mix, and use of net proceeds to be established by the County Executive and County Council with meaningful community input. Reimbursement of HOC costs and agreement on a fee to HOC for its acting as master developer would be included as part of those same negotiations of terms.

EGV & CHS – Disposition History



Disposition of EGV & CHS

On October 7, 2020, the Commission authorized the Executive Director to execute a non-binding letter of intent ("Hailey LOI") with Hailey Development for the disposition of Emory Grove and Camp Hill Square. On January 22, 2021, the Hailey LOI was executed with the details consistent with the terms presented to the Commission in October 2020.

Sales Price: \$2,500,000

Unit Mix: 30% MPDUs allocated evenly across both for-sale and rental housing.

As presented at the time of the approval, the primary drivers of the decrease in price were:

- The increase in MPDU percentage from 12.5% to 30.0%.
- The introduction of rental housing, which supplanted more profitable forsale units.
- An increase in expected sitework costs.
- The agreement to sell the MPDU lots to Habitat for Humanity at the MPDU limit of \$15,000 per lot.

Product Type	September '19 Option 1	September '19 Options 2	LOI Terms
MPDU Percentage	12.5%	25%	30%
Total Unit Count	114	114	126
Townhome - Market	99	85	51
MF Rental - Market	0	0	37
Townhome - MPDU	15	29	21
MF Rental - MPDU	0	0	17
Total Market	99	85	88
Total MPDU	15	29	38
Per Unit Price			
Townhome	\$65,000	\$63,000	\$41,800
Multi-Family Market	N/A	N/A	\$9,950
Aggregate Price	\$7,500,000	\$6,750,000	\$2,500,000
SDC Credit	\$(525,000)	\$(525,000)	\$525,000
Adjusted Value	\$6,975,000	\$6,225,000	\$3,025,000

• Extraction of SDC value from the purchase price.



Disposition of EGV & CHS

HOC was originally expected to retain and transfer the WSSC System Development Charge ("SDC") credits to the buyer. Instead, prior to demolition of the existing Camp Hill and Emory Grove sites, a master plumber will conduct an inspection of the buildings and provide a fixture count (toilets, showers, sinks, etc.). Using that count WSSC will establish a credit for the benefit of HOC. *

Hailey Development has agreed to the sale of 21-24 ready lots to Habitat for Humanity along with 54 (and potentially as many as 60) multifamily rental units to be set aside for development by Sitka Residential, LLC ("Sitka"). The market rate Sitka units are expected to be priced such that all units would initially rent below the MPDU threshold. To ensure availability for subsidized households at Camp Hill Square, all MPDUs will be two-bedroom units.

Product Type	Quantity	Est. Sq. Ft.	Est. Rent Rate
1 Bedroom	18	693	\$1,420
2 Bedroom + Den	19	1053	\$1,720
2 Bedroom + Den (MPDU)	17	1053	\$1,620
Total	54		



^{*} The total credit amount is expected to be ~\$525,000 (105 dwelling units x \$5,000/dwelling unit). Hailey Development's builder will utilize the HOC SDC credit account when WSSC plumbing permits are issued. Instead of paying WSSC, the builder will pay HOC the corresponding WSSC SDC charge amount that is due for the Market Rate Units. This will allow HOC to redeem the estimated \$525,000 WSSC credit.

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Status of 17810 WGL

The house at 17810 Washington Grove Lane ("17810 WGL"), in Gaithersburg, is a fourbedroom, two-bath, two-story structure built in 1947. It sits on 0.4 acres and enters from a curb cut on Washington Grove Lane. Adjacent to its north and east is property owned by EGUMC, to its west is excess property owned by the County.

Acquisition of 17810 WGL would generate nearly half of the 16 individual single-family detached lots that aggregation with the EGUMC holdings would produce: six (6) of the proposed lots would sit directly on 17810 WGL, two (2) others would sit on the excess County parcel and be impossible to construct without inclusion of 17810 WGL.



On October 6, 2021, the Commission approved the Amended Loan to EGUMC, which provides the necessary funds to the church



to acquire 17810 WGL. After two additional weeks of negotiation, EGUMC reached a verbal agreement on sale price of \$535,000. Combined with likely closing costs of \$37,450 and the projected balance of the mortgage on 17812 WGL of \$116,171; total costs for these actions will fall below the \$720,000 amount authorized by the

Amended Loan. Liens on 17810 WGL and 17812 WGL are the collateral for the amended loan. Due diligence associated is underway and closing is expected to occur by early December.

Housing Opportunities Commission of MONTCOMEN COUNTY
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Projected Acquisition & Pay-off Costs	
17810 WGL - Sale Price	\$535,000
17810 WGL - Closing Costs	\$37,450
17812 WGL - Mortgage Pay-off	\$116,171
TOTAL	\$688,621

Emory Grove & Urban Renewal

At its greatest extent, the original Emory Grove community ("Community") covered about 300 acres, which included the land on which Emory Grove Village and Camp Hill Square sit. The Community was formed by freed slaves around Methodist "camp" worship. Unlike white Methodist worship camps, which were usually summer retreats for city families, the Community held a year-round camp, because the camp was raised in the midst of the existing community. Across from Emory Grove Village and Camp Hill Square, the Emory Grove United Methodist Church is one of the few remaining historical structures of the 300-acre community. Johnson's Local Park and the Upper County Community Center, just to the north, sit on the site of the perennial worship camp. Much of the rest of the Community was sold off to private homebuilders in pieces as development churned through the area.



Conversations with the pastor and congregation of Emory Grove United

Methodist Church made clear that, though a fair market price was usually felt to have been paid, the promises of Urban Renewal were not delivered upon. More than 125 homes were ultimately razed as part of Urban Renewal along with nearly all of the community commercial gathering places. In the 1960s, residents of these homes sought County investment in modern roads, sewers, and water service. When the County rejected the request, the residents were advised to seek the help of the Federal Urban Renewal program. The result was the demolition of the Community's only grocery store, the annihilation of the Emory Grove ethos, and the permanent displacement of nearly every family.

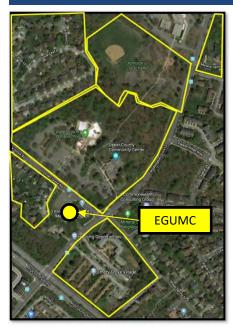
The for-sale homes that were built by private developers as part of Urban Renewal were priced too highly for the original family to return. Only the economics of the late 1970s prevented the build-out of for-sale homes across Johnson's Local Park and the rest of the former camp meeting grounds. Instead, the County built an outdoor pool and community center.

From the Historic Context Report by Montgomery County Planning for Maryland Historical Trust (2004)

The number of houses razed totaled 125. Also razed were the community's only grocery store (Tyler's Store), along with such signature landmarks as Johnson's Tavern and the Du-Drop Inn. After the initial demolition phase, only 19 houses were left standing, but the number dwindled further. Residents were told that they would be temporarily removed from their community and that would return to new homes that they could afford. What transpired was that their homes were bought out by the government for approximately \$25,000 while the new homes that were built to replace them cost over \$75,000. The new replacement privately-owned housing stock was unaffordable to the Emory Grove residents the government was supposed to serve. Very few Emory Grove natives could afford to stay in the community.



Emory Grove & Urban Renewal



With this current proposal, staff is envisioning a much broader plan centered around Emory Grove United Methodist Church ("EGUMC") as the historical center of an erased 300-acre community of freed slaves. As part of a decade-long series of Urban Renewal projects, much

of the former community was sold to private developers, the County, and HOC for single-family homes, an outdoor pool and community center, and HOC's Emory Grove Village and Camp Hill Square.

The Urban Renewal projects covered all of the property outlined in yellow on the aerial map to the left (and, indeed, extend beyond the boundaries of the exhibit). In recent conversations with the pastor of



EGUMC, staff has learned that, while the Urban Renewal projects displaced a great majority of the former community's residents, many former residents and their descendants return for Sunday services, weddings, funerals, and other events. Whether still residing in Emory Grove or in other parts of the County, the church's congregation is still made up of many descendent families.

Emory Grove & Urban Renewal



- Johnson's Local Park: Originally owned by Edward Johnson, a member of the former Emory Grove community, the ballfield drew many famous athletes of the Negro Leagues. Emory Grove, itself, fielded its own standing team. Montgomery Parks acquired the property in 1974.
- Additional Subdivisions: Land acquired from members of the former Emory Grove community by for-sale developers and turned into single-family detached subdivisions. This aggregation stretches all the way to Route 124 to both Midcounty Highway and the northern boundary of Johnson's Local Park.
- Upper County Community
 Center: A 19-acre parcel
 originally slated for more singlefamily homes as part of Urban
 Renewal. The County eventually
 acquired the property to build
 the Upper County Outdoor Pool
 and Upper County Community
 Center. The former camp
 meeting grounds reach from
 here to Johnson's Local Park.

- Mineral Springs Village: One of the many parcels sold to for-sale developers and turned into single-family detached subdivisions. Nearly all of the land north and east to and along Muncaster Mill Road was likewise converted.
- Emory Grove & Camp Hill
 Square: Originally a large farm
 owned by a member of the
 former Emory Grove community,
 the parcels (originally a single
 parcel) were acquired by a land
 speculator who sold the
 property to the development
 firm that eventually sold the land
 to HOC.
- Church-owned Properties: Land re-acquired by EGUMC for development.
- Other County-owned
 Properties: These parcels, which
 may also have been acquired by
 the County during urban renewal
 have been offered by the County
 to EGUMC and HOC. Habitat had
 previously looked to develop the
 parcel at Midcounty Highway.

Heritage Emory Grove - Background

The subsequently developed Heritage Emory Grove concept includes five (5) potential components:

EGV & CHS

• Residential: 126-139 rental and for-sale units.

EGUMC Assemblage

Residential: 16-34 rental or for-sale units.

Mineral Springs

Residential units & Commercial.

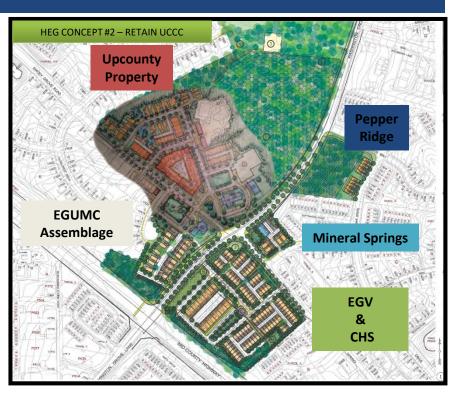
Pepper Ridge

Residential: 10 for-sale units.

Upcounty Property

Residential: 230 rental or for-sale units.

On October 7, 2020, the Commission provided HOC staff positive feedback on the proposed partners and structure of Emory Grove Village and Camp Hill Square disposition, the housing typology on other components of Heritage Emory Grove redevelopment, the strategy of formal requests of the County and M-NCPPC for land control, and the scope of historical and cultural preservation across the Heritage Emory Grove redevelopment.



The current HEG concept (above) is the result of that feedback from the Commissioners, as well as conversations with Councilmembers, the Planning Director, and others. The focus is on recreating the interconnectedness of the original Emory Grove by rejecting the suburban subdivision in favor of a town center layout. The intersection of Emory Grove Road and Washington Grove Lane would be made, once again, the confluence of the two main community thoroughfares with EGUMC its reaffirmed heart. Street grids, pedestrian connectivity, and a mix of uses harken back to the self-sufficiency of the original Emory Grove.

Approximately half of the units proposed are for-sale townhomes. The rest are in a multifamily rental component and a senior affordable component.

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Current HEG Components

The properties owned by EGUMC and HOC, as well as Mineral Springs Conservation Area ("Mineral Springs") owned by M-NCPPC and the parcel on Pepper Ridge Way ("Pepper Ridge") owned by the County can all proceed by right under current zoning. They would proceed ahead of the County-owned UCCC site and the Upper County Outdoor Pool site.

With the exception of the proposed multifamily rental housing on the Emory Grove Village parcel, the housing produced through redevelopment is likely to be for sale. To activate the Mineral Springs parcel, M-NCPPC would have to agree to swap the conservation area present there with a larger, new conservation area on the Pepper Ridge site. Significant topography and existing (higher-quality) forest at Pepper Ridge makes it a better location for conservation. Unlocking the Mineral Springs parcel for development would recreate the Main-and-Main feel of the original Emory Grove.





- **EGUMC Aggregation**: Includes excess County land along Mid-County Highway and several properties owned by the church.
- Sitka Missing Middle Rental: Combination of rental towns and triplex units yielding approximately 56 rental units.
- NVR/Habitat For-sale Community: Habitat will deliver 21-24 MPDUs ranging from 30% AMI to MPDU-level AMI within three townhome "sticks". Architecture will be consistent across all homes and subcontractors will be shared wherever possible.
- Mineral Springs: Small development opportunity with the potential for minor community retail. The primary benefit of this development is to create a unified, town center feel at the intersection of Emory Grove Road and Washington Grove Lane.
- Pepper Ridge Site: Excess County land that had been previously offered to HOC. Its best use would be to relocate the conservation area from the Mineral Springs site to allow for the development of the Mineral Springs site.

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Current HEG Components

Redevelopment of the County-owned UCCC site and the Upper County Outdoor Pool site would require both County and M-NCPPC buy-in and rezoning of the properties. The combined Heritage Emory Grove redevelopment should be large enough to spur a Minor Master Plan amendment, which is a more favorable path to rezoning than floating rezoning. The core focus of this component of the Heritage Emory Grove redevelopment is the restoration of EGUMC's connection to its former worship campgrounds (the hexagonally hatched area in the concept plan below).

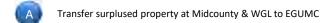
- Upper County Outdoor Pool: As conceived, the pool would be retained, but the surface parking and excess grounds would be used for housing and for replacement structured parking.
- B Upper County Community Center: Existing center would be replaced with a new center at the corner of Emory Grove Road and Washington Grove Lane with approximately 120 units of senior rental housing on top.
- Potential New Site for EGUMC: The church has expressed the desire to explore a new church site. This location places the church next to all of the area amenities and at a place of prominence overlooking the old camp grounds.
- Shared Structured Parking: Much of the new development within this component of the Heritage Emory Grove redevelopment simply converts existing surface parking lots. This shared structured parking uses existing grade to serve both the pool and the new center.

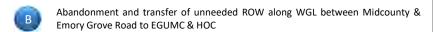




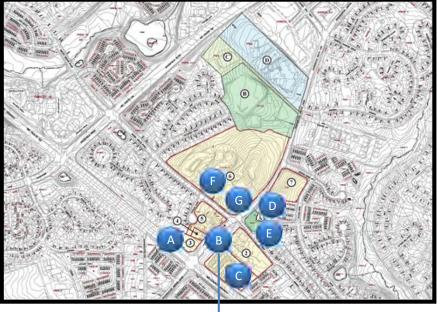
County Executive Support & Action

HOC staff, Chair Priest, the Acting Executive Director, Pastor Warner of Emory Grove United Methodist Church ("EGUMC"), and Ms. Carolyn Taylor of the Historic Emory Grove Rotary Club and seventh generation descendent of one of Historic Emory Grove's founding families, met with the County Executive and key County staff leadership on October 19, 2021, to introduce the Heritage Emory Grove ("HEG") conceptual plan developed by HOC and EGUMC. The County Executive responded favorably and directed DGS to formally begin the transfer of all County-owned properties to HOC. He voiced his support for several key actions:





- Remove historical inequity between town homes and apartments in R-30 Zone via ZTA for Optional Method MPDU process
- Move and expand Mineral Springs environmental area (at WGL & Shady Springs) to Pepper Ridge surplused property
- Surplus Mineral Springs property for private development or public/community use
- Surplus surface parking and existing open stormwater areas for private development and potential new Upper County Community Center ("UCCC")
- G Support inclusion of location pad for new EGUMC building as part of redevelopment of the UCCC





Funding Needs

Budget – Emory Grove Village & Camp Hill Square Disposition				
Land Planning (Townscape)	\$7,500			
Civil Engineering	\$5,000			
Land Use Counsel - ZTA	\$53,000			
Land Use Counsel - Abandonment	\$20,000			
Other Dispo. Costs	\$14,500			
TOTAL	\$100,000			

Budget – Initial Master Planning of County Parcels				
Land Planning (Townscape)	\$67,500			
Civil Engineering	\$25,000			
Land Use Counsel - Initial Master Planning	\$50,000			
Contingency	\$30,000			
TOTAL	\$172,500			
TOTAL OF BOTH REQUESTS	\$272,500			

Current Phase Objectives:

- Sign Purchase and Sale Agreement for Emory Grove and Camp Hill Square.
- Engage legal for assistance obtaining a zoning text amendment ("ZTA") for addition benefits within the R30 under the MPDU Optional Method.
- Engage legal counsel for assistance with the Right-Of-Way ("ROW") abandonment.
- Engage County Department of General Services for the transfer of relevant County parcels.
- Continue to investigate all site opportunities and constraints.
- Determine maximum unit count the site can yield, rental and sale options.
- Solve for any parking, water management, pedestrian, and traffic circulation issues.
- Identify process for community engagement, entitlement, and lot disposition.

Staff is requesting \$272,500 in feasibility funding for the disposition of Emory Grove & Camp Hill Square as well as for initial master planning of the County-owned parcels included in the Heritage Emory Grove redevelopment concept. This includes engagement of land use legal counsel, land planning, civil engineering, and other necessary consultants. Staff recommends utilizing the \$150 million PNC Bank, N.A. Real Estate Line of Credit ("RELOC") as the source of funding: the portion attributable to the Emory Grove Village and Camp Hill Square disposition to be repaid from the disposition sales proceeds, and the portion attributable to the master planning of the County parcels to be repaid from the County's net sales proceeds from disposition of development lots. Staff is also requesting approval to use the RELOC to fund the Amended Loan to EGUMC. The RELOC had a balance of \$68,792,369 as of September 17, 2021. Annual interest on this usage of the RELOC is expected to be less than \$10,000 annually and can be funded out of Other Disposition Costs and Contingency.

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Potential Future Funding Needs

As described on the prior slide above, the feasibility funding requested herein is to establish the scope and budget of HOC's responsibilities as master planner for the ultimate disposition of the County land. Once the key terms for the transfer of County land to HOC are established and the mechanism for HOC reimbursement and compensation are known, staff will return to the Commission for approval of the terms of the transfer.

The Commission may also be presented with the opportunity to act as development consultant to EGUMC for the entitlement and permitting of the church's aggregation. One potential resource the church may seek from HOC is predevelopment funding. No concept beyond a test fit has been done; however, based on unit count, the size of the redevelopment should be similar to HOC's Sandy Spring Missing Middle Pilot development. The predevelopment budget for that project is approximately \$1,010,000.

Should EGUMC formally request that HOC act as its development consultant, staff will bring to the Commission an outline of the terms, an initial predevelopment budget, and any funding requests. The entitlement and permitting process is expected to take 30 months. Any predevelopment loan would be reimbursed by the construction financing of the eventual development.

As further offset to the use of HOC's resources in this way, HOC will receive approximately \$2.3MM in net proceeds from the sale of Emory Grove Village and Camp Hill Square (and the associated SDCs).



Summary and Recommendations

ISSUES FOR CONSIDERATION

Will the Commission accept the staff's recommendation which is supported by the Development & Finance Committee to:

- 1. Authorize the Acting Executive Director to execute a purchase and sale agreement for the disposition of land and improvements at Emory Grove and Camp Hill Square to Hailey Development LC?
- 2. Approve a combined budget of \$272,500 for associated disposition activities for the sale of Emory Grove Village and Camp Hill Square and for initial master planning activities for the County-owned parcels included in the Heritage Emory Grove redevelopment concept?
- 3. Approve a draw on the \$150 million PNC Bank, N.A. Real Estate Line of Credit for up to \$272,500 for associated disposition activities for the sale of Emory Grove Village and Camp Hill Square and for initial master planning activities for the County-owned parcels included in the Heritage Emory Grove redevelopment concept?
- 4. Approve a draw on the \$150 million PNC Bank, N.A. Real Estate Line of Credit for up to \$720,000 to fund the Amended Loan to EGUMC for the acquisition of 17810 WGL and the retirement of the existing mortgage on 17812 WGL?

FINANCIAL IMPACT

There is no adverse impact for the current Agency operating budget as annual interest on the RELOC will be paid from the \$272,500 funded for these activities.

TIME FRAME

For formal action at the December 8, 2021, open session of the Commission.



Summary and Recommendations

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission:

- 1. Authorize the Acting Executive Director to execute a purchase and sale agreement for the disposition of land and improvements at Emory Grove and Camp Hill Square to Hailey Development LC.
- 2. Approve a combined budget of \$272,500 for associated disposition activities for the sale of Emory Grove Village and Camp Hill Square and for initial master planning activities for the County-owned parcels included in the Heritage Emory Grove redevelopment concept.
- 3. Approve a draw on the \$150 million PNC Bank, N.A. Real Estate Line of Credit for up to \$272,500 for associated disposition activities for the sale of Emory Grove Village and Camp Hill Square and for initial master planning activities for the County-owned parcels included in the Heritage Emory Grove redevelopment concept.
- 4. Approve a draw on the \$150 million PNC Bank, N.A. Real Estate Line of Credit for up to \$720,000 to fund the Amended Loan to EGUMC for the acquisition of 17810 WGL and the retirement of the existing mortgage on 17812 WGL.



RESOLUTION: 21-114A

RE: Approval to Execute a Purchase
Agreement for Disposition of the Emory
Grove Village and Camp Hill Square;
Approval of a Predevelopment Budget

Expenditures for Heritage Emory Grove.

of Predevelopment

Funding

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "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, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, on April 1, 2020, the Commission approved HOC's entering into an ownership venture with Emory Grove United Methodist Church ("EGUMC") to explore the aggregation and redevelopment of certain properties owned by HOC, EGUMC, Montgomery County ("County"), and the Maryland-National Capital Park and Planning Commission ("M-NCPPC") near HOC's Emory Grove Village ("EGV") and Camp Hill Square ("CHS") located in Gaithersburg, Maryland (collectively, "Heritage Emory Grove"); and

WHEREAS, all of the properties were once part of a unified, 300-acre community begun by formerly enslaved people; and EGUMC was the historical center of that community; and

WHEREAS, on October 7, 2020, the Commission authorized the Executive Director to enter into a letter of intent ("LOI") for the disposition of EGV and CHS to Hailey Development, LLC ("Hailey") based on direction from the Commission for proposed partners and structure of EGV and CHS disposition, the housing typology on other components of Heritage Emory Grove redevelopment, the strategy of formal requests of the County and M-NCPPC for land control, and the scope of historical and cultural preservation across the Heritage Emory Grove redevelopment; and

WHEREAS, on January 22, 2021, the LOI for the disposition of EGV and CHS to Hailey Development, LLC ("Hailey") was executed and staff is ready to execute a Purchase and Sale Agreement and commence closing the disposition pursuant to the terms of the LOI; and

WHEREAS, on June 9, 2021 and on October 6, 2021, the Commission approved the acquisition of and associated costs of acquisition for 17810 Washington Grove Lane, Gaithersburg, Maryland ("17810 WGL") and neighboring 17812 Washington Grove Lane, Gaithersburg, Maryland ("17812 WGL"), the control and inclusion of which in the Heritage Emory Grove redevelopment will increase the yield of affordable housing included within the proposed Heritage Emory Grove redevelopment; and

WHEREAS, feasibility funding for the disposition of EGV and CHS, as well as for initial master planning of the County parcels included in the Heritage Emory Grove redevelopment concept, is projected to be \$272,500, which includes engagement of land use legal counsel, land planning, civil engineering, and other necessary consultants ("Feasibility Funding"); and

WHEREAS, staff recommends utilizing the \$150 million PNC Bank, N.A. Real Estate Line of Credit ("RELOC") as the source of funding for the Feasibility Funding, with the portion attributable to the EGV and CHS disposition to be repaid from the disposition sales proceeds, and the portion attributable to the master planning of the County parcels to be repaid from the County's net sales proceeds from disposition of development lot.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Acting Executive Director, or her designee, to execute a purchase and sale agreement for the disposition of EGV and CHS to Hailey Development LLC.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves a combined budget of \$272,500 for the Feasibility Funding.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Feasibility Funding will be funded from the RELOC, with the portion attributable to the EGV and CHS disposition to be repaid from the disposition sales proceeds, and the portion attributable to the master planning of the County parcels to be repaid from the County's net sales proceeds from disposition of development lot.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County in a regular open meeting conducted on December 8, 2021.

S	
E	Patrice M. Birdsong
A	Special Assistant to the Commission
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RESOLUTION No.: 21-114B

RE: Approval to Draw up to \$272,500 on the PNC
Bank, N.A. Real Estate Line of Credit to Provide
Feasibility Funding for the Predevelopment
Expenditures for Heritage Emory Grove.

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 for the rehabilitation of rental housing properties which provide a public purpose; and

WHEREAS, HOC is exploring the aggregation, masterplan, and redevelopment of certain properties owned by HOC, Emory Grove United Methodist Church ("EGUMC"), Montgomery County ("County"), and the Maryland-National Capital Park and Planning Commission ("M-NCPPC") near HOC's Emory Grove Village ("EGV") and Camp Hill Square ("CHS") located in Gaithersburg, Maryland (collectively, "Heritage Emory Grove"); and

WHEREAS, feasibility funding for the disposition of EGV and CHS, as well as for initial master planning of the County parcels included in the Heritage Emory Grove redevelopment concept, is projected to be \$272,500, which includes engagement of land use legal counsel, land planning, civil engineering, and other necessary consultants ("Feasibility Funding"); and

WHEREAS, staff recommends utilizing the \$150 million PNC Bank, N.A. Real Estate Line of Credit ("RELOC") as the source of funding for the Feasibility Funding, with the portion attributable to the EGV and CHS disposition to be repaid from the disposition sales proceeds, and the portion attributable to the master planning of the County parcels to be repaid from the County's net sales proceeds from disposition of development lot.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes taxable draws on the RELOC in an amount not to exceed \$272,500 for the Feasibility Funding of Heritage Emory Grove for a term of up to 60 months.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on December 8, 2021.

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Special Assistant to the Commission

RESOLUTION No.: 21-114C

RE: Approval to Draw \$720,000 on the PNC Bank, N.A.

Real Estate Line of Credit as a Source for a Loan to

Emory Grove United Methodist Church to Acquire

17810 Washington Grove Land and Retire the

Existing Mortgage on 17812 Washington Grove

Lane

WHEREAS, on April 1, 2020, the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission") approved HOC's entering into an ownership venture with Emory Grove United Methodist Church ("EGUMC") to explore the aggregation and redevelopment of certain properties owned by HOC, EGUMC, Montgomery County ("County"), and the Maryland-National Capital Park and Planning Commission ("M-NCPPC") near HOC's Emory Grove Village ("EGV") and Camp Hill Square ("CHS") located in Gaithersburg, Maryland (collectively, "Heritage Emory Grove"); and

WHEREAS, as part of the Heritage Emory Grove aggregation, HOC wishes to assist EGUMC in its acquisition of a house at 17810 Washington Grove Lane, Gaithersburg, Maryland ("17810 WGL") via a five-year loan ("EGUMC Loan") and use the remaining funds (after acquisition of and associated costs of acquisition for 17810 WGL) to retire EGUMC's existing mortgage on neighboring 17812 Washington Grove Lane, Gaithersburg, Maryland ("17812 WGL"); and

WHEREAS, as collateral for the EGUMC Loan, HOC will place liens on 17810 WGL and 17812 WGL in the form of deeds of trust; and

WHEREAS, on June 9, 2021, the Commission authorized staff to enter into a non-binding letter of intent to acquire 17810 WGL or to invest in the acquisition of 17810 WGL at a total cost not to exceed \$600,000 (including an allowance for \$50,000 in transactional costs) ("June Commission Approval"); and

WHEREAS, on October 6, 2021, the Commission (A) affirmed its June Commission Approval, and (B) authorized an additional \$120,000 to retire the mortgage at 17812 WGL outstanding as of October 6, 2021 ("October Commission Approval"); and

WHEREAS, HOC wishes to fund the actions in the June Commission Approval and October Commission Approval with a tax-exempt draw from the \$150 million PNC Bank N.A. Real Estate Line of Credit ("RELOC") in an amount up to \$720,000.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes a tax-exempt draw on the RELOC for a term of 60 months in an amount not to exceed \$720,000 to fund the actions in the June Commission Approval and the October Commission Approval.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized designee, without any further action on its part, 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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County in a open session conducted on December 8, 2021.

APPROVAL TO ENGAGE EASTERN CONCRETE RESTORATION TO REPLACE SIX ROOFS AT CIDER MILL APARTMENTS

December 8, 2021

- The roofs on six buildings (18311, 18421, 18341, 18355, 18357, and 18451) at Cider Mill Apartments need immediate replacement to resolve ongoing leaks.
- Construction Insight, LLC, an engineering firm, developed the scope of work for the roof replacement.
- In accordance with the Commission's current procurement policy, Grady, the management company and Construction Insight solicited proposals from firms qualified to complete similar types of roof replacements and six responses were received.
- The Development and Finance Committee reviewed this request at its meeting on November 19, 2021.
- Staff requests approval to authorize Grady Management to execute a contract with Eastern Concrete Restoration for \$844,809, which includes a base price of \$699,826 plus 10% contingency and \$75,000 for engineering and inspections services.
- Funding is available from the Cider Mill Apartments replacement reserve accounts which
 were established at the acquisition of the property and which continues to be funded from
 operating revenues.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Kayrine Brown, Acting Executive Director

FROM: Staff: Millicent Anglin, Asset Manager Ext. 9676

Charnita Jackson, Director of Property Management Ext. 9776

RE: Approval to Engage Eastern Concrete Restoration to Replace Six Roofs at Cider Mill

Apartments

DATE: December 8, 2021

STATUS: Committee Report Deliberation ___X____

BACKGROUND:

Cider Mill Apartments ("Cider Mill") is an 861-unit garden-style apartment community located in Gaithersburg, MD. The property comprises 72 buildings on 40 acres of land. Amenities include a fitness center, surface parking, swimming pool, and soccer field. The project includes 345 affordable units with income restricted to households earning up to 60% of Area Median Income ("AMI") for the Washington DC metropolitan area and 516 market-rate units. The property management company is Grady Management ("Grady"). The current occupancy is 96%.

The roofs at Cider Mill are being evaluated for repair or replacement in FY 2023; however, the roofs on six buildings (i.e. buildings 18311, 18421, 18341, 18355, 18357, and 18451) need immediate replacement to resolve ongoing leaks. Grady engaged Construction Insight DC, LLC ("Construction Insight"), an engineering firm, to develop the scope of work for Cider Mill's roof replacement. Construction Insight's scope of work includes removing the existing roof layers down to the concrete slab and installing a Fully Adhered 60 mil TPO membrane roof system. Grady and Construction Insight solicited roof replacement bids to which six contractors responded (see the bid summary table below).

	Function Enterprises	Culbertson Company of Virginia	J & R Roofing Company	Eastern Concrete Restoration	Visionary Construction Consultants	Reliance Roofing
Material and Labor	\$391,150	\$418,985	\$656,100	\$699,826	\$1,269,447	\$2,239,800
10% Contingency	\$39,115	\$41,899	\$65,610	\$69,983	\$126,945	\$223,980
Engineering Oversight	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Total Cost	\$505,265	\$535,884	\$796,710	\$844,809	\$1,471,392	\$2,538,780
Product Availability	Summer 2022	Summer 2022	Spring/Summer 2022	Immediate	N/A	N/A

Of the four lowest bidders, Eastern Concrete Restoration is the only contractor with immediate supply of Fully Adhered 60 mil TPO membrane.

- Two firms, Visionary Construction Consultants and Reliance Roofing, are unable to estimate
 when they would be able to complete the roof replacement due to supply chain delays.
 These two firms are further excluded due to their estimated pricing.
- Additionally, Function Enterprises, Culbertson Company of Virginia, and J&R Roofing Company are able to execute and provided the lowest prices, but can only perform in the spring / summer of 2022, which puts the roofs at risk of further deterioration.

Therefore, staff proposes selecting the bid from Eastern Concrete Restoration and requests authorizing Grady to execute a contract with Eastern Concrete Restoration to immediately replace the roofs on buildings 18311, 18421, 18341, 18355, 18357, and 18451 at Cider Mill Apartments.

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff's recommendation which is supported by the Development and Finance Committee to authorize the Acting Executive Director to:

- 1) Accept a bid from Eastern Concrete Restoration of \$844,809 to replace six roofs at Cider Mill Apartments; and
- 2) Authorize Grady to execute a contract with Eastern Concrete Restoration to replace six roofs at Cider Mill Apartments?

BUDGET IMPACT:

There is no adverse impact on HOC's adopted FY 2022 operating budget.

The source of funds for this capital improvement project is Cider Mill's replacement reserves, which have a current balance of \$5 million.

- The total anticipated cost of \$844,809 (i.e. base price of \$699,826 plus 10% contingency and \$75,000 for engineering and inspections) was not included in the adopted FY 2022 capital budget as neither the scope of work nor pricing was available during the preparation of the FY 2022 budget.
- The Budget Office will include the anticipated roof replacement cost of \$844,809 in a second quarter FY 2022 capital budget amendment request to the Budget Finance and Audit Committee on December 21, 2021 for approval by the Commission on January 12, 2022.

TIME FRAME:

For formal action at the December 8, 2021 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that Commission authorize the Acting Executive Director to:

- 1) Accept a bid from Eastern Concrete Restoration of \$844,809 to replace six roofs at Cider Mill Apartments; and
- 2) Authorize Grady to execute a contract with Eastern Concrete Restoration to replace six roofs at Cider Mill Apartments.

RE: Approval to Engage Eastern Concrete Restoration to Replace Six Roofs at Cider Mill Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") is the sole member of MVG II, LLC ("MVG"), which is the sole member of MV Gateway LLC ("MV Gateway"), and MV Gateway owns the development known as Cider Mill Apartments (the "Property") located in Gaithersburg, Maryland; and

WHEREAS, the roofs of six buildings at the Property need immediate replacement to resolve ongoing leaks; and

WHEREAS, Grady Management ("Grady"), the current property manager at the Property, and Construction Insight DC, LLC solicited bids and received six responses; and

WHEREAS, Eastern Concrete Restoration ("Eastern") submitted the most competitive bid, in part because of their ability to have immediate access to necessary materials; and

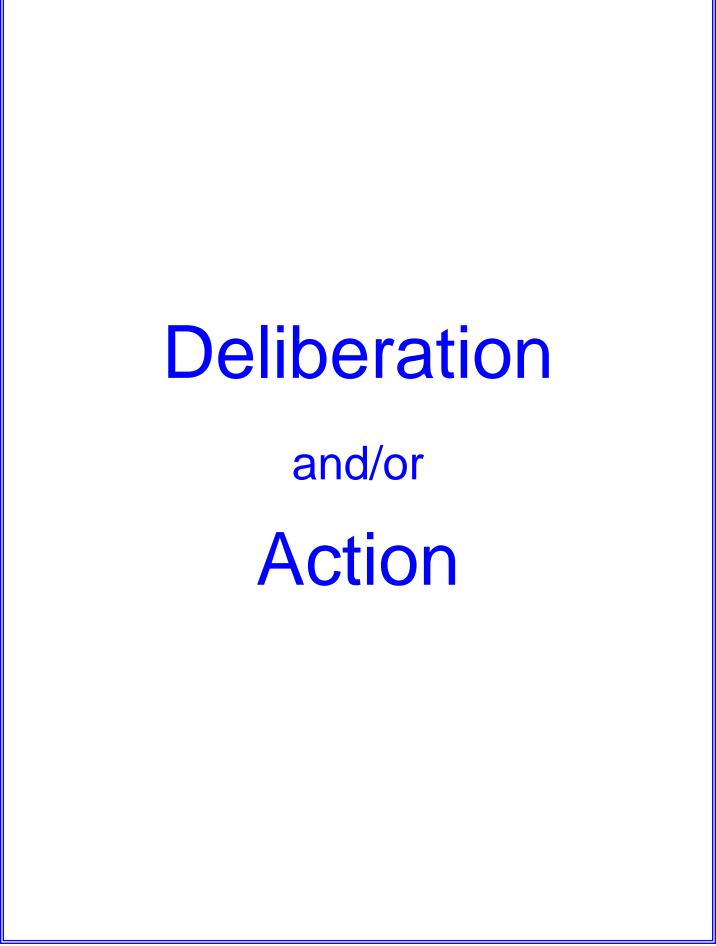
WHEREAS, staff desires to authorize Grady, as MV Gateway's agent, to execute a contract with Eastern to replace six roofs the Property.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of MVG, as its sole member, on behalf of itself and on behalf of MV Gateway, as its sole member, that the Acting Executive Director of HOC, or her designee, is hereby authorized to direct Grady, as MV Gateway's agent, to negotiate and execute a contract with Eastern in an amount up to \$844,809 to be paid from the Property's replacement reserves to replace six roofs at the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of MVG, as its sole member, on behalf of itself and on behalf of MV Gateway, as its sole member, that the Acting Executive Director of HOC, or her designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on December 8, 2021.

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E	Patrice M. Birdsong
Α	Special Assistant to the Commission
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APPROVAL OF FIRM FOR EXECUTIVE RECRUITING

December 8, 2021

- The Housing Opportunities Commission of Montgomery County ("HOC") issued a Request for Proposal ("RFP") #2287 for Executive Recruiter on October 18, 2021.
- HOC received responses from 1) The Organizational Leadership Edge and 2)
 Tellis Executive Search.
- The evaluation team scored each of the firms based on the RFP Criteria against submitted written proposals and responses to questions during the interviews with each firm conducted on Monday, November 22, 2021.
- The evaluation team recommends The Organizational Leadership Edge to provide Executive Recruiting services to the Commission.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

RE: Approval of Firm for Executive Recruiting

DATE: December 8, 2021

BACKGROUND:

The Housing Opportunities Commission of Montgomery County's ("HOC") Procurement Office issued a Request for Proposal (RFP #2287) for an Executive Recruiter on October 18, 2021, with a due date of November 15, 2021, in accordance with HOC's Procurement Policy.

The RFP was posted to HOC's website, emailed to ten firms, as well as posted on the websites of several affordable housing or housing finance industry associations. Proposals were received from 1) The Organizational Leadership Edge and 2) Tellis Executive Search. Interviews were held on November 22, 2021, to answer questions about the organization and their respective proposals. The proposals, including interview performance, were evaluated based on the following criteria, which were outlined in the RFP:

Evaluation Criteria	Maximum Points
Technical Approach	35
Qualifications	35
Minority Participation	5
Fees	25
Total Possible Points	100

The evaluation team scored each of the firms based on the submitted written proposals and responses to questions during the interviews. The consolidated scores are presented in the table below; a discussion and analysis follows.

Evaluation Team Ratings

Firm	Technical Approach (35)	Qualifi- cations (35)	Minority/ Female/ Disabled Firm (5)	Fees (25)	Total Score (100)
The Organizational Leadership Edge	34	33.5	0	23.8	91.3
Tellis Executive Search	21	17.8	5	15.2	59.0

Discussion and Analysis

The Organizational Leadership Edge (TOLE) ranked higher of the two firms overall as well as in Technical Approach, Qualifications and Fees categories. TOLE demonstrated extensive experience with successful executive searches for affordable housing agencies and affiliated organizations. TOLE has a 98% rate of their affordable housing executive search placements still being employed with the agency four years after being hired. The firm principal has direct experience working with HUD, an affordable housing agency, and serving as a Commissioner for a public housing agency. As such he brings a deep understanding of the qualities needed in a successful Executive Director of an organization like HOC. In addition, the principal has taught courses on organizational leadership for National Association of Housing and Redevelopment Officials (NAHRO) and has an extensive network of professionals through whom he can market this position. Tellis Executive Search has no direct experience with executive searches for affordable housing agencies, housing finance or organizations similar to HOC.

ISSUES FOR CONSIDERATION:

Does the Commission wish to approve the selection of The Organizational Leadership Edge to provide Executive Recruiter services to the Commission for a period of one year?

BUDGET IMPACT:

This contract will be paid for out of the General Ledger account for Personnel Transition used for staffing placement fees. The cost of this contract is expected to be approximately \$40,000 or less. There is currently \$70,000.00 available in the fund, thus there is not expected to be any budget impact this fiscal year.

TIME FRAME:

For formal Commission action at the December 8, 2021 meeting.

COMMISSION ACTION NEEDED:

- 1. Award the Executive Recruiter contract to The Organizational Leadership Edge for a period of one year for an amount up to \$40,000 and funded from the Personnel Transition budget in the General Fund.
- 2. Authorize the Acting Executive Director to negotiate and execute a new contract with The Organizational Leadership Edge.

RESOLUTION: 21-116 RE: Approval of Firm for Executive Recruiting

WHEREAS, the Housing Opportunities Commission of Montgomery County's ("HOC" or the Commission") is authorized pursuant to its Second Amended and Restated Bylaws to employ a Secretary-Treasurer who shall serve as Executive Director ("Secretary/ED");

WHEREAS, HOC's prior Secretary/ED resigned on July 31, 2021 and an Acting Secretary/ED was appointed as of August 1, 2021;

WHEREAS, the Commission desires to conduct a search for candidates to permanently fill the position of Secretary/ED and requires the assistance of an Executive Recruiter Firm;

WHEREAS, HOC's Procurement Office issued a Request for Proposals ("RFP") #2287 for Executive Recruiter on October 18, 2021;

WHEREAS, two (2) respondents submitted qualified responses for the RFP by the deadline of November 15, 2021;

WHEREAS, The Organizational Leadership Edge scored higher of the two firms in the average of the evaluators' scores with an average score of 91.3;

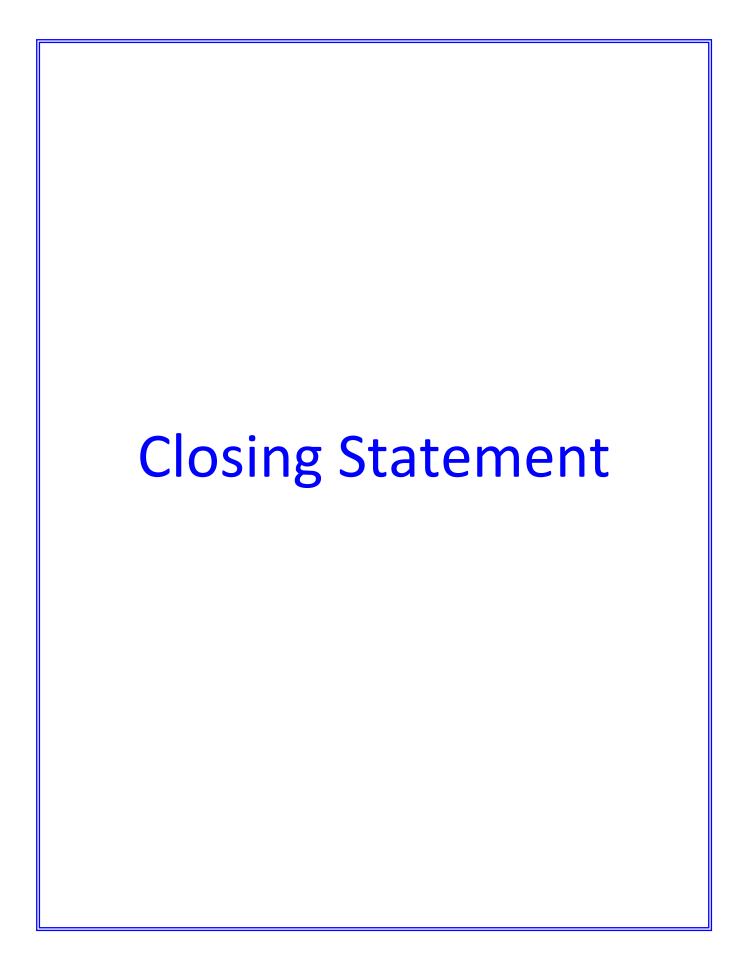
WHEREAS, based on the evaluation of the proposals, it is recommended that The Organizational Leadership Edge be selected as the executive search firm and that the Acting Executive Director be authorized to negotiate and execute a contract.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes the selection of The Organizational Leadership Edge as the executive search firm to assist the Commission in permanently filling the position of Secretary/ED, and authorizes the Acting Executive Director to negotiate and execute a contract for such services for an amount up to \$40,000 to be funded from Personnel Transition budget item in the General Fund.

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

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on December 8, 2021.

E Patrice M. Birdsong
A Special Assistant to the Commission



Written Statement for Closing a Meeting ("Closing Statement")

Date: December 8, 2021

- A. Pursuant to Section 3-305(b) and (d) of the General Provisions Article of the Annotated Code of Maryland, I move to adjourn this open session to a closed session only:
 - 14. _X__ "Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process";
 - B. For each provision checked above, the topic to be discussed and the reason for discussing that topic in closed session is provided below.

Statutory Citation	Торіс	Reason for closed-session discussion
§3-305(b)(14)	The proposals submitted by firms in response to RFP #2252 for professional auditing services for HOC.	The meeting must be closed in order to discuss the merits of the proposals. Public discussion of this topic would adversely impact HOC's ability to participate in future competitive bidding for
	[NOTE: A contract has not yet been awarded.]	auditing services because firms would be hesitant to provide necessary confidential and proprietary
	[NOTE: This same topic was discussed at a	information and/or would be hesitant to work with
	closed meeting of the Budget, Finance and	the Commission. This could result in HOC not
	Audit Committee on November 17, 2021. This	obtaining quality auditing services, which are vital
	meeting is to discuss the same materials with	to the agency.
	the entire Commission and to seek approval.]	

- C. This statement is made by Roy Priest, Chair.
- D. Recorded vote to close the meeting:

•	Date: December 8, 2021 Time:	_ Location: Zoom (LiveStream on YouTube
•	Motion to close meeting made by:	
•	Motion seconded by:	<u>-</u>
	Commissioners in favor:	
•	Commissioners opposed:	
•	Commissioners abstaining:	
•	Commissioners absent:	

Officer's Signature:	
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