EXPANDED AGENDA

August 6, 2014

3:00 p.m.  Tony S. Davis Scholarship Award Reception

4:00 p.m.  Tony S. Davis Scholarship Award Ceremony

4:30 p.m.  I.  CONSENT ITEMS

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26 A.  Approval of Minutes of June 4, 2014

29 B.  Ratification of Action Taken in Executive Session on June 13, 2014 to Approve Entry into Direct Negotiations for the Development and Financing of the Chevy Chase Lake Multifamily Site

35 C.  Approval of New Participating Lender for the Single Family Mortgage Purchase Program

D.  Approval of 2014 Tony Davis Memorial Scholarship Award Winners

4:45 p.m.  II.  INFORMATION EXCHANGE

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46 A.  Report of the Executive Director

B.  Calendar and Follow-up Action

C.  Correspondence and Printed Matter

D.  Commissioner Exchange

E.  Resident Advisory Board

F.  Community Forum

G.  Status Report

4:55 p.m.  III.  COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

A. 

B. 

5:25 p.m.  IV.  ITEMS REQUIRING DELIBERATION and/or ACTION

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56 A.  Authorization to Submit FY 2014 Section Eight Management Assessment Program (SEMAP) Certification to HUD

64 B.  Approval to Bridge County Contract for the Removal and Installation of Playgrounds and Approval of Interim Contracts for Multiple Capital Improvements Utilizing County Capital Improvement Funds at HOC Public Housing

76 C.  Approval to Select General Contractors for the Rehabilitation of Arcola Towers and Waverly House Approved for Disposition under the Rental Assistance Demonstration (RAD) Program

89 D.  Approval of Predevelopment Funds for the New Chevy Chase Lake Multifamily Building

98 E.  Approval to Enter into Survey, Sheeting and Shoring & Crane Overswing Agreement with Toll Brothers for Construction on Property Adjacent to Lasko Manor, Subject to Approval of Limited Partners and Lenders

117 F.  Approval of the Final Development Plans and Authorization for the Transfer of Six Public Housing Developments Approved for Disposition under the Rental Assistance Demonstration (RAD) Program from HOC to RAD 6 Development Corporation and the Execution of all Related Documents

G.  Approval of the Financing Plan for the RAD 6 Development and Authorization to Make a Mortgage Loan to RAD 6 Development Corporation for the Acquisition and Rehabilitation of the RAD 6 Development

V.  *FUTURE ACTION ITEMS

A.

VI.  INFORMATION EXCHANGE (continued)
A. Community Forum

VII. NEW BUSINESS

VIII. EXECUTIVE SESSION FINDINGS

5:35 p.m.    RECESS

5:40 p.m. Development Corporation Meeting
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    • RAD 6 Development Corporation – Approval of Bylaws and Election of Officers

5:45 p.m. ADJOURN

NOTES:
1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. Times are approximate and may vary depending on length of discussion.
4. *These items are listed “For Future Action” to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.
The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, June 4, 2014 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:00 p.m. Those in attendance were:

**Present**
- Roberto Piñero, Chair
- Jean Banks, Chair Pro Tem
- Rick Edson
- Mynor Herrera
- Pamela Lindstrom
- Jackie Simon

**Absent**
- Sally Roman, Vice Chair

**Also Attending**
- Stacy Spann, Executive Director
- Fred Swan
- Gail Willison
- Jennifer Arrington
- Gina Smith
- Diane Morrison
- Gio Kavaladze
- Christopher Donald
- Susan Smith
- Sheryl Hammond
- Bobbie DaCosta
- Patrick Mattingly
- Wilson Choi
- Charnita Robinson
- Belle Seyoum
- Bill Anderson
- Paulette Dudley
- Richard Hanks
- Eugene Spencer
- Dean Tyree

**Commission Support**
- Kelly McLaughlin, Deputy Gen. Counsel
- Regina Mitchell
- Maria Montero
- Rita Harris
- Terri Fowler
- Scott Ewart
- Saundra Boujai
- Ken Tecler
- Jay Shepherd
- Kayrine Brown
- Lola Knight
- Marsha Smith
- Tonya Clark
- Angela McIntosh
- Lynn Hayes
- Elsie Weinstein
- Patrice Birdsong, Spec. Asst. to Com.
The Consent Calendar was adopted upon a motion by Chair Pro Tem Banks and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Piñero, Banks, Herrera, Lindstrom, and Simon. For the record, Commissioner Edson abstained on voting of items C and D. Commissioner Roman was necessarily absent and did not participate in the vote.

I. **CONSENT ITEMS**

A. **Approval of Minutes**
   - **Approval of Minutes of Regular Meeting of May 7, 2014** – The minutes were approved as submitted.

B. **Approval of New Participating Lenders for the Single Family Mortgage Purchase Program** – The following resolution was approved.

   **RESOLUTION: 14-33a**  
   **RE:** Approval of New Participating Lenders for the Single Family Mortgage Purchase Program

   **WHEREAS**, the Housing Opportunities Commission of Montgomery County 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**, Corridor Mortgage Group and K. Hovnanian American Mortgage, LLC have applied for participation in the Mortgage Purchase Program; and

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

   **WHEREAS**, while K. Hovnanian American Mortgage, LLC, satisfies all the required criteria for admittance to the Mortgage Purchase Program, except for lack of a Washington, DC area office, it proposes to accept applications for all qualifying loans at any location from which its affiliate will offer MPDUs to eligible participants.

   **NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Corridor Mortgage Group are approved for participation in the Mortgage Purchase Program, effective immediately.
BE IT FURTHER RESOLVED that, K. Hovnanian American Mortgage, LLC is approved for participation in the Mortgage Purchase Program, effective immediately provided that it accepts, while participating in the Program, applications for all qualifying loans at any location from which its affiliate will offer MPDUs to eligible participants.

C. Ratification of Action Taken in Executive Session on May 28, 2014: Approval to Accept $90 Million Real Estate Line of Credit (RELOC) from PNC Bank, N.A. – The following resolution was approved.

RESOLUTION: 14-33R

RE: Ratification of Action Taken in Executive Session on May 28, 2014 of Approval to Accept $90 Million Real Estate Line of Credit (RELOC) from PNC Bank, N.A.

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

WHEREAS, at an Executive Session duly called and held on May 28, 2014, with a quorum being present, HOC duly adopted Resolution 14-33 titled “Approval to Accept $90 Million Real Estate Line of Credit (RELOC) from PNC Bank, N.A.” (the “RELOC Resolution”); and

WHEREAS, HOC wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting the RELOC Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby ratifies Resolution 14-33.

D. Ratification of Action Taken in Executive Session on May 28, 2014 to Approve Essential Business Terms of the Ground Lease and Land Development Agreement with Lee Development Corporation for the Redevelopment of Elizabeth House and Authorize the Executive Director to Negotiate and Execute the Ground Lease, Land Development Agreement and Related Documents – The following resolution was approved.

RESOLUTION: 14-34-R

RE: Ratification of Action Taken in Executive Session on May 28, 2014 to Approve Essential Business Terms of the Ground Lease and Land Development Agreement
WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC"), 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 acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, on February 18, 2014, HOC entered into a Pre-Development Agreement Project and Preliminary Plan Submittal Phase (the “Agreement”) with LDG, Inc., an affiliate of the Lee Development Group ("LDG"), as authorized by Resolution 14-13, adopted on February 18, 2014 and ratified by Resolution 14-13-R, adopted on March 5, 2014; and

WHEREAS, on April 25, 2014, HOC entered into the First Amendment to Pre-Development Agreement Project and Preliminary Plan Submittal Phase (the “Amendment”) with LDG, as authorized by Resolution 14-25 (the “Amendment Resolution”), adopted on April 24, 2014 and ratified by Resolution 14-25-R, adopted on May 7, 2014; and

WHEREAS, at an Executive Session duly called and held on May 28, 2014, with a quorum being present, HOC duly adopted Resolution 14-34 (the “LDA Resolution”); and

WHEREAS, HOC wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting the LDA Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby ratifies Resolution 14-34.

E. Authorization for the Formation of RAD 6 Development Corporation, or Another HOC-Controlled Development Corporation – The following resolution was approved.

RESOLUTION: 14-35 RE: Authorization for the Formation of RAD
WHEREAS, the Housing Opportunities Commission of Montgomery County (HOC) has received a Commitment for Housing Assistance Payments (CHAP) from the Department of Housing and Urban Development (HUD) under the Rental Assistance Demonstration (RAD) for the public housing complexes known as Ken-Gar Apartments, Towne Centre Place, Parkway Woods, Washington Square, Sandy Spring Meadow and Seneca Ridge (collectively, the “RAD Stabilization Properties”); and

WHEREAS, the CHAPs allow the conversion of the public housing units at the RAD Stabilization Properties to affordable housing units with rental assistance through Section 8 of the Housing Act of 1937, as amended (the “RAD Conversion”); and

WHEREAS, in connection with the RAD Conversion, HOC intends to transfer the RAD Stabilization Properties to a wholly-owned and controlled non-stock development corporation which will rehabilitate and operate the RAD Stabilization Properties.

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

1. Intending to create under the Maryland General Corporation Law a non-stock development corporation to be known as RAD 6 Development Corporation to acquire, rehabilitate and operate the RAD Stabilization Properties, the Commission determines to act as sole member thereof and authorizes and directs execution by the Executive Director and filing with the State of Maryland of articles of incorporation, and any amendment or supplement thereto, for the formation of a non-stock development corporation using the foregoing name or any name substantially similar thereto accepted by the State of Maryland Department of Assessments and Taxation.

2. The Commission authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the formation, governance and business of RAD 6 Development Corporation, including, without limitation, the adoption of its bylaws.

II. INFORMATION EXCHANGE

A. Report of the Executive Director – Mr. Spann went over his written report and gave an updated on current projects.
B. **Calendar and Follow-up Action** – None

C. **Commissioner Exchange**  
  
  • None

D. **Resident Advisory Board** – None

E. **Community Forum**  
  
  • Henry Warfield – addressed the Board regarding his concern of housing assistance. Rita Harris, Special Assistant to the Director of Resident Services, was designated to assist Mr. Warfield.  
  
  • Joan Nickols – addressed the Board regarding her concern of housing assistance for residents with disabilities. Lynn Hayes, Director of Housing Resources Division, was designated to assist Ms. Nickols.

F. **Status Report** – Tanglewood Sligo, LP Construction Completion and Financial Status Update

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

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

1. **Approval to Increase Predevelopment Budget for the Redevelopment of the Ambassador Apartments**

Kayrine Brown, Director of Mortgage Finance/Real Estate Development, and Jennifer Arrington, Senior Multifamily Underwriter were presenters.

The following resolution was adopted upon a motion by Commissioner Lindstrom and seconded by Chair Pro Tem Banks. Affirmative votes were cast by Commissioners Piñero, Banks, Herrera, Lindstrom and Simon. Commissioner Edson opposed. Commissioner Roman was necessarily absent and did not participate in the vote.

**RESOLUTION: 14-36**

**RE:** Approval to Increase Predevelopment Budget for the Redevelopment of the Ambassador Apartments

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

**WHEREAS,** the Property is owned by a tax credit limited partnership whose compliance period has expired called Wheaton-University Boulevard Limited Partnership (WUBLP); and
WHEREAS, in 2005, the Housing Opportunities Commission (HOC) acquired the 1% general partnership interest in WUBLP through HOC Ambassador, Inc., a stock corporation whose stock is wholly owned by HOC; and

WHEREAS, in 2007, the owner of the commercial/retail component of the Condominium donated a portion of its interest, a single-story commercial building (4,900 square feet) on the first floor, to HOC; and

WHEREAS, in June 2010, the Commission approved a feasibility/predevelopment budget of up to $75,000 to consider options for redevelopment; and

WHEREAS, in July 2010, M&T Bank, the 99% limited partner in WUBLP, donated its interest in WUBLP to the Commission; and

WHEREAS, on April 27, 2012, a Request for Qualifications (RFQ) followed by a Request for Proposals (RFP) was issued for a developer to provide a redevelopment plan of the Property; and

WHEREAS, on November 7, 2012, the Commission approved entering into a non-binding Memorandum of Understanding with the commercial condominium and adjacent parcel owner, Willco Companies, to jointly collaborate in the redevelopment of the Property, Willco’s retail portion of the condominium and the contiguous parcel, and to redevelop the properties in a coordinated fashion; and

WHEREAS, on June 5, 2013, the Commission approved the selection of Pennrose Properties, LLC as the developer for the Property, and approved the commencement of negotiations toward a Development Agreement; and

WHEREAS, on January 9, 2014, due to extreme weather conditions, which caused pipes to freeze, the Property was exposed to water loss due to a county water main break causing fire sprinkler and central boiler systems failures; and

WHEREAS, as a consequence to the building’s water being shut-off, the County temporarily condemned the building, causing residents to be relocated for a 24-hour period; and

WHEREAS, given the condition of the Property and the long-term nature of the redevelopment plan, the relocation of residents is appropriate and a Relocation Plan should be developed; and

WHEREAS, Pennrose also has residential property management expertise including knowledge of the methods for relocation of residents and closure of a building; and

WHEREAS, additional predevelopment funds are necessary to conclude feasibility activities relating to legal, land planning, and the Relocation Plan.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:
1. The Property’s predevelopment loan from the Opportunity Housing Reserve Fund (“OHRF”) shall be increased from $75,000 to $170,000 and said loan shall be subject to the terms and conditions of the original loan.

2. The Executive Director is authorized to execute the appropriate documents to request funding from the OHRF.

3. Activities which do not result in third party costs (except for attorney fees related to relocation planning) or actual relocation of residents that may be necessary to potentially implement a Relocation Plan may be undertaken, such as, but not limited to, operational and budget modifications, preliminary resident meetings and destination housing identification.

4. No announcement of relocation of residents or actual relocation will be undertaken prior to approval of the full Relocation Plan including costs and implementation processes.

5. It presently intends and reasonably expects to finance predevelopment expenditures for the Property, currently contained in the OHRF, and as described and set forth in the Commission’s approval to increase the predevelopment budget, as part of the redevelopment.

6. All of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings were made not earlier than 60 days prior to the date of this Resolution except preliminary expenditures related to the Property as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect’s fees and legal/organizational fees).

7. The Commission presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds will be applied to reimburse the Commission for its expenditures in connection with the Property.

8. All prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Projects, shall be and the same hereby are in all respects ratified, approved and confirmed.

9. All other resolutions of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

2. Approval of Feasibility and Public Purpose and Adoption of a Bond Authorizing Resolution for the Churchill Phase II Transaction – This item was removed from agenda.

3. Approval to Enter into a Lease Agreement with an Option to Purchase 617 Olney Sandy Spring, Adjacent to HOC’s Sandy Spring Apartments

Kayrine Brown, Director of Mortgage Finance/Real Estate Development and Jay Shepherd, Senior Financial Analyst were presenters.
The following resolution was adopted upon a motion by Commissioner Lindstrom and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

**RESOLUTION: 14-37**

**RE:** Approval to Enter Into a Lease Agreement with an option to Purchase 617 Olney Sandy Spring, Adjacent to HOC’s Sandy Spring Meadow Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, HOC, from time to time, acquires land in pursuit of new housing development; and

WHEREAS, Jaime E. Vasquez et al (“Seller”) has offered for fee-simple sale the 20,908-square foot site improved with the 1,566 square foot single-family house it owns at 617 Olney Sandy Spring Road, Sandy Spring, MD (the “Property”); and

WHEREAS, HOC wishes to enter into a lease with an option to purchase contract for the acquisition of the Property (“Contract”); and

WHEREAS, the Seller and HOC have verbally agreed upon a six-month rental period for $2,300 per month and a purchase price of $490,000, subject to an appraisal, to be paid at closing per the terms of the Contract; and

WHEREAS, the Property is adjacent to the Sandy Spring Meadow development and control of the Property can provide opportunities for HOC to expand and enhance that development; and

WHEREAS, the monthly rent and expenses, not to exceed $25,000, can be funded from the Opportunity Housing Reserve Fund from monies yielded by the sale of certain scattered site units and reserved for investment in multifamily development opportunities.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County:
1. Authorizes the Executive Director to execute the Contract upon being put into final form acceptable to the Executive Director and as advised by counsel, and
2. Authorizes $25,000 to be used to cover monthly expenses related to the leasing of the 617 Olney Sandy Spring site and further defined within the Contract upon execution of the Contract by the Executive Director.

B. Budget, Finance and Audit Committee – Com. Roman, Chair

1. Approval to Extend the Banking Services Contract and Line of Credit Agreement ($60 million) with PNC Bank, N.A.

Gail Willison, Chief Financial Officer and Belle Seyoum, Controller were presenters.

The following resolution was adopted upon a motion by Commissioner Edson and seconded by Chair Pro Tem Banks. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

RESOLUTION: 14-38

WHEREAS, HOC’s initial four year Banking Services Contract with PNC Bank, N.A. (PNC) expires on June 5, 2014; and

WHEREAS, PNC Bank has agreed to extend the Banking Services Contract for a period of two years, through June 30, 2016, at the current pricing level; and

WHEREAS, HOC currently maintains a Line of Credit Agreement with PNC with an authorized amount of $60 million and borrows at the taxable rate of one month, three month, six month or twelve month LIBOR plus 90 basis points; and

WHEREAS, PNC has agreed to maintain the current authorized amount of $60 million as well as the current pricing of LIBOR plus 90 basis points for taxable borrowings for an additional two years, through June 30, 2016; and

WHEREAS, PNC has provided a new tax-exempt rate based upon a percentage of LIBOR rather than a percentage of the Prime Rate that would be 68.5% of LIBOR plus 59 basis points for an additional two years, through June 30, 2016.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to extend the Banking Services
Contract and Line of Credit Agreement with PNC Bank, N.A. at the pricing levels stated in this resolution for a period of two years, through June 30, 2016.

2. **Approval to Extend the Use of the PNC Bank, N.A. Line of Credit to Finance Montgomery Homes Limited Partnership (MHLP) VII and Paddington Square Development Corporation Mortgage Loan**

Gail Willison, Chief Financial Officer and Belle Seyoum, Controller were presenters.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Commissioner Edson. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

**RESOLUTION: 14-39**

**RE: Approval to Extend the Use of the PNC N.A. Bank Line of Credit to Finance Montgomery Homes Limited Partnership (MHLP) VII and Paddington Square Development Corporation Mortgage Loans**

**WHEREAS,** MHLP VII and Paddington Square Development Corporation mortgage loans are currently financed through the PNC Bank Line of Credit which will shortly expire; and

**WHEREAS,** it is proposed to extend the use of the PNC Bank Line of Credit to finance MHLP VII and Paddington Square Development Corporation mortgage loans for a period not to exceed one year at the monthly LIBOR rate plus 90 basis points; and

**WHEREAS,** the Commission currently intends and reasonably expects to participate in a tax-exempt borrowing to finance the acquisition/rehabilitation/placing in service of residential/dwelling units for MHLP VII and Paddington Square Development Corporation in an amount not to exceed $60,000,000, all or a portion of which may reimburse the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, within 18 months of the date of such capital expenditures or the placing in service of dwelling units, whichever is later (but in no event more than three years after the date of the original expenditure of such moneys); and

**WHEREAS,** the Commission desires to declare its official intent to reimburse the Commission for capital expenditures with the proceeds of future tax-exempt borrowing.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that:
1. The Executive Director is authorized to execute all documents and agreements necessary to continue in effect the use of the current Line of Credit with PNC Bank in an amount not to exceed $6,943,209 for interim financing for MHLP VII and Paddington Square Development Corporation ("the Project") for a term not to exceed one year with an annual interest rate of one month LIBOR plus 90 days basis points. (The current LIBOR interest rate is subject to change and may be higher when the loans are actually financed.) In addition, MHLP VII will be charged by the Commission an interest rate of 6.0% for use of the Line of Credit for the same period to be paid to the General Fund, and Paddington Square Development Corporation will continue to reimburse the General Fund the annual interest of one month LIBOR plus 90 basis points being charged by PNC Bank.

2. The Commission presently intends and reasonably expects to participate in a tax exempt borrowing in an amount not to exceed $60,000,000 within 18 months of the date of the expenditure of moneys for the acquisition/rehabilitation/placing in service of residential/dwelling units or the date upon which the Project is placed in service or abandoned, whichever is later (but in no event more than three years after the date of the original expenditure of such moneys), and to allocate all or a portion of the proceeds thereof to reimburse the Commission for its expenditures in connection with the Projects.

3. The Commission hereby desires to declare its official intent, pursuant to 26 C.F.R. §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission’s future tax-exempt borrowing.

3. **Acceptance of Third Quarter FY’14 Budget to Actual Statements**

Gail Willison, Chief Financial Officer, Terri Fowler, Budget Officer and Maria Montero, Assistant Budget Officer were presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Banks and seconded by Commissioner Lindstrom. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

**Resolution: 14-40**

**Re: Acceptance of Third Quarter FY’14 Budget to Actual Statements**
WHEREAS, the budget policy for the Housing Opportunities Commission of Montgomery County states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the Third Quarter FY’14 Budget to Actual Statements during its June 4, 2014 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Third Quarter FY’14 Budget to Actual Statements.

4. Approval of FY’14 Third Quarter Budget Amendment

Gail Willison, Chief Financial Officer, Terri Fowler, Budget Officer and Maria Montero, Assistant Budget Officer were presenters.

The following resolutions were adopted upon a motion by Commissioner Lindstrom and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

Resolution: 14-41

Re: Approval of FY’14 Third Quarter Budget Amendment

WHEREAS, the Housing Opportunities Commission adopted a budget for FY’14 on June 5, 2013; and

WHEREAS, the Commission’s Budget Policy allows for amendments to the budget; and

WHEREAS, the Commission has reviewed several proposed budget amendments to the FY’14 Budget; and

WHEREAS, the net effect of the FY’14 Third Quarter Budget Amendment maintains a balanced budget.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY’14 Operating Budget by increasing total revenues and expenses for the Agency from $230.6 million to $232.8 million.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY’14 Capital Budget by increasing revenues and expenses for the Agency from $41.04 million to $41.05 million.
Resolution: 14-42

Re: Approval of FY’14 Amendment to
Approve Bond Draw Downs

WHEREAS, the Housing Opportunities Commission adopted a budget for FY’14 on June 5, 2013; and

WHEREAS, the Commission approved the following draw down of bond funds to support the administrative costs for the multifamily bond program:

$1,394,030 from the Multifamily Bond Fund (1984 and 1982 Open Indentures); and

WHEREAS, the Commission has reviewed a proposed amendment to the source of the draw down.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves the drawdown of bond funds for the Operating Budget as follows:

$1,394,030 from the 1996 Multifamily Housing Development Bonds.

5. Acceptance of CY’13 Tax Credit Audits

Gail Willison, Chief Financial Officer and Belle Seyoum, Controller were presenters.

The following resolutions was adopted upon a motion by Commissioner Simon and seconded by Chair Pro Tem Banks. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

RESOLUTION: 14-43

RE: Acceptance of CY’13 Tax Credit Audits

WHEREAS, the Housing Opportunities Commission of Montgomery County has completed the CY’13 Tax Credit Audits for 15 tax credit partnership properties; and

WHEREAS, a standard unqualified audit opinion was received for all 14 of the CY’13 Tax Credit Partnership Property Audits from the respective independent certified public accounting firms performing the audits; and

WHEREAS, the Tanglewood and Sligo LP Tax Credit Partnership Audit has not been finalized; however, staff is currently reviewing a draft copy and there are no findings and this is not expected to change.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of
Montgomery County that the Commission accepts the audits.

6. **Authorization to Write Off Bad Debt Related to Tenant Accounts Receivable**

Gail Willison, Chief Financial Officer and Belle Seyoum, Controller were presenters.

The following resolutions was adopted upon a motion by Commissioner Edson and seconded by Chair Pro Tem Banks. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

**RESOLUTION: 14-45**

WHEREAS, HOC’s current policy is to provide for an allowance for any tenant accounts receivable balance in excess of 90 days; and

WHEREAS, HOC periodically proposes the write-off of uncollected former resident balances which updates the financial records to accurately reflect the receivables and the potential for collection; and

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period April 1, 2013 through March 31, 2014 is $88,004 from Public Housing, $59,285 from Opportunity Housing, $28,945 from Tax Credit properties, $2,967 from 236 properties and $2,768 from Supportive Housing, totaling $181,969.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that authorization is granted to the Executive Director to write-off bad debt totaling $181,969 related to tenant accounts receivable.

7. **Adoption of FY15-16 Budget**

Gail Willison, Chief Financial Officer and Terri Fowler were presenters.

The following resolutions was adopted upon a motion by Commissioner Edson and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

**RESOLUTION: 14-46**

RE: Adoption of the FY’15-16 Budgets, Bond Draw Downs and Transfers
WHEREAS, the Commission needs to adopt a budget based on the current chart of accounts in use before July 1, 2014; and

WHEREAS, the Commission needs to approve the transfer of equity between Agency funds.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby adopts a total Operating Budget for FY’15-16 of $246.9 million and $247.8 million, respectively by fund as attached.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County approves the draw down of bond funds for the Operating Budget as follows:

**FY 2015**

- $1,387,463 from the 1996 Multifamily Housing Development Bond (MHDB) Indenture
- $1,497,781 from the 1979 Single Family Mortgage Revenue Bond (MRB) Indenture

**FY 2016**

- $1,461,628 from the 1996 Multifamily Housing Development Bond (MHDB) Indenture
- $1,572,968 from the 1979 Single Family Mortgage Revenue Bond (MRB) Indenture

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County approves the following transfers between funds in order to balance the Operating Budget:

Up to $1,505,255 for FY’15 and up to $843,377 for FY’16 from the cash flow from the Opportunity Housing properties in the Opportunity Housing Fund to the General Fund.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County hereby adopts a Capital Budget for FY’15-16 of $93.1 million and $21.9 million, respectively as attached.

_A copy of the FY’15 Budget is available in the Commission Support Office_

The following resolutions was adopted upon a motion by Chair Pro Tem Banks and seconded by Commissioner Lindstrom. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

**RESOLUTION: 14-47**

**RE: Adoption of FY’15 Compensation Package for the Non-Represented Staff**
WHEREAS, the Commission wishes to determine and award a compensation package for non-represented employees that is fair, equitable, and consistent with that of represented employees.

NOW, THEREFORE, BE IT RESOLVED, by the Housing Opportunities Commission that it hereby authorizes the following employee compensation package for the non-represented staff for FY’15:

- 3% General Wage Adjustment effective the first full pay period after July 1, 2014.
- 2.75% Salary Increment, not to exceed top of grade, effective the first pay date in September 2014 provided that the employee’s FY’14 annual performance evaluation rating is at least “Fully Successful”.
- An employee who has reached the maximum of the pay grade and rated at least “Fully Successful” on their FY’14 annual performance evaluation shall receive one-half percent (0.5%) lump sum payment on the first pay date in September 2014.
- Mileage reimbursement as follows:
  - 1-1,000 IRS Standard Rate (currently $0.56 per mile)
  - 1,001-7,500 $0.70 per mile
  - 7,500 and above $0.80 per mile
    (Note: if IRS reimbursement rate changes during the year, then the Tier 1 (1-1,000) of the above reimbursement schedule of $0.56 per mile will be adjusted accordingly.)
- Employees who use their personal vehicles for HOC business in excess of 7,500 during the fiscal year may be reimbursed up to $1,900 annually for regularly scheduled maintenance, including tires, as well as automobile insurance coverage. Verification must be submitted in the form of a receipt in order to obtain reimbursement.
- Meal Allowance of $15.00 per meal.
- Tuition Assistance up to $1,730 not to exceed the total available Agency Budget of $22,000.
- Multi-lingual Pay
  - $1.15 per hour for certification of basic skills
  - $1.35 per hour for certification of advanced skills
- If an employee is killed in the line of duty, the Commission will reimburse up to Five Thousand ($5,000) of funeral expense.

The following resolutions was adopted upon a motion by Commissioner Edson and seconded by Chair Pro Tem Banks. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

RESOLUTION: 14-48  RE: Adoption of FY’15 General Salary Schedules
WHEREAS, the Housing Opportunities Commission of Montgomery County approves an annual General Salary Schedule for non-represented and represented staff and the Executive Leadership Service.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby adopts the attached General Salary Schedules.

A copy of the General Salary Schedules is available in the Commission Support Office

The following resolutions was adopted upon a motion by Commissioner Edson and seconded by Chair Pro Tem Banks. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

RESOLUTION 14-49

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY (THE "COMMISSION") DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A FUTURE TAX-EXEMPT BORROWING FOR CERTAIN CAPITAL EXPENDITURES TO BE UNDERTAKEN BY THE COMMISSION; IDENTIFYING SAID CAPITAL EXPENDITURES AND THE FUNDS TO BE USED FOR SUCH PAYMENT; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

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

WHEREAS, the Commission has determined that it is in the best interest of the Commission to make certain capital expenditures on the projects named in this Resolution; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures in an amount not to exceed $81,000,000, all or a portion of which may reimburse the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission’s expenditures within 18 months of the later of the date of such capital expenditures or the date that each of the Projects (as hereinafter defined) is placed in service (but in no event more than 3 years after the date of the original expenditure of such moneys); and
WHEREAS, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission’s future tax-exempt borrowing for such projects named in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION THAT:

Section 1. Declaration of Official Intent. The Commission presently intends and reasonably expects to finance certain Commission facilities and property improvements to the properties as described in the Commission’s FY 15 Capital Budget attached, including Alexander House, Ambassador, Arcola Towers, The Barclay, Brookside Glen, Chelsea Towers, Chevy Chase Lake, Dale Drive, Diamond Square, Fairfax Court, Glenmont Crossing, Glenmont Westerly, Greenhills, Holiday Park, Jubilee Hermitage, Jubilee Woodedge, Jubilee Falling Creek, Magruder’s Discovery, McHome, McKendree, MetroPointe, The Metropolitan, Montgomery Arms, MHLP VII, MHLP VIII, MPDU 2007 Phase II, MPDU I, TPM (Timberlawn, Pomander Court, and MPDU II), The Oaks at Four Corners, Paddington Square, Paint Branch, Pooks Hill High-Rise, Pooks Hill Mid-Rise, RAD 6 Properties (Ken Gar, Parkway Wood, Sandy Spring Meadow, Seneca Ridge, Towne Centre Place, and Washington Square), Scattered Site One, Scattered Site II, VPC One and VPC Two (669 Scattered Site Properties), MPDU III, Southbridge, State Rental Combined, Strathmore Court, Tanglewood & Sligo, Waverly House, and Westwood Tower and capital improvements to the Commission’s administrative offices and information technology (collectively, the “Projects”) with moneys currently contained in its Operating Reserve Account, Replacement Reserve Account and Operating Housing Property Reserve Account for these Projects and from its operating cash.

Section 2. Dates of Capital Expenditures. All of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings were made not earlier than 60 days prior to the date of this Resolution except preliminary expenditures related to the Projects as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect’s fees, engineering fees, costs of soil testing and surveying).

Section 3. Issuance of Bonds or Notes. The Commission presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed $81,000,000 will be applied to reimburse the Commission for its expenditures in connection with the Projects.

Section 4. Confirmation of Prior Acts. All prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Projects, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. Repeal of Inconsistent Resolutions. All other resolutions of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 6. Effective Date of Resolution. This Resolution shall take effect immediately upon its passage.
IV. ITEMS REQUIRING DELIBERATION AND/OR ACTION

A. Approval to Renew Allocation of $10 Million From the Line of Credit with PNC Bank, N.A. for Use by the Single Family Mortgage Purchase Program (MPP)

Kayrine Brown, Director of Mortgage Finance/Real Estate Development gave a brief presentation.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Chair Pro Tem Banks. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

RESOLUTION: 14-50 Re: Approval to Renew Allocation of $10 Million from the Line of Credit with PNC Bank, N.A. for use by the Single Family Mortgage Purchase Program (MPP)

WHEREAS, the Housing Opportunities Commission (HOC) has operated the Mortgage Purchase Program (MPP) since 1979, issuing approximately $1.3 billion of taxable and tax exempt mortgage revenue bonds to purchase and own more than 11,000 single family whole mortgage loans for its own portfolio; and

WHEREAS, the financial market crisis since 2008 has created significant challenges to local and state municipal issuers, but HOC desires to continue to deliver low cost mortgage products to the citizens of Montgomery County; therefore, on May 2, 2012, the Commission approved adding Mortgage Backed Securities option to the MPP and authorized the allocation of $10 million from the line of credit with PNC Bank, N.A. for use by the MPP; and

WHEREAS, the term of the facility expires on June 29, 2014, reflecting the current term of the line of credit with PNC Bank, N.A.; and

WHEREAS, the Commission at its meeting on June 4, 2014 voted to renew the term of the line of credit for an additional two years through June 30, 2016; and

WHEREAS, the availability of the $10 million carve out on the line of credit for use by the MPP allows the program the flexibility needed to create new mortgage for first time home buyers in Montgomery County at low interest rates that may not otherwise be available to them in the current market which makes the issuance of tax-exempt mortgage revenue bonds inefficient.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission approves the continued allocation of $10 million from the PNC Bank, N.A. line of credit for use by the Single Family Mortgage Purchase MBS Program until the facility expires on June 30, 2016.

B. Approval of Management Contract for The Metropolitan and Strathmore Apartments

Regina Mitchell, Director of Property Management and Bobbie DaCosta, Program Oversight Manager gave a brief presentation.

The following resolution was adopted upon a motion by Chair Pro Tem Banks and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Piñero, Banks, Edson, Herrera, Lindstrom and Simon. Commissioner Roman was necessarily absent and did not participate in the vote.

RESOLUTION: 14-51

WHEREAS, the Housing Opportunities Commission issued a Request for Proposals (RFP) for management of The Metropolitan Apartments and Strathmore Court Apartments; and

WHEREAS, based on the criteria included in the RFP and pricing from four responding companies, a panel of HOC staff from Property Management, Finance, Compliance and Real Estate scored the results and determined that Bozzuto Management is the most qualified to manage The Metropolitan Apartments and Strathmore Court Apartments.

WHEREAS, the Housing Opportunities Commission, as the Asset Manager for The Metropolitan Apartments and Strathmore Court Apartments, is authorized to select a property manager and execute a management contract.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission that the Executive Director, as General Partner of the Metropolitan of Bethesda Limited Partnership and the Strathmore Court Associates Limited Partnership, and as Asset Manager of the Metropolitan Development Corporation, is hereby authorized to execute a contract for the term of three (3) years with Bozzuto Management for property management services at The Metropolitan Apartments and Strathmore Court Apartments.

V. FUTURE ACTION ITEMS
   A. None

VI. INFORMATION EXCHANGE (CONT'D)
   None
VII. **NEW BUSINESS**
None

VIII. **Executive Session Findings**
None

Meeting recessed at 6:17 p.m. for Development Corporation and Limited Partnership Annual meetings.

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 6:25 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb
RATIFICATION OF ACTION TAKEN IN EXECUTIVE SESSION
ON JUNE 13, 2014 TO APPROVE ENTRY INTO DIRECT NEGOTIATIONS
FOR THE DEVELOPMENT AND FINANCING OF THE CHEVY CHASE LAKE
MULTIFAMILY SITE

AUGUST 6, 2014

• On June 13, 2014, at an Executive Session, the Commission
  adopted Resolution 14-52 (the “CCL MF Resolution) which
  approved entry into direct negotiations with EYA and Federal
  Capital Partners for the development and financing of the Chevy
  Chase Lake Multifamily Site.

• The Commission wishes to ratify and affirm, in an open meeting,
  the action undertaken at the June 13, 2014 Executive Session.
RESOLUTION: 14-52-R

RE: Ratification of Action Taken in Executive Session on June 13, 2014 to Approve Entry into Direct Negotiations for the Development and Financing of the Chevy Chase Lake Multifamily Site

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

WHEREAS, Chevy Chase Lake Development Corporation (the “Corporation”), an entity wholly controlled by the Housing Opportunities Commission, is the owner of a 68-unit development in Chevy Chase known as Chevy Chase Lake Apartments (the “CCL Site”); and

WHEREAS, on July 30, 2013, the Montgomery County Council approved the redevelopment plan for the CCL Site based on a proposed joint development for mixed-use housing providing between 30-40 affordable rental units and 30-40 workforce units in a 150-200 mixed income mid-rise building on land to be retained by the Corporation (the “Multifamily Site”) in addition to 55-70 for-sale townhomes of which 15% are slated to be MPDUs on the townhouse portion (the “Townhouse Site”); and

WHEREAS, on January 23, 2014, the Commission and the Corporation approved entering into a purchase and sale agreement with Eakin Youngentob and Associates (“EYA”) to purchase the Townhouse Site consisting of approximately 142,278 square feet to be redeveloped into the townhouse portion of the plan with the remainder to be owned by the Corporation or another Commission-controlled entity for use as the Multifamily site as well as the public proffers of a park and access road; and

WHEREAS, at an Executive Session duly called and held on June 13, 2014, with a quorum being present, HOC duly adopted Resolution 14-52 (the “CCL MF Resolution”), which Resolution approved entry into direct negotiations with EYA and Federal Capital Partners for the development and financing of the Chevy Chase Lake Multifamily Site; and

WHEREAS, HOC wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting the CCL MF Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby ratifies Resolution 14-52.
I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on August 6, 2014.

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Patrice M. Birdsong
Special Assistant to the Commission
APPROVAL OF NEW PARTICIPATING LENDER
FOR THE SINGLE FAMILY
MORTGAGE PURCHASE PROGRAM

August 6, 2014

• The Commission has approved continuous lender participation in the Mortgage Purchase Program (MPP) and continuous lender solicitation for new lender participation. Currently, 33 lenders are approved for participation in the MPP.

• Continuous lender participation permits lenders to register only once for participation in the Mortgage Purchase Program and remain a participant without the issuance of bonds or from bond issue to bond issue.

• With the entry of the MPP into the Mortgage Backed Securities (MBS) market, all lenders are required to be approved by U.S. Bank, N.A. (U.S. Bank) which has been approved by the Commission as Master Servicer for the MBS Program.

• Twenty-seven of the previously approved MPP lenders have also been approved by U.S. Bank; and, Eagle Bank previously pending approval, has cleared the U.S. Bank approval process bringing the approved MBS lenders to twenty-eight.

• The approved MPP lenders are the only lenders who have access to the Revolving County Closing Cost Assistance Program; they also prequalify MPDU applicants.

• Academy Mortgage Corporation has applied for participation in the MPP.

• Staff recommends approval of Academy Mortgage Corporation as a MPP participating lender, bringing the total of approved MPP lenders to 34.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Kayrine Brown, Director Division: Mortgage Finance Ext. 9589

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

DATE: August 6, 2014

STATUS: Consent ___ X ___ Deliberation ___ Status Report ___ Future Action ______

OVERALL GOAL & OBJECTIVE:
To provide mortgage financing to low-to-moderate income first time homebuyers in Montgomery County at below market rates.

BACKGROUND:
The Commission has approved the continuous participation of lenders from program to program and an ongoing admission of new lenders to the Mortgage Purchase Program (MPP). As lenders apply for participation in the MPP, the requests are submitted to the Commission for approval. Increasing lender participation broadens the exposure to the Commission’s mortgage product as well as to the Revolving County Closing Cost Assistance Program because the closing cost assistance loan must be used in conjunction with a MPP first mortgage.

The criteria for participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name and 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank, N.A. (U.S. Bank), HOC’s master servicer for the Mortgage Backed Securities (MBS) program. Academy Mortgage Corporation has submitted a request to participate in the MPP.

The Commission has approved 33 lenders to participate in the MPP. Of that group, 27 have been approved by U.S. Bank; and, Eagle Bank previously pending approval, has cleared the U.S. Bank approval process bringing the approved MBS/MPP lenders to twenty-eight.

With the approval of Academy Mortgage Corporation, the total number of lenders to participate in the MBS/MPP will increase to 29.
Approved lenders receive training from HOC staff and U.S. Bank before they are allowed to begin originating and closing loans in the MPP. Under the MBS program, HOC underwrites for program compliance and the lenders underwrite for credit worthiness.

Lender approval will apply to both the 1979 Single Family Bond Resolution and the 2009 Single Family Bond Resolution.

**Academy Mortgage Corporation**

Academy Mortgage Corporation established in May 1988 and headquartered in Sandy, Utah, is a leading independent mortgage lender serving borrowers in the United States. Its core purpose is to help individuals and families achieve successful homeownership through responsible lending.

Unlike banks and mortgage lenders that consolidate operations and service offsite, Academy has the distinct advantage of being a direct lender, which means all loan processing, underwriting, closings, and funding are handled at their local branch offices. Their branch offices have the tools and resources in-house to expedite these processes, resulting in ability to close loans as quickly and efficiently as possible.

Academy Mortgage participates in many states’ HFA programs to include VHDA, CDA and Washington DC. They have area branches in Easton, Glen Burnie, Rockville and Timonium, Maryland. Their participation in state housing agency loan programs provide affordable housing opportunities for low- and moderate-income households, underserved minority populations, people with disabilities, and the elderly.

Academy Mortgage is willing to market their lending programs in conjunction with the HOC Mortgage Purchase Program. They employ a number of loan officers, processors and other employees who are fluent in languages other than English.

Academy Mortgage Corporation is a FHA, Fannie and Freddie Mac approved lender. They are also directly endorsed by the Federal Housing Administration, the Department of Veterans Affairs, the United States Department of Agriculture Office of Rural Development, and other community lending programs in multiple states.

Academy Mortgage is already an approved lender with U.S. Bank’s Mortgage Revenue Bond Program (MRBP) division.

**Servicing**

Under the HOC MBS Program, lenders will release servicing and receive a loan origination fee of between 2% and 0% based on the time lapse between loan origination and purchase. Lenders receive a higher origination fee the earlier the loan is purchased. Servicing is handled through U.S. Bank which the Commission has approved as the Master Servicer.
ISSUES FOR CONSIDERATION:
Does the Commission wish to approve Academy Mortgage Corporation for participation in the Mortgage Purchase Program?

PRINCIPALS:
Academy Mortgage Corporation
Housing Opportunities Commission

BUDGET IMPACT:
None.

TIME FRAME:
Action at the August 6, 2014 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
Staff recommends approval of Academy Mortgage Corporation for participation in the Mortgage Purchase Program.
RESOLUTION: RE: Approval of New Participating Lender for the Single Family Mortgage Purchase Program

WHEREAS, the Housing Opportunities Commission of Montgomery County 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, Academy Mortgage Corporation has applied for participation in the Mortgage Purchase Program; and

WHEREAS, Academy Mortgage Corporation 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 Academy Mortgage Corporation is approved for participation in the Mortgage Purchase Program, effective immediately.

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Patrice M. Birdsong
Special Assistant to the Commission
## Approved HOC/U.S. Bank Lenders

| 1. | APEX HOME LOANS, INC. |
| 2. | BAY CAPITAL MORTGAGE CORP. |
| 3. | C & F MORTGAGE CORPORATION |
| 4. | CALIBER FUNDING LLC |
| 5. | CORRIDOR MORTGAGE GROUP |
| 6. | EAGLE BANK |
| 7. | EMBRACE HOME LOANS |
| 8. | FIRST HOME MORTGAGE |
| 9. | HOMEBRIDGE FINANCIAL SERVICES, INC. *(Formerly Real Estate Mortgage Network)* |
| 10. | HOMESTEAD FUNDING CORP. |
| 11. | INTEGRITY HOME MORTGAGE CORPORATION |
| 12. | K. HOVNANIAN AMERICAN MORTGAGE, LLC |
| 13. | MORTGAGE MASTER, INC. |
| 14. | MONARCH MORTGAGE |
| 15. | NVR MORTGAGE |
| 16. | MOVEMENT MORTGAGE, LLC |
| 17. | PEOPLES HOME MORTGAGE, a division of Peoples Bank |
| 18. | PRESIDENTIAL BANK, FSB |
| 19. | PRIMELENDING |
| 20. | PROSPECT MORTGAGE |
| 21. | PROSPERITY MORTGAGE |
| 22. | SANDY SPRING BANK |
| 23. | STEARNS LENDING, INC. |
| 24. | THE WASHINGTON SAVINGS BANK |
| 25. | UNION MORTGAGE |
| 26. | UNIVERSAL AMERICAN MORTGAGE CO. |
| 27. | WEICHERT FINANCIAL SERVICES |
| 28. | WELLS FARGO HOME MORTGAGE |
APPROVAL OF 2014 TONY DAVIS MEMORIAL SCHOLARSHIP AWARD WINNERS

August 6, 2014

- The Selection Committee for the Tony Davis Memorial Scholarship Awards met on June 30, 2014 to consider qualified applicants for the Tony Davis Scholarship. All candidates are residents in an HOC Housing program.

- From a pool of 11 qualified applicants, the Committee is recommending one candidate to receive a $5,000 scholarship award and three candidates to receive $2,000 scholarship awards.

- All recommended award candidates have demonstrated high academic achievements, significant contributions to their schools and the community, have received outstanding references and been accepted to four-year colleges.

- Commission approval is requested to award $5,000 to Ji Yeon Hwang and to award $2,000 each to Wouhib Tamrat, Prince Kpetemy, and Jessica Quinones.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Fred Swan Division: Resident Services Ext. 9732

RE: Approval of 2014 Tony Davis Memorial Scholarship Award Winners

DATE: August 6, 2014

STATUS: Consent X Deliberation ____ Status Report ____Future Action____

OVERALL OBJECTIVE:
To approve one $5,000 Tony Davis Memorial Scholarship award winner and to recognize the significant achievements of three finalists with $2,000 awards. All nominees for scholarship funds are deserving high school seniors and are residing in HOC subsidized housing units.

BACKGROUND:
HOC established the Tony Davis Scholarship Award to honor the memory of Tony Davis, a dedicated HOC employee who was tragically killed in 2000. Mr. Davis was well-known and recognized for his extensive volunteer work in the Seneca Ridge community (formerly Middlebrook Square) as a coach and counselor to many children. The scholarships provide high school seniors who demonstrate excellent academic achievement, active participation in extra-curricular activities, and an exemplary record of school attendance. Candidates are also required to submit a 500 word essay, references, and a letter of acceptance to a college or university.

The Selection Committee met on June 30, 2014 and considered 11 applicants. From this pool, Ji Yeon Hwang was selected to receive the $5,000 scholarship. Prince Kpetemy, Jessica Quinones and Wouhib Tamrat were selected for $2,000 awards.

The $5,000 award payment will be made in two $2,500 installments; half of the award will be provided in 2014 and the other half will be provided in January 2015. Those awarded $2,000 as finalists will receive the full amount at the 2014 awards ceremony.

A summary statement about each of these deserving awardees is attached.

ISSUES:
Does the Commission wish to approve the selection of one $5,000 Tony Davis Scholarship awardee and three $2,000 finalists?
BUDGET IMPACT:
The 2015 Agency budget incorporates $16,000 for the Scholarship Awards Program.

TIME FRAME:
Action at the August 6, 2014 Commission meeting

RECOMMENDATION:
Staff recommends one Tony Davis Scholarship winner (Ji Yeon Hwang) to receive $5,000 (in two $2,500 installments). Three finalists (Prince Kpetemy, Jessica Quinones, and Wouhib Tamrat) are recommended for $2,000 awards.
Ji Yeon Hwang

Ji is a recent graduate of Winston Churchill High School in Potomac, MD. Born and raised in South Korea, Ji’s parents journeyed to the United States when she was 10 years old in search of a better life and better opportunities for their children. Ji quickly learned English to assimilate in this country and she also had to overcome cultural barriers and financial hardship. With the unexpected passing of her father in 2011, Ji decided to dedicate herself to overcoming adversity, helping others and achieving the goals that her father once dreamed for her.

Throughout her high school career, Ji Yeon has shown tremendous commitment to learning as evidenced by her weighted GPA of 4.55 and combined SAT score of 2030. She is currently a member of Mu Alpha Theta, which is the National Math Honors Society, the National Spanish Honors Society, and the National English Honors Society. She is a 2013 Quest Bridge Finalist and received a Superior rating at Maryland State Ensemble Festival in 2013. Ji’s AP Calculus teacher wrote, “Ji’s hardworking nature, her organizational skills and her natural intellect help her to succeed in any endeavor she undertakes, she has the persistence needed to follow her dreams and overcome any difficult problems she may encounter”.

During, Ji’s spare time in which she wasn’t completing homework for one of her 12 AP or Honors classes, she worked to help her family financially and volunteered at the Washington Youth Foundation, at Shady Grove Adventist Hospital and the Bethany Korean School, teaching students about the Korean language and culture. She currently holds down two jobs as a hostess at Sushi Damo restaurant in Rockville and as an Executive Tutor at Aristotle Circle Peer2Peer Tutors.

In 2013, Ji Yeon enrolled into a university level Molecular Genetics class which she completed many advanced laboratories including DNA Restriction Analysis, Chemical Identification of Bacteria and Restriction Mapping of Recombinant DNA. As reported by her science teacher, Ji completed these labs with “outstanding results”. Ji also participated in an actual research project during the course that focused on the genomic sequence analysis of the Duckweed and how the genes in this organism compare to other species. The sequence of these genes has never been determined before and the sequences isolated and annotated by Ji Yeon were deposited in the international sequence databases at the National Center for Biotechnology Information for use by other students and scientists. Two of the sequences discovered by Ji Yeon were accepted for publication and she participated in a student symposium at Johns Hopkins University where she presented her research.

Ji Yeon, has been accepted into the University of Maryland and invited to enter the College Park Scholars Program, which is a community of 12 interdisciplinary programs designed for academically talented freshman and sophomore students who share intellectual interests and professional aspirations. Ji plans to earn a BS from the University of Maryland, School of
Business and go on to become a CPA. In her own words: “I hope to contribute to the society, particularly by helping the less fortunate manage their money so they can pursue their dreams. By studying accounting and finance, I want to help other families provide opportunities to their children to make it easier for them to become successful.”

2,000 Award Winners

**Kouassi Kpetemy (Prince)**
Kouassi Prince William Kpetemey, or Prince as he prefers, is a June graduate of The Heights School in Potomac Maryland. Prince, as his Economics teacher described him, is accomplished, ambitious and generous. His story is one of perseverance in the face of adversity. Prince completed high school with a 3.2 GPA and scored 1740 combined on the SAT; however; his path to success came with serious barriers along the way. In his junior year, Prince’s family suffered great loss when their family home burned down. Prince and his family were forced to salvage their belongings that weren’t destroyed and use temporary shelter for half of the junior school year. Nevertheless, Prince did not let this event deter him from excelling at school and in life. In his junior and senior years, he was a valued member of the varsity soccer, tennis and wrestling teams. He co-founded the SAT Club at his school to help students study for the SAT and he volunteered as a member of the “Techknowledgey” Squad which teaches residents at the Emeritus Nursing Home in Potomac how to use computers. Prince will attend the College of Communications at Penn State University this fall.

**Wouhib Tamrat**
Wouhib was born and raised in a small town of Ethiopia called Shashamane. During his formative years, he attended school with a large population of homeless children who had been orphaned by the deadly AIDS virus. A close family friend was also taken by the disease which left Wouhib determined at a young age that he would work to prevent death and disease through medical research and treatment. Wouhib is described by the Department Head of Sherwood HS of Social Studies as “being able to continuously challenge himself and not be content with the status quo” and because of this type of work ethic, Wouhib has been able to overcome the English language barrier, become the secretary of the Future Business Leaders of America and the Green Team, and participate in the Sherwood Ambassadors Club and the Key Club. Wouhib graduated with a weighted GPA of 3.51 and scored a combined 1650 on the SAT but his sights are set on much higher goals as he plans to major in Biology and or Biochemistry to pursue a career in medical research. He will attend the University of Maryland Baltimore County in the fall. Wouhib plans to work with underdeveloped nations to administer medical support and capacity.

**Jessica Quinones**
Ms. Quinones is a self proclaimed rebel who was raised in a family of six children by a single mother. Jessica completed high school at a boarding school in Monterey Tennessee called Heritage Academy. It is at Heritage Academy that she discovered God and credits him with changing her life. Jessica blossomed at Heritage Academy. Debbie Baker, the President of the
Academy says that “Jessica is a leader of the school, the Student Association Vice President for half of her senior year and the President for the other half. She was a support to the administration and held a spirit of service to the community throughout her experience at heritage Academy”. She graduated with a 3.58 GPA which she worked hard to maintain and scored 25 on the ACT test. Her school record shows that she completed 90 student service hours but Jessica has logged many more hours working in the community and will continue as she plans to become a medical missionary. As early as the 10th grade, Jessica began disaster response training and volunteer work. In the 11th grade, she assisted Hurricane Sandy victims in New Jersey for one week and helped facilitate numerous other training presentations on disaster response from Michigan, Florida and for medical staff at Harvard University in Boston, MA. Jessica has been accepted in VIDA Internacional in Tegus, Honduras and began the Spanish Acquisition course there on June 30, 2014.
RESOLUTION NO.  

RE: Approval of 2014 Tony 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 Davis Memorial Scholarship Awards Program in his memory; and

WHEREAS, since its inception, the Tony Davis Scholarship Awards Program has annually provided scholarship awards to high school seniors who are residents of HOC’s affordable housing programs 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 two Commissioners, the Executive Director, and Resident Services Division staff was convened on June 30, 2014 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 one outstanding candidate for the $5,000 Tony Davis Scholarship Award: Ji Yeon Hwang; and

WHEREAS, the Selection Committee was impressed by the pool of deserving candidates and is recommending the award of three $2,000 cash awards to Jessica Quinones, Prince Kpetemy, and Wouhib Tamrat.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County affirms the recommendation of the Tony Davis Scholarship Awards Selection Committee for Ji Yeon Hwang to receive a $5,000 Scholarship Award, and for Jessica Quinones, Prince Kpetemy, and Wouhib Tamrat to each receive $2,000 cash awards.

S
E
A
L

Patrice Birdsong
Special Assistant to the Commission
Information Exchange
HOC Connects

On Wednesday, July 30, 2014, HOC held a press conference at Stewartown Homes to announce the launch of HOC Connects, a new pilot initiative to bring computer ownership within the reach of low-income families living at Stewartown.

This nationally unprecedented program will use HOC's purchasing resources to provide interest-free loans to families interested in acquiring a laptop computer. HOC has partnered with Acer and CDW-G to design a custom laptop model that is powerful and affordable. HOC Connects will help our parents and adults compete in the workforce and their children compete in the classroom.

Joining us at the press event were Montgomery County Executive Isiah Leggett, Montgomery Council President Craig Rice, Councilmember Nancy Navarro, Marvin Turner (HUD), Kevin Cucuel (CDW-G) and Rhonda Morrison, a parent and HOC Connects’ program participant.

The event was very successful. Four television news crews attended, including WUSA-9, Telemundo and Montgomery County Television. The Gazette also ran a story on the event and there was significant social media visibility via Twitter.

Staff also conducted an orientation and training for clients on Monday, August 4th on site.

Real Estate

HOC Single Family Mortgage Purchase Program Approved to Participate in the Fannie Mae HFA Preferred Loan Program

NALHFA officials had been working with Fannie Mae on a project to allow local Housing Finance Agencies to participate in the "HFA Preferred" mortgage loan product that was available exclusively to state agencies. The product allows for a loan-to-value ratio of 97%. NALHFA's approach was to demonstrate that local HFAs are as sophisticated as states and undertake first-time home buyer programs based on sound public policy; and, assist Fannie Mae in developing a threshold for local HFA participation.

HOC Single Family Office was encouraged to submit a comprehensive response to the proposal in February 2014.

In June 2014, the Executive Director of NALHFA informed HOC Single Family Office that the agency had received approval for the HFA Preferred Loan Product from NALHFA but that all local HFAs would still need to be individually approved by Fannie Mae.
Five local HFAs have been approved by NALHFA and Fannie Mae:

- Texas State Affordable Housing Corporation
- Urban Residential Finance Authority, Atlanta
- Miami-Dade County Housing Finance Authority, Florida
- Dakota County Community development Agency, Minnesota
- Montgomery County Housing Opportunities Commission, Maryland

Fannie Mae and NALHFA will begin expansion to local HFAs in a methodical and careful manner beginning with the five local HFAs identified above. Once the five local HFAs have implemented HFA Preferred program, Fannie Mae will assess effectiveness of the program and determine if it will expand to more local HFAs.

Whereas the Commission currently offers only FHA mortgages that are guaranteed by Ginnie Mae, with this approval HOC may now begin to offer conventional mortgages pursuant to its Mortgage Backed Securities approval of 2012. The MBS pooled conventional mortgages will be backed by Fannie Mae.

Roll out for the HFA Preferred Loan Program is scheduled for September-October 2014.

Capital One Site Acquired

On July 11th, HOC formally completed the acquisition of the Capital One, N.A. (CONA) site. This parcel in Silver Spring is adjacent to the Holly Hall property. The final amount of the transaction was $1.75 million, inclusive of settlement expenses.

New HUD - Treasury Initiative

The U.S. Treasury and the FHA have announced a financing execution that is structured to provide long term financing for affordable housing developments at rates benchmarked to a Ginnie Mae execution. HUD and Treasury held a conference call for Housing Finance Agencies (HFAs) currently participating on the risk share program on July 17 to discuss the HUD-Treasury Multifamily HFA Risk Share - Federal Financing Bank Financing Execution. Participants included HUD/FHA staff, Treasury staff and the Director of the New York agency. There were over 75 call-ins representing well over 340 individuals. Ken Tecler, Kelly McLaughlin, Vivian Benjamin, Wilson Choi and Mary Ellen Ewing of the Commission’s staff joined in. This is a program similar to the New Issue Bond Program (NIBP) which will allow HOC to finance many of its properties at very affordable rates. HOC was asked to participate because of its long, productive and successful participation in the FHA Risk sharing program and the recently completed NIBP. The program was opened on a "pilot" basis only with New York City’s Housing Development Commission. It is HUD/Treasury's intention to open the program to others in the first quarter of HUD's fiscal year, October.
**Legislative and Public Affairs**

*RAD Communications Launched*

On June 30th, the first phase of the RAD Communication Plan was launched with the activation of the RAD Information Center on the HOC website. Content will be updated for each site as news develops and will then be rolled into e-mail updates with information organized by property.

Additionally, e-mail support is active for those seeking to contact the development team for feedback.

Lobby monitors will be installed early next month at Waverly House, Arcola Towers and Seneca Ridge to provide real time updates for clients at these sites.

*Town Hall Meeting Held*

The third of five 2014 HOC Town Hall Meetings was held on Monday, July 21, 2014 in the cafeteria of Westland Middle School in Bethesda. The meeting covered changes to the inspection process for the voucher program as well as an introduction to HOC Works and information on the Montgomery County JARC Bikeshare program, which provides low-income households with free 30-minute bike rentals to reduce the cost of commuting.

The next Town Hall Meeting is scheduled for Tuesday, September 9, 2014, at 6:30 p.m., in the cafeteria of Paint Branch High School in Burtonsville.

Paint Branch High School  
14121 Old Columbia Pike  
Burtonsville, MD 20866  

*Property Management*  

*Property Tour Held*  


A follow-up tour is being planned to include other RAD sites and a rehabilitated scattered site unit.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Tony Davis Scholarship Award Ceremony Reception <em>(Atrium, 10400 Detrick Ave.)</em> <em>(All)</em></td>
<td>3:00 p.m.</td>
</tr>
<tr>
<td>6</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>8</td>
<td>Summer Youth Internship Closing Ceremony <em>(Silver Spring Civic Center, 1 Veterans Place, Silver Spring, MD 20910)</em> <em>(All)</em></td>
<td>4 – 6 p.m.</td>
</tr>
<tr>
<td>14</td>
<td>Legislative and Regulatory Committee <em>(Banks, Roman, Simon)</em></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>14</td>
<td>Information and Communication Committee <em>(Banks, Simon)</em></td>
<td>4:00 p.m.</td>
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<tr>
<td>21</td>
<td>Development and Finance Committee <em>(Lindstrom, Piñero, Herrera)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>25</td>
<td>Agenda Formulation <em>(Piñero, Herrera)</em></td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>27</td>
<td>Executive Session <em>(All)</em></td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>1</td>
<td>Labor Day <em>(HOC Closed)</em></td>
<td></td>
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<tr>
<td>3</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>9</td>
<td>Town Hall Meeting <em>(District 5, Paint Branch HS, 14121 Old Columbia Pike, Burtonsville, MD 20866)</em></td>
<td>6:30 p.m.</td>
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<tr>
<td>11</td>
<td>Information and Communication Committee Meeting <em>(Banks, Simon)</em></td>
<td>4:00 p.m.</td>
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<tr>
<td>15</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>7:00 p.m.</td>
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<tr>
<td>16</td>
<td>Budget, Finance and Audit Committee <em>(4th Quarter &amp; CIP)</em> <em>(Roman, Piñero)</em></td>
<td>10:00 a.m.</td>
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<tr>
<td>18</td>
<td>Development and Finance Committee <em>(Lindstrom, Piñero, Herrera)</em></td>
<td>11:30 a.m.</td>
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<tr>
<td>22</td>
<td>Agenda Formulation <em>(Piñero, Herrera)</em></td>
<td>1:00 p.m.</td>
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<tr>
<td>23</td>
<td>Legislative and Regulatory Committee <em>(Banks, Roman, Simon)</em></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>24</td>
<td>Executive Session <em>(All)</em></td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>27</td>
<td>Planning Committee <em>(Roman, Lindstrom)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>1</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>6</td>
<td>Banor House <em>(Bauer)</em> <em>(Roman)</em></td>
<td>7:30 p.m.</td>
</tr>
<tr>
<td>14</td>
<td>Budget, Finance and Audit Committee <em>(Piñero, Roman)</em></td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>14</td>
<td>HOC Meeting w/County Council <em>(All)</em></td>
<td>12:00 noon</td>
</tr>
<tr>
<td>15</td>
<td>Information and Communication Committee Meeting <em>(Banks, Simon)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>16</td>
<td>Development and Finance Committee <em>(Lindstrom, Piñero, Herrera)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>16-18</td>
<td>NAHRO 2014 National Conference &amp; Exhibition <em>(All)</em> <em>(Baltimore, MD)</em></td>
<td></td>
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<tr>
<td>17</td>
<td>Town Center Board Meeting <em>(90 Monroe St., Rockville, MD)</em> <em>(Banks)</em></td>
<td>3:00 p.m.</td>
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<tr>
<td>20</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td>22</td>
<td>Executive Session <em>(All)</em></td>
<td>10:00 a.m.</td>
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<tr>
<td>27</td>
<td>Agenda Formulation <em>(Piñero, Roman)</em></td>
<td>1:00 p.m.</td>
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<tr>
<td>5</td>
<td>Budget, Finance and Audit Committee <em>(Audit Review)</em> <em>(Roman, Piñero)</em></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>Date</td>
<td>Event Description (Committee, Co-Chairs)</td>
<td>Time</td>
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<td>5</td>
<td>HOC Regular Meeting (All)</td>
<td>4:00 p.m.</td>
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<tr>
<td>11</td>
<td>Veterans Day (HOC Closed)</td>
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<tr>
<td>13</td>
<td>Information and Communication Committee Meeting (Banks, Simon)</td>
<td>4:00 p.m.</td>
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<tr>
<td>17</td>
<td>Agenda Formulation (Piñero, Banks)</td>
<td>1:00 p.m.</td>
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<tr>
<td>17</td>
<td>Resident Advisory Board (Banks)</td>
<td>7:00 p.m.</td>
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<td>19</td>
<td>Executive Session (All)</td>
<td>10:00 a.m.</td>
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<tr>
<td>19</td>
<td>Planning Committee (Roman, Lindstrom)</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>20</td>
<td>Development and Finance Committee (Lindstrom, Piñero, Herrera)</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>20</td>
<td>Town Hall Meeting — (District 2, Clarksburg High School Cafeteria, 22500 Wims Rd., Clarksburg, MD 20871)</td>
<td>6:30 p.m.</td>
</tr>
<tr>
<td>27-28</td>
<td>Thanksgiving Holiday (Observed – HOC Closed)</td>
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</table>

**December 2014**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description (Committee, Co-Chairs)</th>
<th>Time</th>
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<tbody>
<tr>
<td>3</td>
<td>Longevity Awards Reception (All)</td>
<td>3:00 p.m.</td>
</tr>
<tr>
<td>3</td>
<td>Longevity Awards Presentation (All)</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>3</td>
<td>HOC Regular Meeting (All)</td>
<td>4:30 p.m.</td>
</tr>
<tr>
<td>9</td>
<td>Legislative and Regulatory Committee (Banks, Roman, Simon)</td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>11</td>
<td>Budget, Finance &amp; Audit Committee (1st Quarter) (Roman, Piñero)</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>11</td>
<td>Information and Communication Committee (Banks, Simon)</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>15</td>
<td>Resident Advisory Board (Banks)</td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td>17</td>
<td>Executive Session (All)</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>18</td>
<td>Development and Finance Committee (Lindstrom, Piñero, Herrera)</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>25</td>
<td>Christmas Holiday (HOC Closed)</td>
<td></td>
</tr>
</tbody>
</table>

**Activities of Interest**

- Joint Meeting with Commission on People with Disabilities
- Joint Meeting with the Planning Board
## TO DO / ACTION

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>DUE DATE</th>
<th>ACTION</th>
<th>STAFF</th>
<th>STATUS</th>
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<tbody>
<tr>
<td>TD-14-01</td>
<td>7/25/14</td>
<td>Property Tour with Commissioners</td>
<td>LPA/PB</td>
<td>Done</td>
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<td>TD-14-02</td>
<td>May 6, 2014</td>
<td>Commissioners’ Retreat</td>
<td>PB</td>
<td>Done</td>
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<tr>
<td>TD-14-03</td>
<td></td>
<td>Worksession – Status of HOC Reorganization</td>
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<td>TD-14-04</td>
<td></td>
<td>Annual Evaluation of the HUBs – what things are working and what needs improvement</td>
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<td>TD-14-05</td>
<td></td>
<td>HOC Academy</td>
<td></td>
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<tr>
<td>TD-14-06</td>
<td></td>
<td>Property Assessment Tool</td>
<td></td>
<td></td>
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</tbody>
</table>
Committee Reports and Recommendations for Action
Deliberation
and/or
Action
AUTHORIZATION TO SUBMIT FY 2014
SECTION EIGHT MANAGEMENT
ASSESSMENT PROGRAM (SEMAP)
CERTIFICATION TO HUD

AUGUST 6, 2014

• HUD requires housing agencies that administer a Section Eight Housing Choice Voucher Program to certify annually to program performance in compliance with the Section Eight Management Assessment Program (SEMAP) rules.

• HOC’s SEMAP certification for Fiscal Year 2014 establishes the Housing Choice Voucher program as a High Performer.

• HOC will certify 140 points for the year ending June 30, 2014 which is an overall score of 97%.

• HOC’s overall score for the year ended June 30, 2013 was also 97%, which designated HOC as a High Performer.

• The SEMAP certification is due to HUD by August 30, 2014.
MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann, Executive Director

FROM: Ethan Cohen, Housing Programs Coordinator Ext: 9764
       Jim Atwell, Internal Auditor Ext: 9426
       Lynn Hayes, Acting Director of Housing Resources, Ext: 9622

RE: Authorization to Submit FY 2014 Section Eight Management Assessment Program (SEMAP) Certification to HUD

DATE: August 6, 2014

STATUS: Consent _____ Deliberation _____ X Status Report _____ Future Action _____

OVERALL GOAL & OBJECTIVE:
To receive Commission authorization to submit the FY 2014 Section Eight Management Assessment Program (SEMAP) certification to HUD.

BACKGROUND:
The Section Eight Management Assessment Program (SEMAP) is designed to measure whether the Section Eight tenant-based programs operate to help eligible families afford decent rental units at the correct subsidy cost. SEMAP also establishes an objective system for HUD to measure the PHA performance in key Section Eight program areas so as to enable program integrity and accountability.

The U.S. Department of Housing and Urban Development (HUD) published a final rule in the Federal Register on June 20, 2000. This rule mandates the submission of the Form HUD-52648, Section Eight Management Assessment Program (SEMAP), to HUD annually by housing agencies that administer the Section Eight tenant-based rental assistance program. The certification, which measures the status of HOC’s administration of the Section Eight program for the prior fiscal year, must be submitted to HUD within 60 days of the end of the fiscal year.

The certification includes HOC’s assessment of program administration in 14 areas. All of the areas have undergone quality control reviews by HOC’s Compliance Division staff.

The first seven indicators are also verified by the independent auditors annual audit report for the year ending June 30, 2014. The remaining seven indicators are verified through HUD’s systems. The chart below identifies the individual indicator areas, the maximum points possible, the points HOC received in 2013, and what HOC will certify in its 2014 submission.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Indicator Title</th>
<th>Maximum Possible Points</th>
<th>2013 Rating</th>
<th>2014 Certification</th>
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<tbody>
<tr>
<td>1</td>
<td>Waiting List</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>Reasonable Rent</td>
<td>20</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>3</td>
<td>Determination of Adjusted Income</td>
<td>20</td>
<td>15</td>
<td>15</td>
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<tr>
<td>4</td>
<td>Utility Allowance</td>
<td>5</td>
<td>5</td>
<td>5</td>
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<tr>
<td>5</td>
<td>HQS Quality Control</td>
<td>5</td>
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<td>5</td>
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<tr>
<td>6</td>
<td>HQS Enforcement</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>7</td>
<td>Expanding Housing Opportunities</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Payment Standards</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>Timely Annual Recertification</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Correct Tenant Rent</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>Pre Contract HQS Inspection</td>
<td>5</td>
<td>5</td>
<td>5</td>
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<tr>
<td>12</td>
<td>Annual HQS Inspection</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>13</td>
<td>Lease Up</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>14</td>
<td>Family Self-Sufficiency</td>
<td>10</td>
<td>10</td>
<td>10</td>
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<tr>
<td></td>
<td>Program Points</td>
<td>145</td>
<td>135</td>
<td>135</td>
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<tr>
<td>Bonus</td>
<td>Deconcentration Bonus</td>
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<tr>
<td></td>
<td>Total Points</td>
<td>140</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overall Percentage</td>
<td></td>
<td>97%</td>
<td>97%</td>
</tr>
</tbody>
</table>

HOC’s 2014 SEMAP Certification submission equals 140 points, or 97% percent of the overall total program points. The program profile status as submitted will be a High Performer.

HOC staff continues to work diligently on improving the accuracy of the program activity. Specific attention has been placed on quality control reviews, client annual recertifications, third party verifications, inspections, income calculations, and rent reasonableness activity.

HUD is required by regulation to issue its final rating to HOC within 120 days of HOC’s Fiscal Year end. The notification letter from HUD will require HOC to respond within 45 days of corrective actions for any SEMAP deficiencies. HOC staff does not anticipate that any response will be needed.

**ISSUES FOR CONSIDERATION:**
Does the Commission wish to authorize the Executive Director to submit to HUD the Fiscal Year 2014 SEMAP certification?

**PRINCIPALS:**
Housing Resources Division
Housing Management Division
BUDGET IMPACT:
None.

TIME FRAME:
For Commission action on August 6, 2014.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
Staff recommends that the Commission authorize the Executive Director to submit to HUD the Fiscal Year 2014 SEMAP certification no later than August 30, 2014.
WHEREAS, HUD regulations require that the Housing Opportunities Commission submit the Section Eight Management Assessment Program (SEMAP) certification annually; and

WHEREAS, the certification, which measures the status of HOC's administration of the Section Eight Program for Fiscal Year 2014, must be submitted to HUD within 60 days of the end of the fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to submit the FY 2014 SEMAP Certification to HUD.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on Wednesday, August 6, 2014.

______________________________
Patrice Birdsong
Special Assistant to the Commission
APPROVAL TO BRIDGE COUNTY CONTRACT FOR THE REMOVAL AND INSTALLATION OF PLAYGROUNDS AND APPROVAL OF INTERIM CONTRACTS FOR MULTIPLE CAPITAL IMPROVEMENTS UTILIZING COUNTY CAPITAL IMPROVEMENT FUNDS AT HOC PUBLIC HOUSING

STACY L. SPANN, EXECUTIVE DIRECTOR
KAYRINE V. BROWN
ZACHARY MARKS
JAY SHEPHERD

August 6, 2014
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<td>4</td>
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<td>Summary and Recommendations</td>
<td>5</td>
</tr>
</tbody>
</table>
Executive Summary

• The Final Development Plan has been created jointly by the project teams focused on providing a standard of high quality, well designed, amenity rich, energy efficient affordable housing and strong supportive services for Montgomery County that is financially sustainable and competitive within the rental marketplace.

• Staff recommends that the Development and Finance Committee accept the recommendation of the Finance Committee to approve bridging a Montgomery County contract with Triple J Construction for the Installation of Playgrounds at Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, and Washington Square Developments;

• Staff recommends that the Development and Finance Committee accept the recommendation of the Finance Committee to authorize the Executive Director to execute interim contracts with Capital Building Partners and Foulger-Pratt for an aggregate amount of up to $1,500,000 to complete the following scope of work:
  – HVAC
  – Fencing
  – Doors, including front doors
  – Roof trims
  – Exterior lighting
  – Dumpsters
  – Sidewalk and ADA ramps
  – Water heaters
  – Security cameras

The following table summarizes the RAD 6 properties, the approved architects and general contractors previously approved by the Commission.

<table>
<thead>
<tr>
<th>Project Team</th>
<th>Properties</th>
<th>Units</th>
<th>Architect</th>
<th>General Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAD 6 WEST</td>
<td>Seneca Ridge, Washington Square, and Parkway Woods</td>
<td>145</td>
<td>Bennett Frank McCarthy</td>
<td>Foulger-Pratt</td>
</tr>
<tr>
<td>RAD 6 EAST</td>
<td>KenGar, Sandy Spring Meadow, and Towne Centre Place</td>
<td>123</td>
<td>Karl Riedel Architects</td>
<td>Capital Building Partners</td>
</tr>
</tbody>
</table>
Bridge Existing County Contract

HOC solicited and received bids for the removal and installation of eight (8) playgrounds at the RAD 6 from Triple J Construction, under an existing Montgomery County contract #330-382, executed in December, 2012.

Commission approval is required for HOC to bridge the existing county contract with Triple J Construction in the amount of $588,630 as provided for, and funded by the County’s Capital Improvements Program (“CIP”).

**STAFF SEeks APPROVAL TO BRIDGE COUNTY CONTRACT FOR THE INSTALLATION OF PLAYGROUNDS AT TOWNE CENTRE PLACE, KENGAR, SANDY SPRING MEADOW, PARKWAY WOODS, AND WASHINGTON SQUARE DEVELOPMENTS.**

<table>
<thead>
<tr>
<th>Property</th>
<th>No. of Playgrounds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Towne Centre Place</td>
<td>3</td>
<td>$195,325</td>
</tr>
<tr>
<td>KenGar</td>
<td>1</td>
<td>$43,770</td>
</tr>
<tr>
<td>Sandy Spring Meadow</td>
<td>2</td>
<td>$142,265</td>
</tr>
<tr>
<td>Parkway Woods</td>
<td>1</td>
<td>$70,330</td>
</tr>
<tr>
<td>Washington Square</td>
<td>1</td>
<td>$136,940</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td><strong>$588,630</strong></td>
</tr>
</tbody>
</table>

(1) Seneca Ridge not included because of recent (2009) playground equipment upgrades.
HOC solicited and received bids for the removal and installation of multiple capital improvements to all six RAD properties that included the following items:

- HVAC
- Water Heater
- Exterior Lighting
- Front Doors
- Roof/Trim
- Doors
- Sidewalks and ADA Ramp
- Dumpster pad and trash collection alteration
- Fencing
- Security Camera installation or upgrades

Staff will utilize the interim contracts with the RAD 6 EAST and RAD 6 WEST contractors to implement the work at the properties.

<table>
<thead>
<tr>
<th>Capital Improvement Costs</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Scope of work</td>
<td></td>
<td>$991,339</td>
</tr>
<tr>
<td>Contractor Contingency</td>
<td>19.0%</td>
<td>$188,391</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>$1,179,730</td>
</tr>
<tr>
<td>Overhead - General Conditions</td>
<td></td>
<td>$129,770</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>$1,309,500</td>
</tr>
<tr>
<td>General Liability</td>
<td>0.42%</td>
<td>$5,500</td>
</tr>
<tr>
<td>Builders Risk</td>
<td>0.30%</td>
<td>$3,929</td>
</tr>
<tr>
<td>Bond</td>
<td>0.75%</td>
<td>$9,821</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>$1,328,750</td>
</tr>
<tr>
<td>Fee</td>
<td>6.0%</td>
<td>$79,725</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$1,408,475</td>
</tr>
</tbody>
</table>
Summary and Recommendations

Time Frame

Action at the August 6, 2014 meeting of the Commission.

Staff Recommendation and Commission Action Needed

1. Staff recommends that the Commission accepts the recommendation of the Development and Finance Committee and approve to bridge the County Contract for the Installation of Playgrounds at Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, and Washington Square Developments.

2. Staff recommends that the Commission accepts the recommendation of the Development and Finance Committee and approve interim contracts for RAD 6 East and West properties for an aggregate of up to $1,500,000.

The funding is from the Capital Improvement Program funds allocated to HOC for use at its Public Housing and deeply subsidized properties. Work will commence immediately upon Commission approval.
WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”), receives funding from the Montgomery County Capital Improvements Program (“CIP”) as funds allocated to HOC for use at its public housing and deeply subsidized properties; and

WHEREAS, the Commission solicited and received bids for the removal and installation of multiple capital improvements to its family public housing properties including Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, and Washington Square (collectively, the “Playground Sites”); and

WHEREAS, Triple J Construction is a contractor under an existing Montgomery County contract #330-382, executed in December 2012 (the “County Contract”); and

WHEREAS, the Commission desires to bridge the County Contract with Triple J Construction for the installation of playgrounds at the Playground Sites; and

WHEREAS, the Commission solicited and received bids priced at $588,630, in the aggregate, for the removal and installation of eight (8) playgrounds at the Playground Sites from Triple J Construction; and

WHEREAS, the Commission has selected Triple J Construction as the General Contractor for RAD 6 Development and is currently negotiating construction contracts but desires to approve interim contracts for multiple capital improvements that are to be funded from County CIP funds prior to the RAD conversion.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to execute a contract with Triple J Construction for $588,630 for the installation of playgrounds at Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, and Washington Square; and

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves interim contracts with multiple contractors for the removal and installation of multiple capital improvements to its family public housing properties at Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, Seneca Ridge and Washington Square in an aggregate amount not to exceed $1,500,000.
I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on August 6, 2014.

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Patrice M. Birdsong
Special Assistant to the Commission
APPROVAL TO SELECT GENERAL CONTRACTORS FOR THE REHABILITATION OF ARCOLA TOWERS AND WAVERLY HOUSE Approved for Disposition Under the Rental Assistance Demonstration (RAD) Program

GENERAL CONTRACTOR QUALIFICATION AND SELECTION

STACY L. SPANN, EXECUTIVE DIRECTOR
KAYRINE V. BROWN
ZACHARY MARKS
JAY SHEPHERD

August 6, 2014
Table of Contents

Arcola Towers and Waverly House are two (2) Public Housing-assisted age-restricted developments approved for participation in the Rental Assistance Demonstration (“RAD”) program, which converts Public Housing rental assistance to Project-Based Section 8 rental assistance. A requirement of conversion is the satisfaction of all building physical needs. This packet outlines the procurement for general contractor selection as part of the development team for renovating the properties.

- Executive Summary.................................................................3
- Qualification and Selection of General Contractor(s)..............4
- Recommendations.........................................................................9
Executive Summary

- On July 30, 2013, the Housing Opportunities Commission of Montgomery County (“HOC”) approved participation in the RAD program and authorized evaluation of a portfolio disposition of its entire Public Housing assets. On November 6, 2013, the Commission approved the performance of feasibility analyses for each property in the public housing inventory of the Commission to determine the ultimate scope of work to be conducted in the rehabilitation and redevelopment of these properties and the use of Capital Fund Program (CFP) funds to pay for feasibility studies and RAD related fees. On December 18, 2013, HUD awarded a Commitment to Enter a Housing Assistance Payment contract (“CHAP’) to Arcola Towers and Waverly House each.

- The average age of Arcola Towers and Waverly House is 39 years. Neither property has ever seen a comprehensive recapitalization. While HOC has been a generous steward of these properties, the annual capital grant funding has been insufficient. Conversion to Project-Based Section 8 rental assistance allows HOC to raise sufficient capital to meet the physical needs of the buildings via comprehensive renovation.

- In order to assess the feasibility of a development plan, Staff solicited proposals from three firms for each property to provide preconstruction services for each building; Harkins Builders for Arcola Towers and Whiting-Turner for Waverly House.

- For the team assembly portion of the Development Plan, Staff solicited proposals from general contractors interested in providing renovation services on an as-needed basis for Arcola Towers and Waverly House (the “Properties”), releasing RFQ No. 1915 for General Contractor Services on April 14, 2014. On April 23, 2014, Staff held a non-mandatory, pre-proposal conference to discuss the solicitation and answer questions. Six (6) people were in attendance representing five (5) different companies.

- On May 1, 2014, Staff issued Addendum #1 – “RFQ #1915 - Pricing Exercise.”

- Two (2) respondents submitted qualified packages by the deadline of May 12, 2014 that met threshold requirements. The pricing exercises were opened from the two respondents and assessed. Due to wide variance between the bids, factors affecting the variance were controlled. Staff further refined the scope of work and product and installation specifications and asked the contractors to provide updated pricing, the results of which were statistically negligible. As such, staff recommends that both companies, Harkins Builders and Whiting-Turner be eligible for awards.
On April 14, 2014, HOC issued a two-part Request for Qualifications: Part I – Qualifications and Experience submittal. Part II – Pricing Exercise. Responses were received May 12, 2014

Part I: Qualification Requirements

In order to be considered for Part II, respondents were required to demonstrate meeting HOC minimum project thresholds, including all of the items below:

- Past Project of Similar Scope (High Rise Multi-Family, Elderly Tenants)
- Past Projects of Similar Size (> $5MM)
- Demonstrated experience with Montgomery County storm water management regulations and building codes
- Experience with environmental abatement and utility coordination
- Financial Capacity and Payment & Performance Bonding
- HUD 2530 Approval
- Davis-Bacon, Section 3, and Section 504 Experience Desired
- Maryland General Contractor’s license
- Robust company staffing and approach to project delivery
- Robust company procedures for working in a building where tenants are present.
## RFQ #1915 – Request for Qualifications, Part I

### Part I: Qualification Scoring

<table>
<thead>
<tr>
<th>Firm</th>
<th>Experience &amp; Project Capacity 25 Points</th>
<th>Experience &amp; Project Capacity Notes</th>
<th>Financial Capacity 25 Points</th>
<th>Financial Capacity Notes</th>
<th>Contractor Qualifications 35 Points</th>
<th>Contractor Qualifications Notes</th>
<th>Contractor Approach to Schedule 15 Points</th>
<th>Contractor Approach to Schedule Notes</th>
<th>Total 100 Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>WHITING-TURNER</td>
<td>24.75</td>
<td>Unparalleled experience and financial capability.</td>
<td>25.00</td>
<td>Strong Financial Capacity exhibited in Financial Stats and Bonding.</td>
<td>34.00</td>
<td>Robust mix of relevant work applying to scope.</td>
<td>13.75</td>
<td>Detailed and thorough.</td>
<td><strong>97.50</strong></td>
</tr>
<tr>
<td>HARKINS BUILDERS</td>
<td>24.50</td>
<td>Very strong experience and capacity.</td>
<td>24.25</td>
<td>More than sufficient capacity.</td>
<td>33.50</td>
<td>Great experience with projects of a similar scope.</td>
<td>12.75</td>
<td>Fully exceeded threshold requirements.</td>
<td><strong>95.00</strong></td>
</tr>
</tbody>
</table>
Qualification and Selection of General Contractor (Continued)

RFQ #1915 – Request for Qualifications, Part II

Respondents provided proposed pricing structures for conceptual renovation work associated with Arcola towers and Waverly House. HOC provided a spec, sample-unit scope of work:

a. Unit size of 650 square feet.
b. 60 square foot (6 foot x 10 foot) Kitchen layout with new sink, cabinets, handles and 30 square feet of post-form laminate counter tops.
c. Replacement of complete door units, windows, drywall
d. Replace existing electrical and plumbing systems.
e. 500 square feet of hard flooring, 150 square feet of ceramic floor tile
f. New appliance and lighting packages based on a provided Finish Schedule for product Specifications.
g. Overhead and profit were itemized as separate line items.

Part II: Pricing Exercise Results

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Unit</th>
<th>Base Bid</th>
<th>Overhead &amp; Profit</th>
<th>Other (1)</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harkins Builders</td>
<td>spec</td>
<td>$33,035</td>
<td>$2,312</td>
<td>$429</td>
<td>$35,776</td>
</tr>
<tr>
<td>Whiting-Turner</td>
<td>spec</td>
<td>$53,759</td>
<td>$3,226</td>
<td>$5,376</td>
<td>$62,361</td>
</tr>
</tbody>
</table>

Notes:
(1) Other categories in Whiting-Turner’s bid were General Requirements, P&P Bonds, Builders Risk and General Liability Insurance.
Qualification and Selection of General Contractor (Continued)

Part II: Pricing Exercise Analysis

The wide variance in the respondents’ proposed pricing structures were attributed to the following factors:

- Evolving scope of work during pricing phase. Assumptions regarding electrical and plumbing modifications were unknown, for instance.
- Limited information available regarding warranty requirements, installation specifications, and other product installation standards.
- Davis-Bacon wage-scale assumptions by the respondents were not consistent.
- Inconsistent responses in the “Other” category led to vast differences in how the respondents provided pricing for general conditions, bonding, and insurance.

Part II: Pricing Exercise Analysis - Additional Actions Taken

Further Refined Renovation Scope
Refined Product and Installation Specifications
Defined Standards for General Requirements
Confirmed Davis-Bacon High-Rise Wage Requirements

Each Contractor asked to provide updated pre-construction pricing based on a refined scope of work.

August 6, 2014
## Part II: Pricing Exercise Analysis - Revised Results

<table>
<thead>
<tr>
<th>RESPONDENT</th>
<th>BASE BID (PER UNIT)</th>
<th>BUILDERS GENERAL OVERHEAD (PER UNIT)</th>
<th>BUILDERS PROFIT (PER UNIT)</th>
<th>TOTAL COST (PER UNIT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harkins Builders</td>
<td>$56,869</td>
<td>$1,137</td>
<td>$2,843</td>
<td>$60,850</td>
</tr>
<tr>
<td>Whiting-Turner</td>
<td>$55,866</td>
<td>$1,039</td>
<td>$2,079</td>
<td>$58,985</td>
</tr>
<tr>
<td>Raw ($) Difference</td>
<td>$1,002</td>
<td>$98</td>
<td>$764</td>
<td>$1,865</td>
</tr>
<tr>
<td>Percentage (%) Difference</td>
<td>1.8%</td>
<td>9.4%</td>
<td>36.8%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>
Met Qualification Requirements

- Projects of Similar Scope (High Rise multi-family, tenant in place)
- Projects of Similar Size (> $5MM)
- Maryland General Contractor’s license
- Davis-Bacon, Section 3, and Section 504 Experience
- Familiarity with Montgomery County Storm Water Management and Building Codes
- HUD 2530 Approved
- Robust Financial Capacity and Bonding

August 6, 2014
Qualification and Selection of General Contractor (Continued)

RFP #1915 – Part II Recommendations

Recommendations

Having met HOC’s threshold requirements, each firm also participated in a pricing exercise that after refinement to ensure equal comparison, provided terms that meet HOC guidelines. Staff recommends approval of Whiting-Turner and Harkins Builders as general contractor for Waverly House and Arcola Towers, respectively. Staff further recommends that each firm be identified as the runner up for respective property awarded to the other and may be substituted if necessary.

**Whiting-Turner**

- Whiting-Turner is based in Baltimore, MD and well-known for high quality and high complexity construction work.
- Among the nation’s top 10 domestic builders, Whiting-Turner is the only firm with a 5A-1 Dun & Bradstreet rating – the highest rating achievable.
- This firm is most capable of meeting the rigor required for Low Income Housing Tax Credit Applications and completion of rehabilitation of high-rise multifamily housing.

**Harkins Builders**

- Harkins Builders is a firm based in Marriottsville, MD and is strong in high-rise and mid-rise affordable residential housing communities.
- Unique blend of both HUD and CDA tax credit renovation experience.
- Established history with HOC; strong familiarity with affordable housing and exceptional reputation in the marketplace for delivering on-time, on budget projects.
RESOLUTION: RE: Approval to Select General Contractors for the Rehabilitation of Arcola Towers and Waverly House Approved for Disposition under the Rental Assistance Demonstration (RAD) Program

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) faces growing challenges in its aging multifamily public housing structures – most prominently, functional obsolescence and pervasive systems issues as a result of age and constrained federal capital support; and

WHEREAS, HUD’s Rental Assistance Demonstration program (the “RAD Program”) presents the Commission with an opportunity to convert its multifamily Public Housing assets to projects receiving Project-based Section 8 rental subsidy, which enables the Commission to provide for the acquisition, construction, rehabilitation and permanent financing of the public housing properties; and

WHEREAS, on July 30, 2013, the Commission approved participation in the RAD Program and authorized evaluation of a portfolio disposition of its remaining public housing assets; and

WHEREAS, on November 6, 2013, the Commission approved performance of feasibility analyses for each property in the public housing inventory of the Commission to determine the ultimate scope of work to be conducted in the redevelopment of these properties; and

WHEREAS, on December 18, 2013, HUD awarded Commitments to Enter a Housing Assistance Payment contracts (“CHAPs”) to both Arcola Towers and Waverly House; and

WHEREAS, to solicit proposals from general contractors interested in providing renovation services on an as-needed basis for Arcola Towers and Waverly House (the “Properties”), the Commission released a two-part RFQ No. 1915 for General Contractor Services on April 14, 2014. On April 23, 2014, staff held a non-mandatory, pre-proposal conference to discuss the solicitation and answer questions, at which six (6) people were in attendance representing five (5) different companies; and

WHEREAS, qualified submissions from two firms, Whiting-Turner and Harkins Builders, were timely received in response to the two-part RFQ; and

WHEREAS, proposals were evaluated, assigning numerical values to the firms that furnished a complete set of qualifications, considering the strength of business recommendations provided, financial capacity, project experience from the contractors; and

WHEREAS, upon satisfying part-one threshold qualification requirements, part-two of the RFQ sealed bid price proposals were opened and evaluated, assigning numerical values to the firms based upon proposed pricing structure; and
WHEREAS, due to wide variance between the bids, factors affecting the variance were controlled, staff further refined the scope of work and product and installation specifications, and asked the contractors to provide updated pricing (the “Pricing Exercise”), the results of which were statistically negligible; and

WHEREAS, in response to the Pricing Exercise, staff recommends that both companies, Harkins Builders and Whiting-Turner, be selected for awards.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of either or both Harkins Builders and Whiting-Turner as the general contractor(s) for the rehabilitation of Arcola Towers and/or Waverly House with final contracts to be negotiated and submitted to the Commission for approval upon completion of final development plans.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on August 6, 2014.

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Patrice M. Birdsong
Special Assistant to the Commission
Approval of Predevelopment Funds for the New Chevy Chase Lake Multifamily Building

STACY L. SPANN, EXECUTIVE DIRECTOR
KAYRINE V. BROWN
RICHARD HANKS
ZACHARY MARKS
The Chevy Chase Lake mid-rise multi-family building (The Lake) is proposed to be developed on the western end of the existing Chevy Chase Lake apartment site. The current development consists of five garden style apartment buildings with a total of 68 units. The units were renovated in 2008; however, the renovations do not meet the HOC current standards. More importantly the development is an under-utilization of the site as it does not provide the appropriate level of amenities to our residents, nor the potential resources that it could to the Agency.

On June 13, 2014, the Commission approved selling a portion of the site to Eakin, Youngentob & Associates (EYA) to develop for-sale townhomes and Federal Capital Partners (FCP) to serve as the financial partner. As the overall site has nearly completed the Sketch Plan leg of the development approval process, and the townhomes Preliminary Site Plan submittal is nearly complete, HOC will retain a portion of the land to build a 8 – 10 story mixed-income apartment building. The remainder of the site will provide a public park and an access road which will have a future connection under the Georgetown Trail to the adjacent project.

This is a compelling opportunity to improve the lines of our residents via the Sectional Map Amendment (SMA) process. The redeveloped site would include a park, up to 6,000 square feet of amenity space, underground parking and free internet access for low-income residents. HOC's funds from the townhouse sale would be used for future developments, including the proposed multi-family building.
Chevy Chase Lake: Overview

The existing Chevy Chase Lake complex of five garden style apartment buildings does not provide the impact to which the site lends itself. The complex lacks a public gathering space for community building, a fitness and / or activity center for health and well-being enrichment, nor does it take full advantage of the opportunity to place more families in the Bethesda-Chevy Chase school cluster – one of the most sought after in the country. Additionally, by structuring a transaction to sale a portion of the land to EYA, the Commission is able to significantly reduce its financial investment in the site while potentially increasing it’s cash flow.

Existing Development

- Replace existing garden style apartments with minimal amenities
- Provide an amenity rich, mixed-income community
- Give more families access to high-quality school system
- Little to no permanent equity from the Agency

Why Redevelopment?

- Unique opportunity to improve the lives of residents
- Replace existing garden style apartments with minimal amenities
- Provide an amenity rich, mixed-income community
- Give more families access to high-quality school system
- Little to no permanent equity from the Agency
Proposed Redevelopment Program

Proposed Site Plan

Sample Elevation

Proposed Site for Multifamily
Proposed Partnership Structure

EYA
- Pre-Development Services
- Development Services
- Manage Project through Stabilization

HOC
- ~ 1.3 Acres of Land
- Guarantee as Necessary

FCP
- Secure Project Funding
- Provide Financing Bridge

The Lake
- 200 Units mixed-income mid-rise apartment building
- Amenity Rich, newly constructed, world-class family housing
Pre Development Terms

Key Terms

– HOC and EYA will work exclusively together to design the multifamily building.

– EYA will provide development services to manage the Entitlement Process as well as securing the building permits.

– HOC will negotiate with FCP to provide bridge capital as well as secure transaction financing and project oversight as needed.

– HOC will ultimately own and control the 180 – 200 unit mid-rise building.

– HOC will fund predevelopment costs for the entitlement of the multifamily building only.
Staff Request: $600,000 of Predevelopment Financing

**Rationale**

- Increase affordable units inside the beltway
- Financing for the Preliminary and Project Site Plan Submission
- Assistance for tenants who choose to relocate ahead of plan

**Preliminary and Project Plan Budget**

<table>
<thead>
<tr>
<th>Use</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture</td>
<td>$200,000</td>
</tr>
<tr>
<td>Civil Engineering</td>
<td>$50,000</td>
</tr>
<tr>
<td>Legal (Land Use)</td>
<td>$50,000</td>
</tr>
<tr>
<td>Legal (Transaction: HOC)</td>
<td>$25,000</td>
</tr>
<tr>
<td>Tenant Voluntary Relocation</td>
<td>$75,000</td>
</tr>
<tr>
<td>Regulatory Submission Fees</td>
<td>$150,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>Total Estimated Cost</strong></td>
<td><strong>$600,000</strong></td>
</tr>
</tbody>
</table>
Risk Analysis

<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigant</th>
</tr>
</thead>
</table>
| Entitlement                 | • Experienced and successful team with history of success getting development approvals in Montgomery County  
|                             | • Project received favorable recommendation for Planning Staff at Sketch Plan Level                  
|                             | • Concept Plan approved by Council as part of Segmental Map Amendment                                 |
| Execution                   | • EYA brings deep knowledge and relationships in public sector                                      
|                             | • EYA has executed a complex public private partnership and will leverage that                      
|                             |   successful development team at Chevy Chase Lakes                                                 
|                             | • FCP has developed high density and high-rise in Montgomery County previously                    |
| Partnership Collapse        | • HOC’s investment will increase density and residual value of the property                        
|                             | • Ability to renovate the existing housing on existing site (not ideal)                            |
| Financing Environment /     | • Diverse set of tools (LIHTC, NMTC, Tax-Exempt Bonds)                                            |
| Interest Rate Spike         | • HOC’s history of creative financing (Alexander House)                                            |
| Lease Up                    | • Leasing affordable units - Chevy Chase should not be a challenge; there is little                
|                             |   market-rate product in the Chevy Chase area; The Lakes will be the first product in the market.  |
Projected Time Line

Feasibility
Dec ‘13 – Jan ‘14
Is Project Feasible? Zoning Attainable Financeable Constructible

Preliminary and Site Plans
July ‘14 – Aug ‘14
Proposed Density Consistent w/Zoning Public Improvements and Benefits Defined Define Constructible Building Envelope

Project Plan
July ‘14 – July ‘15
Building Design Preliminary Construction Pricing Value Engineering

Construction
Jan ‘16 – Nov ‘17
Construction/Permanent Financing Begin Construction Building Delivery

Lease – Up
Dec ‘17 – Dec ‘18
## Relevant Dates

<table>
<thead>
<tr>
<th>DATE</th>
<th>TASK</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30(^{th})</td>
<td>Architecture RFP issued</td>
</tr>
<tr>
<td>July 24(^{th})</td>
<td>Sketch Plan hearing for entire site</td>
</tr>
<tr>
<td>July 25(^{th})</td>
<td>Architect interviews</td>
</tr>
<tr>
<td>August 2(^{nd})</td>
<td>Architect selection</td>
</tr>
<tr>
<td>August-September</td>
<td>Preliminary Design and Site Plan completion</td>
</tr>
<tr>
<td>October 5(^{th})</td>
<td>Preliminary and Site Plan</td>
</tr>
</tbody>
</table>

**Samples**
SUMMARY AND RECOMMENDATIONS

ISSUES FOR CONSIDERATION

- Does the Commission wish to accept the recommendation of the Committee and approve providing pre-development funding in the amount of $600,000 to advance the entitlement process for the proposed multi-family building on HOC’s Chevy Chase Lake site.
- The Commission has set aside funds in the OHRF from sale proceeds from the sale of 53 scattered site MPDUs for the development or financing of multifamily real estate activities.
- Of the total funds available at March 31, 2014 ($8 million), $1.75 million was used to fund the purchase of the CONA site near Holly Hall, leaving $6.25 million available for this request.

BUDGET IMPACT

This action will have no impact on the Agency’s operating budget.

Loan Source: Multifamily funds in the OHRF.
Interest will accrue at 4.5% and repaid at closing of the construction financing.

TIME FRAME

Action at the August 6, 2014 meeting of the Commission.

STAFF RECOMMENDATION and COMMISSION ACTION NEEDED

Staff recommends that the Commission accepts the recommendation of the Development and Finance Committee to approve a loan of $600,000 to fund predevelopment expenses.
WHEREAS, Chevy Chase Lake Development Corporation (the “Corporation”), an entity wholly controlled by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), is the owner of a 68-unit development in Chevy Chase known as Chevy Chase Lake Apartments located on approximately 205,300 square feet of land at 3719 Chevy Chase Lake Drive, Chevy Chase, MD 20815 (the “CCL Site”); and

WHEREAS, CCL’s strategic location is near a planned Metro Purple Line station and in an area that was the subject of a recently approved increase in development density as well as inclusion in the first phase of a Sectional Map Amendment presents a unique opportunity for HOC to expand its housing presence in an underserved down-County location; and

WHEREAS, on July 30, 2013, the Montgomery County Council approved the redevelopment plan for the CCL Site based on a proposed joint development for mixed-use housing providing between 20-40 affordable rental units and 30-40 workforce units in a 150-200 mixed income mid-rise building to be retained by the Corporation (the “Multifamily Building”) in addition to 50-60 for-sale townhomes (the “Townhouses”), of which 15% are slated to be Moderately Priced Dwelling Units pursuant to Article 25A of the County code (MPDUs); and

WHEREAS, on January 23, 2014, the Commission and the Corporation approved entering into a Purchase and Sale Agreement with Eakin Youngentob and Associates (“EYA”) to sell the land for the development of the Townhouses (the “Townhouse Site”), consisting of approximately 142,278 square feet, to be redeveloped into the townhouse portion of the redevelopment plan, with the remainder of the CCL Site to be owned by the Corporation or another Commission-controlled entity for the development of the Multifamily Building (the “Multifamily Site”); and

WHEREAS, the complexity of the redevelopment plan, the timing of planning submissions, and the urgency of other activities in which the Commission is involved, make it appropriate to employ third party development assistance to execute the development of the Multifamily Site and construction of the Multifamily Building; and

WHEREAS, the relationship between EYA and the Commission with respect to the sale of the Townhouse Site and EYA’s knowledge of the planning process for both the Townhouse Site and the Multifamily Site, makes it beneficial to utilize EYA’s services as a developer to save time in the permitting process and selection of consultants, and to allow for coordination in the development of both sites for consistency in planning, construction and management of the operations; and

WHEREAS, on June 13, 2014 the Commission authorized the Executive Director to enter into direct negotiations with EYA as developer of the Multifamily Site; and
WHEREAS, on July 24, 2014, the Montgomery County Department of Parks and Planning approved the Sketch Plan application for the redevelopment of the CCL Site, increasing the urgency to accelerate the design of the Multifamily Building and produce materials necessary to complete a preliminary and site plan application for the Multifamily Site (the “MF Preliminary Plan Application”), so that it may be submitted in conjunction with the site plan for the Townhouse Site, which is significantly closer to completion; and

WHEREAS, in order to complete the MF Preliminary Plan Application, EYA will be required to hire third party architects, engineers, and other consultants, and obtain reimbursement from the Commission for those service fees.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized, on behalf of HOC, for itself and as the sole member of Chase Lake Development Corporation, to direct EYA to incur up to SIX HUNDRED THOUSAND DOLLARS ($600,000) in costs for the design of the Multifamily Building and the creation of other materials as necessary to submit the MF Preliminary and Site Plan Application; and

BE IT FURTHER RESOLVED that the Corporation or its assignee shall be the sole owner of materials produced with these funds, unless otherwise authorized; and

BE IT FURTHER RESOLVED that no binding agreement has been entered into nor shall be entered into with EYA with respect to the development of the Multifamily Building without the further approval of the Commission; and

BE IT FURTHER RESOLVED that the Commission reserves the option to pursue other methods or contractors to obtain the services described herein.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County, for itself and as the sole member of the Chase Lake Development Corporation, at a regular meeting conducted on August 6, 2014.

Patrice M. Birdsong
Special Assistant to the Commission
APPROVAL TO ENTER INTO SURVEY, SHEETING AND SHORING & CRANE OVERSWING AGREEMENT WITH TOLL BROTHERS FOR CONSTRUCTION ON PROPERTY ADJACENT TO LASKO MANOR, SUBJECT TO APPROVAL OF LIMITED PARTNERS AND LENDERS

4913 HAMPDEN LANE, BETHESDA MD 20860

STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN
ZACHARY MARKS
RICHARD HANKS
JAY SHEPHERD
EXECUTIVE SUMMARY

Background

1. HOC, as the general partner of Hampden Lane, LLC, controls and operates a 12-unit building in Bethesda at 4913 Hampden Lane, known as Lasko Manor. The building was recently constructed and received its Certificate of Occupancy in 2012. The building provides permanent supportive units for homeless adult single people with incomes equal to or less than 50% of the Washington Metropolitan Statistical Area Median Income (AMI).

2. Financing for the project funded from DHCA, HOME Investment Partnerships Program (HOME Program) funds, pursuant to the provisions of the HOME Program in accordance with federal law (including the HOME Investment Partnership Act, 42 U.S.C. §12701-12840) and from CDA through the Low Income Housing Tax Credit program.

3. Staff was approached by Toll Brothers Development requesting an access agreement for pre-construction and construction period access to Lasko Manor. Toll Brothers proposes building a luxury mid-rise, for-sale condominium project on the land immediately west of Lasko Manor.

4. On the shared property boundary, Toll’s plan envisions a new building that is six inches from Lasko Manor, 60 feet from grade to roof line, and 30 feet below grade.

5. To execute its development plan, Toll would need to perform feasibility testing as well as structural engineering and construction that would affect Lasko Manor. Toll would provide HOC with engineering reports before construction starts as well as during to ensure there is no significant impact to Lasko Manor.

6. In consideration for the access easement and construction easement Toll Brothers will provide $75,000 to Hampden Lane to cover legal and engineering costs associated with establishing the agreement and monitoring the work.

Issue for Consideration

1. Does HOC wish to authorize Survey, Sheeting and Shoring & Crane Overswing Agreement with Toll Brothers to accommodate the construction of their building?
Aerial view of metro Bethesda (oriented top of page is North) showing Toll Brothers property and the immediate adjacency to Lasko Manor.
Street View, #2

Toll Brothers Property (existing buildings to be demolished)

4913 Hampden Lane, Lasko Manor

Building built to property line
Example of an excavation illustrating the shoring system and tie-back system.
Example of excavation and system to stabilize adjoining buildings.

As area is excavated, steel piles are driven to hold shoring.

Not shown is the overhead crane that would be used as part of the work and be subject to this agreement.
SUMMARY

• Agreement would provide $75,000 to cover legal and engineering cost associated with the approval of the agreement and the easement as well as monitoring during construction; remaining funds would go to the partnership reserve account.

• HOC general and outside counsel proposes using the standard form agreement for this type of easement.

• HOC will hire an engineering firm to review the plans and monitor the work (via field studies and status report review).

• Toll Brothers is a reputable developer with significant experience working in this type of environment.

• In addition to HOC, the limited partner and the Maryland CDA approvals are needed.

• Construction is projected to commence in six months for a duration of 18-24 months.

BUDGET IMPACT

This action will have no impact on the Agency’s operating budget.

TIME FRAME

Action at the August 6, 2015 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

Staff recommends that the Commission accepts the recommendation of the Development and Finance Committee and authorize the Executive Director on behalf of Hampden Lane LP, to execute to execute the Survey, Sheeting and Shoring & Crane Overswing Agreement with Toll Brothers for the construction of a property located adjacent to Lasko Manor.
WHEREAS, 4913 Hampden Lane Limited Partnership (the “Partnership”) owns and operates a 12-unit building in Bethesda at 4913 Hampden Lane, known as Lasko Manor, and the building was constructed and received its Certificate of Occupancy in 2012; and

WHEREAS, the Housing Opportunities Commission of Montgomery County (HOC) is the general partner of the Partnership (the “General Partner”), Hudson SLP LLC is the special limited partner of the Partnership (the “SLP”), and Hudson Hampden Lane LLC is the limited partner of the Partnership (together with the SLP, the “Limited Partners”); and

WHEREAS, Lasko Manor provides permanent supportive housing for formerly homeless adult single people with incomes equal to or less than 50% of the Washington Metropolitan Statistical Area Median Income (AMI); and

WHEREAS, financing for Lasko Manor is funded through loans from the Maryland Department of Housing and Community Development (the “State Lender”) and Montgomery County (the “County Lender” and together with the State Lender and Bank, the “Lenders”); and

WHEREAS, staff was approached by Toll Brothers Development (“Toll Brothers”) whose affiliate, Toll MD IV Limited Partnership, proposes to build a luxury mid-rise, for-sale condominium project on the land immediately west of Lasko Manor; and

WHEREAS, to execute its development plan of constructing a new building six inches from Lasko Manor, 60 feet from grade to roof line, and 30 feet below grade, Toll Brothers would need to perform feasibility testing as well as structural engineering and construction on the Lasko Manor property; and

WHEREAS, Toll Brothers is requesting a pre-development access easement over the Lasko Manor property and an access and construction easement on the Lasko Manor property during the construction period, and HOC has prepared a Survey, Sheeting and Shoring & Crane Overswing Agreement (the “Agreement”) to provide such easements; and

WHEREAS, Toll Brothers has agreed to provide the Partnership with engineering reports before construction starts and during construction to ensure there is no significant adverse impact to Lasko Manor; and

WHEREAS, Toll Brothers has agreed to provide $75,000 to the Partnership to cover legal and engineering costs associated with preparing the Agreement and monitoring the work; and

WHEREAS, the Agreement is reciprocal and allows the Partnership, or its successor, to undertake the same actions within the next fifteen (15) years without further negotiations.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to enter into direct negotiations with Toll Brothers Development and to execute the Survey, Sheeting and Shoring & Crane Overswing Agreement on behalf of the 4913 Hampden Lane Limited Partnership, as its General Partner, subject to obtaining the approval of the Limited Partners and Lenders.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular Meeting conducted on August 6, 2014.

__________________________
Patrice M. Birdsong
Special Assistant to the Commission
APPROVAL OF THE FINAL DEVELOPMENT PLANS AND AUTHORIZATION FOR THE TRANSFER OF SIX PUBLIC HOUSING DEVELOPMENTS APPROVED FOR DISPOSITION UNDER THE RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM FROM HOC TO RAD 6 DEVELOPMENT CORPORATION AND THE EXECUTION OF ALL RELATED DOCUMENTS

FAMILY PUBLIC HOUSING

STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN
ZACHARY MARKS
JAY SHEPHERD

August 6, 2014
RAD 6 Stabilization are six (6) multifamily public housing developments approved for disposition and conversion from traditional public housing to Section 8 project based assistance under the housing choice voucher program pursuant to the Rental Assistance Demonstration (RAD).

• Executive Summary........................................................................................................................................3
• Final Development Plan
  – Property Locations .....................................................................................................................................6
  – Sources and Uses ......................................................................................................................................7
  – Estimated Timeline(s) .................................................................................................................................8
  – Team Assembly .......................................................................................................................................9
  – Renovation Program ...............................................................................................................................10
  – Unit Mix and Bedroom Counts ................................................................................................................11
  – Unit Mix and Proposed Rent Schedule ....................................................................................................12
  – Summary of Stabilized Operations ..........................................................................................................13
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  – Washington Square New Amenity Space .................................................................................................15
• Summary and Recommendations ................................................................................................................16
Executive Summary

- The Housing Opportunities Commission faces growing challenges in its aging multifamily Public Housing structures – most prominently, functional obsolescence and systems issues as a result of age and constrained federal capital support.

- HUD’s Rental Assistance Demonstration (RAD) program presents HOC with an opportunity to convert its multifamily Public Housing assets to Project-based Section 8 subsidy providing for their acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing).

- On July 30, 2013, the Commission approved participation in the RAD program and authorized evaluation of a portfolio disposition of its entire Public Housing multifamily family and senior developments. On November 6, 2013, the Commission approved performance of feasibility analyses for each property in the public housing inventory of the Commission to determine the ultimate scope of work to be conducted in the redevelopment or rehabilitation of these properties and the use of CFP funds to pay for feasibility studies and RAD related expenses.

- On December 18, 2013 and March 26, 2014, HUD awarded a Commitment for a Housing Assistance Payment contracts (CHAP) for Seneca Ridge, Parkway Woods and Ken Gar, Sandy Spring Meadow and Towne Centre Place Olney, and Washington Square (all properties excluding Emory Grove are known as the RAD 6).

- To solicit proposals from architects and general contractors interested in providing renovation services on an as-needed basis, HOC released RFP No. 1914 for Architectural Services on February 7, 2013 and RFQ No. 1913 for Pre-Qualification of General Contractor Services on February 21, 2013. Proposals were evaluated, assigning numerical values to the firms having furnished a complete set of qualifications, the strength of business recommendations provided, financial capacity, project experience and pricing from the architects.

- On May 7, 2014, the Commission approved the Preliminary Development Plans, selection of Bennett Frank McCarthy and Karl Riedel Architects as the architects, and the selection of a pool of general contractors for the in place rehabilitation of the RAD 6 properties.
Part II of RFQ No. 1913 invited the eligible prequalified general contractors to participate in the team effort to develop and subsequently price a scope of work for each property and unit type. Foulger-Pratt and Capital Building Partners participated on the projects teams, based on geographic divisions as follows:

<table>
<thead>
<tr>
<th>Project Team</th>
<th>Properties</th>
<th>Units</th>
<th>Architect</th>
<th>General Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAD 6 WEST</td>
<td>Seneca Ridge, Washington Square, and Parkway Woods</td>
<td>145</td>
<td>Bennett Frank McCarthy</td>
<td>Foulger-Pratt</td>
</tr>
<tr>
<td>RAD 6 EAST</td>
<td>KenGar, Sandy Spring Meadow, and Towne Centre Place</td>
<td>123</td>
<td>Karl Riedel Architects</td>
<td>Capital Building Partners</td>
</tr>
</tbody>
</table>

The Final Development Plan has been created jointly by the project teams focused on providing a standard of high quality, well designed, amenity rich, energy efficient affordable housing and strong supportive services for Montgomery County that is financially sustainable and competitive within the rental marketplace.

The Scope of Work consists of the following:

- Amenities including state-of-the-art playground equipment and an exclusive clubhouse at Washington Square.
- Interior work, such as replacement of:
  - Kitchens and bathrooms (appliances, cabinets, fixtures, and finishes)
  - Flooring and Painting
  - HVAC systems and Electrical modifications
- Exterior work, such as replacement of:
  - Windows, roofs, gutters and downspouts, and siding
  - Sidewalks, stoops, fencing and concrete walks, grading, and storm water management (where required)
  - Landscaping, exterior lighting and security, and upgrades to trash management systems
Executive Summary (Continued)

Staff hereby recommends the following actions by the Development and Finance Committee:

1. Acceptance of the recommendation of the Finance Committee to approve the Final Development Plan for the RAD 6 properties approved for disposition under the RAD Program.

2. Authorization for the Transfer of Property Under the Rental Assistance Demonstration (RAD) Program from HOC to RAD 6 Development Corporation and the Execution of all Related Documents.
Final Development Plan– Property Locations
## Final Development Plan

### Sources and Uses Summary

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax-Exempt Bond Mortgage&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$19,313,045</td>
<td>$72,064</td>
</tr>
<tr>
<td>Capital Fund Program&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>$600,000</td>
<td>$2,239</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$19,913,045</strong></td>
<td><strong>$74,302</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses</th>
<th>Amount</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition Costs&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>$1,900,000</td>
<td>$7,090</td>
</tr>
<tr>
<td>Reimbursement of Capital Expenses&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>$7,372,147</td>
<td>$27,508</td>
</tr>
<tr>
<td>Construction Costs (incl. Davis-Bacon and GC Fees)</td>
<td>$8,212,622</td>
<td>$30,644</td>
</tr>
<tr>
<td>Financing Expenses&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>$482,826</td>
<td>$1,802</td>
</tr>
<tr>
<td>Soft Costs&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>$1,811,450</td>
<td>$6,759</td>
</tr>
<tr>
<td>Reserves&lt;sup&gt;(7)&lt;/sup&gt;</td>
<td>$134,000</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td><strong>$19,913,045</strong></td>
<td><strong>$74,302</strong></td>
</tr>
</tbody>
</table>

### Notes:

1. Tax exempt bond financing with mortgage insurance under the FHA Risk Sharing Mortgage Insurance Program.
2. HUD Public Housing Capital Fund is available by formula distribution for capital and management activities, including development, financing, and modernization of public housing projects, which includes redesign, reconstruction, and reconfiguration of public housing sites and buildings (including accessibility improvements) and development of mixed-finance projects, $100,000/yr, during disposition only.
3. Reimbursement of Capital Fund Securitization Loan Repayment ("CFFP"), Loan #29.16.0085.
4. Reimbursement of prior capital expenditures.
5. Includes Fees: $364,971 or 2% of mortgage amount and $91,243 mortgage insurance premium for one year to be paid upfront.
7. Initial Deposit for Replacement Reserves is $500/unit (note: industry standard for IDRR’s is $350 per unit for newly constructed or post-renovation projects).
Final Development Plan – Timeline(s)

Disposition

• CHAP Issued: December 18, 2013, March 26, 2014
• Financing Plan: Extension granted until August 15, 2014
• HUD Approvals: 90 days after Financing Plan submittal

Financing

• Due Diligence: December 2013 – August 2014
• FHA Risk Sharing Commitment: 150 days after CHAP issuance
• Financing Plan: Extension granted until August 15, 2014
• Estimate Closing: October 2014

Design and Renovation

• Team Assembly: May 2014
• Design Documents: August 2014
• Renovation Kickoff: December 2014
• Construction Activity: Tenant-in-place, 26-30 units per month (13-15 per team)
• Construction Completion: December 2015
# Final Development Plan – Team Assembly

## Developer
- Housing Opportunities Commission of Montgomery County
- The Developer is responsible for all aspects of the Project including design, construction, and ongoing project operations.

## General Contractors
- Foulger-Pratt Contracting, LLC (RAD – WEST)¹
- Capital Building Partners (RAD – EAST)²

## Architects
- Bennett Frank McCarthy Architects, Inc (RAD – WEST)
- Karl Riedel Architecture, P.C. (RAD – EAST)

## Property Management
- Housing Opportunities Commission of Montgomery County

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¹ RAD – WEST: Parkway Woods, Seneca Ridge, and Washington Square
² RAD – EAST: Ken Gar, Sandy Spring Meadow, and Towne Centre Place

August 6, 2014
The project entails new construction for onsite amenities and the like-kind renovation of 268 single family and townhouse dwellings in six principal locations in Montgomery County.

The Development Plan will provide a standard of high quality, well designed, amenity rich, energy efficient affordable housing and strong supportive services for Montgomery County that is financially sustainable and competitive within the rental marketplace.

The anticipated amenities include state-of-the-art playground equipment and an exclusive clubhouse at Washington Square.

Unit renovations will include all or some of the items listed below, to be decided on a unit-by-unit basis by HOC:

**Interior work, such as replacement of:**
- Kitchens and bathrooms (appliances, cabinets, fixtures, and finishes)
- Flooring and painting
- HVAC systems and electrical modifications
- Energy efficiency package

**Energy-Efficient Package**

**Exterior work, such as replacement of:**
- Windows, Roofs, gutters and downspouts and Siding
- Sidewalks, stoops, fencing, and concrete walks
- Grading and storm water management
- Landscaping, Exterior Lighting and Security, and upgrades to trash management systems

*Typical un-renovated unit. (Washington Square Feb. 2014)*

*Example of a finished unit showing the standard set of energy efficient appliances, lighting and windows.*
## Final Development Plan

### Unit Mix and Bedroom Counts

<table>
<thead>
<tr>
<th>Property</th>
<th>Year Built/Renovated</th>
<th>Product Type</th>
<th>Total Units</th>
<th>Affordable Units</th>
<th>Market Rate Units</th>
<th>Occupancy (As Of 06/30/2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Square</td>
<td>1968/2002</td>
<td>Townhouse</td>
<td>50</td>
<td>20</td>
<td>30</td>
<td>88.0%</td>
</tr>
<tr>
<td>Seneca Ridge</td>
<td>1970/2008</td>
<td>Townhouse</td>
<td>71</td>
<td>56</td>
<td>15</td>
<td>74.6%</td>
</tr>
<tr>
<td>Towne Centre Place</td>
<td>1986</td>
<td>Townhouse</td>
<td>49</td>
<td>47</td>
<td>2</td>
<td>95.9%</td>
</tr>
<tr>
<td>Sandy Spring Meadow</td>
<td>1980</td>
<td>TH and SF</td>
<td>55</td>
<td>48</td>
<td>7</td>
<td>87.3%</td>
</tr>
<tr>
<td>Parkway Woods</td>
<td>1980</td>
<td>Townhouse</td>
<td>24</td>
<td>22</td>
<td>2</td>
<td>87.5%</td>
</tr>
<tr>
<td>Ken Gar</td>
<td>1979</td>
<td>TH and SF</td>
<td>19</td>
<td>17</td>
<td>2</td>
<td>89.5%</td>
</tr>
<tr>
<td><strong>TOTAL UNITS</strong></td>
<td><strong>268 (100%)</strong></td>
<td><strong>210 (78%)</strong></td>
<td><strong>58 (22%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Unit Mix and Proposed Rent Schedule

<table>
<thead>
<tr>
<th>Property</th>
<th>Total Units</th>
<th>% Of Total Units</th>
<th>Unit Size S.F.</th>
<th>RAD Units</th>
<th>RAD Rents</th>
<th>Market Rate Units</th>
<th>Market Rate Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Square</td>
<td>50</td>
<td>20%</td>
<td>806</td>
<td>7</td>
<td>$771</td>
<td>3</td>
<td>$1,444</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,091</td>
<td>9</td>
<td>$934</td>
<td>21</td>
<td>$1,669</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,218</td>
<td>4</td>
<td>$1,174</td>
<td>6</td>
<td>$1,863</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>20%</strong></td>
<td><strong>1,218</strong></td>
<td><strong>20</strong></td>
<td></td>
<td><strong>30</strong></td>
<td></td>
</tr>
<tr>
<td>Seneca Ridge</td>
<td>71</td>
<td>56%</td>
<td>1,230</td>
<td>35</td>
<td>$1,000</td>
<td>5</td>
<td>$1,669</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>1,530</td>
<td>11</td>
<td>$1,264</td>
<td>9</td>
<td>$1,863</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>71</strong></td>
<td><strong>56%</strong></td>
<td><strong>1,530</strong></td>
<td><strong>56</strong></td>
<td></td>
<td><strong>15</strong></td>
<td></td>
</tr>
</tbody>
</table>

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**August 6, 2014**

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## Final Development Plan

<table>
<thead>
<tr>
<th>Property</th>
<th>Total Units</th>
<th>% Of Total Units</th>
<th>Unit Size S.F.</th>
<th>RAD Units</th>
<th>RAD Rents</th>
<th>Market Rate Units</th>
<th>Market Rate Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Towne Centre Place</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 BR (Townhouse)</td>
<td>9</td>
<td>18%</td>
<td>660</td>
<td>9</td>
<td>$685</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>2 BR (Townhouse)</td>
<td>20</td>
<td>41%</td>
<td>895</td>
<td>20</td>
<td>$707</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>3 BR (Townhouse)</td>
<td>20</td>
<td>41%</td>
<td>1,255</td>
<td>18</td>
<td>$832</td>
<td>2</td>
<td>$1,669</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>49</strong></td>
<td><strong>47</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sandy Spring Meadow</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 BR (Townhouse)</td>
<td>5</td>
<td>9%</td>
<td>727</td>
<td>5</td>
<td>$687</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>2 BR (Townhouse)</td>
<td>25</td>
<td>45%</td>
<td>1,022</td>
<td>24</td>
<td>$705</td>
<td>1</td>
<td>$1,444</td>
</tr>
<tr>
<td>3 BR (Single Family)</td>
<td>22</td>
<td>40%</td>
<td>1,458</td>
<td>16</td>
<td>$769</td>
<td>6</td>
<td>$1,669</td>
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<tr>
<td>4 BR (Single Family)</td>
<td>3</td>
<td>5%</td>
<td>1,564</td>
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<td>$949</td>
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<td>n/a</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>55</strong></td>
<td><strong>48</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parkway Woods</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2 BR (Townhouse)</td>
<td>9</td>
<td>38%</td>
<td>979 ~ 1,173</td>
<td>9</td>
<td>$681</td>
<td>0</td>
<td>n/a</td>
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<td>3 BR (Townhouse)</td>
<td>9</td>
<td>38%</td>
<td>1,415</td>
<td>8</td>
<td>$792</td>
<td>1</td>
<td>$1,669</td>
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<tr>
<td>4 BR (Townhouse)</td>
<td>6</td>
<td>25%</td>
<td>1,714</td>
<td>5</td>
<td>$967</td>
<td>1</td>
<td>$1,863</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>24</strong></td>
<td><strong>22</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ken Gar</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 BR (Townhouse)</td>
<td>7</td>
<td>37%</td>
<td>917</td>
<td>7</td>
<td>$679</td>
<td>0</td>
<td>n/a</td>
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<tr>
<td>3 BR (Townhouse)</td>
<td>5</td>
<td>26%</td>
<td>1,188</td>
<td>5</td>
<td>$785</td>
<td>0</td>
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<tr>
<td>4 BR (Townhouse)</td>
<td>2</td>
<td>11%</td>
<td>1,452</td>
<td>2</td>
<td>$956</td>
<td>0</td>
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<tr>
<td>4 BR (Single Family)</td>
<td>5</td>
<td>26%</td>
<td>1,439</td>
<td>3</td>
<td>$891</td>
<td>2</td>
<td>$1,863</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>19</strong></td>
<td><strong>17</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>268</strong></td>
<td><strong>210 (78%)</strong></td>
<td><strong>58 (22%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Financing Plan combines a Construction Note with Permanent Financing using the FHA Risk Sharing Mortgage Insurance Program.

First full stabilized year is 2016 (year two) with occupancy projected at 93%, rent and expense growth rates at 2% and 3%, respectively.

Total operating expenses are projected to be $1,657,389 in year two including funding of annual replacement reserves of $340 per unit, per year and escalating at 3% annually.

The net operating income (NOI) of $1,608,821 in year two supports the permanent debt which is underwritten at 5.00% plus 50 basis points of mortgage insurance premium (MIP) costs pursuant to the FHA Risk Sharing Mortgage Insurance Program.

Interim Income for year one of operations is projected to be $806,071.

Annual Replacement Reserves: $340 per unit.
Final Development Plan - Transaction Rationale

**HOC Benefits**

- A standard of high quality, well designed, amenity rich, energy efficient affordable housing and strong supportive services for Montgomery County that is financially sustainable and competitive within the rental marketplace.

- Equity for affordable housing.

- First mortgage proceeds address properties’ capital backlogs and reduce operating expenses.

**Serving our Residents**

- Addressing deferred maintenance for improving housing quality standards.

- Lowering operating expenses for utilities by upgrading to energy efficient systems.

- Providing residents flexibility in housing choices.
The RAD 6 – WEST team has prepared as an optional add-alternate for an exclusive clubhouse amenity at Washington Square, conceptualized to enhance the marketability of the market rate units.

**Clubhouse Program**
- **Bldg Footprint:** 60 x 60 = 3,600 sq ft
- **First floor:** 12.0’ height
- **Second Floor:** 10.0’ height

**Floor 1**
- Lounge/Entry area (300 sq ft)
- Family resource room (900 sq ft)
- Leasing office (150 sq ft)
- Party Room (750 sq ft)
- Gym (600 sq ft)
- Bathrooms, kitchen, mechanical and corridors (900 sq ft)

**Floor 2**
- 1,800 sq ft (half of floor – administrative offices) approx. 15 offices

<table>
<thead>
<tr>
<th>Clubhouse Program</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hard Costs</td>
<td>$1,389,750</td>
</tr>
<tr>
<td>Contingency (10%)</td>
<td>$138,975</td>
</tr>
<tr>
<td>General Requirements</td>
<td>$183,447</td>
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<tr>
<td>General Liability Insurance</td>
<td>$7,191</td>
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<tr>
<td>Builders Risk Insurance</td>
<td>$5,158</td>
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<tr>
<td>GC Fee</td>
<td>$103,471</td>
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<tr>
<td>Payment &amp; Performance Bond</td>
<td>$13,710</td>
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<tr>
<td>Total Hard Cost</td>
<td>$1,841,702</td>
</tr>
<tr>
<td>Soft Costs (Architecture, etc.)</td>
<td>$120,000</td>
</tr>
<tr>
<td><strong>Total Construction Cost</strong></td>
<td>$1,961,702</td>
</tr>
</tbody>
</table>

(1) Seneca Ridge not included because of recent (2009) playground equipment upgrades.

August 6, 2014
Summary and Recommendations

Issues for Consideration

Does the Development and Finance Committee wish to accept the recommendation of the Finance Committee and authorize development plans and selection of general contractors for six multifamily public housing developments approved for disposition under the Rental Assistance Demonstration Program (RAD)?

Fiscal / Budget Impact

None. Predevelopment Funds from the Capital Fund Program are sufficient to cover projected predevelopment cost scheduling (see schedule below).

Predevelopment Cost Schedule

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants-Predisposition and Closing</td>
<td></td>
</tr>
<tr>
<td>A&amp;E Schematic Design</td>
<td>$172,465</td>
</tr>
<tr>
<td>Appraisal</td>
<td>$42,000</td>
</tr>
<tr>
<td>Engineering (PNA) -Actual</td>
<td>$53,140</td>
</tr>
<tr>
<td>Environmental Phase I and II</td>
<td>$25,000</td>
</tr>
<tr>
<td>Surveys</td>
<td>$101,000</td>
</tr>
<tr>
<td>RAD Consultant</td>
<td>$160,800</td>
</tr>
<tr>
<td>Legal/Cost Certification</td>
<td>$20,400</td>
</tr>
<tr>
<td>Contingency (4.2%)</td>
<td>$25,195</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$600,000</strong></td>
</tr>
</tbody>
</table>

Funding Schedule

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Fund Program</td>
<td>600,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$600,000</strong></td>
</tr>
</tbody>
</table>
Summary and Recommendations (Continued)

Time Frame

Action at the August 6, 2014 meeting of the Commission.

Commission Action Needed

Staff requests that the Commission accepts the recommendation of the Development and Finance Committee and approve the Final Development Plans for six multifamily public housing developments approved for disposition under the Rental Assistance Demonstration Program (RAD).
RESOLUTION: RE: Approval of Final Development Plans and Authorization for the Transfer of Six Public Housing Developments Approved for Disposition under the Rental Assistance Demonstration (RAD) Program from HOC to RAD 6 Development Corporation and the Execution of all Related Documents

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) faces growing challenges in its aging multifamily public housing structures – most prominently, functional obsolescence and pervasive systems issues as a result of age and constrained federal capital support; and

WHEREAS, the US Department of Housing and Urban Development’s (HUD’s) Rental Assistance Demonstration program (the “RAD Program”) presents the Commission with an opportunity to convert its multifamily public housing assets to projects that will receive Project-based Section 8 rental subsidies, which will allow HOC to provide for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of the public housing projects; and

WHEREAS, on July 30, 2013, the Commission approved participation in the RAD Program and authorized evaluation of a portfolio disposition of its entire public housing program in multifamily and senior developments; and

WHEREAS, on November 6, 2013, the Commission approved performance of feasibility analyses for each property in the public housing inventory of the Commission to determine the ultimate scope of work to be conducted in the redevelopment of these properties; and

WHEREAS, Capital Fund Program funds may be utilized to pay for feasibility studies and RAD Program related fees; and

WHEREAS, on December 18, 2013 and March 26, 2014, HUD awarded Commitments for a Housing Assistance Payment contracts (each a “CHAP”) for Seneca Ridge, Parkway Woods & Ken Gar, Sandy Spring Meadow & Towne Centre Place Olney, and Washington Square (collectively, the “RAD 6 Development”); and

WHEREAS, The RAD Program requires that the RAD 6 Development’s financing plan be submitted to HUD for its approval; and

WHEREAS, to solicit proposals from architects and general contractors interested in providing renovation services on an as-needed basis for the RAD 6 Development units, HOC released RFP No. 1914 for Architectural Services on February 7, 2013 and RFQ No. 1913 for Pre-Qualification of General Contractor Services on February 21, 2013; and
WHEREAS, proposals were evaluated, assigning numerical values to the firms having furnished a complete set of qualifications, the strength of business recommendations provided, financial capacity, project experience and pricing from the Architects; and

WHEREAS, on May 7, 2014, the Commission approved the preliminary development plans and the selection of architects and general contractors for the six public housing developments approved for disposition under the Rental Assistance Demonstration (RAD) Program; and

WHEREAS, the Commission has prepared Final Development Plans by which the Architects and Contractors have developed a viable scope of work and development plan that will meet the properties’ immediate and long-term physical needs.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the Final Development Plans for the rehabilitation in place of the six properties that comprise the RAD 6 Development Corporation.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the transfer of the RAD 6 Development under the RAD Program from HOC to RAD 6 Development Corporation and the execution of all related documents.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on August 6, 2014.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Commission
APPROVAL OF THE FINANCING PLAN FOR RAD 6 DEVELOPMENT CORPORATION TRANSACTION

Six Montgomery County Locations

STACY L. SPANN, EXECUTIVE DIRECTOR
KAYRINE V. BROWN
VIVIAN BENJAMIN
HYUNSUH CHOI (WILSON)

August 6, 2014
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<th>Page</th>
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</thead>
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<td>Timing</td>
<td>6</td>
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<tr>
<td>Property Description</td>
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<td>Renovation Program</td>
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<td>Financing Plan</td>
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<td>Summary of Stabilized Operations</td>
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<tr>
<td>Development Team</td>
<td>15</td>
</tr>
<tr>
<td>Conclusion and Recommendation</td>
<td>16</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

- Pursuant to HUD’s Rental Assistance Demonstration (RAD) Program, HOC has obtained reservation from HUD to convert its entire portfolio from traditional Public Housing to the Project-based Section 8 Housing Choice Voucher subsidy.

- On July 30, 2013, the Commission approved participation in the RAD Program and authorized an evaluation to dispose of its entire portfolio of multifamily and senior Public Housing developments.

- On November 6, 2013, the Commission approved performance of a feasibility analysis for each property in its Public Housing inventory to determine the ultimate scope of work to be conducted in the redevelopment of these properties. The Commission also approved the use of HUD Public Housing Capital Fund Program (CFP) funds to pay for the feasibility studies and RAD related fees.

- On December 18, 2013 and March 26, 2014, HUD awarded a Commitment for a Housing Assistance Payment Contract (CHAP) for Seneca Ridge, Parkway Woods, Ken Gar, Sandy Spring Meadow, Towne Centre Place, and Washington Square (the “RAD 6”).

- On May 07, 2014, the Commission approved the Preliminary Development Plan and selection of architects and general contractors for RAD 6.

- The project entails the green renovation of 268 single-family and townhome dwellings in six (6) principal locations within Montgomery County.

- HOC seeks to provide an elevated standard of quality housing based on market comparables that are energy efficient and cost effective for long-term ownership.
EXECUTIVE SUMMARY (Continued)

- The Final Development Plan has been created jointly by the project team. It will create high quality, well designed, amenity rich, energy efficient affordable housing with strong supportive services. The properties will also be financially sustainable and competitive within the Montgomery County rental marketplace.

- The Financing Plan, included herein, will provide fixed-rate financing for the transaction using the Federal Housing Administration (FHA) Risk Sharing Mortgage Insurance Program.

- The total development cost will be $19,913,045 ($74,302 per unit).

- Staff recommends that the Development and Finance Committee accept the Financing Plan and recommend it to the Commission for approval.

<table>
<thead>
<tr>
<th>Total 268 Units</th>
<th>210 Affordable Units (78%)</th>
<th>58 Market Rate Units (22%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax-Exempt Bond</td>
<td></td>
<td>$19,313,045</td>
</tr>
<tr>
<td>Capital Fund Program Allocations</td>
<td></td>
<td>$600,000</td>
</tr>
</tbody>
</table>
PUBLIC PURPOSE

- Under the FHA Risk Sharing Program, each property is required to provide a public purpose requirement of either 20% of units at 50% of the Area Median Income (AMI) or 40% of units at 60% AMI. The RAD 6 properties will provide a greater public purpose.

- Of the 268 units, 210 (78%) are designated RAD (affordable) units and 58 (22%) will be market rate units as defined below.
  - The affordable units will serve households that do not exceed 60% AMI.
  - The market rate units will serve households that do not exceed 80% AMI.

<table>
<thead>
<tr>
<th>Property</th>
<th>Total Units</th>
<th>RAD Units</th>
<th>Market Rate Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Square</td>
<td>50</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Seneca Ridge</td>
<td>71</td>
<td>56</td>
<td>15</td>
</tr>
<tr>
<td>Towne Centre Place</td>
<td>49</td>
<td>47</td>
<td>2</td>
</tr>
<tr>
<td>Sandy Spring Meadow</td>
<td>55</td>
<td>48</td>
<td>7</td>
</tr>
<tr>
<td>Parkway Woods</td>
<td>24</td>
<td>22</td>
<td>2</td>
</tr>
<tr>
<td>KenGar</td>
<td>19</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL UNITS</strong></td>
<td><strong>268</strong></td>
<td><strong>210</strong></td>
<td><strong>58</strong></td>
</tr>
<tr>
<td></td>
<td><strong>(100%)</strong></td>
<td><strong>(78%)</strong></td>
<td><strong>(22%)</strong></td>
</tr>
</tbody>
</table>
Ken Gar Community, 14 townhomes and five single-family detached homes consisting of seven two-bedroom units, five three-bedroom units, and seven four-bedroom units originally constructed in 1979 and located principally at 10731 Shaftsbury Street, Kensington, MD 20895.

Parkway Woods, a 24-unit townhome community consisting of nine two-bedroom units, nine three-bedroom units, and six four-bedroom units originally constructed in 1980 and located on 2.0 acres at 12933 Twinbrook Parkway, Rockville, MD 20851.

Sandy Spring Meadow, a 55-unit community consisting of 25 townhouses and 30 single family homes. All townhomes have two-bedrooms and a bath, and the single family homes have three or four bedrooms with 1.5 to two baths. Originally constructed in 1980 and located on 14.2 acres at the intersection of Skymeadow Way and Olney Sandy Spring Rd, Sandy Spring, MD 20860.

Seneca Ridge, a 71-unit townhome community consisting of two one-bedroom units, nine two-bedroom units, 40 three-bedroom units, and 20 four-bedroom units that were originally constructed in 1970 and underwent major renovations in 2008, located on approximately 8.5 acres principally at 19568 Scenery Drive, Germantown, MD 20876.

Towne Centre Place (Olney), a 49-unit townhome community consisting of 14 one-bedroom units, 20 two-bedroom units, and 15 three-bedroom units, originally constructed in 1986 and located on 6.5 acres at 3502 Morningwood Drive, Olney, MD 20832.

Washington Square, a 50-unit townhome community consisting of 10 two-bedroom units, 32 three-bedroom units, and eight four-bedroom units originally constructed in 1968 and renovated in 2002, located on 4.08 acres at 8343 Fairhaven Drive in Gaithersburg, MD 20877.
### Property Description (Continued)

#### Unit Mix and Bedroom Counts

<table>
<thead>
<tr>
<th>Property</th>
<th>Year Built/ Renovated</th>
<th>Product Type</th>
<th>Total Units</th>
<th>RAD Units</th>
<th>Market Rate Units</th>
<th>Occupancy (As Of 06/30/2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Square</td>
<td>1968/2002</td>
<td>Townhouse</td>
<td>50</td>
<td>20</td>
<td>30</td>
<td>88.0%</td>
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<tr>
<td>Seneca Ridge</td>
<td>1970/2008</td>
<td>Townhouse</td>
<td>71</td>
<td>56</td>
<td>15</td>
<td>74.6%</td>
</tr>
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<td>Towne Centre Place</td>
<td>1986</td>
<td>Townhouse</td>
<td>49</td>
<td>47</td>
<td>2</td>
<td>95.9%</td>
</tr>
<tr>
<td>Sandy Spring Meadow</td>
<td>1980</td>
<td>TH and SF</td>
<td>55</td>
<td>48</td>
<td>7</td>
<td>87.3%</td>
</tr>
<tr>
<td>Parkway Woods</td>
<td>1980</td>
<td>Townhouse</td>
<td>24</td>
<td>22</td>
<td>2</td>
<td>87.5%</td>
</tr>
<tr>
<td>Ken Gar</td>
<td>1979</td>
<td>TH and SF</td>
<td>19</td>
<td>17</td>
<td>2</td>
<td>89.5%</td>
</tr>
<tr>
<td><strong>TOTAL UNITS</strong></td>
<td><strong>268 (100%)</strong></td>
<td></td>
<td><strong>210 (78%)</strong></td>
<td><strong>58 (22%)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Proposed Rent Schedule

<table>
<thead>
<tr>
<th>Property</th>
<th>Total Units</th>
<th>% Of Total Units</th>
<th>Unit Size S.F.</th>
<th>RAD Units</th>
<th>RAD Rents</th>
<th>Market Rate Units</th>
<th>Market Rate Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Square</td>
<td>50</td>
<td>20%</td>
<td>806</td>
<td>7</td>
<td>$771</td>
<td>3</td>
<td>$1,444</td>
</tr>
<tr>
<td>2 BR (Town House)</td>
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<td>20%</td>
<td>806</td>
<td>7</td>
<td>$771</td>
<td>3</td>
<td>$1,444</td>
</tr>
<tr>
<td>3 BR (Town House)</td>
<td>30</td>
<td>60%</td>
<td>1,091</td>
<td>9</td>
<td>$934</td>
<td>21</td>
<td>$1,669</td>
</tr>
<tr>
<td>4 BR (Town House)</td>
<td>10</td>
<td>20%</td>
<td>1,218</td>
<td>4</td>
<td>$1,174</td>
<td>6</td>
<td>$1,863</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td></td>
<td><strong>20</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seneca Ridge</td>
<td>71</td>
<td></td>
<td><strong>56</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Studio BR (Town House)</td>
<td>2</td>
<td>3%</td>
<td>500</td>
<td>2</td>
<td>$693</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>2 BR (Town House)</td>
<td>9</td>
<td>13%</td>
<td>800</td>
<td>8</td>
<td>$811</td>
<td>1</td>
<td>$1,444</td>
</tr>
<tr>
<td>3 BR (Town House)</td>
<td>40</td>
<td>56%</td>
<td>1,230</td>
<td>35</td>
<td>$1,000</td>
<td>5</td>
<td>$1,669</td>
</tr>
<tr>
<td>4 BR (Town House)</td>
<td>20</td>
<td>28%</td>
<td>1,530</td>
<td>11</td>
<td>$1,264</td>
<td>9</td>
<td>$1,863</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>71</strong></td>
<td></td>
<td><strong>56</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>Total Units</td>
<td>% Of Total Units</td>
<td>Unit Size S.F.</td>
<td>RAD Units</td>
<td>Affordable Rents</td>
<td>Market Rate Units</td>
<td>Market Rate Rents</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------</td>
<td>------------------</td>
<td>----------------</td>
<td>-----------</td>
<td>------------------</td>
<td>-------------------</td>
<td>------------------</td>
</tr>
<tr>
<td><strong>Towne Centre Place</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 BR (Town House)</td>
<td>9</td>
<td>18%</td>
<td>660</td>
<td>9</td>
<td>$685</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>2 BR (Town House)</td>
<td>20</td>
<td>41%</td>
<td>895</td>
<td>20</td>
<td>$707</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>3 BR (Town House)</td>
<td>20</td>
<td>41%</td>
<td>1,255</td>
<td>18</td>
<td>$832</td>
<td>2</td>
<td>$1,669</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>49</strong></td>
<td><strong>47</strong></td>
<td><strong>2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sandy Spring Meadow</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 BR (Town House)</td>
<td>5</td>
<td>9%</td>
<td>727</td>
<td>5</td>
<td>$687</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>2 BR (Town House)</td>
<td>25</td>
<td>45%</td>
<td>1,022</td>
<td>24</td>
<td>$705</td>
<td>1</td>
<td>$1,444</td>
</tr>
<tr>
<td>3 BR (Single Family)</td>
<td>22</td>
<td>40%</td>
<td>1,458</td>
<td>16</td>
<td>$769</td>
<td>6</td>
<td>$1,669</td>
</tr>
<tr>
<td>4 BR (Single Family)</td>
<td>3</td>
<td>5%</td>
<td>1,564</td>
<td>3</td>
<td>$949</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>55</strong></td>
<td><strong>48</strong></td>
<td><strong>7</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parkway Woods</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 BR (Town House)</td>
<td>9</td>
<td>38%</td>
<td>979-1,173</td>
<td>9</td>
<td>$681</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>3 BR (Town House)</td>
<td>9</td>
<td>38%</td>
<td>1,415</td>
<td>8</td>
<td>$792</td>
<td>1</td>
<td>$1,669</td>
</tr>
<tr>
<td>4 BR (Town House)</td>
<td>6</td>
<td>25%</td>
<td>1,714</td>
<td>5</td>
<td>$967</td>
<td>1</td>
<td>$1,863</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>24</strong></td>
<td><strong>22</strong></td>
<td><strong>2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ken Gar</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 BR (Town House)</td>
<td>7</td>
<td>37%</td>
<td>917</td>
<td>7</td>
<td>$679</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>3 BR (Town House)</td>
<td>5</td>
<td>26%</td>
<td>1,188</td>
<td>5</td>
<td>$785</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>4 BR (Town House)</td>
<td>2</td>
<td>11%</td>
<td>1,452</td>
<td>2</td>
<td>$956</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>4 BR (Single Family)</td>
<td>5</td>
<td>26%</td>
<td>1,439</td>
<td>3</td>
<td>$891</td>
<td>2</td>
<td>$1,863</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>19</strong></td>
<td><strong>17</strong></td>
<td><strong>2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>268</strong></td>
<td><strong>210 (78%)</strong></td>
<td><strong>58 (22%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

August 6, 2014
RENOVATION PROGRAM

➢ The project entails the green renovation of 268 single family and
townhome dwellings in six (6) principal locations in Montgomery
County.

➢ The Final Development Plan will provide a standard of high quality,
well designed, amenity rich, energy efficient affordable housing
with strong supportive services for the residents. The properties
will be financially sustainable and competitive within the
Montgomery County rental marketplace.

➢ The anticipated renovations will include a variety of the items
listed below, and will be decided on a unit-by-unit basis:

   ❖ Interior work, such as the replacement of:
     • Kitchens and bathrooms (appliances, cabinets, fixtures,
       finishes)
     • Flooring and painting
     • HVAC systems and electrical modifications

   ❖ Exterior work, such as the replacement of:
     • Windows, roofs, gutters and downspouts and siding
     • Sidewalks, stoops, fencing and concrete walks
     • Grading and storm water management
     • Landscaping, exterior lighting, access control, and
       upgrades to trash management systems

Typical unit before renovation. (Washington Square, Feb 2014)

Example of currently renovated kitchen with a standard set of energy
efficient appliances, lighting and windows.

August 6, 2014
The RAD 6 – WEST team has prepared an optional add-alternate for an exclusive clubhouse amenity at Washington Square, conceptualized to enhance the marketability of the market rate units.

**Clubhouse Program**

Bldg Footprint: 60 x 60 = 3,600 sq ft
First floor: 12.0’ height
Second Floor: 10.0’ height

**Floor 1**
- Lounge/Entry area (300 sq ft)
- Family resource room (900 sq ft)
- Leasing office (150 sq ft)
- Party Room (750 sq ft)
- Gym (600 sq ft)
- Bathrooms, kitchen, mechanical and corridors (900 sq ft)

**Floor 2**
- 1,800 sq ft (half of floor – administrative offices) approx. 15 offices

**Clubhouse Program Costs**

<table>
<thead>
<tr>
<th>Description</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hard Costs</td>
<td>$1,389,750</td>
</tr>
<tr>
<td>Contingency (10%)</td>
<td>$138,975</td>
</tr>
<tr>
<td>General Requirements</td>
<td>$183,447</td>
</tr>
<tr>
<td>General Liability Insurance</td>
<td>$7,191</td>
</tr>
<tr>
<td>Builders Risk Insurance</td>
<td>$5,158</td>
</tr>
<tr>
<td>General Contractor Fee</td>
<td>$103,471</td>
</tr>
<tr>
<td>Payment &amp; Performance Bond</td>
<td>$13,710</td>
</tr>
<tr>
<td>Total Hard Cost</td>
<td>$1,841,702</td>
</tr>
<tr>
<td>Soft Costs (Architecture, etc.)</td>
<td>$120,000</td>
</tr>
<tr>
<td><strong>Total Construction Cost</strong></td>
<td><strong>$1,961,702</strong></td>
</tr>
</tbody>
</table>

**Note:** Seneca Ridge not included because of recent (2009) playground equipment upgrades.

August 6, 2014
## Sources and Uses

### Sources

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax-Exempt Bond Mortgage</td>
<td>$19,313,045</td>
<td>$72,064</td>
</tr>
<tr>
<td>Capital Fund Program</td>
<td>$600,000</td>
<td>$2,239</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$19,913,045</strong></td>
<td><strong>$74,302</strong></td>
</tr>
</tbody>
</table>

### Uses

<table>
<thead>
<tr>
<th>Uses</th>
<th>Amount</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition Costs (Capital Fund Securitization Loan Repayment)</td>
<td>$1,900,000</td>
<td>$7,090</td>
</tr>
<tr>
<td>Reimbursement Of Capital Expenses</td>
<td>$7,372,147</td>
<td>$27,508</td>
</tr>
<tr>
<td>Construction Costs (incl. fees)</td>
<td>$8,212,622</td>
<td>$30,644</td>
</tr>
<tr>
<td>Financing Expenses</td>
<td>$482,826</td>
<td>$1,802</td>
</tr>
<tr>
<td>Soft Costs ¹</td>
<td>$1,811,450</td>
<td>$6,759</td>
</tr>
<tr>
<td>Reserves</td>
<td>$134,000</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td><strong>$19,913,045</strong></td>
<td><strong>$74,302</strong></td>
</tr>
</tbody>
</table>

1 Soft Costs includes Architectural Design, Construction Period Interest, Negative Arbitrage, Settlement Costs and Soft Cost Contingency, etc.

- $19MM tax-exempt bond financing with a mortgage insured under the FHA Risk Sharing Program.
- $600,000 HUD Public Housing Capital Fund is available by formula distribution for capital and management activities, including development, financing, and modernization of public housing projects, which includes redesign, reconstruction, and reconfiguration of public housing sites and buildings (including accessibility improvements) and development of mixed-finance projects, $100,000/yr, during disposition only.
- The total development cost is $19,913,045 ($74,302 per unit) with an estimated construction period of 12 months.
- To acquire the property, HUD has set the Capital Fund Securitization Loan Repayment at $1,900,000.
- $7,372,147 Capitalization of expenses incurred as a result of the RAD Programming.
- Considering this transaction will be credit enhanced with FHA mortgage insurance, FHA will determine how much risk HOC will take on these loans.
- Initial Deposit Replacement Reserves: $500 Per Unit.
SUMMARY OF STABILIZED OPERATIONS

<table>
<thead>
<tr>
<th>Stabilized Proforma</th>
<th>Year 1</th>
<th>Per Unit</th>
<th>Year 2</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$2,415,186</td>
<td>$9,012</td>
<td>$3,266,210</td>
<td>$12,187</td>
</tr>
<tr>
<td>Expenses¹</td>
<td>$1,609,115</td>
<td>$6,004</td>
<td>$1,657,389</td>
<td>$6,184</td>
</tr>
<tr>
<td>Net Operating Income (NOI)</td>
<td>$806,071</td>
<td>$3,008</td>
<td>$1,608,821</td>
<td>$6,003</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$0</td>
<td>$0</td>
<td>$1,339,919</td>
<td>$5,000</td>
</tr>
<tr>
<td>Cash Flow²</td>
<td>$806,071</td>
<td>$3,008</td>
<td>$268,903</td>
<td>$1,265</td>
</tr>
<tr>
<td>Loan Mgt Fee³</td>
<td>$48,283</td>
<td>$180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Flow</td>
<td>$220,620</td>
<td>$823</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Debt Service Coverage Ratio Target (Year 2) 1.20

¹ Include $91,093 ($340 per unit annually) in Replacement Reserves
² Cash Flow is not included Loan Management Fee
³ Loan Management Fee be collected $48,283 annually (0.25% of mortgage amount)

The Financing Plan combines a Construction Note with Permanent Financing using the FHA Risk Sharing Mortgage Insurance Program.

First full stabilized year is 2016 (year two) with occupancy projected at 93%, rent and expense growth rates at 2% and 3%, respectively.

Total operating expenses are projected to be $1,657,389 in year two including funding of annual replacement reserves of $340 per unit, per year and escalating at 3% annually.

The net operating income (NOI) of $1,608,821 in year two supports the permanent debt which is underwritten at 5.00% plus 50 basis points of mortgage insurance premium (MIP) costs pursuant to the FHA Risk Sharing Mortgage Insurance Program.

Interim Income for year one of operations is projected to be $806,071.

Annual Replacement Reserves: $340 per unit.

Max Mortgage Amount $19,313,045

Term (in years) 30
Interest Rate* 5.00%
Debt Service Constant 6.44%
MIP (Mortgage Insurance Premium) 0.50%
"All-In" Rate 6.94%
Debt Service Coverage Ratio Target (2016) 1.20

NOI (Net Operating Income) $1,608,821
Debt Service $1,339,919

* 25 BPS increase in Interest Rate translates to approx. 2.6% decrease in Max Mortgage.
Financing Structure

- **Type of Loan**: Fixed-rate fully amortizing loan funded from the proceeds of tax-exempt bonds.
- **Loan Term**: 30-year amortization; 30-year term.
- **Projected Interest Rate**: Rate will be determined at bond pricing. Underwriting assumes 5.0% or 6.94% all in rate.

HOC Fees

- **Capital Reimbursement Fees**: $386,261 or 2% of mortgage amount to be paid upfront.
- **Loan Management Fees**: $48,283 annually over the life of the loan.

Credit Enhancement

- **Type**: FHA Risk Sharing; consistent with FHA requirements, Staff proposes that HOC take 50% of the risk on this transaction.

HOC Benefits

- A standard of high quality, well designed, amenity rich, energy efficient affordable housing with strong supportive services for the residents.
- Properties will be financially sustainable and competitive within the Montgomery County rental marketplace.
- Equity for affordable housing.
- First mortgage proceeds address properties’ capital backlogs and reduce operating expenses.
DEVELOPMENT TEAM

Developer

- Housing Opportunities Commission of Montgomery County
- The Developer is responsible for all aspects of the Project including design, construction, and ongoing project operations.

General Contractors

- Foulger-Pratt Contracting, LLC (RAD – WEST)¹
- Capital Building Partners (RAD – EAST)²

Architects

- Bennett Frank McCarthy Architects, Inc (RAD – WEST)
- Karl Riedel Architecture, P.C. (RAD – EAST)

Property Management

- Housing Opportunities Commission of Montgomery County

Notes:
(1) RAD – WEST: Parkway Woods, Seneca Ridge, and Washington Square
(2) RAD – EAST: Ken Gar, Sandy Spring Meadow, and Towne Centre Place

August 6, 2014
CONCLUSION AND RECOMMENDATION

Issues For Consideration

➢ Does the Commission wish to accept the recommendation of the Development and Finance Committee and Approve the Financing Plan for RAD 6 Transaction?

Fiscal / Budget Impact

➢ The transaction will pay an upfront Capital Reimbursement Fee and an ongoing annual Loan Management Fee of 0.25% (approximately $48,000).

Time Frame

➢ Action at the August 6, 2014 meeting of the Commission.

Conclusion and Recommendation

➢ Properties will provide 210 affordable units at or below 60% AMI and 58 market rate units at or below 80% AMI.
➢ With the FHA execution, RAD 6 will be in a positive financial position with the second year cash flow of $268,903 and the debt service coverage of 1.20x.
➢ A review of the projected stabilized operations concludes that the transaction is feasible as presented.
➢ Staff recommends that the Commission accepts the recommendation of the Development and Finance Committee and Approve the Financing Plan for RAD 6.
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, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of multifamily rental housing properties which provide a public purpose; and

WHEREAS, on July 30, 2013, the Commission approved participation in the Department of Housing and Urban Development’s (HUD) Rental Assistance Demonstration (RAD) Program and authorized an evaluation to dispose of its entire portfolio of multifamily and senior Public Housing developments; and

WHEREAS, on December 18, 2013 and March 26, 2014, HUD awarded HOC Commitments for a Housing Assistance Payment contracts (CHAPs) relating to the following six developments: Seneca Ridge, Parkway Woods, Ken Gar, Sandy Spring Meadow, Towne Centre Place, and Washington Square (collectively, the “RAD 6 Development”); and

WHEREAS, RAD 6 Development entails the green renovation of 268 units, consisting of multifamily, single-family and townhome dwellings, in six (6) principal locations within Montgomery County; and

WHEREAS, on June 4, 2014, the Commission approved the formation of RAD 6 Development Corporation, an entity wholly controlled by the Commission, to be the owner of the RAD 6 Development; and

WHEREAS, the Commission approved combining the RAD 6 Development into one development to be owned by RAD 6 Development Corporation and financed under one financing mechanism and has approved a Preliminary Development Plan and selection of architects and general contractors for the RAD 6 Development; and

WHEREAS, The RAD Program requires that the RAD 6 Development’s financing plan be submitted to HUD for its approval; and

WHEREAS, the Commission has examined a financing plan providing for the issuance of tax-exempt fixed rate bonds in the amount of $19,913,045.00, the proceeds of which will be used to fund a mortgage loan insured under the FHA Risk Sharing Program for the acquisition and rehabilitation of the RAD 6 Development.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the financing plan for the RAD 6 Development is hereby approved.

BE IT FURTHER RESOLVED that the Commission is authorized to make a mortgage loan insured under the FHA Risk Sharing Program to RAD 6 Development Corporation in an amount not to exceed $19,913,045.00 plus any required reserves for the acquisition and rehabilitation of the RAD 6 Development.

BE IT FURTHER RESOLVED that it is the intention of the Commission to take at least 50% of the insurance risk under the FHA Risk Sharing Program for this mortgage loan.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on August 6, 2014.

S ______________________________________
E Patrice M. Birdsong
A Special Assistant to the Commission
L
Future Action
Information Exchange
New Business
Executive Session Findings
Recess
Development Corporation Meeting
RAD 6 DEVELOPMENT CORPORATION MEETING

Approval of Bylaws and Election of Initial Board of Directors for RAD 6 Development Corporation

August 6, 2014

• At its June 2014 meeting, HOC authorized the formation of RAD 6 Development Corporation (the “Corporation”) to own and operate Ken-Gar Apartments, Towne Centre Place, Parkway Woods, Washington Square, Sandy Spring Meadow and Seneca Ridge (collectively, the “RAD 6 Development”) which are undergoing conversion from public housing under the Rental Assistance Demonstration Program (the “RAD Program”).

• As the Corporation is expecting to submit a financing plan and other deliverable to the US Department of Housing and Urban Development (HUD) to acquire and rehabilitate the RAD 6 Development, it is now appropriate for the Corporation to hold its initial meeting, approve the Bylaws and elect officers to the Board of Directors.

• Staff recommends that the Corporation approve the Bylaws and elect the Chair, Vice-Chair and Chair Pro-Tem of the Commission as officers to the initial Board of Directors.
MEMORANDUM

TO: RAD 6 Development Corporation

VIA: Stacy L. Spann, Executive Director Ext. 9420

FROM: Kelly McLaughlin, Deputy General Counsel Ext. 9567

RE: Approval of Bylaws and Election of Initial Board of Directors for RAD 6 Development Corporation

DATE: August 6, 2014

STATUS: Deliberation

OVERALL GOAL & OBJECTIVE:
For RAD 6 Development Corporation to elect members to the Board of Directors and approve the Corporation’s Bylaws.

BACKGROUND:
At its June 2014 meeting, the Housing Opportunities Commission of Montgomery County (HOC) authorized the establishment of RAD 6 Development Corporation, a wholly-controlled corporate instrumentality (the "Corporation") and passed a resolution approving the Articles of Incorporation. The Articles of Incorporation were filed and recorded on June 10, 2014.

It is now appropriate for the Corporation to conduct the organizational meeting, adopt the Bylaws, and appoint the three HOC Officers to the Corporation's Board of Directors (the "Board"). The Bylaws state that "unless otherwise determined by the corporation, the officers of the corporation shall be the Chair, Vice-Chair and Chair Pro-Tem of the Housing Opportunities Commission".

Simultaneously with these corporate actions, the Corporation will proceed with its pursuit of the acquisition and rehabilitation financing approval for the RAD 6 Development.

The Corporation will meet annually to review status and appoint officers for the coming year. It is anticipated that full budget consideration will be undertaken at a meeting once the property has been transferred.
ISSUES FOR CONSIDERATION:
Does RAD 6 Development Corporation wish to approve the Bylaws and elect the Chair, Vice-Chair and Chair Pro-Tem of the Commission to the Development Corporation's Board of Directors?

BUDGET IMPACT:
There is no budget impact to approving the Bylaws and selecting the Board of Directors of the Corporation.

TIME FRAME:
For action at the August 6, 2014 meeting of the Corporation.

STAFF RECOMMENDATION AND COMMITTEE ACTION NEEDED:
Staff recommends that the Corporation approve the Bylaws and elect the Chair, Vice-Chair and Chair Pro-Tem of the Commission to the initial Board of Directors.
RESOLUTION: 14-____

Approval of Bylaws and Election of Initial Board of Directors for RAD 6 Development Corporation

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is authorized to establish non-profit corporations to assist in performing its functions and responsibilities; and

WHEREAS, on June 4, 2014, the Commission approved the formation of RAD 6 Development Corporation (the “Corporation”), a non-profit nonstock corporation for the purposes of providing assistance in the ownership, operation and management of housing for persons of low and moderate income; and

WHEREAS, the Commission is the sole member of the Corporation; and

WHEREAS, the Commission has considered and reviewed the Bylaws for the Corporation providing for the day to day operation and functioning of the Corporation; and

WHEREAS, the Commissioners have been duly notified of this meeting to consider the Bylaws.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it, acting on behalf of the Corporation as its sole member, hereby adopts the Bylaws of RAD 6 Development Corporation attached hereto.

BE IT FURTHER RESOLVED that the Chair, Vice-Chair and Chair Pro-Tem of the Commission shall be and are hereby selected as the Board of Directors of the Corporation.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County, acting on behalf of RAD 6 Development Corporation as its sole member, at a regular open meeting conducted on August 6, 2014.

____________________________
Patrice M. Birdsong
Special Assistant to the Commission
BYLAWS
OF
RAD 6 DEVELOPMENT CORPORATION

ARTICLE I - OFFICES

The principal office of the corporation in the State of Maryland shall be located in the Town of Kensington, County of Montgomery, Maryland. The corporation may have such other offices, either within or without the State of incorporation as the Board of directors may designate or as the business of the corporation may from time to time require.

ARTICLE II - BOARD OF DIRECTORS

1. GENERAL POWERS.

The business and affairs of the corporation shall be managed by its Board of directors. The directors shall in all cases act as a Board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation, as they may deem proper, not inconsistent with these Bylaws and the laws of this State.

2. NUMBER, TENURE AND QUALIFICATIONS.

The Board of Directors shall be selected annually by the Housing Opportunities Commission of Montgomery County. The number of directors of the corporation shall not be less than three (3) all of whom shall be Commissioners. Each director shall hold office until the next annual meeting and until his successor shall have been elected and qualified.

3. REGULAR MEETINGS.

A regular annual meeting of the directors, shall be held without other notice than this bylaw on the first Wednesday of June in each year at the location determined by the Board. The directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

4. SPECIAL MEETINGS.

Special meetings of the directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the directors may fix the place for holding any special meeting of the directors called by them.

5. NOTICE.

Notice of any special meeting shall be given at least three (3) days previously thereto by written notice delivered personally, or by facsimile or mailed to each
director at his business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by facsimile, such notice shall be deemed to be delivered when the facsimile is delivered. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

6. QUORUM.

At any meeting of the directors, a majority shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

7. MANNER OF ACTING.

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the directors. A member of the Board shall be permitted to participate in a meeting by telephone provided all parties can hear the others.

8. NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board for any reason shall be filed by decision of the Housing Opportunities Commission of Montgomery County. A director elected to fill a vacancy caused by resignations, death or removal shall be elected to hold office for the unexpired term of his predecessor.

9. REMOVAL OF DIRECTORS.

Any or all of the directors may be removed with or without cause by vote of the Housing Opportunities Commission of Montgomery County.

10. RESIGNATION.

A director may resign at any time by giving written notice to the Board, the president or the secretary of the corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

11. COMPENSATION.

No compensation shall be paid to directors, as such, for their services, but by resolution of the Board a fixed sum and expenses for actual attendance at each regular or special meeting of the Board may be authorized. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.
12. PRESUMPTION OF ASSENT.

A director of the corporation who is present at a meeting of the directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting.

13. EXECUTIVE AND OTHER COMMITTEES.

The Board, by resolution, may designate from among its members an executive committee and other committees, each consisting of three or more directors. Each such committee shall serve at the pleasure of the Board.

ARTICLE III - OFFICERS

1. NUMBER.

The officers of the corporation shall be a president, secretary and treasurer, each of whom shall be elected by the directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the directors.

2. ELECTION AND TERM OF OFFICE.

The officers of the corporation to be elected by the directors shall be elected annually at the regular meeting of the directors. Unless otherwise determined by the corporation, the officers of the corporation shall be the Chair, Vice-chair and Chair Pro-tem of the Housing Opportunities Commission. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent elected or appointed by the directors may be removed by the directors whenever in their judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the directors for the unexpired portion of the term.

5. PRESIDENT.

The president shall be the principal executive officer of the corporation and, subject to the control of the directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the directors. He may sign, with the secretary or any other proper officer of the
corporation thereunto authorized by the directors, any deeds, mortgages, bonds, contracts, or other instruments which the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the directors from time to time. Unless otherwise determined by the corporation, the president shall be the Chair of the Housing Opportunities Commission

6. SECRETARY.

The secretary shall keep the minutes of the directors’ meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these bylaws or as required, be custodian of the corporate records and of the seal of the corporation and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the directors. This position can be combined with the office of Treasurer. Unless otherwise determined by the corporation, the secretary shall be the Vice-Chair of the Housing Opportunities Commission

7. TREASURER.

If required by the directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the directors shall determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with these bylaws and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the directors. This position can be combined with the office of Secretary. Unless otherwise determined by the corporation, the treasurer shall be the Chair Pro-Tem of the Housing Opportunities Commission

9. COMPENSATION.

No compensation shall be paid to officers but officers shall be reimbursed for their out of pocket costs in performing their functions.

ARTICLE IV - WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any director of the corporation under the provisions of these bylaws or under the provisions of the articles of incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE V - AMENDMENTS
These bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority vote of the directors at any annual meeting or at any special meeting when the proposed amendment has been set out in the notice of such meeting subject to approval of the Housing Opportunities Commission of Montgomery County.

 ARTICLE VI - CONTRACTS, CHECKS DEPOSITS AND LOANS

1. CONTRACTS.

All contracts of the Corporation shall be subject to the approval of the Housing Opportunities Commission of Montgomery County. The Board of Directors may authorize any officer or officers, agent or agents, or corporate representative or representatives of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. LOANS, MORTGAGES, BONDS AND NOTES.

The Board of Directors shall not enter into any loan, mortgage, bond, promissory note or contract to purchase real property without obtaining the approval of the Housing Opportunities Commission of Montgomery County. The Board of Directors shall obtain the approval of the Housing Opportunities Commission of Montgomery County not more than sixty (60) days in advance of the issue of any bonds, notes or other obligations of the Corporation.

3. MANAGEMENT.

Unless otherwise approved by the Housing Opportunities Commission of Montgomery County, the Corporation shall enter into a management contract with the Housing Opportunities Commission of Montgomery County for all of its property authorizing the Housing Opportunities Commission of Montgomery County to perform all functions necessary for the operation of its property, investment of its funds, the transfer of earnings thereto by grant or otherwise, procurement, contracting, auditing and reporting required by law, these Bylaws or the Articles of Incorporation.

 ARTICLE VII - BOOKS, RECORDS AND ACCOUNTS

The Corporation shall keep at its principal office correct and complete books and records of account and minutes of the proceedings of its Board of Directors and its Executive Committee, if any. All books and records of the corporation may be inspected by agents or attorneys of the Housing Opportunities Commission of Montgomery County for any proper purpose at any reasonable time.

 ARTICLE VIII - FISCAL YEAR
The fiscal year of the Corporation shall be from July 1 to June 30.

ARTICLE IX - INDEMNIFICATION

1. IN GENERAL.

The Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a corporate representative of the Corporation, against expenses, judgments, fines, settlement and other amount actually and reasonably incurred by such person in connection with such proceeding if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, or with respect to a criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful.

2. ACTIONS BY OR IN THE RIGHT OF THE CORPORATION.

The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a corporate representative, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation, unless and only to the extent that the court in which such action or suit was brought or any other court of equity in the count where the Corporation has its principal office shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for the expenses which such court shall deem proper.

3. NOT EXCLUSIVE OF OTHER RIGHTS.

The indemnification provided by this Article IX shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors and administrators of such a person. The indemnification provided by this Article IX shall not be deemed exclusive of any other rights to indemnification to which agents may be entitled by contract or otherwise under law.

4. INSURANCE.
The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent arising out of the agent's status as such, whether or not the agent could be indemnified by the Corporation under this Article IX.