



## DEVELOPMENT AND FINANCE COMMITTEE

**April 22, 2022**

**10:00 a.m.**

**YouTube Link: [https://youtu.be/6\\_TbzNwSTwA](https://youtu.be/6_TbzNwSTwA)**

### Approval of Minutes:

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1. <b>Minutes:</b> Approval of Development and Finance Committee Minutes of March 25, 2022	4
2. <b>Minutes:</b> Approval of Development and Finance Committee Closed Session Minutes of March 25, 2022	

### Discussion/Action Items:

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2. <b>HOC Headquarters:</b> Approval of Construction Manager and Revised FY22 Predevelopment Budget and Funding Installment	14
3. <b>Brooke Park:</b> Approval for the Acting Executive Director to Execute Change Order with Bennett Frank McCarthy Architects, Inc.	27
4. <b>Residences on the Lane:</b> Approval for the Acting Executive Director to Execute Change Order to Closeout Construction Management Services	30
5. <b>Westside Shady Grove:</b> Approval of Naming Westside Shady Grove in Accordance with HOC Naming Guidelines	33

### Closing Statement:

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**Closed Session:**

Title	
<i>The closed committee meeting will be called to order pursuant to Section 3-305(b)(3) and 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland.</i>	

# Minutes

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Development and Finance Committee Minutes**

**March 25, 2022**

For the official record of the Housing Opportunities Commission of Montgomery County, an open meeting of the Development and Finance Committee was conducted via an online platform and teleconference on Friday, March 25, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 10:01 a.m., available for viewing [here](#). Those in attendance were:

**Present**

Jackie Simon, Chair – Development and Finance Committee  
Richard Y. Nelson, Jr. – Commissioner  
Jeffrey Merkwowitz – Commissioner

**Also Attending via Online**

Kayrine Brown, Acting Executive Director  
Zachary Marks  
Jennifer Arrington  
Paige Gentry  
Leidi Reyes  
Jay Shepherd  
Marcus Ervin  
John Broullire  
Gio Kavaladze

Aisha Memon, General Counsel  
Timothy Goetzinger  
Kathryn Hollister  
Nathan Bovelie  
Darcel Cox  
Terri Fowler  
Ellen Goff  
Hyunsuk Choi

**IT Support**

Aries Cruz

**Commission Support**

Patrice Birdsong, Spec. Asst. to Commission

Commissioner Simon opened the meeting with a welcome and introduction of the Commissioners participating on the Committee.

## **APPROVAL OF MINUTES**

The minutes of the February 18, 2021 Development and Finance Committee open session meeting was approved upon a motion by Commissioner Nelson and seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

## **DISCUSSION ITEMS**

### **1. Hillandale Gateway: Approval of a Preliminary Development Plan for the Non Age-Restricted (NAR) Building and Approval of a Revised Affordability Mix for the Age-Restricted (AR) Building**

Kathryn Hollister, Senior Financial Analyst, provided a presentation on recommending to the full Commission to 1) approve the proposed Preliminary Development Plan for the Non Age-Restricted Building at Hillandale Gateway, which includes restricting 93-units (30%) to households earning 30%, 40%, 50%, and 80% AMI, and financing the restricted units as LIHTC transactions utilizing the income average set aside; and 2) revise the affordability mix for the Age Restricted Building which includes restricting 155-units (100%) to households earning 30%, 40%, 50%, 60%, 70%, and 80% AMI.

The Commissioners expressed their appreciation of staff's consideration regarding the affordability mix of the units.

With no further questions, a motion was made by Commissioner Nelson to recommend to the full Commission at the April 6, 2022 monthly meeting, to approve the proposed Preliminary Development and Finance Plan for the Non Age-Restricted and Age Restricted buildings at Hillandale Gateway. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

### **2. Garnkirk Farms: Authorization to Approve and Execute a Construction and Development Service Agreement Between HOC at Garnkirk Farms, LLC and RJD Real Estate Advisors for Garnkirk Farms Apartment**

Marcus Ervin, Director of Real Estate, provided a presentation requesting the Development and Finance Committee join staff's recommendation to the full Commission for the authorization to execute a Construction and Development Services Agreement with RJD Real Estate Advisors, LLC for the development of the Garnkirk Farms Apartments in Clarksburg.

After discussion, a motion was made by Commissioner Nelson and seconded by Commissioner Merkowitz to recommend to the full Commission at the April 6, 2022 monthly meeting to authorize the execution of a Construction and Development Service Agreement with RJD Real Estate Advisors, LLC. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

Commissioner Simon read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Commissioner Nelson seconded the motion, with Commissioners Simon, Nelson, and Merkowitz voting in approval.

Based upon this report and there being no further business to come before this session of the Development and Finance Committee, the Committee adjourned the open session at 10:29 a.m. and reconvened in closed session at 10:34 a.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Development and Finance Committee closed session held on March 25, 2022 at approximately 10:34 a.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(3) to discuss the potential acquisition/purchase (via either a ground lease or purchase and sale agreement) of real property located in Silver Spring, Maryland for redevelopment into multifamily housing.

The meeting was closed and the closing statement dated March 25, 2022 was adopted on a motion made by Jackie Simon, seconded by Richard Nelson, with Commissioners Jackie Simon, Richard Y. Nelson, and Jeffrey Merkowitz voting in favor of the motion. The following persons were present: Jackie Simon, Richard Y. Nelson, Jeffrey Merkowitz, Kayrine Brown, Aisha Memon, Zachary Marks, Timothy Goetzing, Marcus Ervin, Paige Gentry, Darcel Cox, John Broullire, Hyunsuk Choi, and Patrice Birdsong.

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

1. **Topic:** Authorization to submit an offer to purchase (via a ground lease or purchase and sale agreement) real property located in Silver Spring, Maryland, and to approve feasibility funding for the acquisition (pursuant to Section 3-305(b)(3)).
  - a. **Action Taken:** Staff requested that the Development and Finance Committee recommend to the full Commission (1) authorization for staff to submit an offer to purchase (via a ground lease or purchase and sale agreement) real property located in Silver Spring, Maryland for the purpose of redeveloping it into multifamily housing, and (2) approval of feasibility funding for the acquisition. A motion was made by Commissioner Merkowitz to advance the item to the full

Commission meeting on April 6, 2022. Commissioner Nelson seconded the motion, with Commissioners Merkowitz, Nelson, and Simon voting in approval. No resolution was presented or approved.

The closed session was adjourned at 11:05 a.m.

Kayrine Brown  
Acting Secretary/Treasurer

/pmb

# Discussion/Action Items



**MEMORANDUM**

**TO:** Housing Opportunities Commission of Montgomery County  
Development and Finance Committee

**VIA:** Kayrine Brown, Acting Executive Director

**FROM:** Division: Real Estate  
Staff: Zachary Marks, Chief Real Estate Officer Ext. 9613  
Marcus Ervin, Director of Development Ext. 9752  
Hyunsuk Choi, Housing Acquisition Manager Ext. 9762  
Paul Vinciguerra, Construction Manager Ext. 9715

**RE:** **The Metropolitan:** Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments

**DATE:** April 22, 2022

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**STATUS:** Consent \_\_\_\_\_ Deliberation  X  Status \_\_\_\_\_ Report \_\_\_\_\_ Future Action \_\_\_\_\_

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**OVERALL GOAL & OBJECTIVE:**

Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments.

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**BACKGROUND:**

The Metropolitan Apartments (the “Property”), constructed in 1997, is a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units.

The Property is built above the Montgomery County-owned Metropolitan Public Parking Garage 49 (the “County Garage”) and legal title is structured as an air rights condominium.

The Commission approved the selection of Miner Feinstein Architects (“MFA”) as architect for the design services for the rehabilitation of the Property. MFA engaged with Smislova, Kehnemui & Associates, P.A (“SK&A”) as Structural Engineers as part of the design team. SK&A’s original scope of work under MFA’s engagement includes evaluation of the green roof; which, while located on top of the parking garage, is related to the Property’s residential use. Had this not been elevated by the County on an emergency status, it would have been addressed as part of the evaluation of the Property in preparation for the planned rehabilitation work.



The Property has the green roof above the apartment parking spaces and the plaza level structural slabs,

both of which exhibit signs of moisture intrusion. The County informed HOC staff that this has caused corrosion of the steel reinforcement of the concrete structural slabs, beams, and foundation walls. The Southeast corner of the facility experiences flooding with significant rain events. This includes water intrusion into the County Garage's elevator shafts, resulting in elevator outage.

On February 2, 2022, the Commission approved the selection of SK&A as Structural Engineers to complete a plan for repair and evaluation of waterproofing services contractor for the Green Roof at the Property and approved the use of \$243,000 to complete the bidding and award process for the waterproofing contractor and any other additional necessary consultants.



### **Design and Bidding**

The staff submitted the building permit for repair of the Green Roof to the Department of Permitting Service (the "DPS") on March 28, 2022, and it will be available in order to begin the repairs by July 2022.

SK&A has conducted a review and analysis of the bids for repair work from Concrete Projection & Restoration, Inc. ("CP&R"), The C.A. Lindman Inc. ("CAL"), and Contracting Specialists, Inc. ("CSI").

As part of the bid process, SK&A pre-qualified concrete and waterproofing repair contractors to submit bids and serve as the primary contractor for the Property. Additionally, each of these contractors were required to complete an HOC Works Opportunities Plan, adhere to the Prevailing Wage Determination as required by the Davis-Bacon Act, and allot a minimum of 25% of the subcontracted work to Minority, Female, and Disabled-Owned Businesses.

1. **CP&R** is a concrete repair and waterproofing contractor based in Baltimore, MD with significant experience in large-scale garage and plaza rehabilitation projects in the Washington-Baltimore market. Originally founded in 1996, some of their relevant project experience include the completion of a major plaza renovation project with SK&A and the Montgomery County Department of General Services at the Executive Office Building in Rockville.
2. **CLA**, based in Jessup, MD, represents a group of companies known as The C.A. Lindman Companies and possesses significant experience in historic structures and concrete, masonry, stucco, and waterproofing repairs. Originally founded in 1990, some of their relevant project experience include completion of a major plaza renovation project at the Sheraton Hotel in McLean, VA and The Regency at McLean Condominium in McLean, VA.
3. **CSI** is based in Attleboro, MA, with a regional office in College Park, MD. CSI is experienced in structural stabilization, concrete repair, masonry restoration, and waterproofing repairs. Originally founded in 1996, some of their relevant project experience include significant site and structural stabilization repairs at Cedar Lane Medical Center in Bethesda, MD with SK&A, and concrete repairs at Kennedy Center for the Performing Arts in Washington D.C., Lake Barcroft Dam in Falls Church, VA, and World Trade Center Baltimore in Baltimore, as well as large scale comprehensive parking garage structural repairs and waterproofing at Virginia Commonwealth University in Richmond, VA. Additionally, some of their relevant projects experience include work

in Massachusetts and Florida for Boston Convention Center, Gillette Stadium (New England Patriots), Massachusetts General Hospital, and Miami International Airport.

Based on SK&A’s review of the submitted proposals and project completion time, SK&A advises awarding a contract for construction to CSI because of their overall experience, lower bid price and faster completion schedule, when compared to the other two (2) bids, which were received.

CSI’s overall bid price was significantly less than the other two (2) bids that were submitted and their overall project schedule of 55 weeks (mobilization + completion time) was also more favorable. In order to ensure that CSI’s bid did not contain any mistakes or significant misunderstanding of scope items, SK&A performed a line-by-line review of their submitted bid, which did not reveal any glaring mistakes or misunderstandings of the project scope. Finally, SK&A has had discussions with each of the three (3) responsive bidders and learned that both CAL and CP&R are currently oversubscribed, and did not aggressively price this bid. CSI indicated that they did aggressively price this bid and have labor ready and capable to perform the project, beginning this summer.

Bid Summary	C.A Lindman, Inc	Contracting Specialists, Inc	Concrete Projection & Restoration
<b>Total Costs</b>	\$8,302,340	\$4,499,450	\$8,755,880
<b>Mobilization Time</b>	20 days	21 days	21 days
<b>Completion Time</b>	80 Weeks	52 Weeks	65 Weeks

Staff requests the authorization of the Acting Executive Director to negotiate and execute the waterproofing contractor contract with Contracting Specialists Incorporated for an amount not to exceed \$4,499,450. Staff further requests funding for a contingency of \$450,000 for unforeseen conditions during completion of the work.

**Funding**

The Property is responsible for the cost to repair the green roof, which would be paid by existing property cash from the Metropolitan. To assist, staff was notified by Montgomery Delegate Marc Korman that through his efforts, the State Capital budget includes two separate allocations to repair the green roof and end the leaking that damaged the County garage elevator. This funding consists of a miscellaneous grant for \$1,250,000 and a Legislative Bond Initiative for \$350,000 making a total of \$1.6 million available. If the total cost exceeds the existing cash available plus the grant funds of \$1.6 million, cash flow generated in FY 2023 prior to closing will pay the balance.

The total cost for completing the replacement of the green roof is \$5,192,450.

Specialty	Firm	Commission Approval	Cost
Structural Engineer	Smislova, Kehnemui & Associates, P.A	2/2/2022	\$243,000
Waterproofing Contractor	Contracting Specialists, Inc.	5/4/2022	\$4,499,450
Contingency	HOC - Contingency	5/4/2022	\$450,000
		<b>Total</b>	<b>\$5,192,450</b>

**Summary of past approvals for the Metropolitan**

Date	Res.	Description
9-Sep-20	20-65	Approval of Feasibility Funding for the Financing and Renovation of The Metropolitan and Authorization to Make loans to The Metropolitan of Bethesda Limited Partnership and The Metropolitan Development Corporation
9-Sep-20	20-004 <sub>ME</sub>	Approval of Metropolitan Development Corporation (the “Corporation”) to Accept a Loan from the Opportunity Housing Reserve Fund for Feasibility Funding to Explore the Refinancing and Renovation of Units Owned by the Corporation
13-Jan-21	21-10	Approval to Select Miner Feinstein Architects, Authorization for the Executive Director to Negotiate and Execute a Contract for the Renovation of The Metropolitan Apartments and Authorization to Make Loans to Metropolitan Bethesda Limited Partnership and Metropolitan Development Corporation
13-Jan-21	21-001 <sub>ME</sub>	Approval by Metropolitan Development Corporation to Accept the Selection Miner Feinstein Architects as Architect and Accept a Loan from the Opportunity Housing Reserve Fund for Architectural and Interior Design Services for the Predevelopment Phase of the Rehabilitation
2-Feb-22	22-13	Emergency Procurement to Select Smislova, Kehnemui & Associates, P.A as Structural Engineers to Complete a Plan for Repair and Evaluation of a Waterproofing Services Contractor for the Green Roof at Metropolitan Apartments

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**ISSUES FOR CONSIDERATION:**

Does the Development and Finance Committee wish to join Staff’s recommendation to the Commission to:

1. Approve the Selection of Contracting Specialists Incorporated (“CSI”) as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments?
2. Authorize the Acting Executive Director to negotiate and execute the Waterproofing Contractor contract with Contracting Specialists Incorporated for an amount not to exceed \$4,499,450?
3. Approve a project contingency of \$450,000?
4. Accept two separate allocations in the State of Maryland Capital budget (i) a miscellaneous grant for \$1,250,000, and (ii) a Legislative Bond Initiative for \$350,000, totaling \$1.6 million?
5. Authorize the funding of the repairs and contingency by Metropolitan Development Corporation and an appropriation by the State of Maryland in its Capital Budget?

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**PRINCIPALS:**

Housing Opportunities Commission of Montgomery County  
 The Metropolitan of Bethesda Limited Partnership  
 The Metropolitan Development Corporation  
 Montgomery County  
 SK&A  
 Contracting Specialists Incorporated

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**BUDGET IMPACT:**

Since the actual work is not anticipated to begin before July 1, 2022, there is no impact on the Agency’s

FY 2022 operating budget. Staff will incorporate any anticipated impact to the FY 2023 operating budget into the budget that will be presented at the June 8, 2022 Commission meeting for adoption.

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**TIME FRAME:**

For discussion at the April 22, 2022 meeting of the Development and Finance Committee and formal action at the May 4, 2022 meeting of the Commission.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Development and Finance Committee join staff's recommendation to the Commission to:

1. Approve the Selection of Contracting Specialists Incorporated ("CSI") as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments;
2. Authorize the Acting Executive Director to negotiate and execute the Waterproofing Contractor contract with Contracting Specialists Incorporated for an amount not to exceed \$4,499,450;
3. Approve a project contingency of \$450,000;
4. Accept two separate allocations in the State of Maryland Capital budget (i) a miscellaneous grant for \$1,250,000, and (ii) a Legislative Bond Initiative for \$350,000, totaling \$1.6 million; and
5. Authorize the funding of the repairs and contingency by Metropolitan Development Corporation and an appropriation by the State of Maryland in its Capital Budget.

# HOC HEADQUARTERS: APPROVAL OF CONSTRUCTION MANAGER AND REVISED FY22 PREDEVELOPMENT BUDGET AND FUNDING INSTALLMENT

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RELOCATING 10400 DETRICK TO PURPOSE-BUILT HQ



**KAYRINE BROWN, ACTING EXECUTIVE DIRECTOR**

**Zachary Marks, Chief Real Estate Officer**  
**Marcus Ervin, Director of Development**  
**Jay Shepherd, Housing Acquisitions Manager**  
**Daejauna Donahue, Project Manager**

**April 22, 2022**

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# Executive Summary

The Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission"), a public body subject to the statutory provisions for mandatory referral review under Sections 20-301, et. of the Land Use Article of the Maryland Code (2012, as amended), is planning to construct its new headquarters office building ("Building" or "HOC HQ") at the southeast corner of the intersection of Second Avenue and Fenwick Lane in Downtown Silver Spring.

The proposed nine (9) story building is designed with the top floor as a +/- 3,500 square feet amenity floor for all building occupants. The main entrance to the lobby is at the corner of Fenwick Lane & Second Avenue. The allowable building mass is sculpted multiple times to respond to surrounding conditions as described in more detail below. While allowed to reach 145 feet, the overall building height is set to be approximately 132 feet. Even then, the top level reaching 132 feet is a partial floor to further reduce the building height and mass for views from the street and the surrounding buildings. On April 3, 2019, HOC authorized the Executive Director to execute a Development Agreement and Ground Lease with Promark for the joint development of Property, engaged Design Collective, Inc. for architectural services to design and entitle, and administer construction for the HOC HQ, and subsequently on May 6, 2020, approved pursuing site development approval for the New HQ under Mandatory Referral.

On August 7, 2020, the first application of the two-step Mandatory Referral process, the Location Review Application, was submitted to Montgomery County Planning Board and on November 12, 2020, it was unanimously approved. Subsequently, the Mandatory Referral Site Design and Architecture Application was approved on April 15, 2021 and the Administrative Subdivision Plan was approved on May 17, 2021.

**Currently, the design team has completed Construction Development documents, and is poised to submit for Building Permits, with the goal of finalizing permitting and starting construction in early 2023. Additional funding prior to closing in an amount of \$2,112,456 is required to cover expenses expected during the predevelopment period including the costs associated with a third-party construction manager.**





# Development Budget – Overall

<b>HOC HQ: DEVELOPMENT BUDGET SUMMARY</b>	<i>Total Predevelopment</i>	<i>Total during Construction</i>	<i>Total (\$)</i>	<i>Per GSF 82,220</i>	<i>10/25/2021</i>	<i>Change</i>
<b>HARD COSTS</b>						0
CONSTRUCTION						0
Total CONSTRUCTION	-	36,384,475	36,384,475	442.53	33,196,195	3,188,280
Total OFF-SITE WORK	-	500,000	500,000	6.08	1,000,000	(500,000)
Total UTILITY FEES	963,541	25,000	988,541	12.02	953,541	35,000
Hard Cost Contingency	-	2,272,381	2,272,381	27.64	2,108,984	163,397
Hard Cost Escalation	-	3,029,841	3,029,841	36.85	1,054,492	1,975,349
<b>TOTAL HARD COSTS</b>	<b>963,541</b>	<b>42,211,697</b>	<b>43,175,238</b>	<b>525.12</b>	<b>38,313,212</b>	<b>4,862,026</b>
<b>SOFT COSTS</b>						0
Total ARCHITECTURAL & ENGINEERING, CONSULTANTS	2,130,125	340,000	2,470,125	30.04	2,314,156	155,969
Total PERMITS & FEES	1,051,189	30,000	1,081,189	13.15	1,072,633	8,556
Total INSPECTIONS & TESTING	-	400,000	400,000	4.86	150,000	250,000
Total MARKETING	-	-	-	-	-	-
Total OTHER SOFT COSTS - CONSTRUCTION MANAGER	60,000	390,000	450,000	5.47	350,000	100,000
Total LEGAL	360,000	-	360,000	4.38	325,000	35,000
Total GENERAL & ADMINISTRATIVE	421	9,579	10,000	0.12	10,000	-
Total INSURANCE	190,000	10,000	200,000	2.43	180,000	20,000
Total TAXES DURING CONSTRUCTION	-	180,909	180,909	2.20	160,209	20,700
Soft Cost Contingency	185,480	123,653	309,133	3.76	273,720	35,413
<b>Total Soft Costs Before Development Fee</b>	<b>3,977,215</b>	<b>1,484,142</b>	<b>5,461,357</b>	<b>66.42</b>	<b>4,835,718</b>	<b>625,639</b>
Development Fee	-	2,431,830	2,431,830	29.58	2,157,447	274,383
<b>TOTAL SOFT COSTS BEFORE FINANCING</b>	<b>3,977,215</b>	<b>3,915,972</b>	<b>7,893,187</b>	<b>96.00</b>	<b>6,993,165</b>	<b>900,022</b>
<b>TOTAL DEVELOPMENT COSTS BEFORE FINANCING</b>	<b>4,990,756</b>	<b>46,127,669</b>	<b>51,118,425</b>	<b>621.73</b>	<b>46,263,434</b>	<b>4,854,991</b>
<b>FINANCING COSTS</b>						-
<b>TOTAL FINANCING COSTS</b>	<b>30,000</b>	<b>1,839,145</b>	<b>1,869,145</b>	<b>22.73</b>	<b>1,669,220</b>	<b>199,925</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>5,020,756</b>	<b>47,966,814</b>	<b>52,987,570</b>	<b>644.46</b>	<b>47,932,654</b>	<b>5,054,916</b>

- Projected total cost of \$52,987,570 will be funded from governmental bonds whose debt service will be an operating cost to the agency.
- Hard Cost Increases are a result of refined design development, increased material and labor factors and greater allowances for contingencies.
- Soft Cost increases are primarily driven by permits and fees requirements and higher CM service costs.
- Financing Cost increases are expectations for higher interest rates in the calculations.

# Predevelopment Budget – Hard Costs

## HOC HQ: DEVELOPMENT BUDGET SUMMARY

	<i>Total Predevelopment</i>	<i>Total during Construction</i>	<i>Total (\$)</i>	<i>Per GSF</i>
<b>HARD COSTS</b>				
<b>CONSTRUCTION</b>				
Base Building & Site Work, including Tenant Fit-out	-	33,049,480	33,049,480	401.96
Tenant Fit-out	-	-	-	-
Below Grade Parking	-	-	-	-
Equipment - Low Voltage	-	850,000	850,000	10.34
FF&E	-	2,150,000	2,150,000	26.15
FF&E - Artwork	-	184,995	184,995	2.25
Signage (outside GC contract)	-	150,000	150,000	1.82
Garage 7 Solar Project	-	-	-	-
HazMat Abatement	-	-	-	-
<b>Total CONSTRUCTION</b>	-	<b>36,384,475</b>	<b>36,384,475</b>	<b>442.53</b>
<b>Total OFF-SITE WORK</b>	-	<b>500,000</b>	<b>500,000</b>	<b>6.08</b>
<b>Total UTILITY FEES</b>	<b>963,541</b>	<b>25,000</b>	<b>988,541</b>	<b>12.02</b>
<b>Hard Cost Contingency</b>	-	<b>2,272,381</b>	<b>2,272,381</b>	<b>27.64</b>
<b>Hard Cost Escalation</b>	-	<b>3,029,841</b>	<b>3,029,841</b>	<b>36.85</b>
<b>TOTAL HARD COSTS</b>	<b>963,541</b>	<b>42,211,697</b>	<b>43,175,238</b>	<b>525.12</b>

- The current budget has been refined based upon current design considerations and material price escalations, which will be further vetted by the third-party CM prior to the General Contractor solicitation. The approximate \$43.175 million of total hard costs include both a hard cost contingency of 6% and hard cost escalation of 8% to account for creep in construction pricing. The triangle parcel is an additional County acquisition being negotiated with the County.
- The original base construction hard cost estimate of \$23MM in 2018 was a rough order of magnitude (“ROM”) budget that did not account for an actual conceptual design, material cost increases, nor was the design team fully on-board. The current budget, represents a closer estimate as it has evolved with the progression of the design documents and development program; however, further refinement will be undertaken to prior to presentation of approval of the final development plan and plan of finance.

# Predevelopment Budget – Soft Costs

## HOC HQ: DEVELOPMENT BUDGET SUMMARY

	<i>Total Predevelopment</i>	<i>Total during Construction</i>	<i>Total (\$)</i>	<i>Per GSF</i>
<b>SOFT COSTS</b>				
Total ARCHITECTURAL & ENGINEERING, CONSULTANTS	2,130,125	340,000	2,470,125	30.04
Total PERMITS & FEES	1,051,189	30,000	1,081,189	13.15
Total INSPECTIONS & TESTING	-	400,000	400,000	4.86
Total MARKETING	-	-	-	-
Total OTHER SOFT COSTS - CONSTRUCTION MANAGER	60,000	390,000	450,000	5.47
Total LEGAL	360,000	-	360,000	4.38
Total GENERAL & ADMINISTRATIVE	421	9,579	10,000	0.12
Total INSURANCE	190,000	10,000	200,000	2.43
Total TAXES DURING CONSTRUCTION	-	180,909	180,909	2.20
Soft Cost Contingency	185,480	123,653	309,133	3.76
<b>Total Soft Costs Before Development Fee</b>	<b>3,977,215</b>	<b>1,484,142</b>	<b>5,461,357</b>	<b>66.42</b>
Development Fee	-	2,431,830	2,431,830	29.58
<b>TOTAL SOFT COSTS BEFORE FINANCING</b>	<b>3,977,215</b>	<b>3,915,972</b>	<b>7,893,187</b>	<b>96.00</b>
<b>FINANCING COSTS</b>				
<b>TOTAL FINANCING COSTS</b>	<b>30,000</b>	<b>1,839,145</b>	<b>1,869,145</b>	<b>22.73</b>



- Soft Costs are inclusive of Design, Engineering, Inspections/Testing, Legal and Insurance. The Developer Fee of 5% is payable to Promark in conjunction with the Development Services Agreement.
- Soft Cost Contingency is 6% of Soft Costs excluding development fees.
- Following completion of the Construction Documents and submittal for permit (est. April 15, 2022), an RFP will be released for solicitation of a General Contractor to obtain updated and real-time pricing prior to approval of the Final Development Plan and Final Finance Plan in late 2022.

# Predevelopment Budget – Funding Request

SOURCES		Uses in FY 2022							
Resolutions	Source	Uses From Inception to Current	1Q22	2Q22	3Q22	4Q22	2022 Budget Totals	Total Funds Approved	Additional Predev Funds Req.
Res 18-69AS	\$60M RELOC	\$264,500					\$0	\$264,500	
Res 19-45AS-2	\$60M RELOC	\$1,100,000					\$0	\$1,100,000	
Res 20-37	\$60M RELOC	\$793,800					\$0	\$793,800	
Res 21-19b	\$60M RELOC	\$750,000					\$0	\$750,000	
Res 22-XX (Tbd)	\$60M RELOC		\$350,000	\$350,000	\$450,000	\$962,456	\$2,112,456	\$0	\$2,112,456
Total Pre-Dev Funding to date		\$2,908,300	\$350,000	\$350,000	\$450,000	\$962,456	\$2,112,456	\$2,908,300	\$5,020,756

## Summary of Predevelopment Funding

- Total preconstruction and development costs (“Predevelopment Costs”) are projected to total \$5,020,756 prior to construction financing closing, and as partially illustrated on the previous slides include the following: \$50,000 in Studies (All geotechnical, environmental, etc. in ground lease due diligence), \$963,541 in Hard Costs (utility pre-connection fees), \$3,977,215 in Soft Costs (primarily design, permit fees, inspections and construction management fees) and \$30,000 in Financing Costs (which during Predevelopment are HOC Line of Credit Interest Payments (pre-financing)).
- Approvals to-date sum to \$2,908,300 (Res. 18-69AS, 19-45AS-2, 20-37, 21-19b)
- The total additional funding required to Close is therefore \$2,112,456, and herein formally requested.

# Construction Manager RFP and Selection

HOC's Procurement Office issued a Request for Proposal (RFP #2312) for construction management services for HOC Headquarters in accordance with HOC's Procurement Policy. RFP #2312 was released on February 22, 2022 with a due date of March 23, 2022. The RFP was posted to HOC's website and distributed to more than 300 vendors registered in the Central Vendor Registration System (CVRS). A pre-proposal meeting and conference was held virtually on March 2, 2022. Nine firms attended the pre-bid conference.

The scope of work outlined in RFP #2312 included seven (7) months of preconstruction phase services, 23 months of construction phase services and three (3) months of close out services. The scoring team currently consists of staff from Risk Management, Asset Management, and Real Estate divisions, as well as a ProMark representative (together, the "CM Scoring Team") who reviewed the responses on April 13, 2022. Proposals were scored on the following four (4) evaluation criteria. The maximum points a proposal could receive is 100.

Qualifications (Maximum 50 Points)	Additional MFD Participation (Maximum 10 Points)	References (Maximum 10 Points)	Price (Maximum 30 Points)
Demonstrated experience with projects involving: i) high-rise commercial, ii) achieving energy standards beyond code requirements, iii) high performance construction standards and certifications, iv) experience in Montgomery County and the surrounding area.	MFD participation above the minimum requirement of 25% of contracts for subcontract work and/or supplies (based on total contract value). Range of scoring will be from 0 to 10 points. Respondents who meet the MFD subcontracting minimum requirement (i.e., 25%) will score zero (0) points. Respondents subcontracting 25 – 30% will receive 5 points, and respondents subcontracting 30% or above will receive 10 points.	Reference checks were conducted to evaluate and verify past performance regarding ability for on-time completion and change order management.	Range of Values will be from 0 to 30. Lowest Price will score thirty percent (30%) and the highest price will score zero percent (0%).

# Construction Manager RFP and Selection - Bidders

HOC received four (4) responsive proposals in response to RFP# 2312 by the proposal deadline on March 23, 2022 at 12:00 pm and are listed below.

## **MLG Construction Management (“MLG”)**

MLG was founded on the common principle that successful projects are by-products of experienced and knowledgeable oversight. Their services include: development management, pre-construction coordination, and construction management and projects range from office to multifamily uses.



## **Jones Lang LaSalle Incorporated (“JLL”)**

A member of the Fortune 500, JLL is a leading professional services firm that specializes in real estate and investment management. JLL provides a full range of leasing, capital markets, integrated property and facility management, project management, advisory, consulting, valuations and digital solutions services locally, regionally and globally. JLL has served as a CM for Elizabeth House III for HOC. JLL proposed utilizing JDC as a primary subcontractor. JDC is a registered MFD firm that has worked on numerous HOC projects, including but not limited to: Willow Manor, Westside Shady Grove, and Fenton Silver Spring.



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

Owner Rep Consulting offers consulting, management and advocacy services for clients and customers seeking to develop and build. The company recognizes and translates the Owner’s needs, and combines those needs with the talents of the Project Team. With leadership and experience, Owner Rep Consulting facilitates a professional synergy among design, construction and other support entities of the project. Owner Rep has served as a CM for Bauer Park, Shady Grove, and Georgian Court for HOC.



## **The Aegis Companies (“Aegis”)**

Founded in 2007, with a mission of keeping construction projects on time, on budget with the highest quality. Their projects range from office to multifamily uses. The firm is based in Silver Spring and has four other offices across the country and one internationally. Aegis provided schedule management services on EHIII.



# Construction Manager RFP and Selection - Scoring

JLL has the highest score at 90 points. Scores below reflect the average of the individual scores from each member of the CM Scoring Committee. The results of the CM Scoring Committee are summarized below.

Rank	Construction Manager	Qualifications (Maximum 50 Points)	Additional MFD Participation (Maximum 10 Points)	References (Maximum 10 Points)	Price (Maximum 30 Points)	Total (Maximum 100 Points)
1	JLL	50	10	10	20	90
2	Owner Rep	33	10	10	30	83
3	Aegis	46	10	9	0	65
4	MLG	37	5	10	10	62

## Qualifications:

- JLL's proposal included predominantly high-rise new construction commercial projects within the area and with energy goals beyond code, which resulted in the highest score. Aegis was the only other respondent with a similar level of experience.

## MFD Participation:

- JLL's subcontractor plan included 30% MFD participation.
- Owner Rep's included 31% MFD participation, Aegis included 30% MFD participation, and MLG included 26% MFD participation.

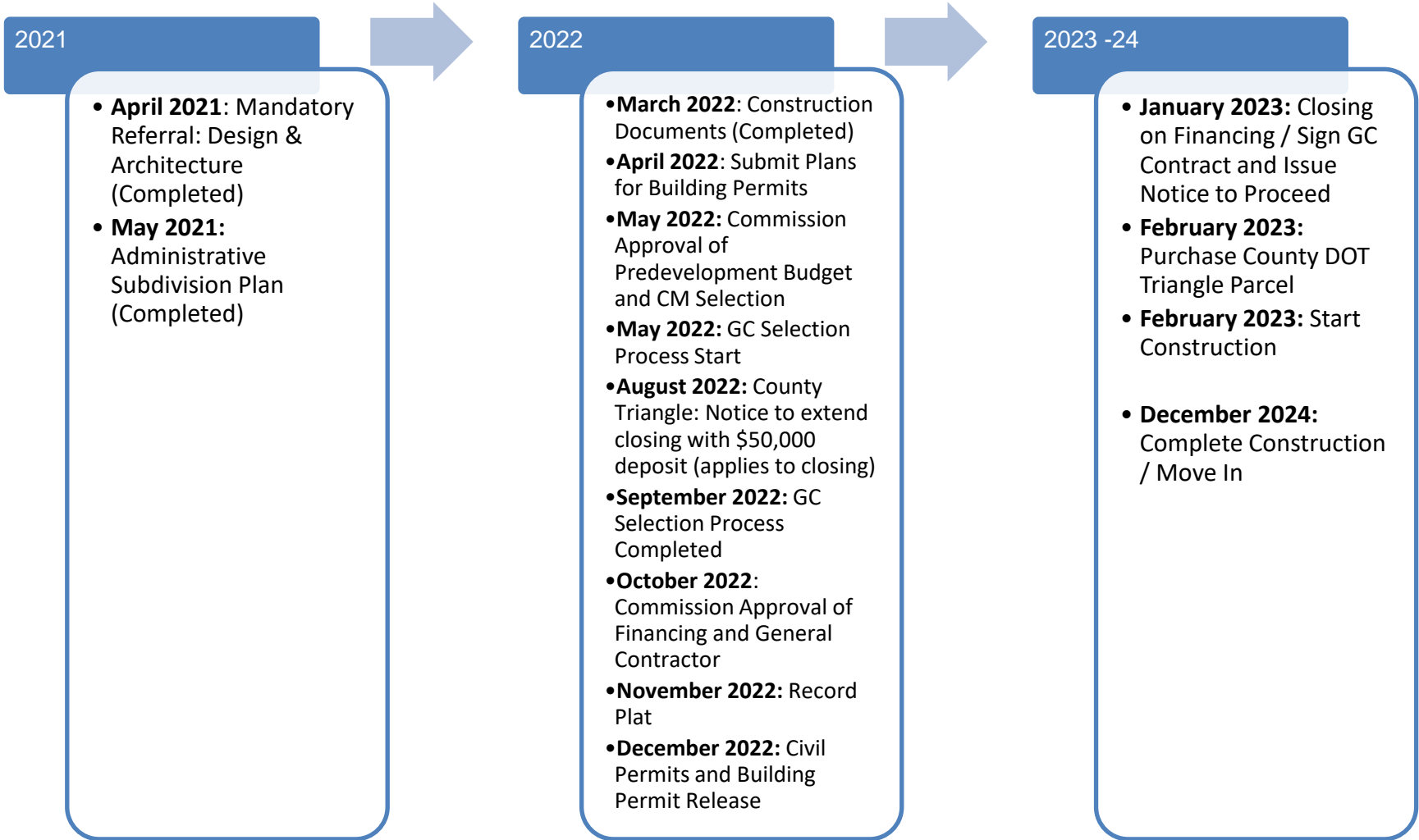
## References:

- HOC has experience with JLL and their proposed subcontractor JDC on Fenton Silver Spring and Westside Shady Grove. The references also spoke highly of JLL's experience with commercial projects.
- Owner's Rep has experience with HOC renovation projects including, Bauer Park, Georgian Court, and Shady Grove. Aegis and MLG received good references.

## Price:

- JLL's cost was the 2<sup>nd</sup> lowest at \$443,000.00
- Owner Rep: \$370,552.00 | Aegis: \$1,318,694.45 | MLG: \$548,662.80

# Development Timeline





# Prior Commission Actions

## Prior Commission Actions:

- **RESOLUTION No. 18-69AS**– On September 5, 2018, the Commission approved the Predevelopment Budget in the Amount of \$2,116,000 for the Design and Entitlement of Fenwick & Second; Approval to Draw on the \$60 million PNC Bank, N.A. Line of Credit (the “PNC \$60MM LOC”) to Fund a First Installment of Predevelopment Funding in the Amount of \$264,500.
- **RESOLUTION No.: 19-45AS<sub>1</sub>** On April 3, 2019, the Commission approved to Enter into a Ground Lease with Fenwick Silver Spring, LLC and a Development Services Agreement with Promark Development, LLC for the Development and Ownership of HOC’s New Headquarters Building and Approval of the Architect Selected to Complete Design and Construction Management for the Development. The resolution also authorizes the Executive Director to negotiate and enter into a contract with Design Collective, Inc. for architectural services in an amount not to exceed \$1,100,000 from the \$60MM PNC Bank, N.A. Line of Credit.
- **RESOLUTION No. 20-37A** – On May 6, 2020, the Commission approved submission of a Mandatory Referral Application for the New HQ, revised the FY21 predevelopment budget for the New HQ to \$2,650,150, and approved the expenditures for CY20 under a second installment of predevelopment funding for \$793,800.
- **RESOLUTION No. 21-19 (A & B)** – On February 3, 2021, the Commission approved a revised total predevelopment budget of \$2,908,300 for the design and entitlement of the New HQ and the use of the PNC Bank, N.A. Line of Credit as the source to fund the final installment of \$750,000.

# Summary and Recommendations

## ISSUES FOR CONSIDERATION

Does the Development and Finance Committee wish to join staff's recommendation that the Commission:

1. Select JLL as the third-party construction manager for the redevelopment of the Second and Fenwick parcel known as the HOC HQ site and authorize the Acting Executive Director to execute a contract with the firm that obligates HOC only for the pre-construction phase and provides HOC the ability to terminate the contract prior to the construction phase?
2. Approve a revised predevelopment budget of \$5,020,756, up from \$2,908,300 previously approved in 2021, to account for additional softs costs to obtain building permits prior to closing on and affirm the funding of the budget from the PNC \$60MM LOC?
3. Approve FY2022 final installment of development budget funding of \$2,112,456 from the Original PNC Bank, N.A. Line of Credit?

## BUDGET FISCAL/IMPACT

If approved, draws on the PNC \$60MM LOC will bear interest at the **tax-exempt rate of 80% of the 30-day LIBOR plus 48 basis points**. This will increase the interest expense in the Agency's operating budget by the imputed amount and paid from the Commission's general funds, but will be repaid from proceeds at the closing of the construction financing. The overall fiscal impact is a reduction in the Commission's borrowing capacity by any amount drawn on the PNC lines of credit.

## TIME FRAME

For consideration at the Development Finance Committee Meeting on April 22, 2022.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff requests that the Development and Finance Committee join its recommendation to the Commission to:

1. Select JLL as the third-party construction manager for the redevelopment of the Second and Fenwick parcel known as the HOC HQ site and authorize the Acting Executive Director to execute a contract with the firm that obligates HOC only for the pre-construction phase and provides HOC the ability to terminate the contract prior to the construction phase?
2. Approve a revised predevelopment budget of \$5,020,756, up from \$2,908,300 previously approved in 2021, to account for additional softs costs to obtain building permits prior to closing on and affirm the funding of the budget from the PNC \$60MM LOC;
3. Approve a FY2022 final installment of development budget funding of \$2,112,456 from the Original PNC Bank, N.A. Line of Credit.

**MEMORANDUM**

**TO:** Housing Opportunities Commission of Montgomery County  
Development and Finance Committee

**VIA:** Kayrine Brown, Acting Executive Director

**FROM:** Division: Real Estate  
Staff: Zachary Marks, Chief Real Estate Officer Ext. 9613  
Marcus Ervin, Director of Development Ext. 9752  
Gio Kaviladze, Senior Financial Analyst Ext. 9437

**RE:** **Brooke Park:** Approval for the Acting Executive Director to Execute a Change Order with  
Bennett Frank McCarthy Architects, Inc.

**DATE:** April 22, 2022

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**STATUS:** Consent  Deliberation  Status  Report  Future Action

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**OVERALL GOAL & OBJECTIVE:**

To obtain approval for change orders totaling \$19,029 to the architectural and engineering services contract with Bennett Frank McCarthy Architects, Inc. for services performed during the renovation of Brooke Park Apartments.

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**BACKGROUND:**

In 2013, Montgomery County Department of Housing and Community Affairs (“DHCA”) exercised its Right of First Refusal (“ROFR”) and assigned the right to HOC to purchase Brooke Park Apartments. At the time of acquisition, the property was entitled for redevelopment into ten (10) luxury townhome units. HOC underwent a lengthy and costly entitlement process with Montgomery County in amending the Preliminary Plan and revising the Plat to obtain approval to revert to the original seventeen (17) apartment units at the site. The Development entitlement process was completed in 2019 and as a result, all 17 units were required to be designated as Moderately Priced Dwelling units (“MPDUs”) with rent levels at or below 65% of the Washington-Arlington-Alexandria, D.C.-VA.-MD.-W.VA. Metropolitan Statistical Area Median Income (“AMI”).

The renovation of Brooke Park Apartments began in late 2019 and concluded in 2021. The Development included significant site-work activity, excavation, grading and construction of all storm water structures, retaining wall, the pedestrian bridge from the parking area to the accessible units, curbs/gutters, dumpster pad, and installation of site lighting. The retaining wall and storm water facilities required additional design and engineering tasks during the construction process and incurred delays in the construction process.

Several issues related to site design, engineering and construction of the project required additional time and services from the project design team of Bennett Frank McCarthy Architects, Inc. (“BFM”). Most of these additional services were related to the changes in the County’s design and approval

process for the site entitlements, retaining wall construction, on-site storm water facilities' construction, and other miscellaneous site-related issues that could not be anticipated at the time the architectural and engineering design scope and budget were developed, and the contract was signed.

Date	Amount	Description
May 2017	\$200,125	Original contract amount, May 2017
March 2020	\$31,270	Change Order 1: Change of scope for civil engineer: Preliminary Subdivision Plan instead of Mandatory Referral.
March 2021	\$16,000	Change Order 2: Additional design services due to extended project duration and retaining wall design and construction: retaining wall, sanitary connection and other site review and coordination; permit submission and coordination for alternate retaining wall design, additional civil engineering services.
March 2022	\$7,500	Change Order 3: Storm water management facility as constructed survey; field observations of the corrected facility for the purposes of preparing a revised storm water management facility As Constructed Plan.
April 2022	\$11,529	Change Order 4: Additional structural engineer services related to retaining wall design; Additional civil engineer services for driveway permit, traffic control plan, right-of-way permit revisions, public meetings and hearings; Architect and civil engineer reimbursable expenses.
	<b>\$266,424</b>	<b>Final contract amount</b>

With the inclusion of change orders #3 and #4, the aggregate contract amount requires the approval of the Commission to comply with the provisions of HOC's Procurement Policy. If approved, this change order would bring the total contract value to \$266,424.

All services rendered during the construction and included in the referenced change order are being funded from the project's approved development budget. Therefore, these change orders do not require additional Commission resources, and will not in any adverse financial impact to the Commission's operating budget.

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**ISSUES FOR CONSIDERATION:**

Does the Development and Finance Committee wish to join Staff's recommendation to the Commission to approve change orders #3 and #4 for Bennett Frank McCarthy Architects, Inc. ("BFM") for the combined total amount of \$19,029 and authorize the Acting Executive Director to execute the change orders?

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**BUDGET IMPACT:**

There is no impact on the Commission's FY 2022 or FY 2023 operating budgets. Bennett Frank McCarthy Architects, Inc.'s contract change orders will be funded from the project development budget previously approved by the Commission.

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**PRINCIPALS:**

Bennett Frank McCarthy Architects, Inc.  
Housing Opportunities Commission of Montgomery County

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**TIME FRAME:**

For discussion at the April 22, 2022 meeting of the Development and Finance Committee and formal action at the May 4, 2022 meeting of the Commission.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Development and Finance Committee join staff's recommendation to the Commission to approve change orders #3 and #4 to the Bennett Frank McCarthy Architects, Inc. contract totaling \$19,029, which would bring the aggregate contract amount to \$266,424 and to authorize the Acting Executive Director to execute these change orders.

**MEMORANDUM**

**TO:** Housing Opportunities Commission of Montgomery County  
Development and Finance Committee

**VIA:** Kayrine Brown, Acting Executive Director

**FROM:** Division: Real Estate  
 Staff: Zachary Marks, Chief Real Estate Officer Ext. 9613  
 Marcus Ervin, Acting Director of Development Ext. 9752  
 Jay Shepherd, Housing Acquisition Manager Ext. 9437

**RE:** **Upton II:** Approval for the Acting Executive Director to Execute Change Order with CFI Construction, Inc. to Continue Construction Management Services at the Upton II Development

**DATE:** April 22, 2022

**STATUS:** Consent  Deliberation  Status  Report  Future Action

**OVERALL GOAL & OBJECTIVE:**

To approve a Change Order pursuant to which CFI Construction, Inc. (“CFI”) will continue to provide construction management services for the completion of the construction of Upton II.

**BACKGROUND:**

On October 19, 2019, the Housing Opportunities Commission of Montgomery County (“HOC”) issued Request for Qualifications (“RFQ”) #2153 for Construction Management (“CM”) firms and received five (5) responses. On April 1, 2020, the Commission approved the pool of construction managers consisting of five (5) firms. The CMs in the pool would assist HOC’s staff to ensure the efficient and effective execution of the Commission’s goal of providing safe, high quality, and affordable housing to its residents thereby augmenting HOC’s current staff on new construction of renovation projects and ensuring the delivery of development projects in accordance with Commission approved plans and financing.

On January 9, 2019, HOC approved the Final Development Plan for HOC at the Upton II. Construction began in March 2019. Solicitations for Construction Management services were procured from the CM Pool and CFI Construction was selected in March 2019 based on providing the most responsive proposal. A summary of the base contract and additional change orders is detailed below.

<b>CFI UPTON CONTRACT &amp; CHANGE ORDER SUMMARY</b>	
<b>Base + Owner’s Change Order (“OCO”)</b>	<b>Amount</b>
Base Contract	\$139,500
Change Order (CO) #1- zero cost, time extension.	0
CO #2:	109,500
CO #3: Approved September 1, 2021 (Resolution #21-85)	132,500
CO #4: Approved September 1, 2021 (Resolution #21-85)	17,500
CO#5 (proposed and herein requested)	187,000
<b>Total</b>	<b>\$586,000</b>

The impact of Covid-19 and the rise of variants in late 2021, along with supply-side constraints in materials and deliveries, more resources were required to keep construction on schedule. Units began delivering in December 2021, three months later than expected, in large part, because of these variables.

CFI provided expert help with handling shortages but at a rate that was greater than expected in September 2021, leading to a faster use of the funds allocated. CFI was expected to manage approximately 75% of the unit owner inspections on behalf of HOC, as they have previously done at previous renovations. However, far greater demands were placed on them to provide nearly 100% of the inspections along with more frequent visits due to multiple site punchwalks. Coupled with a longer delivery timeframe, a change order for \$187,000 to CFI is required to cover the closeout needs of the project needs at the most efficient cost. As the project concludes, staff will perform a full evaluation of potential causes of delivery delay as well as opportunities to offset related additional costs.

The aggregate contract for CFI at Upton II is \$399,000 and any change, which exceeds the pool contract limit of \$250,000; requires approval by the Commission in accordance with HOC’s Procurement Policy adopted on June 7, 2017. CFI estimates the cost for the additional responsibilities required for timely LIHTC unit delivery to be approximately \$187,000. To safeguard against the possibility of overruns, staff is requesting that the Commission approve an amount up to \$200,000 that will include a \$13,000 or seven percent (7%) contingency for small variations in contracting from any unforeseen issues that could arise before the project is completed. If approved, this change order would bring the total eligible contract value to \$586,000 or \$13,734 per month, which remains very competitive in today’s marketplace for the level of construction management services required.

By comparison, the Elizabeth House III development (a larger ground up development with 600 units as compared to the Upton II number of units at 150) the cost for construction management of the new construction is approximately \$55,000 per month; and for its 900 Thayer Ave development, the compensation for the CM was \$13,500/month.

All services rendered during the development phase of the project are being funded from the project’s development budget, which was approved at a meeting of the Commission on January 9, 2019, including the budget for hard and soft cost contingencies. The exhibit below illustrates the change within the budget that allows for the increase without altering the overall total cost. Therefore, such expenditures are not expected to have an adverse financial impact on the Commission’s operating budget.

MASTER BUDGET LINE ITEM	FINAL LEGAL CLOSING BUDGET	TOTAL PRIOR REVISIONS	CURRENT REVISIONS	REVISED BUDGET	TOTAL DRAWN	AMOUNT NOT BORROWED
Acquisition: Land	6,000,000.00	0.00	0.00	6,000,000	6,000,000	0.00
Hard Costs	30,858,071.00	70,261	0.00	31,053,332	28,365,000	2,688,332
Soft Costs						
Construction Manager for Lender	36,250.00	349,750	200,000.00	586,000	399,000	187,000
Soft Cost Contingency	323,823.00	(349,750)	(200,000.00)	8,630.45	0.00,	8,630.45
<b>Total SOFT COSTS</b>	<b>13,228,373.00</b>	<b>(70,261)</b>	<b>0.00</b>	<b>13,158,111</b>	<b>5,473,675</b>	<b>7,684,435</b>
Lease-Up & Conversion Costs	1,337,633.00	0.00	0.00	1,337,633	21,000	1,316,633
<b>TOTAL PROJECT COSTS</b>	<b>51,424,077.00</b>	<b>0.00</b>	<b>0.00</b>	<b>51,424,077</b>	<b>41,062,792</b>	<b>10,361,285</b>
Construction Period Sources of Funds	50,114,172.62	12,000,000.00	0.00	62,114,173	42,158,582	19,955,590
Lease-Up & Conversions Sources	1,309,904.38	(12,000,000.00)	0.00	(10,690,096)	(1,095,787.69)	(9,594,307.93)

<b>TOTAL PROJECT SOURCES</b>	51,424,077.00	0.00	0.00	51,424,077	41,062,795	10,361,282
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**ISSUES FOR CONSIDERATION:**

Will the Development and Finance Committee join staff’s recommendation to the Commission to approve a change order for CFI Construction, Inc. for up to \$200,000 to continue to provide construction management services at Upton II and authorize the Acting Executive Director to execute a change order in an amount up to \$200,000?

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**BUDGET/FISCAL IMPACT:**

There is no impact on the Commission’s FY 2022 operating budget. The CFI Construction, Inc. change order will be funded by the Upton II development budget, previously approved by the Commission for consulting services.

The estimated total cost of the change order(s) for work through completion is \$200,000, which includes a contingency of \$13,000.

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**PRINCIPALS:**

CFI Construction, Inc.  
HOC at the Upton II, LLC  
Housing Opportunities Commission of Montgomery County

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**TIME FRAME:**

For consideration by the Development and Finance Committee on April 22, 2022 and formal Commission action on May 4, 2022.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that Development and Finance Committee join staff’s recommendation to the Commission to approve a change order to the CFI Construction, Inc. contract for \$187,000 and approve a \$13,000 contingency, which if used would bring the aggregate contract amount to \$586,000 to provide continued services for construction management at Upton II through completion and close out of the construction.

Staff further recommends authorization for the Acting Executive Director to execute said Change Order.



# **WESTSIDE SHADY GROVE: APPROVAL OF THE NAMING AND BRANDING IN ACCORDANCE WITH HOC NAMING GUIDELINES**

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**KAYRINE V. BROWN, ACTING EXECUTIVE DIRECTOR**

**ZACHARY MARKS, CHIEF REAL ESTATE OFFICER  
MARCUS ERVIN, DIRECTOR OF DEVELOPMENT**

**April 22, 2022**

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# EXECUTIVE SUMMARY

In February 2021, HOC and its development partners EYA and Bozzuto Development broke ground on Westside at Shady Grove, a new construction mixed-income and mixed-use housing development in Rockville, Maryland that is steps away from the Red Line Shady Grove Metro Station. The \$121 million, 268-unit, transit-oriented development will house the future HOC UpCounty Service Center and feature a variety of unit types of which 30% (80-units) will be affordable, including 67-units at 50% AMI and 13-units at 65% AMI (MPDU income limit). The first units will be delivered in November 2022 along with the CVS retail space and other additional amenities. The first units will begin pre-leasing late 2022. A selection of a permanent name for the property is required to support ongoing marketing and leasing efforts for the property.

**To further the branding, marketing, and overall positioning of the community to future residents and retailers, the selection of a permanent name is required to generate vital branding assets and begin these marketing efforts.** As this represents the second community to be named under the Guidelines, staff will remain committed to making naming recommendations that reflect the unique nature of each property while recognizing the surrounding and immediate location, the future resident experience, and the high-quality spaces incorporated into the development.

In alignment with the “Guidelines for Naming of HOC Properties and Facilities,” names were considered that were both inspirational and have unique ties to the larger Maryland community.



# GUIDELINES FOR NAMING OF HOC PROPERTIES AND FACILITIES

The naming guidelines require consideration of the following principles for the selection of a permanent name of a property or facility:

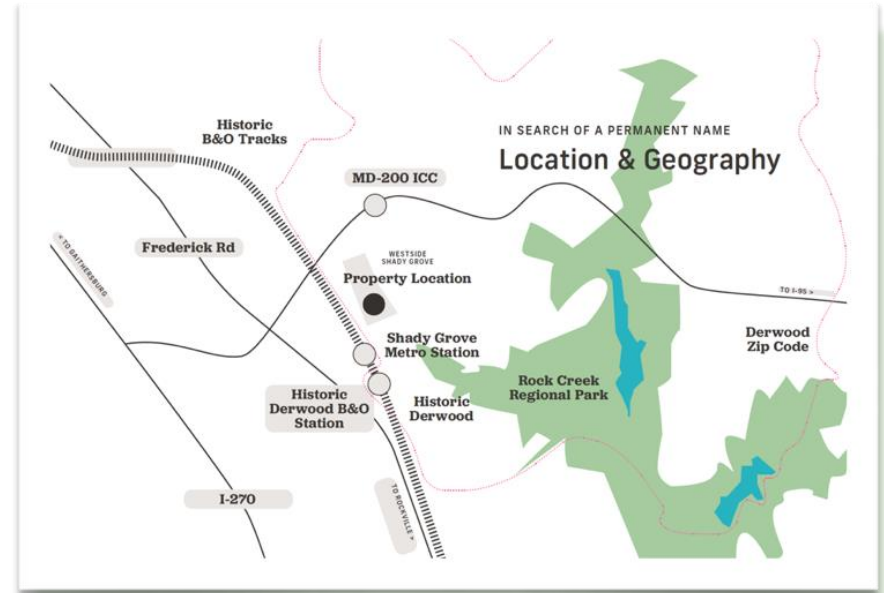
- Have a strong positive image and should stand the test of time;
- Have appropriate regard to the facility's location, geography, natural land feature, and/or history;
- Commemorate places, people or events that are of continued importance to the town, region, state, and/or nation;
- Recognize outstanding accomplishments by an individual for the good of the community. Quality of the contribution should be considered along with the length of service by the individual.



# PIPELINE SUMMARY

Montgomery County has evolved from a region of farming communities into a vital force in the metropolitan urban area. Major forces of change have been the Civil War, the B&O Railroad, World War II, and the growth of the federal government. Since the 1940s, the county's population has grown exponentially. Throughout, the growth of Montgomery County is threaded with triumphs of community, preservation and culture.

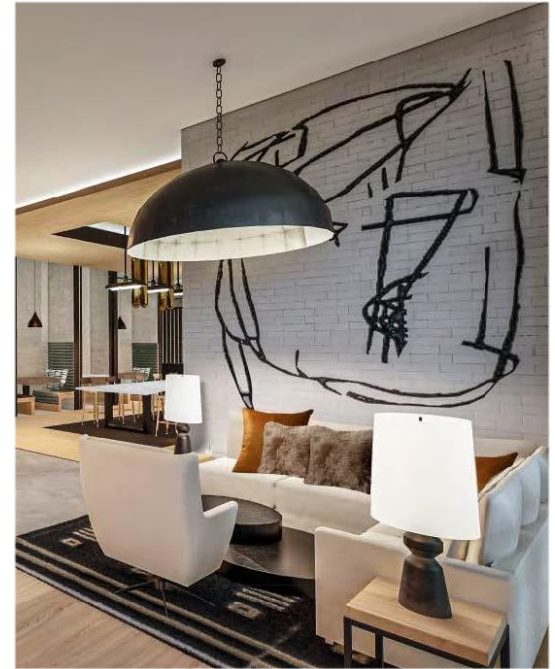
The property site, located between the larger siblings of Rockville and Gaithersburg, remained farming fields past 1970 until the County Service Park was developed on the East and West sides of Crabbs Branch Way. The Shady Grove Metro Station opened in 1984.



# PROPERTY NAME: FOCUS AND GUIDELINES

The following name recommendation draws upon the Maryland Poet Laureate position, which was formally established by the Maryland General Assembly in 1959 and authorizes the governor to appoint a citizen of the state as Poet Laureate of Maryland. The Poet Laureate provides public readings for the citizens of Maryland, ensuring that people in all geographic regions of the state have access to at least one reading during the term of service. The Poet Laureate also undertakes projects that make poetry more available and accessible to citizens of Maryland of all ages.

In addition, this property will be well-suited in the burgeoning art and education communities that are in close proximity to Westside Shady Grove. Both the award winning Universities at Shady Grove and the Glenstone Contemporary Art Museum are short drives from this location.





# PROPERTY NAME: FOCUS AND GUIDELINES

NAME SUGGESTION:

## THE LAUREATE

The Arts & Poet Laureate *Lucille Clifton (Inspiration)*

Ms. Clifton served as the State of Maryland's Poet Laureate from 1974 until 1985

(Shady Grove Metro opened in 1984) and was a Distinguished Professor of Humanities at St. Mary's College of Maryland.

### Storytelling and Community Engagement Opportunities

Showcase a library of works from Maryland (or about Maryland) by poets, authors and writers. Consider hosting book tours, lending library, and programming around reading.



Laureate *Lucille Clifton*

# Summary and Recommendations

## ISSUES FOR CONSIDERATION

Does the Development and Finance Committee wish to join staff's recommendation that the Commission approve the permanent name, "The Laureate" for HOC at Westside Shady Grove currently located in Rockville, MD?

## BUDGET/FISCAL IMPACT

There is no budget or fiscal impact.

## TIME FRAME

For discussion at the April 22, 2022 meeting of the Development and Finance Committee and formal action at the May 4, 2022 meeting of the Commission.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff requests that the Development and Finance Committee join its recommendation to the Commission to approve the permanent name, "The Laureate" for HOC at Westside Shady Grove.



# Closing Statement

Written Statement for Closing a Meeting (“Closing Statement”)

Date: April 22, 2022

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)	<p>(1) The acquisition/purchase of the fee simple interest of three multifamily properties (via a purchase and sale agreement) located in Bethesda, Maryland; and</p> <p>(2) The potential acquisition/purchase of multifamily property located in Lyttonsville, Maryland.</p> <p>[NOTE: Item (1) was discussed in previous closed sessions, including most recently at a closed Commission meeting on February 2, 2022. This meeting is to continue those discussions and to recommend approval to finalize the acquisition.]</p> <p>[NOTE: Item (2) was discussed in previous closed sessions, including most recently at a closed Commission meeting on November 3, 2021. This meeting is to continue those discussions.]</p>	<p>The meeting must be closed in order to protect HOC’s ability to purchase the properties. Public discussion of these items could harm HOC’s ability to negotiate and/or could result in HOC not being able to purchase the properties.</p>
§3-305(b)(13)	<p>The confidential commercial and financial terms of HOC’s acquisition of three multifamily properties located in Bethesda, Maryland (Item 1 above).</p>	<p>Section 4-335 of the Maryland Public Information Act prevents disclosure of confidential commercial or financial information obtained from a third-party. The meeting must be closed to the public in order to protect confidential commercial and financial information provided to HOC from private financial institutions regarding the financing of the acquisition. All such information to be discussed is customarily and actually treated as private by the financial institutions, and has been provided to HOC under an assurance of privacy.</p>

C. This statement is made by Jackie Simon, Chair of the Development & Finance Committee.

D. Recorded vote to close the meeting:

- Date: April 22, 2022      Time: \_\_\_\_\_      Location: (LiveStream on YouTube)
- Motion to close meeting made by: \_\_\_\_\_
- Motion seconded by: \_\_\_\_\_
- Commissioners in favor: \_\_\_\_\_
- Commissioners opposed: \_\_\_\_\_
- Commissioners abstaining: \_\_\_\_\_
- Commissioners absent: \_\_\_\_\_

Officer’s Signature: \_\_\_\_\_

# Closed Session