

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

February 3, 2021

21-02

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, February 3, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Those in attendance were:

**Present**

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

**Also Attending**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel  
Zachary Marks  
Charnita Jackson  
Lynn Hayes  
Jay Berkowitz  
Guidy Paula  
Terri Fowler  
Darcel Cox  
Nathan Bovelie  
Ian Hawkins  
Karlos Taylor

Kayrine Brown, Deputy Executive Director  
Eamon Lorincz, Deputy General Counsel  
Cornelia Kent  
Fred Swan  
Eugenia Pascual  
Kathryn Hollister  
Nicolas Deandreis  
Kristyn Greco  
Gio Kaviladze  
Jay Shepherd  
Renee Harris

**Resident Advisory Board**

Lakeyia Thompson, President

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Commission

**Guest**

Karen Lundregan  
Marsha Coleman-Adebayo  
Rev. Adebayo  
Rian Adamian

Chair Priest opened the meeting welcoming all and acknowledging Black History month by reading a comment of Congressman James Clyburn.

I. **Information Exchange**

- **Resident Advisory Board (RAB)** – President Lakeyia Thompson provided an update of the RAB’s January, 2021 meeting. President Thompson started with a thank you to Executive Director Stacy Spann for providing laptops to the Board allowing members to maximize participation in the meetings. There was a presentation by Brian Selden and Paula Salazar, Public Information Specialist, Legislative and Public Affairs Division (LPA). A detailed discussion was held with an agreement from LPA in ensuring proper updates and accurate information will be placed on the RAB landing page. Some goals of the RAB is to make sure its existence is known to other residents to obtain new membership, share resources and serve as jump off page for other residents. Virtual links were sent out to members for monthly meeting. Compliance Division will be providing presentation for next month’s meeting (March).

Chair Priest thanked Ms. Thompson for the continued work the RAB does for the residents.

- **Community Forum** – Marsha Adebayo continues to address the Board regarding the Moses African American Cemetery and reminded Chair Priest of meeting to be scheduled to discuss. Ms. Adebayo requested clarity on information received from a whistleblower on Executive Director Spann’s contract renewal.

Chair Priest thanked Ms. Adebayo for her comments and indicated that he would reach out to her. He also indicated that he was not aware of whistleblower matter and stated that there is no process for providing public commentary related to renewal of any type of contract or personnel hiring. He stated that he would be willing to look into it.

Karen Lundregan continues to address the Board regarding her allegations of unfair treatment from certain HOC personnel in the termination of her housing.

Chair Priest expressed his apologies and asked if she was currently housed. He also acknowledged that the Board is listening to the complaints and is mindful of the importance to making sure that all residents are treated in a proper fashion.

Rev. Adebayo continues to express his concerns of the Moses Cemetery on behalf of the Macedonia Church.

Chair Priest acknowledged that prior to the pandemic there was engagements in meeting with the County Executive trying to affirm a way to proceed. Chair Priest suggested to work together in getting the meeting back on track.

Rian Adamian addressed the Board on his allegations of HOC’s inhuman treatment of its tenants, communities served and mismanagement. He also expressed his support of Macadonia Church in memorializing of the Moses African American Cemetery.

Chair Priest thanked him for his comments and participation. Chair Priest assured him that the Commission does take every comment that comes from the residents and citizens of Montgomery County seriously.

#### **Executive Director's Report**

- In addition to his written report, Executive Director Spann highlighted on the Housing Resources Division efforts in processing interims for housing choice vouchers. Resident Services Division interfacing with students, and providing paper goods, etc., to folks during the pandemic. Property Management team's hard work during the wintery weather and making sure that homes are maintained well in good repair. Real Estate team closing on the financing and construction of Westside Shady Grove.

#### **Commissioner Exchange**

Chair Priest acknowledged and summarized an opinion received from the State of Maryland Open Meetings Compliance Board regarding a complaint that was filed in December 2020 alleging that HOC failed to comply with various procedural requirements of the Open Meetings Act when meeting in closed session in year 2018. On January 27, 2021, the Open Meetings Compliance Board issued an opinion finding that HOC violated the Open Meeting Act for the following reasons:

- Section 3-302(b)(3) – meeting notices failed to indicate that all or some of the meetings would be held in closed session;
- Section 3-305(d)(1) – meeting in closed session without recording a vote in open session;
- Section 3-305(d)(2) – written closing statements, did not identify the topic to be discussed or reasons for excluding the public from that discussion;
- Section 3-305(d)(2) – written closing statements diverged from the Commissioners verbal vote to close the meeting; and
- Section 3-306(c)(2) – minutes of next open meeting did not provide the necessary disclosures about a closed meeting.

Chair Priest stated that HOC began rectifying these issues in 2019 and continues to modify its meeting procedures to ensure full compliance with the Open Meetings Act. HOC remains committed to transparency and encourages members of the public to reach out if they have any questions or concerns.

- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Simon and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.
  - A. **Approval of Minutes of January 13, 2021**

- III. **CONSENT**

- A. **Housing Opportunities Commission Bylaws:** Approval to Temporarily Amend the Bylaws of The Housing Opportunities Commission of Montgomery County

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, Croom, Merkowitz, and Simon.

**RESOLUTION NO.: 21-14**

**RE: Approval to Temporarily Amend the Second Amended and Restated Bylaws of the Housing Opportunities Commission of Montgomery County**

**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 (the “Act”), to carry out and effectuate the purpose of providing affordable housing and is governed by the Act and its bylaws;

**WHEREAS**, the Commission’s bylaws provide that at the Annual Meeting, a quorum must consist of four (4) Commissioners physically present;

**WHEREAS**, the ongoing response to COVID-19 requires the community to participate in social distancing measures, which includes participating in meetings remotely;

**WHEREAS**, in order to adequately respond to the current state of emergency, staff recommends temporarily amending HOC’s bylaws to allow HOC to continue to operate and transact business;

**WHEREAS**, HOC’s bylaws shall be temporarily amended by adding the following provision: “Article III – MEETINGS, Section 11. *State of Emergency*. Notwithstanding anything in these Second Amended and Restated Bylaws to the contrary, in the event there is a federal, state, and/or local state of emergency, or other similar governmental emergency, all the Commissioners may participate and vote on matters by teleconference or electronic medium at the Annual Meeting as long as (i) a quorum of the Commission participates, and (ii) all Commissioners and staff (and, for open meetings, members of the public) can communicate and view all materials clearly” (the “Temporary Amendment”); and

**WHEREAS**, the Temporary Amendment shall automatically terminate as of March 1, 2021.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County hereby approves and adopts the Temporary Amendment, which shall automatically terminate as of March 1, 2021.

**IV. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION**

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

- 1. County Fiscal Year 2022 – 2027 Capital Improvements Program Budget:** Authorization to Submit Reduced County Fiscal Year 2022 – 2027 Capital Improvements Program Budget

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, 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, Croom, Merkowitz, and Simon.

**RESOLUTION NO: 21-15**

**RE: County FY’22-27 Capital Improvements Program (CIP) Budget: Authorization to Submit Reduced County FY’22-27 Capital Improvements Program (CIP) Budget**

**WHEREAS**, the Capital Improvements Program (“CIP”) is a program administered by Montgomery County (the “County”) that provides funds for larger long-term investments in facilities, infrastructure, and affordable housing;

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC”) receives funds from the CIP to further its purpose in providing affordable housing;

**WHEREAS**, the County accepted amendments to the FY’ 22-27 CIP Budget, and requests were submitted to the Office of Management and Budget on September 9, 2020; and

**WHEREAS**, the County Office of Management and Budget requested that HOC submit a FY’22-27 CIP Budget reduction of \$125,000 in order to help close the County budget gap.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes staff to submit to the County a FY’22-27 CIP Budget reduction in the amount of \$125,000.

**B. Legislative and Regulatory Committee – Com. Kelleher, Chair**

- 1. Housing Choice Voucher Administrative Plan:** Authorization of Revisions to HOC’s Administrative Plan for the Housing Choice Voucher Program to add Coronavirus Disease 2019 (COVID-19) Related Waivers to the Plan in Accordance with HUD Notice PIH 2020-33

Lynn Hayes, Director of Housing Resources Division, was the presenter.

The following resolution was adopted upon a motion by Vice Chair Kellher and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwowitz, and Simon.

**RESOLUTION NO.: 21-16**

**RE: Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Temporary Changes in Response to COVID-19 Pursuant to HUD PIH Notice 2020-33**

**WHEREAS**, in response to COVID 19, the U.S. Department of Housing and Urban Development issued Notice PIH 2020-33 (the “Notice”) on November 30, 2020 that established temporary waivers and alternative requirements for the Housing Choice Voucher Program;

**WHEREAS**, the Notice allowed a housing authority to adopt waivers and temporarily revise its administrative plan without board approval, provided that any informally adopted revisions are approved by its board no later than June 30, 2021;

**WHEREAS**, pursuant to the Notice, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) informally adopted many of the waivers in the Notice, and the Commission now desires to formally revise its Administrative Plan for the Housing Choice Voucher Program (the “Plan”) to add the temporary waivers; and

**WHEREAS**, the recommended revisions to the Plan are outlined in the attached Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County adopts the revisions to the Plan as identified in the attached Exhibit A.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his 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. Housing Choice Voucher Payment Standards:** Authorization to Implement Voucher Payment Standards Based on HUD Fiscal Year 2021 Small Area Fair Market Rents

Lynn Hayes, Director of Housing Resources Division, was the presenter.

The following resolution was adopted upon a motion by Vice Chair Kelleher and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

**RESOLUTION NO.: 21-17**

**RE: Authorization to Implement Voucher Payment Standards Based on HUD FY 2021 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 2021 as shown on Exhibit A.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his 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.

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

**1. Hillandale Gateway:** Approval to Select Renascent, Inc. as the Demolition Contractor for Holly Hall Apartments in Accordance with Information for Bid (“IFB”) #2222 and Authorization for the Executive Director to Negotiate and Execute a Contract for the Demolition

Kayrine Brown, Deputy Executive Director, and Kathryn Hollister, Senior Financial Analyst, were the presenters.

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, Croom, Merkowitz, and Simon.

**RESOLUTION NO.: 21-18**

**RE: Approval to Select Renascent, Inc. as the Demolition Contractor for Holly Hall Apartments in Accordance with Information for Bid (“IFB”) #2222 and Authorization for the Executive Director to Negotiate and Execute a Contract for the Demolition**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), is the owner of a 96-unit rental property in Hillandale known as Holly Hall Apartments located on approximately 4.35 acres of land at 10110 New Hampshire Avenue, Silver Spring, MD 20903 (“Holly Hall”); and

**WHEREAS**, Holly Hall is currently vacant and the buildings on the site have reached the end of their useful life cycles; and

**WHEREAS**, in order to facilitate the development of Hillandale Gateway, a new mixed-use, mixed-income multigenerational community, HOC is seeking the services of a demolition contractor to demolish the existing buildings and prepare the site for redevelopment; and

**WHEREAS**, on November 4, 2020, the Commission approved a budget and funding in the amount of \$843,700 from HOC’s Opportunity Housing Reserve Fund (“OHRF”) for the demolition of Holly Hall, which includes pre-demolition work, demolition, and contingency; and

**WHEREAS**, on December 8, 2020, HOC issued Invitation for Bid No. 2222 (“IFB #2222”) for the demolition of Holly Hall; and

**WHEREAS**, HOC received 12 bids, which ranged in price from \$379,950 to \$820,000; and

**WHEREAS**, pursuant to IFB #2222, the contract will be awarded to the responsive and responsible bidder offering the lowest base bid; and

**WHEREAS**, staff has determined that Renascent, Inc. (“Renascent”) is a responsive and responsible bidder that offered the lowest bid of \$379,950; and

**WHEREAS**, the Commission desires to award IFB #2222 to Renascent and authorize the Executive Director to negotiate and execute a contract for the demolition of Holly Hall; and

**WHEREAS**, the award of IFB #2222 will be made from funds approved by the Commission on November 4, 2020.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the award of IFB #2222 to Renascent, Inc. and authorizes the Executive Director, or his designee, to negotiate and execute a contract with Renascent, Inc. for the demolition of Holly Hall.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized, without any further action on its part, to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

2. **Fenwick & Second – Housing Opportunities Commission Headquarters:** Authorization to Transmit to the Planning Board, the Second Phase of Mandatory Referral Submission; and Approval of and Full Funding of Revised Fiscal Year 2021 Predevelopment Budget Deliberation

Kayrine Brown, Deputy Executive Director, and Jay Shepherd, Senior Financial Analyst, were the presenters.

The following resolutions were adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwitz, and Simon.

**RESOLUTION NO.: 21-19<sub>A</sub>**

**RE: HOC Headquarters: Authorization to Transmit to the Planning Board the Second Phase of Mandatory Referral Submission; and Approval of and Full Funding of the Revised FY21 Predevelopment Budget**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), has secured three lots located at 1324 and 1328 Fenwick Lane, Silver Spring, MD 20910 as the site of a new headquarters building, projected to be approximately 85,000 gross square feet or the maximum allowed by the current zoning regulations (the “New HQ”); and

**WHEREAS**, on September 5, 2018, the Commission approved a predevelopment budget in the amount of \$2,116,000 for the initial feasibility design and entitlement of the New HQ and a draw on the \$60 million PNC Bank, N.A. Line of Credit (“PNC LOC”) to fund the first installment of predevelopment funding in the amount of \$264,500; and

**WHEREAS**, On April 3, 2019, the Commission approved to Enter into a Ground Lease with Fenwick Silver Spring, LLC and a Development Services Agreement with Promark Development, LLC for the Development and Ownership of HOC’s New Headquarters Building and Approval of the Architect Selected to Complete Design and Construction Management for the Development. The resolution also authorizes the Executive Director to negotiate and enter into a contract with Design Collective, Inc. for architectural services in an amount not to exceed \$1,100,000 from the PNC LOC.

**WHEREAS**, on May 6, 2020, in order to expedite the delivery of New HQ, reduce overall costs, and minimize development period risk, the Commission approved submitting an application for the two-step process of Mandatory Referral for the New HQ; and

**WHEREAS**, also on May 6, 2020, the Commission approved a revised predevelopment budget in the amount of \$2,650,150 and a second installment draw on PNC LOC for predevelopment funding of \$793,800 to cover costs attributable to a required traffic engineering study and permit and application fees for the initial feasibility design and entitlement of the New HQ; and

**WHEREAS**, on November 12, 2020 the Montgomery County Planning Board unanimously approved the New HQ Location Review Application and the Commission is now ready to submit the second step of the Mandatory Referral process for the New HQ; and

**WHEREAS**, the costs for calendar year 2021 have been projected and additional predevelopment expenses including telecom/audio visual and security design, acoustics/lighting and environmental graphics design, dry utility consulting, development fee and contingency requires the total predevelopment budget to be revised; and

**WHEREAS**, the current revised predevelopment budget for the New HQ is \$2,908,300 and the final installment of \$750,000 may be funded from the PNC Bank, N.A. Line of Credit.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the submission of the second step of the Mandatory Referral Application process for the New HQ.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves a revised total predevelopment budget of \$2,908,300 for the design and entitlement of the New HQ and the use of the PNC Bank, N.A. Line of Credit as the source to fund the final installment of \$750,000.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized, without any further action on its part, to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

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**RESOLUTION NO.: 21-19<sub>B</sub>**

**RE: Approval to Draw on the PNC Bank, N.A. Line of Credit to Fund a Third Installment of Predevelopment Funds for HOC's New Headquarters Building**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission"), has secured three lots located at 1324 and 1328 Fenwick Lane, Silver Spring, MD 20910, as the site of a new headquarters building projected to be approximately 85,000 gross square feet or the maximum allowed by the current zoning regulations (the "New HQ"); and

**WHEREAS**, on September 5, 2018, the Commission approved a predevelopment budget in the amount of \$2,116,000 for the initial feasibility design and entitlement of the New HQ and a draw on the \$60 million PNC Bank, N.A. Line of Credit (the "PNC LOC") to fund the first installment of predevelopment funding in the amount of \$264,500; and

**WHEREAS**, on May 6, 2020, the Commission approved a revised predevelopment budget in the amount of \$2,650,150 and a second installment draw on PNC LOC for predevelopment funding of \$793,800 to cover costs attributable to a required traffic engineering study and permit and application fees for the initial feasibility design and entitlement of the New HQ; and

**WHEREAS**, the costs for calendar year 2021 have been projected and additional predevelopment expenses including telecom/audio visual and security design, acoustics/lighting and environmental graphics design, dry utility consulting, development fee and contingency requires the total predevelopment budget to be revised; and

**WHEREAS**, the current revised predevelopment budget for the New HQ is \$2,908,300 and the cost of the third and final installment of predevelopment funding is \$750,000; and

**WHEREAS**, the Commission may make draws on the PNC LOC at a taxable rate equal to London Interbank Offered Rate (“LIBOR”) (at 1-month, 3-month, 6-month, or 12-month LIBOR) plus 90 basis points.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes a third draw in the amount of \$750,000 at a rate of one-month LIBOR plus 90 basis points on the PNC LOC to fund a third installment of the total predevelopment budget to be repaid, including cost of interest, from the proceeds of the New HQ’s construction-period financing, and that this draw shall have a due date that coterminous with the termination date of the PNC LOC, which is currently June 30, 2021.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized, without any further action on its part, to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

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

1. **Brooke Park Apartments:** Approval to Draw on the Original PNC Bank, N.A. Line of Credit to Bridge Receipt of County Loan Funds for the Renovation of Brooke Park Apartments

Kayrine Brown, Deputy Executive Director, and Gio Kaviladze, Senior Financial Analyst, were the presenters.

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, Croom, Merkwitz, and Simon.

**RESOLUTION NO: 21-20**

**RE: Approval to Draw on the PNC Bank, N.A.  
Real Estate Line of Credit to Bridge Receipt of  
County Loan Funds for the Renovation of Brooke  
Park Apartments**

**WHEREAS**, in 2013 the Montgomery County Department of Housing and Community Affairs (“DHCA”) exercised its right of first refusal and assigned the right to the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) to purchase Brooke Park Apartments (“the Property”) to preserve affordable housing units in this location of the county that lacked affordable housing and risked demolition and redevelopment as luxury townhomes for the affluent, and the displacement of 18 low- and moderate-income families; and

**WHEREAS**, DHCA approved and funded an acquisition and development loan of \$5,200,000 at the time of the acquisition and committed to provide additional funding as needed to complete the renovation; and

**WHEREAS**, in April 2020, DHCA provided a commitment letter to fund the net funding need of \$3,747,829 through a combination of HOME, HIF, and, potentially, energy-efficiency improvement related funding sources; and

**WHEREAS**, the new loan is not expected to close prior to the end of February 2021; and

**WHEREAS**, renovation activities, funded by the remaining balance of the original HIF loan, started in December 2019 and an interruption of construction activities would delay the completion of the renovation and would incur substantial additional costs to complete the renovation; and

**WHEREAS**, on July 1, 2020, the Commission authorized a \$1.8 million draw from the PNC Bank, N.A. Line of Credit to bridge receipt of County loan funds, \$1.63 million of which have already been expended; and

**WHEREAS**, based on the construction schedule, contract amount, and the projections supplied by the general contractor, staff expects the project to incur up to an additional \$1.6 million in construction and related costs through the project completion by the end of March 2021; and

**WHEREAS**, without funding, HOC must issue a work stoppage order; and

**WHEREAS**, bridge financing from the PNC Bank, N.A. Line of Credit would prevent interruption of construction and related activities; and

**WHEREAS**, the Commission may make draws on the PNC Bank, N.A. Real Estate Line of Credit at a taxable rate equal to London Interbank Offered Rate ("LIBOR") (at 1-month, 3-month, 6-month, or 12-month LIBOR) plus 58 basis points.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to draw up to \$1.6 million on the PNC Bank, N.A. Real Estate Line of Credit at a taxable rate of one-month LIBOR plus 58 basis points to bridge receipt of County loan funds for the renovation of Brooke Park Apartments, to be repaid, including cost of interest, from the proceeds of County loan funds, and that this draw shall have a due date of six months from the date of the first draw.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the term of the previous \$1.8 million authorization to draw on the PNC Bank, N.A. Line of Credit to bridge receipt of County loan funds, approved by the Commission on July 1, 2020, is extended by six months and shall have a due date of twelve months from the date of the first draw.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his 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 transactions contemplated herein including, without limitation, the negotiation and execution of related documents.

## VI. FUTURE ACTION

1. **Housing Opportunities Commission Recapitalization:** Discussion of Sale of Holly Hall and Veirs Mill East and the Lease Back to The Housing Opportunities Commission

Zachary Marks, Chief Investment and Real Estate Officer, provided update on an offer received from the Duffie Company to purchase land owned by HOC. No action required.

### **Election of Officers**

Executive Director Spann opened the floor for nomination of the Officers (Chair, Vice Chair, and Chair Pro Tem) to the Housing Opportunities Commission Board. Motion was made by Commissioner Simon to re-elect Roy Priest to Chair, re-elect Frances Kelleher to Vice Chair, and re-elect Richard Y. Nelson, Jr., to Chair Pro Tem. The motion was seconded by Commissioner Byrd.

Executive Director Spann called for the vote to elect Roy Pries as Chair, Frances Kelleher as Vice Chair and Richard Y. Nelson, Jr., as Chair Pro Tem. The vote was unanimous.

Commissioners Simon, Croom, and Byrd thanked the Officers for the service and leadership. Chair Priest on behalf of the Officer expressed appreciation.

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 5:30 p.m. and reconvened in closed session at approximately 5:47 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 February 3, 2021 at approximately 5:47 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 Sections 3-305(b)(3) and 3-305(b)(13) to discuss three topics: (1) the acquisition of real property located in Clarksburg, Maryland via a ground lease (pursuant to Section 3-305(b)(3)); (2) the acquisition of real property located in the southern portion of Montgomery County, Maryland (pursuant to Section 3-305(b)(3)); and (3) the confidential commercial and financial terms of real property acquisitions located in Clarksburg, southern Montgomery County, Silver Spring, and Wheaton, Maryland (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated February 3, 2021 was adopted on a motion made by Commissioner Simon, seconded by Vice Chair Kelleher, with Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, Byrd, and Simon unanimously voting in approval. The following persons were present during the closed session: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowitz, Jackie Simon, Stacy Spann, Kayrine Brown, Aisha Memon, Zachary Marks, Cornelia Kent, Gio Kaviladze, and Patrice Birdsong. Please note that Commissioners Pamela Byrd and Roy Priest left the meeting early and did not participate in any vote; Commissioner Merkowitz also left early and did not participate in some of the votes.

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

1. **Topic:** the acquisition of real property located in Clarksburg, Maryland via a ground lease (pursuant to Section 3-305(b)(3)).
  - a. **Action Taken:** With a quorum present, Commissioners Kelleher, Nelson, Simon, Croom, and Merkowitz approved taking no further action on the acquisition until additional information is obtained.

2. **Topic:** the acquisition of real property located in the southern portion of Montgomery County, Maryland (pursuant to Section 3-305(b)(3)).
  - a. **Action Taken:** With a quorum present, Commissioners Kelleher, Nelson, Simon, and Croom approved receiving an update on the staff's acquisition efforts.
  
3. **Topic:** the confidential commercial and financial terms of real property acquisitions located in Clarksburg, southern Montgomery County, Silver Spring, and Wheaton, Maryland (pursuant to Section 3-305(b)(13)).
  - a. **Actions Taken:** With a quorum present, Commissioners Kelleher, Nelson, Simon, Croom, and Merkowitz authorized (i) the Executive Director to begin drafting a non-binding letter of intent for the acquisition of real property located in Silver Spring, Maryland; and (ii) taking no further action on the acquisition of property located in Wheaton, Maryland until additional information is obtained. The actions taken regarding the properties located in Clarksburg and southern Montgomery County are summarized above.

The closed session was adjourned at 7:47 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

**Approved: March 3, 2021**