# EXPANDED AGENDA

## February 5, 2014

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<th>Time</th>
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<tr>
<td>3:00 p.m.</td>
<td><strong>Annual Meeting Reception - Atrium</strong></td>
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<tr>
<td>4:00 p.m.</td>
<td><strong>Annual Meeting</strong></td>
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<td>- Housing Honor Roll Awards</td>
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<td>- Special Recognition</td>
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<td>- Year in Review</td>
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<td>- Election of Officers</td>
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<td>4:45 p.m.</td>
<td><strong>CONSENT ITEMS</strong></td>
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<td>A. Approval of Minutes of January 8, 2014</td>
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<td>B. Adoption of Retirement Resolution for Michele Henderson</td>
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<td>C. Adoption of Retirement Resolution for Winifred Thomas</td>
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<td>D. Approval of Transfer of Public Housing Units to VPC Two Corporation and Authorization for Executive Director to Execute the Deed and Use Agreements and all Documents Necessary to Complete the Transfer</td>
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<td>E. Approval of Selection of 2014 Housing Honor Roll and Special Recognition Award Recipients</td>
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<tr>
<td>5:00 p.m.</td>
<td><strong>INFORMATION EXCHANGE</strong></td>
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<td>34 A. Report of the Executive Director</td>
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<td>B. Calendar and Follow-up Action</td>
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<td>C. Correspondence and Printed Matter</td>
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<td>D. Commissioner Exchange</td>
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<td>E. Resident Advisory Board</td>
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<td>F. Community Forum</td>
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<td>G. Status Report</td>
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<td>- 669 Update</td>
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<td>5:05 p.m.</td>
<td><strong>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</strong></td>
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<td>Page 43 A. Development and Finance Committee – Com. Lindstrom, Chair</td>
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<tr>
<td></td>
<td>1. Approval to Purchase 10 Horizon Court, Derwood, MD for Use and Operation by Jubilee Association of Maryland</td>
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<td>B. Legislative and Regulatory Committee – Com. Roman, Chair</td>
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<td>1. Authorization to Modify the Administrative Plan to Include a Homeless Preference</td>
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<tr>
<td>5:25 p.m.</td>
<td><strong>ITEMS REQUIRING DELIBERATION and/or ACTION</strong></td>
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<td>5:30 p.m.</td>
<td><strong>RECESS</strong></td>
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<td>DEVELOPMENT CORPORATION</td>
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| Page 66 | VPC Two Corporation  
• Approval of Acquisition of Public Housing Units and Authorization for Executive Director to Execute the Use Agreements and All Documents Necessary to Record the Acquisition |
| --- | --- |
| 72 | Chevy Chase Lake Apartments Development Corporation  
• Ratification of Resolution Authorizing the Executive Director to Execute a Purchase and Sale Agreement for the Disposition of a Portion of the Chevy Chase Lake Apartments Site |
| 5:40 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.
Consent Items
The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, January 8, 2014 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:19 p.m. Those in attendance were:

**Present**
- Roberto Piñero, Chair
- Sally Roman, Vice Chair
- Michael Kator, Chair Pro Tem
- Jean Banks
- Rick Edson
- Pamela Lindstrom

**Also Attending**
- Stacy Spann, Executive Director
- Fred Swan
- Kayrine Brown
- Helen Kanovsky
- Sheryl Hammond
- Jennifer Arrington
- Saundra Boujai
- Terri Fowler
- Belle Seyoum
- Darcel Cox
- Ethan Cohen
- Patrick Mattingly
- Scott Ewart
- Sherron Turner
- Ken Goldstraw
- Dean Tyree
- Susan Smith
- Fred Swan
- Gina Smith
- Zachary Marks

**Commission Support**
- Ken Tecler, Staff Counsel
- Wilson Choi
- Kathleen Dillon, Resident
- Tara Whicker
- Richard Hanks
- Gail Gunod-Green
- Rita Harris
- Kelly McLaughlin
- Rebecca Grayson
- Madera Clark
- Maria Montero
- Lola Knight
- Clarence Landers
- Sandra DeMoraes
- Jay Shepherd
- Lynn Hayes
- Vivian Benjamin
- Eugene Spencer
- Emily Dorfman

- Patrice Birdsong, Spec. Asst. to Commission
The Consent Calendar was adopted upon a motion by Vice Chair Roman and seconded by Commissioner Banks. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, and Edson. Commissioner Lindstrom was temporarily away and did not participate in the vote.

I. CONSENT ITEMS

A. Approval of Minutes
   - Approval of Minutes of Regular Meeting of January 8, 2014 – The minutes were approved as submitted noting correction to the spelling of “Bullis” School in the December 4, 2013 meeting notes.

B. Ratification of Action taken in Executive Session on December 4, 2013: Authorization of the Execution of a Purchase and Sale Contract for the Acquisition of Capital One Site
   – The following resolution was approved.

RESOLUTION: 14-01

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, Capital One, N.A. (“Seller”) has offered for fee-simple sale the 43,671-square foot site it owns at 10140 New Hampshire Avenue, Silver Spring, Maryland (“Capital One Site”); and

WHEREAS, HOC recognizes the benefits of acquiring the Capital One Site and the parties have entered into negotiations of a purchase and sale contract for the acquisition of the Capital
One Site (“Contract”); and

WHEREAS, the proposed Contract provides for a purchase price of $1.7MM to be paid at closing; and

WHEREAS, the proposed Contract provides for an initial deposit of $85,000 (“Initial Deposit”) at the execution; and

WHEREAS, the Initial Deposit is fully refundable for the duration of the due diligence period outlined in the proposed Contract; and

WHEREAS, the Initial Deposit will be funded out of 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. Upon negotiation of final terms and conditions satisfactory to the Executive Director and Counsel, the Executive Director is authorized to execute the Contract for the purchase of the Capital One Site, and

2. Authorizes the Initial Deposit of $85,000 funded out of the Opportunity Housing Reserve Fund to be deposited into an escrow account to be defined within the Contract as executed by the Executive Director.

C. Approval of GFP Residential Holdings, LLC Crane Swing Easement Agreement at Park Potomac – The following resolution was approved.

RESOLUTION: 14-02 RE: Approval of GFP Residential Holdings, LLC Crane Swing Easement Agreement at Park Potomac

WHEREAS, the Housing Opportunities Commission of Montgomery County owns an MPDU unit in Park Potomac; and

WHEREAS, GFP Residential Holdings, LLC, (“GFP”), an affiliate of Foulger Pratt and an adjacent property owner is constructing two high rise apartment buildings in the vicinity of the Commission’s unit; and

WHEREAS, GFP is proposing the use of a crane to swing materials and equipment between delivery equipment and the construction sites; and
WHEREAS, the crane swing is proposed to go over the airspace of the unit owned by the Commission; and

WHEREAS, a crane swing easement has been negotiated between the parties providing for the use of the air space above the unit for approximately 10 months with proper insurance and indemnifications to the Commission; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to execute a Crane Swing Easement granting GFP the use of a portion of the airspace above the unit owned by the Commission in Park Potomac on terms and conditions deemed satisfactory to the Executive Director and counsel.

II. INFORMATION EXCHANGE

A. Report of the Executive Director – Mr. Spann reported that the properties were doing well in spite of the cold weather conditions. One property was placed on “Fire Watch”. He explained to the Board that “Fire Watch” is when a building’s fire alarm system is not functioning properly staff has to be on alert until the equipment is repaired.

Regina Mitchell, Director of Property Management reported that there was a water main break that briefly affected The Ambassador.

B. Calendar and Follow-up Action – Two items will be added to the Calendar: MAHC Housing Day in Annapolis on February 13, 2014 and NAHRO Legislative Conference on March 10-13.

C. Commissioner Exchange – No reports

D. Resident Advisory Board – Commissioner Banks, RAB – Ex-Officio, reported that the RAB was doing fine and that there is a monthly meeting scheduled for January 27, 2014.

E. Community Forum – Kathleen Dillon, Housing Choice Voucher Resident, expressed her concerned with recertification to include her medical expenses as part of the calculation in determining her rent.

Sandra DeMoraes, resident of Alexander House, addressed the Board regarding her concerns of the activities going on at the property.

F. Status Report – None
III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

A. Budget, Finance and Audit Committee – Commissioner Kator, Chair

1. Acceptance of First Quarter FY’14 Budget to Actual Statement

Terri Fowler, Budget Officer gave a brief presentation.

The following resolution was adopted upon a motion by Chair Pro Tem Kator and seconded by Vice Chair Roman. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Lindstrom and Edson.

RESOLUTION NO: 14-03 RE: Acceptance of First Quarter FY’14 Budget to Actual Statement

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 First Quarter FY’14 Budget to Actual Statements during its January 8, 2014 meeting.

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

B. Development and Finance Committee – Commissioner Lindstrom, Chair

1. Approval of a Refinancing Plan for Paddington Square Apartments

Kayrine Brown, Director of Mortgage Finance/Real Estate and Jennifer Arrington, Sr. Multi-Family Underwriter, gave a brief presentation.

The following resolution was adopted upon a motion by Commissioner Lindstrom and seconded by Vice Chair Roman. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Lindstrom and Edson.
RESOLUTION NO:  14-04  

RE:  Approval of a Refinancing Plan for Paddington Square Apartments

WHEREAS, Paddington Square Apartments (the “Property”) is a 165-unit apartment community located at 8800 Lanier Drive in Silver Spring, Maryland which was acquired by the Paddington Square Development Corporation, an entity wholly controlled by the Commission, in 2004; and

WHEREAS, the Commission is the asset manager for Paddington Square Development Corporation and in that capacity has been considering various options for permanent financing for the Property; and

WHEREAS, the Property underwent a comprehensive renovation between 2005 and 2011; and

WHEREAS, on December 7, 2011, the Commission approved retirement of the Property’s first mortgage in the amount of $7,495,489, using the Commission line of credit with PNC Bank, N.A.; and

WHEREAS, on November 7, 2012, the Commission approved redemption of the outstanding $5,698,800 tax exempt bonds, which facilitated the acquisition of the Property, and refinancing of the same amount on an interim basis utilizing the Commission line of credit with PNC Bank, N.A.; and

WHEREAS, the Property has been unable to achieve sustained occupancy of 93% or better for a consecutive 12-month period; and

WHEREAS, as of November 30, 2013, the Property has outstanding debt from various soft and hard sources totaling $27,783,649, excluding it from financing under the FHA Risk Sharing Program; and

WHEREAS, a variety of options for permanent financing for the Property has been explored including a bond financing option with mortgage insurance under the FHA Risk Sharing Program, several interest only bond structures proposed by PNC Bank, N.A., and a proposal from Love Funding Corporation for an FHA Section 223(f) taxable Government National Mortgage Association (GNMA or “Ginnie Mae”) product; and

WHEREAS, after review of the options for refinancing the Property, it appears that a FHA Section 223(f) GNMA execution offers the best approach available to the Commission as shown in the refinancing plan dated January 8, 2014 (the “Refinancing Plan”) presented to the Commission.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Refinancing Plan for Paddington Square Apartments is hereby approved and the Executive Director is authorized to:

1. Engage Love Funding Corporation to seek and obtain a firm commitment from the U.S. Department of Housing and Urban Development ("HUD") to insure, by way of the Section 223(f) program, a permanent mortgage loan by the issuance of Ginnie Mae Mortgage Backed Securities; and,

2. Utilize the Property’s savings in debt service in FY14 budget for preliminary transaction costs of up to $75,000.

BE IT FURTHER RESOLVED that, upon receipt of a HUD Firm Commitment, to include final loan amount and interest rate, a final Sources and Uses is to be considered by the Commission prior to finalizing the financing transaction for Paddington Square Development Corporation.

2. Consent to Transfer General Partnership Interest in the Oakfield Apartments Transaction

Kayrine Brown, Director of Mortgage Finance/Real Estate and Vivian Benjamin, Assistant Director of Mortgage Finance, gave a brief presentation.

The following resolution was adopted upon a motion by Vice Chair Roman and seconded by Commissioner Banks. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Lindstrom and Edson.

RESOLUTION: 14-05 RE: Consent to Transfer General Partnership Interest in the Oakfield Apartments Transaction

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 the Agreement by and between the Housing Opportunities Commission of Montgomery County and Montgomery County, Maryland (the “County”), effective July 1, 2013, as amended (together, the “Act”); and

WHEREAS, on September 25, 2005, HOC issued $38,000,000 of tax-exempt Variable Rate Housing Revenue Bonds 2005 I (the “Bonds”) to finance the acquisition and substantial
rehabilitation of Oakfield Apartments, a 371-unit affordable multifamily development located in Wheaton, Maryland; and

WHEREAS, in 2009, after filing bankruptcy protection, Fairfield Residential LLC, the principal owner of the general partner of Fairfield Oakfield LP, was converted to a liquidating trust to repay creditors and all of its assets, including Oakfield Apartments, were transferred to the trust; and

WHEREAS, in October 2010, after completing the bankruptcy process, Fairfield Investment Company LLC was created and is proposed to become, among other things, the principal owner of a new general partner of Fairfield Oakfield LP (the “Borrower”) and to make investments in real estate and assume ownership and financial obligations of assets not liquidated, including Oakfield Apartments; and

WHEREAS, on November 20, 2013, the Commission received a request on behalf of the Borrower to consent to the transfer of the general partnership interest in the Borrower from FF Oakfield LLC to FFI Oakfield LLC; and

WHEREAS, the proposed transfer of general partner interests to the new company requires consent of the Commission as issuer of the Bonds as well as the servicer and Bond trustee; and

WHEREAS, on December 19, 2013, the Development and Finance Committee approved the transfer of the general partnership interest of the Borrower to a new limited liability company, FFI Oakfield, LLC.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it consents to the transfer of the general partnership interest of Fairfield Oakfield LP, the owner of the Oakfield Apartments from FF Oakfield LLC to FFI Oakfield LLC.

BE IT FURTHER RESOLVED, that the Executive Director is authorized to prepare and execute a consent to the transfer of the general partnership interest in Fairfield Oakfield LP and all other documents and certificates necessary to complete the transfer.

3. Approval to Execute an Alternative Location Agreement for MPDUs

Kayrine Brown, Director of Mortgage Finance/Real Estate and Vivian Benjamin, Assistant Director of Mortgage Finance, gave a brief presentation.

Upon approval the Board requested the Resolution be amended to reflect that the parties reach an agreement where HOC would break even financially.
The following resolution was adopted upon a motion by Vice Chair Roman and seconded by Commissioner Edson. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Lindstrom and Edson.

**RESOLUTION: 14-06 (Amended)**

**Authorization to Enter into an Alternate Location MPDU Agreement**

**WHEREAS**, TOLL MD IV LIMITED PARTNERSHIP, a limited partnership, (the “Applicant”) owns land located at 4915, 4917 and 4919 Hampden Lane, Bethesda, Maryland 20814 on which it plans to construct a seven story high rise residential condominium building containing 60 units (the Project); and

**WHEREAS**, the County MPDU law (Chapter 25A of the Montgomery County Code) (the “MPDU law”) requires that a percentage of the total number of dwelling units in the Project be moderately priced dwelling units (MPDUs); and

**WHEREAS**, the required percentage of MPDUs for the Project is fifteen percent (15%) which is equal to nine (9) units; and

**WHEREAS**, the MPDU law provides that the Director (the “Director”) of the County’s Department of Housing and Community Affairs (“DHCA”) to approve an agreement to permit a developer of a high-rise residential building, instead of building some or all of the required number of MPDUs on-site, to provide at least the same number of MPDUs at another location in the same planning policy area; and

**WHEREAS**, pursuant to the MPDU law, the Director has determined that the public benefit of locating the MPDUs at an alternative location in the same planning area outweighs the benefit of locating the MPDUs on the Property; and

**WHEREAS**, the Director has also determined that providing the MPDUs at an alternative location furthers the objective of providing a broad range of housing opportunities throughout the County because the alternative location is in the same planning area in Bethesda; the MPDUs at the alternative location will remain at levels affordable to eligible persons as provided in the MPDU law; and the number of MPDUs at the alternative location (12 MPDUs) will be greater than the number of MPDUs required for the Project (9 MPDUs); and

**WHEREAS**, in return for permitting the waiver of the operation of the MPDUs at the Project and in an alternate location, the Applicant has agreed to provide a minimum contribution of $1,500,000 to assist in the operation of the MPDUs; and
WHEREAS, the Applicant and the Director have asked the Commission to enter into an agreement to provide the required number of MPDU units in a Commission or Commission affiliate owned property in the Bethesda planning area; and

WHEREAS, the Commission and Commission related entities own several properties with market rate units in the Bethesda planning area that meet all standards for use as MPDUs; and

WHEREAS, Commission would consider entering into an arrangement for an alternate location of MPDUs provided it is based on an economic model that has a neutral financial impact on the Commission.

WHEREAS, the Commission considers the proposal made by the County and the Applicant to be a demonstration to permit study of the means by which an arrangement for alternate location of MPDUs may be implemented; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to enter into an Alternate Location Agreement (the “Agreement”) with the Applicant and DHCA providing as follows:

1. Encumbering 12 market rate units with MPDU Covenants for a period of thirty years to be located at properties the Commission or a Commission related entity owns in the Bethesda planning area, to be determined in the discretion of the Executive Director, and approved, as may be appropriate, by the Commission related entity in which some or all of the MPDUs will be located

2. Securing a minimum contribution of One Million Five Hundred Thousand and 00/100 Dollars ($1,500,000.00) from the Applicant.

3. Renting the MPDUs to eligible persons under the MPDU law at rents affordable to eligible persons for the full thirty (30) year term of the MPDU Covenants based on an economic model that has a neutral financial impact on the Commission

4. Such other further provisions and terms as deemed appropriate by the Executive Director.

IV. FUTURE ACTION ITEMS
None
V. INFORMATION EXCHANGE (CONT'D)
None

VI. NEW BUSINESS
None

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

The meeting adjourned at 5:41 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb
ADOPTION OF RETIREMENT RESOLUTION FOR MICHELE HENDERSON

February 5, 2014

- Michele Henderson retired effective February 1, 2014.
WHEREAS, the Housing Opportunities Commission of Montgomery County is indebted to Michele Henderson for 34 years of loyal and dedicated service to the Agency and the citizens of Montgomery County; and

WHEREAS, Michele began her career with HOC in 1979 as Clerk Cashier in the Finance Division; and

WHEREAS, Michele was promoted to Accounting Assistant in 1988, to Resident Accounting Specialist in 1989, and to Resident Accounting Specialist II in 2000; and

WHEREAS, over the course of her employment, Michele consistently did her job well, exceeding expectations and exhibiting dedication and perseverance when faced with new tasks or challenges; and

WHEREAS, as Resident Accounting Specialist, Michele assisted with the monthly TRACS process by preparing HUD forms and creating and transmitting electronic files for selected properties. Michele researched and resolved issues by contacting appropriate agency staff and reviewed files for errors; and

WHEREAS, Michele coordinated HOC’s eviction process, working as a liaison between HOC and the sheriff’s office, eviction crew, social service agencies and appropriate HOC staff and Resident Counselors, making sure all paperwork was accurately completed in a timely manner. She assisted in the design and implementation of a court database and late fees system to file legal action and process evictions for non-payment of rent, eliminating the need to manually enter more than 150 court cases and over 35 Warrants of Restitution; and

WHEREAS, Michele’s contributions to many special projects benefitted the Agency including the move to PayerExpress for online rent payments, the creation of a more specialized statement for homeowners in Towne Centre Place to enable payment of HOA fees to HOC, the creation of a Resident Accounting Procedures Manual, and the successful recovery of a $21,000 credit owed to HOC from Pepco for unidentified customer account payments; and

WHEREAS, Michele was a valuable source of information and ideas to her Division and provided training to HOC staff on rent collection, non-payment of rent and the eviction process, repayment agreements and analysis of tenant ledgers; and

WHEREAS, Michele is recognized for her professionalism, reliability, excellent organizational and time management skills and as a valued team player; and
WHEREAS, Michele earned numerous employee awards during her tenure with HOC including her role in the conversion of HOC’s accounting system to Skyline and later to Yardi, for her contributions to a Work Quality Task Force on HOC’s time and attendance policy, effective management of the Resident Accounting office during a supervisor’s extended absence, and her extraordinary effort and integral part of a team that worked to fill Public Housing vacancies and maximize utilization of Housing Choice Vouchers.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County expresses sincere thanks and appreciation to Michele for her many contributions and wishes her good health and happiness in her retirement.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission at a regular meeting conducted on February 5, 2014.

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Patrice Birdsong
Special Assistant to the Commission
ADOPTION OF RETIREMENT RESOLUTION FOR WINIFRED THOMAS

February 5, 2014

• Winifred Thomas retired effective February 1, 2014.
WHEREAS, the Housing Opportunities Commission of Montgomery County is indebted to Winifred (“Wini”) Thomas for 28 years of dedicated service to the Agency and the citizens of Montgomery County; and

WHEREAS, Wini began her career with HOC in 1986 as Occupancy Specialist in the Management Division; and

WHEREAS, in 1987 Wini, was reassigned to Housing Inspector. She earned her HQS certification in 1998. She was reassigned to Rent Market Analyst in the Rental Assistance Division in 2000; and

WHEREAS, Wini was promoted to Lead Inspector in 2002. She was reassigned to Compliance Inspector in the Housing Resources Division in 2008; and

WHEREAS, Wini handled the HOC inspection process with great care, working diligently to investigate and address serious client violations and ensure accurate, timely and fair inspections in accordance with HUD regulations. Many of her cases were challenging and required extensive follow-up and coordination with community members and government agencies. Wini also trained HOC staff on inspection procedures and participated in the Tanglewood tax credit lease-up effort, reviewing 89 files and successfully leasing up 56 residents in 30 days; and

WHEREAS, Wini is recognized for her professionalism, effective client and landlord relationships and as a valued team player; and

WHEREAS, Wini’s years of service and experience with the inspection process provided immeasurable contributions to the entire inspection team including those who worked side by side as Housing Inspectors and supervisors for whom she worked during the course of her tenure, and

WHEREAS, Wini earned many employee awards over the years including her teamwork in sharing the workload while a colleague assisted earthquake victims in California in 1994, for achieving a 95% goal for the Housing Choice Voucher program lease-up effort as mandated by HUD in 2003, and for her work with data entry and reconciliation of the Yardi system implementation as program manager, extending help and support to colleagues.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County expresses sincere thanks and appreciation to Wini for her many contributions and wishes her good health and happiness in her retirement.
I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission at a regular meeting conducted on February 5, 2014.

__________________________________________
Patrice Birdsong
Special Assistant to the Commission
APPROVAL OF TRANSFER OF PUBLIC HOUSING UNITS TO VPC TWO CORPORATION AND AUTHORIZATION FOR EXECUTIVE DIRECTOR TO EXECUTE THE DEED AND USE AGREEMENTS AND ALL DOCUMENTS NECESSARY TO COMPLETE THE TRANSFER

February 5, 2014

• On March 8, 2012, HUD approved the Agency’s application for the disposition of 669 Public Housing Units. In the application, it was stated the units would be acquired by two development corporations, VPC One Corporation and VPC Two Corporation, for a fee of $1.00 per unit.

  Transfers of units to VPC One Corporation have been ongoing since late last year.

• On August 20, 2013, the Articles of Incorporation were filed and recorded for the creation VPC Two Corporation.

• 279 of the 669 public housing units were designated to be transferred to VPC Two Corporation.

• To facilitate the transfer of units to VPC Two Corporation, the Executive Director needs the authority to execute the deeds, Use Agreements and other related conveyance documents to complete the transfers.
MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann  Executive Director  Ext. 9420

FROM: Ken Tecler  General Counsel  Ext. 9768

RE: Approval of Transfer of Public Housing Units to VPC Two Corporation and Authorization for Executive Director to Execute, Deeds the Use Agreements and all Documents Necessary to complete the Transfer

DATE: February 5, 2014

STATUS: Consent

OVERALL GOAL & OBJECTIVE:
To approve the transfer of the remaining 279 Public Housing units in the public housing disposition plan to VPC Two Corporation and authorize the Executive Director to execute the Deeds, Use Agreements and all necessary documents to record the acquisition.

BACKGROUND:
On March 8, 2012, HUD approved the Agency’s application for the disposition of 669 Public Housing units. In the application, it was stated the units would be acquired by two corporations, VPC One Corporation and VPC Two Corporation, for a fee of $1.00 per unit.

The transfers of units have been ongoing for several months. The initial transfers were to VPC One Corporation which is now the owner of over 150 units. Conveyances will continue monthly until all the units have been transferred.

At its July 2013 meeting, the Housing Opportunities Commission (HOC) authorized the establishment of VPC Two 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 August 20, 2013.

On September 11, 2013, the Corporation conducted an organizational meeting where the bylaws and the appointment of the Officers to the Corporation’s Board of Directors were elected.

Now that the Corporation has been created, staff is requesting the Corporation approve the transfer of 279 of the 669 Public Housing units for disposition. The units will be acquired monthly, starting March 2014 for a fee of $1.00 per unit.
The $279 required to acquire the units will be an advance from the Commission and repaid from operational cash flow.

ISSUES FOR CONSIDERATION:
Does Commission wish to transfer the remaining 279 Public Housing units for disposition to VPC Two Corporation and authorize the Executive Director to execute the Deeds, Use Agreements and all necessary documents to record the acquisition?

BUDGET IMPACT:
The Commission will advance the Corporation $279 to acquire the units. The Corporation will repay the Commission using cash flow from operations.

TIME FRAME:
For action at the February 5, 2014 meeting of the Commission.

STAFF RECOMMENDATION AND COMMITTEE ACTION NEEDED:
Staff recommends that the Commission approve the transfer of the remaining 279 Public Housing units for disposition to VPC Two Corporation and authorize the Executive Director to execute the Deeds, Use Agreements and all necessary documents to record the transfer.
RESOLUTION: Approval of Transfer of Public Housing Units to VPC Two Corporation and Authorization for the Executive Director to Execute the Deeds, Use Agreements and all Documents Necessary to Record the Acquisition

WHEREAS, on March 8, 2012, HUD approved the Agency’s application for the disposition of 669 Public Housing Units; and

WHEREAS, in the application, it was stated the units would be acquired by two Development Corporations, VPC One Corporation and VPC Two Corporation (the “Corporation”), for a fee of $1.00 per unit; and

WHEREAS, transfers have already been made and will continue to be made of 390 units to VPC One Corporation; and

WHEREAS, the State Department of Assessments and Taxation accepted the Articles of Incorporation of VPC Two Corporation (the “Corporation”) on August 20, 2013; and

WHEREAS, it is proposed that the Corporation acquire the remaining 279 (the “Units”) of the 669 Public Housing units for disposition; and

WHEREAS, the Units will be acquired monthly, starting March 2014 for a fee of $1.00 per unit; and

WHEREAS, the Commission will advance the Corporation $279 to acquire the Units; and

WHEREAS, the Corporation will repay the Commission using cash flow from operations.

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

1. the Commission approves the transfer of 279 Public Housing units for disposition to VPC Two Corporation,

2. the Executive Director is authorized to execute the Deeds, Use Agreements and related documents to provide for the transfer of the Units to VPC Two Corporation,

3. the Units will be acquired monthly, starting March 2014 for a fee of $1.00 per unit,

4. the Commission will advance $279 to acquire the Units, and
5. the Corporation will repay the Commission using cash flow from operations.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a meeting conducted on Wednesday, February 5, 2014.

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Patrice Birdsong
Special Assistant to the Commission
Each year at the Annual Meeting, the Housing Opportunities Commission recognizes people and organizations that have made outstanding contributions to affordable housing, the well-being of our residents or HOC operations. The Housing Honor Roll is one of the awards.

The 2014 Housing Honor Roll award recipient is Norman Dreyfuss. Mr. Dreyfuss served as a Commissioner with the Housing Opportunities Commission from November 2005 to April 2011. Concurrent with his service to the Commission, Mr. Dreyfuss has also served as Co-Chair of the Affordable Housing Conference of Montgomery County. After leaving the Commission, Mr. Dreyfuss joined the Montgomery County Planning Board as a Commissioner. In his role with the Planning Board, Mr. Dreyfuss has continued to serve as an advocate for affordable housing development. He remains an important partner of the Housing Opportunities Commission through his support of HOC youth initiatives.

This year, the Commission will also present Special Recognition Awards to Linda Croom, William Rippey and Cathy Kruvant.

Linda Croom serves as President of the HOC Resident Advisory Board and in that capacity has demonstrated leadership and a commitment to keeping clients informed of HOC initiatives.

William Rippey has volunteered as a math tutor serving HOC clients for 14 years. His efforts have greatly contributed to the education and/or professional development of hundreds of participants in the Family Self-Sufficiency Program, and his work was recently highlighted in a Montgomery County Cable television feature on the FSS Program.

Cathy Kruvant has been described by staff as an extraordinary volunteer. Ms. Kruvant has volunteered on HOC projects for eight years. She has participated in the drive for Thanksgiving baskets for clients, organized the 2010 “Community Clean Up” event at Washington Square and Emory Grove and has donated more than $10,000 worth of clothing and household items in 2012 and 2013.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Scott Ellinwood Division: Legislative and Public Affairs Ext. 9461

RE: Approval of Selection of 2014 Housing Honor Roll and Special Recognition Award Recipients

DATE: February 5, 2014

OVERALL GOAL & OBJECTIVE:
To approve the Housing Honor Roll and Special Recognition Award recipients.

BACKGROUND:
Each year at the Annual Meeting, the Housing Opportunities Commission recognizes people and organizations that have made outstanding contributions to affordable housing, the well-being of our residents or HOC operations. The Housing Honor Roll is one of the awards.

The 2014 Housing Honor Roll award recipient is Norman Dreyfuss. Mr. Dreyfuss served as a Commissioner with the Housing Opportunities Commission from November 2005 to April 2011. Concurrent with his service to the Commission, Mr. Dreyfuss has also served as Co-Chair of the Affordable Housing Conference of Montgomery County. After leaving the Commission, Mr. Dreyfuss joined the Montgomery County Planning Board as a Commissioner. In his role with the Planning Board, Mr. Dreyfuss has continued to serve as an advocate for affordable housing development. He remains an important partner of the Housing Opportunities Commission through his support of HOC youth initiatives.

This year, the Commission will also present Special Recognition Awards to Linda Croom, William Rippey and Cathy Kruvant.

Linda Croom serves as President of the HOC Resident Advisory Board and in that capacity has demonstrated leadership and a commitment to keeping clients informed of HOC initiatives.

William Rippey has volunteered as a math tutor serving HOC clients for 14 years. His efforts have greatly contributed to the education and/or professional development of hundreds of participants in the Family Self-Sufficiency Program, and his work was recently highlighted in a Montgomery County Cable television feature on the FSS Program.

STATUS: Consent __X__ Deliberation ____Status Report____ Future Action_____

27
Cathy Kruvant has been described by staff as an extraordinary volunteer. Ms. Kruvant has volunteered on HOC projects for eight years. She has participated in the drive for Thanksgiving baskets for clients, organized the 2010 “Community Clean Up” event at Washington Square and Emory Grove and has donated more than $10,000 worth of clothing and household items in 2012 and 2013.

**ISSUES FOR CONSIDERATION:**
Does the Commission wish to approve the Housing Honor Roll and Special Recognition Award recipients?

**PRINCIPALS:**
N/A

**BUDGET IMPACT:**
None

**TIME FRAME:**
For Commission action on February 5, 2014.

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**
Staff recommends approval of awarding the 2014 Housing Honor Roll to Norman Dreyfuss and the three Special Recognition Awards to Linda Croom, William Rippey and Cathy Kruvant.
WHEREAS, the Housing Opportunities Commission of Montgomery County annually honors people and organizations that have made outstanding contributions to affordable housing, the well-being of our residents and clients, or HOC operations; and

WHEREAS, the 2014 Housing Honor Roll award recipient is Norman Dreyfuss, a former HOC Commissioner and current Montgomery Planning Board Commissioner; and

WHEREAS, Mr. Dreyfuss has tirelessly advocated for affordable housing in Montgomery County for many years as Co-Chair of the Affordable Housing Conference of Montgomery County; and

WHEREAS, Mr. Dreyfuss has consistently supported HOC youth initiatives, touching the lives of thousands of low-income families in the County

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Norman Dreyfuss is the recipient of the 2014 Housing Honor Roll award.

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Patrice Birdsong
Special Assistant to the Commission
WHEREAS, the Housing Opportunities Commission of Montgomery County annually honors people and organizations that have made outstanding contributions to affordable housing, the well-being of our residents and clients, or HOC operations; and

WHEREAS, a 2014 Special Recognition Award is given to Linda Croom, current President of the HOC Resident Advisory Board; and

WHEREAS, Ms. Croom has demonstrated an unwavering commitment to the clients of the Housing Opportunities Commission; and

WHEREAS, Ms. Croom has ably served those clients with strong leadership and clear communication,

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Linda Croom is a recipient of a 2014 Special Recognition Award.

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Patrice Birdsong
Special Assistant to the Commission
WHEREAS, the Housing Opportunities Commission of Montgomery County annually honors people and organizations that have made outstanding contributions to affordable housing, the well-being of our residents and clients, or HOC operations; and

WHEREAS, a 2014 Special Recognition Award is given to HOC volunteer William Rippey in appreciation for his 14 years of service as a math tutor; and

WHEREAS, his efforts have greatly improved the careers and lives of hundreds of low and moderate income families in Montgomery County

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that William Rippey is a recipient of a 2014 Special Recognition Award.

Patrice Birdsong
Special Assistant to the Commission
WHEREAS, the Housing Opportunities Commission of Montgomery County annually honors people and organizations that have made outstanding contributions to affordable housing, the well-being of our residents and clients, or HOC operations; and

WHEREAS, a 2014 Special Recognition Award is given to HOC volunteer Cathy Kruvant in appreciation for her extraordinary efforts as a valued HOC volunteer in programs benefiting the clients of the Housing Opportunities Commission; and

WHEREAS, her contributions to HOC programs have greatly benefited the low income families served by the Housing Opportunities Commission

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that William Rippey is a recipient of a 2014 Special Recognition Award.

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Patrice Birdsong
Special Assistant to the Commission
Information Exchange
**February 2014**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Legislative and Regulatory Committee <em>(Roman, Banks, Lindstrom)</em> <em>(reschedule date)</em></td>
<td>12:00 noon</td>
</tr>
<tr>
<td>5</td>
<td>HOC Annual Meeting <em>(HOC Annual Meeting Reception, 3:00 p.m.)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>13</td>
<td><em>(Tentative) Executive Session (All)</em></td>
<td>12:00 noon</td>
</tr>
<tr>
<td>13</td>
<td>MAHC Housing Day <em>(Miller Senate Office Building, Annapolis)</em></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>President’s Day <em>(HOC Closed)</em></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Budget, Finance, and Audit Committee <em>(2nd Quarter)</em> <em>(Kator, Piñero, Roman)</em></td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>20</td>
<td>Development and Finance Committee <em>(Lindstrom, Edson)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>21</td>
<td>Status/Lunch Meeting w/Executive Director <em>(All)</em> <em>(Location TBD)</em></td>
<td>12:00 noon</td>
</tr>
<tr>
<td>24</td>
<td>Agenda Formulation <em>(Piñero, Roman)</em></td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>24</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>7:00 p.m.</td>
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**March 2014**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
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</thead>
<tbody>
<tr>
<td>5</td>
<td>HOC Special Session</td>
<td>3:00 p.m.</td>
</tr>
<tr>
<td>5</td>
<td>HOC Regular Meeting</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>10-12</td>
<td>NAHRO Legislative Conference <em>(Renaissance Hotel, Washington, DC)</em></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Information and Communication Committee <em>(Banks)</em></td>
<td>12:30 p.m.</td>
</tr>
<tr>
<td>18</td>
<td>Legislative and Regulatory Committee <em>(Roman, Lindstrom, Banks)</em></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>20</td>
<td>Development and Finance Committee <em>(Lindstrom, Edson)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>24</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td>24</td>
<td>Agenda Formulation <em>(Piñero, Roman)</em></td>
<td>1:00 p.m.</td>
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**April 2014**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>HOC Regular Meeting</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>7</td>
<td>Banor Housing, Inc. Board Meeting <em>(Roman, Edson)</em></td>
<td>7:30 p.m.</td>
</tr>
<tr>
<td>15</td>
<td>Development and Finance Committee <em>(Lindstrom, Edson)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>17</td>
<td>Budget, Finance and Audit Committee <em>(Mortg. Fin. &amp; Real Estate – OHRF)</em> <em>(Kator, Piñero, Roman)</em></td>
<td>12:30 p.m.</td>
</tr>
<tr>
<td>18</td>
<td>Information and Communication Committee <em>(Banks)</em></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>21</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>23</td>
<td>Budget, Finance and Audit Committee <em>(Public Fund)</em> <em>(Kator, Piñero, Roman)</em></td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>28</td>
<td>Agenda Formulation <em>(Piñero, Lindstrom)</em></td>
<td>1:00 p.m.</td>
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</tbody>
</table>

**May 2014**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
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<tbody>
<tr>
<td>2</td>
<td>23rd Annual Affordable Housing Conference <em>(All)</em> <em>(Bethesda N. Marriott Conference Center)</em></td>
<td>8 a.m. – 3 p.m.</td>
</tr>
<tr>
<td>3</td>
<td>Housing Fair &amp; Financial Fitness Day <em>(Activity Center at Bohrer Park, Summit Hall Farm, 506 S. Frederick Ave., Gaithersburg, MD 20877)</em></td>
<td></td>
</tr>
</tbody>
</table>

*Updates and changes in RED*
<table>
<thead>
<tr>
<th></th>
<th>Event Description</th>
<th>Time</th>
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</thead>
<tbody>
<tr>
<td>5</td>
<td>Budget Finance and Audit Committee <em>(Opportunity Housing)</em> <em>(Kator, Piñero, Roman)</em></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>7</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>8</td>
<td>Budget, Finance and Audit Committee <em>(General Fund)</em> <em>(Kator, Piñero, Roman)</em></td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>9</td>
<td>Status/Lunch Meeting w/Executive Director <em>(All)</em> <em>(Location TBD)</em></td>
<td>12:00 noon</td>
</tr>
<tr>
<td>13</td>
<td>Legislative and Regulatory Committee <em>(Roman, Banks, Lindstrom)</em></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>14</td>
<td>Development and Finance Committee <em>(Lindstrom, Edson)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>15</td>
<td>Budget, Finance and Audit Committee <em>(Wrap-up)</em> <em>(Kator, Piñero, Roman)</em></td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>16</td>
<td>Information and Communication Committee <em>(Banks)</em></td>
<td>12:30 p.m.</td>
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<tr>
<td>19</td>
<td>Agenda Formulation <em>(Piñero, Lindstrom)</em></td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>20</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>7:00 p.m.</td>
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<tr>
<td>21-23</td>
<td>MAHRA Spring Conference</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Memorial Day <em>(HOC Closed)</em></td>
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**June 2014**

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<thead>
<tr>
<th></th>
<th>Event Description</th>
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<tbody>
<tr>
<td>4</td>
<td>HOC Regular Meeting</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>5</td>
<td>Staff Appreciation Day</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Information and Communication Committee <em>(Banks)</em></td>
<td>12:30 p.m.</td>
</tr>
<tr>
<td>16</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td>19</td>
<td>Development and Finance Committee <em>(Lindstrom, Edson)</em></td>
<td>11:30 p.m.</td>
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</tbody>
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**July 2014**

<table>
<thead>
<tr>
<th></th>
<th>Event Description</th>
<th>Time</th>
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<tbody>
<tr>
<td>4</td>
<td>Independence Day <em>(HOC Closed)</em></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Agenda Formulation <em>(Piñero, Banks)</em></td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>16</td>
<td>HOC Regular Meeting and Tony Davis Award Ceremony <em>(Tony Davis Award Reception, 3:00 p.m.)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>18</td>
<td>Information and Communication Committee <em>(Banks)</em></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td>22</td>
<td>Legislative and Regulatory Committee <em>(Roman, Banks, Lindstrom)</em></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>24</td>
<td>Development and Finance Committee <em>(Lindstrom, Edson)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>28</td>
<td>Agenda Formulation <em>(Piñero, Banks)</em></td>
<td>1:00 p.m.</td>
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**Activities of Interest**

<table>
<thead>
<tr>
<th>TBD</th>
<th>Joint Meeting with Commission on People with Disabilities</th>
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<tbody>
<tr>
<td>TBD</td>
<td>Joint Meeting with the Planning Board</td>
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</table>

**Hearing Board**

| Dec. – Jan. *(Edson)* |

**Changes/Additions in Red**

February 5, 2014
# TO DO / ACTION

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>DUE DATE</th>
<th>ACTION</th>
<th>STAFF</th>
<th>STATUS</th>
</tr>
</thead>
</table>
Status Report
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Kayrine Brown, Director, Mortgage Finance
       Zachary Marks, Asst. Director of New Development
       Richard D. Hanks, Housing Acquisitions Manager
       Ext. 9589
       Ext. 9613

RE: 669 Scattered Site Public Housing Units-Update

DATE: February 5, 2014

STATUS: Consent _____ Deliberation _____ Status Report_____ X _____ Future Action_______

OVERALL OBJECTIVE:
To provide the Commission with an update on the status of the renovation of the 669 scattered site Public Housing units.

BACKGROUND:
On June 5, 2013, the Commission approved the rehabilitation plan for the HUD scattered site disposition units (“669” or “Disposition Units”). The plan included an allocation of $20 million of Commission funds that would be reimbursed either through a financing of the properties or project cash flows.

Project Status

Asset Transfers:
In October 2013, the Commission received transfer of the first 83 units. One hundred and two (102) additional units were transferred in December 2013 and January 2014, for a total of 185 units transferred to date. Staff projects receipt of an additional 133 units by March 1, 2014, bringing the total transferred units to 318. The majority of the transferred units have been from VPC One (275) and the remainder from VPC Two (43). Staff estimates that the bulk of the remaining 351 units should be received by September 2014; however, there may be some holdover units.
**Renovation Strategy and Process:**

HOC staff is implementing the plan with four main goals: 1) deliver uniformly high-quality units back to our clients, 2) procure those improvements at the best value to the Agency, 3) limit the Commission’s exposure to price escalation, and 4) establish a set of standards (fixtures and finishes as well as energy efficiency) to serve as the model for the Agency’s platform for future high-quality, amenity-rich developments. To achieve those goals, the Real Estate development and construction staff is doing the following:

a) Creating a set of finish standards that provide higher-end finishes at great value including energy efficient materials and systems where feasible; and
b) Negotiating with both material suppliers and the selected general contractors for unit pricing that is fair and known prior to construction start; and
c) Engaging legal counsel to strengthen the legal documents governing contracts with general contractors as well as other development related professional services; and
d) Creating an initial set of finishes and fixtures that will be used on this project but is also applicable to 75% - 80% of the development pipeline with minor changes.

**General Contractor (GC) Status:**

In an effort to ensure that the Commission realizes the best possible product as quickly and efficiently, staff determined it would be prudent to award the work to multiple contractors. After issuing an RFP for General Contracting Services for the 669, HOC received several bids – five of which were scored worthy of additional consideration. Those five were invited to complete a pricing exercise; four firms responded; HOC awarded work to three. Staff has awarded four of the seven bundles – the other bundles were held back as incentive for future business. The units were awarded in batches based on geographic location.

Staff is in contract negotiations with the selected general contractors: Capital Building Partners (CBP), Fouger Pratt (FP), and Hamel Builders (HB). This includes the contract language as well as pricing for the units. As the Standards Package is being refined to get the best value for the Agency, the GCs are adjusting their pricing accordingly. This process should be completed by February 14, 2014. When a contract is ratified (expected by February 15, 2014), the GC will begin working on the vacant units within its bundle/pod. The scope of the work has been expanded to include bringing the units up to a standard consistent with (or better than) what was achieved at Tanglewood.

**Financial Status:**

To date, none of the funds allocated for the renovations have been expended. Once staff receives pricing from the general contractors, we will be able to extrapolate more accurately, the full cost of the renovation. With four of the seven awarded, staff is comfortable that the full cost of current contracts will be well within the approved authorization. Staff proposes that any additional funding necessary to complete the full renovation of the units come from outside funding sources. Staff will to return to the Commission with a full discussion of the project, during which any additional approvals will be sought.
**Next Steps:**
Once agreements are reached with the GCs, work will begin on the vacant units. Those will be used as models for existing and new clients, hospitality suites for residents as their units are under renovation as well as future homes for existing and new members of the HOC community. Once the vacant units are completed, the GC will start work on the occupied units. During that time, staff will work with the general contractors to complete a review of those units prior to construction start to ensure they are prepared to complete the in-place rehabilitation as efficiently and with as little discomfort to our clients as possible.

Staff is also in early stage negotiations with two money center banks for credit facilities that will allow replenishment if used or replacement of HOC’s capital commitment within the next five months. The goal is to provide for the funds necessary to complete the 669 as well as capital for future development.
Committee Reports and Recommendations for Action
Development & Finance Committee
APPROVAL TO PURCHASE 10 HORIZON COURT, DERWOOD, MARYLAND FOR USE AND OPERATION BY JUBILEE ASSOCIATION OF MARYLAND

February 5, 2014

• At its December 2013 meeting, the Commission authorized the Executive Director, in partnership with Jubilee Association of Maryland, Inc., to accept a grant award of up to $835,000 from the Maryland Department of Health and Mental Hygiene (DHMH) to acquire two additional homes for adults with developmental disabilities.

• The Commission further authorized borrowing up to $45,000 from the County Opportunity Housing Development Fund (OHDF) for pre-development financing to be repaid upon closing on approved acquisitions.

• Staff has placed under contract a single family home located at 10 Horizon Court in Derwood subject to Commission and Maryland Board of Public Works approval.

• Staff has completed due diligence on the property and recommends purchase of the property at a contract price of $420,000 as justified by two separate and independent appraisals.

• Permanent funding for the acquisition will be provided from the DHMH Grant and a loan from the Montgomery County Department of Housing and Community Affairs.

• To complete the closing as provided in the contract, interim funding is necessary until the DHMH Grant and County loan funds are received.

• A short-term loan from the Opportunity Housing Development Fund is needed to complete closing for the purchase to be repaid from the DHMH Grant and County loan.

• Staff recommends that the Commission accept the recommendation of the Development and Finance Committee, which met on January 28, 2014, and approve the purchase of 10 Horizon Court, located in Derwood Maryland.

• Staff also recommends the approval of a temporary loan of approximately $414,000 from the revolving Opportunity Housing Development Fund to complete the purchase of the property.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy Spann, Executive Director

FROM: Kayrine Brown, Director of Mortgage Finance
       Zachary Marks, Assistant Director of New Development
       Jay Shepherd, Senior Financial Analyst, Real Estate

RE: Approval to Purchase 10 Horizon Court, Derwood, Maryland for Use and Operation by Jubilee Association of Maryland

DATE: February 5, 2014

STATUS: COMMITTEE REPORT: Deliberation X

OVERALL GOAL & OBJECTIVE:
To obtain Commission approval to purchase one single family home at 10 Horizon Court, Derwood, MD and borrow approximately $414,000 from the revolving Opportunity Housing Development Fund (OHDF) for short-term financing to cover acquisition expenses.

BACKGROUND:
At its December 2013 meeting, the Commission authorized the Executive Director, in partnership with Jubilee Association of Maryland, Inc., to accept a grant award of up to $835,000 from the Maryland Department of Health and Mental Hygiene (DHMH) to be used for the purchase and renovation of two single family homes that would each house three low-income, developmentally-disabled adults and one live-on aide employed by Jubilee Association of Maryland, Inc. (Jubilee).

Also at its December 2013 meeting, the Commission authorized borrowing up to $45,000 from the County Opportunity Housing Development Fund (OHDF) to cover pre-acquisition expenses related to the identification and site control of the two homes.

Staff has identified a home at 10 Horizon Court in Derwood that both Jubilee and staff agree is suitable housing for three adults with developmental disabilities. The home’s proximity to previous Jubilee-serviced homes is illustrated on the Location Map in the attached exhibits.
Upon acquisition and pursuant to the terms of the DHMH grant, HOC will prepare a development plan that will accommodate all necessary renovations to meet the “visitability” guidelines for the residents including:

- Wheelchair accessibility to entrance of home and all common areas of the main floor,
- Modification of the kitchen and at least one bedroom and bath for wheelchair accessibility,
- Installation or repair of hardwood floors to accommodate wheelchair usage, and
- Installation of a fire suppression sprinkler system in the home.

As with the three previous Jubilee homes, HOC will be the owner/landlord and Jubilee will be the social service provider/operator. In addition, HOC will provide three efficiency project-based Housing Choice Vouchers to the three low-income, developmentally-disabled residents at the property.

**General Description of 10 Horizon Court, Derwood, Maryland 20855:**
10 Horizon Court is a one story rambler in very good condition with numerous upgraded features. The house was constructed in 1973 and contains 1,740 square feet of living area above grade and 1,170 square feet of finished basement area. The house is on a cul-de-sac and sits on a gently rolling lot of 19,730 square feet (approximately ½ acre.)

Other features include:
- Bedroom count: 4 (2 above grade & 2 basement level)
- Bathroom count: 3 ½ (3 full bathrooms and a powder room)

Staff due diligence confirmed a house fire in 20001. The interior was completely renovated subsequent to the fire, including new electrical wiring, plumbing, drywall, and kitchen and bathrooms. Additionally, insulated windows and hardwood floors were installed, with new paint throughout.

Generally, the house location is appealing to Jubilee because of its proximity to major commuter routes, employment centers, shopping, and essential services. There is an optimal mix of older, remodeled and newly-constructed dwellings and overall, the general maintenance and appearance of the neighboring properties are good to excellent. The subject is also immediately adjacent to the Mill Creek Parish United Methodist Church.

<table>
<thead>
<tr>
<th>MLS List Price:</th>
<th>$450,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Price:</td>
<td>$420,000</td>
</tr>
<tr>
<td>Appraised Value:</td>
<td>$425,000/$420,000 (two appraisals)</td>
</tr>
<tr>
<td>Subdivision:</td>
<td>Mill Creek</td>
</tr>
<tr>
<td>Year Built:</td>
<td>1973</td>
</tr>
<tr>
<td>Year Renovated:</td>
<td>2000</td>
</tr>
</tbody>
</table>

---
1 Montgomery County Department of Permitting Services, Permit No. 230567 issued 9/22/2000 for $80,000, finaled 2/26/2001.
Staff has engaged for environmental, termite, and physical needs inspections. Radon levels were high in the basement and a ventilation mitigation system will be required. Termite damage was observed on a small section of floor joist behind the front stoop and the sellers have agreed to pay for a treatment prior to closing. The property otherwise is in good condition. A fuller scope of work will be developed as staff engages consultants to design “visitability” alterations, a fire suppression sprinkler system and any other needed alterations.

**Timing on Acquisition:**
HOC entered into a contract to purchase 10 Horizon Court, Derwood, MD 20855 on December 5, 2013 with a closing date of February 10, 2014. Contract contingencies included appraisals and inspections, all of which have now been waived, as well as approval of the Commission and the State Board of Public Works. If the Commission authorizes the purchase of this property, the project is scheduled for review and approval by the State Board of Public Works at its February 5, 2014 meeting.

**Community Outreach:**
During the renovation of the project prior to occupancy, Jubilee will be orchestrating a neighborhood outreach campaign. This is a door-to-door effort by Jubilee program staff to build awareness and discuss the mission of Jubilee while providing contact names and telephone numbers for contact post-occupancy. Jubilee also sponsors an open house function post-renovation and invites the immediate neighbors to see the improvements, further anchoring the investment made by the project in the community.

**Acquisition Budget:**
At the December 2013 Commission Meeting, staff was authorized to borrow short-term financing of up to $45,000 from the Opportunity Housing Development Fund (OHDF) for site selection, escrow, and due diligence third-party costs. For 10 Horizon Court, the following moneys have been expended for due diligence:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Principal Balance:</td>
<td>$45,000</td>
</tr>
<tr>
<td>Deposit Escrow</td>
<td>$10,000</td>
</tr>
<tr>
<td>Appraisals</td>
<td></td>
</tr>
<tr>
<td>Moholt &amp; Associates</td>
<td>$400</td>
</tr>
<tr>
<td>Timian dba Maryland Certified Appraisers</td>
<td>$300</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$700</td>
</tr>
<tr>
<td>Inspections</td>
<td></td>
</tr>
<tr>
<td>Pro-Tec</td>
<td>$559</td>
</tr>
<tr>
<td>Ending Principal Balance:</td>
<td>$33,741</td>
</tr>
</tbody>
</table>

Additional short-term OHDF funding is required to bridge the period between settlement and grant disbursement. In order to provide funds at closing, a short-term advance against the OHDF is required in the approximate amount of $414,000 to cover acquisition and expected closing costs. The short-term financing will be repaid within 15 – 30 days post-closing upon the receipt of
grant proceeds from DHMH. Under the terms of its grant agreement with DHMH, HOC must expend the balance of the FY10 Grant, $249,253, and prior to using the FY14 Grant of $835,000. The grant is to be applied toward acquisition and renovation expenses of two additional homes to be matched by up to $278,305 in DHCA matching funds.

Prior to the February HOC Commission Meeting, DHCA will have provided a commitment letter in the amount of $131,925 to be used for the 25% required local match for acquisition and renovation of the house at 10 Horizon Court. However, DHCA has provided a letter of intent indicating its willingness to fund the local match.

Figure 1 shows the total budget for the two houses, expected costs for 10 Horizon Court, and remaining funds available for a second house yet to be identified:
## FY14 AWARD BUDGET

### SOURCES

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Budget</th>
<th>10 Horizon Court</th>
<th>Balance Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHMH Grant (Balance from FY10 Award)</td>
<td>249,253</td>
<td>249,253</td>
<td>-</td>
</tr>
<tr>
<td>DHMH FY14 Grant</td>
<td>835,000</td>
<td>146,522</td>
<td>688,478</td>
</tr>
<tr>
<td>Matching Funds - DHCA</td>
<td>278,305</td>
<td>131,925</td>
<td>146,380</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>1,362,558</strong></td>
<td><strong>527,700</strong></td>
<td><strong>834,858</strong></td>
</tr>
</tbody>
</table>

### USES

- **Purchase Price**
  - Total Budget: 930,000
  - 10 Horizon Court: 420,000
  - Balance Remaining: 509,300

- **Closing/Settlement Costs**
  - Owner's title insurance - First American Title: 0 - 1,722 - (1,722)
  - Title Abstract: 0 - 200 - (200)
  - Title Examination: 0 - 125 - (125)
  - Inspections: 0 - 559 - (559)
  - Appraisals: 1,500 - 700 - 800
  - Rental Application (County): 0 - 98 - (98)
  - Survey: 0 - 0 - 0
  - County Real Property Taxes 2/19/14 to 6/30/14: 0 - 1,476 - (1,476)
  - **Total Closing Costs**: 1,500 - 4,881 - (3,381)

- **Initial Deposit Replacement Reserves**: 4,000 - 2,000 - 2,000

### Renovation

- **Construction & Permits**: 150,000 - 75,000 - 75,000
- **Contingency**: 239,252 - 11,250 - 228,002
- **Site Work**: 16,000 - 8,000 - 8,000
- **Utilities**: 3,306 - 750 - 2,556
- **Architect & Engineering**: 24,000 - 12,000 - 12,000
  - **Total Renovation**: 432,558 - 107,000 - 325,558

**Total Uses**: 1,362,558 - 527,700 - 834,858
Projected Operating Budget:

The following assumptions are used to derive the projected operating income for the house post-renovation and occupancy. Projected Fair Market Rents (FMR) and Utility Allowances (UA) for FY14 are estimates, final numbers are being developed.

Assumptions:
- **Revenue:** Live-on staff and two qualified residents to live on main level with project-based efficiency vouchers; one resident and one weekend Live-on staff to reside on lower level; aides do not pay rent.
- **Utility Allowance:** Based on available information, UA (Utility Allowance) divided by four bedrooms.
- **Vacancy Loss/Collection:** 8.0% (~2.88 months)
- **Projected Rent Schedule:** Figure 2
- **Projected Operating Revenue in Year 1:** Figure 3

### Figure 2 - Rent Schedule

<table>
<thead>
<tr>
<th>Rent Schedule</th>
<th>UA - 25%</th>
<th>Net Rent (100)</th>
<th>Monthly</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-BDRM</td>
<td>3</td>
<td>$1,169</td>
<td>$1,069</td>
<td>$3,260</td>
</tr>
</tbody>
</table>

### Figure 3 - Year 1 Operating Revenue

#### Projected Operating Revenue Year 1

<table>
<thead>
<tr>
<th>Income</th>
<th>Annual</th>
<th>Per Bedroom (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Revenue</td>
<td>$38,475</td>
<td>$12,825</td>
</tr>
<tr>
<td>Vacancy Loss</td>
<td>$(3,078)</td>
<td>$(1,026)</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$35,397</td>
<td>$11,799</td>
</tr>
</tbody>
</table>

#### Operating Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>Annual</th>
<th>Per Bedroom (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>$2,000</td>
<td>$667</td>
</tr>
<tr>
<td>Management Fee</td>
<td>$2,500</td>
<td>$833</td>
</tr>
<tr>
<td>Supplies &amp; Maint.</td>
<td>$3,200</td>
<td>$1,067</td>
</tr>
<tr>
<td>Misc.</td>
<td>$583</td>
<td>$194</td>
</tr>
<tr>
<td>Taxes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>$900</td>
<td>$300</td>
</tr>
<tr>
<td><strong>Total OPEX</strong></td>
<td>$9,183</td>
<td>$3,061</td>
</tr>
</tbody>
</table>

**Net Operating Income**

$26,214 $8,738

**Annual RR**

$2,000 $667

**Cash Flow**

$24,214 $8,071
ISSUES FOR CONSIDERATION:
Does the Commission wish to accept the recommendation of the Development and Finance Committee to approve the purchase of a single family home located at 10 Horizon Court in Derwood for use and operation by Jubilee Association of Maryland, Inc.?

Does the Commission wish to approve a temporary loan of approximately $414,000 from the revolving Opportunity Housing Development Fund to complete the purchase?

BUDGET IMPACT:
As of January 7, 2014, there was $674,836 available in the OHDF for use by HOC of which approximately $414,000 would be used at closing for short-term (30-day) bridge loan to be repaid from DHMH grant proceeds. The OHDF Revolving Loan Fund summary is attached in exhibits.

TIME FRAME:
Commission action at the February 5, 2014 Meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
Staff recommends that the Commission accept the recommendation of the Development and Finance Committee to approve the purchase of a single family home located at 10 Horizon Court in Derwood for use and operation by Jubilee Association of Maryland, Inc.

Staff also recommends that the Commission approve a temporary loan of approximately $414,000 from the revolving Opportunity Housing Development Fund to complete the purchase of the property.
LOCATION MAP

HOUSING OPPORTUNITIES COMMISSION (HOC) HEADQUARTERS

HORIZON COURT HOUSE
10 HORIZON COURT, DERWOOD MD

HERMITAGE HOUSE
2305 HERMITAGE AVENUE, WHEATON MD

FALLING CREEK HOUSE
2408 FALLING CREEK ROAD, SILVER SPRING MD

WOODEDGE HOUSE
2715 WOODEDGE ROAD, SILVER SPRING MD
### Summary of Revolving Funds

#### Table 1: SUMMARY OF AVAILABLE CASH

<table>
<thead>
<tr>
<th>LOANS OUTSTANDING</th>
<th>OHDF</th>
<th>$4,500,000</th>
<th>MPDU/PAF</th>
<th>$12,507,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Smith Village (Brooks Farm)</td>
<td>($152,722.06)</td>
<td>(q) HOC/HOP Program</td>
<td>($1,397,639)</td>
<td></td>
</tr>
<tr>
<td>(b) Alexander House (Original Loan $1,347,620)</td>
<td>($404,286)</td>
<td>(r) Poocks Hill Midrise (Land)</td>
<td>($332,500)</td>
<td></td>
</tr>
<tr>
<td>(c) Nicholson Lane</td>
<td>($5,000)</td>
<td>(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Paddington Square</td>
<td>($3,000,000)</td>
<td>(t)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e) Jubilee Housing - matching funds</td>
<td>($218,156)</td>
<td>(u)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e-2) Jubilee Housing - pre development financing</td>
<td>($45,000)</td>
<td>(v)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(f) Total Loans Outstanding</td>
<td>($3,825,164)</td>
<td>(w)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(g) Available Balance</td>
<td>$674,836</td>
<td>(aa)</td>
<td>$8,202,415</td>
<td></td>
</tr>
</tbody>
</table>

**COMBINED AVAILABLE BALANCE (OHDF & MPDU/PAF) 1-23-14**

$8,877,251

### Table 2: FY14 PROJECTIONS - SUMMARY OF REPAYMENT AND USES

<table>
<thead>
<tr>
<th>FY14</th>
<th>Expected Repayments</th>
<th>Expected Repayments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Alexander House -</td>
<td>(bb) Holiday Park</td>
</tr>
<tr>
<td>(j)</td>
<td>Smith Village -</td>
<td>(cc) HOC/HOP</td>
</tr>
<tr>
<td>(k)</td>
<td></td>
<td>$1,397,639</td>
</tr>
</tbody>
</table>

**Total Expected Repayment**

$0

**Total Expected Repayment**

$1,397,639.00

### FY14 Current Projected Needs

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(m) Jubilee</td>
<td>(ii) $669 Renovation</td>
</tr>
<tr>
<td>(n) ($414,000)</td>
<td>(jj) HOC/HOP</td>
</tr>
<tr>
<td></td>
<td>(kk) ($5,000,000)</td>
</tr>
<tr>
<td></td>
<td>(ll) Timberlawn</td>
</tr>
<tr>
<td></td>
<td>(mm) ($2,300,000)</td>
</tr>
<tr>
<td>(o) Total Current Projected Needs</td>
<td>($414,000)</td>
</tr>
<tr>
<td></td>
<td>Total Current Projected Needs</td>
</tr>
<tr>
<td></td>
<td>($7,800,000)</td>
</tr>
</tbody>
</table>

**Total Projected Available in FY14**

$260,836

**Total Projected Available in FY14**

$1,800,054

**Total Available in the Combined Funds - Current Projections:**

$2,060,890
WHEREAS, at its December 2013 meeting, the Commission authorized the Executive Director, in partnership with Jubilee Association of Maryland, Inc., (“Jubilee”) to accept a grant award of up to $835,000 from the Maryland Department of Health and Mental Hygiene (DHMH) to acquire two additional homes for adults with developmental disabilities; and

WHEREAS, at its December 2013 meeting, the Commission authorized borrowing up to $45,000 for predevelopment funding from the County Opportunity Housing Development Fund (OHDF); and

WHEREAS, the Commission has entered into a Memorandum of Understanding with Jubilee providing for acquisition, ownership and operation of single family units for developmentally disabled persons; and

WHEREAS, Jubilee and HOC have worked together to identify a single family home located at 10 Horizon Court in Derwood, Maryland (the “Property”) that meets all of the key selection criteria; and

WHEREAS, the Commission has entered into a contract (the “Contract”) to purchase the Property contingent on satisfactory completion of certain inspections, approval of the Commission and the Board of Public Works; and

WHEREAS, the Commission’s role would be to supervise and manage renovations and serve as the owner/landlord of the Property and Jubilee would be the social service provider and operator for the occupants of the Property; and

WHEREAS, after renovations to make the Property “visitable”, the house would serve three low-income adult residents with developmental disabilities and accommodate one live-on Jubilee staff member; and

WHEREAS, the Commission will provide three efficiency project-based Housing Choice Vouchers to the three low-income residents at the Property; and

WHEREAS, the Commission has completed its inspections of the Property and, together with Jubilee, has determined that it meets the criteria necessary to suit the needs of the intended residents upon completion of renovations; and

WHEREAS, funding for the permanent financing for the Property will come from a grant provided by the Maryland Department of Health and Mental Hygiene and from a loan from Montgomery County; and
WHEREAS, while commitments have been obtained from both DHMH and the County, the funds will not be available by the closing date for the purchase of the Property; and

WHEREAS, funds from the Opportunity Housing Development Fund are available in the amount of approximately $414,000 for use by the Commission to be used at closing for short-term (30-day) bridge financing to be reimbursed approximately 75% from DHMH grant proceeds and 25% from the County.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that, upon approval of the acquisition of the Property by the Board of Public Works, the Executive Director is authorized to execute a Settlement Statement and any and all documents, certificates, statements and agreements on behalf of the Commission to complete the purchase of a house located at 10 Horizon Court, Derwood, Maryland pursuant to the Contract and to utilize a temporary loan of approximately $414,000 from the Opportunity Housing Development Fund for the acquisition to be reimbursed by a DHMH Grant and a loan from the County.

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Patrice Birdsong
Special Assistant to the Commission
Legislative and Regulatory Committee
Deliberation
and/or
Action
Future Action
Information Exchange
Future Action
Information Exchange
New Business
Executive Session
Findings
Recess
Development

Corporation Meetings
VPC Two Corporation
VPC TWO
CORPORATION MEETING

APPROVAL OF ACQUISITION OF PUBLIC HOUSING UNITS AND AUTHORIZATION FOR EXECUTIVE DIRECTOR TO EXECUTE THE USE AGREEMENTS AND ALL DOCUMENTS NECESSARY TO RECORD THE ACQUISITION

February 5, 2014

• On March 8, 2012, HUD approved the Agency’s application for the disposition of 669 Public Housing Units. In the application, it was stated the units would be acquired by two development corporations, VPC One Corporation and VPC Two Corporation, for a fee of $1.00 per unit.

• On August 20, 2013, the Articles of Incorporation were filed and recorded for the creation VPC Two Corporation.

• With the creation of VPC Two Corporation, it is time to purchase the remaining 279 of the 669 Public Housing units.

• To facilitate the purchase, the Executive Director will need the authority to execute the deeds, Use Agreements and other necessary documents to complete the acquisition.
MEMORANDUM

TO: Board of Directors of VPC Two Corporation

VIA: Stacy L. Spann  Executive Director  Ext. 9420

FROM: Jim Atwell  Internal Auditor  Ext. 9426

RE: Approval of Acquisition of Public Housing Units and Authorization for Executive Director to Execute the Use Agreements and all Documents Necessary to Record the Acquisition

DATE: February 5, 2014

STATUS: Deliberation

OVERALL GOAL & OBJECTIVE:
To approve the acquisition of the remaining 279 Public Housing units and authorize the Executive Director to execute the Use Agreements and all necessary documents to record the acquisition.

BACKGROUND:
On March 8, 2012, HUD approved the Agency’s application for the disposition of 669 Public Housing units. In the application, it was stated the units would be acquired by two Development Corporations, VPC One Corporation and VPC Two Corporation, for a fee of $1.00 per unit.

At its July 2013 meeting, the Housing Opportunities Commission (HOC) authorized the establishment of VPC Two 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 August 20, 2013.

On September 11, 2013, the Corporation conducted an organizational meeting where the bylaws and the appointment of the Officers to the Corporation’s Board of Directors were elected.

Now that the Corporation has been created, staff is requesting the Corporation approve the acquisition of the remaining 279 of the 669 Public Housing units for disposition. The units will be acquired monthly, starting March 2014 for a fee of $1.00 per unit.

The $279 required to acquire the units will be an advance from the Commission and repaid from operational cash flow.
ISSUES FOR CONSIDERATION:
Does VPC Two Corporation wish to acquire the remaining 279 Public Housing units for disposition and authorize the Executive Director to execute the Use Agreements and all necessary documents to record the acquisition?

BUDGET IMPACT:
The Commission will advance the Corporation $279 to acquire the units. The Corporation will repay the Commission using cash flow from operations.

TIME FRAME:
For action at the February 5, 2014 meeting of the Corporation.

STAFF RECOMMENDATION AND COMMITTEE ACTION NEEDED:
Staff recommends that the Corporation approve the acquisition of the remaining 279 Public Housing units for disposition and authorize the Executive Director to execute the Use Agreements and all necessary documents to record the acquisition.
RESOLUTION:  

RE: Approval of Acquisition of Public Housing Units and Authorization for the Executive Director to Execute the Use Agreements and all Documents Necessary to Record the Acquisition

WHEREAS, on March 8, 2012, HUD approved the Agency's application for the disposition of 669 Public Housing Units; and

WHEREAS, in the application, it was stated the units would be acquired by two Development Corporations, VPC One Corporation and VPC Two Corporation, for a fee of $1.00 per unit; and

WHEREAS, the State Department of Assessments and Taxation accepted the Articles of Incorporation of VPC Two Corporation (the "Corporation") on August 20, 2013; and

WHEREAS, the Corporation will acquire the remaining 279 of the 669 Public Housing units for disposition; and

WHEREAS, the units will be acquired monthly, starting March 2014 for a fee of $1.00 per unit; and

WHEREAS, the Commission will advance the Corporation $279 to acquire the units; and

WHEREAS, the Corporation will repay the Commission using cash flow from operations.

NOW, THEREFORE, BE IT RESOLVED by VPC Two Corporation that:

1. the Corporation approves the acquisition of the remaining 279 Public Housing units for disposition,

2. the Executive Director of the Housing Opportunities Commission is authorized to execute the Use Agreements and related documents necessary to complete the acquisition of the units on behalf of the Corporation,

3. the units will be acquired monthly, starting March 2014 for a fee of $1.00 per unit,

4. the Commission will advance the Corporation $279 to acquire the units, and
5. the Corporation will repay the Commission using cash flow from operations.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of VPC Two Corporation at a meeting conducted on Wednesday, February 5, 2014.

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Sally Roman
Secretary to Board of VPC Two Corporation
Chevy Chase Lake Apartments
CHEVY CHASE LAKE DEVELOPMENT CORPORATION

RATIFICATION OF RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING OPPORTUNITIES COMMISSION TO EXECUTE A PURCHASE AND SALE AGREEMENT FOR THE DISPOSITION OF A PORTION OF THE CHEVY CHASE LAKE APARTMENTS SITE

February 5, 2014

- On September 11, 2013, the Commission approved entering into exclusive negotiations with Eakin Youngentob and Associates (“EYA”) to purchase a portion of the site consisting of approximately 142,278 square feet to be redeveloped into townhouses, and executed a letter of intent in October 2013.

- The Board of Directors approved this action in Executive Session on January 23, 2014.
RESOLUTION: Ratification of Resolution Authorizing the Executive Director of the Housing Opportunities Commission to Execute a Purchase and Sale Agreement for the Sale of a Portion of the Chevy Chase Lake Apartments Site

WHEREAS, Chevy Chase Lake Development 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 “Property”); and

WHEREAS, its strategic location near the planned Metro Purple Line and recently approved new zoning presents a unique opportunity for expansion of housing presence in an underserved down county location; and

WHEREAS, the Montgomery County Council approved redevelopment of the Chevy Chase Lake Apartments site; and

WHEREAS, the approval included a proposed joint development of the Property providing for mixed use housing options with “for sale” housing on approximately 69% of the Property, primarily Lots 2, 3 and 4 in the Chevy Chase Section 5-C subdivision (the “Townhouse Site”) with the remainder to provide a site for development of a mid-rise apartment facility; and

WHEREAS, the redevelopment plan proposes providing between 20-40 affordable rental units and 30-40 workforce units in a 150-200 mixed income mid-rise building and contemplates 50-60 for-sale townhomes, of which 15% are slated to be MPDUs, on the Townhouse Site; and

WHEREAS, on September 11, 2013, the Commission approved executing a letter of intent (the “LOI”) authorizing exclusive negotiations with Eakin Yougentob and Associates to purchase the Townhouse Site to be redeveloped into for-sale housing; and

WHEREAS, the LOI provided for an additional payment based on the ultimate sale price of units to be sold by EYA; and

WHEREAS, based on the terms of the LOI, at the Commission’s direction, staff engaged an appraiser to determine the market value of the land and the results of the appraisal returned an estimated “as is” per lot value of $265,000, resulting in a contract floor price that is 20.8% higher than the “as is” appraised value of the land; and

WHEREAS, the terms of the Purchase and Sale Agreement (PSA) substantially mirror the terms presented to the Commission on September 11, 2013; and
WHEREAS, the terms of the PSA have been reviewed by HOC’s outside counsel and Office of General Counsel, the terms of which are consistent with the terms presented to the Commission on September 11, 2013.

NOW, THEREFORE, BE IT RESOLVED that Chevy Chase Lake Development Corporation authorizes the Executive Director of the Housing Opportunities Commission to enter into a Purchase and Sale Agreement for the disposition of the Townhouse Site, a portion of the Chevy Chase Lake Apartments.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Chevy Chase Lake Development Corporation at an executive session meeting held on January 23, 2014.

S
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Secretary
Chevy Chase Lake Development Corporation