

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Development and Finance Committee Minutes

February 19, 2021

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, February 19, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 10:04 a.m. Those in attendance were:

Present

Jackie Simon, Chair – Development and Finance Committee
Roy Priest - Commissioner
Richard Y. Nelson, Jr. – Commissioner

Also Attending

Stacy Spann, Executive Director	Kayrine Brown, Deputy Executive Director
Aisha Memon, General Counsel	Zachary Marks
Eamon Lorincz, Deputy General Counsel	Jennifer Arrington
Hyunsuk Choi	Marcus Ervin
Emma Fiorentino	Claire Kim
Cornelia Kent	Kathryn Hollister
Jay Berkowitz	Jay Shepherd
Victoria Dixon	Vivian Benjamin
Charnita Jackson	Kristyn Greco
Nathan Bouvelle	Ellen Goff
Gio Kaviladze	Marcus Ervin
Len Vilicic	Erik Smith
Olutomi Adebo	Millicent Anglin

APPROVAL OF MINUTES

The minutes of the January 22, 2021 Development and Finance Committee were approved upon a motion by Commissioner Nelson and seconded by Commissioner Priest. Affirmative votes were cast by Commissioners Simon, Priest and Nelson.

DISCUSSION ITEMS

1. Jubilee: Approval to Sell up to Four (4) Units from MPDU I (64 MPDU) for the Renovation and Adaptive Reuse for Operation by Jubilee Association of Maryland

Kayrine Brown, Deputy Executive Director, introduced Jay Shepherd, Senior Financial Analyst, who provided the presentation. Staff explained that they are requesting approval to acquire up to four (4) units that are currently in HOC's MPDU I / 64 portfolio in order to service the special needs population. Mr. Shepherd explained that the funds received from the State have a sunset provision and must be used by June 30, 2021. Initial funding was received in fiscal year 2010 and second funding was received in fiscal year 2014. If not used, the funds will revert back to the State. Staff recommended prepayment of an outstanding first mortgage loan, cancelation of the Maryland Housing Fund mortgage insurance, and deferment of operating deficit funding in order to facilitate the sale of the units. To facilitate the acquisition and renovation, staff recommended approval of a temporary loan from the revolving PNC line of credit with reimbursement repayment provided from the Department of Mental Health and Hygiene (DHMH) grant and a loan from Montgomery County Department of Housing and Community Affairs (DHCA).

Commissioner Priest wanted a clearer understanding of staff's request. Staff provided an explanation to Commissioners on how the funds will be used. Commissioner Simon had concerns regarding concentration of special needs housing in this particular area. Staff suggested recommendation was to reduce to three homes and provide clearer explanation when presenting to full Commission.

A motion was made by Commissioner Nelson and seconded by Commissioner Priest to recommend the item for approval at the March 3, 2021 monthly Commission meeting. Affirmative votes were cast by Commissioners Simon, Priest and Nelson.

2. Stewartown Homes: Authorization to Select CREA, LLC as Tax Credit Investor and Authorization for the Executive Director to Negotiate and Execute an Operating Agreement

Kayrine Brown, Deputy Executive Director, introduced Gio Kaviladze, Senior Financial Analyst, who provided the presentation to recommend to the full Commission authorization of CREA LLC as the Tax Credit Investor for Stewartown Homes and to authorize the Executive Director to negotiate the terms of Limited Partnership Agreement.

Mr. Kaviladze provided an explanation to why this action would be good for HOC.

A motion was made by Commissioner Priest and seconded by Commissioner Nelson to recommend the item for approval at the March 3, 2021 monthly Commission meeting. Affirmative votes were cast by Commissioners Simon, Priest and Nelson. Commissioner Nelson ended with a comment on replacement reserves wondering if this would be sufficient for the future. Staff will research and provide reasonable plan of action.

3. Stewartown Homes: Amendment of the Financing Plan and Bond Authorizing Resolution for Stewartown Homes

Kayrine Brown, Deputy Executive Director, introduced Victoria Dixon, Senior Multi-Family Underwriter, as presenter. Ms. Dixon provided a presentation requesting the Development and Finance Committee recommend to the full Commission an amendment to the Financing Plan of Stewartown Homes recognizing the new LIHTC investor, approving the funding of a taxable Bridge Loan, and increasing the volume cap allocation. She also requested to amend the Bond Authorizing Resolution increasing the amount of Private Activity Bonds, and to accurately reflect the correct bond series.

A motion was made by Commissioner Nelson and seconded by Commissioner Priest to recommend the item for approval at the March 3, 2021 monthly Commission meeting. Affirmative votes were cast by Commissioners Simon, Priest and Nelson.

A motion was made by Commissioner Priest and seconded by Commissioner Nelson to adjourn the meeting. Affirmative votes were cast by Commissioners Simon, Priest, and Nelson. The meeting adjourned at 11:16 a.m.

Next scheduled meeting is March 26, 2021.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: March 26, 2021