

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

September 14, 2022

22-09

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Wednesday, September 14, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:03 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**

Chelsea Andrews, Executive Director  
Aisha Memon, General Counsel  
Bonnie Hodge  
Jennifer Arrington  
Guidy Paul  
Ian-Terrell Hawkins

Kayrine Brown, Deputy Executive Director  
Timothy Goetzinger  
Lynn Hayes  
Fred Swan  
Kathryn Hollister

**Also Attending via Zoom**

David Brody  
Darcel Cox  
John Broullire  
Nathan Bovelle

Terri Fowler  
Matt Husman  
Marcus Ervin  
Leidi Reyes

**IT Support**

Irma Rodriguez  
Aries "AJ" Cruz

**Commission Support**

Patrice Birdsong

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 speakers who signed up to address the Board.

**Executive Director**

- Chelsea Andrews, Executive Director, provided an overview of the written report as well as a slide presentation of events. Executive Director Andrews addressed questions of the Commissioners.

**Commissioner Exchange**

- Chair Priest reminded all of the upcoming NAHRO National Conference convening September 19 – 24, 2022.
- Chair Priest thanked Commissioner Simon for volunteer work at Tanglewood, and expressed his appreciation to all of the Commissioners for the volunteer efforts.
- Commissioner Simon expressed her appreciation to Vice Chair Kelleher for the book donations.

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

**A. Approval of Minutes of August 10, 2022**

III. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION**

**A. Administrative and Regulatory Committee – Com. Kelleher, Chair**

1. Authorization to Submit the Family Self-Sufficiency (“FSS”) Action Plan to HUD Pursuant to the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to the FSS Program

Vice Chair Kelleher opened with background discussions had during Committee, as well as informed that the item being presented had gone through a 45-day public commenting period. A Public Hearing was held on September 12, 2022, and there were no outside comments. Executive Director Andrews provided an overview and introduced Lynn Hayes, Director of Housing Resources, and Guidy Paul, Assistant Director of Housing Resources, who provided the presentation and addressed questions of the Commissioners.

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

**RESOLUTION NO.: 22-65**

**RE: Authorization to Submit the Family Self-Sufficiency (“FSS”) Action Plan to HUD Pursuant to the Streamlining and Implementation of Economic**

**Growth, Regulatory Relief, and Consumer  
Protection Act Changes to the FSS Program**

**WHEREAS**, the Family Self Sufficiency (“FSS”) Program is a federally mandated program authorized by the Cranston-Gonzalez Affordable Housing Act of 1990; and

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) began its FSS Program in February 1993, subsequent to the U.S. Department of Housing and Urban Development’s (“HUD”) approval of the initial FSS Action Plan.

**WHEREAS**, HUD published the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to the FSS Program on May 17, 2022, effective June 16, 2022, which mandates numerous changes to the FSS Program that must be implemented no later than November 14, 2022; and

**WHEREAS**, a 45-day public comment period is required for changes to the FSS Program;  
And

**WHEREAS**, a public comment period for the revisions to the FSS Action Plan began on July 29, 2022 and concluded on September 11, 2022; and

**WHEREAS**, a virtual public hearing commenced on September 12, 2022; and

**WHEREAS**, HOC must submit the FSS Action Plan that describes the policies and procedures used to operate the FSS program to HUD by September 30, 2022; and

**WHEREAS**, HOC must implement the changes in the FSS Action Plan subsequent to HUD approval, no later than November 14, 2022; and

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or her designee, to submit the FSS Action Plan to HUD, and, subsequent to approval by HUD, implement the policies and procedures outlined in the FSS Action Plan.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the 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.

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

- 1. County FY’24 Capital Budget and Amendments to the FY’23-28 Capital Improvements Program Budget:** Authorization to Submit County FY’24 Capital Budget and Amendments to the FY23-28 Capital Improvements Program Budget

Chair Pro Tem Nelson opened with background discussions had during Committee. He introduced Executive Director Andrews, who provided a brief overview and introduced Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, and Terri Fowler, Budget Officer, who provided the presentation and addressed questions of the Commissioners.

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, Merkwowitz, and Simon.

**RESOLUTION NO.: 22-66**

**Re: Authorization to Submit County FY'24 Capital Budget & Amendments to the FY23-28 Capital Improvements Program 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; and

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

**WHEREAS** the County is considering amendments to the County FY'24 Capital Budget & Amendments to the FY23-28 Capital Improvements Program Budget and requests were due to the Office of Management and Budget Office of Management and Budget ("OMB") by September 8, 2022; and

**WHEREAS**, staff requested and received an extension to September 15, 2022 in order to obtain Commission approval on September 14, 2022; and

**WHEREAS**, the Commission wishes to request to the county that the Budget (i) continues funding the current annual allocation of \$1,250,000 for Supplemental Funds for Deeply Subsidized HOC and Affiliate Owned Unit Improvements and , (ii) adds \$520,000 in additional funding for the WSSC Infrastructure Project for Sewer and Storm Line Improvements at Elizabeth Square and , (iii) adds \$3,000,000 in new funding for the Elizabeth House Demolition.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the submission to the County of a request that the County FY'24 Capital Budget & Amendments to the FY23-28 Capital Improvements Program Budget of \$88,607,000 that continues the current annual allocation of \$1,250,000 for Supplemental Funds for Deeply Subsidized HOC and Affiliate Owned Unit Improvements and , (ii) adds \$520,000 in additional funding for the WSSC Sewer and Storm Line Improvements at Elizabeth Square and , (iii) adds \$3,000,000 in new funding for the Elizabeth House Demolition.

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

1. **Hillandale Gateway:** Approval of Revised Predevelopment Budget and Additional Predevelopment Funding for Hillandale Gateway, LLC

Commissioner Simon opened with background discussions had during Committee. She introduced Executive Director Andrews, who provided a brief overview and introduced Marcus Ervin, Director of Real Estate, who provided presentation, and Kathryn Hollister, Senior Financial Analyst, who provided presentation of preliminary development plans. Once the presentations were complete, staff addressed questions of the Commissioners.

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, Merkowicz, and Simon.

**RESOLUTION NO.: 22-67**

**RE: Approval of Revised Predevelopment Budget  
And Additional Predevelopment Funding for  
Hillandale Gateway, LLC**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), in accordance with previous Commission resolutions, is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC, the entity that will redevelop approximately 5.15 acres of land at 10110 and 10140 New Hampshire Avenue, Silver Spring, MD 20903 (“Holly Hall Site”); and

**WHEREAS**, on October 7, 2015, March 1, 2017, January 9, 2019, February 5, 2020, and November 4, 2020 the Commission authorized loans to Hillandale Gateway, LLC from HOC’s Opportunity Housing Reserve Fund (“OHRF”) in the total amount of \$10,076,367 to fund predevelopment activities related to the redevelopment of the Holly Hall Site; and

**WHEREAS**, the Commission desires to approve additional predevelopment funding in the amount of \$4,126,898 (“Additional Predevelopment Funding”) to cover predevelopment expenditures related to the redevelopment of the Holly Hall Site through closing of Hillandale Gateway, LLC’s redevelopment construction-period financing (“Construction Financing”); and

**WHEREAS**, the Commission desires to approve a loan from HOC’s OHRF to Hillandale Gateway in the amount of \$4,126,898 to fund the Additional Predevelopment Funding (the “OHRF Loan”), and such loan shall accrue interest at the short-term Applicable Federal Rate of the Internal Revenue Code and will be repaid from the proceeds of Construction Financing; and

**WHEREAS**, the Commission desires to approve a revised predevelopment budget for the redevelopment of the Holly Hall Site in the amount of \$14,203,265 to reflect the Additional Predevelopment Funding and the OHRF Loan (“Revised Predevelopment Budget”), which Revised Predevelopment Budget will include predevelopment funding spent to date, future predevelopment expenditures through closing of construction financing, prefunded closing costs, and contingency; and

**WHEREAS**, pursuant to Treasury Regulation §1.150-2, the Commission desires to declare its official intent to participate in future tax-exempt borrowings in an amount not to exceed \$200,000,000 to finance “original expenditures” (as defined in Treasury Regulation §1.150-2) for the new construction located at the Holly Hall Site (the “Development”); and

**WHEREAS**, all or a portion of such future tax-exempt borrowings may be allocated to reimburse the Commission for original expenditures paid or to be paid subsequent to the date which is 60 days prior to the date hereof, such reimbursement allocation to occur not later than 18 months after the later of the date of payment of such original expenditures or the date on which the Development is placed in service or abandoned (but in no event more than three (3) years after the date of payment of the related original expenditures).

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves Additional Predevelopment Funding in the amount of \$4,126,898 to cover

predevelopment expenditures related to the redevelopment of the Holly Hall Site through Construction Financing.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, that it authorizes a loan to Hillandale Gateway, LLC from HOC's OHRF in the amount of \$4,126,898, which loan will accrue interest at the applicable federal rate and will be repaid at the closing of Construction Financing.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the Revised Predevelopment Budget of \$14,203,265 for the redevelopment of the Holly Hall Site, which includes the increase in predevelopment funding described in these Resolutions, predevelopment funding spent to date, future predevelopment expenditures through closing of Construction Financing, prefunded closing costs, and contingency.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that the Executive Director, or her designee, is authorized 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 to Hillandale Gateway, LLC's acceptance of the loan from HOC's OHRF in an amount up to \$4,126,898.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to finance costs related to the predevelopment and other expenditures of the redevelopment of the Holly Hall Site located in the Hillandale area of Montgomery County, with moneys currently contained in its OHRF and any other funds of the Commission so designated for use by the Commission.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it declares its official intent to participate in future tax-exempt borrowings in an amount not to exceed \$200,000,000 to finance original expenditures for the Development.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that any original expenditures for Development may be reimbursed with proceeds of tax-exempt borrowings if such original expenditures are paid or to be paid no earlier than 60 days prior to the date of this Resolution, except preliminary expenditures as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that all prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the redevelopment of the Holly Hall Site, shall be and the same hereby are in all respects ratified, approved and confirmed.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that all other resolutions of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the *extent* of such inconsistency.

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

Based upon this report and there being no further business to come before this session of the Commission, the Commission unanimously adjourned the open session at 5:01 p.m., with a motion made by Vice Chair Kelleher and seconded by Commissioner Byrd.

Respectfully submitted,

Chelsea Andrews  
Secretary-Treasurer

/pmb

**Approved: October 5, 2022**