

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

July 13, 2016

16-00

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, July 13, 2016 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:03 p.m. Those in attendance were:

**Present**

Sally Roman, Chair  
Jackie Simon, Vice Chair  
Christopher Hatcher  
Linda Croom  
Pamela Byrd

**Via Phone**

Richard Y. Nelson, Jr.

**Absent**

Margaret McFarland

**Also Attending**

Stacy Spann, Executive Director  
Shauna Sorrells  
Kayrine Brown  
Fred Swan  
Patrick Mattingly  
Arthur Tirskey  
Erin Bradley  
Bonnie Hodge  
Mei Li  
Nancy Rhynes  
Gail Gunod-Green  
Jonathan Cartagena  
Ugonna Ibebuchu  
John Vass

Kelly McLaughlin, General Counsel  
Gail Willison  
Lynn Hayes  
Bobbie DaCosta  
Ian Williams  
Elizabeth Harrington  
Zachary Marks  
Gio Kaviladze  
Rita Harris  
Tiffany Jackson  
Ruth Jorge  
Ethan Cohen  
Shaina Francis  
Powell Wright

**RAB**

Yvonne Caughman

**Guest**

Elaine Gerber, Resident

**Guest Cont'd**

Amal Hassan, Tony Davis Scholarship  
Dagmawi Assefa, Tony Davis Scholarship  
Taweh Lizear-Scott, Tony Davis Scholarship  
Mabintou Outtara, Tony Davis Scholarship

Shantavia Cragg, Tony Davis Scholarship  
Maryamawit Abate, Tony Davis Scholarship

**Commission Support**

Patrice Birdsong, Spec. Asst. to Commission

**IT Support**

Dominique Laws

Prior to the meeting convening, Shauna Sorrells, Director of Legislative and Public Affairs, introduced the honorees, and Chair Roman and Executive Director Spann presented them with their awards. Qurratulain Sharif was named this year's winner and was awarded a \$3,000 scholarship. Shantavia Cragg and Maryamawit Abate each received a \$1,500 scholarship, and Mabintou Outtara, Amal Hassan, Dagmawi Assefa, and Taweh Lizear each received a \$1,000 scholarship. All recipients are high school graduates and reside in subsidized housing. The parents were also acknowledged by Chair Roman.

The Board went into a brief recess and reconvened with the Consent Calendar. The Consent Calendar was adopted upon a motion by Vice Chair Simon and seconded by Commissioner Hatcher. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Hatcher, Croom and Byrd. Commissioner McFarland was necessarily absent and did not participate in the vote.

**I. CONSENT ITEMS**

**A. Approval of 2015 Tony S. Davis Memorial Scholarship Award Winners**

**RESOLUTION: 16-51**

**RE: Approval of 2016 Tony S. Davis  
Memorial Scholarship Award Winners**

**WHEREAS**, in recognition of the many accomplishments and extensive community volunteer work performed by former HOC employee Tony Davis who was tragically killed in 2000, HOC established the Tony S. Davis Memorial Scholarship Awards Program in his memory; and

**WHEREAS**, since its inception, the Tony S. Davis Memorial Scholarship Awards Program has annually provided scholarship awards to high school seniors who are residents within an HOC Public or Opportunity Housing unit or participate in the Housing Choice Voucher Program and who also demonstrate excellent academic achievement and school attendance, participate in extra-curricular and community activities, and have been accepted by a college or university; and

**WHEREAS**, a Selection Committee, composed of one Commissioner, the Executive Director, the Director of Legislative and Public Affairs, and LPA staff was convened on June 10, 2016 to review the highly qualified applications; and

**WHEREAS**, the Selection Committee considered academic records, attendance records, recommendations from school personnel and HOC staff, 500 word essays written by the applicants, SAT or ACT scores, school and community activities, and college acceptance information; and

**WHEREAS**, the Selection Committee recommends seven outstanding candidates for the Tony S. Davis Memorial Scholarship Awards; Qurratulain Shafiq receives \$3,000; Shantavia Craigg and Maryamawit Abate receive \$1,500 and Amal Hasaan, Dagmawi Assefa, Mabintou Uttara and Taweh Lizear-Scott receive \$1,000.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County affirms the recommendation of the Tony S. Davis Memorial Scholarship Awards Selection Committee.

**B. Approval of New Participating Lender for the Single Family Mortgage Purchase Program**

**RESOLUTION No: 16-52**

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

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (**the "Commission"**) approves lenders to participate in the Mortgage Purchase Program; 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 Mortgage Purchase Program; and

**WHEREAS**, TowneBank Mortgage has applied for participation in the Mortgage Purchase Program; and

**WHEREAS**, TowneBank Mortgage has satisfied the required criteria for admittance to the Mortgage Purchase Program.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that TowneBank Mortgage is approved for participation in the Mortgage Purchase Program, effective immediately.

## **II. INFORMATION EXCHANGE**

- A. Report of the Executive Director** – The Executive Director had nothing new to add to his written report. He informed the Board that NAHRO has released the RAD premiere. The premiere will appear on NAHRO’s website on Thursday, July 14, 2016, and there will be a video presentation at the Summer Conference in Portland, Oregon on that day. He mentioned that this is a nice acknowledgement to HOC activities as we continue to make a difference in housing nationally.

Chair Roman congratulated the staff and acknowledged that three (3) of the Commissioners would be attending the Conference.

- B. Calendar and Follow-up Action** – None

- C. Commissioner Exchange** – None

- D. Resident Advisory Board (RAB)** – Ms. Yvonne Caughman, President of the Resident Advisory Board, briefly reported that the RAB is still in the process of updating their Bylaws.

- E. Community Forum** – Elaine Gerber, Client, addressed the Board requesting assistance with her rent increase. Lynn Hayes, Director of Housing Resources, was asked by Executive Director Spann to privately assist Ms. Gerber.

- F. Status Report** – None

## **III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION**

- A. Development and Finance Committee – *Com. Simon, Chair***

- 1. Approval of the Final Development Budget and Financing Plan for the Development of the Chevy Chase Lake Multifamily Property, Authorization to Enter Into an Operating Agreement with the Cafritz Foundation LLC and Fund Required Equity, Acceptance of Land Transfer, Approval to Execute a Development Agreement with Eakin Youngentob & Associates (EYA) and Property Management Agreement with Greystar, and Authorization to Make Predevelopment Expense Reimbursement**

Kayrine Brown, Chief Investment & Real Estate Officer, Mei Li, Housing Acquisition Manager, and Zachary Marks, Asst. Director of New Development, were presenters.

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

**RESOLUTION: 16-53**

**RE: Approval of the Final Development Budget and Financing Plan for the Development of the Chevy Chase Lake Multifamily Property, Authorization to Enter Into an Operating Agreement with the Cafritz Foundation LLC and Fund Required Equity, Acceptance of Land Transfer, Approval to Execute a Development Agreement with EYA and Property Management Agreement with Greystar, and Authorization to Make Predevelopment Expense Reimbursements**

**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 construction, rehabilitation and/or financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, Chevy Chase Lake Development Corporation (“Corporation”), an entity wholly controlled by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), is the owner of vacant land at Chevy Chase Lake Drive, Chevy Chase, MD 20815 (the “CCL Site”); and

**WHEREAS**, on July 30, 2015, the Maryland-National Capital Park and Planning Commission approved the Site Plan for the redevelopment of the CCL Site as a 200 unit mixed-income multifamily building with 40 affordable units and 40 workforce housing units (the “Property”); and

**WHEREAS**, on November 3, 2015, the Commission and Corporation approved the final development plan of the Property which requires the transfer of the land to CCL Multifamily LLC (“Owner”), which will own, develop and operate the Property; and

**WHEREAS**, for accounting and tax reasons, the Corporation will transfer the CCL Site to the Commission and the Commission will subsequently transfer the CCL Site to the Owner; and

**WHEREAS**, as a condition to obtaining a building permit and in satisfaction of the Site Plan’s workforce housing unit requirement, the Commission and Owner must adopt a resolution approving and directing the recordation of a covenant against the Property that requires no less than 20% of the dwelling units on-site (40 units) to be made available to a full range of eligible households earning between 61% and 100% of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area Median Income for a 30-year control period

**WHEREAS**, the Commission is currently the sole member of the Owner but wishes to enter into an operating Agreement for Owner (“Operating Agreement”) to admit Cafritz Foundation LLC

("Foundation") as the non-profit equity investor member and appoint the Commission as the managing member, each with a 50% ownership interest; establish the land and proportionate 50% cash capital contribution requirements of the Commission and the Foundation; and provide for the allocation of 50% of partnership items, distribution of 50% of cash and capital proceeds distribution, and required minimum return to the Foundation; and

**WHEREAS**, the Commission and Owner wish to finance the construction of the Property with a \$53,730,000 construction loan from United Bank ("Bank"); and

**WHEREAS**, the Commission and Owner contemplate repaying the construction loan with permanent financing from the Commission in an amount of up to \$65 million to be funded through the Commission's HUD/Federal Financing Bank Risk-Sharing Program, and wish to accept a forward commitment for such permanent financing ("Permanent Loan Commitment"); and

**WHEREAS**, between August 6, 2014 and November 3, 2015, the Commission authorized three loan installments of predevelopment funds to the Corporation totaling \$2,682,195, plus 4.5% interest on the initial installment of \$600,000 (collectively, the HOC Predevelopment Loan"), to pay for predevelopment expenses related to the Property on behalf of the Owner, with the expectation that the Owner would reimburse the Corporation at the time of the closing on the sale of the CCL Site for any predevelopment expenses incurred and that the Corporation would use those reimbursement proceeds to repay any amounts drawn on the HOC Predevelopment Loan; and

**WHEREAS**, on February 5, 2016, the Corporation sold three adjacent vacant properties to an affiliate of Eakin Youngentob and Associates ("EYA") for redevelopment as townhome units and received an initial payment of \$750,000 at the time of the sale ("Sale Proceeds Installment"), which Sale Proceeds Installment the Corporation spent, along with \$811.50 in deposit interest earned thereon, on predevelopment expenses related to the Property on behalf of the Owner, with the expectation that the Owner would reimburse the Corporation \$750,811.50 at the time of the sale of the CCL Site to Owner; and

**WHEREAS**, the Commission and Owner previously approved a joint collaboration with EYA for the redevelopment of the CCL Site and development of the Property on June 3, 2015 and wishes to refine and clarify EYA's role as the fee developer and execute a development agreement with EYA; and

**WHEREAS**, with assistance from and in collaboration with EYA, the Commission staff interviewed property management companies for both pre-development consulting services and on-going management services, and the Commission and Owner wish to select Greystar Real Estate Partners, LLC or its affiliate ("Greystar") as the property management company for the Property and enter into a one-year leasing and property management services contract with Greystar.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of CCL Multifamily LLC, that it approves the final development budget and financing plan for the Property.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of CCL Multifamily LLC, that it hereby authorizes the Executive Director of the Commission to execute the Operating Agreement with the Foundation.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of CCL Multifamily LLC, that it hereby authorizes the acceptance of a construction loan from Bank in an amount not to exceed \$53,730,000 and authorizes the Executive Director of the Commission to execute all construction loan documents.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for and on behalf of CCL Multifamily LLC, that it hereby authorizes the Owner's acceptance of the Permanent Loan Commitment in an amount not to exceed \$65 million.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of CCL Multifamily LLC, that it approves the Commission's acceptance of the transfer of the CCL Site from the Chevy Chase Lake Development Corporation and its subsequent transfer of the CCL Site to CCL Multifamily LLC, and authorizes and directs the Executive Director of the Commission to execute the vesting deed and any other documents related thereto.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of CCL Multifamily LLC, that the Executive Director of the Commission is hereby authorized and directed to execute the 30-year Work Force Housing Unit Covenant and record it against the Property upon recordation of the vesting deed.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of CCL Multifamily LLC, that it authorizes CCL Multifamily LLC to reimburse the Chevy Chase Lake Development Corporation for predevelopment expenses in the amount of the HOC Predevelopment Loan (inclusive of interest on the \$600,000 installment) plus \$750,811.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for and on behalf of CCL Multifamily LLC, that it hereby authorizes the Executive Director of the Commission to execute a development agreement with CC MF Associates, LLC, an affiliate of EYA.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for and on behalf of CCL Multifamily LLC, that it hereby approves the selection of Greystar as property manager for the Property and authorizes the Executive Director of the Commission to execute a one-year property management agreement with Greystar.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of CCL Multifamily LLC, that the Executive Director of the Commission is hereby authorized, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

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- **Approval of a Taxable Draw of up to \$11,008,930 by the Commission from the PNC Bank, N.A. Real Estate Line of Credit (RELOC) for the Purpose of Making a Capital Contribution to CCL Multifamily LLC for the Development of the Chevy Chase Lake Multifamily Property**

Kayrine Brown, Chief Investment & Real Estate Officer, Mei Li, Housing Acquisition Manager, and Zachary Marks, Asst. Director of New Development, were presenters.

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

**RESOLUTION: 16-54**

**RE: Approval of a Taxable Draw of up to \$11,008,930 by the Commission from the PNC Bank, N.A. Real Estate Line of Credit (RELOC) for the Purpose of Making a Capital Contribution to CCL Multifamily LLC for the Development of the Chevy Chase Lake Multifamily Property**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“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 construction, rehabilitation and/or financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, the Commission will be the managing member of CCL Multifamily LLC (“Owner”), which will own, develop and operate a 200 unit mixed-income multifamily property at Chevy Chase Lake Drive, Chevy Chase, MD 20815 (the “Property”); and

**WHEREAS**, as part of the development plan, the Commission must contribute the land underlying the Property and 50% of the equity required to develop the Property; and



**WHEREAS**, the Commission may make draws on the \$90 Million Real Estate Line of Credit (RELOC) from PNC Bank, N.A. at a taxable rate of the London Interbank Offered Rate (LIBOR) plus 58 basis points; and

**WHEREAS**, the Commission wishes to authorize a taxable draw on the RELOC for the purpose of making its capital contribution to the Owner.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves a taxable draw on the original PNC Bank, N.A. line of credit for an amount up to \$11,008,930 and the subsequent contribution of such funds to the Owner for the purpose of developing the Property. The draw will be outstanding at a maximum term of three years.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director of the Commission is hereby authorized, without any further action on its part, to take any and all actions necessary and proper to consummate the transactions and actions contemplated herein, including the execution of any documents related thereto.

**2. Approval of the Selection of, and Authorization to Negotiate and Execute a Planning and Zoning Consultant Contract with Scheer Partners and a Planning Consultant Contract with Townscape Design LLC**

Kayrine Brown, Chief Investment & Real Estate Officer, and Gio Kaviladze, Senior Financial Analyst, were presenters.

The following resolution was approved upon a motion by Vice Chair Simon and seconded by Commissioner Hatcher. Affirmative votes were cast by Commissioners Simon, Hatcher, Croom, and Byrd. Commissioner Roman recused herself from the vote. Commissioner Nelson abstained. Commissioner McFarland was necessarily absent and did not participate in the vote.

**RESOLUTION: 16-55**

**RE: Approval of the Selection of, and Authorization to Negotiate and Execute a Planning and Zoning Consultant Contract with Scheer Partners and a Planning Consultant Contract with Townscape Design LLC**

**WHEREAS**, on May 13, 2016, the Housing Opportunities Commission of Montgomery County (“HOC”) issued a request for proposal (“RFP”) for Planning and Zoning Consultant Services and received two responses from Scheer Partners and Townscape Design LLC; and

**WHEREAS**, after review of proposals, staff is recommending that the Commission negotiate and execute contracts with both firms; and

**WHEREAS**, each firm offers unique and a highly valuable set of services and expertise that will help plan and guide HOC's planning, development and entitlement activities, and both firms have excellent work history with HOC with on time delivery and flexibility; and

**WHEREAS**, the consultants are expected to represent HOC and work with staff in the coming months on ongoing and anticipated master and sector plan revisions, the evaluation of the HOC portfolio for opportunities to expand the delivery of affordable housing, and on legislative matters.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the selection of Scheer Partners as a provider of Planning and Zoning Consultant services and Townscape Design LLC as a provider of Planning Consultant services, and authorizes the Executive Director to negotiate and execute one year contracts with both firms, with three optional annual extensions, for annual amounts not to exceed \$100,000 and \$40,000, respectively, which will be paid for from annual funding approved in the Real Estate Division budget.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized, without any further action on its part, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein.

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

**A. None**

**V. FUTURE ACTION ITEMS**

**None**

**VI. INFORMATION EXCHANGE (CONT'D)**

**None**

**VII. NEW BUSINESS**

**None**

**VIII. EXECUTIVE SESSION FINDINGS**

**None**

Based upon this report and there being no further business to come before this session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

The meeting adjourned at 4:50 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb