



10400 Detrick Avenue  
Kensington, Maryland 20895  
240-627-9421

**EXPANDED AGENDA**

YouTube Link: <https://youtube.com/live/G9XpwSmrhb4?feature=share>

**April 3, 2024**

**The public is invited to attend HOC’s April 3, 2024 Monthly Commission meeting in-person. HOC’s Board of Commissioners and staff will continue to participate through a hybrid model (a combination of in-person and online participation).**

		<b>Res. #</b>
4:00pm	<b>I. <u>INFORMATION EXCHANGE</u></b> A. Community Forum B. Report of the President C. Commissioner Exchange D. Report of the Resident Advisory Board	Pg. 6
	<b>II. <u>APPROVAL OF MINUTES</u></b> A. Approval of Minutes of February 29, 2024 Open Session B. Approval of Minutes of March 6, 2024 Open Session C. Approval of Minutes of March 6, 2024 Closed Session	Pg. 17
	<b>III. <u>CONSENT ITEM</u></b> 1. <b>Single Family Lending:</b> Approval of New Participating Lender for the Single Family Mortgage Purchase Program	24-24 Pg. 25
	<b>IV. <u>COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION</u></b>	
	<b>A. Administrative and Regulatory Committee - Com. Kelleher, Chair</b>	
	1. <b>Regulatory Compliance:</b> Authorization to Submit HOC’s Fiscal Year (“FY”) 2025 Five- year Public Housing Agency (“PHA”) Plan	24-25 Pg. 33
	<b>B. Budget, Finance, and Audit Committee - Com. Priest, Chair</b>	
	1. <b>Procurement of Property Management Services:</b> Approval to Select Companies to Provide Property Management Services for Several HOC	24-26 Pg. 80

Properties in Accordance with Requests for Proposal			
	<b>Property Name</b>	<b>Management Company</b>	<b>RF P #</b>
	Barclay Apartments & Fairfax Court	Residential One	2447
	Camp Hill Square	Edgewood Management	2453
	Pooks Hill Tower	Edgewood Management	2444
	The Willows of Gaithersburg Apartments	Edgewood Management	2448
	Timberlawn Crescent	Edgewood Management	2446
	Fenton Silver Spring	Edgewood Management	2442
	Residences on the Lane	Edgewood Management	2454
	Shady Grove Apartments	Edgewood Management	2443
	Tanglewood Cluster: Dale Dr., Manchester Manor, Southbridge, Sligo Apartments, Tanglewood Apartments.	Edgewood Management	2455
	Spring Garden Apartments	Edgewood Management	2445
<b>C. Development &amp; Finance Committee, Com. Merkowitz, Chair</b>			
	<b>1. Procurement of Legal Pool:</b> Approval and Authorization to Select Firms for a Legal Pool under RFQ #2441, Enter into Agreements for Legal Services, Engage with Firms, and Pay for Services		<b>24-27</b> Pg. 88
	<b>2. The Leggett:</b> Approval of Amended Finance Plan to Extend the Construction Period, Increase the Bridge Loan, and Execute New Interest Rate Hedges for The Leggett (formerly, EH III) Transaction		<b>24-28a</b> <b>24-28b</b> Pg. 109
	<b>3. Wheaton Gateway:</b> Approval to Select JDC Construction LLC as Construction Manager for the Wheaton Gateway Development (Phase I) and Approval for the President to Negotiate and Execute the Contract		<b>24-29</b> Pg. 120
	<b>4. Forest Glen Metro:</b> Approval of a Development Consultant for Entitlement of the Entire Site, the Development and Construction of Phase I, and Approval of Additional Feasibility Budget and Funding		<b>24-30</b> Pg. 133
	<b>5. Barclay Apartments:</b> Approval to Select Vendor to Replace One Elevator at The Barclay Apartments, for the President/Executive Director to Negotiate and Execute a contract for up to \$285,445 and Approval of the Capital Expenditure Budget		<b>24-31</b> Pg. 149
<b>D. ITEMS REQUIRING DELIBERATION AND/OR ACTION</b>			
	<b>1 Multifamily Preservation, Production, and Prospects: Part I</b> - Update and Discussion of Preservation Activities for Naturally Occurring Affordable Housing Developments in Bethesda		Pg. 157
	<b>2 FY25 Recommended Budget:</b> Presentation of the President/Executive Director's FY'25 Recommended Budget		Pg. 169



	<b>RECESS</b>	
	<b><u>DEVELOPMENT CORPORATION MEETINGS</u></b>	
	<p><b><u>Barclay Apartments Development Corporation</u></b></p> <ul style="list-style-type: none"> <li>• Approval of the Minutes of January 10, 2024</li> <li>• <b>Procurement of Property Management Services:</b> Approval to Select Residential One to Provide Property Management Services for Barclay Apartments in Accordance with RFP #2447</li> <li>• <b>Barclay Apartments:</b> Approval to Select Vendor to Replace One Elevator at The Barclay Apartments, for the President/Executive Director to Negotiate and Execute a contract for up to \$285,445 and Approval of the Capital Expenditure Budget</li> </ul> <p><b>ADJOURN</b></p>	<p>24-002<sub>BC</sub> Pg. 196 24-003<sub>BC</sub> Pg. 200</p>
	<p><b><u>Oaks At Four Corners Development Corporation</u></b></p> <ul style="list-style-type: none"> <li>• Approval of the Minutes of January 10, 2024</li> <li>• <b>Procurement of Property Management Services:</b> Approval to Select Edgewood Management Corporation to Provide Property Management Services for Oak at Four Corners in Accordance with RFP #2449</li> </ul> <p><b>ADJOURN</b></p>	<p>24-002<sub>OC</sub> Pg. 211</p>
	<p><b><u>Paddington Square Development Corporation</u></b></p> <ul style="list-style-type: none"> <li>• Approval of the Minutes of January 10, 2024</li> <li>• <b>Procurement of Property Management Services:</b> Approval to Select Residential One to Provide Property Management Services for Paddington Square Apartments in Accordance with RFP #2452</li> </ul> <p><b>ADJOURN</b></p>	<p>24-002<sub>PS</sub> Pg. 219</p>
	<p><b><u>Pooks Hill Development Corporation</u></b></p> <ul style="list-style-type: none"> <li>• Approval of the Minutes of January 10, 2024</li> <li>• <b>Procurement of Property Management Services:</b> Approval to Select Edgewood Management Corporation to Provide Property Management Services for Pooks Hill Towers in Accordance with RFP #2444</li> </ul> <p><b>ADJOURN</b></p>	<p>24-002<sub>PH</sub> Pg. 227</p>
	<p><b><u>RAD6 Development Corporation</u></b></p> <ul style="list-style-type: none"> <li>• Approval of the Minutes of January 10, 2024</li> <li>• <b>Procurement of Property Management Services:</b> Approval to Select Edgewood Management Corporation to Provide Property Management Services for Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Center Place and Washington Square in Accordance with RFP #2453</li> </ul>	<p>24-003<sub>RAD6</sub> Pg.235</p>

	<b>ADJOURN</b>	
	<b>RECONVENE HOC MONTHLY MEETING</b>	
	<b><u>CLOSING STATEMENT</u></b>	
	Vote to move into Closed Session	
6:30 p.m.	<b>ADJOURN</b>	
	<b><u>CLOSED SESSION</u></b> The closed session will be called to order pursuant to Section 3-305(b)(3) and Section 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland.	

# Information Exchange

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# Report of the President

Chelsea J. Andrews



## HOC AT-A-GLANCE: March 2024

During the month of March, HOC continued to engage in its core activities providing support and enrichment programming to our clients, fulfilling our HUD required obligations and enhancing our clients' experience.

This month we report with great pride that Residences on the Lane was voted "Best Affordable Apartment Community" by the National Association of Home Builders (NAHB). We note that HOC continues to be front and center in the national discussion about the need to reimagine affordable housing.

We're also proud to report that HOC again has received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its budget. The award represents a significant achievement by HOC as it reflects the commitment of the organization and our outstanding Finance Division to meeting the highest principles of governmental budgeting. This is the 18th time GFOA has recognized HOC's financial excellence.

We continue to highlight the valuable services provided by our Office of Resident Services and include updates from our Housing Resources and Maintenance divisions, as well as our key Real Estate Development activities.

## HOC IN THE SPOTLIGHT

### *How This Sleek Affordable Housing Project in Maryland Became a Reality*

That intriguing headline led fastcompany.com readers into a complimentary **March 11** [feature article](#) about HOC, the Housing Production Fund (HPF) and The Laureate. The piece included detailed reporting about HOC's use of the HPF and how jurisdictions around the U.S. are replicating the financing model.

### *HUD Welcomes HOC for Panel on "How Local Governments Innovate to Meet Community Housing Needs"*

HOC and the HPF continue to be in the spotlight. This month, President Chelsea Andrews and Senior Vice President of Real Estate Zach Marks were invited to present at HUD's Office of Policy Development and Research (PD&R) Quarterly Update series, a hybrid (in-person and virtual) convening that brings together experts to discuss a particular policy area. This PD&R Quarterly Update, held **March 21**, was entitled "How Local Governments Innovate to Meet Community Housing Needs," and focused on the HPF and its use in Montgomery County. Paul Williams, executive director for the Center for Public Enterprise and Hans Riemer, formerly of the Montgomery County Council (now at the U.S. Department

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of Energy) who supported the adoption of the HPF, joined HOC's senior leaders for an engaging discussion.

## ***Residences on the Lane Receives Industry Award***

On **March 21** Residences on the Lane, HOC's 150-unit senior affordable property located in the heart of Rockville, received a National Association of Home Builders Multifamily Pillars Award for "Best Affordable Apartment Community" within the multifamily industry.

## ***America Needs a New Approach to Affordable Housing***

HOC and the HPF also were mentioned in a comprehensive **March 25** [Time.com article](#), "America Needs a New Approach on Affordable Housing. History Offers a Guide."

## **RESIDENT SERVICES UPDATE**

### ***Service Coordination and Programming***

The Service Coordination and Programming Units provide assessment, counseling, information, referrals and program services to HOC customers. During the month of March 2024, staff continued to provide services virtually and in person. Resident Counselors continued to engage with HOC customers to determine their needs. Customers were referred to our partners to receive food and other assistance. Resident Counselors continued to perform wellness checks with customers to ensure their safety and assess their needs. Customers with delinquent rent were referred/connected to the COVID Rental Assistance Program, the Emergency Rental Assistance Program, and the Housing Stabilization Program.

HOC customers also continued to receive referrals to unemployment assistance, Temporary Cash Assistance, Supplemental Nutrition Assistance Program, Maryland Energy Assistance Program, and other benefit programs. The Housing Stabilization staff continued to process applications for rental assistance. Resident Counselors have also attended the Housing Resources Division's virtual briefings for new voucher recipients to provide information on the services that Resident Services offer. Additionally, the Resource Services team continues to provide services to persons with disabilities to meet their service needs.

Highlights for March activities of Resident Counselors include the following:

#### **1. Workshops**

- Facilitated the Fundamentals of Housing workshop on **March 20**
- Facilitated Resource Sharing workshop on **March 24**

#### **2. Resident Well Being**

##### ***Activities for Youth***

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- **Safe Zones program at Cider Mill:** The Montgomery County Department of Health and Human Services' Street Outreach Network (SON) continued to facilitate the Safe Zones program at Cider Mill in March. SON worked with 30 young people during the month, with the focus on careers and resume building.
- **HOC Academy/Youth Enrichment Series (YES) after school clubs at Georgian Court, Tanglewood, Town Center Place, and Washington Square:** The clubs are provided to elementary-aged youth in grades 3-5, Monday through Thursday from 4:00 to 6:00 p.m. The service providers that support the clubs include Mad Science of Washington, D.C., which provides Robotics and Science Experiments exercises, and Carpe Diem Arts, which provides nutrition education, health and wellness activities, life skills, and cultural arts experiences.
- **Stewartown Tutoring Tuesdays:** The program provided individual tutoring for all school-aged youth interested in receiving additional academic support on Tuesdays from 4:00 to 5:30 p.m. Montgomery County Public Schools provides volunteer educators who serve as tutors.
- **Shady Grove Apartments & The Willows After School Programs:** Community Services Foundation Inc., contracted by Edgewood Properties, hosts after school programs Monday through Friday from 4:00 to 6:00 p.m. Activities include STEM enrichment, arts & crafts, social emotional learning, and other special projects.
- **Tanglewood Apartments Piano Pals:** Children at Tanglewood Apartments honed their musical skills with the assistance of Piano Pals on **March 2, 9 and 16**.
- **Towne Center Place Plant a Flower Day:** This **March 12** National "Plant a Flower" day event engaged participants by allowing them the opportunity to paint flower pots and pot flowers. A meal was also provided to allow for more fellowship and fun.

## Activities for Families

- **Tanglewood Apartments Ice Cream Day:** Tanglewood families enjoyed ice cream and each other's company at this **March 1** gathering to enhance their sense of community.
- **Paddington Square Playtime/Mommy Group:** Active sessions on **March 5, 7, 12, 14 and 19** gave preschool children and their mothers the opportunity to build their social skills through play therapy activities. This is an especially important program for stay-at-home moms to build community connections.
- **Towne Center Place Spring Festival:** Residents enjoyed this fun **March 20** event that featured bingo, an egg hunt and egg dying.
- **Washington Square Financial Watch Party:** This **March 20** virtual financial watch party was an informative workshop that provided attendees with advice on credit repair techniques and debt management. The event was held in partnership with HOC's Financial Literacy Coach.
- **Stewartown International Women's Day Event:** On **March 21** residents participated in a canvas-painting event and learned about the historical and global impact women have had throughout history.



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- **Magraduer's Spring Festival:** Residents participated in Spring-themed activities and games and enjoyed the brisk sunshine on **March 25**. Refreshments made the event all the more enjoyable.
- **Magraduer's Bingo:** This **March 26** event brought together residents to enjoy light refreshments and compete for prizes.
- **Paddington Square Community Bingo:** Bingo also was the name of the game **March 26** at Paddington Square as residents enjoyed refreshments along with the competition and prizes.
- **Cider Mill Virtual Bingo:** On **March 28** residents participated in a virtual bingo contest and won prizes, including gift cards from local businesses in their neighborhood. This was a popular community engagement event.

## Activities for Seniors

- **Arcola Towers Computer Literacy Class:** Computer literacy classes on **March 4, 11, 18 and 25** offered residents the opportunity to learn how to use the internet, send emails and to protect against internet fraud/scams.
- **Bauer Park GROWS:** This **March 5** gathering brought together residents to create and distribute scarves to fellow residents.
- **Waverly House Arts and Crafts Club:** Residents participated in a **March 7** event that helped all of them express their artistic individuality.
- **Forest Oak Towers Community Engagement Bingo:** On **March 7 & 15** residents enjoyed the friendly competitive fun and social connections of community bingo.
- **Arcola Towers Personal Safety Meeting:** A **March 14** meeting featuring Montgomery County Police Department Community Service Officer Katie Beard provided residents with personal and other safety tips.
- **Waverly House Joy of Movement:** Music and exercises got Waverly House residents moving at a **March 14** "Joy of Movement" event.
- **Forest Oak Towers St. Patrick's Day Get-Together Party:** Everyone was a little Irish for the day at Forest Oak's **March 15** get together. The festival included a St. Patrick's Day story, fun games, dancing and light refreshments.
- **Bauer Park Community Bingo:** Residents gathered **March 15** to interact and try their luck against each other at bingo.
- **Bauer Park Arts for The Aging:** Chair exercises choreographed to music got Bauer Park residents moving **March 18**.
- **Arcola Towers Garden Meeting:** A **March 19** meeting provided interested residents with reminders of the "ground rules" of Arcola Towers' community gardening opportunities and served as a sign-up opportunity for those wishing to secure a plot for gardening.
- **Waverly House TACY Musical:** Students played classical music on their instruments for residents' enjoyment on **March 19**.
- **Forest Oak Towers Computer/Smart Phone Workshop:** Residents participated in a **March 20** workshop designed to help them navigate through their challenges using computers and smartphones. The workshop was facilitated by the resident counselor and a social work intern.



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- **Waverly House Bone Builders:** Residents participated in the **March 20** Bone Builders exercise program to build strength.
- **Waverly House Dish-Washing Bingo:** Residents competed **March 27** in bingo games to interact with each other – and to win cleaning supplies as prizes.
- **Bauer Park Senior Trip:** Rio Lakefront in Gaithersburg was the fun destination for a **March 27** trip.

## Health and Wellness Activities

- **Forest Oak Towers Wellness Workshops:** University of Maryland nursing students conducted workshops **March 1 and 15** that focused on senior fitness followed by physical fitness exercises. They also provided blood pressure screening and general wellness checks to help residents be aware of their health.
- **Residences on the Lane Yoga Dancing:** Participants in this **March 6** experience discovered the connection between yoga and dance with the Arts for Aging.
- **Forest Oak Towers, HOC, AFTA Music & Movement:** Residents participated in an interactive Arts for Aging workshop **March 14** that featured music and movement for all audiences and abilities. Dances were performed seated or standing with sing-a-long. A guitarist and composer lead participants in group singing, call and response.
- **Residences on the Lane (ROTL) Student Nursing Program:** The University of Maryland Baltimore Campus Student Nursing Program provided an opportunity **March 27** for ROTL residents to get their blood pressure checked, participate in wellness workshops and other gatherings that promote socialization and overall wellness. In some cases, these weekly events provide student nurses the opportunity to complete home visits and discuss individual wellness needs with residents.
- **Arcola Towers UMD Nursing Students program:** On every Thursday, Nursing students will conduct Meet n Greet, home visits, communicating with your Doctors workshop, BP screening, medication review, and safety assessment for residents.

### 3. Relocation and Re-Certification Assistance

- Counselors continue to assist customers on an ongoing basis with relocations and other needs for RAD and renovation projects at Willow Manor Apartments at Colesville.
- Counselors also provide continued outreach and assistance to customers who have failed to submit all required documents for re-certification by the stated deadline.

### 4. Rental Assistance

- Our Resident Counselors provided face-to-face and electronic outreach and assistance to customers with applications for rental assistance programs.

### 5. Food Assistance

The Resident Services Division provided food resources and other support with the help of Manna Food Center, Emmanuel Brinklow Seventh Day Adventist Church, Capital Area Food Bank's Senior Brown Bag, Nourishing Bethesda and My Groceries To Go Programs. The Resident Services staff also continue to facilitate the Senior Nutrition Program (SNP), which provides meals and nutrition

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education for seniors to socialize in a congregate setting. The lunch program is hosted at Arcola Towers, Bauer Park and Forest Oak Towers. Program activity highlights for March include:

- Stewartown Homes & Scattered Sites food distribution by Emmanuel Brinklow on **March 3 and 17**
- Paddington Square hosted a Manna Food Center distribution on **March 8**
- Residences on the Lane received a Manna Food Distribution on **March 8**
- Arcola Towers hosted a Capital Area Food Bank Distribution on **March 14** for residents eligible to receive the My Groceries To Go supplemental food assistance
- Forest Oak Towers, Seneca Ridge and multiple Scattered Sites received food deliveries from Emmanuel Brinklow on **March 17**
- Emmanuel Brinklow made food deliveries to Bauer Park, Cider Mill Apartments, Diamond Square, Georgian Court, Towne Center Place, Washington Square, Willow Manor at Clopper and multiple Scattered Sites on **March 18**
- Forest Oak Towers received a Manna Food Distribution on **March 20**
- Residences on the Lane was the site of a Senior Brown Bag Lunch on **March 21**
- Emmanuel Brinklow contacted HOC staff on **March 19** to provide an additional 100 boxes of food, which HOC staff had an opportunity to pick up and deliver to residents

## ***HOC Academy***

The HOC Academy is an agency initiative developed by HOC to help its customers reach their fullest potential by providing educational, enrichment, job training and job placement opportunities to youth and adults. The program specifically focuses on education and enrichment for youth education and workforce development for adults. Listed below are highlights for the month of March 2024.

### *Youth Education/Enrichment*

- **Elementary Initiatives:** The after-school clubs at Georgian Court, Tanglewood Apartments, TCP-Olney and Washington Square are a part of the Youth Enrichment Series (YES) sponsored by Housing Opportunities Community Partners and is an extension of the STEM enrichment opportunities under the HOC Academy oversight.
- **Middle/High School Initiatives:** On March 6th, more than 95 middle school students participated in the Aviation Field Trip at Joint Base Andrews. While there, they participated in several workshops similar to those hosted by the Air & Space STEM Outreach and BDPA Youth Technology Program. Participants experienced the latest technology used in cybersecurity and other technical fields. Students shared that the highlights of the trip were sitting inside a helicopter, exploring the large machines, and competing in a drone race.

On March 23rd, 23 students braved the torrential rain to attend the Day of Drones Middle and High School event in HOC's Kensington gym. Participants engaged in three STEM stations: Coding/Drones (facilitated by Escape Velocity Academy), Robotics (facilitated by the Orca Robotics Team), and Engineering. Middle and senior high school youth and their parents

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engaged in friendly competition as they navigated across the drone soccer field and constructed paper towers to win prizes.

## Adult Education and Workforce Development

Small Business Strategy Course (SBSC) alumni continue to report their progress and new business ventures:

- M.C. of Internal Empress LLC completed the required annual reports to the Maryland State Department of Assessments and Taxation to reinstate her business. Internal Empress has been reinstated, and M.C. now is legally able to operate her business in the state of Maryland.

## **Adult Education & Workforce Development (AEWD) Training & Events**

- Montgomery College's Workforce Development Continuing Education program hosted two training programs in March for HOC Customers.
- Participants completed the Introduction to Microsoft 365 course, which consisted of an overview of navigating the Microsoft 365 environment.
- Participants completed a 12-hour Microsoft Excel 1 course which consisted of an overview of the Excel user interface, creating basic charts and worksheets, formatting, functions and more.
- Paradigm Companies on **March 12** hosted its monthly recurring virtual employment opportunities information session. Customers learned about available positions within the Paradigm Companies and received helpful tips for a successful application process.
- AEWD hosted a College Planning and Funding webinar facilitated by Education Excellence Inc. on **March 16**.
- On **March 21**, AEWD co-hosted a Resource Fair at Tanglewood Apartments for residents of Tanglewood, Manchester Manor and Spring Gardens. A total of 16 vendors participated, including Montgomery County Recreation, Montgomery College Educational Opportunity Center, The Ethiopian Community Center, Gilchrist Immigrant Resource Center, We Achieve, Inc. and other workforce development and employment vendors.
- Monday.com hosted a second virtual A.I. for Beginners workshop on March 28. The topic was streamlining business operations, enhancing decision-making and elevating the customer experience to drive growth in the digital era.

## **Financial Literacy**

The Financial Literacy Coach continued to work with HOC's customers and individuals on the Housing Path waitlist on creating a financial foundation. During March, the Financial Literacy Coach provided one-on-one financial literacy coaching to 19 HOC customers and one individual from the HousingPath waitlist. The coaching sessions continued to cover topics including: creating a working budget, identifying disposable income, reading one's credit report, and creating and accomplishing monthly financial goals. During March, the Financial Literacy Coach also facilitated financial literacy workshops for four HOC customers.



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## ***Supportive Housing***

The Supportive Housing Program provides housing assistance and case management services to participants who are formerly homeless with disabilities. The program services some of the most vulnerable residents of the county. In March, the program served 350 participants. Throughout the month program staff continued to conduct home visits with program participants, provide case management services, and pay rent and utilities. Additionally, program staff also continued to help Emergency Voucher recipients secure housing by providing housing location services, as well as financial assistance for application fees, security deposits, moving expenses and household items.

Program staff also continued to implement the Rent Supplement Program (RSP), which provides a shallow rental subsidy (up to \$600 monthly) to county residents who struggle to pay their full rent with their current income. The program serves a large number of seniors on fixed incomes. Program turnover has created a challenge in achieving full program utilization; however, staff increased program participation to 280 this month. Staff will continue to monitor program expenditures to determine if additional participants can be served.

## ***Fatherhood Initiative***

The Fatherhood Initiative is a national program funded by the U.S. Department of Health and Human Services. HOC is the first and only housing agency to be awarded a grant under the Fatherhood Initiative. HOC completed its first five-year grant as a 'best practice' model. HOC was awarded an additional grant and is currently in year four of the new grant period. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. On March 22, the program graduated 21 fathers from the March cohort and 29 fathers were enrolled in March.

## **HOUSING RESOURCES UPDATE**

### ***Housing Choice Voucher (HCV) Program***

Monthly, HOC selects applicants from the Housing Path Waitlist to achieve a 95% program utilization rate. The utilization rate has increased to 98%. Currently, 76 families with issued vouchers are searching for suitable units to rent; and 156 contracts are pending execution. One hundred-fifty families were selected from the HCV waitlist last month.

During March, the Housing Resources Division received one request for a voucher extension beyond the initial 90-day period. The request included a search record reflecting the efforts made to secure housing during the voucher term and the landlords who were contacted. The extension request did not warrant a referral to the Human Rights Commission nor the Commission on Civil Rights for possible discrimination.

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## ***RENTCafé Used to Support Online Annual Recertifications***

This month, HOC used RENTCafé to assist with annual recertifications. Staff enlisted the IT division to provide technical support to customers requiring assistance with the submission of recertification materials. Overall, 402 out of 623 customers submitted their paperwork electronically. We will continue to accept mailed submissions from customers who do not have email or who prefer to submit information by mail. We anticipate that more families will utilize the online portal as they become more comfortable with the technology.

Seventy customers were recommended for program termination effective March 1, 2024. The Resident Services Division worked in collaboration with the Housing Resources Division to assess client needs and to determine why recertifications were not being completed.

Resident Services Counselors conducted outreach to every customer in the termination window to ascertain why the annual requirement was not completed and to provide assistance. They were able to assist 58 families with the recertification requirement and overturn the termination. Termination proceedings will continue for 12 families for failing to respond to our counselors' outreach efforts.

The Housing Resources Division will continue to work collaboratively with the Resident Services Division to assist those customers facing termination.

## ***Emergency Housing Vouchers (EHVs)***

HOC has an allocation of 118 Emergency Housing Vouchers. One-Hundred and three families have successfully leased homes using EHVs. We currently have no families with issued vouchers who are searching for suitable homes to rent. Our cumulative total is 114, as 11 EHV families have leased units and exited the program. We can only lease to our cumulative total subsequent to the EHV sunset date of Sept. 30, 2023. One EHV applicant with an issued voucher is searching for a suitable unit and three EHV customers ported to other jurisdictions. Staff are reviewing six certification packets to determine program eligibility. HOC requested nine additional referrals from HHS for the EHV Program.

## ***Family Self Sufficiency (FSS) Update***

FSS staff continued recruitment efforts, with the current enrollment of 363 participants. There were two graduates in the FSS program this month. The average income increase for the graduates was \$10,638. The graduates maintained employment in two industries: Administrative Secretary with Montgomery County Schools and Independent Hair Consultant.

The FSS team conducted a workshop with PNC bank's emerging markets loan officer. The event was well attended by 55 customers. Customers participated in a moderated discussion on homeownership. Topics included exploring the loan/repayment process and determining if one is financially ready to own a home.

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FSS participants remain committed to the alliances formed with the FSS Case Managers. FSS Case Managers continue to work with customers on their long- and short-term self-sufficiency goals. During monthly remote meetings, Case Managers offer integrated strategies for self-care, personal goal fulfillment and emotional support. Community partnerships continue to be a capstone of the program. In conjunction with person-centered planning efforts, Case Managers solicit feedback from customers to determine the effectiveness of previously provided resources. Maintaining continuous feedback ensures that referrals to external partners continue to meet individual goals and exceed expectations.

## REAL ESTATE DEVELOPMENT UPDATE

### ***NAHB Award: Residences on the Lane Voted Best Affordable Apartment Community***

Residences on the Lane was voted “Best Affordable Apartment Community” by the National Association of Home Builders (NAHB) in its Pillars of the Industry Award program. The NAHB national annual awards honor the best in creative development concepts, innovative financing strategies, design, management and marketing in the apartment and condo market and are judged by an industry-expert, 12-person panel.

### ***Wheaton Gateway***

HOC selected JDC Construction LLC as the construction manager for Phase I of the Wheaton Gateway Development.

## MAINTENANCE UPDATE

### ***Water Conservation Analysis***

HOC, in conjunction with Water Management, Inc. in March began a water efficiency and conservation study on 14 properties. The purpose is to provide a comprehensive detailed water audit to identify and evaluate water conservation measures. The study will include a desktop water analysis of consumption history, facilities water usage will be analyzed, targets for efficiency will be developed and a summary of cost saving measures will be provided for each property.

# Minutes



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Special Session Minutes**

**February 29, 2024**

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform (with some participating in-person and some participating online/via teleconference) on Thursday, February 29, 2024, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 3:30 pm. Those in attendance were:

**Present**

Frances Kelleher, Vice Chair  
Jeffrey Merkowitz, Chari Pro Tem  
Robin Salomon, Commissioner

**Virtual**

Roy Priest, Chair  
Pamela Byrd, Commissioner  
Linda Croom, Commissioner

**Also Attending**

Chelsea Andrews, President/ Executive Director  
Kayrine Brown, Senior Executive Vice President  
Aisha Memon, Senior Vice President of Legal Affairs/General Counsel  
Ken Silverman, Vice President of Legislative Affairs  
Tia Blount, Vice President of Public Affairs and Communications

**IT Support**

Aries Cruz  
Irma Rodriquez

**Commission Support**

Jocelyn Koon, Senior Executive Assistant

Chair Priest opened the meeting with welcome remarks and an introduction to the Special Session of the Housing Opportunities Commission of Montgomery County. Chair Priest introduced himself and Commissioners Byrd and Croom joined virtually, and Commissioners Kelleher, Salomon, and Merkowitz joined in-person. Chair Priest stated the meeting's objective to advance the approval of the Strategic Plan and turned to President/Executive Director, Chelsea Andrews.

The President/Executive Director provided an overview of the special session and clarified goals for the final draft of the Strategic Plan. President Andrews elaborated on the plan's three Strategic Goals and introduced Ken Silverman, Vice President of Legislative Affairs.

Ken Silverman provided legislative updates: 1) the house passed a continuing resolution, and 2) the White House announced a new phase of their housing supply action plan, including an indefinite extension of the FFB/FHA Program, which were a part of the Legislative Priorities that were adopted previously by the Commission. Public Works was unable to attend but were heavily involved in the development of the draft and will participate in any changes as directed by the Commission.

Mr. Silverman provided a detailed explanation for Goal 1 of the Plan, **Expand Affordable Housing in Montgomery County** and its three objectives. Commissioner Kelleher provided comments about objective 2, to **Maximize Production of New Affordable Housing** as it is not something the agency can approve due to costs, staffing, and overall cost-benefit deficiencies. Commissioner Kelleher further noted that objective 3, **Preserve At-Risk Naturally Occurring Affordable Housing**, and objective 4, **Grow HOC's Financial Capacity** did not provide enough information to evaluate. Commissioner Merkowitz thanked the staff and President Andrews for their efforts and acknowledged the progress of the draft from previous iterations. Commissioner Merkowitz stated that the terms used for the objectives are appropriate and accurately reflect Goal 1 of the plan and the general mission of the plan. Commissioner Priest provided further comments to ensure the Commission would not include plans that would not be feasible by the organization. Commissioner Priest further suggested to include in the plan preamble language which would state that everything HOC does is predicated on the fact that HOC has the capacity to do so and is determined to be feasible and reasonable. Commissioner Salomon provided comments as to allocating resources and highlighted the importance of key performance indicators and clearly defined resources. The Commission further deliberated on the objectives of Goal 1.

Mr. Silverman advanced to Goal 2 of the plan, and provided details about the objectives of the goal. Commissioner Kelleher suggested for objective, **Create Affordable For-Sale Properties** program that staff come back after establishing a design, funding, and quantifiable data on the impact of this objective before the Commission is ready to evaluate. Commissioners Kelleher and Salomon suggested a presentation on the Mortgage Purchase Program for further clarification on this objective.

Mr. Silverman advanced to Goal 3, and expounded on the objectives of the goal. Commissioner Salomon provided his preference of receiving metric reports quarterly as opposed to annually.

Commissioner Kelleher asked the Commissioners who have submitted feedback if they would be willing to share their feedback with each other. Chair Priest asked for a time frame for when the Commissioners could expect to see the Implementation Plan. President Andrews provided detail for an expected timeline. The Chair asked if the Commission was prepared to advance the presented draft. Approval of the draft was provided by Commissioners Merkowitz, Salomon, Croom, and Priest. Commissioner Kelleher did not approve. Commissioner Byrd was necessarily absent for this approval.

The special session was adjourned at 4:25 p.m.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

March 6, 2024

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform (with some participating in-person and some participating online/via teleconference) on Wednesday, March 6, 2024 with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Those in attendance were:

**Present**

Roy Priest, Chair  
Jeffrey Merkowitz, Vice Chair  
Robin Salomon, Chair Pro Tem  
Linda Croom, Commissioner  
Frances Kelleher, Commissioner  
Pamela Byrd, Commissioner

**Also Attending**

Chelsea Andrews, <small>President/Executive Director</small>	Aisha Memon, <small>Senior VP, Legal Affairs/ General Counsel</small>
Kayrine Brown, <small>Senior Executive Vice President</small>	Ellen Geoff
DaVida Rowley-Blackman	Tim Goetzinger
Richard Congo	John Brouillre
Bonnie Hodge	Zachary Marks
Tia Blount	Ken Silverman
Jay Shepherd	Alex Laurens
Morgan Tucker	Elaine Cole
Patrick Mattingly	Terri Fowler
David Brody	Irma Washington
Nilou Radghezi	Adam Pinchuk
DeMarcus Hubbard	Meta Lim

**Also attending via Zoom**

Eugenia Pascual	Paige Gentry, <small>Deputy General Counsel</small>
Kai Hsieh	Sean Asberry
Ali Ozair	Matt Husman
Darcel Cox	Kathryn Hollister

**IT Support**

Irma Rodriguez  
Aries "AJ" Cruz

**Commission Support**

Jocelyn Koon, Special Assistant

Chair Priest opened the meeting with the introduction of the Commission and the President/Executive Director, Chelsea Andrews. Chair Priest also advised that the Status Report of the Resident Advisory Board will be provided at a later time.

**I. Information Exchange**

**A. Community Forum**

The following people spoke at the community forum:

- Chyrell King, member of the HOC bargaining team
- Gino Renne, President of MCGEO
- Sam Mason, in trades maintenance
- Erica Conner, Coordinator/Resident Counselor III
- Datrina Childers, HOC Academy Program Assistant

Chair Priest thanked the speakers and allowed President Andrews to provide feedback. President Andrews provided clarification as to the timeline of negotiations, termination of the mediation process, and confirmed HOC's efforts to continue the mediation process. Chair Priest thanked those that came out and continued to the next item on the agenda.

Chair Priest readjusted the agenda for consideration of the Resident Advisory Board and advanced to the Report of the President/Executive Director.

**B. Report of the President/Executive Director**

- Chelsea Andrews, President/Executive Director, provided a presentation of the written report in the month of February 2024.
- Ms. Andrews spotlighted the Silver Spring Recreational and Aquatic Center Grand Opening as well as HOC in the News, Legislative Updates, and provided updates for HOC's Resident Services, Housing Resources, and Real Estate Divisions.
- President Andrews introduced Ken Silverman, Vice President of Government Affairs, to provide the legislative update.

**C. Status Report from the Resident Advisory Board**

- Irma Washington, President, and Adam Pinchuk, Vice President, provided a status report to the Commission and HOC Staff. President Washington addressed questions relating to the Five Year Plan and provided updates on the Tony Davis scholarship.
- Commissioner Kelleher provided comments relating to HUD guidelines and restraints.

**D. Commissioner Exchange**

Chair Priest thanked the Commissioners and HOC staff for their participation in the Grand Opening of the Silver Spring Recreational and Aquatic Center.

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

**A. Approval of Minutes of February 7, 2024**

**B. Approval of Minutes of February 22, 2024 Special Session**

**C. Approval of Minutes of February 22, 2024 Closed Special Session**

**III. Consent Item**

**A. Designation of Aisha Memon as Resident Agent for the Housing Opportunities Commission of Montgomery County**

A motion was made by Commissioner Croom to adopt Resolution 24-16. Commissioner Kelleher seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

**IV. Items Requiring Deliberation and/or Action**

**A. Adoption of HOC's Five-Year Strategic Plan for 2024-2029**

Chair Priest explained that prior discussion about the plan took place on March 4, 2024 at which time staff was instructed to proceed to bring this item before the Commission at this meeting for approval. The previously discussed revisions were memorialized in the final draft. Chelsea Andrews provided comments and shared that the board supported advancing the plan with additional verbiage that makes clear that the goals and objectives outlined in the strategic plan serve as guide posts and will require feasibility analysis.

A motion was made by Commissioner Priest to adopt Resolution 24-17. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

**V. Committee Reports and Recommendations for Actions**

**A. Budget, Finance and Audit Committee- Com. Priest, Chair**

**1. Fiscal Year 2024 (FY'24) Second Quarter Budget to Actual Statements: Acceptance of Second Quarter FY'24 Budget to Actual Statements**

Commissioner Priest provided an overview of the item and introduced President Andrews who introduced Tim Goetzinger, Senior Vice President, Finance/Chief Financial Officer. Staff recommended that the Commission formerly accept the Second Quarter FY'24 Budget to Actual Statements. A motion was made by Commissioner Merkowitz to adopt Resolution 24-18. Commissioner Kelleher seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

**2. Uncollectible Tenant Accounts Receivable: Presentation of Request to Write- Off Uncollectible Tenant Accounts Receivable (October 1, 2023 - December 31, 2023)**

Commissioner Priest provided an overview of the item and introduced President Andrews who introduced Tim Goetzinger, Senior Vice President, Finance/Chief Financial Officer. Staff recommended that the Commission authorize the write-off of uncollectible tenant accounts receivable of \$368, 862 for the period covering October 1, 2023 to December 31, 2023. A motion was made by Commissioner Merkowitz to adopt Resolution 24-19. Commissioner Kelleher seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

**B. Development and Finance Committee – Com. Merkowitz, Chair**

**1. Wheaton Gateway: Approval of the Site Plan and Authorization for the Developer to Submit for Site Plan Review**

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Alex Laurens, Housing Acquisition Manager. Staff recommended that the Commission approve the site plan and authorize the Developer, at HOC's direction, to submit to MNCPPC, a Site Plan

for Wheaton Gateway. A motion was made by Commissioner Croom to adopt Resolution 24-20. Commissioner Merkowitz seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

**2. Scattered Sites: Authorization to Enter into a Purchase and Sale Agreement for the Disposition of up to Ten Units in Montgomery Village to Habitat for Humanity Metro Maryland**

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Jay Shepherd, Housing Acquisition Manager, who provided the presentation. Staff recommended that the Commission authorize the President/Executive Director, or her designee, to negotiate and execute a Purchase and Sale Agreement with HFHMM to purchase the 10 Scattered Site units, generally located in Montgomery Village, for \$90,000 each, in a condition of “as-is”, plus HFHMM’s costs related to closing. A motion was made by Commissioner Merkowitz to adopt Resolution 24-21. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

**3. Emory Grove Village/Camp Square: Approval of the First Amendment to Purchase & Sale Agreement for Emory Grove Village and Camp Hill Square**

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Jay Shepherd, Housing Acquisition Manager, who provided the presentation. Staff recommended that the Commission approve the First Amendment to the Purchase & Sale Agreement for Emory Grove Village and Camp Hill Square with Hailey Development, LLC. A motion was made by Commissioner Merkowitz to adopt Resolution 24-22. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

**4. Hillendale Gateway: Approval of the Naming and Branding of Hillendale Gateway in Accordance with HOC Naming Guidelines**

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Tia Blount, Vice President of Public Affairs and Communications, who provided the presentation. Staff recommended that the Commission accept the recommendation to name the two buildings at Hillendale Gateway, “Radia at Hillendale Gateway” and “Lumina at Hillendale Gateway” for the age-restricted and non-age-restricted buildings, respectively. A motion was made by Commissioner Merkowitz to adopt Resolution 24-23. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

Chair priest called for a motion to go into recess. This motion was approved by Commissioner Croom and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

The meeting went into recess at 5:51 p.m. and reconvened at 5:29 p.m.

Commissioner Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Commissioner Kelleher seconded the motion, with Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon 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 6:04 pm, and reconvened in closed session at 6:12 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 6, 2024 at approximately 6:12 p.m. in-person at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(14) to discuss the contents of proposals before a contract has been awarded.

The meeting was closed and the closing statement dated March 6, 2024 was adopted on a motion made by Commissioner Priest, seconded by Kelleher, with Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon voting in favor of the motion. The following persons were present: Roy Priest, Frances Kelleher, Jeffrey Merkowitz, Pamela Byrd, Linda Croom, Robin Salomon, Chelsea Andrews, Kayrine Brown, Aisha Memon, Tia Blount, Ken Silverman, Richard Congo, and Morgan Tucker.

In closed session, the Commission discussed the below topic and took the following action:

1. **Topic:** Discussion of the contents of the proposals before a contract has been awarded (pursuant to Section 3-305(b)(14)).
  - a. **Action Taken:** With a quorum present, staff presented the proposals to the Commission. No formal action was taken.

The closed session was adjourned at 6:31 p.m.

Respectfully submitted,

Chelsea Andrews,  
Secretary-Treasurer

/mpt



# Consent Item

## **SINGLE FAMILY LENDING: APPROVAL OF A NEW PARTICIPATING LENDER FOR THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM**

**April 3, 2024**

- The Housing Opportunities Commission of Montgomery County (hereinafter, the “Commission” or “HOC”) has approved continuous new lender participation and solicitation in the single family Mortgage Purchase Program (“MPP”). Over the years, HOC has approved 37 lenders, but through non-participation or the mortgage company’s notice to discontinue participation, there are currently 27 lender participants in the MPP.
- The criteria for lender participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name; and, 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank, N.A., HOC’s master servicer for the Mortgage Backed Securities program.
- Only approved MPP lenders have access to the County Revolving County Closing Cost Assistance Program and other special Closing Cost Programs.
- Atlantic Coast Mortgage L.L.C. has applied for participation in the MPP and has met the criteria for participation.
- The Development and Finance Committee, having considered this item at its meeting on October 27, 2023, supports staff’s recommendation to approve Atlantic Coast Mortgage L.L.C. for participation in the MPP.
- Therefore, staff recommends the Commission’s approval of Atlantic Coast Mortgage L.L.C. as a new MPP participating lender.

# MEMORANDUM

**TO:** Housing Opportunities Commission of Montgomery County

**VIA:** Chelsea J. Andrews, Executive Director

**FROM:** Staff: Kayrine Brown, Senior Executive Vice President  
Paulette Dudley, Program Specialist III

**RE:** **Single Family Lending: Approval of New Participating Lender for the Single Family Mortgage Purchase Program**

**DATE:** April 3, 2024

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**STATUS:** Consent \_\_\_X\_\_\_

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## **OVERALL GOAL & OBJECTIVE:**

To approve a new participating lender in the Single Family Mortgage Purchase Program that will provide mortgage financing to low- and moderate-income first-time homebuyers in Montgomery County at below market rates.

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## **BACKGROUND:**

The Commission has approved the continuous participation of lenders from program to program and an on-going admission of new lenders to the Mortgage Purchase Program ("MPP"). As lenders apply for participation in the MPP, the requests are submitted to the Commission for approval. Increasing lender participation broadens the exposure to the Commission's Single Family mortgage products, as well as to the Revolving County Closing Cost Assistance Program and other special Closing Cost programs. The closing cost assistance loans must be used in conjunction with a MPP first mortgage.

All approved and participating lenders are advised that continued participation in the MPP requires mortgage loan production. If the lender does not submit a mortgage loan within any 12-month period, that lender may be subject to suspension, as a participating lender in the MPP. HOC over the years has approved 37 lenders, but through non-participation or the mortgage company's notice to end its participation, there are currently 27 participating lenders in the MPP. Lenders can be reactivated with approval by HOC, but are subject to retraining, and verification that they are approved with U.S. Bank, N.A. ("U.S. Bank"), the Commission's Master Servicer for the Mortgage Backed Securities ("MBS") program. Atlantic Coast Mortgage L.L.C. is an approved Mortgage Revenue Bond Program ("MRBP") correspondent lender with U.S. Bank that has applied to the MPP as a participating lender.

The minimum qualifications for lender participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in the company's name; 2) the lender is an FHA approved seller/servicer and has FHA direct endorsement approval; and, 3) the lender is a Freddie Mac and/or Fannie Mae seller/servicer for

originating the conventional loan product. New lenders are also required to be approved by U.S. Bank. In addition, lenders must have origination experience with single family tax-exempt bond programs; are committed to lending toward eligible borrowers within the MPP approved income and sales price limits; have the ability to accommodate non-English speaking, hearing impaired and disabled applicants in the office or offices that would be originating HOC loans; and, acceptable lender fees.

Approved lenders receive training from HOC staff and U.S. Bank before they are allowed to begin originating and closing loans for the MPP. Under the MBS program, HOC underwrites for program compliance and the lenders underwrite for credit worthiness.

Lender approval will apply to the 1979 Single Family Mortgage Revenue Bond Resolution, the 2009 Single Family Housing Revenue Bond Resolution and the 2019 Program Revenue Bond Resolution.

Atlantic Coast Mortgage, L.L.C. has applied to participate in the HOC Single Family Mortgage Purchase Program and has met the minimum requirements and criteria for selection stated above.

**Atlantic Coast Mortgage, L.L.C. (hereinafter “ACM” or “Lender”)**

ACM is a full-service residential mortgage lender serving the lending needs of anyone seeking a one- to four-family residential mortgage. ACM is licensed to lend in Virginia, Maryland, Washington D.C., and 26 other states.

ACM was founded in 2011. Since first starting to originate loans in October of 2011, ACM has funded over \$18 billion in residential loans and has established itself as one of the most respected mortgage lenders on the east coast. ACM is ranked in the top five (5) overall and the largest independent mortgage bank in the Washington, DC metropolitan area in residential mortgage volume, as compiled by the Washington Business Journal.

ACM prides itself on maintaining excellent relationships. ACM is primarily a customer focused, referral-based company building and growing business through relationships with trusted partners and happy customers.

As an illustration of ACM’s efforts to promote lending to low-and-moderate homebuyers, ACM had a 49.1% hit rate for low-income purchase transactions sold to Freddie Mac through the third quarter of 2023 with the Federal Housing Finance Agency (“FHFA”) benchmark being 28%, and a 10.5% hit rate for very low-income purchase transactions sold with the FHFA benchmark being 7%.

ACM’s 2022 Home Mortgage Disclosure data (“HMDA”) reports the following stats for home purchases in Montgomery County that fall within the MPP program limits:

HOC MPP PROGRAM LIMITS		ATLANTIC COAST MORTGAGE 93 Home Purchases – Montgomery County	
Income Limits	\$119,532 - \$199,229	Income Limits	\$26,000 - \$192,000
Maximum Loan Limit	\$726,200	Average Loan	\$415,299
Purchase Price Limit	\$806,000	Average Purchase Price	\$490,015

ACM also provides accommodations for non-English speaking applicants to further expand the reach of its mortgage products. ACM has loan officers and/or processors that are fluent in Spanish, Korean, Urdu, and Farsi. As well, ACM provides an over the phone interpretation system with TransPerfect Connect. With such a diverse Montgomery County population and varied languages spoken, this will be an added benefit to the MPP.

ACM does not currently have a Montgomery County office location, its closest being the Virginia location; however, ACM's loan officers can accommodate the applicant's needs by offering applications in-person, over the phone, or via two web-based point of sales systems, SimpleNexus and Blend.

ACM is an approved seller-servicer with both Fannie Mae and Freddie Mac, and is also approved with FHA, VA, USDA, and numerous state housing bond agencies, which include Virginia ("VHDA"), Maryland ("MMP"), District of Columbia (DC), North Carolina ("NCHFA"), South Carolina (SC Housing), and West Virginia ("WVHDF").

**SERVICING**

Under the Commission's MBS Program, lenders will release servicing and receive a loan origination fee up to 2%, based on the time lapse between loan origination and purchase. Lenders receive a higher origination fee the earlier the loan is purchased. Servicing is handled through the U.S. Bank, which the Commission has approved as the Master Servicer.

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**ISSUES FOR CONSIDERATION:**

Will the Commission accept staff's recommendation, which is supported by the Development and Finance Committee to approve Atlantic Coast Mortgage, L.L.C. for participation in the Single Family Mortgage Purchase Program?

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**PRINCIPALS:**

Housing Opportunities Commission of Montgomery County  
Atlantic Coast Mortgage, L.L.C.

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**BUDGET/FISCAL IMPACT:**

There is no impact on HOC's FY2024 operating budget by approving Atlantic Coast Mortgage, L.L.C. as a participating lender.

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**TIME FRAME:**

For formal action at the April 3, 2024 meeting of the Commission.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Commission approve Atlantic Coast Mortgage, L.L.C. for participation in the Single Family Mortgage Purchase Program.

**Attachment 1**  
**Approved HOC/U.S. Bank Lenders**

1. Ameris Bank Mortgage
2. Bay Capital Mortgage Corporation
3. Direct Mortgage Loans, LLC
4. Embrace Home Loans, Inc.
5. Fairway Independent Mortgage Corporation
6. First Heritage Mortgage, LLC
7. First Home Mortgage Corp
8. First Savings Mortgage Corporation
9. HomeBridge Financial Services, Inc.
10. Homeside Financial LLC
11. loandepot.com
12. Luminare Home Loans
13. Meridian Bank Mortgage
14. Mortgage Access Corp – Weichert Financial
15. Movement Mortgage, LLC
16. NewRez, LLC
17. NFM, Inc. dba NFM Lending/Mainstreet Home Loans
18. NVR Mortgage Finance, Inc.
19. Presidential Bank, FSB
20. Primary Residential Mortgage, Inc.
21. PrimeLending, a Plains Capital Company
22. Prosperity Home Mortgage, LLC
23. Sandy Spring Bank
24. Severn Bank
25. TowneBank Mortgage
26. Vellum Mortgage
27. WesBanco Bank, Inc.

**RESOLUTION No.: 24-24**

**RE: Approval of New Participating Lender Atlantic Coast Mortgage, L.L.C. 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**, Atlantic Coast Mortgage, L.L.C. has applied for participation in the MPP; and

**WHEREAS**, Atlantic Coast Mortgage, L.L.C. has satisfied the required criteria for admittance into the MPP.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Atlantic Coast Mortgage, L.L.C. 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 3, 2024.

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Chelsea J. Andrews  
President/Executive Director



**Committee Reports  
and  
Recommendations for  
Action**

**Administrative  
&  
Regulatory  
Committee**

# **AUTHORIZATION TO SUBMIT HOC'S FISCAL YEAR ("FY") 2025 FIVE-YEAR PUBLIC HOUSING AGENCY ("PHA") PLAN**

**April 3, 2024**

- The Quality Housing and Work Responsibility Act of 1998 requires that PHAs, such as the Housing Opportunities Commission of Montgomery County ("**HOC**"), draft a full PHA Plan every five (5) years, make and submit updates annually.
- The PHA Plan serves as a comprehensive guide to HOC's policies, programs, operations, and strategies for meeting local housing needs and goals. The Plan informs the U.S. Department of Housing and Urban Development ("**HUD**"), residents, and the public of HOC's mission for serving the needs of low-income and very low-income families as well as HOC's overarching strategy for addressing those needs.
- HOC is submitting a FY 2025 Five-Year PHA Plan, which covers the period of FY 2025 through FY 2029. The Five-Year PHA Plan outlines HOC's goals and objectives for the five-year period covered in the plan, as well as accomplishments over the previous five-year period (FY 2020-FY 2024). The PHA Plan focuses primarily on the Public Housing ("**PH**") and Housing Choice Voucher ("**HCV**") programs.
- The 45-day public comment period for HOC's FY 2025 Five-Year PHA Plan began on February 16, 2024, and culminated with the public hearing held April 2, 2024 at 11:00 am at HOC's main office in Kensington, MD, and via YouTube and Zoom.
- The Resident Advisory Board ("**RAB**") reviewed this item and submitted a letter of endorsement, which HOC will submit as one of the supporting documents to HUD on, or before, April 17, 2024.
- The Administrative and Regulatory Committee reviewed this item at its meeting on February 13, 2024, and supports staff's request for authorization to submit HOC's FY 2025 Five-Year PHA Plan to HUD by no later than April 17, 2024.

**M E M O R A N D U M**

**TO:** Housing Opportunities Commission of Montgomery County

**VIA:** Chelsea J. Andrews, President

**FROM:** Staff: Darcel Cox, Vice President of Compliance  
Elliot Rule, Management and Compliance Analyst

**RE:** **Regulatory Compliance:** Authorization to Submit HOC’s Fiscal Year (“FY”) 2025 Five-Year Public Housing Agency (“PHA”) Plan

**DATE:** April 3, 2024

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**STATUS:** **Committee Report** **Deliberation**   X  

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**OVERALL GOAL & OBJECTIVE:**

To authorize the President of the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), or her designee, to submit the FY 2025 Five-Year PHA Plan to the U.S. Department of Housing and Urban Development (“HUD”).

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**BACKGROUND:**

HOC must submit a five-year plan informing the U.S. Department of Housing and Urban Development (“HUD”), residents, and the public, of HOC’s mission to serve the needs of low-income and very low-income families, highlighting its Housing Choice Voucher (“HCV”) and Public Housing (“PH”) programs. This year HOC is submitting its five-year plan, covering FY 2025 through 2029.

The Quality Housing and Work Responsibility Act of 1998 (“QHWRA”) became law on October 21, 1998 and requires the submission of public housing agency plans. This year, HOC is submitting its 25<sup>th</sup> PHA Plan for HOC’s FY 2025, which begins on July 1, 2024 and ends on June 30, 2025.

HOC’s Five-Year PHA Plan provides details about past, present, and future operations, services, programs and program participants. In addition, the plan outlines the Agency’s strategy for addressing the housing needs of Montgomery County’s residents. HOC submitted its last Five-Year PHA Plan for FY 2020, which covered the period FY 2020 through FY2024. The Five-Year PHA Plan describes HOC’s mission as well as its long-range goals and objectives for realizing this mission over the five years outlined within the document. Much of the previous Five-Year PHA Plan focused on HOC’s use of the Rental Assistance Demonstration (“RAD”) program to convert the Agency’s PH portfolio to Project-Based Rental Assistance (“PBRA”) and Project-Based Vouchers (“PBV”). HOC must submit its updated 2025 Five-Year PHA Plan to HUD 75 days prior to the start of the FY covered in the plan, which is April 17, 2024.

The submission of this FY 2025 Five-Year PHA Plan includes updated agency goals and objectives for this period, as well as highlights of HOC's progress in meeting its goals over the previous five-year period of FY 2020 through FY 2024.

In terms of agency goals, HOC continues to explore new and efficient methods of operationalizing local funds for the expansion of housing subsidies. The agency continues to meet its affordable housing goals through the renovation of existing properties, while simultaneously undertaking and delivering new-construction projects, as well as pursuing the preservation of at risk affordable housing through acquisition. Additionally, HOC expects to meet its target enrollment of 356 for the current grant year of its federally funded Fatherhood Initiative program, and has established a \$100 million revolving Housing Production Fund, in collaboration with the Montgomery County Government, to produce 6,000 new housing units for the community over 20 years.

HOC converted its previous PH portfolio to more efficient forms of HUD subsidy through HUD's RAD program. All previous PH tenants were provided some form of subsidy subsequent to the conversion and HOC continues to operate these upgraded subsidies. HOC has decided against closing its PH program given the agency's possession of Capital Fund Program ("**CFP**") funds budget through HUD's EPIC system, and is exploring use of its Faircloth Limit in future RAD developments. The Faircloth limit affords HOC approximately 700 units of capacity, which the agency can deploy to create additional affordable housing options at future developments. Springvale Terrace is the first of such projects for HOC and is expected to provide up to 48 units via Faircloth-to-RAD ("**F2R**").

HOC's Housing Resources Division is working to implement provisions 101, 103, and 104 of the Housing Opportunity through Modernization Act of 2016 ("**HOTMA**") through the development of a timeline of action, updates to program documents, and relevant staff trainings. The agency will also make provisions to transition inspection standards from Housing Quality Standards ("**HQS**") to reflect the newly published National Standards for Physical Inspection of Real Estate ("**NSPIRE**") guidelines, for the HCV program, prior to October 1, 2024.

HOC currently operates a PBV program within its HCV program, with a maximum assistance limit of 20% of the HCV program baseline (currently at 7,770). Presently, HOC manages 860 PBV units scattered across various properties throughout Montgomery County. HOC also administers an additional 330 PBV units, not counted towards its program limits. Notable initiatives included the RAD component two conversions at Town Center Apartments (Rockville), and Stewartown (Gaithersburg), where existing subsidies were converted to PBV. Furthermore, new construction projects at Residences on the Lane and The Leggett have added a significant number of PBV units to the agency's portfolio.

Finally, HOC's tenant-based voucher portfolio received 25 Stability Vouchers, 42 Incremental Vouchers, and 118 Emergency Housing Vouchers from HUD, which the agency aims to utilize in an effort to combat homelessness within Montgomery County.

Staff released a draft of the FY 2025 Five-Year PHA Plan to the public on February 16, 2024. In addition, staff provided the Resident Advisory Board ("**RAB**") with a copy of the FY 2025 Five-Year PHA Plan for review and comment, and presented to the RAB at its meeting on February 26, 2024.

The RAB reviewed the Plan and provided comments, which HOC addressed in the final Plan. The RAB provided a letter of endorsement, which HOC will submit as one of the supporting documents to HUD on, or before April 17, 2024. HOC held a public hearing for the five-year plan on April 2, 2024 at 11:00am at HOC's Main Office at 10400 Detrick Ave., Kensington, MD 20895. Interested parties had the option to participate virtually via Zoom, or to view the meeting via YouTube stream.

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**ISSUES FOR CONSIDERATION:**

Does the Commission accept staff's recommendation, which the Administrative and Regulatory Committee supports, to authorize the President, or her designee, to submit HOC's FY 2025 Five-Year PHA Plan to HUD on, or before, April 17, 2024?

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**PRINCIPALS:**

Housing Resources Division  
Real Estate Development Division  
Resident Services Division

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**BUDGET IMPACT:**

None.

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**TIME FRAME:**

For formal action at the April 3, 2024 meeting of the Commission.

The Administrative and Regulatory Committee informally reviewed this item at its meeting on February 13, 2024, and supports staff's recommendation for submission of the plan.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Commission authorize the President, or her designee, to submit HOC's FY 2025 Five-Year PHA Plan to HUD on, or before, April 17, 2024.

**RESOLUTION NO.: 24-25**

**RE: Authorization to Submit HOC's Fiscal Year ("FY") 2025 Five-Year Public Housing Agency ("PHA") Plan**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") seeks to implement the mandatory Five-Year 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") 2025 Five-Year 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 its recommendations in the development of the proposed Five-Year PHA Plan submission; and

**WHEREAS**, HOC obtained certification from local government officials that the proposed Five-Year PHA Plan Submission is consistent with the jurisdiction's Consolidated Plan; and

**WHEREAS**, HOC conducted a Public Hearing on April 2, 2024 to obtain public comments regarding the proposed Five-Year PHA Plan submission; and

**WHEREAS**, HOC has considered all comments and recommendations received and has incorporated all relevant changes in the proposed Five-Year PHA Plan submission.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the FY 2025 Five-Year PHA Plan and its submission to HUD no later than April 17, 2024, as required by federal regulation.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the President/Executive Director, or their 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 3, 2024.

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**Chelsea J. Andrews  
President/Executive Director**

<b>5-Year PHA Plan (for All PHAs)</b>	<b>U.S. Department of Housing and Urban Development Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226 Expires: 03/31/2024</b>
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA’s operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA’s mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** The Form HUD-50075-5Y is to be completed once every 5 PHA fiscal years by all PHAs.

<b>A. PHA Information.</b>																																					
A.1	<p><b>PHA Name:</b> <u>Housing Opportunities Commission</u>      <b>PHA Code:</b> <u>MD004</u></p> <p><b>PHA Plan for Fiscal Year Beginning:</b> (MM/YYYY): <u>07/2024</u>  <b>The Five-Year Period of the Plan (i.e. 2019-2023):</b> <u>2025-2029</u>  <b>PHA Plan Submission Type:</b> <input checked="" type="checkbox"/> 5-Year Plan Submission 2025-2029      <input type="checkbox"/> Revised 5-Year Plan Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information on the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official websites. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below.)</p> <table border="1" data-bbox="209 1323 1449 1939"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) in the Consortia</th> <th rowspan="2">Program(s) not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA: Not Applicable</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA: Not Applicable																							
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<b>B.</b>	<b>Plan Elements.</b> Required for <u>all</u> PHAs completing this form.
<b>B.1</b>	<p><b>Mission.</b> State the PHA’s mission for serving the needs of low-income, very low-income, and extremely low-income families in the PHA’s jurisdiction for the next five years.</p> <p>Please see attached narrative.</p>
<b>B.2</b>	<p><b>Goals and Objectives.</b> Identify the PHA’s quantifiable goals and objectives that will enable the PHA to serve the needs of low-income, very low-income, and extremely low-income families for the next five years.</p> <p>Please see attached narrative.</p>
<b>B.3</b>	<p><b>Progress Report.</b> Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.</p> <p>Please see attached narrative.</p>
<b>B.4</b>	<p><b>Violence Against Women Act (VAWA) Goals.</b> Provide a statement of the PHA’s goals, activities, objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.</p> <p>Please see attached narrative.</p>
<b>C.</b>	<b>Other Document and/or Certification Requirements.</b>
<b>C.1</b>	<p><b>Significant Amendment or Modification.</b> Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.</p> <p>Please see attached narrative.</p>
<b>C.2</b>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) have comments to the 5-Year PHA Plan?</p> <p>Y    N  <input checked="" type="checkbox"/>   <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p>Please see attached document.</p>
<b>C.3</b>	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD-50077-SL</a>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p>Please see attached form.</p>

<p><b>C.4</b></p>	<p><b>Required Submission for HUD FO Review.</b></p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N  <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, include Challenged Elements.</p> <p><b>Pending</b></p>
<p><b>D.</b></p>	<p><b>Affirmatively Furthering Fair Housing (AFFH).</b></p>

**D.1**

**Affirmatively Furthering Fair Housing.** (Non-qualified PHAs are only required to complete this section on the Annual PHA Plan. All qualified PHAs must complete this section.)

Provide a statement of the PHA's strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.

**Fair Housing Goal:**

*Describe fair housing strategies and actions to achieve the goal*

**Please see attached narrative.**

**Fair Housing Goal:**

*Describe fair housing strategies and actions to achieve the goal*

**Fair Housing Goal:**

*Describe fair housing strategies and actions to achieve the goal*

**Instructions for Preparation of Form HUD-50075-5Y - 5-Year PHA Plan for All PHAs**

**A. PHA Information.** All PHAs must complete this section. (24 CFR § 903.4)

- A.1** Include the full **PHA Name**, **PHA Code**, **PHA Fiscal Year Beginning** (MM/YYYY), **Five-Year Period** that the Plan covers, i.e. 2019-2023, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the hearing and proposed PHA Plan.

**PHA Consortia:** Check box if submitting a Joint PHA Plan and complete the table.

**B. Plan Elements.**

- B.1 Mission.** State the PHA’s mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA’s jurisdiction for the next five years. ([24 CFR § 903.6\(a\)\(1\)](#))
- B.2 Goals and Objectives.** Identify the PHA’s quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years. ([24 CFR § 903.6\(b\)\(1\)](#))
- B.3 Progress Report.** Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5- Year Plan. ([24 CFR § 903.6\(b\)\(2\)](#))
- B.4 Violence Against Women Act (VAWA) Goals.** Provide a statement of the PHA’s goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. ([24 CFR § 903.6\(a\)\(3\)](#)).

**C. Other Document and/or Certification Requirements.**

- C.1 Significant Amendment or Modification.** Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan. For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the ‘Sample PHA Plan Amendment’ found in Notice PIH-2012-32, REV 2.

**C.2 Resident Advisory Board (RAB) comments.**

- (a) Did the public or RAB have comments?
- (b) If yes, submit comments as an attachment to the Plan and describe the analysis of the comments and the PHA’s decision made on these recommendations. ([24 CFR § 903.17\(b\)](#), [24 CFR § 903.19](#))

**C.3 Certification by State or Local Officials.**

[Form HUD-50077-SL](#), *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan.

**C.4 Required Submission for HUD FO Review.**

Challenged Elements.

- (a) Did the public challenge any elements of the Plan?
- (b) If yes, include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA’s response to the public.

**D. Affirmatively Furthering Fair Housing.**

**(Non-qualified PHAs are only required to complete this section on the Annual PHA Plan. All qualified PHAs must complete this section.)**

**D.1 Affirmatively Furthering Fair Housing.** The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: “To implement goals and priorities in an AFH, strategies and actions shall be included in program participants’ ... PHA Plans (including any plans incorporated therein) ... Strategies and actions must affirmatively further fair housing ...” Use the chart provided to specify each fair housing goal from the PHA’s AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D.; nevertheless, the PHA will address its obligation to affirmatively further fair housing in part by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction’s initiatives to affirmatively further fair housing that require the PHA’s involvement; and maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year PHA Plan. The 5-Year PHA Plan provides the PHA’s mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families and the progress made in meeting the goals and objectives described in the previous 5-Year Plan.

Public reporting burden for this information collection is estimated to average 1.64 hours per year per response or 8.2 hours per response every five years, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.



10400 Detrick Avenue  
Kensington, MD 20895-2484  
(240) 627-9400



**Fiscal Year (“FY”) 2025 Five-Year Public Housing Agency (“PHA”)  
Plan Submission  
Housing Opportunities Commission of Montgomery County  
 (“HOC”)**

Narrative and Additional Information

## **A1: PHA Information**

The Public may view the Fiscal Year 2025 Five-Year PHA Plan and supporting documentation and obtain information regarding any of the activities outlined in this plan at HOC’s website, [www.hocmc.org](http://www.hocmc.org), or any HOC office.

**Kensington Headquarters**

10400 Detrick Avenue  
Kensington, MD 20895

**HOC Service Center (Derwood)**

8005 Gramercy Boulevard Suite #200  
Derwood, MD 20855

**HOC Silver Spring Customer Service Center**

880 Bonifant Street  
Silver Spring, Maryland 20910

**HOC East Deer Park Office**

231 East Deer Park Drive  
Gaithersburg, Maryland 20877

Documents available for public view and comment are as follows:

1. Form HUD-50077-ST-HCV-HP: PHA Certification of Compliance with the PHA Plans and Related Regulations;
2. HUD Form 50077-CR: Civil Rights Certification;
3. Resident Advisory Board PHA Plan Endorsement Letter (when available);
4. Form HUD 50077-SL: Certification by State or Local Official of PHA Plan’s Consistency with the Consolidated Plan or State Consolidated Plan;
5. HOC’s FY 2020-2024 Five Year PHA Plan and FY 2024 Annual PHA Plans;

6. Housing Choice Voucher Administrative Plan;
7. Housing Choice Voucher Family Self Sufficiency (“FSS”) Action Plan;
8. Public Housing Admissions and Continued Occupancy Policy;
9. HOC’s Grievance Procedures;
10. Public Housing Capital Fund Program Five-Year Action Plan: 2017-2021; and
11. HOC’s Violence Against Women Act Policy.

Pursuant to Section 511 of the Quality Housing and Work Responsibility Act of 1998 and the regulations in 24 CFR part 903, HOC is required to establish a Resident Advisory Board (“RAB”). The RAB is composed of individuals who reflect and represent the residents assisted by HOC. Their role is to assist HOC in developing the PHA Plan. The RAB reviewed the proposed FY 2025 Five-Year PHA Plan and provided a letter of endorsement. The letter of endorsement is available to the public as indicated above.

This FY 2025 Five-Year PHA Plan included a minimum 45-day public comment period, which began February 16, 2024, and culminated with a public hearing on April 2, 2024. HOC provided opportunities to submit public comments via phone, mail, and email. Interested parties were invited to attend the public hearing in person or virtually. Details were posted on HOC’s website at [www.hocmc.org](http://www.hocmc.org) and made available at the physical office locations listed above.

## **B.1: Mission**

It is HOC’s vision that everyone in Montgomery County has access to the safe, affordable, high-quality housing, and the attendant services needed to reach their fullest potential.

HOC exists to provide people with low- and moderate- incomes the opportunity to live in high-quality, safe, and affordable housing in Montgomery County. We strengthen families by offering opportunities for personal and economic growth through partnerships and supportive services.

Guiding HOC’s housing initiatives are core values that underscore a commitment to effective action and positive community impact. HOC prioritizes a people-first approach, encouraging dignity and respect in every interaction involving staff and customers.

Recognizing staff as our most valuable asset, HOC invests in its success, fostering a supportive work environment, which contributes to maintaining HOC’s status as a leading and dedicated PHA. Accordingly, customer service is key to HOC’s operation, with staff encouraged to be communicative, collaborative, and prompt in their dealings with customers.

In the pursuit of addressing the needs of those seeking safe affordable housing, HOC embraces an innovative and entrepreneurial mindset. This engages partnerships and effective use of technology

towards building a robust housing portfolio, and incentivizing the economic mobility of its customers. HOC actively collaborates with community-based, public, and private sector organizations to deliver the resources and services customers need to feel empowered in their securing housing and achieving economic independence.

HOC's commitment extends to community-enhanced housing, emphasizing that development, construction, and renovation efforts not only provide housing, but also contribute to building greater communities and sustainable neighborhoods. This purpose is ingrained in every aspect of work at HOC. HOC advocates for equitable access to quality housing, acknowledging and addressing systemic barriers that disproportionately affect minority communities. HOC is committed to fostering diversity, equity, and inclusion as significant aspects of company-culture.

Responsible stewardship is a cornerstone of HOC's overall ethos, with HOC recognizing the significant responsibility with which it has been entrusted, and striving to be commensurately prudent in its management of housing resources. HOC is dedicated to creating and maintaining access to safe, sustainable affordable housing throughout Montgomery County, remaining transparent and accountable as an agency in this pursuit. It upholds the public's trust by being results-driven and strategic to safeguard HOC's efficient function in the provision of valuable housing services to the community. Its core values guide its action, shaping a mission-driven organization committed to producing a lasting positive impact for our community.

## **B.2: Goals and Objectives**

This Plan sets forth HOC's goals and objectives for serving the needs of low-, very low-, and extremely low-income families in Montgomery County, Maryland over the five-year period of FY 2025 through 2029. HOC has three overarching Goals: 1) Expanding affordable housing in Montgomery County, 2) Enhancing the lives we touch through supportive Services and partnerships, and 3) Excelling as a World-Class Organization. HOC strives to provide the greatest number of quality affordable housing opportunities possible. HOC also provides supportive services to its families, including youth, elderly, and disabled individuals. Through a comprehensive and strategic approach, HOC hopes to make significant strides in advancing housing accessibility and affordability within our community over the next five years.

## Agency Goals:

- HOC is exploring new ways to use local funding to expand the housing subsidies it is able to offer. Through its Five-Year Strategic Plan for 2024-2029, the Commission has adopted goals to expand the availability of rental assistance subsidies for Montgomery County residents. These goals include working with federal, state, and local partners to provide more resources so that existing programs can serve more people; ensuring that HOC's policies, processes, and procedures are optimized to maximize available resources; and exploring the creation of a new "direct" rental assistance program. A direct rental assistance program would provide subsidy directly to the tenant, who would then be responsible for paying rent. HOC staff is in the early stages of exploring the feasibility, program design, and possible funding sources for such a program, and plans to engage with the RAB and other customers in the coming months for their input on this concept.
- HOC seeks to bolster its Fatherhood Initiative program, promoting family stability within our communities. The Fatherhood Initiative is a federally funded program designed to improve families by improving fathers. HOC is currently in its second five-year funding cycle (9/30/20-9/29/25). Each Grant Year has an approved budget of \$998,000. In order to continue to receive funding, HOC must meet its Enrollment Target for the given grant year. For the current Grant Year (9/30/23-9/29/24), HOC's target enrollment is 356. HOC currently has 103 enrollees (28.9% of the target). Based on past and present enrollment performance, HOC expects to meet the target enrollment for Grant Year 2024 and beyond. Progress of HOC's Fatherhood Initiative program is highlighted below.
- HOC will continue its delivery of affordable housing through renovations of existing properties within its portfolio and new-construction projects where possible by leveraging creative financing solutions.
- **Housing Production Fund:**
  - The County Council collaborated with HOC to create a \$100 million revolving Housing Production Fund to produce 6,000 new housing units over 20 years.
  - This fund allows the construction of mixed-income/mixed-use new communities with at least 30% of units at affordable rents. The 30% affordable component includes at least 20% of the units to be set at 50% of the AMI and 10% of the units to be set at or below Montgomery County's Moderately Priced Dwelling Unit ("MPDU") income limits of 65% to 70% of the area median income ("AMI"). HOC is able to utilize these



funds without relying on Low Income Tax Credits (“LIHTC”) or state ceiling Volume Cap.

- The minimum affordability requirements for the Housing Production Fund are designed to provide a floor that ensures each project will produce affordable units while allowing flexibility for varying financial constraints in different projects. In each project, the Commission seeks to increase affordability whenever possible. For example, the Laureate, the first Housing Production Fund project, which was completed in 2023, achieved 25% of the units restricted to households with incomes at or below 50% of the AMI and 5% at MPDU AMI levels.
- Project loans have a 5-year term. After the project is built, the loan is repaid and proceeds are again available for the next project.
- This fund helps HOC to create affordable units without scarce federal housing subsidies and other limited financing sources, such as LIHTCs.
- Projects financed through the Housing Production Fund also take into consideration the need for affordable housing in particular areas, as well as holistic community goals like green space, sustainability, universal design, community-serving retail, transit and pedestrian infrastructure, and the need for more family-sized units.
- HOC ownership also provides enhanced tenant protections for all residents, including market rent and allows access to wrap-around services.
- More information on the Housing Production fund can be found on [HOC’s website](#).

## Public Housing (“PH”):

HOC ~~no longer owns or operates PH units~~ converted its previous PH portfolio to more efficient forms of subsidy through HUD’s RAD program, but has elected not to close its PH program, as it currently has approximately \$280,000 of funds remaining in its PH Capital Fund Program (“CFP”) budgeted through HUD’s EPIC system. HOC is exploring use of its Faircloth Limit in future development through the Department of Housing and Urban Development’s (“HUD”) Rental Assistance Demonstration (“RAD”) program, specifically the Faircloth-to-RAD (“F2R”) financing tool. Remaining CFP funds may be included in the capital stack of a future development. A PHA’s Faircloth Limit is determined by the allowable number of PH units established by Congress in 1998 and approved as of October 1, 1999. HUD created the F2R tool for PHAs to leverage their existing PH Faircloth Authority to create new federally assisted housing through the RAD program. The program allows PHAs to access financing for the development of new deeply affordable units.

HOC has approximately 700 potential units of capacity under its Faircloth Limit, and is exploring its options to leverage this financing tool to provide additional affordable housing options in connection with future

developments. HOC analyzes the financial viability of using this tool with its development projects and intends to implement where feasible. Below is the first of such projects for HOC:

➤ **Springvale Terrace (Silver Spring, MD):**

- Springvale Terrace, located at 8505 Springvale Road Silver Spring, MD 20910, is an existing senior property (100% affordable) independent of HOC that has been unable to achieve stabilized occupancy for many years due to its small unit sizes and the current affordable assisted living model.

Enterprise Community Development (“**ECD**”) has entered a partnership with Seabury Resources for Aging (“**Seabury**”) to redevelop this property to include more than 230 affordable senior units as an active adult community. HOC plans to provide Project Based Section 8 rental assistance for up to 48 units via F2R to the Springvale Terrace project. The F2R subsidy may be placed in the form of Project Based Voucher (“**PBV**”) or Project Based Rental Assistance (“**PBRA**”)—HOC is proposing PBRA. HOC’s Board of Commissioners approved the plan to submit the F2R Application for Springvale Terrace at its December 2023 meeting.

The F2R units at this property may decrease projected net operating income available to service senior debt. Fortunately, the Montgomery County Department of Housing and Community Affairs has committed to providing the additional funding to offset all of the loss in senior debt proceeds (estimated at \$1.7MM) from the county’s Housing Initiative Fund (“**HIF**”). This project will also be financed in part by the LIHTC program. Construction on this property is scheduled to begin during December 2024.

HOC will continue to provide updates of the planning and progress of this project through HOC’s subsequent Annual PHA Plans, as well as any other future F2R projects as they develop.

**Housing Choice Voucher (“HCV”) Program (Tenant- and Project-based Programs):**

➤ **Housing Opportunity through Modernization Act of 2016 (“HOTMA”):**

- Pursuant to HOTMA 2016 and subsequent Public and Indian Housing (“**PIH**”) Notices, HOC’s Housing Resources Division is working to implement HOTMA 2016 provisions 102, 103, and 104 by the required timeframe of January 1, 2024 to January 1, 2025. Compliance with HOTMA 2016 will include implementation of the new rules and corresponding reporting in HUD’s new Housing Information Portal (“**HIP**”). The

HOTMA updates are intended to streamline administrative processes and reduce burdens on PHAs and private owners.

**Section 102:** Updates requirements related to income calculation and reviews. The following are some examples of the updates (not all inclusive):

- **Hardship Relief:** Creates hardship relief for: childcare; health and medical care; and attendant care and auxiliary apparatus expense deductions.
- **Imputed Income from Assets:** Raises the threshold from \$5,000 to \$50,000 (adjusted annual for inflation) for when income from assets must be imputed.
- **Income and Asset Exclusions:** Codifies additional income and asset exclusions.
- **Income Reviews:** Income determinations will be made using anticipated income for new admissions and interim re-examinations, and prior-year income for annual re-examinations. It also establishes a 10% adjusted income increase/decrease threshold for conducting interim re-examinations.
- **Mandatory Deductions:** Increases the elderly/disabled family deduction to \$525 (adjusted annually for inflation). The dependent deductions remains at \$480, but will also be adjusted annually for inflation.
- **Self-Certification of Assets:** Allows self-certification of net family assets if estimated to be equal to \$50,000 or less.

**Section 103:** Creates new limitations on tenancy and program participation for formerly income-eligible families residing in PH with incomes over the newly created over-income limit. This provision does not apply to multifamily housing programs. This provision will not apply to HOC because we no longer own or operate PH units.

**Section 104:** Updates asset limits for eligibility and continued assistance.

- **Asset Limits:** HOTMA implements an asset limit of \$100,000, and/or for families that own real property suitable for occupancy, for program eligibility. The limits must apply at the time of new-admission, but PHAs have flexibility with implementing at annual and interim re-certifications.

Implementation will include the following:

- Development of a timeline of required actions, including the PHA Compliance Date based on program software compliance and the HIP reporting

requirements. Note: HOC uses Yardi Voyager as its software provider and is waiting on their implementation date.

- Updates to program documents:
  - Administrative Plan
  - Forms
- Notification of staff and customers.
- Staff training.

➤ **National Standards for Physical Inspection of Real Estate (“NSPIRE”):**

- HOC’s Housing Resources Division is working to implement the new NSPIRE inspection standards in its HCV program prior to October 1, 2024. The new standards prioritize health, safety, and functional defects over appearance to more efficiently assess the physical condition of properties. Implementation of the new INSPRE standards include:

- Updates to program documents:
  - Administrative Plan
  - Inspection forms/materials
- Staff training.
- Landlord communication/notification.

➤ **New voucher award implementation:**

- HOC is unable to predict when HUD will release Notices of Funding Availability (“NOFA”) for additional vouchers, but HOC monitors HUD notifications and is always proactive in taking advantage of any opportunity to increase its portfolio and provide additional affordable housing opportunities throughout Montgomery County. As indicated in the Progress section below, HOC applied for and received additional Emergency Housing Vouchers, Stability Vouchers, and Incremental Vouchers during the period covered in the progress section. HOC continues to grow its HCV portfolio wherever possible and will continue to lobby for new vouchers.

## **Other Current and Future Affordable Housing Opportunities:**

HOC collaborates with Federal, State, Local, and private entities, to provide the greatest number of affordable housing opportunities to Montgomery County residents. HOC’s Real Estate Development (“RED”) team is able to accomplish this by leveraging Federal, State, Local, Agency, and private funds to

add to, and improve, Montgomery County’s affordable housing stock through the acquisition, production, and preservation of affordable housing units throughout the county. In addition to federal sources such as LIHTC, PBV, PBRA/RAD, and Federal Housing Administration (“**FHA**”) Risk Share, HOC utilizes the local Housing Production Fund (see above) to fill financing gaps.

HOC’s RED team utilizes a creative financing approach that leverages any financial tool or resource to maximize affordable housing potential. As a developer, HOC is constantly planning renovations of existing properties and the creation of new properties in order to provide quality affordable housing opportunities throughout the County. HOC also acquires properties for the purpose of preserving affordable housing or creating new affordable housing opportunities. Below is a list of current and future projects HOC’s RED team anticipates completing during the five-year period of this report.

➤ **Hillandale Gateway (Silver Spring, MD):**

Early construction for this new property started in July 2023. The vertical construction is scheduled to start in April 2024. HOC anticipates that construction will be complete in August 2026. The property will be financed in part through the LIHTC program.

- Unit Breakdown:
  - 463 Multifamily Units (two buildings):
    - Multifamily Units: 308
      - LIHTC Units: 93
    - Multifamily Elderly Units: 155
      - LIHTC Units: 155

➤ **Garnkirk Farms (Clarksburg, MD):**

Construction for this new property is scheduled to begin during December 2024. This project represents the multifamily component of a larger development, which includes single family detached units and townhouses. It will be financed in part through the LIHTC program.

- Unit Breakdown: Multifamily
  - Total Units: 184
    - LIHTC: 128

➤ **Metropolitan (Bethesda, MD):**

HOC is in the process of securing financing to renovate all units and common areas, including all systems and water piping, at this property through a refinance and LIHTC re-syndication. This property includes thirty-eight (38) PBV units. The main renovations for this property are scheduled to begin during December 2024. HOC has selected a general contractor and is preparing an application to the state for a LIHTC allocation. Additionally, the property is

currently undergoing separate roof and brickwork repairs. The current repairs are scheduled for completion during January 2024.

- Unit breakdown:
  - 308 total units:
    - LIHTC Units: 92
      - PBV Units: 38

➤ **Wheaton Gateway (Wheaton, MD):**

This is a new-construction property, which will consist of three buildings, totaling approximately 770 units. HOC is in the early planning stages of this project and financing and affordability components have yet to be determined. HOC submitted a request for proposal (“RFP”) to procure pre-construction and construction services in November 2023. HOC expects to submit an RFP for the General Contractor in February 2024.

➤ **West Side Shady Grove (Building B):**

This property is the second phase of construction (the first being the Laureate). Construction is slated to begin during November/December 2024. HOC is currently working through Site Plan Approval and Permit Submission, and is scheduled to complete both by July 2024. This property will be funded using the County’s Housing Production Fund.

- Unit Breakdown:
  - Total Units: 413
    - 20% Moderately Priced Dwelling Units at 50% AMI: 124
    - 10% HOC Workforce Housing at 65% AMI: 42

## B.3: Progress Report

The following section highlights progress HOC has made towards serving the needs of low-, very low-, and extremely-low income families throughout Montgomery County, Maryland from FY 2020 through 2024. This section includes a recap on HOC’s PH conversion; HCV Activity; other renovation development and acquisition projects; as well as general agency progress, which contributed to HOC’s affordable housing portfolio.

### Public Housing:

As mentioned in previous Plans, beginning in FY 2014 and ending in FY 2020, HOC used the RAD program to convert its PH portfolio to **more efficient subsidies in the form of Section 8 PBRA and PBV units**. HOC’s

conversion included 877 units (11 properties). All 877 units/tenants received some form of subsidy because of the conversion. **HOC continues to administer these updated subsidies.** As of the completion of HOC's RAD conversions, no PH units remain in HOC's portfolio, however, its PH program remains open due to remaining CFP funds, which HOC may use in the capital stack in future F2R developments, as indicated above.

## **Housing Choice Voucher/Project Based Voucher Programs/Family Self-Sufficiency/VAWA:**

### Project Based Voucher Program:

HOC currently operates a PBV program within its HCV program. The rules governing HOC's PBV program are enumerated in Chapter 22 of HOC's Administrative Plan for the HCV program. In accordance with the Code of Federal Regulations ("CFR") at 24 CFR 983.6 and HOC's Administrative Plan, the maximum amount of PBV assistance that HOC may provide is up to twenty (20) percent of the HCV program baseline, currently 7,770. HOC currently has 860 PBV units located throughout Montgomery County, MD, including Silver Spring, Aspen Hill, Bethesda, Montgomery Village, Gaithersburg, Rockville, Germantown, Chevy Chase, Wheaton, Takoma Park, Clarksburg, and Boyds. In addition to the PBV subsidies included above, HOC's PBV portfolio includes 330 units granted through RAD and HOTMA.

#### ➤ **Town Center Apartments (Rockville, MD) (RAD Component Two Conversion):**

In 2019, this senior property initially underwent a Section 236 RAD Component Two Conversion to PBV. The original Housing Assistance ("HAP") contract for sixty-two (62) senior housing apartments was effective July 1, 2019. As part of HOC's ongoing commitment to enhance communities and provide stronger opportunities to customers living at Town Center Apartments, HOC completed the new construction of a senior property, Residences on the Lane (formerly Upton II), in downtown Rockville. Residences on the lane served as the replacement property for the residents of Town Center Apartments, however, HOC was unable to transfer the original PBV HAP contract to the new property. All affected residents were issued tenant-based protection vouchers and provided the opportunity to relocate to Residences on the Lane. Residences on the Lane consists of 150 total units, of which, 135 are restricted under the LIHTC program. Twenty-two (22) of the LIHTC units also receive PBRA subsidy. Construction of Residences on the Lane was completed in October 2021 and was financed in part by the LIHTC program.

➤ **Stewartown (Gaithersburg, MD) (RAD Component Two Conversion):**

In FY 2019, this property underwent a RAD Component Two conversion from Section 236 Rental Assistance Payments (“**RAP**”) to PBV. Nineteen (19) existing RAP subsidies were converted to PBV. HUD also approved HOC for 37 Low Vacancy Vouchers (“**LVV**”) as project-based tenant protection vouchers for residents without the Section 236 RAP subsidy. The LVV subsidies went into effect in October 2019. The 19 PBV and 37 LVV subsidies are now administered under HOC’s HCV program. This property is financed in part by the LIHTC program. Renovations for this property are complete as of November 2022 and all residents have successfully relocated back to the property.

➤ **The Leggett (Formerly Elizabeth House III) (Silver Spring, MD) (RAD Component One Conversion):**

This new-construction senior property, consists of 267 total senior units, of which, 238 are restricted under the LIHTC program. HOC utilized a Public Housing RAD/Section 18 Disposition blending option as part of its RAD conversion for this property. This resulted in the addition of 26 project-based tenant protection vouchers for HOC’s HCV program. These vouchers went into effect May 1, 2019. The affordable component of this property also includes 80 PBRA subsidies. Construction reached substantial completion in February 2023. This is HOC’s final RAD conversion property and HOC is set to complete the RAD closeout by February 2024.

➤ **Revitz House (Rockville, MD):**

In FY 2020, HUD awarded HOC 121 LVV project-based tenant protection vouchers associated with Revitz House, an elderly property located at 6111 Montrose Road Rockville, MD 20852. HOC does not own this property, but HOC administers the LVVs under its HCV program.

➤ **Bauer Park (Rockville, MD) (RAD Component Two Conversion):**

In FY 2020, this senior property underwent a RAD Component Two conversion from Section 236 RAP to PBRA. HOC received 56 PBRA subsidies to replace the existing Section 236 RAP subsidies. HOC also received 65 LVV project-based tenant protection vouchers for the tenants without RAD subsidies. These LVVs are now under HOC’s HCV program. Renovations for this property are complete as of February 2023. This property was also financed in part through the LIHTC program.

➤ During FY 2021, and pursuant to the PBV regulations outlined in 24 CFR 983, PIH Notice 2017-21, and HOC’s HCV Administrative Plan, HOC posted an RFP for its HCV program to project-base 100 units using a competitive selection process. HOC successfully project-based all 100 units



throughout Montgomery County, including properties located in Silver Spring, Bethesda, Rockville, Wheaton, Germantown, Clarksburg, and Gaithersburg.

Tenant-Based Vouchers:

➤ **Emergency Housing Vouchers (“EHV”):**

Pursuant to President Biden’s American Rescue Plan (“ARP”) signed into Law on March 11, 2021, in response to the ongoing impact of the COVID-19 pandemic, the ARP appropriated five (5) billion dollars for new and renewal EHVs. HOC was awarded one hundred eighteen (118) EHVs based on HUD’s assessment of the number of homeless persons in Montgomery County and HOC’s operational capacity to quickly lease the EHV families. EHVs specifically targeted one of the four eligibility criteria below:

1. Homeless,
2. At Risk of homelessness,
3. Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking,
4. Recently homeless and for whom providing rental assistance will prevent the family’s homelessness or having high risk of housing instability.

These applicants are not selected through HOC’s waitlist, but are referred directly by the Continuum of Care (“CoC”), which for HOC, is the Department of Health and Human Services (“HHS”). HOC entered a Memorandum of Understanding with HHS on July 29, 2021.

➤ **Stability Vouchers (“SV”):**

Pursuant to PIH Notice 2022-24: Stability Voucher Program, HUD awarded HOC 25 SVs in June 2023. These vouchers were set aside with the goal of ending homelessness in the PHA’s jurisdiction. Applicants do not come from HOC’s electronic waitlist, but are referred by the CoC through HHS. Applicants must meet one of the following eligibility categories:

- Homeless,
- At risk of homelessness,
- Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking, and
- Veterans and families that include a veteran family member that meet one of the preceding criteria.

➤ **Incremental Vouchers:**

The Consolidated Appropriations Act of 2023 made available \$50 million to award approximately 4,000 new HCVs to PHAs with 2022 utilization rates in the highest 25%, or above the national 75<sup>th</sup> percentile rate of 95.08%. HOC was awarded 42 Incremental HCVs. HOC adopted a preference for families experiencing homelessness for this group of vouchers. As a result, HOC implemented the required updates to its HCV Administrative Plan.

Payment Standards:

HOC received special approval from HUD to increase its payment standards for two years during the period covered on this report.

- **2023:**
  - Pursuant to PIH Notice 2022-30 (Extension of Certain Regulatory Waivers for the Housing Choice Voucher Program and Streamlined Review Process), HOC requested the “Voucher Tenancy” (New Payment Standard Amount: PHAs may establish payment standards from 111%-120% of the applicable Fair Market Rent (“FMR”)) waiver. HUD approved HOC to increase its payment standards to 112% for 2023. As a result, HOC reduced rent burden for 856 families, or 80% of rent burdened families, while maintaining a recommended reserve balance of 4%-6%.
  
- **2024:**
  - Pursuant to PIH Notice 2023-29 (Certain Regulatory Waivers for the Housing Choice Voucher (including Mainstream) Program and Streamlined Review Process), HOC proposed a voucher payment standard of 117%, which requires HUD approval. This would reduce rent burden for 1,297 families or 23% of rent-burdened households. Additionally, this will allow families greater access to high-opportunity areas while increasing program utilization, and will allow HOC to maintain a reserve balance of 4.3% of HOC’s Annual Budget Authority. HOC’s board of Commissioners and HUD have approved this increase.

Family Self Sufficiency Program:

HOC’s FSS program began in February of 1993, subsequent to HUD’s approval of HOC’s initial FSS Action Plan. HUD published the *Streamlining and Implementation of Economic Growth, Regulatory Relief and Consumer Protection Action Changes to Family Self Sufficiency Program Final Rule* on May 17, 2022,

effective June 16, 2022. The Final Rule mandated changes to the FSS program that required implementation no later than November 14, 2022. These changes required updates to HOC's existing FSS Action Plan, which describes the policies and procedures used to operate the FSS program. HOC received HUD approval on September 26, 2022. Updates to HOC's FSS Action Plan included mandatory regulatory changes and discretionary updates. The updates to HOC's FSS Action Plan went through the required public comment period, received RAB endorsement, and were ultimately approved by HOC's Board of Commissioners.

#### Violence Against Women Act ("VAWA") Updates:

In FY 2023, in accordance with the Violence Against Women Act of 2013 (Public Law 113-4, 127 Stat. 54, approved March 7, 2013, at 127 Stat. 101), and subsequent HUD Housing Notice 2017-05 and PIH Notice 2017-08, HOC updated its VAWA Policy and Transfer Plan. Updates to HOC's policy were approved by HOC's Board of Commissioners. These updates also required updates to HOC's HCV Administrative Plan, which went through the proper public comment period, RAB endorsement, and Commissioner approval process. The updates are outlined below:

- Inclusion of HUD and non-HUD housing programs.
- Addition of LIHTC to the list of covered programs.
- Requirement for all HOC Tenant Selection Plans to include policies and procedures covering VAWA protections.
- Updates to wording of VAWA Accommodation Requests, including examples of accommodations, method to submit a request, required documentation, and record retention.
- Emergency VAWA transfers under the HCV program (tenant and project-based vouchers).

#### **Other Affordable Housing Rehabilitation and New-Construction Opportunities:**

Below is a list of additional affordable housing projects/efforts HOC has completed during the period of FY 2020 Through FY 2024. These projects are managed by HOC's RED team.

➤ **Bradley Crossing (Chevy Chase, MD):**

In May 2021, HOC purchased this property for the purpose of creating and preserving affordable housing in the high-rent zip code of 20815. HOC is exploring the use of FHA Risk Share insurance, which requires a percentage of units set aside as affordable. The affordability components below are currently in place, should HOC move forward with the FHA Risk Share insurance. HOC's Board of Commissioners also approved a resolution that included an additional affordability component of 30% of the units at 80% AMI.



- **Manor at Clopper’s Mill (Germantown, MD):** 82 Units (renovations completed October 2023)
- **Manor at Colesville (Silver Spring, MD):** 83 Units (renovations scheduled for completion in May 2024)
  
- **Laureate (Formerly West Side Shady Grove Building D) (Derwood, MD):**  
Construction for this new property reached completion in March 2023.
  - Unit Breakdown:
    - Total Units: 268
      - Moderately Priced Dwelling Units: 67
      - HOC Workforce Units: 14
  
- **Georgian Court (Silver Spring, MD):**  
Renovations for this property are complete as of December 2023. This is an existing property in HOC’s portfolio, which was renovated as part of a LIHTC re-syndication.
  - Unit Breakdown:
    - Total Units: 147
      - LIHTC Units: 147
        - PBRA Units: 29
        - HIF Units: 59
  
- **Shady Grove (Derwood, MD):**  
Renovations are complete as of December 2023. This is an existing property in HOC’s portfolio, which was renovated as part of a LIHTC re-syndication.
  - Unit Breakdown:
    - Total Units: 144
      - LIHTC Units: 144
        - PBRA Units: 144
        - HOME Units: 4

### **Other Agency Progress:**

As an agency, HOC goes above and beyond to maximize housing opportunities and supportive program activities. Below is an outline of some of the actions HOC has taken to provide quality services and opportunities to its customers over the last five years.

➤ **Real Estate Development:**

- As indicated above, HOC has developed, and continues to develop, mixed-use and mixed-income developments in Montgomery County, adding to the county's affordable housing stock.
- HOC works closely with Montgomery County Government when it comes to the production and preservation of affordable housing.

➤ **Housing Resources Division:**

- HOC's Housing Resources Division continues to improve its customer service operations through the utilization of two customer service centers, one down-county in Silver Spring, and a second up-county center in Derwood. This structure allows HOC to serve its customers more efficiently.
- In March 2020, HRD was forced to close the two customer service centers and adapt operations due to the COVID-19 Pandemic. HRD continued to provide the same level of services as pre-COVID-19. Staff adopted a temporary remote/teleworking policy to allow HRD front-line workers to continue to serve HOC's customers as efficiently as possible. This required staff to utilize electronic communications and recertification procedures, including remote voucher issuances, relocation briefings, remote landlord informational briefings, and remote informal hearings.
- Since returning to pre-COVID-19 operating conditions, HRD has adopted the following practices to maximize efficiency and modernize operations:
  - HOC began using Ecco Mail to receive incoming correspondence electronically, which allowed HRD staff to receive customer documents more timely and efficiently than the traditional mail system.
  - HRD began using Yardi's Rent Café system in July 2022, during the pandemic. Rent Café is an online portal used to perform re-certifications electronically in lieu of traditional mail. Post Pandemic, HOC utilizes a hybrid system, which uses Rent Café, but also allows for re-certifications via traditional mail if desired.
  - HRD maintained a system of virtual voucher briefings post Pandemic. This system is more efficient for both customers and staff.
- Pursuant to PIH notices 2020-33 and 2021-14, HOC adopted 28 temporary COVID-19 waivers. These waivers were the result of the Coronavirus Aid, Relief and Economic

Security (“**CARES**”) Act that President Trump signed into law on Marcy 17, 2020. These waivers allowed HOC to effectively adapt operations during the Pandemic.

- Throughout the FY 2020 through 2024 period, HRD worked assiduously to increase and maintain the utilization rate of HOC’s HCV program. HRD worked with HUD to develop a plan to increase its utilization rates. During this period, HRD compensated to account for the low response rate and slower mailing time by utilizing electronic communications. Efforts also included proactive outreach to customers whose vouchers were nearing expiration. HRD’s current leasing rate is 98%.

➤ **Inspection Services:**

- HOC’s Inspection Services Department also adapted to the COVID-19 pandemic by implementing HUD authorized COVID-19 waivers (included in the 28 waivers referenced above) and transitioning to virtual inspections in order to continue to ensure safe and appropriate housing for HOC’s HCV customers. Virtual inspections included HOC’s most vulnerable population and people leasing in place. Implementing the use of remote video inspections gave HOC the tools and experience to adapt to future emergencies in order to continue to ensure safe housing.
- Effective October 1, 2023, Inspection Services procured Gilson Inspections to provide HOC’s HCV inspection services. Inspection Services will work with Gilson to build on HOC’s current inspection operations and improve efficiency and accuracy.

➤ **Resident Services Division:**

- HOC’s Resident Services Division, which provides supportive services to HOC’s customers, including HCV recipients, was able to continue to serve customers efficiently during the COVID-19 Pandemic. This was accomplished through the use of phone and virtual platforms. Services included assessments, information, and referrals. RSD was able to provide and deliver food and other essentials to customers in need. RSD was also able to continue to provide crisis intervention services to customers as needed. Additionally, RSD continued to provide educational programs for youth, and health and wellness programs for adults and the elderly through virtual platforms.
- As discussed in previous paragraphs, HOC administers the Federally funded Fatherhood Initiative program, which is designed for men who are interested in enhancing their skills as fathers and who have children in HOC’s affordable housing programs (including



applicants on HOC’s waitlists). It is a three-week program, which includes parent/dad workshops, financial literacy, and career exploration. The program is funded by the Health Marriage/Responsible Fatherhood (“**HMRF**”) and the Family-Focused, Interconnected, Resilient, and Essential (“**FIRE**”) grants, which are sponsored by the Department of Health and Human Services Office of Family Assistance (Office of the Administration for Children and Families). Since inception in 2015 up to the creation of this report, HOC has enrolled 1,610 fathers. HOC has been able to meet its target enrollment numbers since HOC began program participation in 2015. Below are the enrollment numbers for the period of Grant Years 2020 through 2024:

- Grant Year 2020:
  - Enrollment Target: 150
  - HOC Enrollment: 151
  
- Grant Year 2021:
  - Enrollment Target: 180
  - HOC Enrollment: 190
  
- Grant Year 2022:
  - Enrollment Target: 356
  - HOC Enrollment: 364
  
- Grant Year 2023:
  - Enrollment Target: 356
  - HOC Enrollment: 359
  
- Grant Year 2024 (to date):
  - Enrollment Target: 356
  - HOC Enrollment: 103

## **B.4: Violence Against Women Act Goals**

To help meet the goals of VAWA, HOC provides support and referrals to counseling for victims of domestic violence, dating violence, sexual assault, or stalking. HOC’s partner, the Montgomery County Department of Health and Human Services, features an Abused Persons Program (240-777-4673) which provides 24-hour services, including access to counseling and shelters. HOC has an Agency-wide VAWA Policy, which

clearly defines and describes HOC's efforts to ensure that VAWA victims retain their housing assistance. HOC also assists victims with referrals to obtain restraining orders.

On November 16, 2016, HUD published a new Final Rule implementing the housing protections authorized in the Violence Against Women Reauthorization Act of 2013. ("**VAWA 2013**" or "**2013 Act**"). Despite the VAWA 2013 Final Rule's identification that a formal PHA policy is not required in order to implement the provisions of VAWA 2013, HOC's Commission chose to develop a single stand-alone VAWA policy which describes HOC's commitment to VAWA adherence and enforcement.

HOC's new VAWA Policy has the following principal goals and objectives:

- A. Maintaining compliance with all applicable legal requirements imposed by VAWA;
- B. Ensuring the physical safety of victims of actual or threatened domestic violence, dating violence, sexual assault, or stalking who are assisted by HOC;
- C. Providing and maintaining housing opportunities for victims of domestic violence, dating violence, sexual assault, or stalking;
- D. Creating and maintaining collaborative arrangement between HOC, law enforcement authorities, victim service providers, and others to promote the safety and well-being of victims of actual and threatened domestic violence, dating violence, sexual assault, or stalking, who are assisted by HOC; and
- E. Taking appropriate action in response to an incident or incidents of domestic violence, dating violence, sexual assault, or stalking, affecting individuals who HOC assists.

Additionally, HOC's new VAWA Policy states the agency's commitment to cooperate with organizations and entities, both private and governmental, which provide shelter and/or services to victims of domestic violence. If HOC staff becomes aware that an HOC assisted individual is a victim of domestic violence, dating violence, sexual assault, or stalking, HOC will refer the victim to such providers of shelter or services as appropriate. While HOC's VAWA Policy does not create any legal obligation requiring HOC either to maintain a relationship with any particular provider of shelter or services to victims or domestic violence, dating violence, sexual assault, or stalking, or to make a referral in any particular case, HOC's Emergency Transfer Plan does describe providers of shelter or other services to victims of domestic violence, dating violence, sexual assault, or stalking, with which HOC has referral or other cooperative relationships.

Lastly, HOC's new VAWA Policy incorporates and explains the agency's use of the following four HUD documents required as per the VAWA 2013 Final Rule:

- 1. Notice of Occupancy Rights under the Violence Against Women Act
- 2. Model Emergency Transfer Plan for Victims of Domestic Violence

3. Certification of Domestic Violence
4. Emergency Transfer Request for Victims of Domestic Violence

HOC's complete VAWA policy is located at [www.hocmc.org](http://www.hocmc.org).

**FY 2025-FY 2029 VAWA Goals:**

HOC anticipates updates to its VAWA Policy during this five-year period, and will continue to monitor regulations and make updates as needed to ensure HOC's VAWA Policy and practices are compliant with fair housing regulations.

## **C.1: Significant Amendment or Modification**

The following shall require the execution and submission to HUD of a Significant Amendment to HOC's current Five-Year PHA Plan:

- a. Any revision or addition to HOC policies covering demolition or disposition, designation, homeownership programs, or conversion activities; provided, however, that no Significant Amendment shall be required regarding the conversion of public housing units under RAD until HOC has detailed, property-specific plans and information on the conversion.
- b. Changes to rent (excluding changes in flat rent schedules), admissions policies, and/or organization of the wait lists.

The following shall require the execution and submission to HUD of a Significant Amendment to HOC's current CFP Five-Year Action Plan:

- a. Any revision or addition to HOC policies including, but not limited to, proposed demolition disposition, homeownership, development, or mixed finance proposals, that would constitute a material change in the allocations of CFP grant funds as identified in the current CFP Five-Year Plan.

The following shall not be deemed a Substantial Deviation from the current Five-Year PHA Plan or the current CFP Five-Year Action Plan:

- a. The decision to convert to either PBRA or PBV assistance,
- b. The date the Significant Amendment is submitted to HUD or posted to the PHA Plan website,

- c. Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, irrespective of whether the proposed conversion will include the use of additional Capital Funds,
- d. Changes to the construction and rehabilitation plan for each approved RAD conversion,
- e. Changes to the financing structure for each approved RAD conversion, and
- f. De minimus (less than ten percent (10%)) changes in the number of Assistance Transfer Units.

## C.2: Resident Advisory Board (RAB) Comments

TBD-Please see attached document.

## C.3: Certification by State or Local Officials

Please see attached form.

## C.4: Required Submission for HUD FO Review

Did the **RAB public** have comments to the Five-Year PHA Plan?

TBD

## D.1: Affirmatively Furthering Fair Housing

HOC has not been required to submit an Assessment of Fair Housing; however, as a PHA, HOC takes fair housing very seriously. HOC is constantly reviewing its policies, procedures, and practices to ensure compliance with all fair housing laws and standards. Below are some examples of HOC's efforts to enhance its fair housing practices.

### **1. Reasonable Accommodations:**

HOC recently initiated the process of transferring its reasonable accommodation request processing responsibilities from its Compliance Division to its Legal Division. In December of 2023, HOC hired an ADA/504 Manager to oversee such programs and activities. The separation from the Compliance Division is intended to allow staff to focus their attention and experience on related fair housing activities.

### **2. Language Access Plan:**

HOC has worked to develop and effectively implement a comprehensive Language Access Plan. HOC's Compliance Division is currently performing a review of its current Plan and practices to determine where improvements can be made, including any updates on guidance or regulations. The review will also include updates to the statistics included in HOC's current Plan. Other recent improvements to HOC's LAP include:

- i. Increased enforcement of staff training and tracking. HOC staff are required to take the LAP training at the time of starting employment with HOC and a minimum of every five years after.
- ii. Development of an internal Language Access Plan intranet page, where staff can access all relevant documents, forms, and resources. Staff are also expected to report instances of experiences with Limited English Proficient ("LEP") individuals in order to better predict barriers to access and participation to HOC's opportunities and programming.
- iii. HOC implemented an external-facing feature on its website for customers and the public to request translation services.

### **3. Applicant Screening Procedures:**

HOC's Compliance Division periodically works with the Property Management, Housing Resources Division (HCV), third party management companies, and other related entities to review and monitor, update, and improve HOC's applicant screening procedures. HOC strives to maintain the screening standards set forth by HUD, including disparate impact. HOC also complies with Montgomery County's screening requirements and guidance, including the Montgomery County Housing Justice Act.

**4. Website Redesign:**

HOC is currently redesigning its website and this includes ensuring it is compliant with all accessibility requirements.

**5. VAWA:**

As mentioned throughout this Plan, HOC has made recent updates to its VAWA Policy and intends to continue reviewing and updating it based potential improvements and updated guidance.

**6. Other Considerations:**

HOC is looking into potential forms of owner/landlord discrimination in relation to its HCV program participants. HOC typically refers its customers to the Montgomery County Commission on Human Rights and/or Landlord Tenant Affairs, as these issues are typically enforced by the County. HOC recognizes the impact this might have on voucher participants, chief of which is a barrier to locating and maintaining safe and stable housing, and is investigating ways to mitigate this impact on its program participants.



**RESIDENT ADVISORY BOARD**  
Housing Opportunities Commission  
10400 Detrick Avenue  
Kensington, Maryland 20895

**Irma Washington**  
*President*

**Adam Pinchuck**  
*Vice President*

**Dawna Phillips**  
*Secretary*

**Denise Anderson**  
*Parliamentarian*

**Vacant**  
*Treasurer*

**Members**  
*Alafia Fortune*  
*Barbara Hampton*  
*Linda Farewell*  
*Lisa Rae Brooks*

March 18, 2024

Ms. Chelsea J. Andrews  
*President*  
Housing Opportunities Commission  
10400 Detrick Avenue  
Kensington, Maryland 20895

**RE: Endorsement of Federal Fiscal Year 2025 (HOC Fiscal Year 2025) Five-Year Public Housing Agency Plan**

Dear Ms. Andrews:

This letter certifies that the Resident Advisory Board ("**RAB**") to the Housing Opportunities Commission ("**HOC**") of Montgomery County reviewed and discussed the proposed Fiscal Year ("**FY**") 2025 Five-Year Public Housing Agency ("**PHA**") Plan. Please be advised that the RAB fully supports and endorses the proposed PHA Plan.

The RAB is pleased with the Agency's plans to address the needs of low-, very low-, and extremely low-income families within Montgomery County, including the exploration of creative subsidy options, the Montgomery County Housing Production Fund, supportive services, and the addition of affordable housing units through renovations of existing properties and construction of new properties using creative financing solutions.

The RAB is excited for the future projects outlined in the "Goals and Objective" section. These projects are critical to HOC's mission and the sustainable development of Montgomery County.

The RAB is also impressed by the achievements accomplished over the period covered in the previous FY 2020 Five-Year PHA Plan (FY 2020-FY 2024), including the addition of Project-Based Vouchers and tenant-based vouchers to HOC's portfolio. The twelve other acquisition, renovation, and new-construction projects highlighted also provided a significant number of affordable housing units to the County.

The RAB also appreciates HRD's utilization of HUD's approval to increase the payment standards above standard levels in order to reduce rent burden and allow voucher holders to rent units in higher-rent areas. Also of note, was HRD's accomplishment of a 98% utilization rate.





The demand for affordable housing in Montgomery County remains far higher than the supply, as evidenced by the 38,503 active applicants on HOC's affordable housing wait list. It is imperative that HOC continue to provide affordable housing opportunities to residents, not only through the HCV program, but also through the preservation and development of affordable housing units in its portfolio.

Sincerely,

*Irma Washington - March 18, 2024*

Irma Washington  
RAB President



## **HOUSING OPPORTUNITIES COMMISSION FISCAL YEAR (“FY”) 2025 FIVE-YEAR PUBLIC HOUSING AGENCY (“PHA”) PLAN RESIDENT ADVISORY BOARD (“RAB”) COMMENTS**

Section 511 of the Quality Housing and Work Responsibility Act of 1998 and the regulations in 24 CFR part 903, HOC is required to establish a RAB. The RAB is composed of individuals who reflect and represent the residents assisted by HOC. Their role is to assist HOC in developing the PHA Plan.

HOC’s Compliance Division met with the RAB on Monday, February 26, 2024 to present and discuss the proposed FY 2025 Five-Year Public Housing Agency Plan and provided a copy for review. The RAB subsequently scheduled a meeting to discuss the Plan before providing comments and an endorsement letter. The RAB submitted their final comments on Monday, March 18, 2024 and an endorsement letter on Tuesday, March 19, 2024. Below is a summary of the comments submitted by the RAB and HOC’s analysis and response.

### **Plan Process Feedback:**

- **RAB Comment One:** The RAB suggested that the notice be submitted through five additional methods: (1) Emailed to all residents with emails, (2) Mailed to those without email, (3) Posted at all properties, (4) Posted in free publications, and (5) Posted on HOC’s X and Facebook Accounts (social media).
  - HOC Comments:
    - 1) HOC will consider the feasibility of this approach in the future.
    - 2) HOC will consider the feasibility of this approach in the future.
    - 3) HOC agrees with this recommendation and has implemented for this FY 2025 Plan and going forward.
    - 4) HOC agrees with this recommendation and began researching free publications in Montgomery County. HOC will implement this request going forward.
    - 5) HOC agrees with this recommendation and posted the FY 2025 plan notification on its Facebook, LinkedIn, and X accounts pages.
  
- **RAB Comment Two:** The RAB suggested that the public hearing be held in the evening in addition to, or instead of, the day meeting to accommodate residents’ work schedules.

- **HOC Response:** HOC agrees with this recommendation and will implement going forward. HOC received this comment after posting the FY 2025 Plan public notice and was unable change the date/time of the public hearing for this year’s Plan.
- **RAB Comment Three:** The RAB suggested that the public notice be posted in all languages spoken by HOC customers.
  - **HOC Response:** HOC translates vital documents according to its Language Access Plan. The primary language for document translation is currently Spanish. HOC advertised the Plan and public hearing information in the Washington Hispanic on February 16, 2024, and it ran through February 23, 2024. HOC’s website has a section for Language Access where customers can submit a request for a translator or interpreter. HOC received this comment later in the process and was not able to implement with the FY 2025 Plan, but will consider ways to improve its notification in relation to language access for future advertisements and website postings.

**Plan Content Comments:**

- **RAB Comment One:** The RAB cited page nine of the Plan narrative (Agency Goals) and inquired as to what specific mechanisms/strategies will HOC use to expand the housing subsidies it is able to offer.
  - **HOC Response:** Through its Five-Year Strategic Plan for 2024-2029, the Commission has adopted goals to expand the availability of rental assistance subsidies for Montgomery County residents. These goals include working with federal, state, and local partners to provide more resources so that existing programs can serve more people; ensuring that HOC’s policies, processes, and procedures are optimized to maximize available resources; and exploring the creation of a new “direct” rental assistance program. A direct rental assistance program would provide subsidy directly to the tenant, who would then be responsible for paying rent. HOC staff is in the early stages of exploring the feasibility, program design, and possible funding sources for such a program, and plans to engage with the RAB and other customers in the coming months to solicit input on this concept.
- **RAB Comment Two:** The RAB cited page nine of the Plan narrative (Housing Production Fund) and asked why HOC is not seeking to explicitly set units “below” Montgomery County’s Moderately Priced Dwelling Unit (“MPDU”) income limits as opposed to “at” the MPDU limits.

- **HOC Response:** The minimum affordability requirements for the Housing Production Fund are designed to provide a floor that ensures that each project will produce affordable units while allowing flexibility for varying financial constraints in different projects. In each project, the Commission seeks to increase affordability whenever possible. For example, the Laureate, the first Housing Production Fund project, which was completed in 2023, achieved 25% of the units at 50% Area Median Income (“AMI”) and 5% at MPDU AMI levels.
- **RAB Comment Three:** The RAB cited page ten of the Plan narrative (Public Housing (“PH”)) and indicated that stating that HOC no longer owns or operates PH units may be confusing and alarming for residents. HOC should seek to better clarify, through thoughtful precursory word choice, that we still own/operate HUD subsidized properties. However, the specific funding source, titled by HUD as traditional “Public Housing”, has shifted.
  - **HOC Response:** HOC agrees with the RAB that the original wording may cause confusion. HOC updated the wording in the two Public Housing sections to indicate that the PH subsidies were converted to more efficient forms of HUD subsidy and that all previous tenants were provided subsidy and HOC continues to administer the updated subsidies.
- **RAB Comment Four:** The RAB cited page eleven of the Plan narrative (Housing Opportunity Through Modernization Act of 2016 (“HOTMA”)) and inquired about how HOC will ensure that property managers are made aware of the HOTMA rules. They also asked about how the mandatory deductions and hardship relief interplay and how the changes to medical expenses will affect customers.
  - **HOC Response:** HOTMA requires updates to the PHA’s tenant selection plans and other related documents. These documents will be provided to HOC’s third-party management agents, and will also be made available to the general public. HOC’s customers will also be notified of any changes as a result of HOTMA. HOC’s Property Management Division is currently working through the implementation of HOTMA. Pursuant to Housing Notice 2024-04, HUD granted extension to owners from 3/31/24 to 5/31/24 to update tenant selection plans and relevant documents. HOC is currently working through any discretionary HOTMA regulations.
- **RAB Comment Five:** The RAB cited page 12 of the Plan narrative (Housing Opportunity through Modernization Act of 2016) and inquired as to whether HOC will apply section 104 only to new-admissions or if this will also be implemented at annual and interim re-certifications.

- **HOC Response:** The FY 2025 Five-Year PHA Plan addresses the HOTMA updates generally. HOC is in the process of working through implementation of the HOTMA regulations, including any discretionary aspects.

HOC has reviewed the RAB comments submitted for its FY 2025 Five-Year PHA Plan and taken the appropriate action indicated above, or explained its inaction. HOC incorporated the comments and responses above into the FY 2025 Five-Year PHA Plan. HOC appreciates the RAB participation in developing its Annual and Five-Year PHA Plans and looks forward to collaborating with them in the future.

**Certifications of Compliance with  
PHA Plan and Related Regulations  
(Standard, Troubled, HCV-Only, and  
High Performer PHAs)**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2024

**PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations  
including PHA Plan Elements that Have Changed**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the   X   5-Year and/or    Annual PHA Plan, hereinafter referred to as "the Plan", of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the PHA fiscal year beginning   7/1/2024  , in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located (24 CFR § 91.2).
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments (AI) to Fair Housing Choice, or Assessment of Fair Housing (AFH) when applicable, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan (24 CFR §§ 91.2, 91.225, 91.325, and 91.425).
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA provides assurance as part of this certification that:
  - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
  - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
  - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d—4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and other applicable civil rights requirements and that it will affirmatively further fair housing in the administration of the program. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with the Fair Housing Act, title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, title II of the Americans with Disabilities Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of the program.
7. The PHA will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR § 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR § 903.7(o)(3). The PHA will fulfill the requirements at 24 CFR § 903.7(o) and 24 CFR § 903.15(d). Until such time as the PHA is required to submit an AFH, the PHA will fulfill the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions.
8. For PHA Plans that include a policy for site-based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2011-65);

- The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing; and
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR 903.7(o)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
  10. In accordance with 24 CFR § 5.105(a)(2), HUD's Equal Access Rule, the PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
  11. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
  12. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
  13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
  14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
  15. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
  16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
  17. The PHA will keep records in accordance with 2 CFR 200.333 and facilitate an effective audit to determine compliance with program requirements.
  18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
  19. The PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Financial Assistance, including but not limited to submitting the assurances required under 24 CFR §§ 1.5, 3.115, 8.50, and 107.25 by submitting an SF-424, including the required assurances in SF-424B or D, as applicable.
  20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
  21. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
  22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

**Housing Opportunities Commission**

PHA Name

**MD004**

PHA Number/HA Code

\_\_\_\_ Annual PHA Plan for Fiscal Year 20\_\_\_\_

\_\_x\_\_ 5-Year PHA Plan for Fiscal Years 2025\_\_ - 2029\_\_

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of Executive Director		Name Board Chairman	
Chelsea J. Andrews		Roy O. Priest	
Signature	Date	Signature	Date

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The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. This information is collected to ensure compliance with PHA Plan, Civil Rights, and related laws and regulations including PHA plan elements that have changed.

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.



**Certification by State or Local  
 Official of PHA Plans Consistency  
 with the Consolidated Plan or  
 State Consolidated Plan  
 (All PHAs)**

U. S Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 3/31/2024

**Certification by State or Local Official of PHA Plans  
 Consistency with the Consolidated Plan or State Consolidated Plan**

I, Pofen Salem, the Chief of the Division of Finance and Administration  
*Official's Name* *Official's Title*

certify that the 5-Year PHA Plan for fiscal years 2025-2029 and/or Annual PHA Plan  
 for fiscal year 2025 of the Housing Opportunities Commission is consistent  
 with the

*PHA Name*

Consolidated Plan or State Consolidated Plan including the Analysis of Impediments (AI) to Fair  
 Housing Choice or Assessment of Fair Housing (AFH) as applicable to the

Montgomery County Department of Housing and Community Affairs  
*Local Jurisdiction Name*

pursuant to 24 CFR Part 91 and 24 CFR § 903.15.

Provide a description of how the PHA Plan's contents are consistent with the Consolidated Plan or  
 State Consolidated Plan.

HOC's mission os to provide safe and affordable housing to Montgomery county residents. HOC  
 works with the County to address affordable housing needs throughout the County.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will  
 prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official: Pofen Salem	Title: Chief, Division of Finance and Admistration
Signature: <i>Pofen Salem</i>	Date: 3/5/2024

The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S.  
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 instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD  
 may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Civil Rights Certification**  
**(Qualified PHAs)**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB Approval No. 2577-0226  
Expires 3/31/2024

**Civil Rights Certification**

**Annual Certification and Board Resolution**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year PHA Plan, hereinafter referred to as "the Plan", of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the fiscal year beginning July 1, 2024 in which the PHA receives assistance under 42 U.S.C. 1437f and/or 1437g in connection with the mission, goals, and objectives of the public housing agency and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d—4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), title II of the Americans with Disabilities Act (42 U.S.C. 12101 *et seq.*), and other applicable civil rights requirements and that it will affirmatively further fair housing in the administration of the program. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with the Fair Housing Act, title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, title II of the Americans with Disabilities Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of the program. The PHA will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR § 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR § 903.7(o)(3). The PHA will fulfill the requirements at 24 CFR § 903.7(o) and 24 CFR § 903.15(d). Until such time as the PHA is required to submit an AFH, the PHA will fulfill the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions.

Housing Opportunities Commission  
PHA Name

MD004  
PHA Number/HA Code

I hereby certify that all the statement above, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Executive Director:	Name of Board Chairperson:
Chelsea J. Andrews	Roy O. Priest
Signature	Signature
Date	Date

The United States Department of Housing and Urban Development is authorized to collect the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 *et seq.*, and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. The information is collected to ensure that PHAs carry out applicable civil rights requirements.

Public reporting burden for this information collection is estimated to average 0.16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Budget, Finance  
&  
Audit  
Committee**

**PROCUREMENT OF PROPERTY MANAGEMENT SERVICES: NEW  
PROPERTY MANAGEMENT CONTRACTS FOR: BARCLAY LP, FAIRFAX  
COURT, FENTON SILVER SPRING, RESIDENCES ON THE LANE, SHADY  
GROVE APARTMENTS, CAMP HILL SQUARE, DALE DRIVE,  
MANCHESTER MANOR, SOUTHBRIDGE, TANGLEWOOD AND SLIGO  
APARTMENTS, THE SPRING GARDEN APARTMENTS, THE WILLOWS,  
TIMBERLAWN CRESENT, POOKS HILL COURT**

**April 3, 2024**

- The property management contracts for Barclay LP, Fairfax Court, Fenton Silver Spring, Residences On The Lane, Shady Grove Apartments, Dale Drive, Manchester Manor, Camp Hill Square, Southbridge, Tanglewood and Sligo Apartments, Spring Garden Apartments, The Willows, Timberlawn Crescent, and Pooks Hill Court expire on June 30, 2024.
- The Budget Finance and Audit Committee reviewed this request at its meeting on March 15, 2024, and joins staff's recommendation that the Commission accept the recommendation to approve new property management contracts with Edgewood Management, and Residential One for Barclay LP, Fairfax Court, Fenton Silver Spring, Residences On The Lane, Shady Grove Apartments, Dale Drive, Manchester Manor, Camp Hill Square, Southbridge, Tanglewood and Sligo Apartments, Spring Garden Apartments, The Willows, Timberlawn Crescent, and Pooks Hill from July 1, 2024 through June 30, 2026.

**MEMORANDUM**

**TO:** Housing Opportunities Commission of Montgomery County

**VIA:** Chelsea Andrews, President/Executive Director

**FROM:** Staff: Ali Ozair, Vice President of Property Management Division: Property Management

**RE:** **Procurement of Property Management Services:** Property Management Contracts

**DATE:** April 3, 2023

**STATUS:** Committee Report Deliberation  X

**BACKGROUND:**

Staff recommends a new property management (“PM”) contract with Edgewood Management Corporation (“Edgewood”) and Residential One Management (“Residential One”) for the properties discussed herein.

Staff has worked with the HOC’s Board of Commissioners to create a property management solicitation template, which reflects the evaluation and scoring metrics for property management Request for Proposals (“RFP”) of the Commission. The development of the template was completed and implemented during this RFP process.

The following table identifies the affected properties and provides property information, including the current and proposed property management company, current contract cost, annual contract cost with renewal at 100% occupancy, current contract end date and new contract term.

Property	Current Vendor	Awarded Vendor	Annual Budget for PM Services	Annual Renewal Contract Cost -100% Occup.	Current Contract End Date	New Contract Period
Barclay LP & Fairfax Court	Residential One	Residential One	\$50,250	\$56,392	6/30/2024	7/1/2024 – 6/30/2026
Fenton Silver Spring	Edgewood	Edgewood	\$62,000	\$74,400	6/30/2024	7/1/2024 – 6/30/2026
Pooks Hill Court	Edgewood	Edgewood	\$25,242	\$30,000	6/30/2024	7/1/2024 – 6/30/2026
Residences on the Lane	Edgewood	Edgewood	\$75,600	\$90,000	6/30/2024	7/1/2024 – 6/30/2026
*Camp Hill Square	Edgewood	Edgewood	\$12,768	\$30,600	6/30/2024	7/1/2024 – 6/30/2026
Shady Grove Apartments	Edgewood	Edgewood	\$69,804	\$86,400	6/30/2024	7/1/2024 – 6/30/2026

*Dale Dr, Manchester Manor, Southbridge, Tanglewood & Sligo	Residential One	Residential One	\$114,670	\$120,744	6/30/2024	7/1/2024 – 6/30/2026
Spring Garden Apartments	Edgewood	Edgewood	\$39,396	\$49,200	6/30/2024	7/1/2024 – 6/30/2026
The Willows	Edgewood	Edgewood	\$91,728	\$117,000	6/30/2024	7/1/2024 – 6/30/2026
Timberlawn Crescent	Edgewood	Edgewood	\$54,024	\$64,200	6/30/2024	7/1/2024 – 6/30/2026
<b>Total/(Increase)</b>			<b>\$595,482</b>	<b>718,936</b>	<b>(\$123,454)</b>	

\*Indicates change in form of contract to fully 3rd-party managed.

This submittal includes contracts for Fourteen (14) properties managed by two (2) different property management companies. These companies have provided property management services to HOC over several years. Their history with HOC is as follows:

Edgewood Management – The Company is a well-known property management company that has been providing property management services in the Metropolitan area since 1971. Edgewood has a long history with HOC and manages several properties in the portfolio, including senior, multifamily, and scattered sites. EMC currently manages twenty-five (25) HOC properties.

Current HOC Managed Properties	
Property Name	Occupancy
The Willows	100%
Spring Garden Apts	98%
Arcola Towers	94%
Bauer Park	92%
Alexander House	92%
Waverly House	94%

Residential One - The Company is an award-winning property management firm with close to 10,000 units under its management. The firm represents third parties, including individual owners, non-profit, and for profit organizations, family trusts, government, and quasi-government agencies in Maryland, DC, and Virginia. Residential One currently manages thirteen (13) properties for HOC.

Current HOC Managed Properties	
Property Name	Occupancy
The Barclay	96%
Tanglewood & Sligo	93%
Fairfax Court Apts	94%
Diamond Square	97%
Southbridge	95%
Paddington Square	92%

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**ISSUES FOR CONSIDERATION:**

Does the Commission accept staff's recommendation, which is supported by the Budget Finance and Audit Committee to authorize the Executive Director to execute property management service contracts with Edgewood Management, Residential One for Fourteen (14) entities that include: Barclay LP, Fairfax Court, Fenton Silver Spring, Residences On The Lane, Shady Grove Apartments, Dale Drive, Manchester Manor, Camp Hill Square, Southbridge, Tanglewood and Sligo Apartments, The Spring Garden Apartments, The Willows, Timberlawn Crescent, and Pooks Hill Court?

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**BUDGET IMPACT:**

Thirteen (13) out of fourteen (14) properties will have an adverse budget impact as outlined in the table on page 2-3 resulting in a total increase in management fees of \$123,454. The new proposal reflects properties at 100% occupancy, current industry standard fee, inflationary adjustments and several properties changing from contract assisted to fully third-party managed as indicated with an asterisk.

For **fiscal year properties**, the proposed fee has been factored into the FY 2025 Recommended Budget based on the projected occupancy.

For **calendar year properties**, the impact of the change in fees to CY 2024 will be pro-rated based on the implementation date and actual occupancy. Once implementation has occurred, staff will determine if the resulting change is significant enough to warrant a budget amendment.

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**TIME FRAME:**

For formal action at the April 3, 2023 meeting of the Commission.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Commission authorize the Executive Director to execute the property management services contracts with the respective management companies heretofore discussed, for Barclay LP, Fairfax Court, Fenton Silver Spring, Residences On the Lane, Shady Grove Apartments, Dale Drive, Manchester Manor, Camp Hill Square, Southbridge, Tanglewood and Sligo Apartments, The Spring Garden Apartments, The Willows, Timberlawn Crescent, and Pooks Hill Court.

**RESOLUTION NO.:24-26**

**RE: Procurement of Property Management Services: New Property Management Contracts for Barclay LP, Fairfax Court, Fenton Silver Spring, Residences On The Lane, Shady Grove Apartments, Camp Hill Square, Dale Drive, Manchester Manor, Southbridge, Tanglewood and Sligo Apartments, The Spring Garden Apartments, The Willows, Timberlawn Crescent, and Pooks Hill Court**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the general partner of Barclay One Associates Limited Partnership (“Barclay LP”), and Barclay LP partly owns Barclay Apartments located in Chevy Chase, Maryland;

**WHEREAS**, HOC owns (i) Fairfax Court Apartments in Chevy Chase, Maryland, (ii) Camp Hill Square in Gaithersburg, Maryland, (iii) Dale Drive in Silver Spring, Maryland, (iv) Southbridge in Takoma Park, Maryland, and (v) Pooks Hill Court in Bethesda, Maryland;

**WHEREAS**, HOC is the sole member of 900 Thayer GP LLC, which is the general partner of 900 Thayer Limited Partnership (“900 Thayer LP”), and 900 Thayer LP owns the development known as Fenton Silver Spring located in Silver Spring, MD;

**WHEREAS**, HOC is the managing member of HOC MM Upton II, LLC, the managing member of HOC at the Upton II, LLC (“HOC at Upton II LLC”), and HOC at Upton II LLC owns the development known as Residences on the Lane located in Rockville, Maryland;

**WHEREAS**, HOC is the sole member of HOC MM Shady Grove, LLC, the managing member of HOC at Shady Grove, LLC (“Shady Grove LLC”), and Shady Grove LLC owns the development known as Shady Grove Apartments in Derwood, Maryland;

**WHEREAS**, HOC is the general partner of Manchester Manor Apartments Limited Partnership (“Manchester LP”), the owner of Manchester Manor Apartments, located in Silver Spring, Maryland;

**WHEREAS**, HOC is the sole member of HOCCMC, LLC, the general partner of Tanglewood and Sligo LP (“Tanglewood LP”), and Tanglewood LP owns the development known as Tanglewood and Sligo Hills Apartments located in Silver Spring, Maryland;

**WHEREAS**, HOC is the general partner of Spring Garden One Associated Limited Partnership (“Spring Garden LP”), and Spring Garden LP owns the development known as Spring Garden Apartments located in Silver Spring, Maryland;

**WHEREAS**, HOC is the general partner of The Willows of Gaithersburg Associates Limited Partnership (“The Willows LP”), and The Willows LP owns the development known as The Willows;



**WHEREAS**, HOC is the sole member of Timberlawn Pomander Properties, LLC, which owns the development known as Timberlawn Crescent;

**WHEREAS**, staff desires to enter a new property management contract at Fenton Silver Spring, Residences on the Lane, Shady Grove Apartments, Camp Hill Square, Spring Garden Apartments, The Willows, Timberlawn Crescent, and Pooks Hill with Edgewood Management Corporation (“Edgewood”) for the period of July 1, 2024 – June 30, 2026; and

**WHEREAS**, staff desires to enter a new property management contract at Barclay Apartments, Fairfax Court Apartments, Dale Drive, Manchester Manor Apartments, Southbridge, and Tanglewood and Sligo Hills Apartments with Residential One for the period of July 1, 2024 – June 30, 2026.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Barclay LP, as its general partner, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to execute a property management contract for Barclay Apartments with Residential One for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the President/Executive Director, or their designee, is hereby authorized and directed to execute a property management contract at Fairfax Court, Dale Drive, and Southbridge with Residential One for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of 900 Thayer GP LLC, as its sole member, on behalf of itself and on behalf of 900 Thayer LP, as its general partner, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to execute a property management contract at Fenton Silver Spring with Edgewood for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOC MM Upton II, LLC, acting on behalf of itself and on behalf of HOC at Upton II LLC, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to execute a property management contract at Residences on the Lane with Edgewood for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOC MM Shady Grove, LLC, acting on behalf of itself and on behalf of Shady Grove LLC, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to execute a property management contract at Shady Grove Apartments with Edgewood for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, that the President/Executive Director of HOC, or their designee, is hereby authorized

and directed to execute a property management contract at Camp Hill Square and Pooks Hill Court with Edgewood for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Manchester LP, as its general partner, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to execute a property management contract at Manchester Manor Apartments with Residential One for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOCMC, LLC, acting for itself and on behalf of Tanglewood LP, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to execute a property management contract with Residential One at Tanglewood and Sligo for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Spring Garden LP, as its general partner, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to execute a property management contract at Spring Garden Apartments with Edgewood for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of The Willows LP, as its general partner, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to execute a property management contract at The Willows with Edgewood for July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Timberlawn LLC, as its sole member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute a property management contract at Timberlawn Crescent with Edgewood Management through June 30, 2026.

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on April 3, 2024.

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**Chelsea J. Andrews**  
**President/Executive Director**

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Development  
&  
Finance  
Committee

# APPROVAL TO CREATE A POOL OF LEGAL COUNSEL

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## Legal Division - RFQ #2441



**CHELSEA J. ANDREWS, PRESIDENT/ EXECUTIVE DIRECTOR**

**AISHA MEMON, SENIOR VICE PRESIDENT, LEGAL AFFAIRS/GENERAL  
COUNSEL**

**PAIGE GENTRY, DEPUTY GENERAL COUNSEL**



April 3, 2024

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# Executive Summary: Approval Request

**With the support of the Development and Finance Committee, HOC staff is requesting that the Commission:**

1. Approve establishing a Pool of Legal Counsel consisting of seventeen qualified firms.
2. Authorize the President/Executive Director, or their designee, to execute a Agreement for Services with each firm for \$0 for a term of two years with three one-year renewal periods.
3. Authorize staff to engage firms from the pool on an as-needed basis.
4. Authorize payment for any legal services as follows:
  - For a project that is currently under development, either (1) the project's approved development or predevelopment budget (that will include a line item for legal services) or, (2) if the Commission has not yet approved a development or predevelopment budget, the work will be paid out of the Real Estate Division's operating budget, which will be repaid once a development or predevelopment budget is approved, or
  - For work related to an existing property that is not under development, the work would be paid out of an approved property budget, or
  - For work related to a specific department of HOC (for example, HR), it would be paid out of the department's approved budget.

# Executive Summary: Background

- HOC consistently requires legal guidance in many areas of the law, including real estate transactions, employment law, policies and regulations, litigation, and landlord-tenant law.
- In May 2019, the Commission approved the creation of a pool of Legal Counsel for Real Estate Legal Services to supplement its staff in order to ensure efficient and effective management of real estate related legal concerns. Those contracts will expire in May 2024.
- On February 16, 2024, HOC issued Request for Qualifications (“RFQ”) #2441 for a Legal Services Pool. This pool will expand on the practices areas of the previous pool by including employment law, policies and regulations, litigation, and landlord-tenant law. HOC received 19 responses to its solicitation and staff recommends admitting 17 firms into the pool.
- The law firms admitted to the pool will work with staff to ensure that the Commission proceeds successfully amidst the complexities of regulation, compliance, and contractual obligations.
- Legal counsel would be engaged on an as-needed basis.
  - Selection for Legal Services: Competition will occur among members of the pool, by specialty for the services required for an engagement.
  - Legal Services for Real Estate Development and Financing: If services are rendered during the development phase of a project, expenses would be funded from the project’s development budget, which would be approved by the Commission through its normal Committee and Commission review process. If services are rendered before a development budget is approved, expenses would be nominal and funded from annual operating funds of approximately \$300,000, allocated as working capital in the Real Estate Division’s budget for research, planning, zoning, and legal services (“RE Fund”). If a development budget is approved, any funds used from the RE Fund would be repaid. It is not expected to have an adverse financial impact on HOC’s operating budget.
  - Legal Services for Employment, Policies & Regulation, Litigation, and Landlord-Tenant law: Expenses would be funded from a department’s approved budget (e.g., HR, legal, etc.) or an approved property budget depending on the nature of the work. It is not expected to have an adverse financial impact on HOC’s operating budget.

# Response Summary

## Five Areas of Expertise:

1. Real Estate Transactions & Financing (11 Subcategories)
  - A. General Real Estate Transactions
  - B. Land Use and Zoning
  - C. Construction
  - D. Real Estate Finance and Lending
  - E. Environmental Regulations and Compliance.
  - F. General Tax
  - G. Affordable Housing
  - H. Real Estate Transactions Utilizing Tax Credits
  - I. Business and Corporate Transactions Related to Real Estate
  - J. Tax-Exempt bond finance transactions
  - K. Fair Housing law
2. Employment law
3. Policy & Regulations
4. Litigation
5. Landlord-Tenant law



# List of Respondents

Listed below are the 19 firms that responded to RFQ #2441 by the response deadline (February 16, 2024).

Respondents	
Ballard Spahr LLP	Miles & Stockbridge
Blackburn Riley, LLC	Moore & Associates
Douglas & Boykin	Nixon Peabody LLP
Fortney & Scott LLP	Reno & Cavanaugh
Gallagher Evelius & Jones LLP	Rosenberg Martin Greenberg LLP
Goldstein Hall	Selzer Gurvitch Rabin Wertheimer Polott & Obencny
Gordon Rees Scully Mansukhani	Stinson
Holland & Knight LLP	Village Settlements
Kutak Rock LLP	Vorys, Sater, Seymour, and Pease
Lerch, Early & Brewer	

# Minimum Qualifications

Each Firm was required to meet the minimum qualifications outlined below.

Qualification Criteria	Responsiveness	Experience
<b>Requirement</b>	Proposals must include all information in the format and order requested in the RFQ. All proposals must include a signature by an authorized representative of the Respondent.	Firms must have attorneys with a minimum of five (5) years' experience in the application practice area. The Firm must have attorneys who are currently licensed to practice law in Maryland, or must be able to obtain local counsel to support the project's needs.

# Evaluation Criteria

Once a firm was determined to have met the minimum qualifications, it was further evaluated based on the criteria listed below (total point value is 100). Firms must score at least 70 points (on average) to qualify for selection.

Evaluation Criteria	Maximum Points	Requirement
Experience	35	<ul style="list-style-type: none"> <li>Respondent demonstrated sufficient experience in their selected Practice Areas.</li> <li>Respondent demonstrated how their experience would be applicable to HOC.</li> <li>Respondent demonstrated experience working with PHAs and/or governmental entities.</li> <li>The quality of the Firm's work product, based on provided examples, references, or the prior experience of HOC staff.</li> </ul>
Staffing	25	<ul style="list-style-type: none"> <li>Respondent demonstrated sufficient experience of its attorneys, paralegals, and other staff.</li> <li>Respondent demonstrated sufficient staffing and Firm capacity, including its commitment of time and resources to HOC.</li> <li>Respondent demonstrated the stability of the Firm and its staff.</li> <li>Respondent demonstrated the Firm's availability to work with HOC.</li> </ul>
Rates and Fees	25	<ul style="list-style-type: none"> <li>The affordability of the firm's rates and fees.</li> </ul>
MFD Participation	15	<ul style="list-style-type: none"> <li>Respondent is a certified MFD business (full 15 points).</li> <li>Respondent demonstrates continuous MFD efforts (up to 15 points depending on quantity and quality of MFD efforts).</li> </ul>

# Recommended Firms for the Pool – Real Estate & Financing

The following firms are being recommended in Real Estate & Financing in the indicated sub-areas. All recommended firms scored at least 70 points (average score based on the scores of all four evaluators).

Respondent	Areas of Expertise										
	General RE	Land Use	Construction	Finance & Lending	Environmental	General Tax	Affordable Housing	Tax Credits	Business & Corporate	Bonds	Fair Housing
Ballard Spahr	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Blackburn Riley	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Douglas & Boykin	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fortney & Scott	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GEJ	✓	✓	✓	✓	N/A	✓	✓	✓	✓	✓	N/A
Goldstein Hall	X	N/A	X	X	X	X	X	X	X	X	N/A
Gordon Rees	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Holland & Knight	✓	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kutak Rock	✓	N/A	N/A	✓	N/A	✓	✓	✓	✓	✓	N/A
Lerch Early	✓	✓	✓	✓	X	✓	X	N/A	✓	N/A	✓
M&S	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A
M&A	✓	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nixon Peabody	N/A	N/A	N/A	✓	N/A	N/A	✓	✓	N/A	N/A	N/A
Reno Cavanaugh	✓	N/A	✓	✓	N/A	N/A	✓	✓	✓	✓	✓
Rosenberg	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A
Selzer Gurvitch	✓	✓	✓	X	N/A	X	N/A	N/A	✓	N/A	N/A
Stinson	✓	X	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
Village	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vorys	✓	N/A	✓	✓	N/A	✓	✓	✓	✓	✓	N/A

✓ – Recommended

N/A – Did not apply

X – Did not meet minimum qualifications and/or score



## Recommended Firms for the Pool – Employment, Policy & Regulation, Litigation & Landlord-Tenant

The following firms are being recommended in employment, policy & regulation, litigation, and landlord-tenant. All recommended firms scored at least 70 points (average score based on the scores of all four evaluators).

Respondent	Areas of Expertise			
	Employment	Policy & Regulation	Litigation	Landlord-Tenant
Ballard Spahr	✓	✓	✓	N/A
Blackburn Riley	✓	✓	✓	N/A
Douglas & Boykin	N/A	N/A	✓	N/A
Fortney & Scott	✓	✓	✓	N/A
GEJ	✓	N/A	✓	✓
Goldstein Hall	N/A	N/A	X	N/A
Gordon Rees	✓	✓	✓	✓
Holland & Knight	✓	✓	✓	N/A
Kutak Rock	N/A	N/A	N/A	N/A
Lerch Early	✓	N/A	✓	N/A
M&S	N/A	N/A	N/A	N/A
M&A	✓	N/A	✓	✓
Nixon Peabody	N/A	✓	N/A	N/A
Reno Cavanaugh	N/A	✓	N/A	N/A
Rosenberg	✓	N/A	✓	✓
Selzer Gurvitch	N/A	N/A	N/A	N/A
Stinson	✓	N/A	✓	✓
Village	N/A	N/A	N/A	N/A
Vorys	✓	N/A	✓	N/A

✓ – Recommended

N/A – Did not apply

X – Did not meet minimum qualifications and/or score

# Agreement for Services

HOC will enter into an Agreement for Service with each approved firm. Each Agreement will include the following terms:

- **Term** – Two (2) years, renewable for up to three (3) additional one-year periods.
- **Fees** – The initial contracts will be for \$0 and the fees charged by the firms for work will be paid as follows:
  - For a project that is currently under development, either (1) the project’s approved development or predevelopment budget (that will include a line item for legal services) or, (2) if the Commission has not yet approved a development or predevelopment budget, the work will be paid out of the Real Estate Division’s operating budget, which will be repaid once a development or predevelopment budget is approved, or
  - For work related to a specific department of HOC (for example, HR), it would be paid out of the department’s approved budget, or
  - For work related to an existing property that is not under development, the work would be paid out of an approved property budget.

Each firm’s fees are based on the fees provided in their proposal. The firm’s fees and other costs will remain fixed for the initial two year period. The firm may request an increase in its fees for any renewal period.

- **Process/Billing** – The firm must submit an engagement letter/task order detailing the scope of work and a fee estimate. The firm must justify any additional work that exceeds the initial estimate.

# Engagement with the Firms in the Pool

- Consistent with HOC's use of Pools in accordance with its Procurement Policy:
  - When outside counsel is needed for a matter, the legal team requests at least 3 quotes from firms in the pool that are qualified to do the specific type work.
  - The legal team evaluates the quotes based on price, experience, and the firm's availability.
  - A task order/engagement letter is entered for the scope of work.

# Summary and Recommendations

## Issues for Consideration

Does the Commission approve (1) HOC's establishment of a pool of 17 firms to provide legal services in various service areas; (2) the execution of 17 Agreements for Service for \$0 for a term of two years, with three one-year renewal periods; (3) staff engaging firms from the pool on an as-needed basis; and (4) HOC paying for such legal services from (i) the project's development budget or funds approved in the Real Estate Division's operating budget (if a development budget has not been approved); (ii) a department's approved budget (e.g., HR, legal, etc.); or (iii) an approved property budget?

## Fiscal / Budget Impact

There is no direct impact on HOC's operating budget. Services will be sought on an as-needed project specific basis and paid for from the respective development budget that would be approved by the Commission, the Real Estate Division's operating budget that would be repaid from the later Commission-approved development budget, a department's approved budget or property's approved budget. There is also no direct fiscal impact from the approval of these actions.

## Time Frame

During the March 24, 2024 meeting of the Development and Finance Committee, the Committee supported moving this request to the Commission. For action at the April 3, 2024 meeting of the Commission.

## Staff Recommendation

Staff recommends to the Commission that it:

1. Approve establishing a Pool of Legal Counsel consisting of the following 17 firms: Ballard Spahr; Blackburn Riley, LLC; Douglas & Boykin; Fortney & Scott; Gallagher Evelius & Jones, LLP; Gordon Rees Scully Mansukhani; Holland & Knight, LLP; Kutak Rock, LLP; Lerch, Early & Brewer, Chtd.; Miles & Stockbridge; Moore & Associates; Nixon Peabody; Reno & Cavanaugh, PLLC; Rosenberg Martin Greenberg LLP; Selzer Gurvitch Rabin Wertheimer Polott & Obecny; Stinson; and Vorys, Sater, Seymour, and Pease.
2. Authorize the President/Executive Director, or their designee, to execute a Agreement for Services with each firm for \$0 for a term of two years with three one-year renewal periods.
3. Authorize staff to engage firms from the pool on an as-needed basis.
4. Authorize payment for any legal services from (i) either the project's development budget (that will include a line item for legal services) or, if a development budget has yet to be approved, the Real Estate Division's operating budget, which will be repaid once a development budget is approved, (ii) a department's approved budget or (iii) an approved property budget.



**WHEREAS**, to ensure that the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) has adequate access to legal services, on February 16, 2024, HOC staff issued a Request for Qualifications for a Legal Services Pool (RFQ #2441) (the “RFQ”) in accordance with HOC’s Procurement Policy;

**WHEREAS**, the RFQ requested that firms submit qualifications to perform legal services in at least one of the following areas of expertise: (1) Real Estate Transactions and Financing, (2) Employment Law, (3) Policy and Regulatory Guidance, (4) General Litigation, and (5) Landlord-Tenant Law (each an “Area of Expertise”);

**WHEREAS**, the RFQ further divided the Real Estate Transactions and Financing Area of Expertise into eleven (11) subcategories: (A) General Real Estate Transactions, (B) Land Use and Zoning, (C) Construction, (D) Real Estate Finance and Lending, (E) Environmental, (F) General Tax, (G) Affordable Housing, (H) Real Estate Transactions Utilizing Tax Credits, (I) Business and Corporate Transactions, (J) Tax-Exempt Bond Transactions, and (K) Fair Housing Law (each a “Real Estate Subcategory”);

**WHEREAS**, nineteen (19) firms responded to the RFQ and an evaluation team comprised of four (4) HOC staff members (the “Evaluation Team”) evaluated the proposals based on a numerical scoring system outlined in the RFQ;

**WHEREAS**, the Evaluation Team recommends that a total of seventeen (17) firms (each a “Qualified Firm”, collectively, the “Qualified Firms”) be included in a qualified pool of legal counsel that is separated into each Area of Expertise or Real Estate Subcategory, as applicable;

**WHEREAS**, HOC staff recommends that for each Area of Expertise or Real Estate Subcategory preference be given to Qualified Firms selected for such Area of Expertise or Real Estate Subcategory, but that staff retain flexibility to select a Qualified Firm not listed in an Area of Expertise if cost, time, or other efficiencies exist;

**WHEREAS**, staff recommends that the Commission:

(1) Authorize the establishment of a legal services pool with the seventeen (17) Qualified Firms for the Areas of Expertise set forth in Exhibit A (the “Creation of the Legal Pool”);

(2) Authorize the President / Executive Director to enter into an Agreement for Services with each Qualified Firm for a term of two (2) years with three (3) one (1)-year renewals (collectively, the “Agreements for Legal Services”);

**RESOLUTION No.: 24-27**

**RE: Approval and Authorization to Select Firms for a Legal Pool under RFQ #2441, Enter into Agreements for Legal Services, Engage with Firms, and Pay for Services**

(3) Authorize HOC staff to engage the Qualified Firms on an as-needed basis (the “Engagement of Qualified Firms”); and

(4) Authorize HOC to pay for services to such Qualified Firms as follows (collectively, the “Payment for Legal Services”):

a. For a project that is currently under development, either (i) the project’s approved development or predevelopment budget (that will include a line item for legal services) or, (ii) if the Commission has not yet approved a development or predevelopment budget, out of the Real Estate Division’s operating budget, provided that the Real Estate Division’s operating budget will be reimbursed for such payments once a development or predevelopment budget is approved;

b. For work related to a specific department of HOC, it would be paid out of the department’s approved budget; or

c. For work related to an existing property that is not under development, out of the property’s approved budget.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes and approves the Creation of the Legal Pool, the Agreements for Legal Services, the Engagement of Qualified Firms, and the Payment for Legal Services.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves that preference be given to Qualified Firms selected for each Area of Expertise, but that staff retain flexibility to select a Qualified Firm not listed in an Area of Expertise if cost, time, or other efficiencies exist.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County authorizes that the President / Executive Director of HOC or their designee is authorized to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including but not limited the execution of the any documents related there to.

**RESOLUTION No.: 24-27**

**RE: Approval and Authorization to Select Firms for a Legal Pool under RFQ #2441, Enter into Agreements for Legal Services, Engage with Firms, and Pay for Services**

**I HEREBY CERTIFY** that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 3, 2024.

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**Chelsea J. Andrews**  
**President / Executive Director**

**EXHIBIT A**  
**QUALIFIED FIRMS BY AREA OF EXPERTISE**

**1. REAL ESTATE**

A. General Real Estate:

- Ballard Spahr LLP
- Gallagher Evelius & Jones LLP
- Gordon Rees Scully Mansukhani, LLP
- Holland & Knight LLP
- Kutak Rock LLP
- Lerch, Early & Brewer, Chtd.
- Miles & Stockbridge P.C.
- Moore & Associates
- Reno & Cavanaugh PLLC
- Rosenberg Martin Greenberg LLP
- Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.
- Stinson LLP
- Vorys, Sater, Seymour and Pease LLP

B. Land Use and Zoning:

- Ballard Spahr LLP
- Gallagher Evelius & Jones LLP
- Gordon Rees Scully Mansukhani, LLP
- Lerch, Early & Brewer, Chtd.
- Miles & Stockbridge P.C.
- Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.

C. Construction:

- Ballard Spahr LLP
- Gallagher Evelius & Jones LLP
- Gordon Rees Scully Mansukhani, LLP
- Holland & Knight LLP
- Lerch, Early & Brewer, Chtd.
- Miles & Stockbridge P.C.
- Reno & Cavanaugh PLLC
- Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.
- Stinson LLP
- Vorys, Sater, Seymour and Pease LLP

- D. Real Estate Finance and Lending:
  - Ballard Spahr LLP
  - Gallagher Evelius & Jones LLP
  - Gordon Rees Scully Mansukhani, LLP
  - Holland & Knight LLP
  - Kutak Rock LLP
  - Lerch, Early & Brewer, Chtd.
  - Miles & Stockbridge P.C.
  - Moore & Associates
  - Nixon Peabody LLP
  - Reno & Cavanaugh PLLC
  - Stinson LLP
  - Vorys, Sater, Seymour and Pease LLP
  
- E. Environmental:
  - Ballard Spahr LLP
  - Holland & Knight LLP
  - Stinson LLP
  
- F. General Tax:
  - Ballard Spahr LLP
  - Gallagher Evelius & Jones LLP
  - Holland & Knight LLP
  - Kutak Rock LLP
  - Lerch, Early & Brewer, Chtd.
  - Stinson LLP
  - Vorys, Sater, Seymour and Pease LLP
  
- G. Affordable Housing:
  - Ballard Spahr LLP
  - Gallagher Evelius & Jones LLP
  - Holland & Knight LLP
  - Kutak Rock LLP
  - Nixon Peabody LLP
  - Reno & Cavanaugh PLLC
  - Stinson LLP
  - Vorys, Sater, Seymour and Pease LLP

- H. Real Estate Transactions Utilizing Tax Credits:
  - Ballard Spahr LLP
  - Gallagher Evelius & Jones LLP
  - Holland & Knight LLP
  - Kutak Rock LLP
  - Nixon Peabody LLP
  - Reno & Cavanaugh PLLC
  - Stinson LLP
  - Vorys, Sater, Seymour and Pease LLP
  
- I. Business and Corporate Transactions:
  - Ballard Spahr LLP
  - Gallagher Evelius & Jones LLP
  - Holland & Knight LLP
  - Kutak Rock LLP
  - Lerch, Early & Brewer, Chtd.
  - Reno & Cavanaugh PLLC
  - Rosenberg Martin Greenberg LLP
  - Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.
  - Stinson LLP
  - Vorys, Sater, Seymour and Pease LLP
  
- J. Tax-Exempt Bond Transactions:
  - Ballard Spahr LLP
  - Gallagher Evelius & Jones LLP
  - Holland & Knight LLP
  - Kutak Rock LLP
  - Reno & Cavanaugh PLLC
  - Vorys, Sater, Seymour and Pease LLP
  
- K. Fair Housing Law:
  - Ballard Spahr LLP
  - Holland & Knight LLP
  - Lerch, Early & Brewer, Chtd.
  - Reno & Cavanaugh PLLC

**2. EMPLOYMENT LAW**

- Ballard Spahr LLP
- Blackburn Riley, LLC
- Fortney & Scott LLC
- Gallagher Evelius & Jones LLP
- Gordon Rees Scully Mansukhani, LLP
- Holland & Knight LLP
- Lerch, Early & Brewer, Chtd.
- Moore & Associates
- Rosenberg Martin Greenberg LLP
- Stinson LLP
- Vorys, Sater, Seymour and Pease LLP

**3. POLICY & REGULATION**

- Ballard Spahr LLP
- Blackburn Riley, LLC
- Fortney & Scott LLC
- Gordon Rees Scully Mansukhani, LLP
- Holland & Knight LLP
- Nixon Peabody LLP
- Reno & Cavanaugh PLLC

**4. LITIGATION**

- Ballard Spahr LLP
- Blackburn Riley, LLC
- Douglas & Boykin PLLC
- Fortney & Scott LLC
- Gallagher Evelius & Jones LLP
- Gordon Rees Scully Mansukhani, LLP
- Holland & Knight LLP
- Lerch, Early & Brewer, Chtd.
- Moore & Associates
- Rosenberg Martin Greenberg LLP
- Stinson LLP
- Vorys, Sater, Seymour and Pease LLP

**RESOLUTION No.: 24-27**

**RE: Approval and Authorization to Select Firms for a Legal Pool under RFQ #2441, Enter into Agreements for Legal Services, Engage with Firms, and Pay for Services**

**5. LANDLORD-TENANT LAW**

- Gallagher Evelius & Jones LLP
- Gordon Rees Scully Mansukhani, LLP
- Moore & Associates
- Rosenberg Martin Greenberg LLP
- Stinson LLP



## **THE LEGGETT: APPROVAL OF AMENDED FINANCE PLAN TO EXTEND THE CONSTRUCTION PERIOD, INCREASE THE BRIDGE LOAN, AND EXECUTE NEW INTEREST RATE HEDGES FOR THE LEGGETT (FORMERLY, EH III) TRANSACTION**

**April 3, 2024**

- The Leggett is a 267-unit, age-restricted, apartment community in Silver Spring and formerly known as Elizabeth House III (the “Property”), that the Housing Opportunities Commission of Montgomery County (“HOC”) developed and currently operates through a subsidiary, Elizabeth House III Limited Partnership (the “Borrower”).
- On June 21, 2019 and as amended July 10, 2019, the Commission approved a Financing Plan to fund the construction of the Property, which Financing Plan included (i) the issuance of \$55,000,000 in tax-exempt Private Activity Bonds, which proceeds were used to fund a construction-to-permanent loan from HOC to Borrower (“Mortgage Loan”), with the permanent loan being endorsed under the FHA Risk Share Program, (ii) a taxable construction loan from PNC Bank, N.A (“PNC”) to Borrower in the amount of \$55,000,000 (“Construction Loan”), and (iii) bridge loan from HOC to Borrower in the amount of \$22,000,000 to bridge the Borrower’s receipt of equity from the low income housing tax credit investor (“Bridge Loan”) which Bridge Loan was funded by the Commission’s Real Estate Line of Credit from PNC (“RELOC”), and (iv) entering into an interest rate hedge for each of the Construction Loan and the Bridge Loan.
- Despite best efforts, close out of the Property and receipt of LIHTC equity proceeds has fallen approximately 9 months behind schedule due to construction delays resulting from a variety of factors outside of staff’s control and slower lease-up pace. This has impacted the Property’s ability to achieve stabilization and convert into the permanent phase for endorsement under the FHA Risk Share Program in the timeframe originally projected. However, a reforecast projects stabilized occupancy to be achievable by June 2024 and permanent conversion by October 2024.

Initial terms have been obtained from PNC to extend the Construction Loan to December 2024, with all other terms remaining unchanged, and costs of closing and to carry the property through the extension period estimated to total \$7.7 million.

- Therefore, to address these delays and provide sufficient funds to the Property, staff reviewed this request with the Development and Finance Committee on March 22, 2024, and with its support recommends that the Commission amend the Financing Plan to (1) accept extension of the Construction Loan, (2) amend the required conversion date of the Mortgage Loan, (3) increase the amount and term of the Bridge Loan and fund such increase through a draw on the RELOC, (4) extend the maturity date of the Bridge Loan to March 31, 2025, and (5) authorize entering into new interest rate hedges for the Construction Loan and the Bridge Loan.

**MEMORANDUM**

**TO:** Housing Opportunities Commission of Montgomery County,  
**VIA:** Chelsea Andrews, President/Executive Director  
**FROM:** Staff: Victoria Dixon, Sr. Multifamily Underwriter  
**RE:** The Leggett: Approval of Amended Finance Plan to Extend the Construction Period, Increase the Bridge Loan, and Execute New Interest Rate Hedges for The Leggett (formerly, Elizabeth House III) Transaction  
**DATE:** April 3, 2024  
**STATUS:** Committee Report \_\_\_\_\_ Deliberation  X

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**OVERALL GOAL & OBJECTIVE:**

To obtain approval to amend the Finance Plan for The Leggett (formerly, Elizabeth House III), with increase to related funding source, to address delays and accommodate increased costs associated with such delays.

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**BACKGROUND:**

The Leggett (the “Property”) is a 267-unit, age-restricted, apartment community recently constructed in Silver Spring, Maryland as part of a Master Development (later defined). HOC through its subsidiary, Elizabeth House III Limited Partnership (the “Owner” or “Borrower”), developed and currently operates the Property. The Property is managed by third-party property manager, Habitat America, LLC.

The Leggett is an important element in HOC’s portfolio, as it provides relocation housing for 106 senior households that previously resided in the nearby Elizabeth House Apartments, which is currently being demolished. The property was awarded 4% Low Income Housing Tax Credits (“LIHTC”) with LIHTC Equity Installments expected as follows.

#	LIHTC Installments	\$ Amounts
1	Closing	\$1,760,300
2	Completion	\$3,520,600
3	Perm Conversion	\$24,644,200
4	Final Installment (8609s)	\$5,280,900
	Total	\$35,206,000

In 2019, the Housing Opportunities Commission of Montgomery County (“Commission” or “HOC”) closed into construction financing of the Property with (i) the issuance of \$55,000,000 tax-exempt Private Activity Bonds, which proceeds were used to fund a construction-to-permanent loan from HOC (“Mortgage Loan”), (ii) a taxable construction loan from PNC Bank, N.A (“PNC”) with an extended maturity date of April 30, 2024 (“Construction Loan”), and (iii) loan to bridge receipt of LIHTC equity

("Bridge Loan") utilizing the PNC Real Estate Line of Credit ("RELOC"). HOC also entered into an interest rate hedge for the floating interest rate of the Construction Loan and Bridge Loan during construction.

The development of the Leggett occurred simultaneously with the South County Regional Recreation and Aquatic Center ("SCRRAC"), which included 120,000 square feet of recreational use space, a competition style natatorium, and a 7,500 square foot Senior Resource Center/Primary Care Facility that is being operated by Holy Cross Hospital ("SRC/PCF")(altogether the "Master Development"). The Master Development was constructed by HOC and in a condominium structure is leased to the County and an entity of Holy Cross Hospital.

Despite best efforts, due to construction delays at the Property, resulting from a variety of factors outside of HOC's control, as well as the lease-up pace, the close out of the project has fallen approximately 9 months behind schedule. This has adversely impacted the Property's ability to achieve stabilization and convert into the permanent phase for endorsement under the FHA Risk Share Program in the timeframe originally projected. A re-forecast projects that the Property is expected to achieve stabilized occupancy by June 2024 and permanent conversion to be achievable by October 2024. Initial terms have been obtained by PNC to extend the Construction Loan maturity to December 31, 2024 with closing costs estimated at \$20,000, all other terms remaining unchanged.

In order to execute on resolving these delays, amendment of the Financing Plan and supportive actions are hereby requested to extend the construction period, provide sufficient funds to carry debt service for the additional period, fund closing costs, and delay commencement of amortization. Staff is evaluating hedging strategies to mitigate the variable rate risks during the extended period.

**Transaction Summary**

Borrower	Elizabeth House II Limited Partnership
Units/Affordability	267 Units  238 Units (89%), Income Averaging 30% - 80% AMI; 29 Units, Unrestricted
Stabilized Net Operating Income (Yr1 Budget)	\$3,013,641
Taxable Construction Loan	\$55,000,000
Tax-Exempt Issuance	\$55,000,000
Volume Cap	\$55,000,000
Permanent / FHA Risk Share Mortgage (up to)	\$51,420,000
Permanent Mortgage Interest Rate	3.50%
Credit Enhancement	Cash Collateral Account until insured by the FHA Risk Share program (HOC 25%)
Permanent Loan Amortization / Term (up to)	40 Years / 40 Years
Projected Debt Service Coverage Ratio (Yr1 Budget)	1.26

Below represents a summary of the request for additional proceeds of the RELOC and expected additional Interim Income until such time as the total transaction budget has been reconciled.

Sources	Construction	Bridge	Add. Sources	Permanent	Per Unit
Tax-Exempt Long-Term	\$ 51,420,000			\$ 51,420,000	\$ 192,584
Tax-Exempt (Short term)	\$ 3,580,000			\$ 3,580,000	\$ 13,408
LIHTC Proceeds / Bridge	\$ 35,206,000	\$ 26,000,000	\$ 6,923,693	\$ 35,206,000	\$ 131,858
Subordinate County Loan (HIF)	\$ 8,000,000			\$ 8,000,000	\$ 29,963
Holy Cross Funding	\$ 1,040,000			\$ 1,040,000	\$ 3,895
HOC Equity	\$ 22,178,285			\$ 33,550,677	\$ 83,065
Interim Cashflow	\$ 662,435		\$ 736,165	\$ 662,435	\$ 2,481
Deferred Developer Fee	\$ 2,113,458	\$ -	\$ -	\$ 2,113,458	\$ 7,916
<b>Total Sources</b>	<b>\$ 124,200,178</b>	<b>\$ 26,000,000</b>	<b>\$ 7,659,858</b>	<b>\$ 124,200,178</b>	<b>\$ 465,169</b>

Uses	Construction			Permanent	Per Unit
Ground Lease Payments	\$ 3,675,100			\$ 3,979,190	\$ 13,764
Construction Cost	\$ 78,334,286			\$ 78,334,286	\$ 293,387
Fees Related to Construction	\$ 23,684,806			\$ 23,684,806	\$ 88,707
Financing & Legal Costs	\$ 2,256,755		\$ 111,000	\$ 2,256,755	\$ 8,452
Debt Service	\$ 6,665,385		\$ 7,549,858	\$ 6,665,385	\$ 24,964
Tax-Exempt Bonds (ST)	\$ 3,580,000			\$ 3,580,000	\$ 13,408
Development Fees	\$ 4,500,000			\$ 4,500,000	\$ 16,854
Initial Replacement Reserves	\$ 267,000			\$ 267,000	\$ 1,000
Operating Reserves	\$ 1,236,847	\$ -	\$ -	\$ 1,236,847	\$ 4,632
<b>Total Uses</b>	<b>\$ 124,200,178</b>	<b>\$ -</b>	<b>\$ 7,659,858</b>	<b>\$ 124,200,178</b>	<b>\$ 465,169</b>

**Current Request**

As represented in the above table, staff requests approval to increase usage of the RELOC by up to \$7.7 million, for a total commitment of up to \$33.7 million from the RELOC to bridge the receipt of investor equity; however, staff anticipates usage to be reduced by projected interim income of approximately \$736,000.

Staff will return to the Commission with a final request before December 2024 to reconcile increased costs to the transaction, as well as adjustment to the LIHTC equity receivable.

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**ISSUES FOR CONSIDERATION:**

Does the Commission wish to accept staff's recommendation, which is supported by the Development and Finance Committee, to approve amendment of the Finance Plan for The Leggett, to include:

1. Acceptance of extension of the Construction Loan with PNC to December 31, 2024,
2. Amendment of the Mortgage Loan to extend the date required for permanent conversion to occur by December 31, 2024, and therefore extend the date for commencement of amortization, to occur by December 31, 2024,
3. Amendment of the Bridge Loan, to increase the Bridge Loan by \$7.7 million to \$33.7 million, which increase will be funded by way of the RELOC, and to extend the term of the Bridge Loan to March 31, 2025 to facilitate receipt of the LIHTC equity installments, and
4. Authorization to enter into new interest rate hedges for the Construction and Bridge Loans for the extension period?

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**PRINCIPALS:**

Housing Opportunities Commission of Montgomery County  
Kutak Rock, Bond Counsel  
Caine Mitter & Associates Incorporated, Financial Advisor  
US Bank, Fiscal Agent  
PNC Bank N.A., Construction Lender

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**FISCAL/BUDGET IMPACT:**

There is no adverse impact on the agency's FY2024 operating budget. However, the additional draw reduces HOC's general obligation borrowing capacity—the fiscal impact. Proceeds from financing sources and interim cash flow will support the additional cost.

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**TIMEFRAME:**

For formal action at the April 3, 2024 meeting of the Commission.

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**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve amendment of the Finance Plan for The Leggett, to include:

1. Acceptance of extension of the Construction Loan with PNC to December 31, 2024,
2. Amendment of the Mortgage Loan to extend the date required for permanent conversion to December 31, 2024, and therefore extend the date for commencement of amortization, to occur by December 31, 2024,
3. Amendment of the Bridge Loan to increase the Bridge Loan by \$7.7 million to \$33.7 million, which increase will be funded by way of the RELOC, and to extend the term of the Bridge Loan to March 31, 2025 to facilitate receipt of the LIHTC equity installments, and
4. Authorization to enter into new interest rate hedges for the Construction and Bridge Loans for the extension period.

**RESOLUTION No.: 24-28a**

**RE: Approval of the Amended Financing Plan to Extend the Construction Period, Increase the Bridge Loan, and Execute New Interest Rate Hedges for The Leggett (formerly Elizabeth House III)**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") is 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, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of multifamily rental housing properties which provide a public purpose; and

**WHEREAS**, HOC is the sole member of EHIII GP LLC, a Maryland limited liability company, the general partner of Elizabeth House III Limited Partnership (the "Borrower"), which developed and currently operates The Leggett, a 267-unit, age-restricted, apartment community formerly known as Elizabeth House III and located at 1315 Apple Ave, Silver Spring, MD 20910 (the "Property"); and

**WHEREAS**, on June 21, 2019 and as amended July 10, 2019, the Commission approved a Financing Plan to fund the construction, equipping, and permanent financing of the Property, which Financing Plan included (i) the issuance of \$55,000,000 in tax-exempt Private Activity Bonds, which proceeds were used to fund a construction-to-permanent loan from HOC to Borrower ("Mortgage Loan"), with the permanent loan to be endorsed under the FHA Risk Share Program, (ii) a taxable construction loan from PNC Bank, N.A. ("PNC") to Borrower in the amount of \$55,000,000 ("Construction Loan"), and (iii) bridge loan from HOC to Borrower in the amount of \$22,000,000 to bridge the Borrower's receipt of equity from the low income housing tax credit investor ("Bridge Loan") which Bridge Loan was funded by the Commission's Real Estate Line of Credit from PNC ("RELOC"), and (iv) entering into an interest rate hedge for the Construction Loan and the Bridge Loan; and

**WHEREAS**, on September 13, 2023, the Commission approved increase of the Bridge Loan from \$22,000,000 to \$24,000,000 to address construction change orders; and

**WHEREAS**, despite best efforts, close out of the property and receipt of proceeds from the low income housing tax credit investor has fallen approximately nine (9) months behind schedule due to construction delays and slower than projected lease-up of units, which delays have impacted the Property's ability to achieve stabilization, and convert the Mortgage Loan into the permanent phase for endorsement under the FHA Risk Share Program in the timeframe originally projected; and

**RESOLUTION No.: 24-28a**

**RE: Approval of the Amended Financing Plan to Extend the Construction Period, Increase the Bridge Loan, and Execute New Interest Rate Hedges for The Leggett (formerly Elizabeth House III)**

**WHEREAS**, a reforecast projects that the Property should reach stabilized occupancy by June 2024 and permanent conversion by October 2024; and

**WHEREAS**, initial terms have been obtained from PNC to extend the Construction Loan to December 2024, with all other terms remaining unchanged, and costs of closing and to carry the property through the extension period estimated to total \$7.7 million, and staff is evaluating hedging strategies and risk for the variable rate during the extended period; and

**WHEREAS**, in order to address these delays and provide sufficient funds to the Property, the Commission desires to amend the existing Financing Plan as follows:

- (1) Accept extension of the term of the Construction Loan with PNC to December 31, 2024 (the "PNC Extension");
- (2) Revise the required conversion date of the Mortgage Loan with HOC to December 31, 2024 (the "Conversion Date Extension"), and therefore delay commencement of amortization;
- (3) Increase the amount of the Bridge Loan by \$7,700,000 such that the Bridge Loan is \$33,700,000, which increase will be funded by a draw on the RELOC (the "Bridge Loan Increase");
- (4) Extend the maturity date of the Bridge Loan to March 31, 2025 (the "Bridge Loan Extension"); and
- (5) Authorize entering into new interest rate hedges for the Construction Loan and the Bridge Loan that extend through the term of each loan via swap agreements with one or more qualified counterparties (the "Interest Rate Hedges").

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on its own behalf and in its capacity as the sole member of EH III GP LLC, acting in its own behalf and in its capacity as the general partner of the Elizabeth House III Limited Partnership, authorizes and approves the amendment of the Financing Plan, including accepting the PNC Extension, the Conversion Date Extension, the Bridge Loan Increase, the Bridge Loan Extension, and the Interest Rate Hedges.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, acting on its own behalf and in its capacity as the sole member of EH III GP LLC, acting

**RESOLUTION No.: 24-28a**

**RE: Approval of the Amended Financing Plan to Extend the Construction Period, Increase the Bridge Loan, and Execute New Interest Rate Hedges for The Leggett (formerly Elizabeth House III)**

in its own behalf and in its capacity as the general partner of the Elizabeth House III Limited Partnership, that it authorizes the President/Executive Director to negotiate and execute any and all documents related to the PNC Extension, the Conversion Date Extension, the Bridge Loan Increase, the Bridge Loan Extension, and the Interest Rate Hedges.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes the execution of interest rate hedges via swap agreements with one or more qualified counterparties, to mitigate against a rise in interest rates, with any scheduled or termination payment owed by the Commission being paid from the Commission's legally available general funds, subject to agreements now or hereafter made with holders of its notes and bonds, pledging particular revenues, assets or moneys for the payment thereof and subject to agreements with governmental agencies or other parties providing funds to the Commission and restricting the uses to which such funds may be applied.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on its own behalf and in its capacity as the sole member of EH III GP LLC, acting in its own behalf and in its capacity as the general partner of the Elizabeth House III Limited Partnership, that the President/Executive Director or her designee is hereby authorized, without any further action on their respective parts, to negotiate and execute such other documents and to take any and all other actions, in each case as necessary and proper, in the President/Executive Director's judgment, to carry out the amended Financing Plan and the transactions and actions contemplated herein.



**RESOLUTION No.: 24-28a**

**RE: Approval of the Amended Financing Plan to Extend the Construction Period, Increase the Bridge Loan, and Execute New Interest Rate Hedges for The Leggett (formerly Elizabeth House III)**

**I HEREBY CERTIFY** that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 4, 2023.

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**Chelsea J. Andrews  
President / Executive Director**

**RESOLUTION No.: 24-28b**

**RE: Approval to Draw an Additional \$7,700,000 on the PNC Bank, N.A. Real Estate Line of Credit to Increase the Bridge Loan at The Leggett (formerly Elizabeth House III)**

**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 providing for the rehabilitation of rental housing properties which provide a public purpose; and

**WHEREAS**, HOC is the sole member of EHIII GP LLC, a Maryland limited liability company, the general partner of Elizabeth House III Limited Partnership, which developed and currently operates The Leggett, a 267-unit, age-restricted, apartment community formerly known as Elizabeth House III and located at 1315 Apple Ave, Silver Spring, MD 20910 (the “Property”); and

**WHEREAS**, on June 21, 2019 and as amended July 10, 2019, the Commission approved a Financing Plan for the Property, which included a bridge loan from HOC in the amount of \$22,000,000 (“Bridge Loan”), which Bridge Loan was funded by a draw on the Commission’s Real Estate Line of Credit from PNC (“RELOC”); and

**WHEREAS**, on September 13, 2023, the Commission approved increasing the Bridge Loan to \$24,000,000, which increase was funded by an additional draw of \$2,000,000 on the RELOC; and

**WHEREAS**, the Commission desires to draw an additional amount of up to \$7,700,000 on the RELOC (to be used to increase the Bridge Loan to \$33,700,000 (the “Bridge Loan Increase”).

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes a taxable draw of up to \$7,700,000 from the RELOC to fund the Bridge Loan Increase.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County authorizes the President/Executive Director, or her authorized designee, without any further action on its part, to execute such other documents and to take any and all other actions, in each case as necessary and proper, in the President/Executive Director’s judgment, to carry out the amended Financing Plan and the transactions and actions contemplated herein.

**RESOLUTION No.: 24-28b**

**RE: Approval to Draw an Additional \$7,700,000 on the PNC Bank, N.A. Real Estate Line of Credit to Increase the Bridge Loan at The Leggett (formerly Elizabeth House III)**

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on April 4, 2024.

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**Chelsea J. Andrews**  
**President / Executive Director**

**WHEATON GATEWAY: APPROVAL TO SELECT JDC CONSTRUCTION, LLC AS  
CONSTRUCTION MANAGER FOR THE WHEATON GATEWAY DEVELOPMENT  
(PHASE I) AND APPROVAL FOR THE PRESIDENT TO NEGOTIATE AND EXECUTE  
THE CONTRACT**

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## **Wheaton Gateway**



**CHELSEA J. ANDREWS, PRESIDENT/ EXECUTIVE DIRECTOR**

**KAYRINE BROWN, SENIOR EXECUTIVE VICE PRESIDENT  
ZACHARY MARKS, SENIOR VICE PRESIDENT OF REAL ESTATE  
ALEX LAURENS, HOUSING ACQUISITION MANAGER  
DAEJAUNA DONAHUE, PROJECT MANAGER**

April 3, 2024

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# Executive Summary



*Veirs Mill West (Lindsay Ford), Ambassador, and Mattress Firm comprise the Wheaton Gateway Development.*

In 2017, the Lindsay family, owners of the existing Lindsay Ford dealership located at 11250 Veirs Mill Road in Wheaton, desired to relocate the dealership and its operations to a new site. Located adjacent to the Ambassador Apartments, which was jointly owned at the time as a condominium between HOC and an affiliate of Willco, LLC (“Willco”), acquisition of the Lindsay Ford holdings would not only create the opportunity for synergies for the redevelopment of The Ambassador Apartments, but would also dramatically increase the scope of the revitalization for a core part of Wheaton, whose greatest challenge is the highly fragmented nature of land ownership. A cohesive redevelopment of this prominent corner, which, if consolidated, could deliver approximately 700+ units at full buildout, was a vision shared by the Planning staff during the Sector Plan process.

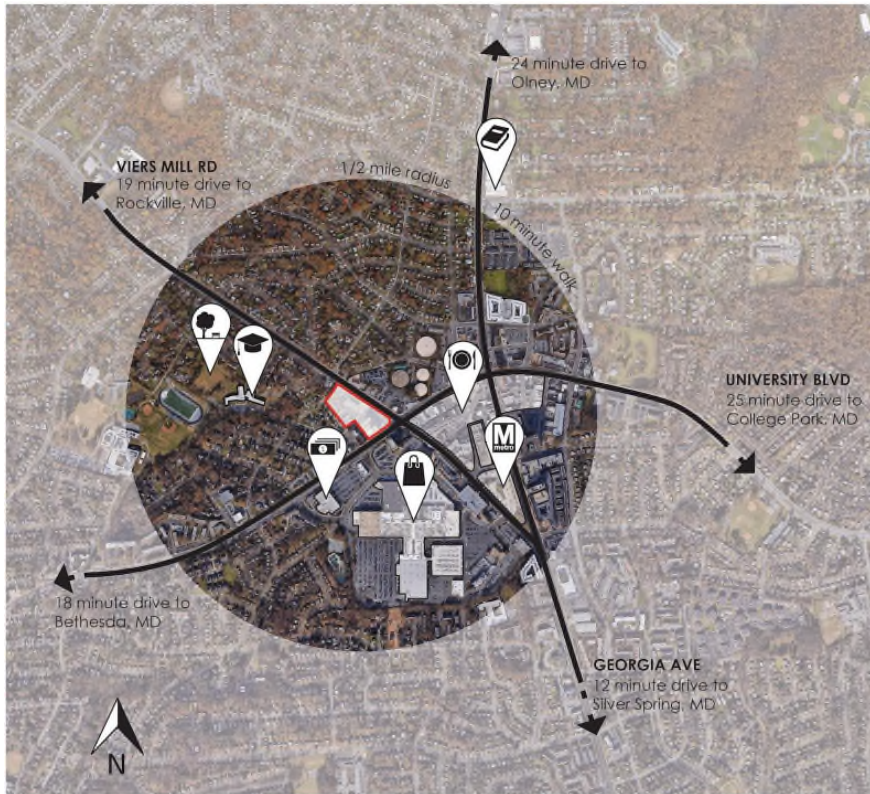
To jumpstart this redevelopment effort, HOC staff negotiated the acquisition of the Lindsay Ford dealership consisting of 11 parcels, totaling approximately 5.4 acres (the “LAG Properties”). The LAG Properties include approximately 3.8 acres of property West of Veirs Mill Road (together the “Veirs Mill West Properties”) and approximately 1.6 acres of property East of Veirs Mill Road (the “Veirs Mill East Properties”).

On **January 17, 2019**, the Commission completed acquisition of the LAG Properties, which represented the culmination of several years of negotiation to secure one of the largest and most impactful redevelopment opportunities in Wheaton allowing for the opportunity to combine those properties with the adjacent Ambassador Apartments site.

In keeping with the “Gateway” concept that HOC and private development partner The Duffie Companies (“Duffie”), a third-generation, Montgomery County-based, family-owned real estate development and asset management company, have promoted in partnership as part of the Hillandale Gateway development, HOC and Duffie created a similar partnership and structure for the redevelopment of the Lindsay West Properties (together the HOC/Duffie joint venture being Wheaton Gateway, LLC or the “Duffie JV”).



# Executive Summary



*Regional Site Plan*

On **November 12, 2019**, following fruitful negotiations with Duffie's assistance, the Commission approved the creation of Wheaton Venture, LLC, a partnership between Wheaton Gateway, LLC and Willco (the "Venture"). This partnership fully unlocked the development potential of this prominent corner by earning Willco's participation with respect to the Ambassador Apartments site and further augmenting the assemblage of the Veirs Mill West Properties through incorporation of Willco's corner Mattress Firm property to form what is now known as the "Wheaton Gateway" development site.

Serving as lead developer in this effort will be Duffie affiliate PS Ventures, LLC ("PS Ventures"). PS Ventures is a highly specialized real estate development firm whose primary mission is to help design and develop buildings that are more resilient, more durable, and more efficient utilizing building science and passive building principles. PS Ventures will be responsible for managing the day-to-day project activities, feasibility analysis, and crafting the vision for the project.

While the plans are being developed and subject to approval by the members of the Venture and the Commission, the opportunity to transform this Gateway site will greatly contribute to the overall Wheaton economy and life.

A community meeting was held on March 11, 2024, and the site plan submission is projected for April 8, 2024.

# Executive Summary

Since **February 2020**, when approval from Commission was received for the Concept Plan for the redevelopment of the assembled site, the project team has engaged an architect and progressed the design through Sketch Plan approval.

On **March 6, 2024**, the Commission approved the Site Plan to be submitted to the Maryland-National Capital Park and Planning Commission (“M-NCPPC”) at the end of March.

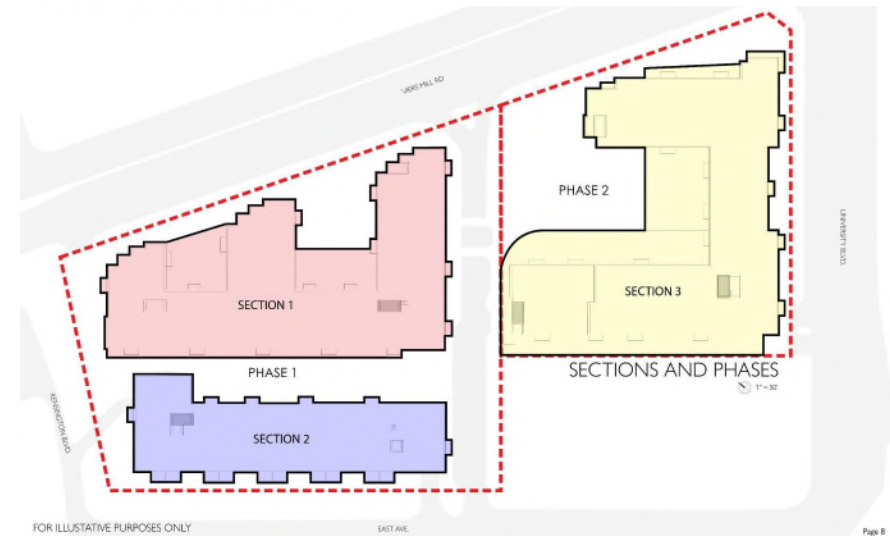
The development and design teams are currently working on the progression of schematic design (“SD”) with the goal of starting design development (“DD”) in October 2024. The ultimate goal is to submit for Building Permits in June/July 2025.

With this goal in mind, the development team plans to engage a Construction Manager (“CM”) and General Contractor prior to the start of DDs to assist with pricing and constructability guidance. The Construction Manager will be contracted for the two phases of construction and for the following four phases of work:

- General Contractor Procurement
- Entitlement and Preconstruction Support
- Construction
- Project Close-Out

The CM solicited for the Wheaton Gateway project is anticipated to be engaged by June 2024 and will have experience on high-rise multi-phased projects with sustainability objectives consistent with those of Wheaton Gateway.

The services will cover the remainder of the predevelopment phase and the duration of the construction of Phase I.





## TARGETING

TRIPLE BOTTOM LINE



Energy-efficiency, carbon reduction, and resiliency are cornerstones of the Project's goals. The Project is anticipated to target LEED-H Midrise V4 Platinum certification, Passive House (PHIUS+ 2021) certification, and Energy Star Multifamily New Construction Certification. The Project will also need to achieve all relevant building, energy, and green building codes.

# Selection of a Construction Manager - Criteria

HOC’s Procurement Office issued a Request for Proposal (RFP #2431) for construction management services for Wheaton Gateway accordance with HOC’s Procurement Policy. RFP #2431 was released on November 7, 2023 with a due date of December 21, 2023. The RFP was posted to HOC’s website and distributed to more than 300 vendors registered in the Montgomery County Central Vendor Registration System (“CVRS”). A pre-proposal conference was held virtually on November 14, 2023, which was attended by twelve (12) firms.

The scope of work outlined in RFP #2431 included six (6) months of GC procurement, twelve (12) months of entitlement phase services (Park and Planning), followed by a construction phase services including construction administration services and construction observation. The scoring consisted of staff from Risk Management, Mortgage Finance, and Real Estate divisions, as well a Duffie representative (together, the “Construction Manager Scoring Team”, all received written instructions prior. A Construction Manager Scoring Team consensus meeting occurred on March 8, 2024. The Proposals were scored on the following: four (4) evaluation criteria. The maximum points a proposal could receive is 100.

Qualifications (Maximum 45 Points)	Additional MFD Participation (Maximum 15 Points)	References (Maximum 10 Points)	Price (Maximum 30 Points)
<p>Demonstrated experience with projects involving: i) high-rise mixed-use and residential ii) Passive house achieving energy standards beyond code requirements, iii) high performance construction standards and certifications, iv) experience with Low Income Housing Tax Credit (“LIHTC”), showing successful track record with LIHTC projects, with a preference for LIHTC projects in the State of Maryland, v) Experience in the Baltimore – Washington area with a preference for Montgomery County, vi) Davis-Bacon and Related Acts.</p>	<p>The 15% of MFD scoring shall be subdivided in two areas. The first is the Architect’s direct MFD efforts (5% Direct MFD). All firms can receive 5% MFD effort and any respondents that are a certified MFD firm are awarded the full 5% as well. The second area is MFD subcontractors (10% MFD Subcontracting). Respondents who meet the MFD requirement (i.e., 25%) will score 0% , &gt;25% – 29% will receive 5%, and 30% or above will receive the full 10%.</p>	<p>Reference checks were conducted to evaluate and verify past performance regarding ability for on-time completion and change order management.</p>	<p>Price and Fees for performing the services described in this request for proposal. Price proposals should include detailed cost of each service.</p>

# Selection of a Construction Manager – Bidders

HOC received seven (7) proposals in response to RFP# 2431 by the proposal deadline on December 21, 2023 at 12:00 pm. Two respondents were deemed non-responsive, as their proposal did not include the minimum requirements identified in the RFP.

## **FIX360, Inc. (“FIX360”)**

Founded in 2013, FIX360 is a certified MBE firm that has rapidly grown to become a respected and innovative player in the construction management industry. FIX360 has experience on the following HOC project: Scattered Sites.



## **Owner Rep Consulting, LLC (“Owner Rep”)**

Founded in 2012, Owner Rep’s services include construction management and bank management. Owner Rep has experience on the following HOC projects: Bauer Park, Georgian Court, and Shady Grove.



## **JDC Construction, LLC (“JDC”)**

Since 2003, JDC is a certified MBE firm that has been providing comprehensive and systematic project and construction management services for community-focused development projects. JDC has experience on the following HOC projects: The Lindley, Fenton Silver Spring, Stewartown, The Laureate, The Willow Manor Properties, and HOC HQ.



## **Lambis Rank, LLC (“Lambis Rank”)**

Based in the Washington, DC-metro area, Lambis Rank provides a broad range of real estate services including project and development management, property management and transaction/financial consulting. Lambis Rank has experience on the following HOC projects: The Leggett and Hillandale Gateway.



## **MLG Construction Management Services, LLC (“MLG”)**

MLG was founded on the common principle that successful projects are by-products of experienced and knowledgeable oversight draws on decades of collective industry experience to capitalize on the best outcome for your projects. MLG does not have any experience on HOC projects.



# Selection of a Construction Manager – Scoring

Following a review of all the proposals, the Construction Manager Scoring Team scored JDC the highest with 90 out of 100 points. A summary of the team's evaluation of JDC is provided below.

## Qualifications:

- JDC has significant and satisfactory experience with HOC's developments, such as The Lindley, Fenton Silver Spring, Stewartown Homes, The Laureate, The Willow Manor Properties, and HOC HQ. Within their proposal, they also strongly demonstrated expertise on projects of similar scope and size, high sustainability standards beyond code minimum, high construction standards, LIHTC experience, experience in the Baltimore-Washington Metropolitan area and Davis-Bacon wage compliance.

## MFD Participation:

- As a certified MBE firm, JDC received full points in this criteria, which included direct MFD efforts for MFD personnel in leadership positions based on their diverse staffing plan and self-performance of work.

## References:

- JDC has provided CM services on HOC projects before and have performed well regarding their involvement on change order management and on-time completion of projects.

## Price:

- Their proposal included a competitive price of \$1,306,000. HOC does not have experience with JDC submitting significant change orders for their services after an award.

Based on the scoring criteria, JDC has demonstrated that they have the skills, team, and expertise to provide Construction Management Services for the Wheaton Gateway Phase I. Staff recommends the approval of JDC for Wheaton Gateway, LLC Phase I Construction Management Services in the amount of \$1,306,000 and to include a 15% contingency in the amount of \$195,900 to cover unforeseen changes in scope due to the scale and duration of the project.

# Upcoming Commission Actions

Wheaton Gateway – Upcoming Actions	Projected Timeframe
Approval of the General Contractor	May/June 2024
Approval of the Sustainability Consultant	May/June 2024
Approval to Submit for Building Permit	June/July 2025
Approval to Execute the GMP with the General Contractor	September/October 2025

The discussions with the Commission envisions a multi-phase development over several years; however, there is commitment delivering a transformative development at the gateway into Wheaton from the west, along University Boulevard.

Staff, with the Development Team will be submitting the Site Plan for review on April 8<sup>th</sup>, 2024 and as the project progresses, the Commission asked to consider several actions up to the receipt of obtaining building permits for the first phase of construction at Wheaton Gateway.



# Summary and Recommendations

## ISSUES FOR CONSIDERATION

- Does the Commission wish to accept staff's recommendation, which is supported by the Development and Finance Committee, and authorize:
1. The selection of JDC Construction, LLC to provide construction management services for Wheaton Gateway, LLC Phase I in the amount of \$1,306,000; and to include a 15% contingency in the amount of \$195,900;
  2. Authorize the President/Executive Director to negotiate and execute a contract with JDC Construction Company, LLC that reflect these terms?

## BUDGET/FISCAL IMPACT

There is no budget/fiscal impact. The pre-development budget was approved through CY-25 and included construction management services within the budget. The proposed fee by JDC Construction Company, LLC for the predevelopment phase is within the dedicated budget line item amount for construction management services. Construction management services for the construction of will be included in the construction financing at closing.

## TIME FRAME

For formal action at the April 3, 2024 meeting of the Commission.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission:

1. Approve the selection of JDC Construction, LLC to provide construction management services for The Wheaton Gateway, LLC Phase I in the amount \$1,306,000; including a 15% contingency in the amount of \$195,900;
2. Authorize the President/Executive Director to negotiate and execute a contract with JDC Construction, LLC that reflect these terms.

RESOLUTION No.: 24-29

RE: APPROVAL TO SELECT JDC CONSTRUCTION LLC AS CONSTRUCTION MANAGER FOR THE WHEATON GATEWAY DEVELOPMENT (PHASE I) AND APPROVAL FOR THE PRESIDENT TO NEGOTIATE AND EXECUTE THE CONTRACT

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) and its partners, Duffie, Inc. (“Duffie”) and Wheaton Motel Associates Limited Partnership, a Maryland limited partnership (“Willco”), have aggregated three (3) properties at the corner of University Boulevard and Veirs Mill West in Wheaton known as “Wheaton Gateway” through their subsidiary, HOC at 11250 Veirs Mill Road, LLC (the “Venture Entity”); and

**WHEREAS**, HOC is redeveloping the site into a mixed-income, mixed-use, multigenerational community; and

**WHEREAS**, the Commission issued a request for proposals (“RFP #2431”) for construction management services for Wheaton Gateway; and

**WHEREAS**, JDC Construction LLC (“JDC”) received the highest score among respondents to RFP #2431; and

**WHEREAS**, the Commission desires to select JDC for construction management services for Wheaton Gateway and authorize the President/Executive Director to execute a contract with JDC in an amount not to exceed \$1,306,000 (“Contract Price”); and

**WHEREAS**, the Commission desires to approve a “Construction Manager Budget” in the amount of \$1,501,900, which includes the Contract Price and a contingency of \$195,900 (15% of the Contract Price) (“Contingency”).

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton Gateway, LLC, acting for itself and in its capacity as the manager of Wheaton Gateway, LLC, acting for itself and in its capacity as the manager of Wheaton Venture, LLC, acting for itself and as the sole member of the Venture Entity, that it approves the selection of JDC for construction management services for Wheaton Gateway and authorizes the President/Executive Director of HOC, or their designee, to execute a contract with JDC in an amount not to exceed the Contract Price.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the Construction Manager Budget in the amount of \$1,501,900, which includes the Contract Price and the Contingency.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of HOC at Wheaton Gateway, LLC, acting for itself and on behalf of Wheaton Gateway, LLC, that it authorizes the use of the Contingency in the event unforeseen or additional construction management services are required.

RESOLUTION No.: 24-29

RE: APPROVAL TO SELECT JDC CONSTRUCTION LLC AS  
CONSTRUCTION MANAGER FOR THE WHEATON  
GATEWAY DEVELOPMENT (PHASE I) AND APPROVAL  
FOR THE PRESIDENT TO NEGOTIATE AND EXECUTE THE  
CONTRACT

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton Gateway, LLC, acting for itself and its capacity as the manager of Wheaton Gateway, LLC, acting for itself and in its capacity as the manager of Wheaton Venture, LLC, acting for itself and as the sole member of the Venture Entity, that the President/Executive Director of HOC, or their designee, is hereby authorized, without any further action on their respective parts, 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 3, 2024.

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**Chelsea J. Andrews**  
**President/Executive Director**



**FOREST GLEN DEVELOPMENT: APPROVAL OF A DEVELOPMENT CONSULTANT  
FOR THE ENTITLEMENT OF THE ENTIRE SITE, THE DEVELOPMENT AND  
CONSTRUCTION OF PHASE I AND APPROVAL OF A FEASIBILITY BUDGET AND  
RELATED FUNDING**

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**MIXED-INCOME RENTAL HOUSING AT FOREST GLEN  
IN METRO SILVER SPRING**



**CHELSEA J. ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR**

**KAYRINE V. BROWN, SENIOR EXECUTIVE VICE PRESIDENT**

**ZACHARY MARKS, SENIOR VICE PRESIDENT, REAL ESTATE**

**KATHRYN HOLLISTER, HOUSING ACQUISITION MANAGER**

**WALKER TAYLOR, FINANCIAL ANALYST**

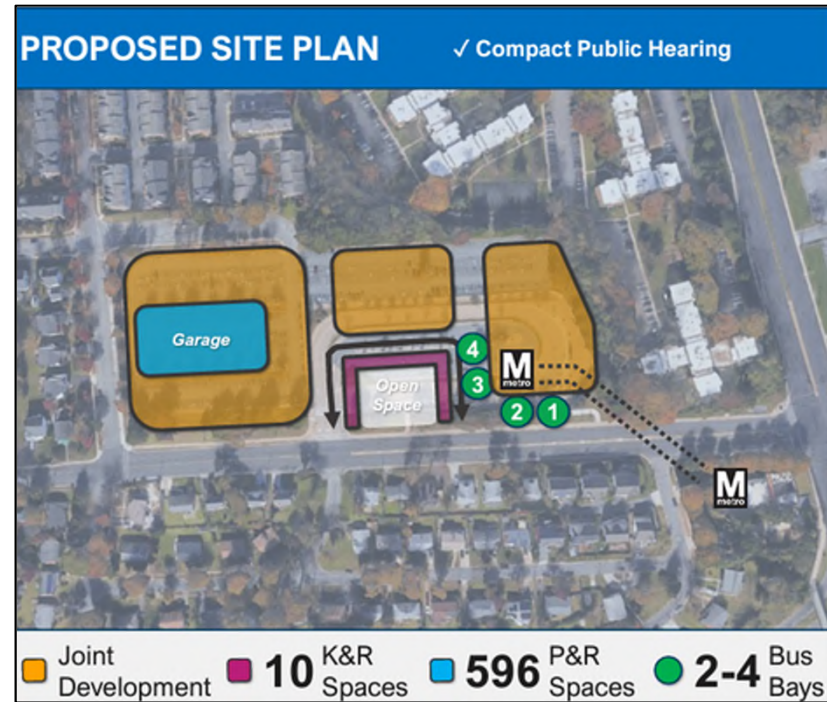
**April 3, 2024**

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# Executive Summary

- Staff is recommending approval of a development consultant (“Consultant”) to assist HOC with the redevelopment of the Washington Metropolitan Area Transit Authority (“WMATA”) Forest Glen Metro parking and kiss-and-ride facilities (“Site”) as a multi-phase redevelopment, consisting of affordable and market-rate residential apartments, retail offerings, replacement transit facilities, and public use space.
- Given the unique characteristics of Transit Oriented Developments (“TOD”) and the large, multi-phased nature of the Site, HOC could benefit from working with a development consultant that has experience working closely with WMATA.
- The primary role of the Consultant will be to assist HOC with: due diligence and feasibility analysis for the Site and for the first phase of redevelopment; procurement and management of consultants and design professionals; design and entitlement of the Site; and the design, development and construction of the first phase of redevelopment.
- Staff recommends selecting Urban Atlantic as the Consultant for the Site and to authorize the President/Executive Director to negotiate and execute a contract with Urban Atlantic for the entitlement of the site and first phase of vertical development, pursuant to the terms outlined herein.
- Urban Atlantic has a 20+-year relationship with WMATA, both as a competitively selected Joint Development Partner and a “fee-for-service” development partner, and has worked closely with WMATA to vision, design, entitle, permit and construct multiple public and private projects.
- Staff is also recommending that the President/Executive director execute a limited notice to proceed to Urban Atlantic under the Consultant Contract in an amount not to exceed \$500,000 to provide services related to the feasibility of the Development Work (the “Limited Notice to Proceed”)
- Staff is further requesting an increase in feasibility funding in the amount of \$715,000 to cover the 12 months of Consultant Contract, as well as legal fees and other predevelopment soft costs related to the project. This will include an HOC-held contingency of \$50,000, in the event additional services are required. This aligns with the limited notice to proceed outlined above.



K&R: Kiss & Ride Parking Spaces  
P&R: Park & Ride Parking Spaces



# Background

- The Site is located on the parking lot above the Forest Glen Metro, off Forest Glen Road and Georgia Avenue.
- On April 6, 2022, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) authorized the then Acting Executive Director to submit an Unsolicited Offer to Washington Metropolitan Area Transit Authority (“WMATA”) to redevelop the Site and approved funding for feasibility study of the Site.
- The multi-phase redevelopment will consist of affordable and market rate rental housing, retail offerings, replacement transit facilities, and public use space.
- Initial concept plans show the potential for 800 to 1,050 new residential units in six (6) proposed buildings. The first phase of redevelopment is anticipated to produce approximately 431 units.
- HOC is exploring the possibility to expedite regulatory review through the processes created by Zoning Text Amendment (“ZTA”) 23-02 to obtain entitlements, with greater levels of affordable housing.
- The proposed development supports Montgomery County’s 2019 Forest Glen Montgomery Hills Sector Plan.





# Site Overview and Redevelopment Phases



*Rendering above for illustrative purposes only. The numbered sections above depict potential phasing of the vertical development of the Site.*

Staff recommends selecting Urban Atlantic as the Consultant for the **Entitlement Phase** and **Phase 1** of the redevelopment. HOC will reserve the right under the contract to add or retain additional and/or different development consultants for future phases of the redevelopment (Phases 2-4).

Redevelopment of the Site is a multi-phase endeavor. HOC anticipates each phase will take 3-5 years to finance and build and that the entire Site will be fully developed in **approximately 15-20 years**. The phases include:

- **Entitlement Phase:** Entitlement of the entire Site will be obtained before any vertical construction begins. Entitlement includes approval of design, public use space and amenities, master/sector plan conformance, dedications, adequate public facilities, and maximum density dedications for the Site.
- **Phase 1:** Vertical construction of one residential/mixed-use building on the eastern portion of the Site, closest to the WMATA station.
- **Phase 2:** Vertical construction of one or more residential/mixed-use building in the center of the Site.
- **Phase 3:** Vertical construction of one or more residential/mixed-use buildings on the northwest corner of the Site.
- **Phase 4:** Vertical construction of one or more residential/mixed-use buildings on the southwest corner of the Site.

WMATA replacement facilities, including a new entrance to the station tunnel, parking facilities, etc., will be developed throughout each Phase pursuant to HOC's agreement with WMATA.

# Procurement – Task Order #2386-1

HOC solicited proposals from five (5) firms within its Real Estate Development and Finance Consultant Pool established under RFQ #2386 to serve the Commission as a development consultant for a new mixed-use, mixed-income, TOD. The five (5) firms were: Urban Atlantic (“Urban Atlantic”), EYA Development (“EYA”), Fivesquares Development (“Fivesquares”), Duball LLC (“Duball”) and Forefront Company LLC (“Forefront”). Each of the five firms has demonstrated expertise in handling multi-phased TODs, specifically with WMATA.

The scope of services requested in Task Order #2386-1 included:

- 1) Development Consultant shall assist HOC with its Joint Development Agreement (“JDA”) with WMATA;
- 2) Development Consultant shall assist HOC in the procurement, selection and management of all necessary contractors to complete the design and entitlement of the Site;
- 3) Development Consultant shall assist HOC in leveraging the expedited regulatory review process created by ZTA 23-02 to obtain all necessary development approvals for the Site;
- 4) Development Consultant shall assist HOC in preparing presentation materials for discussion with the Commission and its staff, Montgomery County Park and Planning Commission and its staff, the Montgomery County Council and its staff, and various other community groups and stakeholders as necessary;
- 5) Development Consultant shall assist HOC in creating budgets, timelines, development proformas, and operating projections for the first phase of redevelopment as well as the entire Site;
- 6) Development Consultant will consult on project financing to ensure a balanced capital stack and that the development is financially feasible; and
- 7) Development Consultant shall prepare project manuals to include predevelopment, development, and operating information for the development. Developer shall advise HOC on development best practices.

Staff interviewed the three top scoring firms out of the five firms that submitted responsive proposals pursuant to RFP 2386 for Task Order #2386-1. The firms were; Urban Atlantic, EYA and Fivesquares. These firms demonstrated the most relevant experience with multiphase WMATA redevelopment projects similar to the Forest Glen Site.



# Scoring and Recommendation

A scoring team consisting of HOC Real Estate Development, Asset Management and Mortgage Finance staff scored the firms and their proposals on the following: four (4) evaluation criteria. The maximum points a proposal could receive is 100.

Offeror's Qualifications (Maximum 25 Points)	Experience of the Firm in Developing High-Density, Mixed-Use and Mixed-Income Transit-Oriented Developments (Maximum 25 Points)	Minority/Female/ Disabled Business ("MFD") Participation (Maximum 15 Points)	Price (Maximum 35 Points)
Respondent's plan for staffing assignments, roles and responsibilities to complete the work outlined in the Task Order.	Respondents demonstrated experience and background in developing high-density, transit-oriented, multiphase redevelopments (WMATA redevelopments in particular) that consisted of affordable and market-rate housing, retail, replacement transit facilities, and public use space in the Baltimore – Washington Metropolitan area with a preference for Montgomery County.	An evaluation of the extent and quality of the proposed participation by MFD firms.	An evaluation of the value of the services provided at the proposed fees and pricing structure.

Proposals received scores that ranged between 66 and 89 points, with Urban Atlantic receiving the highest score. Scoring was highly competitive in two (2) of the four (4) categories. All five (5) firms demonstrated significant experience working with WMATA for projects of similar size and scope. The biggest factor that differentiated the firms' scores was price. All firms structured their fee as a percentage of total development costs, with a portion of their fees proposed to be paid in fixed monthly amounts during predevelopment. The remainder of their fees would be paid during vertical construction. Urban Atlantic's fee structure includes a fixed monthly fee during predevelopment, and vertical development fee equal to 4.0% of total development costs, less predevelopment fees paid, that will be paid during construction. Additionally, to align interests and create incentives for timely execution, Urban Atlantic proposes a development fee cap during pre-development based on an agreed upon scope of work and timeline. Urban Atlantic's pre-development fees will not exceed this cap unless the scope of work or timeline changes for reasons beyond Urban Atlantic's control. This fee structure was competitive, and Urban Atlantic scored highly in this category because of value of their services at their proposed fees and pricing structure.

Urban Atlantic employs over 30 development and finance professionals who are responsible for executing a robust development pipeline. As such, they can deliberately and predictably place development projects into production and plan for current and future staffing needs. They are adequately staffed to undertake the additional workload posed by the redevelopment of the Forest Glen Metro. Furthermore, as a 26-year-old development firm, they are well capitalized and able to supplement HOC's staff as the workload changes and grows.

# Fee Structure

- All five firms submitted proposals covering the entire five-year span of the initial phase of the Site, encompassing both the predevelopment/entitlement phase within this period.
- Urban Atlantic's comprehensive development fee is set at four percent (4%) of total development costs, which includes a predetermined predevelopment monthly fee to be established during the exploratory stage of the inaugural phase of the Site.
- Each respondent presented a flexible range of predevelopment fees, subject to negotiation based on project duration, scope, and overall timeline considerations.
- Urban Atlantic proposes a predevelopment fee cap, with their entire development fee contingent upon total development costs and the entitlement process for the entire site.

# Development Benchmarks

- As discussed previously, the Consultant's scope of work will cover the Entitlement Phase and Phase 1 of vertical construction, which is anticipated to take approximately five (5) years to complete.
- During those five years, staff will return to the Commission at multiple points to obtain approval to continue with the redevelopment, including, but not limited to:
  - 1) Approval of a Predevelopment Plan and Predevelopment Funding: once the feasibility study period concludes, staff will return to the Commission for approval of a predevelopment plan, timeline and funding to cover all the work necessary to complete the entitlement process and obtain all necessary approvals to construct Phase 1 of the development.
  - 2) Site Plan Submission: once the site has been designed, staff will return to the Commission for approval prior to submission.
  - 3) Final Development Plan and Final Financing Plan: Prior to the construction of Phase 1, staff will return to the Commission for approval of a Final Development Plan and Final Financing Plan, which will include all funding needed to construct and permanently finance Phase 1.

HOC intends to use its standard form of Agreement for Services, which permits HOC to terminate the agreement at any time if it determines that termination is in HOC's best interests.



# Relevant Experience (Urban Atlantic)

## Experience with WMATA

- Developed over 1,000,000 square feet of mixed-use projects on WMATA land
- Constructed critical WMATA infrastructure, including parking garages and bus facilities
- Understanding of WMATA's approval and entitlement processes

## Experience with Inclusive, Equitable, and Sustainable Communities

- Inclusive & Equitable Approach with a focus on affordable, workforce, and mixed-income housing options
- Strong track record of partnering with MBE, WMBE, and/or DBE firms
- Sustainable Design Achievements with LEED Gold, LEED Silver, or Green Globes certifications

## Case Study: New Carrollton Metro

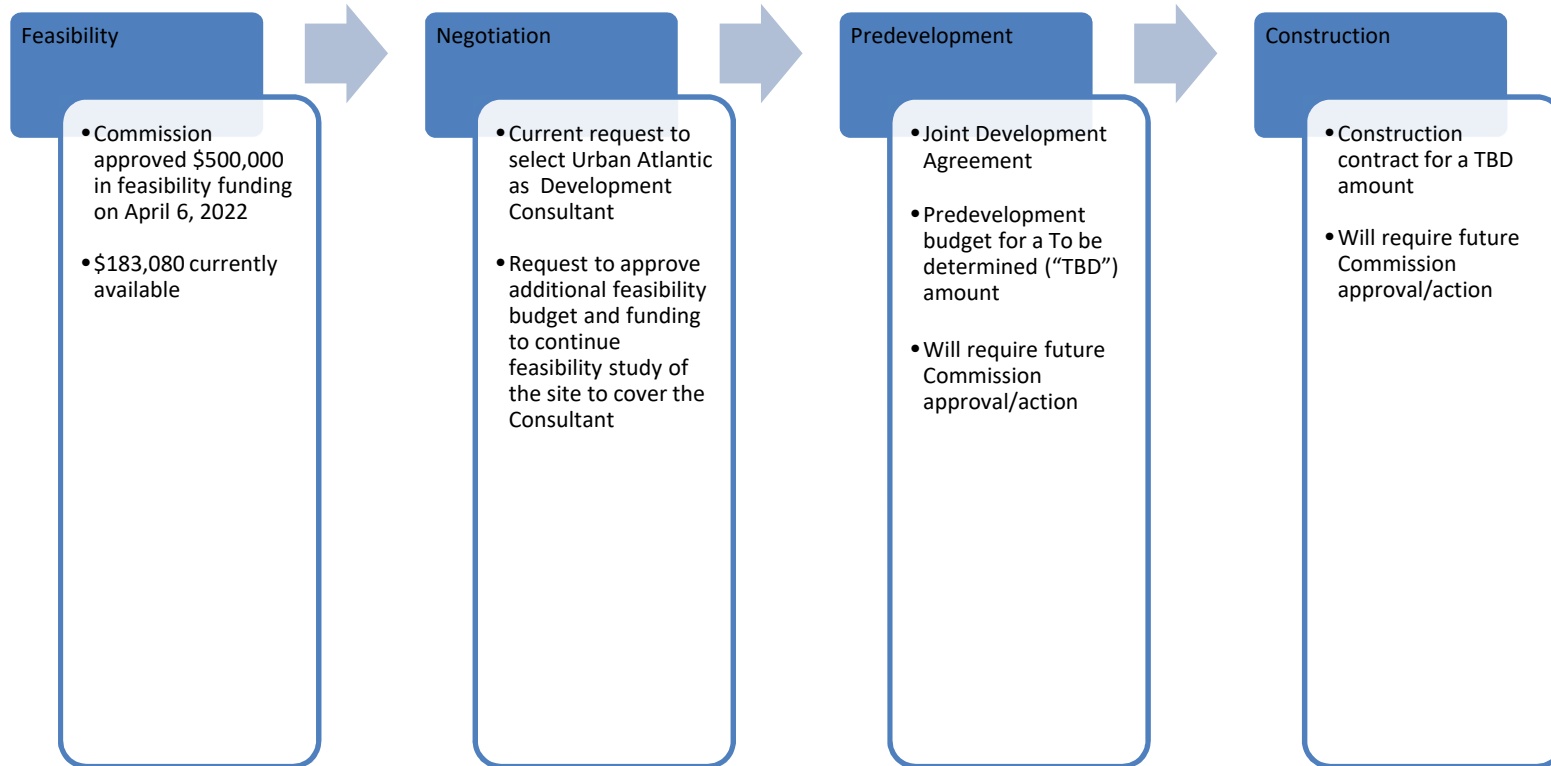
- Urban Atlantic is transforming 49 transit-oriented acres into a mixed-use and mixed-income employment center and residential community. The public-private partnership engages the WMATA, Prince George's County, the State of Maryland and development partner Brookfield (formerly Forest City) to create a new 2.5 million-square-foot Opportunity Zone-designated neighborhood.
- Ultimately, 1,500 residential units, 1.1 million square feet of offices, 150,000 square feet of retail and a 200-key hotel will be oriented around a bustling transit hub just outside the nation's capital.
- Urban Atlantic broke ground in 2017 on the first phase of a planned three-building office complex, delivering a 176,000-square-foot administrative building for anchor tenant Kaiser Permanente. The health care company relocated nearly 1,000 employees in 2019.

## Commitment to Diversity

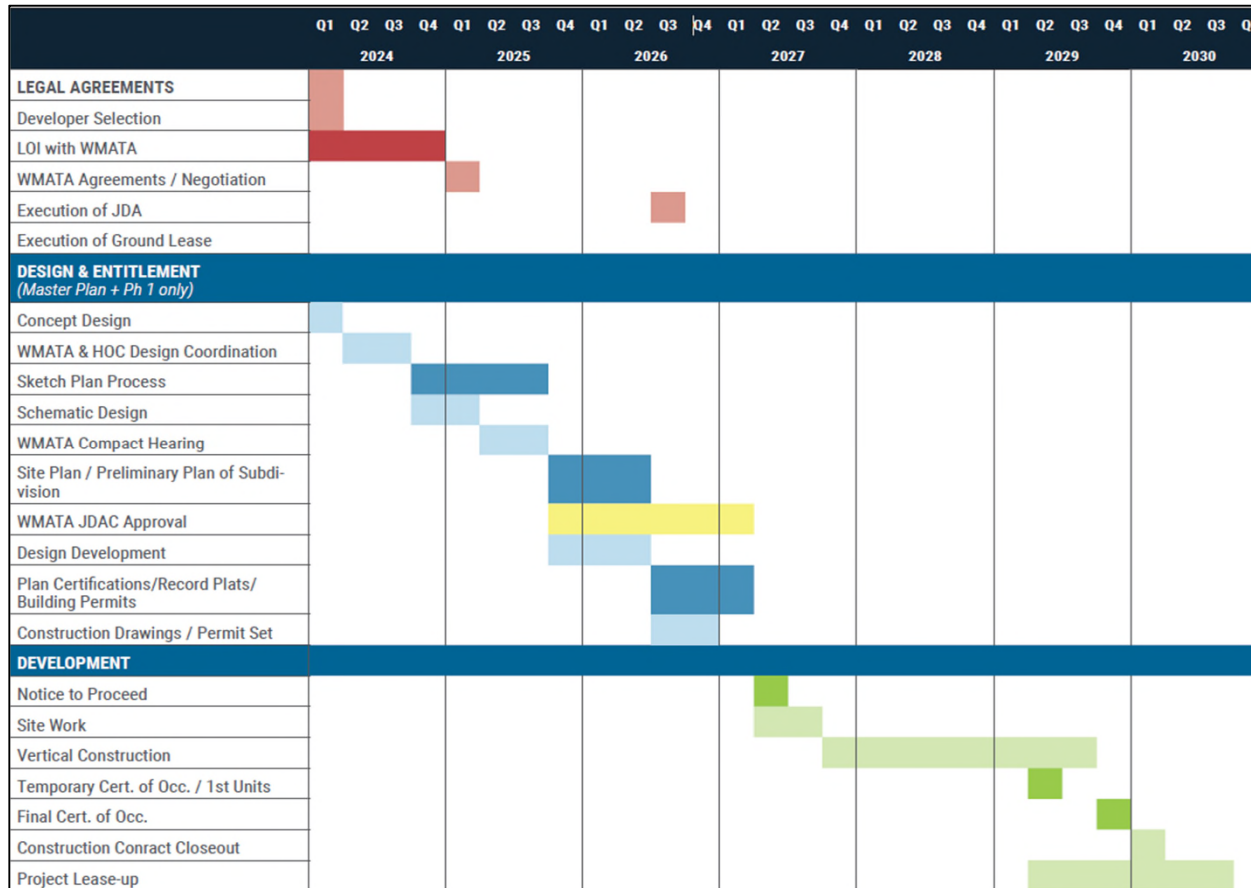
- Commitment to allocate 20% of the contract value to BFW Group, a certified MBE, DBE, and SBE firm
- Strong track record of diverse representation and MBE, CBE, or similar requirements



# Development Timeline – Phase 1



# Development Timeline – Phase 1 Cont.



Following approval of a Consultant, staff will build out a finalized timeline with Urban Atlantic. Subsequently, staff will return to the Commission for approval of a predevelopment budget.

# Feasibility Budget/Development Consultant Funding

To continue exploration of the Site, and to prepare to enter into a JDA with WMATA, staff is requesting additional feasibility funding of \$715,000, which includes funding for the Consultant, Urban Atlantic, during this feasibility period. Staff will return to the Commission for approval of a Predevelopment Budget toward the end of the feasibility period. The Predevelopment Budget would include funding for the Consultant during the predevelopment period. The amount outlined below includes the limited notice to proceed to Urban Atlantic under the Consultant Contract related to the feasibility of the Development Work in the estimated amount of \$500,000.

	Items	Amount
1.	Development Consultant	\$500,000
2.	Zoning and Legal	\$65,000
3.	Site Due Diligence	\$50,000
4.	Concept plan drawing/architecture	\$50,000
5.	Contingency	\$50,000
	<b>Total</b>	<b>\$715,000</b>

The total request is for \$715,000, including a \$50,000 contingency. This request would be funded as a draw from the Opportunity Housing Reserve Fund (“OHRF”), and would be repaid at the closing of construction financing, should the a transaction be consummated.

# Summary and Recommendations

## Issues for Consideration

Does the Commission wish to accept staff's recommendation, which is supported by the Development and Finance Committee, that the Commission:

1. Approve the selection of Urban Atlantic as the Consultant for the Site pursuant to the Development and Financing Consultant Pool for Task Order #2386-1;
2. Authorize the President/Executive Director to negotiate and execute a contract with Urban Atlantic based on terms described herein;
3. Authorize the President/Executive Director to execute a limited notice to proceed to Urban Atlantic under the Consultant Contract in an amount not to exceed \$500,000 to provide services related to the feasibility of the Development Work (the "Limited Notice to Proceed")
4. Approve a feasibility budget of \$715,000 (the "Feasibility Budget"), which Feasibility Budget will be used to fund twelve (12) months of costs under the Consultant Contract, as well as legal fees and other predevelopment feasibility soft costs related to the Development Work
5. Approve an additional \$715,000 in funding from the OHRF to fund the feasibility budget for the Site, including the cost of the Development Consultant with the expectation that the OHRF Draw would be repaid at the closing of construction financing on Phase I, should such a transaction be consummated.

## Time Frame

For formal action at the April 3, 2024 meeting of the Commission.

## Budget/Fiscal Impact

There is no direct impact on HOC's operating budget from approving the additional feasibility funding. If this action is approved, the OHRF would be reduced by up \$715,000 by funds used for feasibility study.

## Staff Recommendation and Commission Action Needed

Staff recommends that the Commission:

1. Approve the selection of Urban Atlantic as the development consultant for the Site pursuant to Development and/or Financing Consultant Pool for Task Order #2386-1;
2. Authorize the President/Executive Director to negotiate and execute a contract with Urban Atlantic based on the terms described herein;
3. Authorize the President/Executive Director to execute a limited notice to proceed to Urban Atlantic under the Consultant Contract in an amount not to exceed \$500,000 to provide services related to the feasibility of the Development Work (the "Limited Notice to Proceed")
4. Approve a feasibility budget of \$715,000 (the "Feasibility Budget"), which Feasibility Budget will be used to fund twelve (12) months of costs under the Consultant Contract, as well as legal fees and other predevelopment feasibility soft costs related to the Development Work
5. Approve \$715,000 in funding from the OHRF to fund the feasibility budget for the Site, including the cost of the Development Consultant, legal, other feasibility related soft cost, and a fund a contingency.

April 3, 2024

**WHEREAS**, on April 6, 2022, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) authorized the submission of an Unsolicited Offer to Washington Metropolitan Area Transit Authority (“WMATA”) to redevelop Forest Glen Metro parking and kiss-and-ride facilities (the “Site”) as a multi-phase development and authorized a draw of up to \$230,000 from the Opportunity Housing Reserve Fund (“OHRF”) to complete a feasibility study of the Site; and

**WHEREAS**, on January 12, 2024, staff solicited proposals from firms within the Commission’s existing Development and Financing Consultant Pool pursuant to Task Order #2386-1 for a development consultant (the “Solicitation”) to assist HOC with the entitlement of the Site (the “Entitlement”) and the vertical construction of the first phase of redevelopment, which will include approximately 431 units (such vertical construction, “Phase I”, collectively with the Entitlement, the “Development Work”); and

**WHEREAS**, Urban Atlantic (“Urban Atlantic”) received the highest score among all respondents to the Solicitation; and

**WHEREAS**, the Commission intends to continue its feasibility work with respect to the Site and the Development Work and would benefit from the engagement of Urban Atlantic as a development consultant; and

**WHEREAS**, the Commission desires to:

- (1) Approve the selection of Urban Atlantic as the development consultant for the Site (the “Selection of the Development Consultant”);
- (2) Authorize the President/Executive Director to negotiate and execute a contract with Urban Atlantic or its affiliate for the Development Work (the “Consultant Contract”), which Consultant Contract will have a fee of no greater than four percent (4%) of the total development costs of the Development Work;
- (3) Authorize the President/Executive Director to execute a limited notice to proceed to Urban Atlantic under the Consultant Contract in an amount not to exceed \$500,000 to provide services related to the feasibility of the Development Work (the “Limited Notice to Proceed”);
- (4) Approve a feasibility budget of \$715,000 (the “Feasibility Budget”), which Feasibility Budget will be used to fund twelve (12) months of costs under the Consultant Contract, as well as legal fees and other predevelopment feasibility soft costs related to the Development Work; and



**RESOLUTION No.: 24-30**

**RE: Approval of a Development Consultant for the Entitlement of the Entire Forest Glen Metro Site, the Development and Construction of Phase I, and Approval of a Feasibility Budget and Additional Funding**

(5) Authorize the Commission to draw up to \$715,000 from the OHRF to fund the Feasibility Budget (the "OHRF Draw"), with the expectation that the OHRF Draw would be repaid at the closing of construction financing on Phase I, should such a transaction be consummated.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves and authorizes the Selection of the Development Consultant, the negotiation and execution of the Consultant Contract, the execution and issuance of the Limited Notice to Proceed, the Feasibility Budget and the OHRF Draw.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County authorizes the President / Executive Director, or her authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

**RESOLUTION No.: 24-30**

**RE: Approval of a Development Consultant for the Entitlement of the Entire Forest Glen Metro Site, the Development and Construction of Phase I, and Approval of a Feasibility Budget and Additional Funding**

**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 3, 2024.

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**Chelsea J. Andrews  
President / Executive Director**



**THE BARCLAY APARTMENTS: APPROVAL TO SELECT VENDOR TO REPLACE ONE ELEVATOR AT THE BARCLAY APARTMENTS FOR THE PRESIDENT/EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A CONTRACT FOR UP TO \$285,445 AND APPROVAL OF THE CAPITAL EXPENDITURE BUDGET**

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**INFRASTRUCTURE MODERNIZATION**



**CHELSEA ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR**

**JOHN WILHOIT, VICE PRESIDENT, ASSET MANAGEMENT**  
**DEMARCUS HUBBARD, ASSET MANAGER**

**April 3, 2024**

# Executive Summary - Overview



Built in 1953, The Barclay Apartments (“The Barclay” or “Property”) in Bethesda, MD, is a garden-style multifamily community comprised of four buildings totaling 157 units and a current occupancy rate of 96%. It offers a diverse range of living options, including 26 studios, 91 one-bedroom units, and 40 two-bedroom units, and caters to individuals, couples, and families. There are four (4) buildings at the Property.

The Property comprises a diverse affordability mix, including 76 market-rate units, 21 units set at 30% of the Area Median Income (“AMI”), which are further supported with Section 8 Project Based Vouchers, and 60 units at 60% of the AMI. The consistently high occupancy rate highlights the desirability of The Barclay. It also indicates resident satisfaction with the varied unit options and a vibrant location that fosters a strong sense of community. A comprehensive renovation was completed more than a decade ago, after the Property was acquired.

**PURPOSE:** The Property requires the immediate replacement of the sole elevator in building 4700, which is inoperable and past its useful life. This request is for the President/Executive Director to be authorized to execute a contract with Action Elevator for \$285,445 for the replacement/modernization of the inoperable elevator at the Property.

**BACKGROUND:** In September 2023, the elevator became inoperable. It is the sole elevator in building 4700 of The Barclay, with 44 units. The original elevator manufacturer is no longer in business, and repair efforts are complicated. Upon discovery, the Asset Management team engaged an elevator vendor for a repair cost assessment.

Repairs were attempted over six weeks and deemed impossible due to age, condition, and parts unavailability. Management is providing consistent communication about the elevator and providing assistance to residents upon request.

Building 4700 contains four (4) floors. Once the Commission approves this action, another update will be provided to the residents along with periodic updates until the work is complete.



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# Procurement

The elevator at building 4700 was officially taken out of service on October 10, 2023, creating a need for repair or replacement. The property consists of four (4) buildings, each with one (1) elevator, highlighting the critical role these elevators play in the residents' daily lives. Potomac Elevator conducted inspections on all other remaining elevators in December 2023, confirming their operational status and ensuring the safety of residents.

To address the issue, proposals for replacing the elevator in building 4700 were solicited from three vendors: Potomac Elevator, Delaware Elevator Inc., and Action Elevator Company. The costs provided ranged from **\$285,445 to \$399,287**, a significant financial commitment is required for this essential repair. Despite the urgency, Montgomery County/Code Enforcement has not issued any violations, indicating that the property is managing the situation appropriately.

**PROCUREMENT:** To expedite the replacement of the elevator in Building 4700, staff proposes that Section 5.6, Noncompetitive Proposal of the Procurement Policy may be utilized in this circumstance. However, to ensure a competitive process, staff enlisted the assistance of staff experts across HOC and solicited bids from five (5) vendors. Scope of work includes replacement of the elevator (referred to as modernization by the vendors). Gaining bids was difficult based on the limited availability of vendors that specialize in elevator installation and with time of the essence. Installation will require approximately 32-36 weeks to complete.



# Sources of Funding

HOC’s Asset Management and Real Estate staff requested bids in recent weeks, including commentary on the timeline to complete the installation. Vendor selection included an assessment of price and capacity to begin the work promptly and complete the work timely. Staff considered vendor Ability and Resources to Perform. Work will begin within five to ten working days of when the contract is awarded. The total expenditure for replacement of the elevator, from recent bids are as follows:

	Proposal	HOC-Held Contingency	Total Budget
		(15%)	
<b>Potomac Elevator</b>	\$399,287	\$59,893	\$459,180
<b>Delaware Elevator</b>	\$315,500	\$47,325	\$362,825
<b>Action Elevator</b>	\$285,445	\$47,817	\$328,262

**FUNDING:** The replacement of the elevator is proposed to be funded from the replacement reserve account at the Property. As of **February 29, 2024**, this account had a balance of **\$355,410** (Affordable - LP) and **\$202,983** (Market Rate - DevCorp), indicating that the necessary funds are available to proceed with the replacement. In addition, the balance sheet for the Dev Corp shows a renovation escrow balance of **\$126,420**. Fifty-two percent (52%) will fund the affordable portion and forty-eight percent (48%) will fund the market rate portion, based on the ownership of the Property.

# Summary and Recommendations

## ISSUES FOR CONSIDERATION

Does the Commission wish to accept staff's recommendation which has the support of the Development and Finance Committee's to:

1. Select Action Elevation Company by utilizing a Noncompetitive Proposal Procurement, pursuant to Section 5.6 of the Procurement Policy, to replace the elevator in building 4700 at The Barclay Apartment; and
2. Authorize the President/Executive Director to negotiate and execute a contract with Action Elevator, for a total contract cost of \$285,445 plus a HOC-held contingency of \$42,817 (15%) for a total project cost of \$328,262, which cost is to be funded from the Property's replacement reserve account?

## BUDGET IMPACT

There is no impact on the Commission's FY 2024 operating budget; however, the replacement of the elevator at The Barclay represents a significant expenditure with a notable impact on the property's Capital Budget, creating a significant variance in the capital budget. The total cost of up to \$328,262 reflects the importance of the elevator as an essential component of life safety and convenience for residents. Funding for this project is proposed to come from The Barclay's replacement reserve accounts, which as of February 29, 2023, had sufficient funds available to cover the cost of the replacement.

## TIME FRAME

For discussion and formal action by the Commission on April 3, 2024.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends to the Commission that it:

1. Approve the selection of Action Elevation by utilizing a Noncompetitive Proposal Procurement, pursuant to Section 5.6 of the Procurement Policy to replace the elevator in building 4700 at The Barclay Apartment; and
2. Authorize the President/Executive Director to negotiate and execute a contract with Action Elevator, for a total contract cost of \$285,445 plus a HOC-held contingency of \$42,817 (15%) for a total project cost of \$328,262, which cost is to be funded from the Property's replacement reserve account.

April 3, 2024



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**RESOLUTION No. 24-31**

**RE: Approval to Select Vendor to Replace One Elevator at The Barclay Apartments for the President/Executive Director to Negotiate and Execute a Contract for up to \$285,445 and Approval of the Capital Expenditure Budget**

**WHEREAS**, The Barclay Apartments is located at 4716 Bradley Boulevard (the “Property”) and is partially owned by Barclay One Associates Limited Partnership (“Barclay LP”), and the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the general partner of Barclay LP; and

**WHEREAS**, the sole elevator in building 4700 is inoperable and requires immediate replacement; and

**WHEREAS**, to ensure a competitive process, staff solicited bids from five vendors, and Action Elevator Company submitted the most competitive bid; and

**WHEREAS**, staff recommends (i) utilizing a Noncompetitive Proposal Procurement, pursuant to Section 5.6 of the Commission’s Procurement Policy, to select Action Elevator Company to replace the Property’s elevator in building 4700, and (ii) negotiating and executing a contract with Action Elevator Company in an amount up to \$285,445, plus an HOC-held contingency of \$42,817 (15% of the contract value) for a total project cost of \$382,262, to be funded from the Property’s replacement reserve account (collectively, the “Contract, Contingency, and Funding”).

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of Barclay LP, as its general partner, approves selecting Action Elevator Company via a Noncompetitive Proposal Procurement to replace the Property’s elevator in building 4700, and approves the Contract, Contingency, and Funding.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of Barclay LP, as its general partner, that the President/Executive Director of HOC, or their authorized designee, without further action on their respective parts, is authorized to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

**RESOLUTION No. 24-31**

**RE: Approval to Select Vendor to Replace One Elevator at The Barclay Apartments for the President/Executive Director to Negotiate and Execute a Contract for up to \$285,445 and Approval of the Capital Expenditure Budget**

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County in an open meeting conducted on April 3, 2024.

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Chelsea J. Andrews  
President/Executive Director

# Deliberation and | or Action



# **MULTIFAMILY PRESERVATION, PRODUCTION, AND PROSPECTS**

## **PART I: OVERVIEW AND DISCUSSION OF PRESERVATION ACTIVITIES**

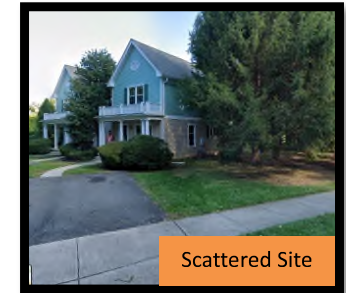


**CHELSEA ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR**

**KAYRINE BROWN, SENIOR EXECUTIVE VICE PRESIDENT  
ZACHARY MARKS, SENIOR VICE PRESIDENT, REAL ESTATE  
GIO KAVILADZE, SENIOR FINANCIAL ANALYST**

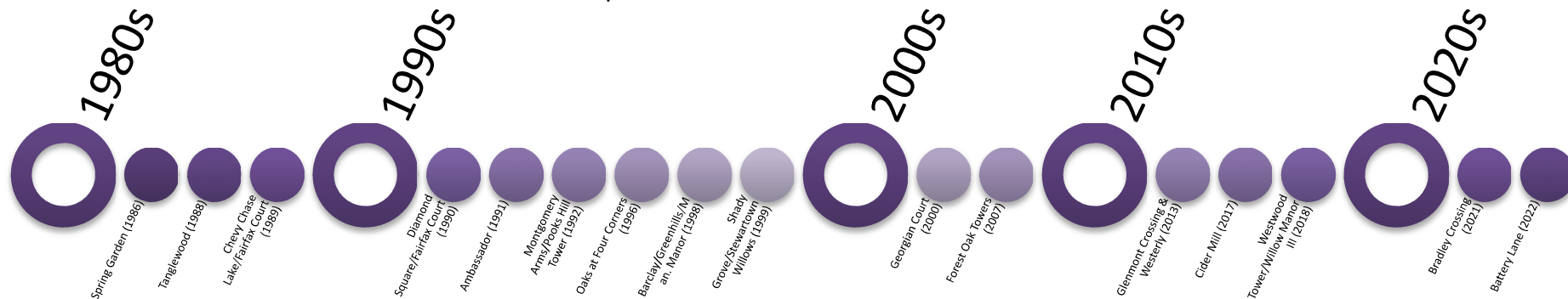
# Executive Summary

Preservation has been a central channel of affordable housing delivery for the Housing Opportunities Commission of Montgomery County (“HOC”) from nearly its inception. HOC created its original portfolio via new construction of Public Housing but within a few years was adding significantly to its holdings via the acquisition of scattered site Moderately Priced Dwelling Units (“MPDUs”). Through these acquisitions, HOC took its first steps beyond simple Public Housing ownership almost immediately purchasing scattered sites simultaneously to the Public Housing and Opportunity Housing programs. By the 1980s, HOC was acquiring unrestricted multifamily housing as well. While HOC continued to acquire scattered site units well into the 1990s, HOC increasingly focused on multifamily acquisitions with scattered site acquisitions effectively ending in 1997\*.



By 1990, HOC’s non-Public Housing holdings exceeded its Public Housing holdings. Between 1985 and 2000, HOC averaged an acquisition of a multifamily property per year – cementing HOC’s status as the County’s leader in the preservation of naturally occurring affordable housing (“NOAH”). These communities were of broad vintages from the 1940s through the 1980s and in locations all across the County.

HOC also made its first acquisition of midrise buildings in the Ambassador and Pooks Hill Tower. After the lone quiet decade in the aughts, HOC resumed its preservation activities including its largest acquisition ever (Cider Mill) and tallest (Westwood Tower.) With Cider Mill, an 864-unit, 43-acre property, HOC expanded the sophistication of its preservation efforts both in demonstrating its capacity to protect even the biggest communities and in elevating the priority of communities at increased risk of redevelopment.

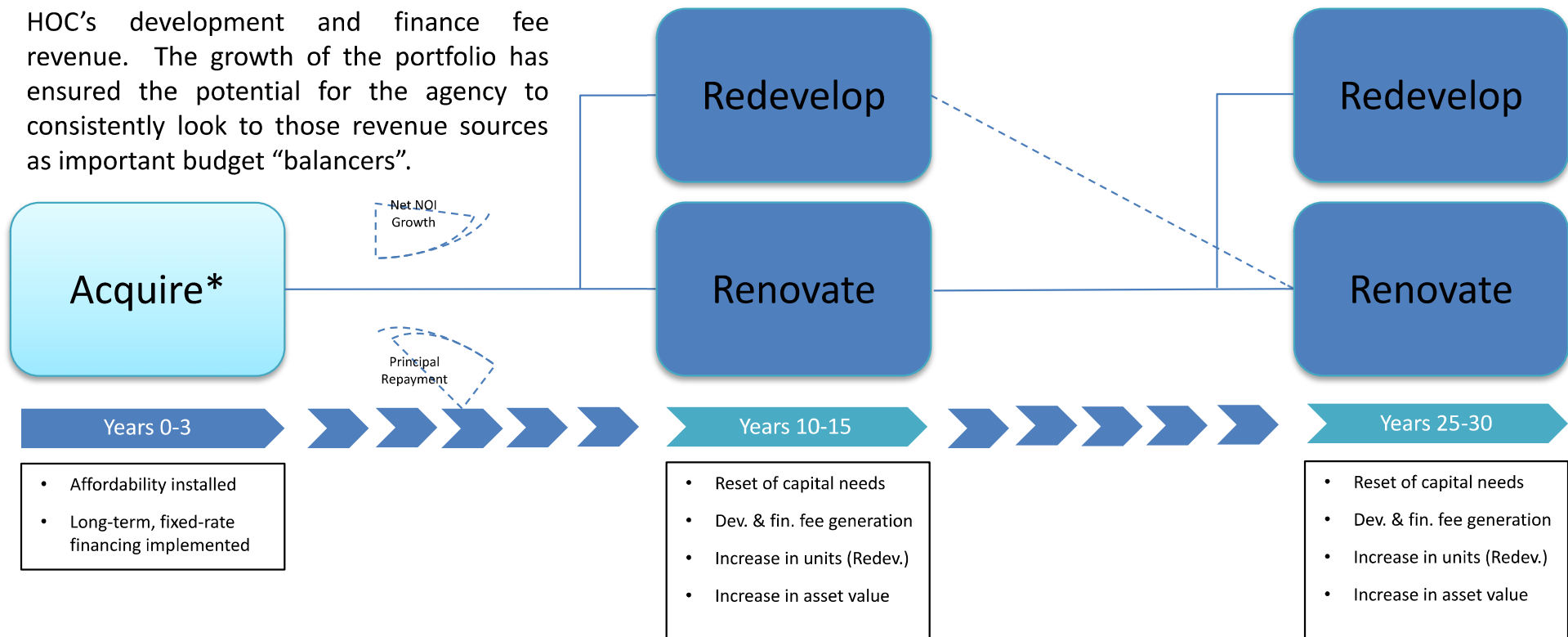


\*HOC bought six final units between 2005-2007.

# Executive Summary

Beyond simply meeting mission, HOC's preservation activities provide most of the assets, which are the foundation of its fiscal self-sustainability and corporate growth. Nearly two-thirds of HOC's portfolio is acquired real estate. These assets provide increased cash flow to the agency and net value to the balance sheet. As HOC is particularly well suited to long-term, sustainable ownership and stewardship of real estate; the availability of cash flow, the value of these assets, and the potential for recapitalization events has always produced significant long-term fiscal and financial benefit to the agency.

The advent of the Tax Reform Act of 1986 created the Low Income Housing Tax Credit ("LIHTC"), supplying HOC with a major new source of equity capital. It is LIHTC-funded renovation, with its low cost of capital and oversized development fees, that has fueled HOC's development and finance fee revenue. The growth of the portfolio has ensured the potential for the agency to consistently look to those revenue sources as important budget "balancers".



# Executive Summary

HOC's base business model – acquire, hold, renovate, redevelop – has yielded the renovation of more than 2,000 units and the redevelopment of two existing properties (with two others in the pipeline for redevelopment). A dozen of the renovation transactions generated development fees to the agency and all

## Subsequent Renovation

ACQUISITION/RENOVATION	
Bauer Park	142
Spring Garden Apartments	83
Tanglewood & Sligo	132
Barclay	157
Diamond Square	124
Greenhills	78
Manchester Manor	53
Shady Grove Apartments	144
Stewartown Homes	94
Willows Apartments	195
Forest Oak Tower	175
Georgian Court	147
Paddington Square	165
Southbridge	16
Brooke Park	17
Willow Manor III	286
	<b>2,008</b>

of the transactions generated financing fees to HOC. Georgian Court, Shady Grove, and Stewartown, having just finished LIHTC renovations, are the first three properties that HOC has renovated with LIHTC equity syndication twice, demonstrating the sustainability and replicability of the strategy.

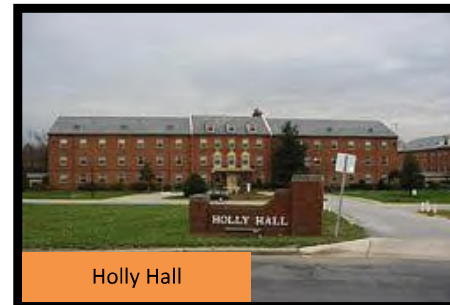
In addition to these multifamily transactions, HOC also used LIHTC equity to acquire hundreds of scattered site units. Only the demise of investor interest in scattered site LIHTC renovations has prevented resyndication of these assets.

Beginning in 2016, HOC also put its first two properties – Chevy Chase Lake Apartments and Holly Hall Apartments – into redevelopment quadrupling the units at two properties. In both cases HOC positioned these valuable infill holdings to secure significant increases in density and height via upzoning. In demonstrating its ability to realize the vision for its holdings in respective master plans, HOC gains credibility that will likely lead to future upzonings of other holdings. This method of value creation is a competitive advantage for HOC given the way it leverages HOC's natural strength as a long-term holder of stabilized assets and comes at minimal additional cost.

## Subsequent Redevelopment

Before

After





# Executive Summary

## Equity Contribution



Not only did HOC's long-term ownership of Chevy Chase Lake Apartments allow for a low-basis redevelopment in an attractive infill location, it also produced HOC's permanent equity capital for the Lindley via disposition of a portion of the overall site. As mentioned, the increase in height and density allowed by the upzoning of the Chevy Chase Lake Apartments site conferred additional value to HOC in the form of more development capacity at no real cost to the Commission. It also provided enough height and density to allow the Lindley to be built on only about a third of the five acres on which Chevy Chase Lake Apartments sat. HOC took a profit sharing interest in townhomes built by the purchaser of the other two thirds of the acreage and was ultimately able to fund the construction of the Lindley without any new cash required of the Commission.

HOC also used recapitalization (rather than redevelopment) of acquired (and originally constructed) properties to fund the Leggett; which, given it placed 106 RAD units in a new Class A high rise building, required a substantial amount of capital subsidy. The need was fully met – again without any new cash required of the Commission. This was accomplished via the recapitalization of nine (9) HOC assets and was done so while also fully funding the comprehensive renovation of all nine assets.

The generation of equity great enough to both fully fund the remediation of a property's capital needs and significantly contribute to the capital needs of another demonstrates the power of HOC's acquisition preservation strategy. To have done it across nine assets in coordinated fashion emphasizes the deep well of uncaptured wealth that HOC creates through determined pursuit of its affordable mission and the ability to execute long-term, multi-phase strategies across its portfolio.

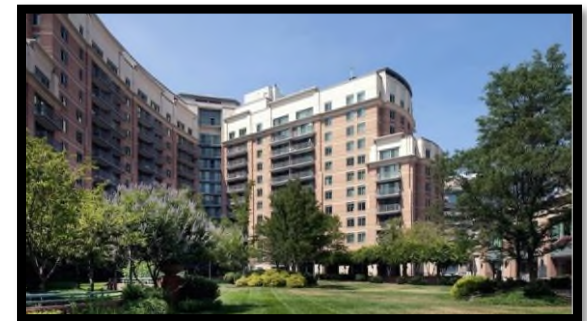
# Overview of HOC's Bethesda Holdings



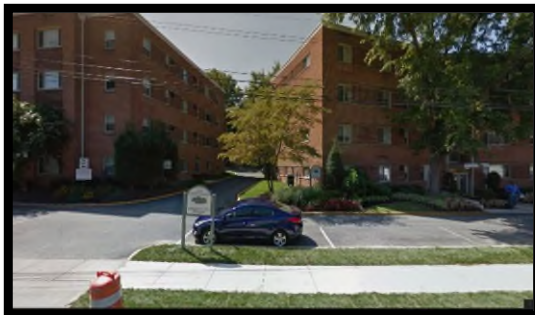
Over the past few years, HOC has made a concerted effort to increase its position in and around the Bethesda CBD. Prior to that push, HOC owned three major assets in Waverly House, Metropolitan, and the Barclay. It also owned several smaller properties: three small buildings on Avondale Street, Brooke Park, Fairfax Court, and Lasko Manor. Aside from the acquisition of the three buildings in 2015 on Avondale Street, HOC had not made meaningful inroads into Bethesda since the construction of Metropolitan in 1997 and the acquisition of the Barclay in 1998. The more recent acquisitions have sought to advance the core strategies of preservation at scale, aggregation of opportunity, and utilization of

relationships to improve asset selection.

According to the 2020 study produced by Montgomery County Planning, less than 20% of affordable housing in the Bethesda Downtown is restricted – much of the 20% provided by HOC. From its recent acquisitions, HOC has also established that many of the households living in unrestricted affordable housing in the Bethesda Downtown earn incomes between 80% of Average Median Income (“AMI”) and market rate. Demand of that sort from higher-income households puts any unrestricted affordable housing in Bethesda at high risk – both from in-place rent increases and displacement from redevelopment.



HOC is one of the very few enterprises willing and able to preserve the inventory of unrestricted affordable housing in the Bethesda Downtown. HOC's first step in beginning to do so was triggering its purchase option on Westwood Tower in 2018, bringing the 212-unit asset onto the balance sheet – one of the few existing multifamily opportunities in the Westbard sector (just south of the Bethesda Downtown) – adding a fourth major holding in the Bethesda area.



In 2021 HOC bought out the LIHTC limited partner interest in the Metropolitan preparing the way for substantial renovation. Then, in 2022, HOC purchased an additional three buildings along Avondale Street contiguous to the three it bought in 2015. The combination of these six sites now gives HOC sufficient aggregate land to pursue a major redevelopment of all of the parcels likely increasing the total units on those sites by ten times.



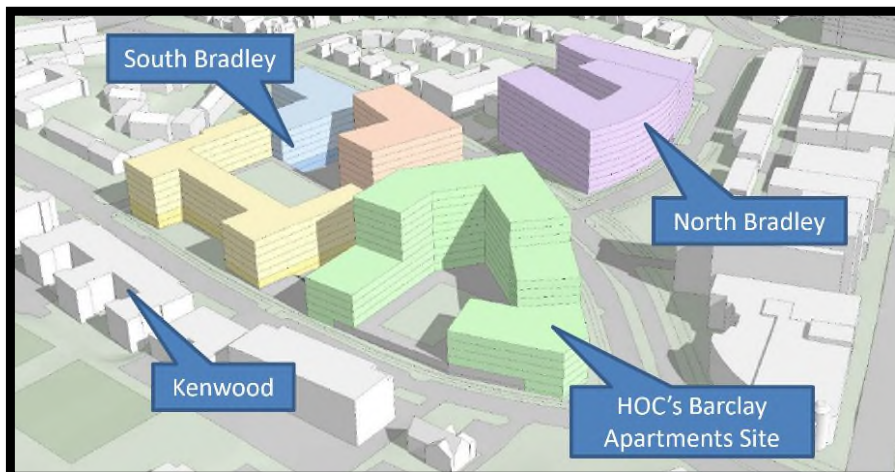
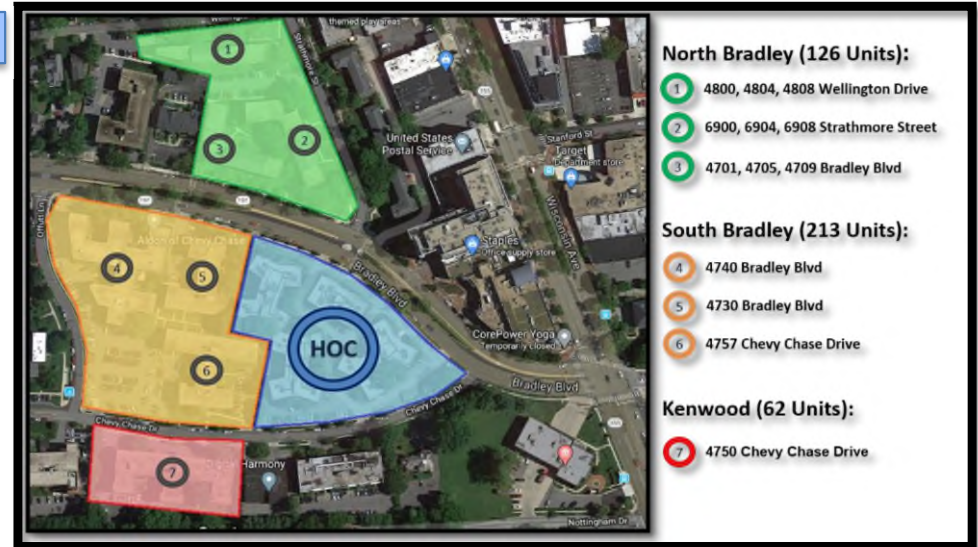
# Overview of HOC's Bethesda Holdings

## Bradley Crossing

HOC had also already been exploring a joint redevelopment with one of the larger multigenerational family real estate owners in the Bethesda Downtown: Aldon Management (“Aldon”). The Barclay Apartments, built in the 1940s, is adjacent to several Aldon properties along Bradley Boulevard. With the initial compliance period related to the LIHTC equity used to renovate the property in 1998 expiring, it was a natural time to explore its renovation or redevelopment.

However, in 2020, leadership changes at Aldon led to a decision to dispose of Aldon's Bradley Boulevard properties.

Given that these 402 units, originally constructed by Aldon in the 1950s, had been under continuous ownership, Aldon was able to provide a comprehensive record of capital expenditures and share a thorough operational knowledge of the buildings. Similar to other multigenerational owners, Aldon had always prioritized occupancy and intended to own these properties indefinitely.



Deferred maintenance was less than usual and unit pricing was being set below what the market would bear.

Much like with Cider Mill, the Bradley Boulevard properties made obvious candidates for redevelopment with large aggregated acreage and higher density and height limits recently bestowed through a revised Bethesda Downtown plan. HOC's acquisition of these properties provided protection against immediate rent increases and displacement from redevelopment. Ownership of Aldon's holdings, along with the Barclay, ensured HOC retained the value the combination would yield.

# Overview of HOC's Bethesda Holdings

## Property Status

HOC closed on the acquisition of the Bradley Boulevard properties (“Bradley Crossing”) in mid-2021. As part of that acquisition, HOC committed to install 50% AMI restrictions on 20% of total units on turnover. The Commission also required a further 30% of total units be restricted to 80% AMI on turnover. This second tranche of affordability was connected to securing \$10,000,000 in Housing Initiative Fund (“HIF”) from the County’s Department of Housing and Community Affairs (“DHCA”).



Disorganization at DHCA under previous leadership led to two years of delay in receiving the HIF. HOC implemented the PNC Bank, N.A. Real Estate Line of Credit (“RELOC”) as a placeholder for the expected HIF loan; and, at the time, interest rates were low enough to hold the transaction harmless against the delayed receipt of the HIF at 2%. Subsequent and significant increases in interest rates with the HIF loan still unresolved are partially responsible for the negative budget variance at the property. Fortunately, under the new leadership at DHCA, agreeable HIF loan terms have been reached. Funding is expected to occur in July 2024. This will result in approximately \$200,000 in interest savings relative to FY24 actuals.

Property performance also suffered from the implementation of the affordable units, as well as some confusion around the implementation of 80% AMI units driven by the unresolved HIF loan. With all turnover units going toward installation of restricted

units, the property has not yet been able to take advantage increases to market rate units. The new affordable terms of the HIF – 20% at 50% AMI (which has been fully implemented) and 10% and 70% AMI – will allow the property to more fully focus on the performance of the market rate component. With the expiration of the acquisition financing to occur in June of 2025, increasing the top-line revenue at the property will be the primary objective.

Purchase Price  
(/unit)

\$233,831

50% AMI Units

81

### Project Strengths

OpEx consistent with expectations; CapEx need less than expected

### Project Challenges

Missed years of market rate increases; HIF loan delay; insurance increases



# Overview of HOC's Bethesda Holdings

## Battery Lane #1

HOC's acquisition of Aldon's Bradley Boulevard properties was proof of concept to Aldon of the value of a structured off-market sale to HOC. Aldon was able to dispose of assets with far more definitiveness around timing, and HOC was able to secure more value for its merits as a buyer and more time to raise the most advantageous capital. A year later, Aldon directly approached HOC to evaluate the acquisition of five of its properties along Battery Lane. Much as with Bradley Crossing, Aldon had been looking at redevelopment of its assets – in this case gaining Preliminary Plan approval for the five properties – and then ultimately chose disposition. These properties conferred the same valuable qualities of the Bradley Crossing portfolio afforded by continuous multigenerational ownership.

From a preservation perspective, residents of these five properties faced very real prospects of displacement. The County Executive frequently specifically identified the households at these properties as being at high risk of such. Despite the arguably superior location to Bradley Boulevard (because of proximity to NIH), posted rents were even lower at these properties. Sites B and C are also adjacent to a County-owned parking garage.



Aldon decided to keep sites C and D, and HOC moved forward with the acquisition of the other three properties in mid-2022. Sites C and D are the two most independently attractive redevelopment opportunities, and Aldon decided to continue to move forward with design and entitlement.

- **Site A - 4857 Battery Lane (Glen Wood),**
- **Site B - 4858 Battery Lane (Glen Aldon)**
- Site C - 4890 Battery Lane (Glen Brook) & 4900 Battery Lane (Glen Mont)
- Site D - 4949 Battery Lane (Glen Lane)
- **Site E - 4998 Battery Lane (Glen Dorra)**

# Overview of HOC's Bethesda Holdings



## Property Status

Battery Lane also had issues with the installation of the restricted units. Much like Bradley Crossing, the property was delayed in starting to install its 20% at 50% component. About 10% of the required 50% AMI units is in place currently. Fortunately, the Commission withheld on committing any additional units with the status of the HIF loans uncertain. The property is in better position than Bradley crossing to hit its revenue projections before expiration of the acquisition loan in June 2026.

Battery Lane also saw a delay in the receipt of its HIF loan. HOC implemented the RELOC as a placeholder for the expected HIF; and, at the time, interest rates were low enough to hold the

transaction harmless against the delayed receipt of the HIF at 2%. Subsequent increases in rates with the HIF loan still unresolved are partially responsible for the negative budget variance at the property. Under the HIF loan terms recently reached, the property will see an approximate \$100,000 interest rate savings relative to FY24 actuals. Funding is expected to occur in June 2024.

Purchase Price  
(/unit)

\$254,717

50% AMI Units

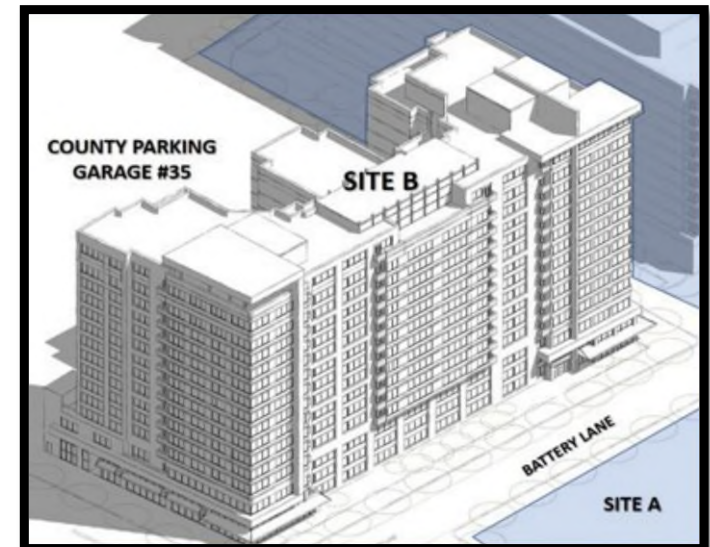
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### Project Strengths

OpEx consistent with expectations; CapEx need less than expected

### Project Challenges

Delayed implementation of restricted units; HIF loan delay; insurance increases





# A Focus on Fairfax



## Fairfax Court Disposition

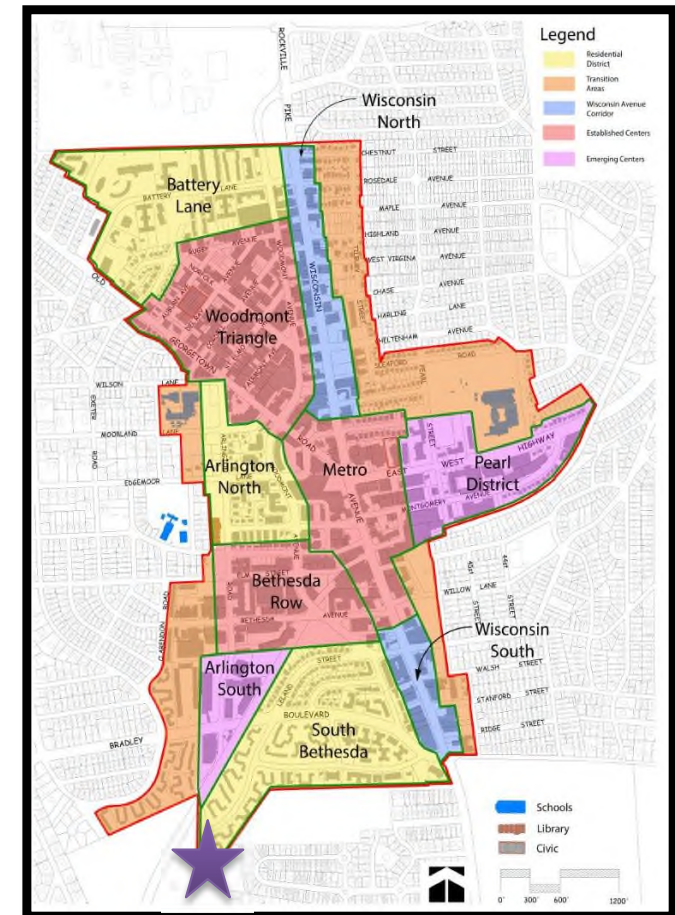
HOC has owned the 18-unit Fairfax Court since 1989 and has operated the property as Opportunity Housing ever since. While the property provides naturally occurring affordable housing, as well as four units at 50% AMI, in a very attractive part of Bethesda – within Chevy Chase, next to Little Falls Park – it is located on the extreme southern edge of the Central Business District and is on a small parcel. This limits any redevelopment to for-sale townhomes. Fairfax Court is

also an onerous property to manage, given its small size and lack of an on-site office.

At nearly 65 years old, the property itself has not seen comprehensive renovation and would have limited means to raise capital (much like HOC's scattered sites) to fully meet capital needs. This would most likely result in a net use of HOC resources and would generate relatively minimal cash flow for the agency.

Before HOC had many assets in the Bethesda CBD, it made sense to hold on to any properties the agency could control. HOC has dramatically expanded its Bethesda presence and has demonstrated an ability to continue to do so. As such, staff will explore the possibility of a sale of the property during 2024.

Staff estimates the property would generate several million dollars in net proceeds, as the property has only a small amount of debt to retire (\$286,497 on the PNC Bank \$60MM LOC). These proceeds could be better implemented in HOC's other acquisition and development activities.



# Summary of Recapitalization Strategies

## Bethesda Holdings

<i>Property Name</i>	<i>Date Acquired</i>	<i>Unit Count</i>	<i>Current Financing</i>	<i>Recommended Action</i>
Avondale Street 1	2015	21	RELOC	Aggregate with Avondale Street 2 for redevelopment.
Avondale Street 2	2022	12	RELOC	Aggregate with Avondale Street 1 for redevelopment.
Barclay	1998	157	TEB	Hold for future renovation or redevelopment.
Battery Lane 1	2022	212	RELOC/Private Loan	Replace RELOC with HIF loan, complete implementation of 30% affordability restrictions and position for permanent financing.
Battery Lane 2	2021	256	TBD	Acquire, implement 30% affordability restrictions, and position for permanent financing.
Bradley Crossing	2021	402	RELOC/Private Loan	Replace RELOC with HIF loan and position for permanent financing.
Brooke Park	2013	17	HOME	Permanently financed. Hold and operate.
Fairfax Court	1989	18	LOC	Dispose.
Lasko Manor	Built in 2010	12	LIHTC/State Loan	Recapitalize and renovate at end of initial LIHTC period.
Metropolitan	Built in 1997	308	TEB	Recapitalize with resyndicated LIHTC equity and comprehensively renovate.
Westwood Tower	2018	212	RELOC	Permanently finance and comprehensively renovate.
<b>TOTAL</b>		1,627		

## Syndication Schedule

<i>Property Name</i>	<i>Expiry of Initial Period</i>	<i>Unit Count</i>	<i>Current Financing</i>	<i>Recommended Action</i>
Metropolitan	Expired	308	TEB	Recapitalize in 2024 with resyndicated LIHTC equity and comprehensively renovate.
MetroPointe	Expired	12	TEB	Recapitalize in 2025 with resyndicated LIHTC equity and comprehensively renovate.
Spring Garden	Expired	157	TEB	Hold for future renovation or redevelopment.
Forest Oak Towers	Expired	175	LIHTC/TEB	Recapitalize in 2025 with resyndicated LIHTC equity and comprehensively renovate.
Lasko Manor	2025	12	LIHTC	Recapitalize and renovate at end of initial LIHTC period.
Tanglewood & Sligo	2027	132	LIHTC	Recapitalize and renovate at end of initial LIHTC period.
<b>TOTAL</b>		796		

## Other Notable Properties

<i>Property Name</i>	<i>Date Acquired</i>	<i>Unit Count</i>	<i>Current Financing</i>	<i>Recommended Action</i>
Cider Mill	2017	864	Private Equity/FFB	LIHTC-syndicated renovation of a portion of the property. First phase of redevelopment within next five years.
<b>TOTAL</b>		864		

# **FISCAL YEAR 2025 (FY'25) RECOMMENDED BUDGET: PRESENTATION OF THE PRESIDENT/EXECUTIVE DIRECTOR'S FY'25 RECOMMENDED BUDGET**

**April 3, 2024**

- The President/Executive Director's FY'25 Recommended Budget reflects the Housing Opportunities Commission of Montgomery County's ("HOC", the "Commission", or the "Agency") priorities and strategic objectives.
- The Recommended Operating Budget for FY'25 is \$348.4 million, an increase of \$8.8 million over the Amended Operating Budget for FY'24.
- The Recommended Capital Budget for FY'25 is \$339.0 million, an increase of \$83.8 million over the Amended Capital Budget for FY'24.
- The Budget, Finance and Audit Committee will review this budget proposal in detail and recommend the FY'25 Budget, as amended, to the full Commission for adoption at the June 5, 2024 Commission meeting.

## MEMORANDUM

**TO:** Housing Opportunities Commission of Montgomery County

**VIA:** Chelsea J. Andrews, President/Executive Director

**FROM:** Staff: Timothy Goetzinger, Senior Vice President Finance/CFO  
Terri Fowler, Budget Officer  
Kai Hsieh, Assistant Budget Officer

**RE:** **Fiscal Year 2025 (FY'25) Recommended Budget:** Presentation of the President/Executive Director's FY'25 Recommended Budget

**DATE:** April 3, 2024

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**OVERALL GOAL & OBJECTIVE:**

To present the President/Executive Director's FY'25 Recommended Budget.

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**BACKGROUND:**

The Commission's Budget Policy requires the President/Executive Director to present a recommended budget to the Housing Opportunities Commission of Montgomery County's ("HOC", the "Commission", or the "Agency") in April of each year. The recommended budget must include both an operating and capital budget and reflect the priorities of the Commission as identified in the Strategic Plan and provides for the ongoing work of the Agency.

The Recommended Operating Budget for FY'25 is \$348.4 million. In addition, the Capital Budget for FY'25 is \$339.0 million.

This budget reflects the new Strategic Plan covering 2024 through 2029 and the following narrative provides the lenses through which this budget and the budget in the coming years should be viewed.

### Charting Our Course

#### Expanding, Enhancing and Excelling in Everything We Do

With the adoption of a new Five-Year Strategic Plan in FY 2024, HOC is poised to advance on its renewed vision and mission through three main goals:

- I. **EXPAND** Affordable Housing in Montgomery County
- II. **ENHANCE** the Lives We Touch through Supportive Services & Partnerships

### III. **EXCEL** as a World-Class Organization

As such, the FY 2025 budget reflects investments needed to support the successful implementation of our new strategic plan and commitment to our new mission and vision statements and for the first time, core values.

**Vision:** It is our vision that everyone in Montgomery County has access to the safe, affordable, high-quality housing, and attendant services that they need to reach their fullest potential.

**Mission:** HOC exists to provide people with low and moderate incomes the opportunity to live in high-quality, safe, and affordable housing in Montgomery County. We strengthen families by offering opportunities for personal and economic growth through partnerships and supportive services.

#### **Core Values:**

1. People-First with Dignity & Respect | Our Staff
2. People-First with Dignity & Respect | Our Customers
3. Innovative and Entrepreneurial
4. Equity in Everything We Do
5. Power of Partnerships
6. Community-Enhanced Housing
7. Stewardship

#### ***Lingering Impacts of COVID-19***

Notwithstanding the continued impact of the COVID-19 pandemic on both the agency and our communities, HOC has stayed the course and remains resilient. We are optimistic as we **chart our course** of expanding affordability, enhancing programs and supportive services, and delivering agency excellence — all with the goal of positively impacting the lives of our residents.

Nearly five years after the devastation caused by the COVID-19 pandemic, there are still lingering impacts on many industries. In particular, for the affordable housing industry, COVID hardship meets already burdened populations with an inability to pay rent, utilities, and other basic housing expenses.

We worked in partnership with local, state and federal government, community partners, and other stakeholders to leverage new programs and resources to assist residents. We are grateful to the County, as well as state and federal agencies that have made funds available to our residents. During this difficult time, and in alignment with our mission to support the county's most vulnerable residents, we took steps to avoid displacement of our residents. As such, HOC was amongst the last property management owners and managers in the county to pursue lease enforcement activities for rental delinquency.

Acknowledging that the decision would have an adverse fiscal impact on our agency, in FY2024 and FY2025 we are now moving forward with lease enforcement and eviction proceedings to



address past and growing rental arrearages to ensure that we can continue to provide high-quality housing and services. Simultaneously, however, we are working to identify other local, state and federal resources to support residents that are facing eviction.

Moreover, during the pandemic, HOC had limited ability to access many rental units to assess their conditions. This limited access resulted in deferred maintenance at several properties, including our scattered sites. With the addition of new leadership in HOC's Asset Management, Property Management and Maintenance divisions, we have been actively assessing the portfolio and creating a comprehensive Capital Improvement Plan to address property renovations, preventive maintenance, as well as Third-Party property management oversight. The results of these efforts will include investments in renovating and bringing vacant scattered site units back online to serve larger families across the county; changing management companies at several HOC communities; and shoring up our multifamily rental portfolio to bring in revenue that was lost during COVID and the county's rent moratorium.

### ***Accomplishments***

#### ***Celebrating 50 years of HOC and 25 years of HOCP!***

Calendar year 2024 is the 50th anniversary of the founding of HOC (as the Housing Agency of Montgomery County) and the 25th anniversary of our non-profit affiliate Housing Opportunities Community Partners (HOCP). It promises to be a year full of celebration of our many years of serving Montgomery county residents and providing innovative solutions for inclusive affordable housing.

As previously stated, HOC will be rolling out a comprehensive Capital Improvement Plan to renovate several units across our scattered site portfolio. HOC has received County funds, via the Capital Improvements Program, and will begin the renovation of 10 properties, followed by 10 additional properties that were recently approved. We are also preparing to request approval for two additional rounds of 10 units, increasing the total to **40 newly substantially renovated homes** for larger families in the County.

In our efforts to **expand affordable housing** in the County, HOC successfully funded the first Housing Production Fund loan to develop **The Laureate**, a 268-unit, mixed-income, mixed-use **new construction project** located in Rockville, just steps away from the Shady Grove Metro station. Twenty-five percent of the units were set aside for households at 50% of the area median income ("AMI") and 5% as Moderately Priced Dwelling Units ("MPDUs"). This building which leased up quickly and ahead of schedule is currently over 95% occupied, reflective of pent up demand for this housing resource at this transit location. In FY 2024 HOC also opened the doors of our **new HOC Service Center**, which is co-located at The Laureate. The new center **enhances our services** to those in the Gaithersburg, Rockville and Derwood areas.

**The Leggett** is another example of HOC's success in **expanding housing while preserving affordability for seniors**. A component of the broader Elizabeth Square investment, The Leggett

is a 267-unit, 16-story high-rise development for seniors aged 62 and above. The property provides 106 Rental Assistance Demonstration replacement units (converted from Public Housing) set aside for current Elizabeth House residents at 30% of the AMI, with the balance serving residents up to 80% of the AMI. Twenty-nine units lease at market rate with no restrictions. This mixed-income, mixed-use community began lease up in FY 2024 and is currently 71.52% occupied.

This community is also the home of the new County-owned Silver Spring Recreation and Aquatic Center (SSRAC) and the Holy Cross Wellness Center. The Holy Cross facility serves the broader surrounding community, in addition to residents of Elizabeth Square. This complex, along with its community-serving amenities and services, allows us to *enhance the lives of the residents we serve*.

HOC, in collaboration with the County Council and Department of Housing and Community Affairs, has created a **new Non-Profit Preservation Fund (“NPPF”)** to *preserve affordable housing* in our County. The NPPF is envisioned as a revolving acquisition fund to finance the purchase of Naturally Occurring Affordable Housing (“NOAH”). This is yet another HOC financing innovation for the preservation of affordable housing. The NPPF will provide 7-10 year, low-cost acquisition financing. After acquisition, permanent financing would need to be obtained so that the fund can be repaid in 7-10 years and revolve into another qualified project. The formal NPPF proposal was introduced by Council Member Andrew Friedson and approved by the Council in FY 2024.

Key elements of the NPPF include:

- Initial funding of \$20 million to come from recent repayments of outstanding County affordable housing loans, with the anticipation of receiving additional funding in future years. County Executive Marc Elrich has proposed adding an additional \$30 million in his FY 2025 budget, which would bring the total fund to \$50 million.
- HOC staff will provide underwriting assistance, but loans would be approved by DHCA’s loan committee. HOC would receive a 1% origination fee to cover administrative expenses, except for loans made to HOC.
- HOC is eligible for NPPF funding, but is limited to 25% of the fund.

### ***Fueling Future Progress***

HOC’s success with new construction, substantial renovation, and preservation initiatives are made possible by its ability to finance mortgages as Montgomery County’s designated **Housing Finance Agency**. The Mortgage Finance Division operates the **Multifamily Lending Program** (Multifamily Program) and the **Single Family Mortgage Purchase Program** (Single Family Program). Known collectively as the Bond Program, they have issued more than \$6 billion in securities for the agency since the program began in the 1970s. HOC’s Multifamily Program had **\$786 million** outstanding in various types of bonds and financing instruments that it issued to

finance developments owned by the Commission as of June 30, 2024, or those owned by private or nonprofit developers. Through these financing activities, the Mortgage Finance program contributes Commitment Fees to the operating budget and generates capital to reinvest in the future production and preservation of affordable housing.

In FY 2024, \$362.2 million in tax-exempt and taxable indebtedness were issued (a) to refinance a portion of HOC's scattered site portfolio and (b) to provide the construction financing for Hillandale Gateway. Hillandale Gateway is a visionary, marquis development that will be a mixed-use, mixed-income, intergenerational community including 463 residential units within two buildings. One will be a 155-unit age-restricted (age 62+) senior building (Radia); the other will be a 308-unit non-age restricted multifamily building (Lumina), comprised of 215 unrestricted market rate units (NAR Market) and 93 income-restricted units (NAR LIHTC). The closing will occur in April 2024. Construction is projected to last four years and stabilization is expected in 2028. Fifty-four percent (54%) of the overall development will be affordable at a range of income levels from 30% - 80% of the area median income. The Hillandale transaction will send fees to HOC that will be allocated to meet its mission and margin.

HOC also invested in the **future home of HOC** by funding its own headquarters office construction by issuing \$74 million in tax-exempt essential function bonds in October 2024. With a planned 2026 completion date, the building will provide a state-of-the-art customer service center, Commission meeting auditorium for the public, and office space to consolidate HOC's staff and functions.

In FY 2025, the Multifamily Program will continue to focus on financing new construction, Low-Income Housing Tax Credit ("LIHTC") resyndication projects, and affordable preservation transactions. It expects to issue \$242.8 million in tax-exempt private activity and taxable bonds to fund mortgages for several HOC developments: Building B at Westside Shady Grove (Derwood), The Metropolitan (Bethesda), MetroPointe (Wheaton), and Garnkirk (Clarksburg).

The **Single Family Program** historically finances \$30 - \$40 million of low-cost, single-family home mortgages for approximately 120 new first-time homebuyers, and upwards of \$2.5 million in closing cost assistance annually for moderate-income families. These efforts are accomplished through our **Mortgage Purchase Program ("MPP")**, a key resource for qualified first-time home buyers purchasing in Montgomery County. The MPP is funded through a combination of the Commission's sale of taxable or tax-exempt mortgage revenue bonds and **Mortgage-Backed Securities ("MBS")**. Fiscal year 2024 was unusually active with approximately 180 new first mortgages originating from \$29.4 million of bond proceeds issued at the end of FY 2023 and another \$30 million issued in FY 2024. These efforts were aided by the Closing Cost Funds, comprised of the **Revolving County Closing Cost Assistance Program, Purchase Assistance Program, and the Montgomery County Homeownership Assistance Fund, and Down Payment Assistance (bonds)**, which funded 147 closing cost mortgages of approximately \$3.2 million in proceeds.

Another key to the program's success is the portion of the annual state ceiling volume cap that

is allocated to the MPP. HOC must balance the use of volume cap between its single family and multifamily financing programs. As the demand for homeownership opportunities grows, so does the demand for more volume cap for the single family program. This program is critical to ensuring HOC's fiscal health, while increasing opportunities **for homeownership** among moderate-income households and incentivizing them to remain in the County and contribute to the County's tax base.

### ***HUD Related Activities***

The Quality Housing and Work Responsibility Act of 1998 ("QHWRA") requires HOC to develop a PHA Plan, which consists of a Five-Year Plan and Annual Plans as updates. The purpose of the PHA Plan is to inform HUD, residents, and the public of HOC's mission to serve the needs of low-income and very-low income families, highlighting its Housing Choice Voucher ("HCV") and Public Housing ("PH") programs.

The **FY 2025 Five-Year PHA Plan** under development covers the FY 2025-FY 2029 period. The Plan outlines HOC's goals and objectives over that five-year period, as well as the progress the Agency has made over the previous five-year period (FY 2020-FY 2024). The proposed plan was posted on HOC's website for a public comment period starting Feb. 16, 2024. It also is subject to review by HOC's Resident Advisory Board ("RAB") prior to going to the Commission for approval. HOC will then submit Annual PHA Plans to update progress on achieving the goals outlined on the Five-Year Plan.

HUD also has recently enacted new requirements for inspections and multiple program modifications for the voucher program and multifamily programs through both **NSPIRE** and **HOTMA** regulations. HOC will update its administrative plan and programs, and communicate these updates to residents, landlords and key stakeholders.

### ***Resident Services Programming***

HOC's commitment to **enhancing the lives we touch** is being further fortified by a **newly elected RAB**. The RAB was founded in February 1985 and functions according to a set of bylaws that govern its internal operations. The purpose of the Board is to assist HOC in carrying out its mission by bringing residents' voices into deliberations and decisions. The RAB provides the residents with a forum for sharing information and making recommendations on the Public Housing Administrative Plan and other matters that affect their wellbeing.

The **HOC Academy ("HOCA")** is the keystone of HOC's commitment to help our families build a better life for themselves and **enhance** their children's potential to excel in school and beyond. HOCA connects, in one place, a multitude of services/linkages in adult education, workforce development programs, small business development, counseling resources for adults and several enrichment programs for children of all ages. HOCA works closely with HOC's non-profit affiliate, the **HOCP**, which provides the much-needed financial support of targeted programs for adults and children through grants and private contributions.

Each year, HOCA's **Adult Education and Workforce Development Program ("AEWD")** provides career and small business development training in collaboration with several partners in the community. An important component of AEWD programs is a specialized 10-week Small Business Strategies Course, which teaches our customers everything about small business, from legalization and licensing to marketing and long-term business planning. For those seeking degrees and/or vocational certifications, HOCA provides tuition assistance to propel our customers closer to employment with greater earning potential. HOCA will continue to provide education and career training, tuition assistance and small business development opportunities to HOC customers in FY 2025.

HOCA's **youth enrichment programs** offer a wide variety of Science, Technology, Engineering, and Math ("STEM") and Science, Technology, Engineering, Arts, and Math ("STEAM") programming opportunities for children in all school grade levels. The cornerstone of our youth programming is our STEM Summer Day Camp program, which provides a variety of field trips and activities in robotics, engineering, chess, cultural arts, and other engaging STEM subjects. Students who participate in these activities demonstrate a better understanding of various STEM subjects and express increased interest in STEM subjects at school. The majority of participants report a growing desire to pursue careers in the ever-expanding STEM job market.

In FY 2025, as the implementation phase of our new five-year strategic plan takes shape, HOCP and HOCA will work to **enhance** our existing programs and develop exciting new programming for both adults and youth.

HOC's **Fatherhood Initiative Program ("FIP")** continues to **enhance** the lives of hundreds of fathers and their children each year. HOC is the **only public housing authority** in the United States to receive funding from the U.S. Department of Health and Human Services Office of Family Assistance ("OFA") Fatherhood F.I.R.E. Grant ("Fatherhood Family-focused, Interconnected, Resilient and Essential"). Our FIP program truly enhances the lives of our resident fathers in a very comprehensive manner. FIP participants complete a rigorous course of training and self-improvement and are taught by award-winning experts in responsible fatherhood education and healthy marriage training. The fathers also complete courses in workforce development and financial literacy. FIP equips these fathers to become better dads, who support their children, emotionally, developmentally, and economically. Since 2015, approximately 1,500 fathers have successfully completed the program. The program is in its ninth year and is well-positioned to continue to have a positive impact on the lives of many fathers and their families.

HOC's **Family Self Sufficiency ("FSS") Program** continues to help **Housing Choice Voucher ("HCV")** participants build wealth by providing direct financial assistance, savings into escrow accounts, employment assistance, financial and homeownership education, career training and assistance, educational opportunities, and more over the course of a five-year case management period. The education and skills that FSS participants attain significantly help them compete in the ever-changing job market. As of January 2024, 368 HOC customers were actively working toward their individualized milestones and goals outlined in their FSS contract of participation. Each year, many FSS participants successfully graduate and receive the funds they earned and

saved in their escrow account, which they can use for home purchase, small business development or any other aspirations toward greater self-sufficiency. Later this year, we look forward to congratulating 30 participants on their FSS graduation.

### ***Moving Forward in FY 2025***

Along with the development of **HOC's new headquarters**, the Real Estate Development division is poised to make significant progress in FY 2025 on four major projects. The Site Plan Amendment for **Building B at Westside Shady Grove** has been accepted, advancing development plans for the mixed-use, mixed-income 413-unit building across from The Laureate in the Derwood community of Rockville. Located just a block away from the Shady Grove Metro station, the building will feature a 7,000 square-foot library/retail space, a rooftop lounge and offer LEED, solar and universal design opportunities.

**The Lumina and The Radia at Hillandale Gateway** in Silver Spring will be new mixed-use, mixed-income communities located on the site of Holly Hall Apartments, a former 96-unit Public Housing complex off New Hampshire Avenue near the Capital Beltway (the "Community"). The Community will consist of 155 senior apartments (The Radia), 308 multifamily apartments (The Lumina), retail, and parking. The senior apartment building will utilize income averaging to provide 113-units at 50% of AMI and 42-units at 80% of AMI. The building will strive to achieve Zero Net Energy through Passive House construction techniques, energy-efficient mechanical systems, and installing solar panels on the site.

Located within the 392-unit Garnkirk Square community in Clarksburg, **Garnkirk Square** will be a 184-unit family rental development located at Shawnee Lane and Observation Drive. The development will complement the classic and current architecture of the community while introducing modern elements and amenities designed to meet LEED Platinum and Energy Star Indoor Air Quality Plus certifications. The property will be comprised of studio, one-, two- and three-bedroom units. Of the total 184 units, 53 (29% of total units) will be three-bedrooms and 51 (28%) will be two-bedrooms, each having two bathrooms, which are more suitable for families. The development will include a 301-space parking structure, at least 19 of which will be designated for electric vehicles. HOC is pursuing an allocation of 9% Low Income Housing Tax Credits, which if achieved will result in at least 120 units being restricted at or below 60% of the Area Median Income.

HOC also has two multi-phase redevelopment projects in design and entitlement. The first is **Wheaton Gateway**, which is the assemblage of HOC's former Ambassador Apartments and Lindsay Ford's Wheaton dealership site on the west side of Veirs Mill Road. Wheaton Gateway is a planned 800-unit mixed-income, mixed-use development that presents the opportunity to add over 230 affordable units across three phases of construction. HOC submitted the project its Site Plan approval in March 2024 and expects to break ground by the end of 2025. The second redevelopment in design and entitlement is HOC's redevelopment of the Park & Ride lot at the **Forest Glen** Metro station. As proposed, Forest Glen would deliver more than 1,000 units in four phases, with at least 300 being affordable units. The redevelopment would include a large



community central green, neighborhood retail, and would integrate the existing WMATA facilities.

In addition to HOC's goals of expanded affordable housing and enhanced programs and services, we are also making several major investments into our systems, technology and our workforce with the goal of ***excelling as a world class organization***.

We are investing in ***new technology*** such as our new budget and procurement systems; expanding the use of our payroll systems; and revamping our Customer Relationship Management ("CRM") system to ensure we have access to real-time data to make well-informed decisions and provide additional resources to our customers. We are also working to bring all HOC properties into our Yardi Property Management system, a move that will allow for more direct access to our data, and a sole source for that data irrespective of the property. Finally, we are investing in RentCafe as a payment and maintenance request platform across our portfolio to streamline the services available to all residents and third-party property managers.

Equally important, HOC is investing in our workforce. We will be hosting a range of innovative programs and resource sharing opportunities for our existing staff, including: speed networking to ensure newer and veteran employees have a greater understanding and appreciation of each other's roles and our rich menu of services; employee service days; additional training, benefits and wellness fairs and more.

Finally, HOC is investing in ***elevating the customer service experience*** by ensuring adequate staffing levels and resources and providing customer-facing staff with extensive training. We will also explore the use of trained volunteers to assist customers with navigating HOC programs and services.

We are excited about the year ahead and look forward to investing in ***Charting Our Course*** for a successful FY 2025!

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#### **ISSUES FOR CONSIDERATION:**

The Recommended Operating Budget for FY'25 is \$348.4 million. In addition, the Capital Budget for FY'25 is \$339.0 million.

The FY'25 Recommended Budget reflects the Agency's commitment to ***EXPAND*** Affordable Housing in Montgomery County, ***ENHANCE*** the Lives We Touch through Supportive Services & Partnerships, and ***EXCEL*** as a World-Class Organization.

The lingering impacts of the COVID-19 pandemic on rental arrearages and rising costs have continued to present challenges in balancing the budget. Limited access to units during the pandemic has resulted in more deferred maintenance in our units, which when combined with rising costs have puts upward pressure on our budgetary expenses. New leadership in HOC's Asset Management, Property Management and Maintenance divisions will lead the charge of stabilizing rental income and containing costs while providing quality housing to our residents.



These efforts combined with continued investment in technology and systems to create a more agile and data-driven decision-making environment, and staff development and advancement will enable the Agency to respond to the aforementioned issues and positively impact property and agency financial performance and improve our customers' experience in accessing resources and assistance.

The Agency's development and financing activities continue to generate commitment and development fees that support the Agency's operations and the Opportunity Housing Reserve Fund, which provides funding for future development activities. The FY'25 Recommended Budget continues to rely heavily on these fees that are one time in nature to support operations. The amount of these fees and the timing of their receipt is dependent upon the ever changing development landscape, which can impact revenue received during a specific fiscal year. Nevertheless, production and preservation must continue to meet HOC's goals as well as those set forth by Montgomery County.

The FY'25 Recommended Budget presented to you this evening is balanced with the use of reserves.

Detailed discussions will be held with the Budget, Finance and Audit Committee during April and May. During these meetings, the specifics of each fund will be discussed. It should be noted that staff anticipates changes between the Recommended Budget and the Adopted Budget.

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**BUDGET IMPACT:**

None for FY'24. This budget, when adopted on June 5, 2024, will set the financial plan for the Agency for FY'25.

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**TIME FRAME:**

During April and May 2024, the Budget, Finance and Audit Committee will informally review this budget proposal in detail. The FY'25 Budget, as amended, will be presented to the full Commission for adoption at the June 5, 2024 meeting. The Commission must adopt a budget for FY'25 before the fiscal year begins on July 1, 2024.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

No action is asked of the Commission at this meeting. The following is the meeting schedule for the review and adoption of the FY'24 Budget:

- April, 3, 2024: Meeting with the Commission regarding the Presentation of the President/Executive Director's FY'25 Recommended Budget
- April 10, 2024: FY'25 Recommended Budget Book Released
- April 19, 2024: Meeting with the Budget Finance & Audit Committee regarding the General and Public Fund Budgets as well as an Overview of HOC Reserves

- May 10, 2024: Meeting with the Budget Finance & Audit Committee regarding the Mortgage Finance/ Real Estate and Opportunity Housing Budgets
- June 5, 2024: Meeting with the Commission regarding the Adoption of the Fiscal Year 2025 Budget

## **Charts Highlighting FY'25 Recommended Operating and Capital Budgets**



# Commission Meeting FY 2025 Recommended Budget

April 3, 2024

# FY 2025 – Budget Overview

## Recommended Budget

Fund Summary Overview		FY 2025 Recommended Budget		
		Revenues	Expenses	Net
General Fund		\$33,985,454	\$36,495,228	(\$2,509,774)
	Draw from General Fund Operating Reserve ("GFOR")	\$854,058	\$0	\$854,058
Multifamily Bond Funds		\$23,163,376	\$23,163,376	\$0
Single Family Bond Funds		\$8,451,713	\$8,451,713	\$0
Opportunity Housing Fund				
	Opportunity Housing Reserve Fund ("OHRF")	\$12,970,449	\$1,779,950	\$11,190,499
	Restrict to OHRF	\$0	\$11,190,499	(\$11,190,499)
	Opportunity Housing & Development Corporation Properties	\$110,532,648	\$108,898,968	\$1,633,680
	Draw from GFOR for MetroPointe Deficit	\$22,036	\$0	\$22,036
Public Fund				
	Housing Choice Voucher Program ("HCVP")	\$139,722,088	\$139,722,088	\$0
	Federal and County Grants	\$18,653,981	\$18,653,981	\$0
<b>TOTAL - ALL FUNDS</b>		<b>\$348,355,803</b>	<b>\$348,355,803</b>	<b>\$0</b>

\* Revenues and Expenses include inter-company Transfer Between Funds

# FY 2025 – Revenue and Expense Summary

## Recommended Budget

Operating Budget		Non-Operating Budget	
<b>Operating Income</b>		<b>Non-Operating Income</b>	
Tenant Income	\$107,544,414	Investment Interest Income	\$27,567,158
Non-Dwelling Rental Income	\$1,188,793	FHA Risk Sharing Insurance	\$1,205,245
Federal Grant	\$145,097,835	Transfer Between Funds	\$9,592,904
County Grant	\$12,326,646		
Management Fees	\$43,631,069		
Miscellaneous Income	\$201,739		
<b>TOTAL OPERATING INCOME</b>	<b>\$309,990,496</b>	<b>TOTAL NON-OPERATING INCOME</b>	<b>\$38,365,307</b>
<b>Operating Expenses</b>		<b>Non-Operating Expenses</b>	
Personnel Expenses	\$62,464,547	Interest Payment	\$44,386,982
Operating Expenses - Fees	\$23,340,342	Mortgage Insurance	\$996,809
Operating Expenses - Administrative	\$9,556,927	Principal Payment	\$11,892,297
Bad Debt	\$2,363,646	Debt Service, Operating and Replacement Reserves	\$11,826,715
Tenant Services Expenses	\$7,305,335	Restricted Cash Flow	\$12,584,826
Protective Services Expenses	\$1,397,166	Development Corporation Fees	\$4,801,720
Utilities Expenses	\$7,489,131	Miscellaneous Bond Financing Expenses	\$800,817
Insurance and Tax Expenses	\$3,724,528	FHA Risk Sharing Insurance	\$1,205,245
Maintenance Expenses	\$12,567,989	Transfer Out Between Funds	\$3,406,765
Housing Assistance Payments ("HAP")	\$126,244,016		
<b>TOTAL OPERATING EXPENSES</b>	<b>\$256,453,627</b>	<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$91,902,176</b>
<b>NET OPERATING INCOME</b>	<b>\$53,536,869</b>	<b>NET NON-OPERATING ADJUSTMENTS</b>	<b>(\$53,536,869)</b>



# FY 2025 – Operating Budget: Source of Funds

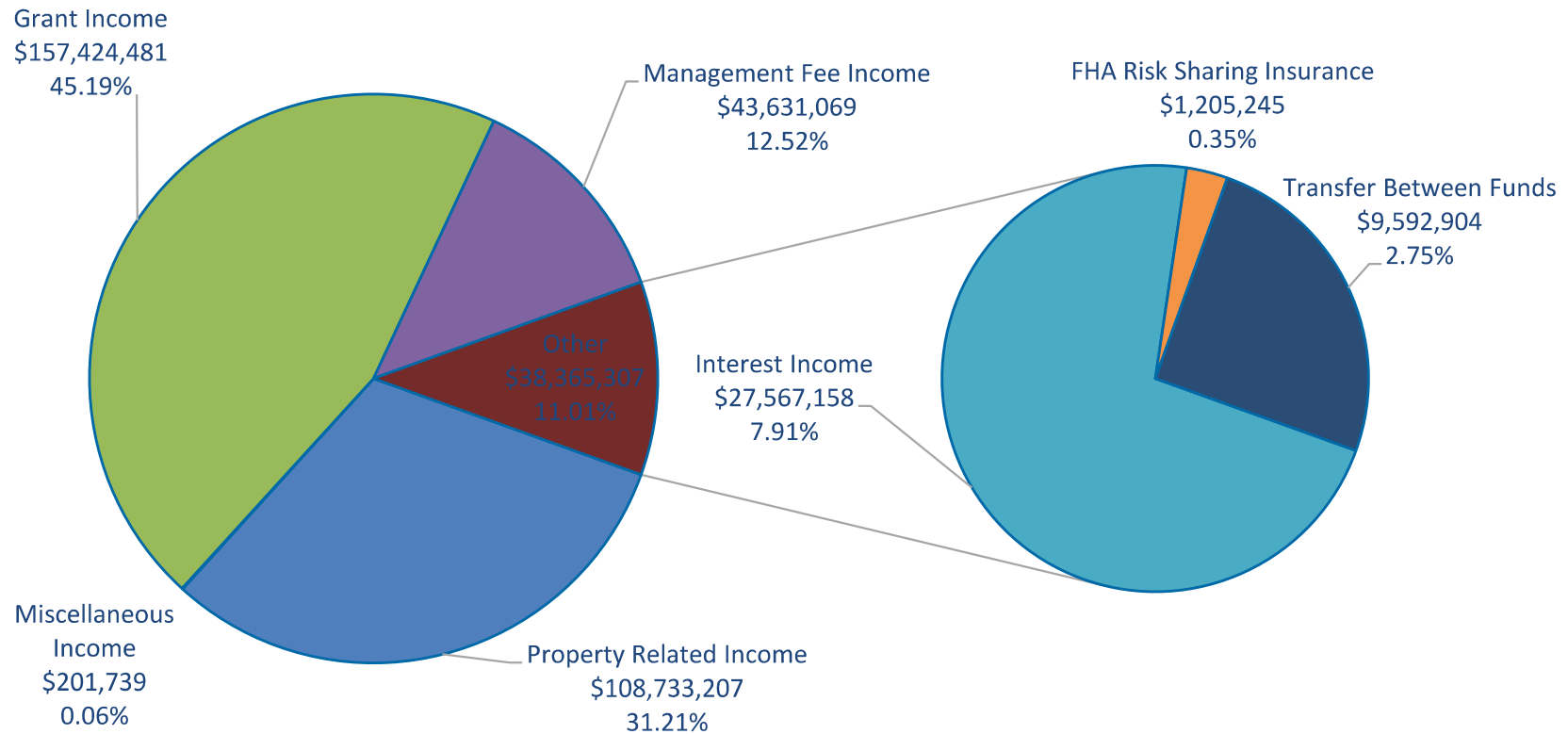
## Total Income – Proposed – \$348,355,803

### Operating Income

\$309,990,496

### Non-Operating Income

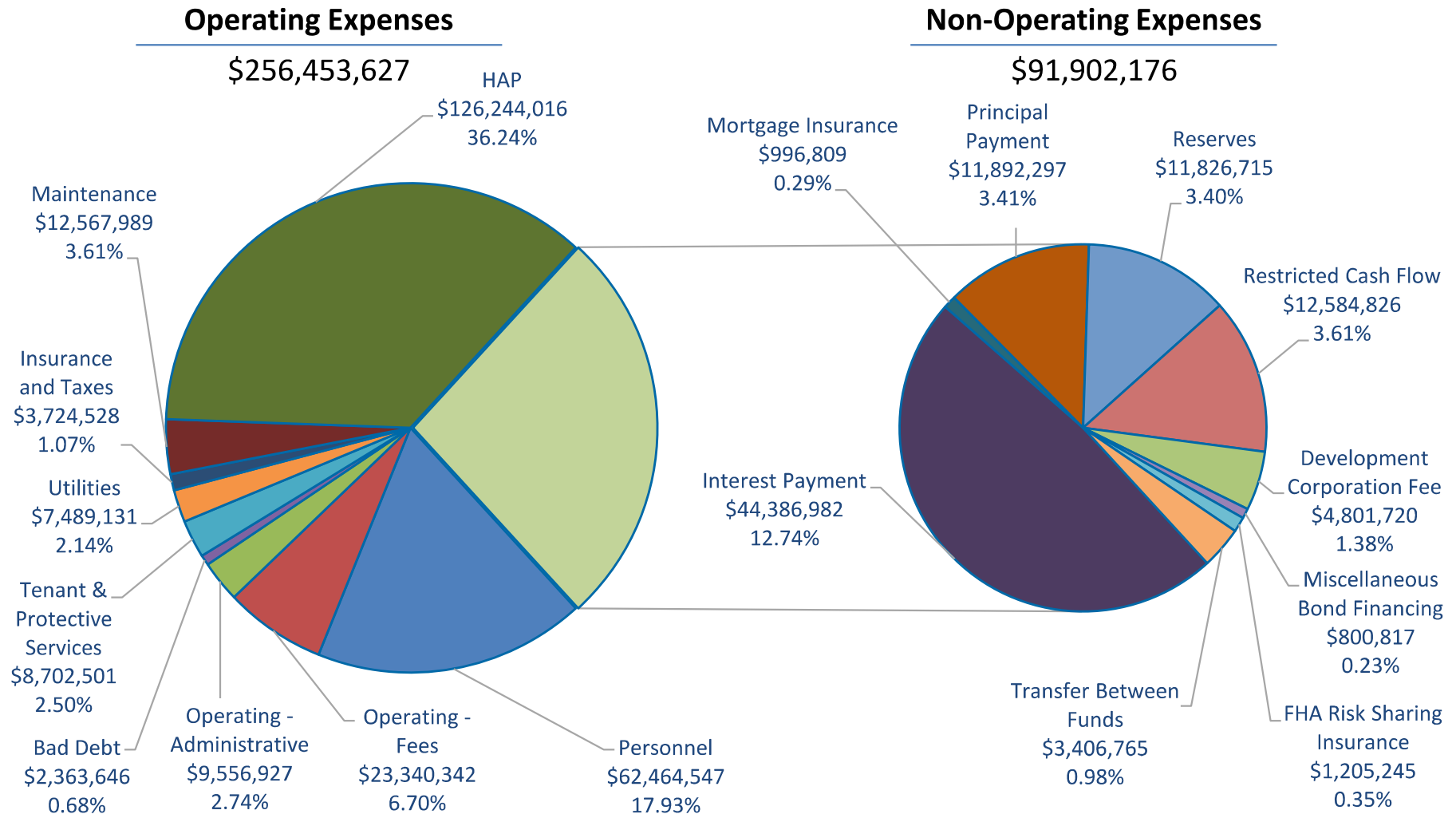
\$38,365,307





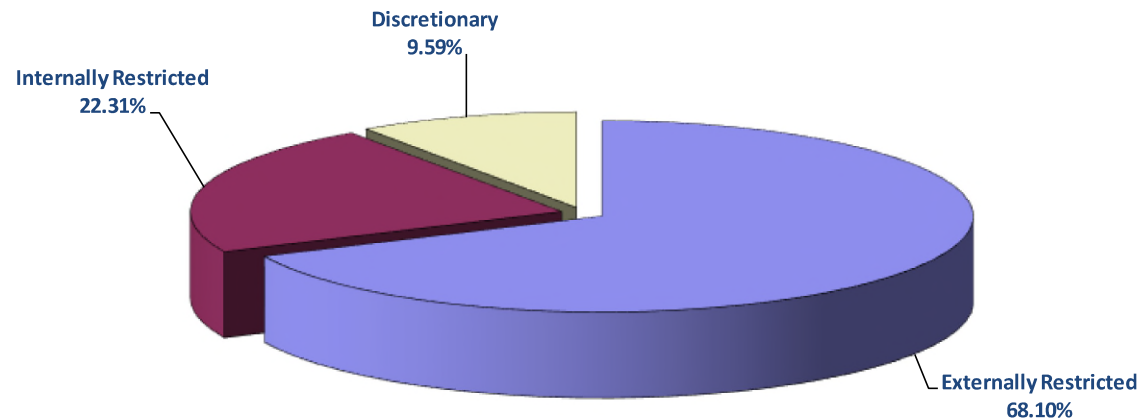
# FY 2025 – Operating Budget: Use of Funds

## Total Expenses – Proposed – \$348,355,803



## FY 2025 – Revenue Restrictions

Revenue Restriction (Showing externally placed restrictions)	FY 2025 Recommended Budget			
	Externally Restricted	Internally Restricted	Discretionary	TOTAL
<b>Operating Income</b>				
Property Related Income	\$42,338,945	\$64,738,546	\$1,655,716	<b>\$108,733,207</b>
Federal Grant	\$145,097,835	\$0	\$0	<b>\$145,097,835</b>
County Grant	\$12,326,646	\$0	\$0	<b>\$12,326,646</b>
Management Fees	\$0	\$12,970,449	\$30,660,620	<b>\$43,631,069</b>
Miscellaneous Income	\$152,151	\$0	\$49,588	<b>\$201,739</b>
<b>TOTAL OPERATING INCOME</b>	<b>\$199,915,577</b>	<b>\$77,708,995</b>	<b>\$32,365,924</b>	<b>\$309,990,496</b>
<b>Non-Operating Income</b>				
Interest Income	\$27,372,688	\$0	\$194,470	<b>\$27,567,158</b>
FHA Risk Sharing	\$1,205,245	\$0	\$0	<b>\$1,205,245</b>
Transfer Between Funds	\$8,738,846	\$0	\$854,058	<b>\$9,592,904</b>
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$37,316,779</b>	<b>\$0</b>	<b>\$1,048,528</b>	<b>\$38,365,307</b>
<b>TOTAL - ALL REVENUE SOURCES</b>	<b>\$237,232,356</b>	<b>\$77,708,995</b>	<b>\$33,414,452</b>	<b>\$348,355,803</b>



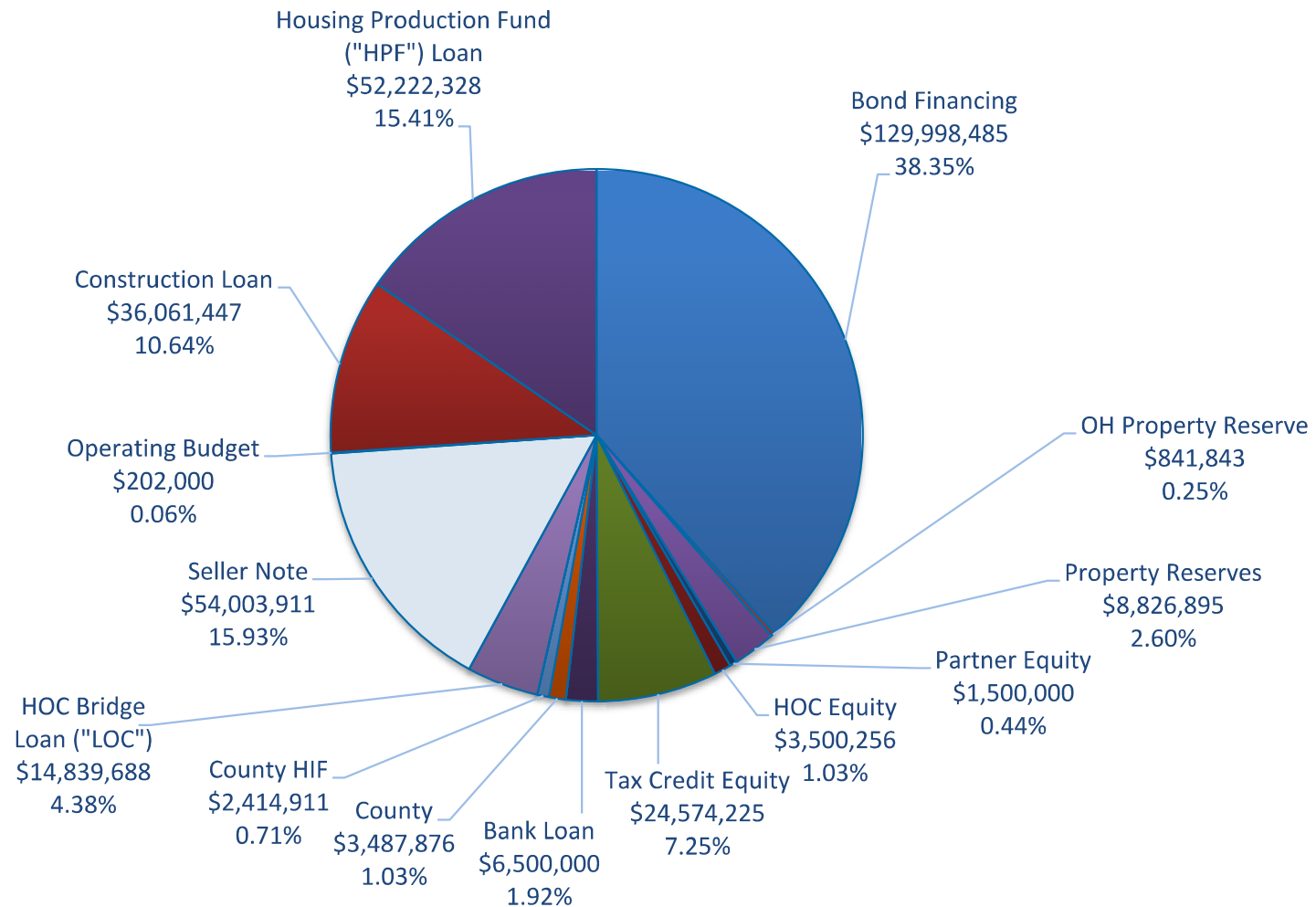
# FY 2025 – Capital Budget

## Capital Budget Overview

Capital Budget Summary	FY 2025 Recommended Budget
<b>Capital Improvements</b>	
East Deer Park	\$50,000
Kensington Office	\$100,000
880 Bonifant	\$90,000
Laureate Service Center	\$15,000
Information Technology	\$317,000
Opportunity Housing Properties	\$9,298,738
<b>Subtotal</b>	<b>\$9,870,738</b>
<b>Capital Development Projects</b>	
Deeply Affordable Units	\$1,250,000
Garnkirk Farms	\$22,089,152
Headquarters	\$13,264,715
Hillandale Gateway - Senior	\$26,236,066
Hillandale Gateway - Multifamily / Retail (Market)	\$38,389,480
Hillandale Gateway - Multifamily / Retail (Tax Credit)	\$13,430,963
Metropolitan	\$108,988,214
MetroPointe	\$61,217,407
Building B at West Side Shady Grove	\$44,237,130
<b>Subtotal</b>	<b>\$329,103,127</b>
<b>TOTAL</b>	<b>\$338,973,865</b>

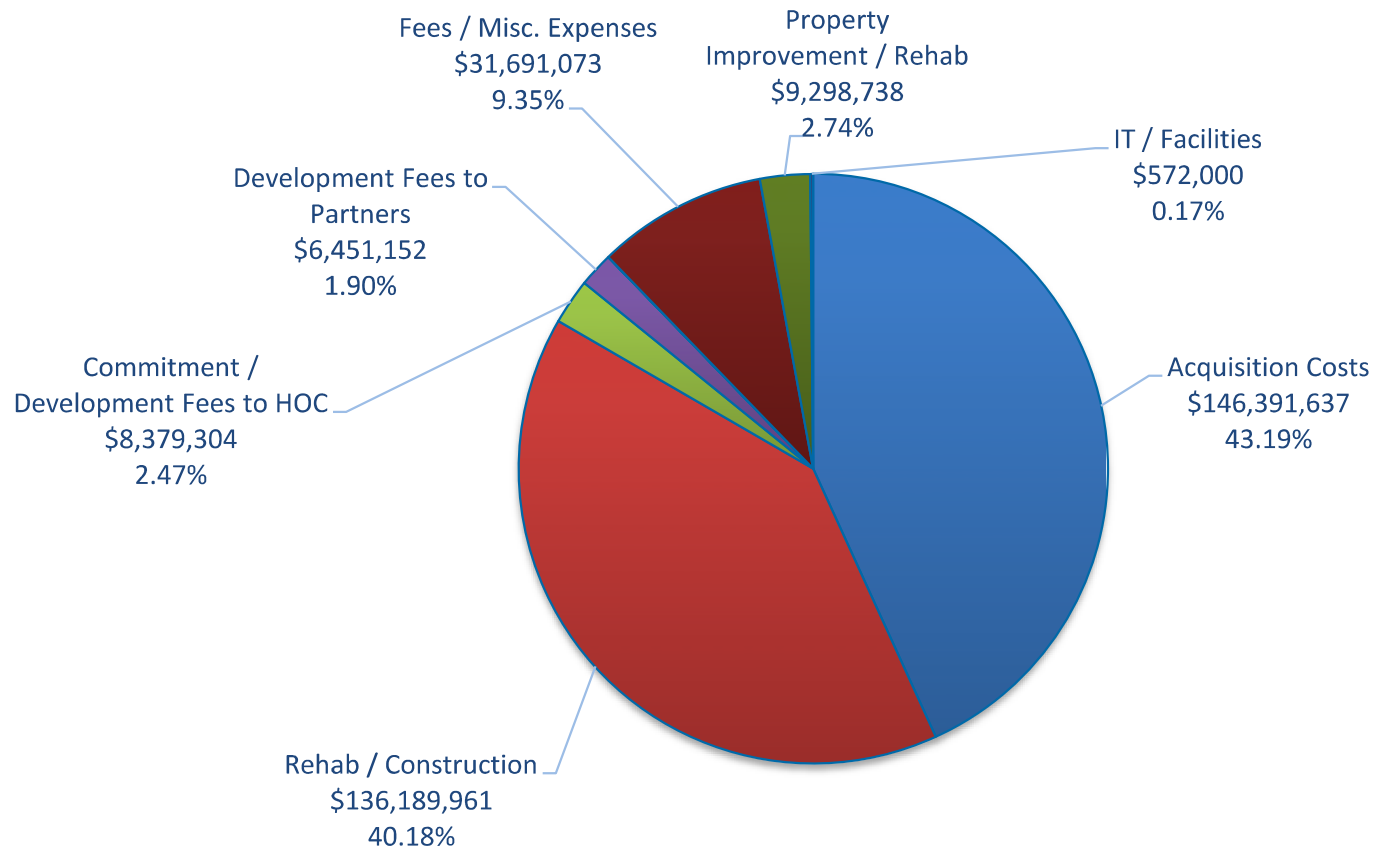
# FY 2025 – Capital Budget

## Source of Funds - Recommended – \$338,973,865



# FY 2025 – Capital Budget

Use of Funds - Recommended – \$338,973,865



**Recess**

# Development Corporation Meeting



**Barclay  
Development  
Corporation**

**Barclay Apartments Development Corporation**

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

**Minutes**

January 10, 2024

**24-001BC**

Mr. Priest convened the meeting of the Barclay Apartments Development Corporation on Wednesday, January 10, 2024, at 5:50 p.m. via a hybrid platform (with some participating in-person and some participating online/via teleconference), with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

Roy Priest, Chair  
Frances Kelleher, Vice Chair  
Jeffrey Merkowitz, Chair Pro Tem  
Pamela Byrd, Commissioner  
Robin Salomon, Commissioner  
Linda Croom, Commissioner

**Also Attending**

Chelsea Andrews, <small>President/Executive Director</small>	Aisha Memon, <small>Senior VP, Legal Affairs/ General Counsel</small>
Kayrine Brown, <small>Senior Executive Vice President</small>	Paige Gentry, <small>Deputy General Counsel</small>
DaVida Rowley-Blackman	Tim Goetzinger
Richard Congo	John Brouillre
Lynn Hayes	Zachary Marks
Tia Blount	Ken Silverman
Meta Lim	Alex Laurens
Rita Harris	Sean Asberry
Bonnie Hodge	

**Also attending via Zoom**

Darcel Cox	Jocelyn Koon
Kai Hsieh	Monte Stanford

**IT Support**

Irma Rodriguez  
Aries "AJ" Cruz

**Development Corporation Support**

Jocelyn Koon, Senior Executive Assistant

Prior to calling the meeting to order, Mr. Priest explained that development corporations are entities that are wholly-controlled by the Housing Opportunities Commission of Montgomery County (“HOC”) and own various HOC properties. For each development corporation, the Board of Directors is comprised of the HOC Commissioners and the officers are the same as the officers of the Commission.

Mr. Priest called to order the meeting of the Barclay Apartments Development Corporation:

**Approval to Extend Property Management Contract for Barclay Apartments with Residential One through June 30, 2024**

President/Executive Director, Chelsea Andrews, provided an overview of the presentation and introduced Ali Ozair, Vice President of Property Management, to provide the detailed presentation. Staff recommended that the Corporation authorize the President/Executive Director of HOC to execute an extension of the property management service contract with the Residential One. A motion was made by Pamela Byrd to approve Resolution 24-001BC, and seconded by Linda Croom. Affirmative votes were cast by Roy Priest, Frances Kelleher, Linda Croom, Jeffrey Merkowitz, Pamela Byrd and Robin Salomon. Based upon this report and there being no further business to come before this meeting of the Barclay Apartments Development Corporation, the meeting adjourned at 5:51 p.m.

Respectfully submitted,

/mpt

Chelsea Andrews  
Secretary-Treasurer of the Corporation

**PROCUREMENT OF PROPERTY MANAGEMENT SERVICES: APPROVAL OF  
THE PROPERTY MANAGEMENT CONTRACT FOR BARCLAY  
DEVELOPMENT CORPORATION**

**April 3, 2024**

- The property management contracts for Barclay Development Corporation will expire on June 30, 2024.
- A new Request for Proposal (“RFP”) was published for property management services and Residential One Corporation was selected as the awardee.
- The Budget, Finance, and Audit Committee reviewed this request at its meeting on March 15, 2024, and joins staff’s recommendation that the Board of Directors of Barclay Development Corporation accept the recommendation to enter a new property management contract for Barclay with Residential One from **July 1, 2024 through June 30, 2026**.

**MEMORANDUM**

**TO:** Board of Directors of the Barclay Development Corporation

**VIA:** Chelsea Andrews, President/Executive Director

**FROM:** Staff: Ali Ozair, Vice President of Property Management Division

**RE:** **Procurement of Property Management Services:** Approval to Select Edgewood Management Corporation to Provide Property Management Services for Oak at Four Corners in Accordance with RFP #2447

**DATE:** April 3, 2024

**STATUS:** Committee Report: Deliberation  X

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**BACKGROUND:**

Staff recommends a new property management (“PM”) contract with Residential One for Barclay.

Staff has worked with the HOC’s Board of Commissioners to create a property management solicitation template that reflects the evaluation and scoring metrics for property management Request for Proposals (“RFP”) of the Commission. The development of the template was completed and implemented during this RFP process.

The following table details property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Current Vendor	Awarded Vendor	Annual Budget for PM Services	Annual Renewal Contract Cost -100% Occup.	Current Contract End Date	New Contract Period
Barclay Apartments	Residential One	Residential One	\$36,480	\$39,216	6/30/2024	07/01/2024-6/30/2026

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**ISSUES FOR CONSIDERATION:**

Does the Board of Directors of the Barclay Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute property management services contract with Residential One for Barclay?

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**BUDGET IMPACT:**

Residential One proposed a management fee of \$43 per unit per month. The maximum value of the contract at 100% occupancy of the 76 units would be approximately \$36,480 for one year. By comparison to the current fee structure, this increases the annual fee by \$2,736 or 7.5% based on

100% occupancy. The proposed fee will be factored into the FY 2025 Recommended Budget based on the projected occupancy.

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**TIME FRAME:**

For formal action by the Board of Directors of Barclay Development Corporation at its meeting on April 3, 2024.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff requests that the Board of Directors of Barclay Development Corporation approve the property management contract with Residential One for Barclay from July 1, 2024 through June 30, 2026.

**RESOLUTION NO.:24-002<sub>BC</sub>**

**RE: Approval to Select Residential One to Provide Property Management Services for Barclay Apartments in Accordance with # RFP #2447**

**WHEREAS**, Barclay Apartments Development Corporation partly owns the development known as Barclay Apartments located in Chevy Chase, Maryland; and

**WHEREAS**, staff desires to enter a new property management contract at Barclay Apartments with Residential One from July 1, 2024 - June 30, 2026.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Barclay Apartments Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute a property management contact at Barclay Apartments with Residential One from July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Board of Directors of Barclay Apartments Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their 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 transaction contemplated herein, including the execution of any documents related thereto.

**HEREBY CERTIFY** that the foregoing resolution was adopted by the Board of Directors of Barclay Apartments Development Corporation at a meeting conducted on April 3, 2024.

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**Chelsea J. Andrews**  
**Authorized Signatory**



**THE BARCLAY APARTMENTS: APPROVAL TO SELECT VENDOR TO  
REPLACE ONE ELEVATOR AT THE APARTMENTS FOR THE  
PRESIDENT/EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A  
CONTRACT FOR UP TO \$285,445 AND APPROVAL OF THE CAPITAL  
EXPENDITURE BUDGET**

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**INFRASTRUCTURE MODERNIZATION**



**CHELSEA ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR**

**JOHN WILHOIT, VICE PRESIDENT, ASSET MANAGEMENT  
DEMARCUS HUBBARD, ASSET MANAGER**

**April 3, 2024**

# Executive Summary - Overview



Built in 1953, The Barclay Apartments (“The Barclay” or “Property”) in Bethesda, MD, is a garden-style multifamily community comprised of four buildings totaling 157 units and a current occupancy rate of 96%. It offers a diverse range of living options, including 26 studios, 91 one-bedroom units, and 40 two-bedroom units, and caters to individuals, couples, and families. There are four (4) buildings at the Property.

The Property comprises a diverse affordability mix, including 76 market-rate units, 21 units set at 30% of the Area Median Income (“AMI”), which are further supported with Section 8 Project Based Vouchers, and 60 units at 60% of the AMI. The consistently high occupancy rate highlights the desirability of The Barclay. It also indicates resident satisfaction with the varied unit options and a vibrant location that fosters a strong sense of community. A comprehensive renovation was completed more than a decade ago, after the Property was acquired.

**PURPOSE:** The Property requires the immediate replacement of the sole elevator in building 4700, which is inoperable and past its useful life. This request is for the President/Executive Director to be authorized to execute a contract with Action Elevator for \$285,445 for the replacement/modernization of the inoperable elevator at the Property.

**BACKGROUND:** In September 2023, the elevator became inoperable. It is the sole elevator in building 4700 of The Barclay, with 44 units. The original elevator manufacturer is no longer in business, and repair efforts are complicated. Upon discovery, the Asset Management team engaged an elevator vendor for a repair cost assessment.

Repairs were attempted over six weeks and deemed impossible due to age, condition, and parts unavailability. Management is providing consistent communication about the elevator and providing assistance to residents upon request.

Building 4700 contains four (4) floors. Once the Commission approves this action, another update will be provided to the residents along with periodic updates until the work is complete.



# Procurement

The elevator at building 4700 was officially taken out of service on October 10, 2023, creating a need for repair or replacement. The property consists of four (4) buildings, each with one (1) elevator, highlighting the critical role these elevators play in the residents' daily lives. Potomac Elevator conducted inspections on all other remaining elevators in December 2023, confirming their operational status and ensuring the safety of residents.

To address the issue, proposals for replacing the elevator in building 4700 were solicited from three vendors: Potomac Elevator, Delaware Elevator Inc., and Action Elevator. The costs provided ranged from **\$285,445 to \$399,287**, a significant financial commitment is required for this essential repair. Despite the urgency, Montgomery County/Code Enforcement has not issued any violations, indicating that the property is managing the situation appropriately.

**PROCUREMENT:** To expedite the replacement of the elevator in Building 4700, staff proposes that Section 5.6, Noncompetitive Proposal of the Procurement Policy may be utilized in this circumstance. However, to ensure a competitive process, staff enlisted the assistance of staff experts across HOC and solicited bids from five (5) vendors. Scope of work includes replacement of the elevator (referred to as modernization by the vendors). Gaining bids was difficult based on the limited availability of vendors that specialize in elevator installation and with time of the essence. Installation will require approximately 32-36 weeks to complete.



# Sources of Funding

HOC’s Asset Management and Real Estate staff requested bids in recent weeks, including commentary on the timeline to complete the installation. Vendor selection included an assessment of price and capacity to begin the work promptly and complete the work timely. Staff considered vendor Ability and Resources to Perform. Work will begin within five to ten working days of when the contract is awarded. The total expenditure for replacement of the elevator, from recent bids are as follows:

	Proposal	HOC-Held Contingency	Total Budget
		(15%)	
<b>Potomac Elevator</b>	\$399,287	\$59,893	\$459,180
<b>Delaware Elevator</b>	\$315,500	\$47,325	\$362,825
<b>Action Elevator</b>	\$285,445	\$47,817	\$328,262

**FUNDING:** The replacement of the elevator is proposed to be funded from the replacement reserve account at the Property. As of **February 29, 2024**, this account had a balance of **\$355,410** (Affordable - LP) and **\$202,983** (Market Rate - DevCorp), indicating that the necessary funds are available to proceed with the replacement. In addition, the balance sheet for the Dev Corp shows a renovation escrow balance of **\$126,420**. Fifty-two percent (52%) will fund the affordable portion and forty-eight percent (48%) will fund the market rate portion, based on the ownership of the Property.

# Summary and Recommendations

## ISSUES FOR CONSIDERATION

Does the Board of Directors of Barclay Apartments Development wish to:

1. Select Action Elevation Company by utilizing a Noncompetitive Proposal Procurement, pursuant to Section 5.6 of the Procurement Policy to replace the elevator in building 4700 at The Barclay Apartment; and
2. Authorize the President/Executive Director to negotiate and execute a contract with Action Elevator, for a total contract cost of \$285,445 plus a HOC-held contingency of \$42,817 (15%) for a total project cost of \$328,262, which cost is to be funded from the Property's replacement reserve account?

## BUDGET IMPACT

There is no impact on the Commission's FY 2024 operating budget; however, the replacement of the elevator at The Barclay represents a significant expenditure with a notable impact on the property's Capital Budget, creating a significant variance in the capital budget. The total cost of up to \$328,262 reflects the importance of the elevator as an essential component of life safety and convenience for residents. Funding for this project is proposed to come from The Barclay's replacement reserve accounts, which as of February 29, 2023, had sufficient funds available to cover the cost of the replacement.

## TIME FRAME

For discussion and formal action by the Board of Directors of Barclay Development Corporation at its meeting on April 3, 2024.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Board of Directors of Barclay Apartments Development Corporation:

1. Approve the selection of Action Elevation by utilizing a Noncompetitive Proposal Procurement, pursuant to Section 5.6 of the Procurement Policy to replace the elevator in building 4700 at The Barclay Apartment; and
2. Authorize the President/Executive Director to negotiate and execute a contract with Action Elevator, for a total contract cost of \$285,445 plus a HOC-held contingency of \$42,817 (15%) for a total project cost of \$328,262, which cost is to be funded from the Property's replacement reserve account.



**RESOLUTION No. 24-003<sub>BC</sub>**

**RE: Approval to Select Vendor to Replace One Elevator at The Barclay Apartments, for the President/Executive Director to Negotiate and Execute a contract for up to \$285,445 and Approval of the Capital Expenditure Budget**

**WHEREAS**, The Barclay Apartments is located at 4716 Bradley Boulevard (the “Property”) and is partially owned by the Barclay Apartments Development Corporation; and

**WHEREAS**, the sole elevator in building 4700 is inoperable and requires immediate replacement; and

**WHEREAS**, to ensure a competitive process, staff solicited bids from five vendors, and Action Elevator Company submitted the most competitive bid; and

**WHEREAS**, staff recommends (i) utilizing a Noncompetitive Proposal Procurement, pursuant to Section 5.6 of the Housing Opportunities Commission of Montgomery County’s (“HOC”) Procurement Policy, to select Action Elevator Company to replace the Property’s elevator in building 4700, and (ii) negotiating and executing a contract with Action Elevator Company in an amount up to \$285,445, plus an HOC-held contingency of \$42,817 (15% of the contract value) for a total project cost of \$328,262, to be funded from the Property’s replacement reserve account (collectively, the “Contract, Contingency, and Funding”).

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Barclay Apartments Development Corporation that it approves selecting Action Elevator Company via a Noncompetitive Proposal Procurement to replace the Property’s elevator in building 4700, and approves the Contract, Contingency, and Funding.

**BE IT FURTHER RESOLVED** by the Board of Directors of the Barclay Apartments Development Corporation that the President/Executive Director of HOC, or their authorized designee, without further action on its part, is authorized to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

**RESOLUTION No. 24-003<sub>BC</sub>**

**RE: Approval to Select Vendor to Replace One Elevator at The Barclay Apartments, for the President/Executive Director to Negotiate and Execute a contract for up to \$285,445 and Approval of the Capital Expenditure Budget**

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Board of Directors of the Barclay Apartments Development Corporation in an open meeting conducted on April 3, 2024.

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Chelsea J. Andrews  
Authorized Signatory



**Adjourn**

Oaks at Four  
Corners  
Development  
Corporation

**Oaks at Four Corners Development Corporation**

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

**Minutes**

January 10, 2024

**24-001oc**

Mr. Priest convened the meeting of the Oaks at Four Corners Development Corporation on Wednesday, January 10, 2024, at 5:54 p.m. via a hybrid platform (with some participating in-person and some participating online/via teleconference), with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

Roy Priest, Chair  
Frances Kelleher, Vice Chair  
Jeffrey Merkowitz, Chair Pro Tem  
Pamela Byrd, Commissioner  
Robin Salomon, Commissioner  
Linda Croom, Commissioner

**Also Attending**

Chelsea Andrews, <small>President/Executive Director</small>	Aisha Memon, <small>Senior VP, Legal Affairs/ General Counsel</small>
Kayrine Brown, <small>Senior Executive Vice President</small>	Paige Gentry, <small>Deputy General Counsel</small>
DaVida Rowley-Blackman	Tim Goetzinger
Richard Congo	John Brouillre
Lynn Hayes	Zachary Marks
Tia Blount	Ken Silverman
Meta Lim	Alex Laurens
Rita Harris	Sean Asberry
Bonnie Hodge	

**Attending Via Zoom**

Darcel Cox	Jocelyn Koon
Monte Stanford	Kai Hsieh

**IT Support**

Irma Rodriguez  
Aries "AJ" Cruz

**Development Corporation Support**

Jocelyn Koon, Senior Executive Assistant

Prior to calling the meeting to order, Mr. Priest explained that development corporations are entities that are wholly-controlled by the Housing Opportunities Commission of Montgomery County (“HOC”) and own various HOC properties. For each development corporation, the Board of Directors is comprised of the HOC Commissioners and the officers are the same as the officers of the Commission.

Mr. Priest called to order the meeting of the Oaks at Four Corner Development Corporation:

**Approval to Extend Property Management Contract for Oaks at Four Corner with Edgewood Management through June 30, 2024.**

President/Executive Director, Chelsea Andrews, provided an overview of the presentation and introduced Ali Ozair, Vice President of Property Management, to provide the detailed presentation. Staff recommended that the Corporation authorize the President/Executive Director of HOC to execute an extension of the property management services contracts with Edgewood Management. A motion was made by Pamela Byrd to approve Resolution 24-001OC, and seconded by Linda Croom. Affirmative votes were cast by Roy Priest, Frances Kelleher, Linda Croom, Jeffrey Merkowitz, Pamela Byrd, and Robin Salomon. Based upon this report and there being no further business to come before this meeting of the Oaks at Four Corner Development Corporation, the meeting adjourned at 5:55 p.m.

Respectfully submitted,

/mpt

Chelsea Andrews  
Secretary-Treasurer of the Corporation

**PROCUREMENT OF PROPERTY MANAGEMENT SERVICES: APPROVAL OF  
THE PROPERTY MANAGEMENT CONTRACT FOR  
OAKS AT FOUR CORNERS DEVELOPMENT CORPORATION**

**April 3, 2024**

- The property management contract for Oaks at Four Corners will expire on June 30, 2024.
- A new Request for Proposal (“RFP”) was published for property management services and Edgewood Management Corporation was selected as the awardee.
- The Budget Finance and Audit Committee reviewed this request at its meeting on March 15, 2024, and joins staff’s recommendation that the Board of Directors of Oaks at Four Corners Development Corporation accept the recommendation to enter a new property management contract for Oaks at Four Corners with Edgewood Management Corporation from **July 1, 2024 through June 30, 2026**.

**MEMORANDUM**

**TO:** Board of Directors of the Oaks at Four Corners Development Corporation

**VIA:** Chelsea Andrews, President/Executive Director

**FROM:** Staff: Ali Ozair, Vice President, Property Management Division

**RE:** **Procurement of Property Management Services:** Approval to Select Edgewood Management Corporation to Provide Property Management Services for Oak at Four Corners in Accordance with RFP #2449

**DATE:** April 3, 2024

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**STATUS:** Committee Report: Deliberation  X

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**BACKGROUND:**

Staff recommends a new property management (“PM”) contract with Edgewood Management Corporation for Oaks at Four Corners.

Staff has worked with the HOC’s Board of Commissioners to create a property management solicitation template that reflects the evaluation and scoring metrics for property management Request for Proposals (“RFP”) of the Commission. The development of the template was completed and implemented during this RFP process.

The following table details property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Current Vendor	Awarded Vendor	Annual Budget for PM Services	Annual Renewal Contract Cost -100% Occup.	Current Contract End Date	New Contract Period
Oaks at Four Corners	Edgewood Management Corporation	Edgewood Management Corporation	\$59,868	\$72,000	6/30/2024	07/01/2024-6/30/2026

**ISSUES FOR CONSIDERATION:**

Does the Board of Directors of the Oaks at Four Corners Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute property management services contract with Edgewood Management Corporation for Oaks at Four Corners?

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**BUDGET IMPACT:**

Edgewood Management Corporation proposed a management fee of \$50 per unit per month. The maximum value of the contract at 100% occupancy of the 120 units would be approximately \$72,000 for one year. By comparison to the current fee structure, this increases the annual fee by \$12,132 or 20% based on 100% occupancy. The proposed fee will be factored into the FY 2025 Recommended Budget based on the projected occupancy. There will be no budget impact for FY 2024.

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**TIME FRAME:**

For formal action by the Board of Directors of Oaks at Four Corners Development Corporation at its meeting on April 3, 2024.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff requests that the Board of Directors of Oaks at Four Corners Development Corporation approve the property management contract with Edgewood Management Corporation for Oaks at Four Corners from July 1, 2024 through June 30, 2026.



**RESOLUTION NO.: 24-002<sub>oc</sub>**

**RE:** Approval to Select Edgewood Management Corporation to Provide Property Management Services for Oak at Four Corners in Accordance with RFP #2449

**WHEREAS**, Oaks at Four Corners Development Corporation owns the development known as Oaks at Four Corners located in Silver Spring, Maryland; and

**WHEREAS**, staff desires to enter a new property management contract at Oaks at Four Corners with Edgewood Management Corporation from July 1, 2024 - June 30, 2026.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Oaks at Four Corners Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute a property management contract at Oaks at Four Corners with Edgewood Management Corporation from July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Board of Directors of Oaks at Four Corners Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their 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 transaction contemplated herein, including the execution of any documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Board of Directors of Oaks at Four Corners Development Corporation at a meeting conducted on April 3, 2024.

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**Chelsea J. Andrews**  
**Authorized Signatory**

**Adjourn**

Paddington  
Square  
Development  
Corporation

**Paddington Square Development Corporation**

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

**Minutes**

January 10, 2024

**24-001PS**

Mr. Priest convened the meeting of the Paddington Square Development Corporation on Wednesday, January 10, 2024, at 5:51 p.m. via a hybrid platform (with some participating in-person and some participating online/via teleconference), with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

Roy Priest, Chair  
Frances Kelleher, Vice Chair  
Jeffrey Merkowitz, Chair Pro Tem  
Pamela Byrd, Commissioner  
Robin Salomon, Commissioner  
Linda Croom, Commissioner

**Also Attending**

Chelsea Andrews, President/Executive Director	Aisha Memon, Senior VP, Legal Affairs/ General Counsel
Kayrine Brown, Senior Executive Vice President	Paige Gentry, Deputy General Counsel
DaVida Rowley-Blackman	Tim Goetzinger
Richard Congo	John Brouillre
Lynn Hayes	Zachary Marks
Tia Blount	Ken Silverman
Meta Lim	Alex Laurens
Rita Harris	Sean Asberry
Bonnie Hodge	

**Also attending via Zoom**

Darcel Cox	Jocelyn Koon
Kai Hsieh	Monte Stanford

**IT Support**

Irma Rodriguez  
Aries "AJ" Cruz

**Development Corporation Support**

Jocelyn Koon, Senior Executive Assistant

Prior to calling the meeting to order, Mr. Priest explained that development corporations are entities that are wholly-controlled by the Housing Opportunities Commission of Montgomery County (“HOC”) and own various HOC properties. For each development corporation, the Board of Directors is comprised of the HOC Commissioners and the officers are the same as the officers of the Commission.

Mr. Priest called to order the meeting of the Paddington Square Development Corporation:

**Approval to Extend Property Management Contract for Paddington Square Development Corporation**

President/Executive Director, Chelsea Andrews, provided an overview of the presentation and introduced Ali Ozair, Vice President of Property Management, to provide the detailed presentation. Staff recommended that the Corporation authorize the President/Executive Director of HOC to execute an extension of the property management service contract with the Residential One for Paddington Square. A motion was made by Pamela Byrd to approve Resolution 24-001PS, and seconded by Jeffrey Merkowitz. Affirmative votes were cast by Roy Priest, Frances Kelleher, Linda Croom, Jeffrey Merkowitz, Pamela Byrd and Robin Salomon. Based upon this report and there being no further business to come before this meeting of the Paddington Square Development Corporation, the meeting adjourned at 5:52 p.m.

Respectfully submitted,

/mpt

Chelsea Andrews  
Secretary-Treasurer of the Corporation

## **PROCUREMENT OF PROPERTY MANAGEMENT SERVICES: APPROVAL OF THE PROPERTY MANAGEMENT CONTRACT FOR PADDINGTON SQUARE DEVELOPMENT CORPORATION**

**April 3, 2024**

- The property management contracts for Paddington Square Development Corporation will expire on June 30, 2024.
- A new Request for Proposal (“RFP”) was published for property management services and Residential One Corporation was selected as the awardee.
- The Budget Finance and Audit Committee reviewed this request at its meeting on March 15, 2024, and joins staff’s recommendation that the Board of Directors of Paddington Square Development Corporation accept the recommendation to enter a new property management contract for Paddington Square with Residential One from **July 1, 2024 through June 30, 2026**.

**MEMORANDUM**

**TO:** Board of Directors of the Paddington Square Development Corporation

**VIA:** Chelsea Andrews, President/Executive Director

**FROM:** Staff: Ali Ozair, Vice President, Property Management Division

**RE:** **Procurement of Property Management Services:** Approval to Select Edgewood Management Corporation to Provide Property Management Services for Oak at Four Corners in Accordance with RFP #2452

**DATE:** April 3, 2024

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**STATUS:** Committee Report: Deliberation  X

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**BACKGROUND:**

Staff recommends a new property management contract with Residential One for Paddington Square.

Staff has worked with the HOC’s Board of Commissioners to create a property management (“PM”) solicitation template that reflects the evaluation and scoring metrics for property management Request for Proposals (“RFP”) of the Commission. The development of the template was completed and implemented during this RFP process.

The following table details property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Current vendor	Awarded Vendor	Annual Budget for PM Services	Annual Renewal Contract Cost -100% Occup.	Current Contract End Date	New Contract Period
Paddington Square	Residential One	Residential One	\$87,216	\$85,140	6/30/2024	07/01/2024-6/30/2026

**ISSUES FOR CONSIDERATION:**

Does the Board of Directors of the Paddington Square Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute property management services contract with Residential One for Paddington Square?

**BUDGET IMPACT:**

Residential One proposed a management fee of \$43 per unit per month. The maximum value of the contract at 100% occupancy of the 165 units would be approximately \$85,140 for one year. By comparison to the current fee structure, this decreases the annual fee by \$2,075 or 2% based on



100% occupancy. The proposed fee will be factored into the FY 2025 Recommended Budget based on the projected occupancy.

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**TIME FRAME:**

For formal action by the Board of Directors of Paddington Square Development Corporation at its meeting on April 3, 2024.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff requests that the Board of Directors of Paddington Square Development Corporation approve the property management contract with Residential One for Paddington Square from July 1, 2024 through June 30, 2026.

**RESOLUTION NO.: 24-002<sub>PS</sub>**

**RE: Approval to Select Residential One to  
Provide Property Management Services  
for Paddington Square Apartments  
Accordance with RFP #2452**

**WHEREAS**, Paddington Square Development Corporation owns the development known as Paddington Square located in Silver Spring, Maryland; and

**WHEREAS**, staff desires to enter a new property management contract at Paddington Square with Residential One from July 1, 2024 - June 30, 2026.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Paddington Square Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute a property management contract at Paddington Square with Residential One from July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Board of Directors of Paddington Square Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their 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 transaction contemplated herein, including the execution of any documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Board of Directors of Paddington Square Development Corporation at a meeting conducted on April 3, 2024.

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**Chelsea J. Andrews**  
**Authorized Signatory**

**Adjourn**

**Pooks Hill  
Development  
Corporation**

**Pooks Hill Development Corporation**

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

**Minutes**

January 10, 2024

**24-001PH**

Mr. Priest convened the meeting of the Pooks Hill Development Corporation on Wednesday, January 10, 2024, at 5:53 p.m. via a hybrid platform (with some participating in-person and some participating online/via teleconference), with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

Roy Priest, Chair  
Frances Kelleher, Vice Chair  
Jeffrey Merkowitz, Chair Pro Tem  
Pamela Byrd, Commissioner  
Robin Salomon, Commissioner  
Linda Croom, Commissioner

**Also Attending**

Chelsea Andrews, President/Executive Director	Aisha Memon, Senior VP, Legal Affairs/ General Counsel
Kayrine Brown, Senior Executive Vice President	Paige Gentry, Deputy General Counsel
DaVida Rowley-Blackman	Tim Goetzinger
Richard Congo	John Brouillre
Lynn Hayes	Zachary Marks
Tia Blount	Ken Silverman
Meta Lim	Alex Laurens
Rita Harris	Sean Asberry
Bonnie Hodge	

**Also attending via Zoom**

Darcel Cox	Jocelyn Koon
Kai Hsieh	Monte Stanford

**IT Support**

Irma Rodriguez  
Aries "AJ" Cruz

**Development Corporation Support**

Jocelyn Koon, Senior Executive Assistant

Prior to calling the meeting to order, Mr. Priest explained that development corporations are entities that are wholly-controlled by the Housing Opportunities Commission of Montgomery County (“HOC”) and own various HOC properties. For each development corporation, the Board of Directors is comprised of the HOC Commissioners and the officers are the same as the officers of the Commission.

Mr. Priest called to order the meeting of the Pooks Hill Development Corporation:

**Approval to Extend Property Management Contract for Pooks Hill Development Corporation with Edgewood Management through June 30, 2024.**

President/Executive Director, Chelsea Andrews, provided an overview of the presentation and introduced Ali Ozair, Vice President of Property Management, to provide the detailed presentation. Staff recommended that the Corporation authorize the President/Executive Director of HOC to execute an extension of the property management service contract with Edgewood Management for Pooks Hill. A motion was made by Pamela Croom to approve Resolution 24-001PH, and seconded by Pamela Byrd. Affirmative votes were cast by Roy Priest, Frances Kelleher, Linda Croom, Jeffrey Merkowitz, Pamela Byrd and Robin Salomon. Based upon this report and there being no further business to come before this meeting of the Pooks Hill Development Corporation, the meeting adjourned at 5:53 p.m.

Respectfully submitted,

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Chelsea Andrews  
Secretary-Treasurer of the Corporation

**PROCUREMENT OF PROPERTY MANAGEMENT SERVICES: APPROVAL OF  
THE PROPERTY MANAGEMENT CONTRACT FOR POOKS HILL  
DEVELOPMENT CORPORATION**

**April 3, 2024**

- The property management contract for Pooks Hill will expire on June 30, 2024.
- A new Request for Proposal (“RFP”) was published for property management services and Edgewood Management Corporation was selected as the awardee.
- The Budget Finance and Audit Committee reviewed this request at its meeting on March 15, 2024, and joins staff’s recommendation that the Board of Directors of Pooks Hill Development Corporation accept the recommendation to enter a new property management contract for Montgomery Arms with Edgewood Management Corporation from **July 1, 2024 through June 30, 2026**.



**MEMORANDUM**

**TO:** Board of Directors of the Montgomery Arms Development Corporation

**VIA:** Chelsea Andrews, President/Executive Director

**FROM:** Staff: Ali Ozair, Vice President of Property Management Division

**RE:** **Procurement of Property Management Services:** Approval to Select Edgewood Management Corporation to Provide Property Management Services for Pooks Hill Tower Accordance with RFP #2444

**DATE:** April 3, 2024

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**STATUS:** Committee Report: Deliberation  X

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**BACKGROUND:**

Staff recommends a new property management (“PM”) contract with Edgewood Management Corporation for Pooks Hill.

Staff has worked with the HOC’s Board of Commissioners to create a property management solicitation template that reflects the evaluation and scoring metrics for property management Request for Proposals (“RFP”) of the Commission. The development of the template was completed and implemented during this RFP process.

The following table details property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Current Vendor	Awarded Vendor	Annual Budget for PM Services	Annual Renewal Contract Cost -100% Occup.	Current Contract End Date	New Contract Period
Pooks Hill Towers	Edgewood Management Corporation	Edgewood Management Corporation	\$95,416	\$113,400	6/30/2024	07/01/2024-6/30/2026

**ISSUES FOR CONSIDERATION:**

Does the Board of Directors of the Pooks Hill Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute property management services contract with Edgewood Management Corporation for Pooks Hill Tower?

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**BUDGET IMPACT:**

Edgewood Management Corporation proposed a management fee of \$50 per unit per month. The maximum value of the contract at 100% occupancy of the 189 units would be approximately \$113,400 for one year. By comparison to the current fee structure, this increases the annual fee by \$17,984 or 19% based on 100% occupancy. The proposed fee will be factored into the FY 2025 Recommended Budget based on the projected occupancy. There will be no budget impact for FY 2024.

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**TIME FRAME:**

For formal action by the Board of Directors of Pooks Hill Development Corporation at its meeting on April 3, 2024.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff requests that the Board of Directors of the Pooks Hill Development Corporation approve the property management contract with Edgewood Management Corporation for Pooks Hill Towers from July 1, 2024 through June 30, 2026.

**RESOLUTION NO.:24-002<sub>PH</sub>**

**RE: Approval to Select Edgewood Management Corporation for the Property Management Contract for Pooks Hill Tower in Accordance with RFP #2444**

**WHEREAS**, Pooks Hill Development Corporation owns the development known as Pooks Hill Tower located in North Bethesda, Maryland; and

**WHEREAS**, staff desires to enter a new property management contract at Pooks Hill Tower with Edgewood Management Corporation from July 1, 2024 - June 30, 2026.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Pooks Hill Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute a property management contract at Pooks Hill Tower with Edgewood Management Corporation from July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Board of Directors of Pooks Hill Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their 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 transaction contemplated herein, including the execution of any documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Board of Directors of Pooks Hill Development Corporation at a meeting conducted on April 3, 2024.

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**Chelsea J. Andrews**  
**Authorized Signatory**

**Adjourn**

**RAD 6**  
**Development**  
**Corporation**

**RAD6 Development Corporation**  
10400 Detrick Avenue  
Kensington, Maryland 20895  
(240) 627-9425

**Minutes**

January 10, 2024

**24-001RAD6**

Mr. Priest convened the meeting of the RAD 6 Development Corporation on Wednesday, January 10, 2024, at 5:53 p.m. via a hybrid platform (with some participating in-person and some participating online/via teleconference), with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

Roy Priest, Chair  
Frances Kelleher, Vice Chair  
Jeffrey Merkowitz, Chair Pro Tem  
Pamela Byrd, Commissioner  
Robin Salomon, Commissioner  
Linda Croom, Commissioner

**Also Attending**

Chelsea Andrews, President/Executive Director	Aisha Memon, Senior VP, Legal Affairs/ General Counsel
Kayrine Brown, Senior Executive Vice President	Paige Gentry, Deputy General Counsel
DaVida Rowley-Blackman	Tim Goetzinger
Richard Congo	John Brouillre
Lynn Hayes	Zachary Marks
Tia Blount	Ken Silverman
Meta Lim	Alex Laurens
Rita Harris	Sean Asberry
Bonnie Hodge	

**Attending Via Zoom**

Darcel Cox  
Monte Stanford

Kai Hsieh  
Jocelyn Koon

**IT Support**

Irma Rodriguez  
Aries "AJ" Cruz

**Development Corporation Support**

Jocelyn Koon, Senior Executive Assistant

Prior to calling the meeting to order, Mr. Priest explained that development corporations are entities that are wholly-controlled by the Housing Opportunities Commission of Montgomery County (“HOC”) and own various HOC properties. For each development corporation, the Board of Directors is comprised of the HOC Commissioners and the officers are the same as the officers of the Commission.

Mr. Priest called to order the meeting of the RAD 6 Development Corporation:

**Approval to Extend Property Management Services Contracts for RAD 6 Development Corporation**

President/Executive Director, Chelsea Andrews, provided an overview of the presentation and introduced Ali Ozair, Vice President of Property Management, to provide the detailed presentation. Staff recommended that the Corporation authorize the President/Executive Director of HOC to execute extensions of the property management services contracts with the respective management companies for RAD 6 Development Corporation. A motion was made by Pamela Byrd to approve Resolution 24-001RAD6, and seconded by Linda Croom. Affirmative votes were cast by Roy Priest, Frances Kelleher, Linda Croom, Jeffrey Merkowitz, Pamela Byrd and Robin Salomon. Based upon this report and there being no further business to come before this meeting of the RAD 6 Development Corporation, the meeting adjourned at 5:54 p.m.

Respectfully submitted,

/mpt

Chelsea Andrews  
Secretary-Treasurer of the Corporation



**PROCUREMENT OF PROPERTY MANAGEMENT SERVICES:  
APPROVAL OF THE PROPERTY MANAGEMENT CONTRACTS  
FOR  
RAD 6 DEVELOPMENT CORPORATION**

**April 3, 2024**

- The property management contracts for RAD 6 (Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Center Place, Washington Square) will expire on June 30, 2024.
- A new Request for Proposal (“RFP”) was published for property management services with Edgewood Management Corporation selected as the awardee for each of the six properties of RAD6 Development Corporation.
- The Budget Finance and Audit Committee reviewed this request at its meeting on March 15, 2024, and joins staff’s recommendation that the Board of Directors of RAD6 Development Corporation accept the recommendation to enter a new property management contract for RAD 6 Development Corporation with Edgewood Management from **July 1, 2024 through June 30, 2026.**

**MEMORANDUM**

**TO:** Housing Opportunities Commission of Montgomery County

**VIA:** Chelsea Andrews, President/Executive Director

**FROM:** Staff: Ali Ozair, Vice President of Property Management Division

**RE:** **Procurement of Property Management Services:** Approval to Select Edgewood Management Corporation to Provide Property Management Services for RAD6 Development Corporation in Accordance with RFP #2453

**DATE:** April 3, 2024

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**STATUS:** Committee Report    Deliberation   X  

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**BACKGROUND:**

Staff recommends executing new property management (“PM”) contracts with Edgewood Management Corporation for RAD 6 (Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Center Place, Washington Square).

Staff has worked with the HOC’s Board of Commissioners to create a property management solicitation template that reflects the evaluation and scoring metrics for property management Request for Proposals (“RFP”) of the Commission. The development of the template was completed and implemented during this RFP process.

The following table details property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Current Vendor	Awarded Vendor	Annual Budget for PM Services	Annual Renewal Contract Cost -100% Occup.	Current Contract End Date	New Contract Period
KEN GAR	Edgewood Management	Edgewood Management	\$6,060	\$11,400	6/30/2024	7/1/2024 – 6/30/2025
PARKWAY WOODS	Edgewood Management	Edgewood Management	\$7,896	\$14,400	6/30/2024	7/1/2024 – 6/30/2025
SANDY SPRING MEADOW	Edgewood Management	Edgewood Management	\$18,108	\$33,600	6/30/2024	7/1/2024 – 6/30/2025
TOWNE CENTRE PLACE	Edgewood Management	Edgewood Management	\$16,140	\$29,400	6/30/2024	7/1/2024 – 6/30/2025
WASHINGTON SQUARE	Edgewood Management	Edgewood Management	\$15,456	\$30,000	6/30/2024	7/1/2024 – 6/30/2025
SENECA RIDGE	Edgewood Management	Edgewood Management	\$18,132	\$42,600	6/30/2024	7/1/2024 – 6/30/2025

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**ISSUES FOR CONSIDERATION:**

Does the Board of Directors of the RAD6 Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute property management services contract with Edgewood Management Corporation for RAD 6 (Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Center Place, Washington Square)?

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**BUDGET IMPACT:**

Edgewood Management proposed a management fee of \$50 per unit per month. The maximum value of the contract at 100% occupancy of the 269 units would be approximately \$81,792 for one year. By comparison to the current fee structure, this increases the annual fee by \$79,608 or 97% based on 100% occupancy. This increase is partly attributed to the new agreement changing from contract assisted to fully 3rd-party managed. The proposed fee will be factored into the FY 2025 Recommended Budget based on the projected occupancy.

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**TIME FRAME:**

For formal action by the Board of Directors of RAD 6 Development Corporation at its meeting on April 3, 2024.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff requests that the Board of Directors of RAD6 Development Corporation approve the property management contract with Edgewood Management Corporation for RAD 6 (Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Center Place, Washington Square) from July 1, 2024 through June 30, 2026.

**RESOLUTION NO.:24-003<sub>RAD6</sub>**

**RE: Approval to Select Edgewood Management Corporation to Provide Property Management Services for Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Center Place and Washington Square in Accordance with RFP #2453**

**WHEREAS**, the RAD 6 Development Corporation owns Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Center Place, and Washington Square (the “RAD 6 Properties”); and

**WHEREAS**, staff desires to enter a new property management contract for the RAD 6 Properties with Edgewood Management Corporation from July 1, 2024 - June 30, 2026.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the RAD 6 Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute a new property management contract for the RAD 6 Properties with Edgewood Management Corporation from July 1, 2024 - June 30, 2026.

**BE IT FURTHER RESOLVED** by the Board of Directors of RAD 6 Development Corporation that the President/Executive Director of the Housing Opportunities Commission of Montgomery County, or their 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 transaction contemplated herein, including the execution of any documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Board of Directors of RAD 6 Development Corporation at an open meeting conducted on April 3, 2024.

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**Chelsea J. Andrews**  
**Authorized Signatory**

**Adjourn**

*Reconvene*

Written Statement for Closing a Meeting (“Closing Statement”)

**Date: April 3, 2024**

A. Pursuant to Section 3-305(b) and (d) of the General Provisions Article of the Annotated Code of Maryland, I move to adjourn this open session to a closed session only:

- 3.  “To consider the acquisition of real property for a public purpose and matters directly related thereto;” and
- 13.  “To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.”

B. For each provision checked above, the topic to be discussed and the reason for discussing that topic in closed session is provided below.

Statutory Citation	Topic	Reason for closed-session discussion
§3-305(b)(3)	The potential purchase of multifamily properties located in Bethesda, Maryland.	This must be a closed meeting in order to protect HOC’s ability to purchase the properties. Public discussion of this item could adversely affect HOC’s ability to negotiate with various parties, which could result in HOC being unable to purchase the properties.
§3-305(b)(13)	The confidential commercial and financial terms of potential development opportunities.	Section 4-335 of the Maryland Public Information Act prevents disclosure of confidential commercial or financial information obtained from a third party. This must be a closed meeting in order to protect confidential commercial and financial information provided to HOC from private parties concerning development terms. All such information is customarily and actually treated as private by the third party, and has been provided to HOC under an assurance of privacy.

C. This statement is made by Roy Priest, Chair.

D. Recorded vote to close the meeting:

- Date: April 3, 2024      Time: \_\_\_\_\_
- Location: HOC’s Kensington Office (10400 Detrick Avenue, Kensington, MD 20895), Zoom, & Livestream (YouTube).
- Motion to close meeting made by: \_\_\_\_\_
- Motion seconded by: \_\_\_\_\_
- Commissioners in favor: \_\_\_\_\_
- Commissioners opposed: \_\_\_\_\_
- Commissioners abstaining: \_\_\_\_\_
- Commissioners absent: \_\_\_\_\_

Officer’s Signature: \_\_\_\_\_

**Adjourn**



*Closed Session*