

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

March 8, 2023

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Wednesday, March 8, 2023, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:08 p.m. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Rick Nelson
Jeffrey Merkowitz
Jackie Simon
Pamela Byrd

Absent

Linda Croom

Also Attending

Chelsea Andrews, Executive Director
Kayrine Brown, Deputy Executive Director
Paige Gentry, Deputy General Counsel
Timothy Goetzinger
Marcus Ervin
Lynn Hayes
Bonnie Hodge
Terri Fowler
John Willhoit

Tia Blount
Richard Congo
Zachary Marks
Jay Shepherd
Fred Swan
Tia Blount
Gio Kaviladze
Patrick Mattingly
Nargiza Polvanova

Also Attending via Zoom

Ellen Goff
Matt Husman
Steven Firth

Aisha Memon
Monte Stanford
John Broullire

IT Support

Irma Rodriguez
Aries "AJ" Cruz

Commission Support

Jocelyn Koon, Senior Executive Assistant

Chair Priest opened the meeting with the introduction of the Commission. He also paused to recognize Women’s History Month and acknowledged all of the dynamic women who lead and serve on the HOC staff and the Commission.

I. **Information Exchange Community Forum**

- There were no speakers who signed up to address the Board.

Executive Director’s Report

- Chelsea Andrews, Executive Director, provided a presentation of the written report. Ms. Andrews also shared excerpts from HOC’s presentations shared during February and early March. She was joined by Zachary Marks, Chief Real Estate Officer, for several of the presentations.
- The Executive Director and Chief Real Estate Officer answered questions from the Commission.
- Chair Priest commented on the tremendous work the staff is doing and his desire to memorialize these items on the HOC website.
- Chair ProTem Merkowitz commented on his appreciation of hearing about the outreach to residents and wanted to hear more about the work with the Resident Advisory Board.

Commissioner Exchange

- Commissioner Simon commented on an article she found on the Independence Now website which reflects what HOC is doing and why it matters. She shared a story of a nursing home resident who received HOC housing, support services, security deposit and first month’s rent assistance, grants from Walmart for furniture and other resources. She underscored the value of the work we do and why we have to continue in service to County residents.

II. **Approval of Minutes** – The minutes were approved as submitted with a motion by Commissioner Nelson and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

- A. **Approval of Minutes of February 1, 2023**
- B. **Approval of Minutes of February 1, 2023 Closed Session**
- C. **Approval of Minutes of February 17, 2023 Special Session**
- D. **Approval of Minutes of February 17, 2023 Closed Special Session**

III. **CONSENT**

A. **Approval of Collective Bargaining Agreement Wage Re-Opener between the Housing Opportunities Commission and the Municipal and County Government Employees Organization for Fiscal Year 2023**

The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Commissioner Nelson. Affirmative votes were cast by Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 23-11

RE: Approval of Collective Bargaining Agreement Wage Re-Opener between the Housing Opportunities Commission and the Municipal and County Government Employees Organization for Fiscal Year 2023

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is required by law to enter into a Collective Bargaining Agreement (“CBA”) for Commission employees who are covered under the collective bargaining law that went into effect as of October 1, 1999; and

WHEREAS, the CBA between HOC and the Municipal County Government Employees Organization (“MCGEO”) (the exclusive union representative for those employees in the bargaining units of Service, Labor, and Trades (“SLT”), and Office, Professional, and Technical (“OPT”)) expired on June 30, 2020; and

WHEREAS, HOC and MCGEO agreed to continue the terms and conditions of the expired CBA with the addition of some negotiated revisions that were agreed to by the parties in May 2022, and with the agreement to negotiate wage adjustments for Fiscal Year 2023; and

WHEREAS, the negotiations for the Fiscal Year 2023 wage adjustments began on October 20, 2022, and were successfully concluded on February 14, 2023; and

WHEREAS, the Negotiated Agreement reached by HOC and MCGEO includes the following:

1. Bargaining Unit Members who have been rated as ‘Fully Successful’ by the February 4, 2023 (the “Effective Date”) shall receive a 3.5% Annual Pay Increment effective the first full period in February 2023. A Bargaining Unit Member who is not rated as ‘Fully Successful’ as of the first full pay period in February 2023, shall receive their Fiscal Year 2023 Annual Pay Increment when they become ‘Fully Successful’. Bargaining Unit Members who are not eligible for the Fiscal Year 2023 Annual Pay Increment because they have reached the Top of Grade shall receive a \$1,500.00 bonus.
2. Bargaining Unit Members hired on or before July 1, 2022 shall receive an Inflationary Relief Bonus of Seven Hundred Fifty Dollars (\$750.00). The Inflationary Relief Bonus is a one-time payment and the lump sum amount will be pro-rated for part time employees. The Inflationary Relief Bonus shall be paid effective the first full pay period after union ratification and Commission approval.
3. Effective the first full pay period of March 2023, Bargaining Unit Members shall receive a General Wage Adjustment of 3.89% or \$3,100, whichever is greater. In addition, the minimum and maximum of the pay scales for each pay grade shall be increased commensurate with the General Wage Adjustment.

WHEREAS, the collective bargaining law stipulates that the CBA shall be effective upon the approval of the Commission and the membership of the union representing the bargaining unit; and

WHEREAS, the union membership ratified the Negotiated Agreement on March 2, 2023.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves the Negotiated Agreement.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission at an open meeting conducted on Wednesday, March 8, 2023.

B. Approval of Fiscal Year Annual Pay Increments and General Wage Adjustments for Non-Represented Merit System Staff for Fiscal Year 2023.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Commissioner Bryd. Affirmative votes were cast by Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 23-12

RE: Approval of Fiscal Year Annual Pay Increments and General Wage Adjustments for Non-Represented Merit System Staff for Fiscal Year 2023

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) wishes to award Annual Pay Increments and General Wage Adjustments for Non-Represented Merit System Employees (“Non-Represented Merit Staff”) for Fiscal Year 2023 that is fair, equitable, and consistent with that of represented employees; and

WHEREAS, staff proposes the following “FY 2023 Compensation Package” for Non- Represented Merit Staff:

1. Non-Represented Merit System Staff who have been rated as ‘Fully Successful’ by the February 4, 2023, (the “Effective Date”) shall receive a 3.5% Annual Pay Increment effective the first full period in February 2023. Non-Represented Merit System Staff who are not rated as ‘Fully Successful’ as of the first full pay period in February 2023, shall receive their Fiscal Year 2023 Annual Pay Increment when they become ‘Fully Successful’. Non-Represented Merit System Staff who are not eligible for the Fiscal Year 2023 Annual Pay Increment because they have reached the Top of Grade shall receive a \$1,500.00 bonus.
2. Effective the first full pay period of March 2023, Non-Represented Merit System Staff shall receive a General Wage Adjustment of 3.89% or \$3,100, whichever is greater. In addition, the minimum and maximum of the pay scales for each pay grade shall be increased commensurate with the General Wage Adjustment.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County hereby approves the FY 2023 Compensation Package for Non-Represented Merit Staff.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission at an open meeting conducted on Wednesday, March 8, 2023.

C. Approval of Alexandra Nassau-Brownstone and Eileen M. Fitzgerald to the Board of Directors of The Housing Opportunities Community Partners, Inc.

The following resolution was adopted upon a motion by Chair Pro Tem Merkowitz and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Merkowitz, Kelleher,

Nelson, Byrd and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 23-13

RE: Approval of Alexandra Nassau-Brownstone and Eileen M. Fitzgerald 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 of Directors unanimously nominated Alexandra Nassau-Brownstone and Eileen M. Fitzgerald to serve on the Board for three-year terms.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the nomination of Alexandra Nassau-Brownstone and Eileen M. Fitzgerald to serve on the HOCP Board of Directors is approved.

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting on March 8, 2023.

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

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

1. **Fiscal Year 2023 (FY’23) Second Quarter Budget to Actual Statements:** Acceptance of Second Quarter FY’23 Budget to Actual Statements

Commissioner Nelson opened the floor to Executive Director Chelsea Andrews who introduced Timothy Goetzinger, Acting Chief Financial Officer, who provided the presentation.

Commissioner Nelson and Chair Pro Tem Merkowitz expressed appreciation for the presentation and Merkowitz asked a few follow-up questions that were addressed by Mr. Goetzinger and Terri Fowler, Budget Officer.

The following resolution was adopted upon a motion by Commissioner Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 23-14

**RE: Acceptance of Second Quarter FY'23
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 Second Quarter FY'23 Budget to Actual Statements during its March 8, 2023 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Second Quarter FY'23 Budget to Actual Statements.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on March 8, 2023.

2. **Fiscal Year 2023 (FY'23) Second Quarter Budget Amendment:** Approval of the FY'23 Second Quarter Budget Amendment

Commissioner Nelson opened the floor to Executive Director, Chelsea Andrews who introduced Terri Fowler, Budget Officer, who provided the presentation.

The following resolution was adopted upon a motion by Commissioner Nelson and seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 23-15

**RE: Acceptance of FY2023 Second Quarter
Budget Amendment**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) adopted a budget for FY'23 on June 8, 2022; and

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

WHEREAS, the FY'23 Second Quarter Budget Amendment reduces the projected draws from the Multifamily and Single Family Bond Funds and uses accumulated savings towards FY'23 administrative costs (there is no impact to the income of the fund); and

WHEREAS, the net effect of the FY'23 Second Quarter Budget Amendment maintains a balanced operating budget; and

WHEREAS, the total FY'23 Operating Budget remains unchanged at \$316,381,237; and

WHEREAS, approval of the budget amendments to revise the FY'23 budget will

reflect an accurate plan for the use of the Commission’s resources for the remainder of FY’23.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY’23 Operating Budget and maintains an operating budget of \$316,381,237.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on March 8, 2023.

3. Uncollectible Tenant Accounts Receivable: Approval of Request to Write-Off Uncollectible Tenant Accounts Receivable (October 1, 2022 – December 31, 2022)

Commissioner Nelson opened the floor to Executive Director Chelsea Andrews who introduced Timothy Goetzinger, Acting Chief Financial Officer and Terri Fowler, Budget Officer who provided the presentation.

Commissioner Simon asked a follow-up question which was addressed by the presenters.

The following resolution was adopted upon a motion by Commissioner Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Merkwowitz, Kelleher, Nelson, Byrd and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 23-16

RE: 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 October 1, 2022 – December 31, 2022 is \$49,256, which is all attributable to former tenants within HOC’s Opportunity Housing properties, Supportive Housing properties, LIHTC/RAD properties, and the Section 236 properties.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or her designee, without further action on its part, to take any and all actions necessary and proper to write off \$49,256 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.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on March 8, 2023.

4. Residences on the Lane (Upton II) and HOC at Garnkirk Farms, LLC: Approval to Extend the Maturity Dates for the Draws on the PNC Bank Real Estate Line of Credit (“RELOC”) which Financed the Commission Approved Actions Related to Residences on the Lane (Upton II) and HOC at Garnkirk Farms, LLC

Commissioner Nelson opened the floor to Executive Director Chelsea Andrews who introduced Timothy Goetzinger, Acting Chief Financial Officer, who provided the presentation.

Chair Priest asked a clarifying question which was addressed by Mr. Geotzinger.

The following resolution was adopted upon a motion by Commissioner Nelson and seconded by Chair Pro Tem Merkowitz. Affirmative votes were cast by Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 23-17

RE: Approval to Extend the Maturity Dates for the Draws on the PNC Bank Real Estate Line of Credit (“RELOC”) which Financed the Commission Approved Actions Related to Residences on the Lane (Upton II) and HOC at Garnkirk Farms Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) has approved various actions related to Residences on the Lane (f/k/a Upton II) and Garnkirk Farms Apartments (together, the “Properties”), which are currently financed through the PNC Bank N.A. Real Estate Line of Credit (the “RELOC”);

WHEREAS, staff recommends extending, through September 30, 2024, the use of the RELOC at the taxable rate to continue to finance Commission-approved actions related to the Properties;

WHEREAS, the extended maturity date of September 30, 2024 will be co-terminus with the RELOC agreements with PNC Bank, National Association; and

WHEREAS, the estimated cost, as of December 31, 2022, under the RELOC is expected to be approximately \$442,850.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves extending, through September 30, 2024, the use of the RELOC to finance Commission actions related to the Properties.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on March 8, 2023.

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

1. Residences on The Lane: Approval to Reinstate and Extend the Maturity Date of the Bridge Loan to Upton II (Residences on the Lane)

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Jay Shepherd, Housing Acquisition Manager, who provided the presentation.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Commissioner Nelson. Affirmative votes were cast by Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 23-18

RE: Approval to Reinstate and Extend the Maturity Date of the Bridge Loan to Upton II (Residences on the Lane)

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the managing member of HOC MM Upton II, LLC (the “Managing Member”), which is the managing member of HOC at the Upton II, LLC (the “Borrower”); and

WHEREAS, the Borrower owns and operates a 150-unit mixed-income and age-restricted condominium located in Rockville Town Center, Rockville, Maryland, known as “Residences on The Lane” (formerly known as Upton II); and

WHEREAS, on February 6, 2019, the Commission approved Resolution 19-09(2), which authorized the Commission to fund a bridge loan note of up to \$12,000,000 to Borrower to bridge the acquisition and construction financing for Residences on the Lane until such time as the Borrower’s Low Income Housing Tax Credit (“LIHTC”) equity investor had made all of its LIHTC equity contributions; and

WHEREAS, HOC and the Borrower executed that certain Bridge Loan Promissory Note and Loan Agreement in the principal amount of \$12,000,000 on February 28, 2019, as amended by that certain First Amendment to Bridge Loan Promissory Note and Loan Agreement dated November 8, 2021 (collectively, the “Bridge Loan Note”); and

WHEREAS, the maturity date of the Bridge Loan Note was the earlier of (i) August 28, 2022 (forty-two months after February 28, 2019), (ii) the payment in full of all LIHTC equity contributions, or (iii) the acceleration of the Bridge Loan Note pursuant to its terms; and

WHEREAS, the LIHTC equity investor will not make its final investment until on or after the second quarter of 2023, thus the Bridge Loan Note needs to be reinstated and the maturity date needs to be extended to the earlier of (i) the date that the LIHTC equity investor has contributed all LIHTC equity installments to the Borrower, or (ii) the acceleration of the Bridge Loan Note pursuant to its terms.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of the Managing Member and the Borrower, hereby approves the reinstatement and amendment of the Bridge Loan Note to extend the maturity date

to the earlier of (i) the date that the LIHTC equity investor has contributed all LIHTC equity installments to the Borrower, or (ii) the acceleration of the Bridge Loan Note pursuant to its terms.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of the Managing Member and the Borrower, that the Executive Director of HOC, or her authorized designee, is hereby authorized, without any further action on their respective parts, to execute such documents and to take any

and all other actions, in each case as necessary and proper, in the Executive Director's judgment, to carry out the actions contemplated herein.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on March 8, 2023.

Chair Roy Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Commissioner Simon seconded the motion, with Commissioners Priest, Simon, Merkowitz, Nelson, Kelleher, and Byrd voting in approval. Commissioner Croom was necessarily absent and did not participate in the vote.

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 5:37 p.m., and reconvened in closed session at 5:55 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 March 8, 2023 at approximately 5:55 p.m. via a hybrid model (a combination of participation by teleconference and in-person), with in-person participation and moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(3), 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13) to discuss the potential purchase or lease of commercial office space (pursuant to Section 3-305(b)(3)); the confidential commercial and financial terms of a ground lease with a private third party (pursuant to Section 3-305(b)(13)); and potential litigation at a property located in Silver Spring (pursuant to Sections 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13)).

The meeting was closed and the closing statement dated March 8, 2023 was adopted on a motion made by Roy Priest, seconded by Jackie Simon, with Commissioners Priest, Simon, Merkowitz, Nelson, Kelleher, and Byrd voting in favor of the motion. Commissioner Croom was necessarily absent and did not participate in the vote. The following persons were present: Roy Priest, Frances Kelleher, Richard Nelson, Pamela Byrd, Jeffrey Merkowitz, Jackie Simon, Chelsea Andrews, Kayrine Brown, Paige Gentry, Zachary Marks, Marcus Ervin, Darcel Cox, Jocelyn Koon, Morgan Sullivan, Bernie McCarthy, Louis Mulamula, and Graham Sessoms.

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

1. Topic: The potential purchase or lease of commercial office space located in Silver Spring and Rockville, Maryland, and the confidential commercial and financial terms of a ground lease with a private third party (pursuant to Sections 3-305(b)(3) and 3-305(b)(13)).

- a. Action Taken: Staff presented information to the Commission. No formal action taken.
2. Topic: Potential litigation at a property located in Silver Spring, Maryland (pursuant to Section 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13)).
 - a. Action Taken: Staff presented information to the Commission about the potential litigation. No formal action was taken.

The closed session was adjourned at 8:40 p.m.

Respectfully submitted,

Chelsea Andrews

Secretary-Treasurer