



## **HOC Staff Report: HOCs Support For Westbard Memorialization**

Serving Montgomery County’s most vulnerable residents is at the center of HOC’s work. In keeping with its mission to provide affordable housing throughout Montgomery County, HOC signed a lease in 1997 with an option to purchase the Westwood Tower property in the 20th year of the lease. In January 2018, HOC completed the acquisition of Westwood Tower in line with the terms of the 1997 lease.

The Commission will continue operating Westwood Tower in its current state and has no plans for further development at this time. In furtherance of our mission, HOC is increasing the level of affordability at Westwood Tower. Westwood Tower currently provides 43 affordable units – supporting families who earn 50% of the Area Median Income and below. Increasing the number of affordable units at this property ensures these and other families can continue to enjoy the excellent schools, jobs and recreational opportunities the Westbard community has to offer.

As the owners of the Westwood Tower property and as a member of the Westbard community, HOC is committed to making responsible decisions about how to serve the people of Montgomery County as well as honoring the history of the neighborhood. The Commission understands the sensitivity surrounding the history of this area and has studied David Rotenstein’s “The River Road Moses Cemetery: A Historic Preservation Evaluation”, who shared highlights of his research at HOC’s October, 2018 public meeting. Moving forward, HOC will continue to listen to the concerns of the Westbard community and work with all stakeholders to reach resolution for memorialization.

Towards that end, this document attempts to clarify misunderstandings that have entered the public discourse with factual information. We are hopeful that by clarifying HOC’s position we will be able to work together and make meaningful progress towards memorialization.

<b>MISUNDERSTANDINGS</b>	<b>FACTS</b>
<b>SUPPORT FOR MEMORIALIZATION</b>	
<ul style="list-style-type: none"> <li>• HOC does not support memorialization of the African American cemetery or history of the former community.</li> </ul>	<ul style="list-style-type: none"> <li>• HOC supports memorialization of the cemetery and the history of the former community.</li> <li>• HOC encouraged and tried to facilitate a joint meeting with all stakeholders including Macedonia Baptist Church (The Church), the Montgomery County Parks Department and Regency Centers.</li> </ul>

	<ul style="list-style-type: none"> <li>• HOC’s support for memorialization was communicated in a meeting with the Church on April 24, 2018, again in a meeting with the Church on June 27, 2018, reiterated in a letter to the Church in October, 2018 as well as stated publicly during the Commission’s monthly meeting on July 11, 2018</li> </ul>
<ul style="list-style-type: none"> <li>• HOC is convening an advisory group to decide what form memorialization will take.</li> </ul>	<ul style="list-style-type: none"> <li>• HOC is not convening an advisory group to determine how to memorialize the site.</li> <li>• HOC recognizes that a memorial would be within the purview of the Montgomery County Parks Department, and the Park Department’s process typically includes substantial public comment and, often, an advisory committee.</li> <li>• As The Parks Department is the county agency charged with undertaking memorialization efforts, The Parks Department is the entity that would establish a memorialization process.</li> <li>• The Westbard Sector Plan requires a study and includes plans for memorialization.</li> </ul> <p><a href="http://montgomeryplanning.org/planning/communities/area-1/planwestbard/">http://montgomeryplanning.org/planning/communities/area-1/planwestbard/</a></p> <ul style="list-style-type: none"> <li>• HOC believes joint meetings with all stakeholders would help address these types of misunderstandings.</li> </ul>
<ul style="list-style-type: none"> <li>• HOC will not allow parcel 175 to be used for memorialization.</li> </ul>	<ul style="list-style-type: none"> <li>• During our June 27, 2018 meeting with members of the Church and their supporters, HOC introduced alternatives such as an “on site dedication” or an historical easement which would allow access to parcel 175 to enable or support memorialization.</li> <li>• HOC has not offered to “turn over” the land to the Church as it is the only means of access to two levels of the Westwood Tower parking garage for residents.</li> </ul>
<ul style="list-style-type: none"> <li>• HOC is building a parking garage on or around parcel 175 in Westbard.</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent with the 2016 Sector Plan approval, HOC submitted a draft sketch plan intended to add an option for future addition of parking and housing units.</li> </ul>

	<ul style="list-style-type: none"> <li>• This option was approved but the Commission did not have definitive or active development plans. Rather the sketch plan effort was consistent with preserving future housing options to support HOC’s affordable housing mission.</li> <li>• In response to community concerns, HOC has determined to take no development actions at this time.</li> </ul>
--	---

**HOC’S WORK WITH MACEDONIA BAPTIST CHURCH AND DESCENDANTS**

<ul style="list-style-type: none"> <li>• HOC is not listening to the Macedonia Baptist Church or the community.</li> </ul>	<ul style="list-style-type: none"> <li>• HOC has and will continue to make room for and listen to community stakeholders on efforts to memorialize the Moses Cemetery.</li> <li>• While the Maryland Public Meetings Act does not require agencies to include a community forum as part of its agenda, HOC is the only Montgomery County agency that has continued to provide the opportunity during its public meeting to hear from the Macedonia Baptist Church and its supporters.</li> </ul>
--	--

<ul style="list-style-type: none"> <li>• HOC has not met with the Macedonia Baptist Church, protesters and descendants.</li> </ul>	<ul style="list-style-type: none"> <li>• HOC has met with the Church, supporters and members of the Descendent community on April 24, 2018; June 27, 2018; and attempted to schedule a meeting in October, 2018. To date, the October meeting has not been rescheduled.</li> <li>• HOC along with Planning staff and representatives of the County Executive’s Office participated in mediation with Macedonia Baptist Church and others in 2017 before purchasing Westwood Tower.</li> <li>• HOC has maintained regular contact and phone calls with members of the Descendent community.</li> <li>• HOC also received a request to meet with the NAACP on this issue on November 13, 2018. The Macedonia Baptist Church also participated in this meeting.</li> <li>• In an October, 2018 email to Reverend Adabeyo and others, HOC offered to schedule another meeting with</li> </ul>
--	---

	<p>The Macedonia Baptist Church and Regency Partners on October 19, 2018. Reverend Adabeyo declined the offer because of a scheduled meeting with Regency. In HOC’s email, it was clear that this would provide an opportunity to begin getting stakeholders together to jointly discuss memorialization opportunities.</p> <ul style="list-style-type: none"> <li>• To date, a follow-up meeting has not been rescheduled.</li> </ul>
<ul style="list-style-type: none"> <li>• HOC is not willing to work with other stakeholders towards memorialization of the Moses Cemetery.</li> </ul>	<ul style="list-style-type: none"> <li>• HOC has accepted every invitation to meet on this issue with community members and interested parties regarding memorializing the Moses Cemetery.</li> <li>• HOC continues to believe that all stakeholders including the Macedonia Baptist Church and their supporters, The Parks Department, Regency Partners, and HOC should work together to reach a solution for memorialization.</li> </ul>
<h3><b>HOC’S HISTORY WITH WESTWOOD TOWER</b></h3>	
<ul style="list-style-type: none"> <li>• HOC purchased the Westbard parcels using tax payer money.</li> </ul>	<ul style="list-style-type: none"> <li>• The purchase of Westwood Tower did not involve either County or Federal tax dollars.</li> <li>• HOC receives roughly five percent (5%) of its budget from County government. All of those funds are programmatically focused and are unable to be spent on land or property acquisition.</li> <li>• In 2018, HOC generated \$77.5 million in rental revenue significant revenue from rental properties throughout the County and has access to lines of credit totaling \$150 million on a permanent basis which can be leveraged to purchase property.</li> <li>• At Westwood Tower, rents from the affordable and market rate units provide funds for operations, maintenance and debt service.</li> </ul>
<ul style="list-style-type: none"> <li>• HOC paid \$20 million for parcel 175 only.</li> </ul>	<ul style="list-style-type: none"> <li>• As stipulated in the purchase option of the original 1997 lease, HOC paid \$20 million for the acquisition of the property including the 212 residential units and</li> </ul>

	<p>surrounding parking area. The property includes parcels 175, 238 and 240.</p> <ul style="list-style-type: none"> <li>• In order to purchase the property, HOC financed the acquisition by drawing on its line of credit and repaid the draw with a three year bank loan. The permanent financing remains to be determined but will be in place prior to the bank loan expiration.</li> </ul>
<ul style="list-style-type: none"> <li>• HOC purchased the Westbard parcels in a “back room” deal.</li> </ul>	<ul style="list-style-type: none"> <li>• HOC executed a ground lease of the property in 1997 and began providing affordable and market rate units at Westwood Tower.</li> <li>• The lease included a 20-year purchase option of Westwood Tower, including parcel #175.</li> <li>• HOC exercised its purchase option from the 1997 lease on September 14, 2016 via letter to Equity One, consistent with the terms of the ground lease agreement with Equity One and successor Regency Centers.</li> </ul>

**HOC OVERSIGHT**

<p>HOC has no oversight from local or other entities.</p>	<ul style="list-style-type: none"> <li>• HOC participates in all investigative studies initiated by the County’s Office of Inspector General. Montgomery County government provides between four and five percent of HOC’s funding. In addition to oversight of the use of these funds, the County’s Office of the Inspector General is responsible for investigating potential fraud, waste and abuse in county agencies including independent agencies.</li> <li>• HOC is a rated Local Housing Finance Agency and is reviewed annually by Moody’s Investor Services. Additionally, HOC’s bond issuance activity requires regular audit and review by third-party agencies.</li> <li>• The Maryland Department of Community Development, as the state Tax Credit issuing authority provides compliance oversight for HOC’s tax credit issuance activities as well as its Tax Credit properties.</li> </ul>
---	--

- As a Low Income Housing Tax Credit developer, HOC is subject to review and oversight by the U.S. Department of Treasury as well as LIHTC investors.
- HOC administers the U.S. Department of Housing & Urban Development's (HUD) Housing Choice Voucher Program and is subject to annual audit and HUD Housing Quality Standard inspections by third party reviewers as well as regular reviews by HUD and other third-party reviewers.
- HOC is a landlord in Montgomery County and is subject to all code enforcement laws and inspections, which are conducted regularly by County Code Enforcement staff and its rental licenses are regulated by the County's Department of Housing and Community Affairs.
- The County Council's Planning, Housing and Economic Development Committee provides oversight of county funding and regularly asks operational questions about HOC's major development and redevelopment activities that impact the number and operation of affordable housing units within Montgomery County.
- HOC is a developer with multiple sites under construction and inspected by Permitting officials.
- HOC's Financial Audits are posted and available on HOC's website.
- Finally, each LIHTC property as well as every development corporation and LLC are subject to individual property audits, in addition to the main agency audit, on an annual basis. These audits are carried out by several independent third party Certified Public Accounting firms.

January 2019