

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

January 12, 2022

22-01

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, January 12, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 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
Linda Croom
Jeffrey Merkowitz
Jackie Simon

Also Attending via Teleconference

Kayrine Brown, Acting Executive Director
Jennifer Arrington
Nathan Bovelie
Darcel Cox
Paige Gentry
Lynn Hayes
Bonnie Hodge
Charnita Jackson
Fred Swan
Terri Fowler
Nilou Razeghi

Aisha Memon, General Counsel
Christina Autin
John Broullire
Marcus Ervin
Timothy Goetzinger
Ian-Terrell Hawkins
Matt Husman
Zachary Marks
Olutomi Adebo
Eugenia Pascual
John Vass

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.

I. **Information Exchange**

Community Forum

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

Executive Director's Report

- Kayrine Brown, Acting Executive Director, provided an update on the parking area at the Kensington Headquarters, as well as an overview of the written report, and addressed questions of the Commissioners.

Commissioner Exchange

- Chair Priest noted that there was an affordable housing panel held for candidates running for the position of County Executive. He suggested that it would be ideal to view because it provides the candidates' views on affordable housing.
- II. **Approval of Minutes** - 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, Croom, Merkwowitz, and Simon.
- A. **Approval of Minutes of December 8, 2021**
- B. **Approval of Minutes of December 8, 2021 Closed Session**

At the request of Chair Pro Tem Nelson, Chair Priest amended the agenda to move Consent Item B to Items Requiring Deliberation and/or Action.

III. **CONSENT**

- A. Approval of the Nominations of Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith to the Board of Directors of the Housing Opportunities Community Partners, Inc.

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

RESOLUTION NO.: 22-01

RE: Approval of the Nominations of Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith to the Board of Directors of the Housing Opportunities Community Partners, Inc.

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") approved the creation of the non-profit organization, Housing Opportunities Community Partners, Inc. ("HOCP"), in 1999 to support the residents and programs of HOC; and

WHEREAS, HOC is required, by the HOCP bylaws, to approve nominees to the HOCP Board of Directors; and

WHEREAS, the HOCP board unanimously nominated Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith to serve on the Board of Directors each for a three-year term.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith are hereby approved and appointed to serve on the Board of Directors of the Housing Opportunities Community Partners, Inc.

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

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

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

1. **Fiscal Year 2022 (FY'22) First Quarter Budget to Actual Statements:** Commission Acceptance of the First Quarter Fiscal Year 2022 Budget to Actual Statements

Timothy Goetzinger, Acting 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 Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

RESOLUTION NO.: 22-03

RE: Acceptance of the First Quarter FY'22 Budget to Actual Statements

WHEREAS, the Budget Policy for the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the First Quarter FY'22 Budget to Actual Statements during its January 12, 2022 meeting; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the First Quarter FY'22 Budget to Actual Statements.

2. **Fiscal Year 2022 (FY'22) Second Quarter Budget Amendment:** Commission Approval of Fiscal Year 2022 Second Quarter Budget Amendment

Timothy Goetzinger, Acting Chief Financial Officer, introduced Terri Fowler, 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, Croom, Merkowitz, and Simon.

RESOLUTION NO.: 22-04

RE: Approval of FY 2022 Second Quarter Budget Amendment

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) adopted a budget for FY'22 on June 9, 2021; and

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

WHEREAS, the net effect of the FY'22 Second Quarter Budget Amendment maintains a balanced operating budget; and

WHEREAS, the total FY'22 Operating Budget remains unchanged at \$300,440,652; and

WHEREAS, the total FY'22 Capital Budget increased from \$439,141,889 to \$440,017,929;
and

WHEREAS, approval of the budget amendments to revise the FY'22 budget will reflect an accurate plan for the use of the Commission's resources for the remainder of FY'22.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'22 Capital Budget by increasing capital revenues and expenditures for the Commission from \$439,141,889 to \$440,017,929.

3. **Uncollectible Tenant Accounts Receivable:** Authorization to Write-off Uncollectible Tenant Accounts Receivable (July 1, 2021 – September 30, 2021)

Timothy Goetzinger, Acting Chief Financial Officer, introduced Nilou Razeghi, Accounting Manager, who was the presenter.

The following resolution was 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.: 22-05

**RE: Uncollectible Tenant Accounts Receivable:
Authorization to Write-Off Uncollectible Tenant
Accounts Receivable**

WHEREAS, the current policy of the Housing Opportunities Commission of Montgomery County ("HOC") is (i) to provide for an allowance for tenant accounts receivable balances that are delinquent for more than ninety (90) days; and (ii) to propose the write-off of former tenant balances; and

WHEREAS, staff periodically proposes the write-off of uncollected former tenant balances, which updates the financial records to accurately reflect the receivables and the potential for collection; and

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period of July 1, 2021 – September 30, 2021 is \$16,676, consisting of \$13,684 from Opportunity Housing properties, \$230 from LIHTC/RAD Properties, and \$2,762 from Town Center Apartments (236 Properties).

NOW, THEREFORE, BE IT 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 actions necessary and proper to write off \$16,676 in uncollectible accounts receivable related to (i) tenant balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

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

1. Approval to Allocate Funds from the Opportunity Housing Bond fund as Additional Closing Costs to Reimburse the Real Estate Working Capital Operating Fund, Drawn to Close Lindley

Marcus Ervin, Director of Real Estate, provided an overview and addressed Chair Pro Tem Nelson's question regarding legal expenses. Acting Executive Director Brown also addressed the concern regarding Opportunity Housing (OH) Bond Fund balances and fund use, as well as the use of the Real Estate Working Capital Bond Operating Fund.

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

RESOLUTION NO.: 21-02

RE: Approval to Allocate Funds from the Opportunity Housing Bond Fund as Additional Closing Costs to Reimburse the Real Estate Working Capital Operating Fund, Drawn to Close 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 ("Property"), a 200-unit mixed-income Class-A rental development consisting of 120 market rate units, 40 affordable units, and 40 workforce housing units that is strategically located adjacent to a future Purple Line station; and

WHEREAS, the Commission previously approved (i) executing a new Operating Agreement with ORLO for the Company, and (ii) funding related closing costs from the Opportunity Housing Bond Fund not to exceed \$1,175,000; and

WHEREAS, on December 8, 2021, ORLO was admitted to the Company; and

WHEREAS, the Real Estate Working Capital Operating Fund ("REWCOF") is a source of funding available to staff to cover certain unexpected costs related to closing on transactions; and

WHEREAS, final closing costs exceeded \$1,175,000 by \$39,219.26; and the REWCOF was used to fund those costs; and

WHEREAS, to replenish the REWCOF, staff is recommending an increase in funding from the Opportunity Housing Bond Fund.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the draw limit on the Opportunity Housing Bond Fund from \$1,175,000 to \$1,214,219.26 to reimburse the \$39,219.26 in closing costs covered by the REWCOF.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Executive Director, or her authorized designee, is hereby authorized, without any further action, to execute such documents and to take any and all other actions, in each case as necessary and proper, to carry out the actions contemplated herein.

Chair Priest read the Written Closing Statement. Commissioner Simon seconded the motion, with Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon voting in approval.

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 4:48 p.m. and reconvened in closed session at 4:56 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 January 12, 2022 at approximately 4:56 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)(1), 3-305(b)(3), and 3-305(b)(13) to discuss two topics: (1) the employment, performance, and compensation of a specific individual employee (pursuant to Section 3-305(b)(1)); and (2) the potential acquisition/purchase of multifamily properties located in Bethesda, Maryland (pursuant to Sections 3-305(b)(3)), including the confidential commercial and financial terms of financing the acquisition (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated January 12, 2022 was adopted on a motion made by Roy Priest, seconded by Jackie Simon, with Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowitz, and Jackie Simon voting in favor of the motion. The following persons were present: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowitz, Jackie Simon, Kayrine Brown, Aisha Memon, Paige Gentry, Timothy Goetzinger, Christina Autin, Zachary Marks, Marcus Ervin, John Broullire, Matt Husman, Darcel Cox, Gio Kaviladze, Ian-Terrell Hawkins, and Patrice Birdsong.

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

1. **Topic:** The potential acquisition/purchase of multifamily properties located in Bethesda, Maryland (pursuant to Section 3-305(b)(3)), and the confidential commercial and financial terms of financing the acquisition, which were provided to HOC from private financial institutions (pursuant to Section 3-305(b)(13)).
 - a. **Action Taken:** The Commission directed staff to take into consideration the Commission's comments and questions and to bring the item back to the next Development and Finance Committee for further consideration. No formal action was taken (i.e., no resolution was approved and no vote was conducted).
2. **Topic:** The employment, performance, and compensation of a specific individual employee (pursuant to Section 3-305(b)(1)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon approved increasing the individual's compensation retroactively on a prorated basis effective August 1, 2001, when responsibilities were increased, and to continue such compensation level as long as the employee continues to carry increased responsibilities.

The closed session was adjourned at 6:22 p.m.

Respectfully submitted,

Kayrine Brown
Acting Secretary-Treasurer

/pmb

Approved: February 2, 2022