

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

April 5, 2023

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Wednesday, April 5, 2023, 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
Jeffrey Merkowitz
Rick Nelson
Jackie Simon
Pamela Byrd
Linda Croom

Also Attending

Chelsea Andrews, Executive Director
Kayrine Brown, Deputy Executive Director
Ken Siverman
Timothy Goetzinger
Marcus Ervin
Lynn Hayes
Kathryn Hollister
Terri Fowler
Michael Ruth

Aisha Memon, General Counsel
Paige Gentry, Deputy General Counsel
Zachary Marks
Elliot Rule
Fred Swan
Lori Bonnette
Gio Kaviladze
Monte Stanford
Jennifer Hines Washington

Also Attending via Zoom

Terri Fowler
John Wilhoit
Steven Firth

Tia Blount
Matthew Husman

IT Support

Irma Rodriguez
Aries "AJ" Cruz
Genio Etienne

Commission Support

Jocelyn Koon, Senior Executive Assistant

Chair Priest opened the meeting with the introduction of 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 updates as in pertains to HOC activities for the month of March 2023.

Commissioner Exchange

- Commissioner Croom congratulated the twenty-eight fathers who graduated the Fatherhood Initiative Program and inquired if the fathers received training or job offers following graduating the program. Chelsea Andrews, Executive Director mentioned the program does not guarantee employment but works very closely to provide them with referrals to job opportunities.
- Commissioner Kelleher inquired about the Housing Choice Voucher Program information that was provided and was very encouraging. Lynn Hayes responded to the question.
- Chair Priest inquired about the activities in HOC and how are they promoted. Executive Director, Chelsea Andrews mentioned our newsletter goes out monthly and there are flyers and information provided at each particular site.
- Commissioner Merkowitz inquired about the Resident Advisory Board. Executive Director, Chelsea Andrews mentioned entering a contract with third party that will allow residences to participate in an upcoming election electronically. The Executive Director mentioned all communications around this will occur in the next few months.

- 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, Croom and Simon.

- A. **Approval of Minutes of March 8, 2023**
- B. **Approval of Minutes of March 8, 2023 Closed Session**

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

A. Administrative & Regulatory Committee- Com. Kelleher, Chair

1. Approval to Amend the HOC Procurement Policy Purchasing Limits for Micro Purchases

Commissioner Kelleher gave an introduction and opened the floor to the Executive Director, Chelsea Andrews, who introduced Tim Goetzinger, Acting Chief Financial Officer and Chief Development Funds 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, Croom and Simon.

RESOLUTION No.: 23-19

RE: Approval to Amend the HOC Procurement Policy Purchasing Limits for Micro Purchases

WHEREAS, the Housing Opportunities Commission of Montgomery County’s (“HOC”) Procurement Policy establishes various purchasing limits; and

WHEREAS, the purchasing limit for Micro Purchases is \$5,000 (except for construction services for which the maximum is \$2,000 due to Davis-Bacon requirements) (the “Micro Purchase Ceiling”);

WHEREAS, by a June 20, 2018 Memorandum for Chief Financial Officers and Heads of Small Executive Agencies (M-18-18), the Office of Management and Budget raised the federal micro purchase threshold to \$10,000; and

WHEREAS, per a memo dated March 12, 2019, the U.S. Department of Housing and Urban Development confirmed that public housing authorities can use the higher threshold, but must document the change in their procurement policies; and

WHEREAS, due to rising costs for goods and services, staff recommends amending the HOC Procurement Policy to increase the Micro Purchase Ceiling to \$10,000 (except for construction services for which the maximum is \$2,000 due to Davis-Bacon requirements).

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the HOC Procurement Policy to increase the Micro Purchase Ceiling to \$10,000 (except for construction services for which the maximum is \$2,000 due to Davis-Bacon requirements), effective immediately.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on April 5, 2023.

2. Authorization to Submit HOC’s Fiscal Year 2024 Annual Public Housing Agency Plan

Commissioner Kelleher gave an introduction and opened the floor to Executive Director, Chelsea Andrews, who introduced Elliot Rule, Compliance Analyst, who provided the presentation.

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

RESOLUTION NO.: 23-20

RE: Authorization to Submit the Fiscal Year 2024 Annual Public Housing Agency Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) seeks to implement the mandatory Annual Public Housing Agency (“PHA”) Plan requirements of the Quality Housing and Work Responsibility Act of 1998 (“QHWRA”); and

WHEREAS, the submission of the Fiscal Year (“FY”) 2024 Annual PHA Plan was prepared in accordance with 24 CFR Part 903 regulations and requirements for submission to the U.S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, HOC worked in collaboration with the Resident Advisory Board to obtain recommendations in the development of the proposed Annual PHA Plan submission; and

WHEREAS, HOC obtained certification from local government officials that the proposed Annual PHA Plan Submission is consistent with the jurisdiction’s Consolidated Plan; and

WHEREAS, HOC conducted a Public Hearing on April 3, 2023 to obtain public comments regarding the proposed Annual PHA Plan Submission; and

WHEREAS, HOC has considered all comments and recommendations received and has incorporated all relevant changes in the proposed Annual PHA Plan Submission.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the FY 2024 Annual PHA Plan and its submission to HUD no later than April 17, 2023, as required by federal regulation.

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

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023.

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

1. Single Family Lending: Approval of New Participating Lender, Luminate Home Loans, Inc., for the Single Family Mortgage Purchase Program.

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Paulette Dudley, Program Specialist III and Jennifer Washington, Assistant Director of Bond Management, 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. Croom, and Simon.

RESOLUTION No: 23-21

**RE: Approval of New Participating Lender 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 (“MPP”); 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 MPP; and

WHEREAS, Luminate Home Loans, LLC has applied for participation in the MPP; and

WHEREAS, Luminate Home Loans, LLC has satisfied the required criteria for admittance into the MPP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Luminate Home Loans, LLC is approved for participation in the MPP, effective immediately.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 5, 2023.

2. Single Family Mortgage Loan Subservicer: Approval to Select Single Family Mortgage Loan Subservicer in Accordance with Request for Proposal #2344

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Jennifer Washington, Assistant Director of Bond Management and Monte Stanford, Director of Mortgage Finance 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, Croom and Simon.

RESOLUTION No.: 23-22

**RE: Approval to Select Single Family Mortgage Loan
Subservicer in Accordance with Request for
Proposals (RFP) #22344**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) operates a Single Family Mortgage Purchase Program (“MPP”), and the MPP portfolio contains some whole loans that are serviced by a loan subservicer; and

WHEREAS, on June 23, 2017, pursuant to Request for Proposal (“RFP”) #2071, the Commission approved the execution of a contract for whole loan subservicing with Dovenmuehle Mortgage, Inc. (“DMI”), which expires at the end of September 2023; and

WHEREAS, on July 25, 2022, HOC issued RFP #2334 for Mortgage Loan Subservicing services, but no responses were received; and

WHEREAS, on September 19, 2022, HOC re-issued RFP #2344 and received three (3) responses from AmeriNat, DMI, and NOVAD Management Consulting, LLC, whereupon evaluation by a scoring team, DMI receiving the highest score; and

WHEREAS, staff recommends that the Commission approve DMI as the Commission’s mortgage loan subservicer for a new contract term, as permitted under HOC’s Procurement Policy.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves the selection of DMI as its single family whole loan subservicer and authorizes the Executive Director, or her designee, to negotiate and execute a contract for an initial two-year term with three optional one-year renewals.

BE IT FURTHER 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 other actions necessary and proper to carry out the actions contemplated herein, including but not limited to the execution of any and all documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023.

3. Mortgage Purchase Program: Approval to Increase the Sales Price and Income Limits for the Single Family Mortgage Purchase Program

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Jennifer Washington, Assistant Director of Bond Management and Monte Stanford, Director of Mortgage Finance, 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, Merkowicz, Kelleher, Nelson, Byrd, Croom and Simon.

RESOLUTION No.: 23-23

RE: Approval to Increase the Maximum Sales Price and Income Limits for the Single Family Mortgage Purchase Program

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) has operated the Single Family Mortgage Purchase Program (“MPP” or the “Program”) since 1979, issuing approximately \$1.6 billion of taxable and tax-exempt Mortgage Revenue Bonds to

finance more than 12,000 single family mortgage loans; and

WHEREAS, on March 30, 2022, the Internal Revenue Service published new revenue procedures setting forth average area purchase price applicable to Montgomery County, Maryland, and on April 18, 2022, the U.S. Department of Housing and Urban Development published new national income limits; and

WHEREAS, the Commission approves the maximum income and sales price limits that apply to the MPP, subject to rules and regulations governing Mortgage Revenue Bonds and Mortgage Backed Securities.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:

1. The maximum allowed sales price for the MPP shall be increased to \$806,598.
2. The maximum income limits for the MPP shall be increased as follows:

Household Size	Maximum Income
1	\$119,532
2	\$170,760
3+	\$199,220

BE IT FURTHER 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 other actions necessary and proper to carry out the actions contemplated herein, including but not limited to the execution of any and all documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023.

4. Hillandale Gateway: Approval to Select Construction Materials Testing and Third Party Inspection Services Consultant for the Hillandale Gateway Development

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Kathryn Hollister, Senior Financial Analyst and Marcus Ervin, Director of Development, 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, Merkowicz, Kelleher, Nelson, Byrd, Croom and Simon.

RESOLUTION No.: 23-24

RE: Approval of a Construction Materials Testing and Third-Party Inspection Services Consultant for Hillandale Gateway

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC; and

WHEREAS, Hillandale Gateway, LLC, is the lessee of approximately 4.35 acres of land at 10100, 10110 and 10120 New Hampshire Avenue, Silver Spring, MD 20903, the former site of Holly Hall Apartments (“Holly Hall Site”); and

WHEREAS, HOC is redeveloping the Holly Hall Site and a neighboring parcel located at 10140 New Hampshire Avenue, Silver Spring, MD into a mixed-income, mixed-use, multigenerational community (“Hillandale Gateway”) as part of a joint venture with The Duffie Companies; and

WHEREAS, the Commission issued a request for proposals (“RFP #2348”) for construction materials testing and third-party inspection services (“Third Party Services”) for Hillandale Gateway; and

WHEREAS, Hillis-Carnes Engineering Associates, Inc. (“Hillis-Carnes”) received the highest score among respondents to RFP #2348; and

WHEREAS, the Commission desires to approve a “Third Party Testing Budget” in the amount of \$562,845, which includes the price provided by Hillis-Carnes in its response to RFP #2348 in an amount of \$489,430 (“Contract Price”), and a Commission-held contingency (“Contingency”) of \$73,415 (15% of Contract Price); and

WHEREAS, the Commission desires to select Hillis-Carnes for Third Party Services for Hillandale Gateway and authorize the Executive Director to execute a contract with Hillis-Carnes in an amount not to exceed the Contract Price.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that it approves the selection of Hillis-Carnes as the Third Party Services consultant for Hillandale Gateway and approves the Third Party Testing Budget in the amount of \$562,845, which includes the Contract Price of \$489,430, and the Contingency of \$73,415.

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 it authorizes the Executive Director, or her designee, to execute a contract with Hillis Carnes in an amount not to exceed the Contract Price.

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 it authorizes the use of the Contingency in the event unforeseen or additional Third Party Services are required.

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 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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023

5. Elizabeth House: Approval to Select the Berg Corporation as the Demolition Contractor for Elizabeth House apartments in Accordance with Invitation for Bid (“IFB”) @2361 and Authorization for the Executive Director to Negotiate and Execute a Contract for Demolition

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Gio Kavaladze, Senior Financial Analyst, Marcus Ervin, Director of Development and Zachary Marks, Chief Real Estate Officer, 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, Croom and Simon.

RESOLUTION No.: 23-25a

RE: Approval of a Demolition Contractor for Elizabeth House Apartments

WHEREAS, Elizabeth House Apartments (“Elizabeth House”), located at 1400 Fenwick Lane in Silver Spring, MD, is a former 160-unit senior public housing community, fully owned by the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”); and

WHEREAS, Elizabeth House is adjacent to The Leggett, a new, mixed-income 267-unit multigenerational community that is adjacent the South County Regional Recreation and Aquatic Center; and

WHEREAS, Elizabeth House has reached the end of its useful life cycle and, in order to facilitate the further development of the square, HOC issued an Invitation for Bid (“IFB #2361”) to select a contractor for the demolition of Elizabeth House; and

WHEREAS, The Berg Corporation (“Berg”) submitted the lowest cost bid among three (3) respondents to IFB #2361; and

WHEREAS, the Commission desires to approve a demolition budget in the amount of \$2,758,591, which includes the price provided by Berg in its response to IFB #2361 in an amount of \$2,298,826 (“Contract Price”) and a Commission-held contingency (“Contingency”) of \$459,765 (20% of Contract Price); and

WHEREAS, the Commission desires to select Berg to demolish Elizabeth House and authorize the Executive Director to execute a contract with Berg in an amount not to exceed the Contract Price; and

WHEREAS, the demolition will be funded with \$1,500,000 County CIP grant (“CIP Grant”), \$1,000,000 DHCA 0% interest loan (“DHCA Loan”), and up to \$500,000 contribution from the HOC Opportunity Housing Reserve Fund (“OHRF Contribution”); and

WHEREAS, the Commission desires to approve the use of OHRF funds for the OHRF Contribution, with the expectation that, if the site is redeveloped, the contribution will either be returned to OHRF or will be converted into HOC equity in the new development; and

WHEREAS, because the DHCA Loan is not yet available for disbursement, staff requests a bridge loan of up to \$1,000,000 from HOC's PNC Real Estate Line of Credit ("RELOC") to bridge the receipt of DHCA Loan.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves the selection of Berg as the demolition contractor for Elizabeth House and approves the demolition budget in the amount of \$2,758,591, which includes the Contract Price of \$2,298,826, and the Contingency of \$459,765.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director, or her designee, to execute a contract with Berg in an amount not to exceed the Contract Price.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the use of the Contingency in the event unforeseen or additional demolition-related expenses are incurred.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the use of OHRF funds for the OHRF Contribution and accepts CIP Grant and DHCA Loan to fund the demolition.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes a draw on the RELOC not to exceed \$1,000,000 to bridge the demolition funding of Elizabeth House, with the expectation that the draw will be fully repaid with the proceeds of DHCA Loan.

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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023.

RESOLUTION No.: 23-25b

RE: Approval to Draw up to \$1,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Demolish Elizabeth House Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including redevelopment of rental housing properties which provide a public purpose; and

WHEREAS, Elizabeth House Apartments (“Elizabeth House”), located at 1400 Fenwick Lane in Silver Spring, MD, is a former 160-unit senior public housing community, fully owned by HOC; and

WHEREAS, Elizabeth House has reached the end of its useful life cycle and, in order to facilitate the further development of the site, HOC wishes to demolish the property; and

WHEREAS, the demolition will be funded with \$1,500,000 County CIP funds, \$1,000,000 DHCA 0% interest loan (“DHCA Loan”), and up to \$500,000 contribution from the HOC Opportunity Housing Reserve Fund(the “Demolition Funds”); and

WHEREAS, because the DHCA Loan is not yet available for disbursement, HOC wishes to bridge the receipt of DHCA Loan funds with a taxable draw of up to \$1,000,000 from HOC’s PNC Real Estate Line of Credit (“RELOC”), which will be repaid (including accrued interest) from the Demolition Funds.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery

County that it authorizes a taxable draw on the RELOC in an amount not to exceed \$1,000,000 for the demolition of Elizabeth House for a maximum term of 12 months with interest payable as provided by the RELOC facility, to be repaid from the Demolition Funds.

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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023.

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

1. Strategic Plan Consultant: Approval to Select and Negotiate a Contract with Public Works LLC for the Development of HOC’s Fiscal Years 2023-2028 Strategic Plan in Accordance with RFP #2358

Commissioner Kelleher gave an introduction and opened the floor to Executive Director, Chelsea Andrews who introduced Kayrine Brown, Deputy Executive Director and Ken Silverman, Director of Government Affairs who provided the presentation.

There was much discussion among the Commissioners and staff. Commissioner Priest made a motion to amend Resolution 23-26 (as presented) to approve phase one of the work for an amount not to exceed \$400,000, and for staff to return to the Commission at the halfway point of phase one to provide a recommendation on phase two. Commissioner Kelleher seconded. Affirmative Votes were cast by Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd, Croom and Simon.

RESOLUTION No. 23-26

RE: Approval to Select and Negotiate a Contract with Public Works, LLC for the Development of HOC’s Fiscal Years 2023-2028 Strategic Plan, in Accordance with RFP #2358

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) operates pursuant to the values, vision, and mission developed in the agency’s 2018-2022 Strategic Plan, which focused HOC’s efforts on getting people housed, keeping people housed, and helping customers reach their fullest potential; and

WHEREAS, HOC is ready to chart a path for the next five years by soliciting input from a diverse array of internal and external stakeholders, mapping HOC’s place in the broader housing ecosystem, and updating and refining HOC’s vision, mission, priorities, goals, and objectives for the next five years; and

WHEREAS, the Commission desires to select a consultant to lead the agency through a strategic planning process and therefore issued a Request for Proposals (“RFP”) for strategic planning services (“RFP #2358”); and

WHEREAS, five firms responded to the RFP, detailing their qualifications, experience and methodology pursuant to which they would deliver a comprehensive Strategic Plan that would guide HOC’s operations and decisions over the next five years; and

WHEREAS, Public Works, LLC received the highest score among respondents to RFP #2358 and is determined to have met the requirements outlined in the RFP and is deemed to possess the experience in a qualified team to deliver a strategic plan timely and of the highest quality; and

WHEREAS, the Commission desires to select Public Works, LLC as the consultant for the 2023-2028 Strategic Plan and authorize the Executive Director to negotiate a contract with Public Works, LLC.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of Public Works, LLC as the consultant for the development of the 2023-2028 Strategic Plan, and authorizes the Executive Director to negotiate and execute a contract with Public Works, LLC for up to \$400,000 for phase one of the work.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that staff will return to the Commission at the halfway point of phase one of the strategic planning process to provide a recommendation on the implementation of phase two of the work.

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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023.

2. Bond Underwriter Selection: Approval of Firms Selected to Service on the Commission’s Bond Underwriting Team in Accordance with RFP #2353 and Approval of the Structure of the Team

Executive Director, Chelsea Andrews, introduced Monte Stanford, Director of Mortgage Finance, and Jennifer Washington, Assistant Director of Bond Management, who provided the presentation¹.

¹ As a point of correction: Jennifer Arrington incorrectly commented that the Westside Shady Grove (a/k/a The Laureate) deal was the first of its kind in the country. This was a misstatement. It was not the first, but one of the largest transactions of its kind in the country.

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

RESOLUTION No: 23-27

RE: Approval of Firms Selected to Serve on the Commission’s Bond Underwriting Team in Accordance with RFP #2353 and Approval of the Structure of the Team

WHEREAS, to advance its mission and operate a successful bond financing program, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) engages the services of a number of industry professionals, including a team of bond underwriters to help structure HOC’s bond issues and market the bonds to obtain the most favorable pricing; and

WHEREAS, HOC last selected members of the bond underwriting team in 2019, and their contract expires on May 28, 2023; and

WHEREAS, in accordance with the Commission’s Procurement Policy, a request for proposal for Managing Underwriter services was issued on October 31, 2022; and

WHEREAS, an Evaluation Team, comprised of two (2) Commissioners, the Executive Director, the Deputy Executive Director, three (3) staff personnel, and the Commission’s Financial Advisor, reviewed the qualifications of the firms that were considered and recommends that seven (7) firms be contracted for the Commission’s bond underwriting team; and

WHEREAS, historically, the bond underwriting team has included a single Senior Manager and four to five Co-managers, but more recently has included a Senior Manager, a Co-Senior Manager and four to five Co-managers; and

WHEREAS, the Commission wishes to create incentives for firms that are not designated as Senior Manager or Co-Senior Manager to bring forth ideas to enhance the Commission’s bonds programs with the knowledge that they would be rewarded by being elevated to the role of senior manager for a specific bond issuance.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves the below listed firms to act as HOC’s bond underwriting team with the following structure:

Senior Manager: Bank of America Securities, New York
NY Co-Senior Manager PNC Capital Markets, LLC, Pittsburgh,
PA

Co- Managers: Jefferies LLC, New York, NY
Morgan Stanley, New York, NY
RBC Capital Markets, New York,

NY TD Securities, New York, NY
Wells Fargo Company, San Francisco, CA

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director in consultation with the Commission's Financial Advisor to create a team for each bond issuance.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her designee, is authorized to negotiate and execute contracts and/or letter agreements with each firm, and that each engagement shall be for an initial two (2) years with two (2) optional one-year renewals for a maximum term of four (4) years.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that any Co-manager with a unique idea may be elevated to Senior Manager for a specific bond issuance, if it is determined by HOC in consultation with the Commission's Financial Advisor that the idea is unique, enhances the Commission bond program, and does not create undue risk to the Commission or its bond program.

BE IT FURTHER 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 other actions necessary and proper to carry out the actions contemplated herein, including but not limited to the execution of any and all documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 5, 2023.

3. Recommended Budget: Presentation of the Executive Director's HOC FY' 2024 Recommended Budget

Chair Priest gave an introduction and opened the floor to Executive Director, Chelsea Andrews, who gave an extensive presentation of the Executive Director's HOC FY' 2024 Recommended Budget. The Executive Director then introduced Timothy Goetzinger, Chief Development Funds Officer, and Terri Fowler, Budget Officer who provided highlights on HOC FY' 2024 Recommended Budget.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Commissioner Merkowitz seconded the motion, with Commissioners Priest, Merkowitz, Kelleher, Nelson, Simon, Byrd, and Croom 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 6:45pm, and reconvened in closed session at 7:00pm.

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 April

5, 2023 at approximately 7:00 p.m. at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(3) and 3-305(b)(13) to discuss three topics: (1) the potential purchase or lease of commercial office space located in Silver Spring, Maryland (pursuant to Section 3-305(b)(3)); (2) the confidential commercial and financial terms of a ground lease with a third party (pursuant to Section 3-305(b)(13)); and (3) the potential acquisition of real property located in Silver Spring, Maryland (pursuant to Section 3-305(b)(3)).

The meeting was closed and the closing statement dated April 5, 2023 was adopted on a motion made by Chair Priest, seconded by Pro-Tem Merkowitz, with Commissioners Priest, Merkowitz, Kelleher, Nelson, Simon, Byrd, and Croom voting in approval of the motion. The following persons were present: Roy Priest, Frances Kelleher, Richard Nelson, Pamela Byrd, Jeffrey Merkowitz, Jackie Simon, Linda Croom, Chelsea Andrews, Kayrine Brown, Aisha Memon, Paige Gentry, Zachary Marks, Marcus Ervin, Jocelyn Koon, and Lori Bonnette.

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, Maryland (pursuant to Section 3-305(b)(3)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd, Croom, and Simon voted to decline the potential purchase or lease of commercial office space, and to move forward with a previously approved Commission action.
2. **Topic:** The confidential commercial and financial terms of a ground lease with a private third party (pursuant to Section 3-305(b)(13)).
 - a. **Action Taken:** No action taken. This item was not discussed.
3. **Topic:** The potential acquisition (via either a ground lease or purchase) of real property located in Silver Spring, Maryland for redevelopment into multifamily housing (pursuant to Section 3-305(b)(3)).
 - a. **Action Taken:** The Commission received an update about the potential acquisition. No action taken.

The closed session was adjourned at 8:13p.m.

Respectfully submitted,

Chelsea Andrews, Secretary-Treasurer

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

April 21, 2023

For the official record of the Housing Opportunities Commission of Montgomery County, an open Special Session of the Commission was conducted via a hybrid model on April 21, 2023, with some participating by online platform/teleconference, and others participating in-person at 10400 Detrick Avenue, Kensington, Maryland beginning at 11:30 a.m., available for viewing here. Those in attendance were:

Present

Jackie Simon – Commissioner
Richard Y. Nelson, Jr. – Commissioner
Jeffrey Merkowitz – Chair Pro Tem

Attending via Zoom

Roy Priest – Chair
Frances Kelleher – Vice-Chair

Also Attending

Chelsea Andrews, Executive Director
Paige Gentry, Deputy General Counsel
Zachary Marks
Jay Shepherd

Aisha Memon, General Counsel
Jeremiah Battle
Monte Stanford
Daejauna Donahue

Attending via Zoom

John Wilhoit
Fred Swan
Paulette Dudley
Sewari Agbodjan

Timothy Goetzinger
Eugenia Pascual
Ellen Golf
Niketa Patel

IT Support

Irma Rodriques
Aries Cruz
Genio Etienne

Commission Support

Jocelyn Koon, Senior Executive Assistant
Lori Bonnette, Special Assistant

Chair Priest opened the meeting welcoming all to the Special Session of the Housing Opportunities Commission of Montgomery County.

I. ITEMS REQUIRING DELIBERATION and/or ACTION

- A. HOC Headquarters: Authorization of the Executive Director to Execute an Early Start Agreement with the General Contractor, Approval of the Reallocation of Savings to the Existing Predevelopment Budget to Fund the Early Start, Approval of the Selection of the Third-party Testing Contractor, and Approval of the Budget for the Third-party Testing Contractor**

Chelsea Andrews, Executive Director, provided an overview and introduction of Zachary Marks, Chief Real Estate Officer, and Daejauna Donahue who provided the presentation. A motion was made by Commissioner Simon to recommend approval of the item. It was seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Simon, Nelson and Merkowitz, Priest, and Kelleher.

Based upon this report and there being no further business to come before this Special Session of the Commission, the meeting adjourned at 12:04 p.m.

RESOLUTION No. 23-28

RE: Approval of the Selection of the General Contractor, Authorization of the Executive Director to Execute an Early Start Agreement with the General Contractor, Approval of the Reallocation of Savings to the Existing Predevelopment Budget to Fund the Early Start, Approval of the Selection of the Third-party Testing Contractor, and Approval of the Budget for the Third-party Testing Contractor

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 (the “Property”), as the site of a new headquarters building, projected to be approximately 83,000 gross square feet or the maximum allowed by the current zoning regulations (the “New HQ”); and

WHEREAS, on April 3, 2019, the Commission authorized the Executive Director to execute a Development Agreement and Ground Lease with Promark Development, LLC for the joint development of Property, engaged Design Collective, Inc. for architectural services and to administer construction for the New HQ, and subsequently, on May 6, 2020, approved pursuing site development approval; and

WHEREAS, HOC has received all required approvals from the Montgomery County Planning Board, and is now prepared to select a general contractor to construct the building; and

WHEREAS, the Commission issued a request for proposals for general contracting services (“RFP #2340”) for the New HQ, and Paradigm Contractors, LLC (“Paradigm”) received the highest score among the respondents; and

WHEREAS, the Commission desires to select Paradigm as the general contractor for the New HQ and authorize the Executive Director to negotiate a Guaranteed Maximum Price (“GMP”) construction contract with Paradigm; and

WHEREAS, the Commission recognizes the benefits of starting certain construction preparation work for the New HQ, including (1) releasing subcontractors to produce shop drawings, (2) engaging in advance trades with critical paths and long lead times for construction, and (3) expediting the process of selecting and approving materials and equipment to stem lead-time issues during construction (collectively, the “Early Start Work”); and

WHEREAS, staff has identified \$837,000 in the predevelopment budget that can be re-obligated to cover the entire Early Start Work budget of \$766,968 plus a contingency of \$70,032 until construction closing is complete; and

WHEREAS, the Commission desires to authorize the Executive Director to negotiate and execute a contract with Paradigm for the Early Start Work in an amount not to exceed \$837,000 (the “Early Start Agreement”) and provide a limited notice to proceed to Paradigm for the Early Start Work; and

WHEREAS, the Commission issued a request for proposals for third-party inspection services (“RFP #2356”) for the New HQ, and ECS Mid-Atlantic, LLC (“ECS”) received the highest score among the respondents; and

WHEREAS, the Commission desires to engage ECS as HOC’s third-party inspector for the New HQ.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of Paradigm as the general contractor for the New HQ and authorizes the Executive Director to negotiate a GMP construction contract with Paradigm.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to execute the Early Start Agreement for up to \$837,000 with Paradigm and provide a limited notice to proceed for the Early Start Work.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the reallocation of savings to the existing predevelopment budget for the New HQ to fund the Early Start Work not to exceed \$837,000.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the selection of ECS as the third-party inspector for the New HQ, authorizes the Executive Director to execute a contract with ECS not to exceed \$299,930, and approves a total budget of \$344,920 for third-party inspection services.

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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open Special Session conducted on April 21, 2023.

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Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

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