

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

October 4, 2017

17-10

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, October 4, 2017 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:15 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Christopher Hatcher, Vice Chair
Richard Y. Nelson, Chair Pro Tem
Margaret McFarland
Linda Croom
Pamela Byrd
Edgar Rodriguez

Also Attending

Kayrine Brown, Acting Executive Director
Renee' Harris
Clarence Landers
Bonnie Hodge
Saundra Boujai
Sherraine Rawlins
Ellen Goff
Christina Autin
Brian Kim
Tiffany Jackson
Arthur Tirsky
Susan Smith

Nowelle Ghahhari, General Counsel
Rita Harris
Fred Swan
Natalie Craver
Ian Williams
Hyunsuk Choi
Ethan Cohen
Zachary Marks
Maria Montero
Charnita Jackson
Melody Stanford
Jim Atwell

RAB

No Rep

Guest

Marsha Coleman-Adebayo, Macedonia Bapt.
Chrh
Laurel Howe, Macedonia Bapt. Chrh
Rachel Segal, Macedonia Bapt. Chrh

Karen Kabroll, Macedonia Bapt. Chrh

Guest Cont'd

Robert Dyer, Resident Westbard

Pam Strokey, SURJ

Lucille Murphy

Ralph Wodden

IT Support

Irma Rodriguez

Carlton Boujai

Commission Support

Patrice Birdsong

Prior to the convening of the meeting of the Housing Opportunities Commission, Chair Simon opened the meeting informing on agenda format change to allow opportunity for gues to address the Board.

The meeting began with approval of the Consent Calendar. The Consent Calendar was adopted upon by a motion by Chair Pro Tem Nelson and seconded by Vice Chair Hatcher. Affirmative votes were cast by Commissioners Simon, Hatcher, Nelson, McFarland, Croom, and Byrd.

I. CONSENT ITEMS

- A. **Approval of Minutes of September 6, 2017 Administrative Session** – The minutes were approved as submitted.
- B. **Approval of Minutes of September 15, 2017 Special Session** – The minutes were approved as submitted.
- C. **Approval of Minutes of September 15, 2017 Administrative Session** – The minutes were approved as submitted.
- D. **Approval of New Participating Lenders for the Single Family Mortgage Purchase Program**

RESOLUTION No: 17-64

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

WHEREAS, the Housing Opportunities Commission of Montgomery County (**the “Commission”**) approves lenders to participate in the Single Family Mortgage Purchase Program; and

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

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

WHEREAS, Fidelity Bank Mortgage and Washington First Mortgage have applied for participation in the Mortgage Purchase Program; and

WHEREAS, Fidelity Bank Mortgage and Washington First Mortgage have satisfied the required criteria for admittance to the Mortgage Purchase Program.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Fidelity Bank Mortgage and Washington First Mortgage is approved for participation in the Mortgage Purchase Program, effective immediately.

Due to continued disruption from the Macedonia Baptist Church protestors during the business meeting, Chair Simon recommended to recess the meeting at 4:25 p.m.

The meeting of the Housing Opportunities Commission re-adjourned at 4:40 p.m. with adjustment to the Agenda.

II. COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION

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

1. Approval of Service Contract for Housing Quality Standards Inspection

Renee' Harris, Program Coordinator, was presenter.

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

RESOLUTION NO: 17-67

**RE: Approval of Service Contract for
Housing Quality Standards
Inspections**

WHEREAS, the Commission is required to perform Housing Quality Standards (HQS) inspections on all units annually and all new units prior to entering into a Housing Assistance Payment contract; and

WHEREAS, the Housing Opportunities Commission of Montgomery County contacted the Department of Housing and Urban Development (HUD) and requested recommendations for inspection companies that could both meet the needs of HOC and provide a contract that HOC could bridge in order to expedite the procurement process; and

WHEREAS, based on a review of the responses and in accordance with the selection criteria, staff determined CVR Associates, Inc. to be the responsive and responsible bidder.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to execute a contract for the term of two years, renewable for up to three additional one-year periods with CVR Associates, Inc. for Housing Quality Standards Inspections at the price and terms stated in the bid.

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

- 1. Approval to Select Whiting-Turner as General Contractor, Authorization for Executive Director to Negotiate a Contract for the Elizabeth House III and the South County Regional Recreation and Aquatic Center (“SCRRAC”) Transaction and Authorization for The Executive Director to Execute a Contract with Whiting-Turner for Pre-Construction Services**

Hyunsuk Choi, Senior Financial Analyst, and Brian Kim, Development Associate, were presenters.

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

RESOLUTION No.: 17-68

RE: APPROVAL TO SELECT WHITING-TURNER AS GENERAL CONTRACTOR, AUTHORIZATION FOR EXECUTIVE DIRECTOR TO NEGOTIATE A CONTRACT FOR THE ELIZABETH HOUSE III AND THE SOUTH COUNTY REGIONAL RECREATION AND AQUATIC CENTER (“SCRRAC”) TRANSACTION AND AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH WHITING-TURNER FOR PRE-CONSTRUCTION SERVICES

WHEREAS, Elizabeth Square is a 136,032 sq. ft. parcel located in downtown Silver Spring, bounded by Fenwick Street to the north, Second Avenue to the east, WMATA Rail Lines to the west and Apple Street to the south and consists of three discrete properties: Alexander House, owned by Alexander House Development Corporation and Alexander House Limited Partnership (combined as “Alexander House”); Elizabeth House, owned by the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), and Fenwick Professional Park owned by Acorn Storage No. 1, LLC a subsidiary of Lee Development Group (LDG) subject to a Master Lease to Elizabeth House III Limited Partnership, Elizabeth House III LLC and EH III Recreational Center, LLC; and

WHEREAS, the Elizabeth House III (“EH III”) development includes 267 residential units, of which 120 units will be set aside as affordable units in conformance with the Rental Assistance Demonstration and the Low Income Housing Tax Credit programs, a South County Regional Recreation and Aquatic Center (“SCRRAC”) totaling 120,000 square feet to be operated by

Montgomery County Department of Recreation, and a 7,500 square feet Senior Resource Center/Primary Care Facility to be operated by Holy Cross Hospital (collectively the "Development"); and

WHEREAS, the revised Sketch Plan, Preliminary Plan, and Site Plan for Elizabeth Square was submitted to the Maryland National Capital Park and Planning Commission in July 2017 with approval projected for November 2017; and

WHEREAS, a permit set of architectural drawings for the Development was completed on September 15, 2017; and

WHEREAS, in preparation for the closing of the construction financing and the start of the construction of the Development in early 2018, staff solicited proposals for general contractor services in two parts; first, pursuant to a request for qualifications ("RFQ") issued on May 26, 2017 to create a pool of qualified firms and second, on August 4, 2017 via a request for proposal ("RFP") #2070 solicited from among the firms qualified through the RFQ process; and

WHEREAS, four firms (CBG Building Company, AECOM Tishman, Hensel, Phelps, and Whiting-Turner) submitted proposals and were evaluated based on the qualification criteria in the RFQ and were added to the pool in consideration for part two; and

WHEREAS, after issuing part two of the RFQ, AECOM Tishman and Hensel Phelps informed HOC that due to other contract obligations and the need to relocate key personnel to those projects, they would not submit a response; therefore, staff proceeded to evaluate the two remaining firms and assigned final scores based on part two of the process, which when combined with part one scores resulted in final scores of 95.65% for Whiting-Turner and 93.65% for CBG Building Company; and

WHEREAS, the terms of a general contractor contract are still to be negotiated and the proposed General Contractor must present final construction cost numbers to be incorporated in the final contract for approval when presented to the Commission in the first quarter of 2018; and

WHEREAS, prior to presenting the final terms of a general contract to the Commission, pre-construction services are required and included in Whiting-Turner's proposal to cost of \$160,000, which staff is requesting to be funded from the Commission's Opportunity Housing Reserve Fund as a loan to the Development, thereby increasing the approved predevelopment budget by said amount.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves the selection of Whiting-Turner as General Contractor for the construction of Elizabeth House III and the SCRRAC and authorize the Executive Director to enter into contract negotiations.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves an increase in predevelopment funding of \$160,000 as a loan to the Development from the Opportunity Housing Reserve Fund to cover pre-construction services by Whiting Turner, which will be repaid from proceeds of the construction financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the Executive Director to execute a contract for pre-construction services in amount not to exceed \$160,000.

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

III. INFORMATION EXCHANGE

A. Community Forum

Laurel Hoa, Marsha Coleman-Adebayo, Monica Goldberg, Rachel Segal, Karen Koand Harvey Matthew, and other addressed the Board regarding their concerns of preserving the Historical African-American Burial ground associated with the Macedonia Baptist Church Historical.

**IV. Committee Reports and Recommendations for Action (Cont'd)
Budget, Finance and Audit Committee**

1. Acceptance of Fourth Quarter FY'17 Budget to Actual Statements

Tiffany Jackson, Budget Officer, was the presenter.

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

Resolution No.: 17-65

**Re: Acceptance of Fourth Quarter FY'17
Budget to Actual Statements**

WHEREAS, the budget policy for the Housing Opportunities Commission of Montgomery County states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the Fourth Quarter FY'17 Budget to Actual Statements during its October 4, 2017 meeting; and

WHEREAS, the Agency ended Fiscal Year 2017 with an operating deficit of \$2,550,897; and

WHEREAS, HOC Budget Policy requires the Agency to end the fiscal year with a balanced budget; and

WHEREAS, the FY'17 budget also projected a surplus of \$1,012,012 to be contributed to the General Fund Operating Reserve (GFOR).

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes staff to transfer \$1,665,000 from the Opportunity Housing Debt Service Reserve Fund to the General Fund and reduce the contribution to the General Fund Operating Reserve to \$126,115 in order to balance the FY'17 Budget.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Fourth Quarter FY'17 Budget to Actual Statements.

2. Approval of FY'17 Fourth Quarter Budget Amendment

Tiffany Jackson, Budget Officer, was the presenter.

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

Resolution No.: 17-66

**Re: Approval of FY'17 Fourth
Budget Amendment**

WHEREAS, the Housing Opportunities Commission adopted a budget for FY'17 on June 7, 2017; and

WHEREAS, the Commission's Budget Policy allows for amendments to the budget; and

WHEREAS, the Commission has reviewed several proposed budget amendments to the FY'17 Budget; and

WHEREAS, the total FY'17 Operating budget for HOC is unchanged, as this amendment represents a shift from one expense, restricted cash flow, to another, replacement reserve contribution.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'17 Operating Budget by contributing \$140,315 from the FY'17 Westwood Tower cash flow to the property's replacement reserve.

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

- 1. Approval to Select Whiting-Turner as General Contractor, Authorization for Executive Director to Negotiate a Contractor for the Elizabeth House III and the South County Regional Recreation and Aquatic Center (“SCRRAC”) Transaction and Authorization for The Executive Director to Execute a Contract with Whiting-Turner for Pre-Construction Services**

Hyunsuk Choi, Senior Financial Analyst, and Brian Kim, Development Associate, were presenters.

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

RESOLUTION No.: 17-68

RE: APPROVAL TO SELECT WHITING-TURNER AS GENERAL CONTRACTOR, AUTHORIZATION FOR EXECUTIVE DIRECTOR TO NEGOTIATE A CONTRACT FOR THE ELIZABETH HOUSE III AND THE SOUTH COUNTY REGIONAL RECREATION AND AQUATIC CENTER (“SCRRAC”) TRANSACTION AND AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH WHITING-TURNER FOR PRE-CONSTRUCTION SERVICES

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WHEREAS, the Elizabeth House III (“EH III”) development includes 267 residential units, of which 120 units will be set aside as affordable units in conformance with the Rental Assistance Demonstration and the Low Income Housing Tax Credit programs, a South County Regional Recreation and Aquatic Center (“SCRRAC”) totaling 120,000 square feet to be operated by Montgomery County Department of Recreation, and a 7,500 square feet Senior Resource Center/Primary Care Facility to be operated by Holy Cross Hospital (collectively the “Development”); and

WHEREAS, the revised Sketch Plan, Preliminary Plan, and Site Plan for Elizabeth Square was submitted to the Maryland National Capital Park and Planning Commission in July 2017 with approval projected for November 2017; and

WHEREAS, a permit set of architectural drawings for the Development was completed on September 15, 2017; and

WHEREAS, in preparation for the closing of the construction financing and the start of the construction of the Development in early 2018, staff solicited proposals for general contractor services in two parts; first, pursuant to a request for qualifications (“RFQ”) issued on May 26, 2017 to create a pool of qualified firms and second, on August 4, 2017 via a request for proposal (“RFP”) #2070 solicited from among the firms qualified through the RFQ process; and

WHEREAS, four firms (CBG Building Company, AECOM Tishman, Hensel, Phelps, and Whiting-Turner) submitted proposals and were evaluated based on the qualification criteria in the RFQ and were added to the pool in consideration for part two; and

WHEREAS, after issuing part two of the RFQ, AECOM Tishman and Hensel Phelps informed HOC that due to other contract obligations and the need to relocate key personnel to those projects, they would not submit a response; therefore, staff proceeded to evaluate the two remaining firms and assigned final scores based on part two of the process, which when combined with part one scores resulted in final scores of 95.65% for Whiting-Turner and 93.65% for CBG Building Company; and

WHEREAS, the terms of a general contractor contract are still to be negotiated and the proposed General Contractor must present final construction cost numbers to be incorporated in the final contract for approval when presented to the Commission in the first quarter of 2018; and

WHEREAS, prior to presenting the final terms of a general contract to the Commission, pre-construction services are required and included in Whiting-Turner’s proposal to cost of \$160,000, which staff is requesting to be funded from the Commission’s Opportunity Housing Reserve Fund as a loan to the Development, thereby increasing the approved predevelopment budget by said amount.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves the selection of Whiting-Turner as General Contractor for the construction of Elizabeth House III and the SCRRAC and authorize the Executive Director to enter into contract negotiations.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves an increase in predevelopment funding of \$160,000 as a loan to the Development from the Opportunity Housing Reserve Fund to cover pre-construction services by Whiting Turner, which will be repaid from proceeds of the construction financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the Executive Director to execute a contract for pre-construction services in amount not to exceed \$160,000.

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

C. Legislative and Public Affairs – Com. Byrd, Chair
1. Strategic Plan for FY 2018-2022

Shauna Sorrells, Director Legislative and Public Affairs, was the presenter.

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

Resolution No.: 17-69

Re: Strategic Plan for FY 2018-2022

WHEREAS, the Housing Opportunities Commission of Montgomery County regularly reviews and revises its Strategic Plan; and

WHEREAS, Housing Opportunities Commission staff built a process that captured the knowledge and expertise across the agency that reflects policy priorities of Commissioners; and

WHEREAS, the Commissioners convened in retreat to discuss the 2018 -2022 Strategic Plan prepared by the Agency’s senior staff and directed staff to modify the draft according to results of the retreat; and

WHEREAS, the Housing Opportunities Commission intends to be nothing less than transformational in the housing space, and has renewed the vision and priorities of the agency, as appropriate, to ensure we get people housed, keep people housed, and help customers reach their fullest potential throughout Montgomery County.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the 2018 – 2022 Strategic Plan is approved.

V. FURURE ACTION ITEMS
None

VI. INFORMATION EXCHANGE (continued)
None

VII. **NEW BUSINESS**

None

VIII. **ADMINISTRATIVE SESSION FINDING**

None

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

The open session adjourned at 5:34 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: November 1, 2017