

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

December 11, 2019

19-12

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, December 11, 2019 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:07 p.m. Those in attendance were:

**Present**

Jackie Simon, Chair  
Richard Y. Nelson, Jr., Vice Chair  
Roy Priest, Chair Pro Tem  
Linda Croom  
Pamela Byrd  
Frances Kelleher

**Also Attending**

Stacy L. Spann, Executive Director  
Bonnie Hodge  
Charnita Jackson  
Christina Autin  
Lucinda Scott  
Marcus Ervin  
Millicent Anglin  
Erik Smith  
Ian Williams  
Paul Vinciguerra  
Sherraine Rawlins  
Shirdell Sellman  
Taisha Barlow

Aisha Memon, Acting General Council  
Kayrine Brown  
Leidi Reyes  
Lorie Seals  
Cornelia Kent  
Darcel Cox  
Ian-Terrell Hawkins  
Nargiza Polvanova  
Patrick Mattingly  
Jay Berkowitz  
Jennifer Arrington  
Kathryn Hollister  
Fred Swan

Vivian Benjamin

**Resident Advisory**

Yvonne Caughman, Vice Chair

**IT Support**

Gabriel Taube  
Michael Tadesse

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Commission

**Guest**

Karen Lundregan  
JoAnn Nickles

I. **Information Exchange**

**Resident Advisory Board**

- Yvonne Caughman, Vice Chair, updated on activities of Resident Advisory Board. Vice Chair Nelson suggested that the RAB provide notification to residence as it relates to elections as well as the census.

**Community Forum**

- Karen Lundregan addressed the Board with her continued allegations of discrimination and retaliation from staff.
- JoAnn Nickles addressed the Board with her concerns of her housing.

II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Priest and seconded by Vice Chair Nelson. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

- A. **Approval of Minutes of November 6, 2019**
- B. **Approval of Minutes of November 6, 2019 Administrative Session**
- C. **Approval of Minutes of November 14, 2019 Special Session**
- D. **Approval of Minutes of December 5, 2019 Special Session**
- E. **Approval of Minutes of December 5, 2019 Administrative Special Session**

III. **Consent Items**

- A. **None**

IV. **Information Exchange Continued**

**Report of the Executive Director**

- Mr. Spann highlighted some of HOC's accomplishments: Holiday Giving 2019 – HOC helped served about 2,000 families during the County's Holiday Giving Coalition. Anticipating servicing about 1,500 during Christmas; The Grand Opening of Point View at Aspen Hills – 120 units Senior Building – 9% Tax Credit Development

**Commissioner Exchange**

- Vice Chair Nelson reported his attendance to the Council meeting held on December 9, 2019. Mr. Nelson stated that the session went well. He also attended the meeting of the State Delegation and was highly disappointed of the inaccurate information reported on HOC and the behavior of some of the delegates. Mr. Nelson indicated that he would be submitting a letter of his disappointed to the County Council and made a motion to the Board in support of his letter. The motion was seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Priest, Croom, Kelleher, and Byrd. Individually, Commissioners expressed their gratitude to all the hard work the Agency does for Montgomery County and its residents.

V. **ADMINISTRATIVE AND SPECIAL SESSION RATIFICATION**

- A. **Acceptance of HOC Fiscal Year 2019 (FY'19) Audited Financial Statements, Single Audit Report, and Management Letter**

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

**RESOLUTION NO.: 19-106R**

**RE: Acceptance of HOC FY'19 Audited  
Financial Statements Single Audit Report, And  
Management Letter**

**WHEREAS**, the independent auditors, CliftonLarsonAllen LLP, presented their report for FY'19, which included the FY'19 Audited Financial Statements, Single Audit Report, and Management Letter to the Housing Opportunities Commission of Montgomery County (the "Commission");

**WHEREAS**, at a meeting held on November 14, 2019, the Commission reviewed the FY'19 Audited Financial Statements, Single Audit Report, and Management Letter;

**WHEREAS**, at a Special Session duly called and held on November 14, 2019, with a quorum present, the Commission duly adopted Resolution 19-106, Commissioners Simon, Nelson, Priest, Byrd, and Kelleher voting in approval, which approved the FY'19 Audited Financial Statements, Single Audit Report, and Management Letter prepared by the auditors. Commissioner Croom was necessarily absent and did not participate in the vote; and

**WHEREAS**, consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commission in adopting Resolution 19-106 and any action taken since November 14, 2019 to effectuate the transaction contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolution 19-106, and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

- B. Approval to Enter into a Joint Pre-Development Agreement and Agreement to Assign for the Development of a Multifamily Property and Related Matters**

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

**RESOLUTION NO.: 19-110R**

**RE: Approval to Enter into a Joint Pre-Development  
Agreement and Agreement to Assign for the  
Development of a Multifamily Property and Related  
Matters**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission") 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;

**WHEREAS**, at a Special Administrative Session duly called and held on December 5, 2019, with a quorum present, the Commission duly adopted Resolution 19-110AS, with Commissioners Simon, Nelson, Priest, and Kelleher voting in approval; Commissioners Byrd and Croom were necessarily absent and did not participate in the vote.

**WHEREAS**, by adopting Resolution 19-110AS, the Commission approved the following:

1. Execution of the Joint Pre-Development Agreement and Agreement to Assign for the development of a multifamily property located in the Gaithersburg area, the terms of which will be further formalized in a Development Agreement;
2. The commercial and financial terms surrounding the structure of the transaction;
3. The selection of a general contractor for the project;
4. The selection of a third-party property manager for the property;
5. Additional predevelopment funding; and
6. The creation of a newly formed entity to take title to the property.

**WHEREAS**, consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commission in adopting Resolution 19-110AS, and any action taken since December 5, 2019 to effectuate the transaction contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolution 19-110AS and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

**VI. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION**

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

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

Kayrine Brown, Chief Investment and Real Estate Officer, and Jennifer Arrington, Assistant Director of Bond Management, were the presenters.

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

**RESOLUTION NO.: 19-111**

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

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") has operated the Single Family Mortgage Purchase Program ("MPP" or the "Program") since 1979, issuing approximately \$1.6 billion of taxable and tax-exempt Mortgage Revenue Bonds ("MRB") to finance more than 11,000 single family mortgage loans; and

**WHEREAS**, on April 8, 2019, the Internal Revenue Service published new revenue procedures setting forth average area purchase price applicable to the Program, and on April 24, 2019, the U.S. Department of Housing and Urban Development published new national income limits; and

**WHEREAS**, the Commission approves income and sales price limits, which apply to the MPP, subject to rules and regulations governing MRBs; and

**WHEREAS**, the Development and Finance Committee, at its November 22, 2019 meeting, considered and recommended approval of increasing the Program's sales price and income limits.

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

1. The maximum allowed sales price for the Single Family Mortgage Purchase Program shall increase to \$653,883.
2. The maximum income limits for the Single Family Mortgage Purchase Program shall increase as follows:

| Household Size | Maximum Income |
|----------------|----------------|
| 1              | \$101,892      |
| 2              | \$145,560      |
| 3+             | \$169,820      |

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, without further action on its part, to take any and all other actions necessary and proper to carry out the revisions to the Single Family Mortgage Purchase Program contemplated herein, including but not limited to the execution of any and all documents related thereto.

2. **Approval of the Novation of the Existing DHCA Loan at Ambassador to HOC at Veirs Mill East LLC for Purpose of Contributing HOC's Ambassador Condominium to Wheaton Venture LLC in Accordance with Terms of the Wheaton Venture LLC Operating Agreement**

Kayrine Brown, Chief Investment and Real Estate Officer, and Marcus Ervin, Housing Acquisitions Manager, were the presenters.

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

**RESOLUTION NO.: 19-112**

**RE: Approval of the Novation of the Existing  
DHCA Loans at Ambassador to HOC at Veirs  
Mill East LLC for Purpose of Contributing  
HOC's Ambassador Condominium to Wheaton  
Venture LLC in Accordance with Terms of the  
Wheaton Venture LLC Operating Agreement**

**WHEREAS**, Ambassador Apartments (the "Property") consists of 162 apartments that are 100% income restricted within the residential condominium components of a seven-story high rise, mixed-use condominium building located in Wheaton (the "Building"); and

**WHEREAS**, the Property is owned by Wheaton-University Boulevard Limited Partnership ("WUBLP") and the retail condominium components of the Building are owned by Wheaton Commercial Center Associates Limited Partnership, an affiliate of Willco Development; and

**WHEREAS**, in December 1992, the WUBLP financed the renovation of the Property using Low Income Housing Tax Credits (LIHTC) and the use of that capital source came with a 15-year initial compliance period ("Initial Compliance Period") and a subsequent 15-year extended compliance period ("Extended Compliance Period") during which time the Property is to be operated as a moderate income housing project; and

**WHEREAS**, in 2005, HOC Ambassador, Inc. (the "General Partner"), a corporation whose stock is wholly-owned by the Housing Opportunities Commission of Montgomery County ("HOC"), acquired the general partnership interest in WUBLP; and

**WHEREAS**, in July 2010, after the expiration of the Property's 15-year tax-credit compliance period, M&T Bank, the 99% limited partner in WUBLP, donated its interest in WUBLP to HOC such that WUBLP is now both ultimately managed by and wholly owned by HOC; and

**WHEREAS**, the Property's Initial Compliance Period expired in 2008, and the Extended Compliance Period ends in 2023; and

**WHEREAS**, between 2014 and 2016, the physical viability of the Property was called into question through events of systems failures and a discovery of structural deficiencies which required the evacuation of the building and temporary relocation of residents; and

**WHEREAS**, given the Property was completely vacated on July 1, 2016; and

**WHEREAS**, on April 3, 2019, the Commission approved HOC's entering into a binding joint venture agreement with the Duffie Companies and Willco, LLC known as Wheaton Venture, LLC to pursue the aggregate redevelopment of the Ambassador, the neighboring parcel on which the Mattress Pad sits, and the neighboring Lindsay Ford properties west of Veirs Mill Road ("Aggregate Redevelopment"); and

**WHEREAS**; as a term of the binding joint venture agreement with the Duffie Companies and Willco, LLC known as Wheaton Venture, LLC; HOC and Willco must contribute owned properties free and clear of monetary liens to Wheaton Venture, LLC.; and

**WHEREAS**, the Property's remaining outstanding secured indebtedness consists of a loan from DHCA with a principal balance of \$2,000,000 and a loan from the Housing Initiative Fund ("HIF") with a principal balance of \$750,000 (together, the "DHCA Loans"); and

**WHEREAS**, the Commission wishes to keep the DHCA Loans outstanding and DHCA is requiring that HOC provide replacement collateral in order to maintain such DHCA Loans; and

**WHEREAS**, the Commission wishes to use three parcels east of Veirs Mill Road (the "Replacement Collateral Property") owned by Veirs Mill East, LLC, a wholly-owned subsidiary of the Commission, to serve as such replacement collateral.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of each of (i) the General Partner and WUBLP and (ii) Veirs Mills East, LLC, it approves the novation of the DHCA Loans at Ambassador from WUBLP to HOC at Veirs Mill East, LLC and use of the Replacement Collateral Property as replacement collateral for the DHCA Loan.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of the General Partner, WUBLP and Veirs Mill East, LLC, that the Executive Director is 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.

**3. Approval to Increase the Contingency to Cover Increases to the Demolition Budget and Contract Value for Ambassador Apartments**

Kayrine Brown, Chief Investment and Real Estate Officer, and Paul Vinciguerra, Construction Manager, were the presenters.

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

**RESOLUTION NO.: 19-113**

**RE: Approval to Increase the Contingency to Cover Increase to the Demolition Budget and Contract Value for Ambassador Apartments**

**WHEREAS**, Ambassador Apartments is a 162-unit multifamily residential apartment building built around 1960 and located at 2715 University Blvd. W. Silver Spring, MD that has been vacated due to numerous physical and structural concerns and is being demolished to make way for redevelopment and the expansion of affordable housing at the site; and

**WHEREAS**, on May 8, 2019, the Housing Opportunities Commission of Montgomery County (the "Commission") awarded a contract to Demolition Services, Inc. (the "Contract") for the demolition of the site, and approved a contract amount of \$679,787 with a 10% contingency of \$67,979, which when added to the HOC pre-demolition expenditure of \$209,572, resulted in total demolition budget of \$957,338, to be funded from the Montgomery County Capital Improvement Program("CIP"); and

**WHEREAS**, unforeseen demolition expenditures related to the removal of asbestos containing materials concealed in the interior plumbing and costs related to lane closure for pedestrian safety have caused the overall cost to increase, which requires an upward adjustment to the budget and contract; and

**WHEREAS**, staff is requesting an increase of \$67,979 to the Contract contingency, representing a 10% increase over the original contract, which would increase the overall contract amount by \$815,745 and the overall budget by \$1,025,317; and

**WHEREAS**, there are sufficient funds available in the initial CIP appropriation to cover the increase to the Contract contingency.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County approves an increase in the Contract contingency in the amount of \$67,979, a 10% increase over the original contract, bringing the total contract value to a maximum of \$815,745 and the total budget to a maximum of \$1,025,317, which will be funded by remaining CIP funds.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is 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, including the execution of any documents related thereto.

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

None

VIII. **FUTURE ACTION ITEMS**

None

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 4:48 p.m. and reconvened in closed session at approximately 5:05 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 December 11, 2019 at approximately 5:25 p.m. at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(3) and Section 3-305(b)(13) to discuss a potential real property acquisition and confidential financial and commercial information related to potential real property transactions.

The meeting was closed on a motion by Vice Chair Nelson, seconded by Chair Pro Tem Priest, with Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher unanimously voting in approval. The following persons were present during the closed session: Jackie Simon, Richard Y. Nelson, Jr., Roy Priest, Linda Croom, Pamela Byrd, Frances Kelleher, Stacy Spann, Kayrine Brown, Cornelia Kent, Aisha Memon, Kathryn Hollister, Christina Autin, and Patrice Birdsong.

In closed session, the Commission discussed a potential real property acquisition and confidential financial and commercial information related to potential real property transactions. The following actions were taken:

1. With a quorum present, the Commission authorized the Executive Director to engage outside counsel and/or consultants to provide insight and advice regarding the possible ramifications of



the real property acquisition and the impact of the potential real estate transactions, with a budget not to exceed \$50,000. A motion was made by Vice Chair Nelson and seconded by Commissioner Kelleher with Commissioners Jackie Simon, Richard Y. Nelson, Roy Priest, Linda Croom, Pamela Byrd, and Frances Kelleher voting in approval.

The closed session was adjourned at 6:39 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

**Approved: January 8, 2020**