## CONSENT ITEMS

### A. Approval of Minutes of February 5, 2014

### B. Authorization to Assign the Planning and Zoning Consultant Contract to Scheer Partners

### C. Ratification of the Approval of a Predevelopment Agreement to Partner with Lee Development Group for the Redevelopment of Elizabeth House and Authorization to Expand Predevelopment Spending of up to $730,000 of Opportunity Housing Reserve Funds for the Submission of the Preliminary and Project Plans to Maryland-National Capital Park and Planning Commission (M-NCPPC) and Montgomery County

## INFORMATION EXCHANGE

### 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
  1. Utility Shut-off Prevention Programs

## COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

### A. Budget, Finance and Audit Committee – Com. Kator, Chair
  1. Acceptance of Second Quarter FY’14 Budget to Actual Statements
  2. Approval of FY’14 Second Quarter Budget Amendment
  3. Approval of CY’14 First Quarter Budget Amendment
  4. Approval to Increase Contract Value for the Holly Hall Sprinkler System
  5. Approval to Modify Loan Sources to Fund the Renovation Cost for the 669 Former Scattered Site Public Housing Units

## ITEMS REQUIRING DELIBERATION and/or ACTION

## FUTURE ACTION ITEMS

### A. Presentation of the Executive Director’s FY’15 Recommended Budget

## INFORMATION EXCHANGE (continued)

### A. Community Forum

## NEW BUSINESS

## EXECUTIVE SESSION FINDINGS

## DEVELOPMENT CORPORATION

### Alexander House Development Corporation Meeting
  - Ratification of the Approval of a Predevelopment Agreement to Partner with Lee Development Group and the Housing Opportunities Commission for the Redevelopment of Elizabeth House
<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
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<tbody>
<tr>
<td>5:00 p.m.</td>
<td><strong>Wheaton Metro Development Corporation Meeting</strong></td>
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<td>• Authorization for the Executive Director to Execute a Utility Easement on Behalf of Wheaton Metro Development Corporation</td>
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<td>5:00 p.m.</td>
<td><strong>LIMITED PARTNERSHIP</strong></td>
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<td><strong>Wheaton Metro Limited Partnership Meeting</strong></td>
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<td>• Authorization for the Executive Director to Execute a Utility Easement on Behalf of Wheaton Metro Limited Partnership</td>
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<td>5:15 p.m.</td>
<td>EXECUTIVE SESSION</td>
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**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 Annual meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, February 5, 2014 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:12 p.m. Those in attendance were:

**Present**

Roberto Piñero, Chair  
Sally Roman, Vice Chair  
Michael Kator, Chair Pro Tem  
Jean Banks  
Pamela Lindstrom

**Not Present**

Rick Edson

**Also Attending**

Stacy Spann, Executive Director  
Ken Tecler, Staff Counsel  
Kayrine Brown  
Gail Willison  
Jim Atwell  
Regina Mitchell  
Fred Swan  
Patricia Oliver  
Jennifer Arrington  
Richard Hanks  
Christopher Donald  
Saundra Boujai  
Tonya Clark  
Sherron Turner  
Charnita Robinson  
Belle Seyoum  
Lynn Hayes  
Yousri Ben Slimane  
Ethan Cohen  
Stephanie Semones  
Nancy Scull  
Rebecca Grayson  
Raquel Mitchell  
Carol April  
Louis Chaney  
Bonnie Hodge  
Antonia Whitfield  
Kitty McCoy  
Wilson Choi  
Carrie Smith  
Roxanne Holiday  
Sue Swierdsiol  
Kelly McLaughlin  
Angie Ross  
Vivian Benjamin  
Jonathan Cartagena  
Mary Phillips  
Michele Ogunbode  
Dean Tyree  
Marsha Smith
Chair Piñero convened the annual meeting of the Housing Opportunities Commission and welcomed staff and visitors. The 2014 Housing Honor Roll and Special Recognition Awards were presented as follows:

**HOUSING HONOR ROLL AWARD**

**Norman Dreyfuss** - Recognition of his many years of dedicated service to affordable housing in Montgomery County. Mr. Dreyfuss was unable to attend so a special video presentation was played and Commissioner Jean Banks and Barbara Goldberg-Goldman accepted the award on his behalf.
SPECIAL RECOGNITION AWARD

Linda Croom - Ms. Croom serves as President of the HOC Resident Advisory Board (RAB). During her tenure with the RAB, Ms. Croom has consistently demonstrated leadership and a commitment to advocating on behalf of HOC clients.

William Rippey - Mr. Rippey has served as a volunteer math tutor with the Family Self-Sufficiency Program for 14 years. His tutelage has built confidence in our clients in utilizing their math skills, whether in the workplace or a household budget.

Cathy Kruvant - Ms. Kruvant has been a key HOC volunteer for 8-years. In 2010, she organized a “Community Clean Up” event at Washington Square and Emory Grove and has also participated in the annual Thanksgiving Basket drive and the Holiday Giving Drive. She has donated more than $10,000 in clothing and household items to HOC clients.

YEAR IN REVIEW

Stacy Spann, Executive Director, opened by extending thanks to the Commission, staff, 2013 Honorees, and the many community partners for their support of HOC.

HOC HIGHLIGHTS OF 2013 - Building a Steady Framework:

The Agency’s new look and new attitude in formulating the foundation of HOC 2.0:

• We unveiled HOC’s new logo, colors and provided an explanation of the objectives of the Rebranding Team in the search for a new look.

• A vision to generate more revenue and reduce the number of public housing units in our portfolio.

• HOC’s structural deficit and some of our plans to make the agency financially viable over the long term and how the Real Estate Division would play a key role in our progress towards a self-sustaining portfolio.

PROGRESS MEASUREMENTS AGAINST GOALS SET IN 2013

Mortgage Finance and Real Estate Development (RED)

• The Mortgage Finance and Real Estate Development staff continues its evaluation of HOC’s real estate assets for opportunities to unlock equity through refinancing, disposition, rehabilitation, and redevelopment.
• 2013 was also a year of historically low interest rates, rendering the HOC mortgage product less competitive; however, Mortgage Finance generated $6.6 million in new bonds and refunded $50 million in Single Family Mortgage bonds, which reduced the overall borrowing cost of the Single Family program. A number of multifamily transactions were in various stages of processing in 2013 for financing to raise capital for new construction and substantial rehabilitations; they are now projected to close in 2014.

• A major objective in HOC’s strategic plan is to expand our approach and ability to develop mixed-income housing with an emphasis on strong design, energy efficient, and amenity-rich properties that are environmentally and financially stable. The agency will accomplish this objective by building partnerships and identifying alternative sources of equity. This may also be accomplished by employing a number of strategies to include acquisition, disposition, rehabilitation, or redevelopment.

• As it pertains to building partnerships, the response within the development community has been overwhelmingly positive. In 2013, HOC strengthened partnership ties with Eakin Youngentob and Associates (EYA), a prominent private developer with strong experience in Montgomery County.

• This partnership will enable HOC to increase the density at the Chevy Chase Lake property and redevelop it as a 275 unit (formerly 68 units) mixed income community and quadrupling the affordable rental units at the site.

• Toward its acquisition goals, HOC purchased Brooke Park Apartments in Bethesda. This 18-unit property will be rented to households with incomes at or below 65% of Area Median Income (AMI). This fulfilled two of the Agency’s goals, one of expansion through acquisitions, and the second of supporting one of our very important partner, Montgomery County DHCA, in the preservation of affordable housing in underserved communities.

• HOC is also putting the finishing touches on the long anticipated redevelopment of Tanglewood, an 83-unit tax credit property. Tanglewood has undergone a dramatic rebirth, one that the agency can be proud of.

• Since my arrival, I have reiterated the fact the Public Housing program has been severely underfunded and the Federal Government wants to eliminate the program in its entirety. HOC’s Public Housing properties, like those of every other public housing authority in the country, are in dire need of capital investment. However, HUD cannot provide adequate financial resources to properly maintain our Public Housing portfolio. The truth is that Public Housing as we know it is a dying program. In light of budget challenges, it is unrealistic to expect continued funding from HUD when it is far cheaper for HUD to support vouchers.

• In 2013, HUD introduced a solution pilot program that could offer help to agencies struggling with the growing capital expenses of the country’s aging Public Housing properties. The Rental Assistance Demonstration program (RAD) offers PHAs the
opportunity to take ownership of the properties and leverage them to raise capital to
rehabilitate and, in some cases, redevelop these properties to be energy-efficient and most
importantly, self-sustaining.

- In the fall of 2013, HOC applied to participate in the RAD program. Just before the holiday
  break, HOC received word that the first seven applications had been approved and that the
  remaining units were reserved for a full portfolio disposition. While we are waiting for the
  status of the remaining four applications, we are optimistic that they will also be approved.

- Recently, HUD released the National RAD wait list on which 150,000 units sit. Our
  Commissioners and staff deserve significant credit for moving quickly on this important
  opportunity.

Property Management
- Housing Management Division was successfully restructured in 2013.

- Under the leadership of HOC’s new Director of Property Management, Regina Mitchell, I am
  confident that the division will continue – with ease- to effectively govern all units owned
  and managed by the agency.

- This task will be easier than before since the day-to-day property management functions
  were reallocated to regional offices.

- HOC successfully reallocated management oversight of the agency’s portfolio to 10 Housing
  Unit Based service centers (HUBs). Each HUB operates similarly to a private property
  management business; they are equipped with a property management and resident
  services team.

- Each HUB office processes lease signings, property tours, rent collection, and is responsible
  for ensuring lease enforcement. These offices also handle compliance issues and facilitate a
  plethora of resident services programs. Generally, residents no longer have to travel more
  than five miles from home to receive HOC services. Most important of all, staff and
  residents are pleased with the improved convenience and service response time.

- The HUB structure has dramatically improved customer service, reduced staff workload
  while also reducing operating expenses. This is significant.

- Our Finance Division has been doing an exceptional job helping the Property Management
  team to monitor their budgets as well collect and process revenues.
Finance

- The Finance Division continued its superb budgeting and financial reporting track record. HOC was awarded another GFOA Best Budget Award for outstanding budget presentation as well as a GFOA Certificate of Achievement for Excellence in Financial Reporting. Additionally, with the hard work and perseverance of the Finance Division, the Agency again received an Unqualified Audit.

- To address the agency’s structural deficit, staff began using a zero based, multi-year budget approach.

- For the first time in history, we adopted a budget with a second year forecast which allows us to plan more efficiently since we rely on federal money. Moving forward, our plan is to complete a two-year budget annually. Another benefit to two-year budgets is the reduced administrative burden on HOC staff. Under the old structure, it took an average of nine months to complete the annual budget process. Nine months every two years is far more efficient.

- The simple line-item savings and steady attention to detail has enabled the agency to provide a pay increase and additional employee benefits to HOC staff.

Human Resources

- Thanks to MCGEO for their successful and productive labor negotiations.

- The nature of our relationship is such that we won’t always agree, but I am grateful that we are able to have frank discussions that lead to fair bargaining results.

Executive Division

- HOC’s Legislative and Public Affairs team worked with HUD and Congressman Chris Van Hollen to identify opportunities for regulatory relief and reduce administrative burdens of ongoing funding reductions.

- LPA continues to work closely with Linda McMillan and the various County Council offices to ensure that the agency addresses constituent concerns in a timely manner.

- You may also have noticed the new front desk and electronic sign-in station, or perhaps this new podium and backdrop. These changes are aligned with HOC’s new look and new attitudes as well as our goal to go paperless when possible.

- The LPA team also played a pivotal role in keeping all of HOC’s stakeholders abreast of major agency changes. Whether organizing RAD information sessions or Town Hall
Meetings, HOC has a far more polished public presentation. All of these changes communicate professionalism and respect for our audience.

- In 2013, HOC hosted five public meetings, one in each council district, to inform residents about significant program changes and initiatives that the agency is actively engaging. The meetings also afforded residents the opportunity to voice their opinions, concerns and recommendations as they pertain to HOC’s operations.

- HOC will again stage five Town Hall Meetings throughout 2014. The first meeting will take place on March 4th at Bethesda Chevy Chase High School at 6:30 p.m. The remaining meeting dates and locations will be announced as soon as they are finalized.

**Housing Resources Division**

- The overarching purpose for the 2013 Town Hall meetings was to inform Housing Choice Voucher and Public Housing clients of essential program changes.

- As you know, in early 2013, President Obama was legally obligated to enact sequestration, which imposed even deeper cuts to programs including HCV and Public Housing. With sharp funding cuts and client needs increasing, it became clear that HOC could no longer shield our clients from the Federal cuts.

- HOC took several important steps to reduce expenses and increase efficiency. The agency reduced HCV payment standards to pay at 95% of what HUD considers a Fair Market Rent for Montgomery County. While this shifts more of the financial burden to our clients, it will ensure that HOC can continue serving our current clients for the foreseeable future.

- Additionally, HOC has changed the occupancy standards to assess voucher size based on the adjusted criteria. Moving forward, clients will be awarded one bedroom for the head-of-household (and spouse, if applicable) and one bedroom for every additional two occupants, regardless of age and gender.

- While no one likes the changes, the vast majority of clients understand that these changes were necessary to keep families housed.

**Resident Services**

- The Resident Services staff played a significant role in communicating with the affected households to help them comprehend and adapt to the aforementioned program changes.

- In October 2013, HOC held the 20th Anniversary for the Family Self-Sufficiency Program (FSS). The FSS Program is one of the most successful resident service programs that the agency offers. To date, over 800 HOC residents have successfully completed the program.
This means 800 people have not only changed their lives but they've changed the lives of their children, who now have a powerful role model of success through tenacity. These clients had the courage to put themselves through a challenging program that demanded accountability and consistency. Those are big dreams, and their success serves as hope not only for their children, but for those who follow in their footsteps.

HOC Youth Resident Counselor Jonathan Cartagena was recognized with a 2013 Dunkin’ Donuts Metropolitan Washington DC Community Heroes award. Jonathan was nominated by a former HOC resident. In appreciation of Jonathan’s community service, Dunkin’ Donuts awarded him with a free coffee and donut every week for a year. Congratulations Jonathan and thank you for your service.

Although the Resident Services division was successful in serving our clients there is always room for improvement. In 2013, HOC welcomed new Director of Resident Services Fred Swan. Fred and I will be working closely on the restructuring of the Division and I believe that we will improve service delivery while also ensuring improved efficiency.

Information Technology

HOC has a new phone system and new phone numbers. The phone system has enhanced features that were not present with the Avaya system; they are cheaper and more efficient.

The Technology Employee Purchase program (TEPP) was improved. As a result of the TEPP, approximately half of HOC’s workforce purchased up-to-date technology devices. One of the most prominent benefits of the TEPP is that it enables employees to remain connected to the Agency around the clock.

HOC is the first PHA in the nation to operate community cloud-based computer centers for its residents. The agency has 22 computer centers throughout the almost five hundred square mile county, enabling approximately 2,000 households to job search, complete homework assignments and improve their computer proficiency.

The cloud computer centers enable HOC to provide a critical resource to its vulnerable residents without increasing the agency’s capital expenses. This is trailblazing at its finest. This is HOC 2.0.

LOOKING AHEAD IN 2014

Mortgage Finance

The Mortgage Finance Division and RED will be busier in the coming year. The teams will continue with the rehabilitation and permanent financing of the 669 Scattered Site PH units as well as implement RAD conversions on seven, and hopefully 11, multifamily properties. All of these properties will undergo some degree of rehabilitation and some will eventually be completely redeveloped.
The Real Estate Development team will continue to evaluate HOC’s portfolio, identify opportunities which will yield additional affordable housing capital for Montgomery County and aggressively seek to execute those windows of opportunity.

By 2014’s year end, HOC’s portfolio and balance sheet will be much stronger. Through the disposition of the entire Public Housing portfolio, highly valued assets will be added to the Agency’s balance sheet, and because of such low leverage, the net benefit to the Agency will be tremendous.

Information Technology

IT will continue to keep HOC functioning powerfully using today’s modern technology. A few tasks on IT’s “To-Do List” are: enhancing the cloud computer centers, redesigning the Hearing Room and updating its technological equipment, and implementing a more robust online conferencing program for the agency to use. All of which will contribute significantly to HOC 2.0.

Property Management

2014 will be very different for HOC since the Public Housing program will no longer exist within this agency. ‘Let’s be clear folks, we are not losing any affordable housing units.’

We are actually increasing our affordable housing arsenal through participation in RAD and the Disposition. Furthermore the addition of new mixed-income units may facilitate additional affordable ones at some sites.

As a result of the changes, the agency has no choice but to continue operating as a private property management business. Property Management will emphasize resident accountability, timely rent collection as well as evicting noncompliant residents. Evictions are unfortunate but necessary in order to prevent compromising the agency’s revenue and to provide affordable housing opportunities for households willing to comply with their lease agreement.

The property assessment tool will be utilized to help property managers project capital expenses and forecast future capital needs, which we expect to launch fully in July 2014.

In addition to decreasing fuel consumption across the agency’s fleet of service vehicles, reducing travel time and minimizing mileage reimbursements, the Property Management division will further reduce operating and capital expenses in 2014 by installing standardized appliances in all HOC units. Installing standardized appliances enables the agency to purchase appliances and parts in bulk which significantly reduces the line-item expense. Furthermore, standardizing appliances and buying in bulk will prevent service delays due to waiting on parts since they are stored in our own warehouse.
Both the Property Management and Resident Services divisions are charged with strengthening their rapport with residents to increase the sense of community on our properties. There is absolutely no reason that HOC cannot provide ‘service with a smile.’

CLOSING

I deeply believe in the mission and purpose of this agency. This agency, its staff and our clients mean a great deal to me on a personal level. I know that many of you share these sentiments. Many of our staff care deeply about our clients.

I would like to sincerely thank the Commission for your service to the agency. While this may not be true for each of you individually, I believe that collectively over the last year, we have found more common ground and there is a growing sense of our progress and the potential of HOC 2.0.

I also need to give recognition to the excellent work of the HOC staff. There are too many to recognize individually, but without their dedicated service, HOC would be just another housing authority. Because of their efforts, HOC is repositioning itself to become a national model of excellence.

Election of Officers

Mr. Spann opened the floor for the election of officers. Commissioner Kator made a nomination to reappoint Roberto Piñero as Chair, Sally Roman as Vice Chair, and to appoint Jean Banks as Chair Pro Tem. Being no other nominations, the new officers were unanimously elected. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks and Lindstrom. Commissioner Edson was necessarily absent and did not participate in the vote.

The Consent Calendar was then approved upon a motion by Vice Chair Roman and seconded by Commissioner Lindstrom. Affirmative votes were cast by Commissioners Piñero, Roman, Kator and Lindstrom. Commissioner Banks was temporarily away and did not participate in the vote. Commissioner Edson was necessarily absent and did not participate in the vote.

I. CONSENT ITEMS

A. Approval of Minutes of January 8, 2014 — The minutes were approved as submitted.

B. Adoption of Retirement Resolution for Michele Henderson — The following resolution was approved.
RESOLUTION: 14-07

RE: Adoption of Retirement Resolution for Michele Henderson

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.

C. Adoption of Retirement Resolution for Winifred Thomas – The following resolution was approved.

RESOLUTION: 14-08 RE: Adoption of Retirement Resolution for Winifred Thomas

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.

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 – The following resolution was approved.

RESOLUTION: 14-09 RE: Approval of Transfer of Public Housing Units to VPC Two Corporation and Authorization for Executive Director to Execute the Deed, Use Agreements and all Documents Necessary to Complete the Transfer

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 each 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.

E. Approval of Selection of 2014 Housing Honor Roll and Special Recognition Award Recipients – The following resolutions were approved.

RESOLUTION: 14-10a RE: Approval of Selection of 2014 Housing Honor Roll Recipient

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.

RESOLUTION: 14-10b  
RE: Approval of Selection of 2014 Special Recognition Award Recipient

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.

RESOLUTION: 14-10c  
RE: Approval of Selection of 2014 Special Recognition Award Recipient

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.
RESOLUTION: 14-10d  RE: Approval of Selection of 2014 Special Recognition Award Recipient

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 Cathy Kruvant is a recipient of a 2014 Special Recognition Award.

II. INFORMATION EXCHANGE

A. Report of the Executive Director – Mr. Spann reported on the start of the Leadership Tomorrow program. Members of the “alpha” class have been selected. Prominent industry professionals will be secured to both sponsor and lecture the program.

B. Commissioners Exchange

• Commissioner Roman reported that she attended the Park and Planning Affordable Housing lectures.
• Commissioner Banks thanked Chair Piñero for honoring Linda Croom, RAB President, for the 2014 Special Recognition Award.

C. Community Forum

None

III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

1. Approval to Purchase 10 Horizon Court, Derwood, MD for Use and Operation by Jubilee Association of Maryland
Kayrine Brown, Director of Mortgage Finance/Real Estate Development and Jay Shepherd, Senior Financial Analyst, reported that a house has been located at 10 Horizon Court, Derwood, MD and to request approval purchase.

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

RESOLUTION: 14-11 RE: Approval to Purchase 10 Horizon Court, Derwood, Maryland for Use and Operation by Jubilee Association of Maryland

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.

B. Legislative and Regulatory Committee – Com. Roman, Chair

1. Adoption of Revision to The Housing Choice Voucher Administrative Plan Providing a Preference for Persons Both Chronically Homeless and Medically Vulnerable

Lynn Hayes, Acting Director of Housing Resources and Fred Swan, Director of Resident Services, requested approval to modify the Housing Choice Voucher Administrative Plan to include a preference for persons both chronically homeless and medically vulnerable.

The following resolution was adopted upon a motion by Commissioner Kator and seconded by Vice Chair Roman. Affirmative votes were cast by Commissioners Piñero, Roman, Banks, Kator and Lindstrom. Commissioner Edson was necessarily absent and did not participate in the vote.
WHEREAS, federal statutes and regulations require housing providers to adopt certain policies and permit flexibility in others; and

WHEREAS, the Housing Opportunities Commission (the “Commission”) aims to ensure fair and equitable treatment of applicants and residents in its housing programs; and

WHEREAS, the Commission administers the Housing Choice Voucher Program in Montgomery County; and

WHEREAS, the Commission has adopted an Administrative Plan to provide the rules and procedures for operation of the Housing Choice Voucher Program; and

WHEREAS, the Commission has joined with Montgomery County and the Montgomery County Coalition for the Homeless in an effort to provide permanent housing assistance for chronically homeless medically vulnerable persons; and

WHEREAS, the proposal was submitted to the Resident Advisory Board for its review and consideration; and

WHEREAS, an allocation of up to ten (10) Housing Choice Vouchers on the waiting list for assistance for chronically homeless medically vulnerable persons can be implemented through program attrition.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves a revision to the Housing Choice Voucher Administrative Plan to provide a preference for up to ten (10) persons who are both chronically homeless and medically vulnerable as identified in the memorandum presented with this Resolution.

BE IT FURTHER RESOLVED that the Executive Director is authorized to prepare and submit an amendment of the Housing Choice Voucher Administrative Plan to provide a preference for persons who are chronically homeless as well as medically vulnerable to HUD for approval and, upon approval thereof, implement the amendment in subsequent operation of the program.

V. *FUTURE ACTION ITEMS*
VI. **NEW BUSINESS**

None

VII. **EXECUTIVE SESSION FINDINGS**

None

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

The meeting adjourned at 5:58 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb
AUTHORIZATION TO ASSIGN THE PLANNING AND ZONING CONSULTANT CONTRACT TO SCHEER PARTNERS

March 5, 2014

- On September 14, 2012, HOC issued a Request for Proposal in which it solicited responses from zoning and planning consultants to assist the Commission with related matters.

- On February 12, 2013, Perry Berman of Berman Ventures (the “Consultant”) was engaged for a one-year term with two optional one-year renewals for a maximum of three years and an annual compensation of $50,000.

- On June 17, 2013, because of dramatically increased real estate development activities and the high number of County sector plans under revision, the Commission saw fit to increase the annual value of the contract to $150,000.

- In the first year of engagement with HOC, the Consultant provided services which directly led to significantly increased density at HOC properties in three County sector plans.

- The Consultant has also provided land use advice, dedication analysis, and MPDU evaluation for nearly two dozen HOC properties.

- The Consultant is expected to continue to represent the Commission and work with staff in the coming months on ongoing and anticipated master and sector plan revisions, the evaluation of the HOC portfolio for opportunities to expand the delivery of affordable housing, and on legislative matters.

- At the time the contract was originally signed, the Consultant was also acting in a private consulting capacity to Scheer Partners. During the summer of 2013, the Consultant joined Scheer Partners as a full-time employee. Due to this occurrence, it is now in the best interest of all involved to simplify the accounting and assign the contract to Scheer Partners.

- Staff recommends that the Commission authorize the assignment of the Planning and Zoning Consultant contract to Scheer Partners.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy Spann, Executive Director

FROM: Staff: Brown/Marks Ext. 9589/9613
Division: Mortgage Finance/ Real Estate

RE: Authorization to Assign the Planning and Zoning Consultant Contract to Scheer Partners

DATE: March 5, 2014

STATUS: Consent X Deliberation _____ Status Report_____ Future Action

OVERALL GOAL & OBJECTIVE:
To maximize the potential development yield for HOC’s owned real estate assets.

BACKGROUND:
Pursuant to a formal solicitation to select a zoning and planning consultant (“Consultant”) to assist the Commission on matters related to planning and zoning, HOC engaged Mr. Perry Berman of Berman Ventures on February 12, 2013. The contract was for an initial one-year term with two optional one-year renewals.

The original annual value of the contract was $50,000 based on initial estimates of time to be spent for the engagement at $150.00 per hour. In June of 2013, because of dramatically increased real estate development activities and the high number of County sector plans under revision, the Commission saw fit to increase the annual value of the contract to $150,000.

Scope of Contract/Work:
As published in the request for proposal, the successful firm or individual would be required to represent or assist HOC in the following areas:

1. Assess (a) the efficacy of existing planning and zoning laws, regulations and procedures (the “Legislative Structure”) in delivering affordable housing, and (b) whether the Legislative Structure hinders or limits the development of affordable housing in the County, and advise the Commission as to the consultant’s findings in this regard.

2. Where deficiencies are found in the Legislative Structure, recommend achievable solutions to the Commission and methods of implementing such solutions.
3. On behalf of the Commission, work with staff of the Maryland-National Capital Park and Planning Commission (the “Planning Commission”), the Planning Housing and Economic Development Committee (PHED) of the Montgomery County Council, and other concerned public bodies and agencies and organizations in the development of new master plans and revision of existing plans to assure that affordable housing is incorporated in all such plans.

4. Assist the Commission in its real estate development activities especially in regards to title search, land acquisition, and securing of entitlements necessary for the development planning process.

5. Assist in preparing testimony for HOC commissioners and staff appearing at Planning Commission and County Council hearings on planning and zoning issues.

6. Organize and present to the Commission, its staff, and to other organizations having an interest in the planning and zoning process a workshop explaining that process, at such times and in such format as the Commission staff may request.

Staff is satisfied with the Consultant’s performance under the contract. Further, given scheduled sector plan reviews and updates, the Consultant will continue to provide advisory services to ensure the best zoning and density outcome for HOC.

Assignment of Contract
At the time the contract was originally signed, the Consultant was also acting in a private consulting capacity to Scheer Partners on a limited basis providing similar services to Scheer Partners’ clients. Scheer Partners is a fully integrated commercial real estate services firm with experts in property management, construction management, investment sales, acquisitions and development, and land planning. During the summer of 2013, the Consultant joined Scheer Partners full time.

The Consultant has requested and staff is requesting that HOC consent to his assigning his contract with HOC to Scheer Partners:

1. Scheer Partners is exposed to liability so long as their full-time employee is providing services pursuant to a contract to which Scheer is not a party. Once the contract is transferred to Scheer Partners, its insurance coverage would then apply.
2. The Consultant currently must book all of his fees as income and then show an expense to pay Scheer Partners for its share.
3. In general, the Consultant and Scheer have advised that the arrangement creates an accounting burden for the firm which could be far simpler and invoices more easily managed, if the contract were assigned to Scheer Partners.

Once approved by the Commission, the Procurement Officer can make the change administratively, pursuant to provisions of the HOC Procurement Policy.
ISSUES FOR CONSIDERATION:
Does the Commission consent to the Consultant’s assigning of the Planning and Zoning Consultant contract with HOC to Scheer Partners?

PRINCIPALS:
Housing Opportunities Commission
Perry Berman (d.b.a., Berman Ventures)
Scheer Partners

BUDGET IMPACT:
The approved Real Estate Division budget for FY2014 is sufficient to fund the contract through the end of FY 2014. The proposed Real Estate Division budget for FY 2015 is sufficient to cover the contract through fulfillment.

TIME FRAME:
Action at the March 5, 2014, meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
Staff recommends that the Commission consent to the Consultant’s assigning the Planning and Zoning Consultant contract with HOC to Scheer Partners.
RESOLUTION:  RE: Authorization to Assign the Planning and Zoning Consultant Contract to Scheer Partners

WHEREAS, on February 12, 2013, the Commission engaged Perry Berman of Berman Ventures (the “Consultant”) for a one-year term with two optional one-year renewals for a maximum of three years and an annual compensation of $50,000; and

WHEREAS, on June 17, 2013, because of dramatically increased real estate development activities and the high number of County sector plans under revision, the Commission increased the annual value of the contract to $150,000; and

WHEREAS, the Consultant is expected to continue to represent the Commission and work with staff in the coming months on ongoing and anticipated master and sector plan revisions, the evaluation of the HOC portfolio for opportunities to expand the delivery of affordable housing and on legislative matters; and

WHEREAS, at the time the contract was originally signed, the Consultant was also acting in a private consulting capacity to Scheer Partners and during the summer of 2013, the Consultant joined Scheer Partners as a full-time employee; and

WHEREAS, Scheer Partners is exposed to liability so long as their full-time employee is providing services pursuant to a contract to which Scheer is not a party. Once the contract is transferred to Scheer Partners, its insurance coverage would then apply; and

WHEREAS, the Consultant and Scheer have advised that the current arrangement creates an accounting burden for the firm which could be far simpler and invoices more easily managed, if the contact were assigned to Scheer Partners; and

WHEREAS, the there will be no changes to the existing contract.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it consents to the Consultant’s assigning the Zoning and Consultant contract to Scheer Partners.

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

______________________________
Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF THE APPROVAL OF A PREDEVELOPMENT AGREEMENT TO PARTNER WITH LEE DEVELOPMENT GROUP FOR THE REDEVELOPMENT OF ELIZABETH HOUSE AND AUTHORIZATION TO EXPEND PREDEVELOPMENT SPENDING OF UP TO $730,000 OF OPPORTUNITY HOUSING RESERVE FUNDS FOR THE SUBMISSION OF THE PRELIMINARY AND PROJECT PLANS TO MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION (M-NCPPC) AND MONTGOMERY COUNTY

March 5, 2014

- The Elizabeth House development has been submitted to the United States Department of Housing and Urban Development (HUD) for feasibility approval under the Rental Assistance Demonstration (RAD) program.

- On October 30, 2013, staff updated the Commission on its strategy to pursue the feasibility of partnering with the Lee Development Group (LDG) on the redevelopment of Elizabeth House.

- During Executive Session staff presented:
  1. A proposal pursuant to which HOC would collaborate with Lee Development Group for the redevelopment of the Site
  2. The rationale for beginning the Preliminary and Project Plan process, the pending change in the zoning ordinance across the County and the RAD timeline;
  3. The opportunity to provide new, amenity rich, transited oriented development to some of the Commission’s most vulnerable residents;
  4. The opportunity to replace an antiquated development that has reached the end of its useful life;
  5. The Commission retains its prerogative to either continue or stop in the entitlement process at anytime; and
  6. The unique partnership opportunity due to the adjacency of the Lee Development Group Property and their expertise in navigating the Montgomery County entitlement process.

- The Commission authorized:
  1. Execution by the Executive Director of a Predevelopment Agreement to partner with Lee Development Group for the redevelopment of Elizabeth House; and
2. Execution by the Executive Director of all submittals to Montgomery County Planning, Maryland-National Capital Park and Planning Commission and all other regulatory agencies for the Preliminary and Project Plans on behalf of Housing Opportunities Commission of Montgomery County and Alexander House Development Corporation; and

3. Expenditure of up to $730,000 from the Opportunity Housing Reserve Fund (OHRF) on the Preliminary and Project Plan submission for redevelopment of Elizabeth House.
RESOLUTION:  

RE: Ratification of the Approval of a Predevelopment Agreement to Partner with Lee Development Group for the Redevelopment of Elizabeth House and Authorization to Expend Predevelopment Spending of up to $730,000 of Opportunity Housing Reserve Funds for the Submission of the Preliminary and Project Plans to Maryland-National Capital Park and Planning Commission (M-NCPPC) and Montgomery County

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, enters into partnerships to build new affordable housing; and

WHEREAS, HOC owns Elizabeth House, a high-rise Public Housing facility for seniors at 1400 Fenwick Lane; and

WHEREAS, immediately contiguous to Elizabeth House is Alexander House, an opportunity housing development owned by a development corporation wholly controlled by HOC; and

WHEREAS, the Lee Development Group or an affiliate ("LDG") owns an office townhouse development adjacent to Elizabeth House known as Fenwick Professional Park ("Fenwick Park"); and

WHEREAS, LDG is a well recognized developer and owner of property in the Silver Spring area and has expertise in the planning process; and

WHEREAS, Elizabeth House is over 50 years old and is in need of redevelopment to provide safe, high quality housing for seniors; and

WHEREAS, LDG desires to redevelop Fenwick Park as well; and

WHEREAS, LDG and HOC recognize common benefits to working together to
redevelop both parcels; and

WHEREAS, a partnership with LDG to redevelop Elizabeth House and Fenwick Park can provide replacement housing units for the existing residents at Elizabeth House while a new facility is being built on the Elizabeth House property; and

WHEREAS, because LDG and HOC have commonality in their goals for the ultimate use of their respective properties and because LDG is the owner of adjacent property, it is beneficial to enter into preliminary development agreement for joint development of Elizabeth House and Fenwick Park through a partnership and ground lease to provide replacement housing units for the existing residents at Elizabeth House and construction of a new residential building; and

WHEREAS, the initial submission of the Preliminary and Project Plans is estimated to cost up to $1,100,000 and work must begin on the application whether agreement is reached with LDG in order to be assured of obtaining the maximum density for redevelopment of Elizabeth House; and

WHEREAS, the initial submission can 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; and

WHEREAS, in the event that a partnership and ground lease are not negotiated with LDG, the expense incurred for Preliminary and Project Plans will benefit HOC as it will provide the basis for redevelopment approval of Elizabeth House; and

WHEREAS, prior to submission of the Preliminary and Project Plans to the M-NCPBC and entering into a final partnership agreement or ground lease with LDG, HOC will review the terms and determine the manner in which to proceed with development in its discretion.

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

1. Authorizes the Executive Director to execute a Preliminary Development Agreement with LDG for the joint development of Elizabeth House and Fenwick Park substantially on the terms and conditions identified to the Commission and acceptable to the Executive Director as advised by counsel.
2. Authorizes the expenditure of no more than $730,000 for the preparation and submission of Preliminary and Project Plans for joint development of Elizabeth House and Fenwick Park, all of which will benefit Elizabeth House redevelopment in any event to be funded from the Opportunity Housing Reserve Fund ("OHRF") represented by a note with interest to accrue at the rate otherwise available for funds invested by the OHRF to be repaid at closing of a construction loan for redevelopment of Elizabeth House.

3. Authorize the Executive Director to execute applications and submissions to all of the required regulatory agencies which include the M-NCPPC and Montgomery County for Preliminary and Project Plans for the redevelopment of Elizabeth House.

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

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____________________________
Patrice M. Birdsong
Special Assistant to the Commission
Information Exchange
EXECUTIVE DIRECTOR’S REPORT

March 5, 2014

PROPERTY TOURS PLANNED

Several property tours are in the works for March and early April 2014.

On March 7th, a group from HUD will visit several HOC and Howard County Housing properties to demonstrate our success in developing amenity-rich and energy efficient mixed-income housing. This property tour will be delivered in the context of RAD to showcase some of our most successful developments and establish HOC as a model for other housing authorities nationwide.

On March 12th, Kayrine Brown, Regina Mitchell and Scott Ellinwood will lead a tour for attendees of the NAHRO Legislative Conference to showcase some of the best examples of mixed-income development in a very expensive region and discuss some of the financing techniques to replicate our success.

On March 21st, I will join Zachary Marks and Scott Ellinwood to present senior HUD officials with a presentation for HUD management staff. Ben Metcalf, the Deputy Assistant Secretary, will join us on this tour.

The dates are still being finalized, but the Real Estate Development and Public Affairs teams are preparing a tour of RAD properties for Commissioners serving on the Legislative and Regulatory Committee. Of course, the tour is open to all Commissioners, so please contact Patrice if you are interested in attending.
## March 2014

4. **Town Hall Meeting (Bethesda-Chevy Chase High School, 4301 East-West Highway, Bethesda, MD 20814)** 6:30 p.m.

5. HOC Regular Meeting *(All)* 4:00 p.m.

10-12. **NAHRO Legislative Conference (Renaissance Hotel, Washington, DC)**

12. Information and Communication Committee *(Banks)* 4:00 p.m.

18. Legislative and Regulatory Committee *(Banks, Roman)* 2:00 p.m.

20. Development and Finance Committee *(Lindstrom, Kator)* 11:30 a.m.

20. **Special Session *(All)* 1:30 p.m.**

17. Resident Advisory Board *(Banks)* 7:00 p.m.

24. Agenda Formulation *(Piñero, Roman)* 1:00 p.m.

## April 2014

2. HOC Regular Meeting *(All)* 4:00 p.m.

7. Banor Housing, Inc. Board Meeting *(Roman, Edson)* 7:30 p.m.

15. Development and Finance Committee *(Lindstrom, Kator)* 11:30 a.m.

16. Information and Communication Committee *(Banks)* 4:00 p.m.

17. **Budget, Finance and Audit Committee (Mortg. Fin. & Real Estate – OHRF) *(Kator, Piñero, Roman)* 10:00 a.m.**

21. Resident Advisory Board *(Banks)* 7:00 p.m.

22. **Special Session *(All)* 12:00 noon**

23. Budget, Finance and Audit Committee *(Public Fund)* *(Kator, Piñero, Roman)* 10:00 a.m.

28. Agenda Formulation *(Piñero, Lindstrom)* 1:00 p.m.

## May 2014

2. **23rd Annual Affordable Housing Conference *(All)* *(Bethesda N. Marriott Conference Center)* 8 a.m. – 3 p.m.**

3. Housing Fair & Financial Fitness Day *(Activity Center at Bohrer Park, Summit Hall Farm, 506 S. Frederick Ave., Gaithersburg, MD 20877)*

5. Budget Finance and Audit Committee *(Opportunity Housing) (Kator, Piñero, Roman)* 2:00 p.m.

7. HOC Regular Meeting *(All)* 4:00 p.m.

8. **Budget, Finance and Audit Committee *(General Fund)* *(Kator, Piñero, Roman)* 10:00 a.m.**

9. Status/Lunch Meeting w/Executive Director *(All)* *(Location TBD)* 12:00 noon

13. Planning Committee *(Roman, Edson, Lindstrom)* 2:00 p.m.

13. **Information and Communication Committee *(Banks)* 4:00 p.m.**


14. **Special Session *(All)* 1:30 p.m.**

15. Budget, Finance and Audit Committee *(Wrap-up)* *(Kator, Piñero, Roman)* 10:00 a.m.

19. Agenda Formulation *(Piñero, Lindstrom)* 1:00 p.m.
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<tr>
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<th>Event Description</th>
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<tbody>
<tr>
<td>19</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>March 5, 2014</td>
<td>7:00 p.m.</td>
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<tr>
<td>20</td>
<td>Budget, Finance and Audit Committee <em>(3rd Quarter)</em> <em>(Kator, Piñero, Roman)</em></td>
<td>March 5, 2014</td>
<td>10:00 a.m.</td>
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<tr>
<td>21-23</td>
<td>MAHRA Spring Conference</td>
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<td>26</td>
<td>Memorial Day <em>(HOC Closed)</em></td>
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**June 2014**

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<tr>
<td>4</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>June 2014</td>
<td>4:00 p.m.</td>
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<tr>
<td>5</td>
<td>Staff Appreciation Day</td>
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<tr>
<td>12</td>
<td>Information and Communication Committee <em>(Banks)</em></td>
<td>June 2014</td>
<td>4:00 p.m.</td>
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<tr>
<td>13</td>
<td>Special Session <em>(All)</em></td>
<td>June 2014</td>
<td>10:00 a.m.</td>
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<tr>
<td>16</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>June 2014</td>
<td>7:00 p.m.</td>
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<tr>
<td>19</td>
<td>Development and Finance Committee <em>(Lindstrom, Kator)</em></td>
<td>June 2014</td>
<td>11:30 a.m.</td>
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**July 2014**

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<tr>
<td>4</td>
<td>Independence Day <em>(HOC Closed)</em></td>
<td>July 2014</td>
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<tr>
<td>7</td>
<td>Agenda Formulation <em>(Piñero, Banks)</em></td>
<td>July 2014</td>
<td>1:00 p.m.</td>
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<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>July 2014</td>
<td>4:00 p.m.</td>
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<tr>
<td>17</td>
<td>Information and Communication Committee <em>(Banks)</em></td>
<td>July 2014</td>
<td>4:00 p.m.</td>
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<tr>
<td>21</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>July 2014</td>
<td>7:00 p.m.</td>
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<tr>
<td>22</td>
<td>Legislative and Regulatory Committee <em>(Banks, Roman)</em></td>
<td>July 2014</td>
<td>2:00 p.m.</td>
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<td>24</td>
<td>Development and Finance Committee <em>(Lindstrom, Kator)</em></td>
<td>July 2014</td>
<td>11:30 a.m.</td>
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<td>24</td>
<td>Special Session <em>(All)</em></td>
<td>July 2014</td>
<td>1:30 p.m.</td>
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<tr>
<td>25</td>
<td>Status/Lunch Meeting w/Executive Director <em>(All)</em> <em>(Location TBD)</em></td>
<td>July 2014</td>
<td>12:00 noon</td>
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<td>28</td>
<td>Agenda Formulation <em>(Piñero, Banks)</em></td>
<td>July 2014</td>
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**August 2014**

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<tr>
<td>6</td>
<td>HOC Regular Meeting</td>
<td>August 2014</td>
<td>4:00 p.m.</td>
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<tr>
<td>14</td>
<td>Information and Communication Committee (Banks)</td>
<td>August 2014</td>
<td>4:00 p.m.</td>
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<td>25</td>
<td>Agenda Formulation <em>(Piñero, Kator)</em></td>
<td>August 2014</td>
<td>1:00 p.m.</td>
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**Activities of Interest**

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<th>TBD</th>
<th>Joint Meeting with Commission on People with Disabilities</th>
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<td>TBD</td>
<td>Joint Meeting with the Planning Board</td>
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**changes/additions in red**

March 5, 2014
## TO DO / ACTION

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

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Lynn Hayes Division: Housing Resources Ext. 9622
Staff: Ethan Cohen Division: Executive Ext. 9764

RE: Utility Shut-Off Prevention Programs

DATE: March 5, 2014

REFERENCE: TD #291

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

OVERALL GOAL & OBJECTIVE:
To apprise the Commission of available utility shut-off prevention programs

BACKGROUND:
In July 2012, the Commission requested a strategy to assist HOC families with delinquent utility bills. Staff conducted research with various utility providers and learned that the utility companies will not alert HOC if a client utility bill is in arrears or shut-off status. PEPCO’s Credit Department explained that, presently, there is not a specific program that will allow HOC to receive warning in advance of a shut-off. Only the person(s) paying the utility bill can receive the letter indicating that a shut-off is imminent.

There are, however, many resources available to assist residents with utility payment assistance. Currently, HOC Resident Counselors and Housing Specialists refer clients to the following programs administered in Montgomery County:

MEAP
According to the Maryland Public Service Commission (PSC), the Maryland Energy Assistance Program (MEAP) provides assistance with home heating bills. This includes limited assistance to help replace broken or inefficient furnaces.
**EUSP**
The Electric Universal Service Program (EUSP) assists eligible low-income electric customers with their electric bills. Assistance is available whether you are an active customer or you are currently without service. Eligible electric customers may receive assistance in three ways:

1. Help to pay current electric bills;
2. Help to pay past due electric bills; and,
3. Help with energy efficiency measures to reduce future electric bills.

This program is operated through the State of Maryland’s Office of Home Energy Programs (OHEP).

**USPP**
The Utility Service Protection Program (USPP) protects low-income families from utility cut-offs and allows MEAP eligible households to enter into a year-round even monthly payment program with their utility company. To enroll in this program, utility customers are advised to contact their utility company directly to request admittance.

OHEP indicates that application for MEAP, EUSP, or USPP can be obtained by contacting the Local Home Energy Programs Office. In Montgomery County, the phone number is 240-777-4450.

Additionally, the Resident Counselors actively work with our clients to help them sign up for MEAP. The counselors specifically target voucher holders and those at scattered sites, for they are most vulnerable to utility shut-off concerns. Resident Services staff has been publically engaging residents of properties that are in notoriously high utility rate areas, advising them of the assistance options available.

Though we are not able to receive client utility information directly from the utility providers we are making a concerted effort to assist our clients. In 2015, PEPCO will start a new program to give property owners and landlords third party notification in a situation where utility shut-off is likely to occur. As more information about this new program becomes public we will speak with PEPCO further in this regard. It is possible that PEPCO would consider adding affordable housing agencies such as HOC as third party notification recipients as well.

A PEPCO Energy Assistance Department Supervisor expressed interest in discussing the potential development of a warning system for affordable housing residents. We are currently working to schedule a conference call involving key staff from both PEPCO and HOC to further discuss this topic. We will keep the Commission apprised of new developments.
Committee Reports and Recommendations for Action
Budget, Finance & Audit Committee
ACCEPTANCE OF SECOND QUARTER FY’14 BUDGET TO ACTUAL STATEMENTS

March 5, 2014

- The Agency ended the second quarter with a net cash surplus of $456,743 which was $650,460 more than anticipated.

- The General Fund experienced lower than expected income and higher expenses in the second quarter.

- At the end of the second quarter, the majority of unrestricted properties in the Opportunity Housing Fund exceeded budget expectations. As a whole, the group was close to meeting budget.

- The Public Housing Program ended the quarter with a smaller than anticipated deficit as a result of savings in all major expenses categories.

- The Housing Choice Voucher (HCV) Program had a smaller than anticipated administrative deficit through December 31, 2013 due to savings in expenses.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Gail Willison Division: Finance Ext. 9480
       Terri Fowler Ext. 9507
       Maria Montero Ext. 9612

RE: Acceptance of Second Quarter FY’14 Budget to Actual Statements

DATE: March 5, 2014

STATUS: Committee Report: Deliberation [X]

OVERALL GOAL & OBJECTIVE:
To assess the Agency’s financial performance for FY’14.

BACKGROUND:
In accordance with the Commission’s budget policy, the Executive Director will present budget to actual statements and amendments to the Budget, Finance and Audit Committee on a quarterly basis. The Budget, Finance and Audit Committee will review any proposed budget amendments and make a recommendation to the full Commission.

ISSUES FOR CONSIDERATION:
Does the Commission wish to accept the Second Quarter FY’14 Budget to Actual Statements?

BUDGET IMPACT:
A Second Quarter Budget Amendment was discussed with the Budget, Finance and Audit Committee at the February 18, 2014 meeting. The Commission will be asked to approve the second quarter budget amendment at the March 5, 2014 Commission meeting. Future amendments will be presented to the Commission as necessary.

TIME FRAME:
The Budget, Finance and Audit Committee reviewed the Second Quarter Budget to Actual Statements at the February 18, 2014 Committee meeting. Action is requested at the March 5, 2014 Commission meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
To accept the Second Quarter FY’14 Budget to Actual Statements.
DISCUSSION – SECOND QUARTER BUDGET TO ACTUAL STATEMENTS
This review of the Budget to Actual Statements for the Agency through the second quarter of FY’14 consists of an overall summary and additional detail on the Opportunity Housing properties, the Development Corporation properties, the Public Housing and Housing Choice Voucher (HCV) Programs and all Capital Improvements Budgets.

HOC overall (see Attachment A)
Please note the Agency’s Audited Financial Statements are presented on the accrual basis which reflects non-cash items such as depreciation and the mark-to-market adjustment for investments.

The Commission approves the Operating Budget at the fund level based on a modified accrual basis which is similar to how other governmental organizations present their budgets. The purpose is to ensure that there is sufficient cash income and short-term receivables available to pay for current operating expenditures.

The Commission approves the revenue and expenses and unrestricted net cash flow from operations for each fund. Unrestricted net cash flow in each fund is what is available to the Commission to use for other purposes. The Budget to Actual Comparison Summary Statement (Attachment A) shows unrestricted net cash flow or deficit for each of the funds. Attachment A also highlights the FY’14 Second Quarter Capital Budget to Actual Comparison.

The Agency ended the second quarter with a net cash surplus of $456,743 resulting in a negative variance of $650,460. The primary contributors to this negative variance were lower than anticipated income coupled with higher than anticipated expenses in the General Fund explained below, and slightly lower than expected income from a few properties in the Opportunity Housing portfolio (see Opportunity Housing Fund). The shortfalls were partially offset by savings in administrative costs in the Housing Choice Voucher Program which reduced the projected deficit in the program administration (see Public Fund).

Explanations of major variances by fund
The General Fund consists of the basic overhead costs for the Agency. This fund ended the second quarter with a deficit of $2,957,889, which resulted in a negative variance of $670,600. As of December 31, 2013, income in the General Fund was $538,500 more than budget. However, it should be noted that Loan Management Fees and Commitment Fees continue to be under budget as a result of delays in the refinancing plans for Old Towne Gaithersburg and Greenhills Apartments. In addition, Management Fee Income was lower than anticipated for the second quarter. Beginning in FY’14, HOC created a Central Office Cost Center (COCR) to track central office income and expenses related to federally funded programs. The management fees for Public Housing and the Housing Choice Voucher Program (HCVP) are now based on the Department of Housing and Urban Development (HUD) allowed fee schedules and charged to Public Housing based on occupancy and the HCV Program based on utilization. Both fees are lower than anticipated as a result of actual utilization resulting in less income in the COCC.
The shortfall in revenue has been more than offset by the recognition of the cash that was earmarked in FY’13 to pay for the Retirement Incentive Program payouts that have occurred this fiscal year. A Retirement Incentive Program was implemented in April 2013 that allowed for an acceleration of changes in staffing and reduction in personnel expenses through voluntary means. At the time of implementation, staff informed the Commission that the Retirement Incentive Program would be self funded. During the third quarter FY’13, staff anticipated that the majority of the anticipated costs associated with implementing the program could be funded through FY’13 savings; however, the final decision date for participating in the program did not occur until after June 30. Therefore, the budget was not amended to account for this program. At year-end, $1 million of cash was earmarked to cover the majority of the final costs for the Retirement Incentive Program. The balance of the costs will be covered by the anticipated personnel savings in FY’14.

Expenses in the General Fund were $1,209,100 higher than budgeted at quarter-end. The negative variance was primarily the result of the Retirement Incentive Program payouts explained above coupled with higher than anticipated Information Technologies’ maintenance contract expenses due to the acceleration of a planned project. It is not anticipated that either of these items will have a negative impact at year-end.

The Multifamily Bond Fund and Single Family Bond Fund are budgeted to balance each year. Both income (the bond draw downs that finance the operating costs for these funds) and expenses are in line with budget.

The Opportunity Housing Fund
Attachment B is a chart of the Development Corporation properties. This chart divides the properties into two groups.

- The first group includes properties that we budgeted to provide unrestricted net cash flow toward the Agency’s FY’14 Operating Budget. This group ended the second quarter with cash flow of $3,635,756 or $730,140 greater than budget. It should be noted that we can only recognize revenue up to the amount budgeted for each property. All but three of the properties within this portfolio exceeded its budget for the quarter. However, when we exclude the extra income earned on properties exceeding budget, the quarter’s recognizable cash flow is $2,836,820 or $68,796 below budget.
Unrestricted Development Corporations

<table>
<thead>
<tr>
<th></th>
<th>(6 Months) Budget</th>
<th>(6 Months) Actual</th>
<th>Variance</th>
<th>(6 Months) Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexander House</td>
<td>571,365</td>
<td>692,681</td>
<td>121,316</td>
<td>571,365</td>
</tr>
<tr>
<td>The Barclay</td>
<td>42,958</td>
<td>6,329</td>
<td>(36,629)</td>
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<tr>
<td>Chevy Chase Lake</td>
<td>53,408</td>
<td>113,350</td>
<td>59,942</td>
<td>53,408</td>
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<tr>
<td>Magruder's Discovery</td>
<td>203,919</td>
<td>266,754</td>
<td>62,835</td>
<td>203,919</td>
</tr>
<tr>
<td>The Metropolitan</td>
<td>1,055,356</td>
<td>1,121,373</td>
<td>66,017</td>
<td>1,055,356</td>
</tr>
<tr>
<td>Montgomery Arms</td>
<td>98,002</td>
<td>150,148</td>
<td>52,146</td>
<td>98,002</td>
</tr>
<tr>
<td>TPM - 59 MPDUs</td>
<td>75,471</td>
<td>115,267</td>
<td>39,796</td>
<td>75,471</td>
</tr>
<tr>
<td>Paddington Square Apartments</td>
<td>92,882</td>
<td>291,870</td>
<td>198,988</td>
<td>92,882</td>
</tr>
<tr>
<td>TPM - Pomander Court</td>
<td>92,873</td>
<td>94,746</td>
<td>1,873</td>
<td>92,873</td>
</tr>
<tr>
<td>Pooks Hill High-Rise</td>
<td>158,044</td>
<td>222,709</td>
<td>64,665</td>
<td>158,044</td>
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<tr>
<td>Scattered Site One Dev. Corp.</td>
<td>96,841</td>
<td>91,243</td>
<td>(5,598)</td>
<td>91,243</td>
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<tr>
<td>Scattered Site Two Dev. Corp.</td>
<td>16,027</td>
<td>26,226</td>
<td>10,199</td>
<td>16,027</td>
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<tr>
<td>Sligo Development Corp.</td>
<td>21,546</td>
<td>42,705</td>
<td>21,159</td>
<td>21,546</td>
</tr>
<tr>
<td>TPM – Timberlawn</td>
<td>326,924</td>
<td>300,355</td>
<td>(26,569)</td>
<td>300,355</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>2,905,616</td>
<td>3,635,756</td>
<td>730,140</td>
<td>2,836,820</td>
</tr>
</tbody>
</table>

Recognizable Cash Flow

(68,796)

**Notes:**

(1) - Properties exceeding budgeted cash flow.

- **Alexander House** exceeded budget by $121,316 largely due to lower concessions and vacancies coupled with higher than anticipated parking income. Cash flow for Chevy Chase Lake was $59,942 more than anticipated largely as a result of savings in administrative, utility and maintenance expenses. **Magruder’s Discovery** ended the quarter with a $62,835 positive variance primarily driven by savings in maintenance expenses. Actual cash flow for **The Metropolitan** was $66,017 more than budget primarily due to income exceeding budget as a result of higher overall tenant income and lower vacancy loss than expected, partially offset by lower non-dwelling rental income due to retail vacancies. **Montgomery Arms** exceeded budget by $52,146. Although the property experienced higher vacancies, savings in administrative expenses, utilities, and maintenance contracts more than offset the loss of revenue. **Paddington Square Apartments** cash flow exceeded budget by $198,988 largely due to a delay in refinancing resulting in lower debt service expense, which was partially offset by a loss in revenue due to higher vacancies at the property. **Pooks Hill High-Rise** cash flow exceeded budget by $164,665, mainly due to lower than anticipated vacancy loss and savings in administrative, utility, and maintenance expenses.

- The second group consists of properties whose cash flow will not be used for the Agency’s FY’14 Operating Budget. Cash flow from this group of Development Corporation properties was $289,322 more than budgeted. **Glenmont Crossing** ended the quarter with a positive
variance of $150,530 primarily as a result of a tax escrow refund along with savings in maintenance expenses. **MetroPointe** exceeded budgeted cash flow by $81,024, driven by savings in administrative, utility, and maintenance expenses.

Attachment C is a chart of the Opportunity Housing properties. This chart divides the properties into two groups.

- The first group consists of properties whose unrestricted net cash flow will be used for the Agency’s FY’14 Operating Budget. This group ended the quarter with cash flow of $995,429 or $231,477 greater than budget. As noted above for the Development Corporations, we can only recognize revenue up to the amount budgeted for each property. Many of the properties within this portfolio exceeded their budget for the quarter. However, when we exclude the extra income earned on properties exceeding budget, the quarter’s recognizable cash flow is $705,477 or $58,888 below budget.

<table>
<thead>
<tr>
<th>Unrestricted Opportunity Housing Properties</th>
<th>(6 Months) Budget</th>
<th>(6 Months) Actual</th>
<th>Variance</th>
<th>(6 Months) Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>64 MPDUs</td>
<td>39,822</td>
<td>90,590</td>
<td>50,768</td>
<td>39,822</td>
</tr>
<tr>
<td>Chelsea Towers</td>
<td>(17,507)</td>
<td>(5,586)</td>
<td>11,671</td>
<td>(17,507)</td>
</tr>
<tr>
<td>Fairfax Court</td>
<td>46,155</td>
<td>59,611</td>
<td>13,456</td>
<td>46,155</td>
</tr>
<tr>
<td>Greenhills Apartments</td>
<td>(28,771)</td>
<td>85,966</td>
<td>114,737</td>
<td>(28,771)</td>
</tr>
<tr>
<td>Holiday Park</td>
<td>(23,671)</td>
<td>(36,307)</td>
<td>(12,636)</td>
<td>(36,307)</td>
</tr>
<tr>
<td>Jubilee Falling Creek</td>
<td>132</td>
<td>2,547</td>
<td>2,415</td>
<td>132</td>
</tr>
<tr>
<td>Jubilee Hermitage</td>
<td>4,755</td>
<td>3,005</td>
<td>(1,750)</td>
<td>3,005</td>
</tr>
<tr>
<td>Jubilee Woodedge</td>
<td>2,010</td>
<td>8,123</td>
<td>6,113</td>
<td>2,010</td>
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<tr>
<td>McHome</td>
<td>51,160</td>
<td>72,811</td>
<td>21,651</td>
<td>51,160</td>
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<td>McKendree</td>
<td>7,193</td>
<td>27,353</td>
<td>20,160</td>
<td>7,193</td>
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<tr>
<td>MHLP II</td>
<td>3,202</td>
<td>(2,670)</td>
<td>(5,872)</td>
<td>(2,670)</td>
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<tr>
<td>MHLP III</td>
<td>(6,362)</td>
<td>(9,801)</td>
<td>(3,439)</td>
<td>(9,801)</td>
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<tr>
<td>MHLP IV</td>
<td>0</td>
<td>(253)</td>
<td>(253)</td>
<td>0</td>
</tr>
<tr>
<td>MHLP VII</td>
<td>44,929</td>
<td>59,823</td>
<td>14,894</td>
<td>44,929</td>
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<tr>
<td>MHLP VIII</td>
<td>125,245</td>
<td>100,272</td>
<td>(24,973)</td>
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<tr>
<td>MPDU 2007</td>
<td>0</td>
<td>13</td>
<td>13</td>
<td>0</td>
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<tr>
<td>MPDU 2007 Phase II</td>
<td>17,199</td>
<td>15,020</td>
<td>(2,179)</td>
<td>15,020</td>
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<tr>
<td>Pooks Hill Mid-Rise</td>
<td>79,384</td>
<td>113,871</td>
<td>34,487</td>
<td>79,384</td>
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<tr>
<td>Strathmore Court</td>
<td>419,077</td>
<td>411,291</td>
<td>(7,786)</td>
<td>411,291</td>
</tr>
</tbody>
</table>

| Subtotal                                  | 763,952          | 995,429          | 231,477  | 705,064           |

**Recognizable Cash Flow**

| Notes:  
(1) - Properties exceeding budgeted cash flow.
• Cash flow for 64 MPDUs was $50,768 more than budget primarily as a result of savings in administrative expenses, maintenance expenses and bad debt expense. Greenhills Apartments ended the quarter with a positive cash flow variance of $114,737 primarily due to savings in debt service expense from the delay in the refinancing plans for the property. Cash flow for Holiday Park was $12,636 below budget as a result of higher vacancies coupled with higher maintenance expenses. Please note that a very small amount of expenses, related to a few units that were previously part of MHLP IV and MPDU 2007 and are now consolidated into Scattered Site One Development Corporation, have been charged to the old properties and will be reclassed. In addition, MHLP II and MHLP III both have units remaining to be sold. The properties are experiencing higher than anticipated vacancies as the units are held for sale. Both MHLP VII and MHLP VIII are now being reported in the Opportunity Housing Fund. On the expiration of their 15-year compliance period, the limited partners assigned their interest in the partnership to HOC and no longer have an ownership interest in the partnership. Therefore, HOC is able to operate these partnerships on a fiscal year basis. The Third Quarter Budget Amendment reflects the inclusion of the properties for the full fiscal year. MHLP VIII is not meeting its budget through December primarily as a result of higher vacancies and maintenance. Pooks Hill Mid-Rise had a positive cash flow variance of $34,487 through the quarter driven by savings in administrative, utility, and maintenance expenses.

• The second group consists of properties whose cash flow will not be used for the Agency’s FY’14 Operating Budget. Some of these properties have legal restrictions on the use of cash flow; others may have needs for the cash flow. Cash flow for this group of properties was $243,281 higher than budget for the quarter. The Ambassador had a positive cash flow variance of $68,221 mainly due to savings in utility expenses. Brookside Glen did not meet cash flow expectations for the quarter as a result of lower rent potential along with higher vacancies and concessions. Cash flow for Diamond Square ended the quarter $81,314 higher than budget, driven by savings in utility and maintenance expenses. Both the NCI and NSP Units are exceeding budget as a result of savings in maintenance expenses. Cash flow for Paint Branch was $20,068 lower than budget due to higher than anticipated vacancy and maintenance expenses. Southbridge ended the quarter with cash flow $33,343 more than budget due to savings in anticipated administrative and utility expenses. Cash flow for State Rental Combined exceeded budget by $75,483 as a result of savings in Home Owner Association (HOA) fees, administrative and maintenance expenses. Westwood Towers had a negative variance of $60,430 primarily due to lower rent potential and higher vacancies.

The Public Fund (Attachment D)
• The Public Housing Rental Program ended the quarter with a surplus of $242,156 which resulted in a positive variance of $722,454 when compared to the projected deficit of $480,298. Income was $243,712 less than budget as a result of higher vacancies and a delay in the anticipated draws from interim financing to pay for capital improvements in the Portfolio. The shortfall in revenue was more than offset by savings in expenses of $966,166. Administrative, utility, and maintenance expenses were all under budget through quarter
end. Management fee expenses, which are now based on occupancy, were lower for the second quarter as a result of the higher than anticipated vacancy (See General Fund). It should be noted that for FY’14, the majority of capital improvements in the Public Housing portfolio were budgeted in operations with funding via transfers from interim financing generated through the disposition of the scattered sites. It is anticipated that some of the planned maintenance improvements will occur by year-end resulting in higher expenses and income as draws are made to cover the expenses.

- The Rental Assistance Program ended the quarter with a surplus of $1,172,708 which was $995,021 more than the anticipated deficit. The surplus was comprised of Housing Assistance Payments (HAP) revenue that exceeded HAP payments by $1,319,038 and an administrative deficit of $146,330. The HAP revenue will be restricted to the program for future HAP payments to landlords. The administrative deficit was $131,045 less than budgeted. The loss of administrative income due to lower than anticipated utilization, was offset by savings in expenses of $252,956. The savings in expenses were primarily due to savings in administrative salaries and benefits, and management fee expenses, which are now based on utilization (See General Fund).

Tax Credit Partnerships
The Tax Credit Partnerships have a calendar year end. Quarterly budget to actual statements are reported to the Budget, Finance, and Audit Committee.

The Capital Budget (Attachment E)
Attachment E is a chart of the Capital Improvements Budget for FY’14. The chart is grouped in two sections – General Fund and Opportunity Housing properties. This report is being presented for information only. Most of the variances in the capital budgets are timing issues. As capital projects are long-term, it is very difficult to analyze each project on a quarterly basis. We will keep the Commission informed of any major issues or deviations from the planned Capital Improvements Budget.

Glenmont Westerly has exceeded its capital budget for the year as a result of unplanned asphalt repairs, sealcoat and striping that was completed at HOC’s request. The overage will be covered by budgeted funds from the Opportunity Housing Property Reserve Fund. The capital expense overage at Southbridge is driven by unplanned landscaping improvements and flooring/carpet replacements. The CDBG units have exceeded their capital budget for the year as a result of un预算ed window replacements. There are sufficient reserves at both properties to cover the expenditures.
Resolution No.  
Re: Acceptance of Second 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 Second Quarter FY’14 Budget to Actual Statements during its March 5, 2014 meeting.

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

Patrice Birdsong  
Special Assistant to the Commission

S
E
A
L
### FY 14 Second Quarter Operating Budget to Actual Comparison

#### General Fund

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
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<tbody>
<tr>
<td>General Fund</td>
<td>($2,287,289)</td>
<td>($2,957,889)</td>
<td>($670,600)</td>
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#### Administration of Multifamily and Single Family Fund

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<th>Variance</th>
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<tr>
<td>Multifamily Fund</td>
<td>$2,299</td>
<td>$19,078</td>
<td>$16,779</td>
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<tr>
<td>Single Family Fund</td>
<td>$33,125</td>
<td>$138,718</td>
<td>$105,593</td>
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<tr>
<td>Excess Single Family Bond Fund Cash Flow</td>
<td>($33,125)</td>
<td>($138,718)</td>
<td>($105,593)</td>
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#### Opportunity Housing Fund

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
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<tbody>
<tr>
<td>Opportunity Housing Properties</td>
<td>$763,952</td>
<td>$705,064</td>
<td>($58,888)</td>
</tr>
<tr>
<td>Development Corporation Property Income</td>
<td>$2,905,616</td>
<td>$2,836,820</td>
<td>($68,796)</td>
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</table>

#### OHRF

<table>
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<tr>
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<tr>
<td>OHRF Balance</td>
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<td>Excess Cash Flow Restricted</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Draw from existing funds</td>
<td>$244,986</td>
<td>$398,818</td>
<td>$153,832</td>
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</table>

**Net -OHRF**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

**SUBTOTAL - General Fund, Multifamily, Single Family, Opportunity Housing**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,384,578</td>
<td>$603,073</td>
<td>($781,505)</td>
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#### Public Fund

<table>
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<th>Budget</th>
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</tr>
</thead>
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<tr>
<td>Public Housing Rental (1)</td>
<td>($480,298)</td>
<td>$242,156</td>
<td>$722,454</td>
</tr>
<tr>
<td>Housing Choice Voucher Program HAP (2)</td>
<td>$455,062</td>
<td>$1,319,038</td>
<td>$863,976</td>
</tr>
<tr>
<td>Housing Choice Voucher Program Admin (3)</td>
<td>($277,375)</td>
<td>($146,330)</td>
<td>$131,045</td>
</tr>
</tbody>
</table>

**Total -Public Fund**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$302,611</td>
<td>$1,414,864</td>
<td>$1,717,475</td>
<td></td>
</tr>
</tbody>
</table>

#### Public Fund - Reserves

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Public Housing Rental - Restricted to Program</td>
<td>$480,298</td>
<td>($242,156)</td>
<td>($722,454)</td>
</tr>
<tr>
<td>(2) Draw from HCV Program Cash Reserves</td>
<td>($455,062)</td>
<td>($1,319,038)</td>
<td>($863,976)</td>
</tr>
<tr>
<td>(3) Restrict HCV Program Excess Admin Fee</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Total -Public Fund Reserves**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,236</td>
<td>($1,561,194)</td>
<td>($1,586,430)</td>
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</table>

**SUBTOTAL - Public Funds**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$277,375</td>
<td>($146,330)</td>
<td>$131,045</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL - All Funds**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,107,203</td>
<td>$456,743</td>
<td>($650,460)</td>
<td></td>
</tr>
</tbody>
</table>

### FY 14 Second Quarter Capital Budget to Actual Comparison

#### General Fund

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Deer Park</td>
<td>$36,000</td>
<td>$41,384</td>
<td>($5,384)</td>
</tr>
<tr>
<td>Kensington Office</td>
<td>$464,725</td>
<td>$77,245</td>
<td>$387,480</td>
</tr>
<tr>
<td>Information Technology</td>
<td>$1,387,100</td>
<td>$526,318</td>
<td>$860,782</td>
</tr>
</tbody>
</table>

**Opportunity Housing Fund**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,560,372</td>
<td>$1,128,066</td>
<td>$4,432,306</td>
<td></td>
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</tbody>
</table>

**TOTAL - All Funds**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,412,197</td>
<td>$1,731,629</td>
<td>$5,680,568</td>
<td></td>
</tr>
</tbody>
</table>
# FY 14 Second Quarter Operating Budget to Actual Comparison

## Development Corp Properties - Net Cash Flow

<table>
<thead>
<tr>
<th>Properties with unrestricted cash flow for FY14 operating budget</th>
<th>(6 Months)</th>
<th>Variance</th>
<th>(6 Months)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexander House</td>
<td>571,365</td>
<td>97,191</td>
<td>24,125</td>
<td>692,681</td>
</tr>
<tr>
<td>The Barclay</td>
<td>42,958</td>
<td>(77,291)</td>
<td>40,662</td>
<td>6,329</td>
</tr>
<tr>
<td>Chevy Chase Lake</td>
<td>53,408</td>
<td>14,338</td>
<td>45,604</td>
<td>113,350</td>
</tr>
<tr>
<td>Magruder’s Discovery</td>
<td>203,919</td>
<td>8,332</td>
<td>54,504</td>
<td>266,754</td>
</tr>
<tr>
<td>The Metropolitan</td>
<td>1,055,356</td>
<td>26,482</td>
<td>39,535</td>
<td>1,121,373</td>
</tr>
<tr>
<td>Montgomery Arms</td>
<td>98,002</td>
<td>(22,539)</td>
<td>74,685</td>
<td>150,148</td>
</tr>
<tr>
<td>TPM - 59 MPDUs</td>
<td>75,471</td>
<td>3,661</td>
<td>36,135</td>
<td>115,267</td>
</tr>
<tr>
<td>Paddington Square Apartments</td>
<td>92,882</td>
<td>(76,768)</td>
<td>275,756</td>
<td>291,870</td>
</tr>
<tr>
<td>TPM - Pomander Court</td>
<td>92,873</td>
<td>(8,929)</td>
<td>10,803</td>
<td>94,746</td>
</tr>
<tr>
<td>Pooks Hill High-Rise</td>
<td>158,044</td>
<td>39,185</td>
<td>125,480</td>
<td>322,709</td>
</tr>
<tr>
<td>Scattered Site One Dev. Corp.</td>
<td>96,841</td>
<td>(27,968)</td>
<td>22,369</td>
<td>91,243</td>
</tr>
<tr>
<td>Scattered Site Two Dev. Corp.</td>
<td>16,027</td>
<td>(19,074)</td>
<td>29,274</td>
<td>10,199</td>
</tr>
<tr>
<td>Sligo Development Corp.</td>
<td>21,546</td>
<td>(6,280)</td>
<td>27,439</td>
<td>42,705</td>
</tr>
<tr>
<td>TPM - Timberlawn</td>
<td>326,924</td>
<td>(47,466)</td>
<td>20,897</td>
<td>300,355</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>2,905,616</strong></td>
<td><strong>(97,126)</strong></td>
<td><strong>827,268</strong></td>
<td><strong>3,635,756</strong></td>
</tr>
</tbody>
</table>

## Properties with restricted cash flow (external and internal)

<table>
<thead>
<tr>
<th>Properties with restricted cash flow (external and internal)</th>
<th>(6 Months)</th>
<th>Variance</th>
<th>(6 Months)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glenmont Crossing</td>
<td>101,553</td>
<td>99,492</td>
<td>51,038</td>
<td>252,083</td>
</tr>
<tr>
<td>Glenmont Westerly</td>
<td>163,248</td>
<td>46,593</td>
<td>(25,428)</td>
<td>184,414</td>
</tr>
<tr>
<td>MetroPointe</td>
<td>(108,735)</td>
<td>(13,917)</td>
<td>94,941</td>
<td>(27,711)</td>
</tr>
<tr>
<td>Oaks at Four Corners</td>
<td>37,617</td>
<td>1,856</td>
<td>34,746</td>
<td>74,219</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>193,683</strong></td>
<td><strong>134,024</strong></td>
<td><strong>155,297</strong></td>
<td><strong>483,005</strong></td>
</tr>
</tbody>
</table>

## TOTAL ALL PROPERTIES

| TOTAL ALL PROPERTIES | 3,099,299 | 36,898 | 982,565 | 4,118,761 | 1,019,462 |
## FY 14 Second Quarter Operating Budget to Actual Comparison

For Opportunity Housing Properties - Net Cash Flow

<table>
<thead>
<tr>
<th>Properties with unrestricted cash flow for FY13 operating budget</th>
<th>(6 Months) Budget</th>
<th>Variance</th>
<th>(6 Months) Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>64 MPDUs</td>
<td>39,822</td>
<td>(7,032)</td>
<td>57,800</td>
<td>90,590</td>
</tr>
<tr>
<td>Chelsea Towers</td>
<td>(17,507)</td>
<td>(1,461)</td>
<td>13,133</td>
<td>(5,836)</td>
</tr>
<tr>
<td>Fairfax Court</td>
<td>46,155</td>
<td>3,847</td>
<td>9,609</td>
<td>59,611</td>
</tr>
<tr>
<td>Greenhills Apartments</td>
<td>(28,771)</td>
<td>(16,545)</td>
<td>131,281</td>
<td>85,966</td>
</tr>
<tr>
<td>Holiday Park</td>
<td>(23,671)</td>
<td>(4,708)</td>
<td>(7,928)</td>
<td>(36,307)</td>
</tr>
<tr>
<td>Jubilee Falling Creek</td>
<td>132</td>
<td>2,067</td>
<td>348</td>
<td>2,547</td>
</tr>
<tr>
<td>Jubilee Hermitage</td>
<td>4,755</td>
<td>(4,228)</td>
<td>2,479</td>
<td>3,005</td>
</tr>
<tr>
<td>Jubilee Woodedge</td>
<td>2,010</td>
<td>462</td>
<td>5,651</td>
<td>8,123</td>
</tr>
<tr>
<td>McHome</td>
<td>51,160</td>
<td>(4,010)</td>
<td>25,662</td>
<td>72,811</td>
</tr>
<tr>
<td>McKendree</td>
<td>7,193</td>
<td>(15,329)</td>
<td>35,489</td>
<td>27,353</td>
</tr>
<tr>
<td>MHLP II</td>
<td>3,202</td>
<td>(13,642)</td>
<td>7,770</td>
<td>(2,670)</td>
</tr>
<tr>
<td>MHLP III</td>
<td>(6,362)</td>
<td>(24,591)</td>
<td>21,152</td>
<td>(9,801)</td>
</tr>
<tr>
<td>MHLP IV</td>
<td>0</td>
<td>0</td>
<td>(253)</td>
<td>(253)</td>
</tr>
<tr>
<td>MHLP V</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MHLP VI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MHLP VII</td>
<td>44,929</td>
<td>(3,416)</td>
<td>18,309</td>
<td>59,823</td>
</tr>
<tr>
<td>MHLP VIII</td>
<td>125,245</td>
<td>(14,580)</td>
<td>(10,392)</td>
<td>100,272</td>
</tr>
<tr>
<td>MPDU 2007</td>
<td>0</td>
<td>0</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>MPDU 2007 Phase II</td>
<td>17,199</td>
<td>3,673</td>
<td>(5,852)</td>
<td>15,020</td>
</tr>
<tr>
<td>Pooks Hill Mid-Rise</td>
<td>79,384</td>
<td>(7,846)</td>
<td>42,332</td>
<td>113,871</td>
</tr>
<tr>
<td>Strathmore Court</td>
<td>419,077</td>
<td>6,014</td>
<td>(13,800)</td>
<td>411,291</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>763,952</td>
<td>(101,325)</td>
<td>332,803</td>
<td>995,429</td>
</tr>
</tbody>
</table>

### Properties with restricted cash flow (external and internal)

| The Ambassador | 33,907 | (2,186) | 70,407 | 102,128 | 68,221 |
| Brookside Glen (The Glen) | 126,978 | (33,233) | 25,186 | 118,931 | (8,047) |
| CDBG Units | (4,035) | 3,110 | 5,563 | 4,638 | 8,673 |
| Dale Drive | 4,480 | (53) | 9,711 | 14,137 | 9,657 |
| Diamond Square | 39,731 | (12,860) | 94,174 | 121,045 | 81,314 |
| NCI Units | (18,143) | 4,140 | 31,944 | 17,941 | 36,084 |
| NSP Units | (8,434) | 923 | 18,128 | 10,617 | 19,051 |
| Paint Branch | 11,528 | (6,499) | (13,569) | (8,540) | (20,068) |
| Southbridge | 100,981 | (2,353) | 35,696 | 134,324 | 33,343 |
| State Rental Combined | (5,012) | (20,561) | 96,044 | 70,471 | 75,483 |
| Westwood Tower | 101,187 | (80,736) | 20,306 | 40,757 | (60,430) |
| **Subtotal** | 383,168 | (150,308) | 393,590 | 626,449 | 243,281 |

### TOTAL ALL PROPERTIES

<p>| 1,147,120 | (251,633) | 726,393 | 1,621,878 | 474,758 |</p>
<table>
<thead>
<tr>
<th>Public Housing Rental</th>
<th>(6 Months) Budget</th>
<th>(6 Months) Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,854,252</td>
<td>5,610,540</td>
<td>(243,712)</td>
</tr>
<tr>
<td>Expenses</td>
<td>6,334,550</td>
<td>5,368,384</td>
<td>966,166</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>(480,298)</strong></td>
<td><strong>242,156</strong></td>
<td><strong>722,454</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Housing Choice Voucher Program</th>
<th>(6 Months)</th>
<th>(6 Months)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAP revenue</td>
<td>38,991,934</td>
<td>40,914,311</td>
<td>1,922,377</td>
</tr>
<tr>
<td>HAP payments</td>
<td>38,536,872</td>
<td>39,595,273</td>
<td>(1,058,401)</td>
</tr>
<tr>
<td><strong>Net HAP</strong></td>
<td><strong>455,062</strong></td>
<td><strong>1,319,038</strong></td>
<td><strong>863,976</strong></td>
</tr>
<tr>
<td>Admin.fees &amp; other inc.</td>
<td>2,798,374</td>
<td>2,676,463</td>
<td>(121,911)</td>
</tr>
<tr>
<td>Admin. Expense</td>
<td>3,075,749</td>
<td>2,822,793</td>
<td>252,956</td>
</tr>
<tr>
<td><strong>Net Administrative</strong></td>
<td><strong>(277,375)</strong></td>
<td><strong>(146,330)</strong></td>
<td><strong>131,045</strong></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>177,687</strong></td>
<td><strong>1,172,708</strong></td>
<td><strong>995,021</strong></td>
</tr>
</tbody>
</table>
## FY 14 Second Quarter Operating Budget to Actual Comparison

For Public Housing Rental Programs - Net Cash Flow

<table>
<thead>
<tr>
<th>Property</th>
<th>(6 Months)</th>
<th>Variance</th>
<th>(6 Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Income</td>
<td>Expense</td>
</tr>
<tr>
<td>Elizabeth House</td>
<td>(111,537)</td>
<td>22,428</td>
<td>157,756</td>
</tr>
<tr>
<td>Holly Hall</td>
<td>(86,443)</td>
<td>7,256</td>
<td>129,235</td>
</tr>
<tr>
<td>Arcola Towers</td>
<td>(65,787)</td>
<td>447</td>
<td>123,402</td>
</tr>
<tr>
<td>Waverly House</td>
<td>(57,910)</td>
<td>7,072</td>
<td>83,405</td>
</tr>
<tr>
<td>Seneca Ridge</td>
<td>(30,465)</td>
<td>(30,734)</td>
<td>(37,664)</td>
</tr>
<tr>
<td>Emory Grove / Washington Square</td>
<td>(186,629)</td>
<td>(107,510)</td>
<td>205,230</td>
</tr>
<tr>
<td>Towne Centre Place / Sandy Spring Meadow</td>
<td>(76,854)</td>
<td>(75,814)</td>
<td>118,021</td>
</tr>
<tr>
<td>Ken Gar / Parkway Woods</td>
<td>(13,676)</td>
<td>(45,547)</td>
<td>(4,894)</td>
</tr>
<tr>
<td>Scattered Sites Central</td>
<td>(6,968)</td>
<td>(11,255)</td>
<td>(8,904)</td>
</tr>
<tr>
<td>Scattered Sites East</td>
<td>77,783</td>
<td>(19,670)</td>
<td>38,179</td>
</tr>
<tr>
<td>Scattered Sites Gaithersburg</td>
<td>41,451</td>
<td>21,970</td>
<td>81,941</td>
</tr>
<tr>
<td>Scattered Sites North</td>
<td>67,241</td>
<td>(13,727)</td>
<td>36,870</td>
</tr>
<tr>
<td>Scattered Sites West</td>
<td>(23,804)</td>
<td>(6,276)</td>
<td>53,680</td>
</tr>
<tr>
<td>Resident Services</td>
<td>(6,700)</td>
<td>7,648</td>
<td>(10,090)</td>
</tr>
</tbody>
</table>

TOTAL ALL PROPERTIES (480,298) (243,124) 966,167 242,156 722,454
## FY 14 Second Quarter Operating Budget to Actual Comparison

For Capital Improvements

<table>
<thead>
<tr>
<th></th>
<th>(12 Months)</th>
<th>(6 Months)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td><strong>General Fund</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Deer Park</td>
<td>36,000</td>
<td>$41,384</td>
<td>(5,384)</td>
</tr>
<tr>
<td>Kensington Office</td>
<td>464,725</td>
<td>$77,245</td>
<td>387,480</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1,387,100</td>
<td>$526,318</td>
<td>860,782</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1,887,825</td>
<td>644,947</td>
<td>1,242,878</td>
</tr>
<tr>
<td><strong>Opportunity Housing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ambassador</td>
<td>139,724</td>
<td>89,917</td>
<td>49,807</td>
</tr>
<tr>
<td>Alexander House</td>
<td>263,890</td>
<td>72,650</td>
<td>191,240</td>
</tr>
<tr>
<td>The Barclay</td>
<td>61,976</td>
<td>10,494</td>
<td>51,482</td>
</tr>
<tr>
<td>Brookside Glen (The Glen)</td>
<td>78,200</td>
<td>7,300</td>
<td>70,900</td>
</tr>
<tr>
<td>CDBG Units</td>
<td>0</td>
<td>2,725</td>
<td>(2,725)</td>
</tr>
<tr>
<td>Chelsea Towers</td>
<td>13,720</td>
<td>520</td>
<td>13,200</td>
</tr>
<tr>
<td>Chevy Chase Lake</td>
<td>148,950</td>
<td>32,255</td>
<td>116,695</td>
</tr>
<tr>
<td>Dale Drive</td>
<td>4,870</td>
<td>18</td>
<td>4,852</td>
</tr>
<tr>
<td>Diamond Square</td>
<td>393,850</td>
<td>35,379</td>
<td>358,471</td>
</tr>
<tr>
<td>Fairfax Court</td>
<td>13,500</td>
<td>9</td>
<td>13,491</td>
</tr>
<tr>
<td>Glenmont Crossing</td>
<td>120,885</td>
<td>118,174</td>
<td>2,711</td>
</tr>
<tr>
<td>Glenmont Westerly</td>
<td>67,624</td>
<td>138,878</td>
<td>(71,254)</td>
</tr>
<tr>
<td>Greenhills Apartments</td>
<td>37,325</td>
<td>19,118</td>
<td>18,207</td>
</tr>
<tr>
<td>Holiday Park</td>
<td>30,470</td>
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APPROVAL OF FY’14 SECOND QUARTER BUDGET AMENDMENT

March 5, 2014

The net effect of the FY’14 Second Quarter Budget Amendment is a surplus of $33,139. Staff is recommending that the surplus be restricted to the General Fund to address potential budget shortfalls. This will result in a return to a balanced budget.

- Total operating budget for the Agency has increased from $229.9 million to $230.6 million.

- Total capital budget for the Agency has increased from $40.9 million to $41.0 million.

- Personnel Complement remains unchanged.

- No policy changes are reflected in the budget amendment.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Gail Willison Division: Finance Ext. 9480
Terri Fowler Ext. 9507
Maria Montero Ext. 9612

RE: Approval of FY’14 Second Quarter Budget Amendment

DATE: March 5, 2014

STATUS: Committee Reports: Deliberation [ X ]

OVERALL GOAL & OBJECTIVE:
To amend the FY’14 Budget so that it reflects an accurate plan for the use of the Agency's financial resources for the remainder of the year.

BACKGROUND:
The HOC Budget Policy provides for the Executive Director to propose any budget amendments for the Commission to consider that may better reflect the revenues and expenses for the remainder of the year.

ISSUES FOR CONSIDERATION:

Operating Budget Amendments: Attachment I is a detailed chart of the following proposed transactions. Below is a description of the proposed amendment:

• General Fund:
  
  o MHLP VII: HOC is now operating MHLP VII on a fiscal year basis because the limited partners assigned their interest in the partnership to HOC at the expiration of its 15-year compliance period. The property was projected to generate income to the General Fund in the form of ground rent. Since the property is now accounted for in the Opportunity Housing Portfolio, the revenue will be shown there. Income will be decreased by $135,880 in the General Fund (See Opportunity Housing).

  o MHLP VIII: HOC is now operating MHLP VIII on a fiscal year basis because the limited partners assigned their interest in the partnership to HOC at the expiration of its 15-year compliance period. The property was projected to generate income to the
General Fund in the form of ground rent. Since the property is now accounted for in the Opportunity Housing Portfolio, the revenue will be shown there. Income will be decreased by $226,973 in the General Fund (See Opportunity Housing).

**Opportunity Housing Fund:**

- **MHLP VII:** MHLP VII is no longer included with the tax credit budgets. On the expiration of its 15-year compliance periods, the limited partners assigned their interest in the partnership to HOC and no longer have an ownership interest in the partnership. Therefore, HOC is able to operate this partnership on a fiscal year basis. This budget amendment reflects the period of July 1, 2013 through June 30, 2014. Income will be increased by $484,048 and expenses will be increased by $344,228 to reflect the addition of MHLP VII to the Opportunity Housing Fund.

- **MHLP VIII:** MHLP VIII is no longer included with the tax credit budgets. On the expiration of its 15-year compliance periods, the limited partners assigned their interest in the partnership to HOC and no longer have an ownership interest in the partnership. Therefore, HOC is able to operate this partnership on a fiscal year basis. This budget amendment reflects the period of July 1, 2013 through June 30, 2014. Income will be increased by $621,431 and expenses will be increased by $365,259 to reflect the addition of MHLP VIII to the Opportunity Housing Fund.

**Capital Budget Amendments:** Attachment I is a detailed chart of the following proposed transactions. Below is a description of the proposed amendment:

- **Capital Improvements:**
  - **MHLP VII:** See explanation under Opportunity Housing Fund. A capital budget in the amount of $50,000 will be added for MHLP VII. There are sufficient reserves identified to fund the projected capital work.
  
  - **MHLP VIII:** See explanation under Opportunity Housing Fund. A capital budget in the amount of $63,500 will be added for MHLP VIII. There are sufficient reserves identified to fund the projected capital work.

**BUDGET IMPACT:**
The net effect of the FY’14 Second Quarter Budget Amendment is a surplus of $33,139. Staff is recommending that the surplus be restricted to the General Fund to address potential budget shortfalls. This will result in a return to a balanced budget. The total FY’14 Operating Budget for HOC increased from $229,904,367 to $230,646,993. This is an increase of $742,626. The total FY’14 Capital Budget for HOC has increased from $40,926,472 to $41,039,972. This is an increase of $113,500. Approval by the Commission of any budget amendments will revise the
FY’14 Budget to reflect an accurate plan for the use of the Agency’s resources for the remainder of the year.

**TIME FRAME:**
The FY’14 Second Quarter Budget Amendment was reviewed by the Budget, Finance and Audit Committee at the February 18, 2014 meeting. Action is requested at the March 5, 2014 Commission meeting.

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**
Staff recommends that the Commission approve the proposed amendments to the FY’14 Budget.
Resolution No. Re: Approval of FY’14 Second 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 Second Quarter Budget Amendment is a surplus of $33,139 which will be restricted to the General Fund to address potential budget shortfalls thus returning to 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 $229.9 million to $230.6 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 $40.9 million to $41.0 million.

Patrice Birdsong
Special Assistant to the Commission
### FY 2014 Adopted Operating Budget
#### Second Quarter Amendment

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<th>Expenses</th>
<th>Adopted Budget</th>
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<th>Net Changes To Expenses</th>
<th>Revenues</th>
<th>Expenses</th>
<th>Second Quarter Budget Amendment</th>
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**Footnotes - explanation of changes**
- GF I Remove Ground Rent for MHLP VII - ($135,880)
- GF I Remove Ground Rent for MHLP VIII - ($226,973)
- GF E Restrict excess income to General Fund - $33,139
- OH I Add budget for MHLP VII - $50,000
- OH E Add budget for MHLP VIII - $63,500

### FY 2014 Adopted Capital Budget
#### Second Quarter Amendment

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<td>$113,500</td>
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</table>

**Footnotes - explanation of changes**
- GF I Remove Ground Rent for MHLP VII - ($135,880)
- GF I Remove Ground Rent for MHLP VIII - ($226,973)
- GF E Restrict excess income to General Fund - $33,139
- OH E Add budget for MHLP VII - $50,000
- OH E Add budget for MHLP VIII - $63,500
- OH E Add budget for MHLP VIII - $365,259

**Capital Improvements**
- OH E Add budget for MHLP VII - $50,000
- OH E Add budget for MHLP VIII - $63,500
- OH E Add budget for MHLP VIII - $365,259

Attachment 1
APPROVAL OF CY’14 FIRST QUARTER BUDGET AMENDMENT

March 5, 2014

- The CY’14 Tax Credit Budgets for MV Affordable Housing Associates LP (Stewartown) and The Willows of Gaithersburg Associates LP were adopted on October 8, 2013 and later ratified at the November 6, 2013 Commission meeting.

- Since that time, the management company (Edgewood) for both properties has requested increases to the annual Replacement for Reserve (RfR) contributions for each property of $50,000 each to better address the physical needs at the properties.

- There is sufficient cash flow projected at each property to cover the additional contributions.

- The CY’14 First Quarter Budget Amendment increases expenses for both properties by $50,000.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Gail Willison Division: Finance Ext. 9480 Terri Fowler Ext. 9507 Maria Montero Ext. 9612

RE: Approval of CY’14 First Quarter Budget Amendment

DATE: March 5, 2014

STATUS: Committee Reports: Deliberation [ X ]

OVERALL GOAL & OBJECTIVE:
To amend the CY’14 Tax Credit Budgets for MV Affordable Housing Associates LP (Stewartown) and The Willows of Gaithersburg Associates LP so that they reflect an accurate plan for the use of the Agency's financial resources for the remainder of the year.

BACKGROUND:
The HOC Budget Policy provides for the Executive Director to propose any budget amendments for the Commission to consider that may better reflect the revenues and expenses for the remainder of the year.

ISSUES FOR CONSIDERATION:
The CY’14 Tax Credit Budgets were adopted on October 8, 2013 and later ratified at the November 6, 2013 Commission meeting. Since that time, the management company (Edgewood) for MV Affordable Housing Associates LP (Stewartown) and The Willows of Gaithersburg Associates LP has requested increases to the annual Replacement for Reserve (RfR) contributions for both properties of $50,000 each to better address the physical needs at the properties. There is sufficient cash flow projected at each property to cover the additional contributions.

BUDGET IMPACT:
The FY’14 First Quarter Budget Amendment increases the expenses for MV Affordable Housing Associates LP (Stewartown) and The Willows of Gaithersburg Associates LP by $50,000 each to better address the physical needs at the properties. There is sufficient cash flow projected at each property to cover the additional contributions.

There is no anticipated impact to the Agency FY’14 Budget.
TIME FRAME:
The CY’14 First Quarter Budget Amendment was reviewed by the Budget, Finance and Audit Committee at the February 18, 2014 meeting. Action is requested at the March 5, 2014 Commission meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
Staff recommends that the Commission approve the proposed amendments to the CY’14 Budgets for MV Affordable Housing Associates LP (Stewartown) and The Willows of Gaithersburg Associates LP.
Resolution No.  Re: Approval of CY’14 First Quarter Budget Amendment

WHEREAS, the Housing Opportunities Commission ratified the CY’14 Budgets for MV Affordable Housing Associates LP (Stewartown) and The Willows of Gaithersburg Associates LP on November 6, 2013; and

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

WHEREAS, the Commission has reviewed the proposed budget amendments to the CY’14 Budgets for MV Affordable Housing Associates LP (Stewartown) and The Willows of Gaithersburg Associates LP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the CY’14 budgets for MV Affordable Housing Associates LP (Stewartown) and The Willows of Gaithersburg Associates LP.

Patrice Birdsong
Special Assistant to the Commission
Approval to Increase Contract Value for the Holly Hall Sprinkler System

March 5, 2014

- Holly Hall is a 96-unit Public Housing development for seniors that is located at 10110 New Hampshire Ave in the White Oak section of Silver Spring.

- The County previously approved funding in its Capital Improvements Program (CIP) to install sprinkler systems at the property.

- On November 7, 2012 a new water service contract was awarded to Advanced Fire Protection to extend the water line connection to meet the water main in the northbound lanes of New Hampshire Avenue, to satisfy Washington Suburban Sanitary Commission (WSSC) requirements.

- WSSC initially located the water main connection in the southbound traffic lanes of New Hampshire Avenue. Upon further investigation it was found to be in the northbound lanes, approximately 51 feet away.

- Advanced Fire Protection has advised that the labor and materials necessary to connect to the actual location of the water main will increase the cost of the work.

- Advanced Fire Protection also needs to finalize the installation of the new fire protection system and obtain the final approval from the fire marshal.

- Staff is requesting that the contract be increased by $153,138, plus a 15% contingency of $22,971 for a total of $176,109 to complete the water main connection and finalize the fire safety system.

- These funds would come from outstanding CIP funds and CFP CY 22.

- Staff recommends that the Commission accept the recommendation of the Budget Finance & Audit Committee which met on February 18, 2014 and approve an increase in the contract value for the Holly Hall sprinkler system.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Kayrine Brown, Director, Mortgage Finance Ext. 9589
    Christopher Donald, Housing Acquisition Manager Ext. 9551
    Paul Vinciguerra, Construction Manager Ext. 9715

RE: Approval to Increase Contract Value for the Holly Hall Sprinkler System

DATE: March 5, 2014

STATUS: COMMITTEE REPORT: Deliberation X

OVERALL GOAL & OBJECTIVE:
To increase the contract value of Holly Hall Sprinkler System by $176,109 to be funded from existing CIP Funds and available CFP Funds.

BACKGROUND:
On November 7, 2012, the Commission awarded Contract 13-1831 to Advanced Fire Protection Services to complete the design, permit, and installation of the new water main tap required by Montgomery County WSSC in the amount of $340,800.

As Advanced Fire Protection Service (AFPS) progressed through the installation of the new water main tap, they discovered that the original WSSC plan showed the existing 16” water main in the first southbound lane of New Hampshire Avenue, when in fact the 16” water main is in the far northbound lane of New Hampshire Avenue, 51 feet away from the planned location of the tap. The contractor, AFPS, is charging an additional $74,200 to run the 8” water main from Holly Hall to tap into the 16” water main under New Hampshire Avenue. To fully activate the fire alarm system, an additional $78,938 is required.

There are sufficient dollars remaining from the original sprinkler funding allocated under the Montgomery County Capital Improvements Program (CIP). From the original funding of $1,466,415, $108,412 remains. The total requested increase to the contract value is $153,138 and staff recommends a 15% contingency of $22,971 for a total of $176,109.

<table>
<thead>
<tr>
<th>Available CIP Funds</th>
<th>$108,412</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Funding Required</td>
<td>(153,138)</td>
</tr>
<tr>
<td>Contingency (15%)</td>
<td>(22,971)</td>
</tr>
<tr>
<td>Funding Required (CFP)</td>
<td>($67,697)</td>
</tr>
</tbody>
</table>
**ISSUES FOR CONSIDERATION:**
Does the Commission wish to accept the recommendation of the Budget Finance & Audit Committee to increase the contract value of AFPS by $153,138 and provide contingency funds of $22,971 to complete the water main tap and activate the fire safety system at Holly Hall?

**PRINCIPALS:**
Advanced Fire Protection Services
Housing Opportunities Commission of Montgomery County (HOC)

**FISCAL / BUDGET IMPACT:**
Montgomery County DHCA CIP Funds: $108,412
CFP CY'22: $67,697

**TIME FRAME:**
Action at the March 5, 2014 meeting of the Commission.

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**
Staff recommends that the Commission accept the recommendation of the Budget Finance and Audit Committee to approve the proposed increase to the AFPS contract value of $153,138 and fund a contingency of $22,971 to be funded from the currently available County CIP sprinkler funds and Federal Capital Fund Program monies.
RESOLUTION: Approval to Increase Contract Value for the Holly Hall Sprinkler System

WHEREAS, the Housing Opportunities Commission has awarded a contract to Advanced Fire Protection to upgrade the water service at Holly Hall to accommodate the new fire safety system; and

WHEREAS, the location of the water main identified on WSSC drawings was incorrectly identified and the actual line was located at least 51 feet away from where originally shown on the drawings; and

WHEREAS, the cost of labor and materials has increased because of the additional work needed to connect to the corrected water main location; and

WHEREAS, Montgomery County Capital Improvements Program (CIP) funds will be used for the contract amount; and

WHEREAS, Capital Fund Program (CFP) from HUD will be used in the event that the CIP funds for the upgrades are fully expended.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to execute an amendment to the contract with Advanced Fire Protection to increase to the existing contract in the amount of $153,138 and fund a 15% contingency of $22,971 for the upgrade of water service for Holly Hall.

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

Patrice M. Birdsong
Special Assistant to the Commission
Approval to Modify Loan Sources to Fund the Renovation Cost for the 669 Former Scattered Site Public Housing Units

March 5, 2014

• On June 5, 2013, the Commission approved a loan to provide interim financing from a combination of the Opportunity Housing Reserve Fund (OHRF), the Opportunity Housing (OH) Bank Account, and the County Revolving Fund to fund up to $20 million of renovation cost for the former 669 scattered site Public Housing units.

• The allocation of the loan was $10 million from the OHRF, $5 million from the OH Bank Account and $5 million from the County Revolving Fund. To date, there have been no draws from the identified sources.

• On October 30, 2013, staff informed the Commission that the OHRF projected a negative ending balance as of September 30, 2013 if all obligations were spent.

• Staff recommends that the $10 million commitment from the OHRF be reduced to $5 million and the remaining $5 million be obligated from the PNC Line of Credit (LOC).
MEMORANDUM

TO: Housing Opportunities Commission
VIA: Stacy L. Spann, Executive Director
FROM: Staff: Gail Willison Division: Finance Ext. 9480
Kayrine Brown Division: Mortgage Finance Ext. 9589
RE: Approval to Modify Loan Sources to Fund the Renovation Cost for the 669 Former Scattered Site Public Housing Units
DATE: March 5, 2014

STATUS: Committee Reports: Deliberation [ X ]

OVERALL GOAL & OBJECTIVE:
To obtain Commission approval to modify loan sources to fund the renovation cost for the 669 former scattered site Public Housing units.

BACKGROUND:
At its June 5, 2013 meeting, the Commission approved a loan to provide interim financing from a combination of the Opportunity Housing Reserve Fund (OHRF), the Opportunity Housing (OH) Bank Account, and the County Revolving Fund to fund up to $20 million of renovation cost for the former 669 scattered site Public Housing units. The allocation of the loan was $10 million from the OHRF, $5 million from the OH Bank Account and $5 million from the County Revolving Fund. To date, there have been no draws from the identified sources.

On October 30, 2013, staff informed the Commission that the OHRF projected a negative ending balance as of September 30, 2013 if all obligations were spent. It is important to note that the OHRF has not been overspent at any time since the approval of the loan. It was staff’s intention to bring forth a modification of the loan sources to reallocate a portion of the commitment against the OHRF to another source.

Staff recommends that the $10 million commitment from the OHRF be reduced to $5 million and the remaining $5 million be obligated from the PNC Line of Credit (LOC). If the Commission were to utilize its own internal sources to fund the renovations, while outstanding, the project will pay interest to the Commission on any interim financing at 4.5% per year. Since the LOC is an external interest bearing account, this source would only be used if the obligations against Agency resources were exhausted.
**ISSUES FOR CONSIDERATION:**
Does the Commission wish to approve the proposed modification of loan sources to fund the renovation cost for the 669 former scattered site Public Housing units?

**BUDGET IMPACT:**
The current unobligated balance of the OHRF as of December 31, 2013 is ($4,113,686). Reducing the loan by $5 million would result in an unobligated balance of $886,314. The current unobligated balance of the LOC as of December 31, 2013 is $34,109,899. The inclusion of the $5 million loan would result in an unobligated balance of $29,109,899. Any outstanding loans from balance sheet sources will pay interest to the Commission at the equivalent of 4.5% annually, $675,000 if the full $15 million is drawn.

**TIME FRAME:**
The proposed modifications of loan sources to fund the renovation cost for the 669 former scattered site Public Housing units was reviewed by the Budget, Finance and Audit Committee at the February 18, 2014 meeting. Action is requested at the March 5, 2014 Commission meeting.

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**
Staff recommends that the Commission approve the proposed modifications of loan sources to fund the renovation cost for the 669 former scattered site Public Housing units.
Resolution No. Re: Approval to Modify Loan Sources to Fund the Renovation Cost for the 669 Former Scattered Site Public Housing Units

WHEREAS, the Housing Opportunities Commission approved a loan to provide interim financing from a combination of the Opportunity Housing Reserve Fund (OHRF), the Opportunity Housing (OH) Bank Account, and the County Revolving Fund to fund up to $20 million of renovation cost for the former 669 scattered site Public Housing units on June 5, 2013; and

WHEREAS, the allocation of the loan was $10 million from the OHRF, $5 million from the OH Bank Account and $5 million from the County Revolving Fund; and

WHEREAS, staff informed the Commission, on October 30, 2013, that the OHRF projected a negative ending balance as of September 30, 2013 if all obligations were spent; and

WHEREAS, the Commission reviewed the proposed modifications to change the loan sources to fund the renovation cost for the 669 former scattered site Public Housing units.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby modifies the loan sources to fund the renovation cost for the 669 former scattered site Public Housing units by reducing the $10 million commitment from the OHRF to $5 million and obligating the remaining $5 million from the PNC Line of Credit (LOC).

Patrice Birdsong
Special Assistant to the Commission
Deliberation

and/or

Action
Future Action
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Gail Willison Division: Finance Ext. 9480
       Terri Fowler Ext. 9507
       Maria Montero Ext. 9612

RE: Presentation of the Executive Director’s FY’15 Recommended Budget

DATE: March 5, 2014

STATUS: Consent [ ] Deliberation [ ] Future Action [X]

OVERALL GOAL & OBJECTIVE:
To present the Executive Director's FY’15 Recommended Budget to the Commission.

BACKGROUND:
The Executive Director’s FY’15 Recommended Budget will be presented to the Commission at the April 2, 2014 meeting. During the months of April and May, the Budget, Finance and Audit Committee will review and discuss the budget in detail. After their review, the budget with their recommendations will be brought back to the full Commission for approval at the first meeting in June.

BUDGET IMPACT:
None for FY’14.

TIME FRAME:
The Commission must approve the budget for FY’15 before July 1, 2014.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
For the Budget, Finance and Audit Committee to review the Executive Director’s Recommended Budget for FY’15 bringing their recommendations to the full Commission at the first meeting in June.
Information Exchange
New Business
Executive Session
Findings
Recess
Development

Corporation Meetings
ALEXANDER HOUSE DEVELOPMENT CORPORATION

RATIFICATION OF THE APPROVAL OF A PREDEVELOPMENT AGREEMENT TO PARTNER WITH LEE DEVELOPMENT GROUP AND THE HOUSING OPPORTUNITIES COMMISSION FOR THE REDEVELOPMENT OF ELIZABETH HOUSE

March 5, 2014

- The Elizabeth House development has been submitted to the United States Department of Housing and Urban Development (HUD) for feasibility approval under the Rental Assistance Demonstration (RAD) program.

- The Commission desires to proceed with Preliminary and Project Plan Submissions to the Montgomery County Planning and Maryland-National Capital Park and Planning Commission for the entire square (the “Site), bordered by Fenwick Lane (North), Second Avenue (East), Apple Avenue (South), and the Metro train tracks (West), requiring the consent and participation of the Alexander House Development Corporation.

- During Executive Session staff presented:
  1. A proposal pursuant to which HOC would collaborate with Lee Development Group for the redevelopment of the Site
  2. The rationale for beginning the Preliminary and Project Plan process; the pending change in the zoning ordinance across the County and the RAD timeline;
  3. The opportunity to provide new, amenity rich, transited oriented development to some of the Commission’s most vulnerable residents;
  4. The opportunity to replace an antiquated development that has reached the end of its useful life;
  5. The Commission retains its prerogative to either continue or stop in the entitlement process at anytime; and
  6. The unique partnership opportunity due to the adjacency of the Lee Development Group Property and their expertise in navigating the Montgomery County entitlement process.

- The Alexander House Development Corporation authorized:
  1. Execution by the Executive Director of a Predevelopment Agreement to partner with Lee Development Group for the redevelopment of Elizabeth House; and
2. Execution by the Executive Director of all submittals to Montgomery County Planning, Maryland-National Capital Park and Planning and all other regulatory agencies for the Preliminary and Project Plans on behalf of Housing Opportunities Commission of Montgomery County and Alexander House Development Corporation.
RESOLUTION: Ratification of the Approval of a Predevelopment Agreement to Partner with Lee Development Group and the Housing Opportunities Commission for the Redevelopment of Elizabeth House

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, enters into partnerships to build new affordable housing; and

WHEREAS, HOC is the sole member of Alexander House Development Corporation (“the Corporation”); and

WHEREAS, HOC owns Elizabeth House, a high rise Public Housing facility for seniors at 1400 Fenwick Lane; and

WHEREAS, immediately contiguous to Elizabeth House is Alexander House, an opportunity housing development owned by the Corporation wholly controlled by HOC; and

WHEREAS, the Corporation and Elizabeth House share the use of certain common amenities including a pool and related facilities; and

WHEREAS, the Lee Development Group or an affiliate (“LDG”) owns an office townhouse development adjacent to Elizabeth House known as Fenwick Professional Park (“Fenwick Park”); and

WHEREAS, Elizabeth House is over 50 years old and is in need of redevelopment to provide safe, high quality housing for seniors; and

WHEREAS, LDG desires to redevelop Fenwick Park as well; and

WHEREAS, LDG and HOC recognize common benefits to working together to redevelop both parcels; and
WHEREAS, a partnership with LDG to redevelop Elizabeth House and Fenwick Park can provide replacement housing units for the existing residents at Elizabeth House while a new facility is being built on the Elizabeth House property; and

WHEREAS, HOC has authorized execution of a Predevelopment Agreement for joint development of Elizabeth House and Fenwick Park through a partnership to provide replacement housing units for the existing residents at Elizabeth House and construction of a new residential building; and

WHEREAS, it is beneficial to the Corporation to join with HOC and LDG in the applications and submissions of preliminary and project plans as the joint development may result in opportunities for improvements to Alexander House; and

WHEREAS, the costs of applications and fees will be borne by LDG and HOC; and

WHEREAS, prior to submission of any Preliminary Plan to the M-NCPPC and entering into a final partnership agreement or ground lease with LDG, HOC and the Corporation will review the terms and determine the manner in which to proceed with development in its discretion.

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

1. Authorizes the Executive Director to execute, on behalf of the Corporation, a Preliminary Development Agreement with LDG for the joint development of Elizabeth House and Fenwick Park substantially on the terms and conditions identified to the Corporation and acceptable to the Executive Director and as advised by counsel, and

2. Authorize the Executive Director to execute, on behalf of the Corporation, applications and submissions, for the Preliminary and Project Plans for the redevelopment of Elizabeth House and any related improvements to Alexander House, to all of the required regulatory agencies which include the M-NCPPC.

I HEREBY CERTIFY that the foregoing Resolution was adopted by Alexander House Development Corporation at a meeting conducted on March 5, 2014.

__________________________________________________________
Patrice M. Birdsong
Special Assistant to the Commission
WHEATON METRO DEVELOPMENT CORPORATION

AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO EXECUTE A
UTILITY EASEMENT ON BEHALF OF WHEATON METRO DEVELOPMENT
CORPORATION

March 5, 2014

- Lowe Enterprise is the owner of 11141 Georgia Avenue, formerly a five-story office building, located directly to the south of Metropointe.

- Lowe Enterprise is converting the office building into apartments and adding an additional seven stories of apartments totaling 194 apartment units.

- The electricity provided by PEPCO will come from existing underground lines located on the southeast corner of the Metropointe property.

- Metropointe is a condominium with units owned by two entities, Wheaton Metro Limited Partnership and Wheaton Metro Development Corporation.

- Lowe is requesting the owners of Metropointe to enter into a Utility Easement with PEPCO allowing PEPCO to install and provide permanent power to 11141 Georgia Avenue through an existing utility line.

- To permit PEPCO to install and provide power to 11141 Georgia Avenue, Lowe has requested that the owners of Metropointe execute the Utility Easement.
MEMORANDUM

TO: Wheaton Metro Development Corporation

VIA: Stacy Spann, Executive Director

FROM: Staff: Brown/Benjamin/Rubin
Division: Mortgage Finance Ext.9589/9590/9625

RE: Authorization for the Executive Director to Execute a Utility Easement on Behalf of Wheaton Metro Development Corporation

DATE: March 5, 2014

STATUS: CONSENT

OVERALL GOAL & OBJECTIVE:
To authorize the Executive Director to execute a Utility Easement to permit PEPCO to provide permanent power to the 11141 Georgia Avenue building.

BACKGROUND:
Lowe Enterprise ("Lowe") is the owner of 11141 Georgia Avenue, an office building located directly to the south of Metropointe. The original office building was 2-levels below grade and five stories above grade. Lowe is in the process of converting the office building into apartments and adding an additional seven stories of apartments totaling 194 apartment units comprising a mix of studios (31%), 1’s (63%) and 2’s (6%).

Lowe started construction in February 2013 and is approximately 65% complete. Lowe anticipates construction completion by June 2014.

The electricity provided by PEPCO will come from existing underground lines located on the southeast corner of the Metropointe property. Metropointe is a condominium with Wheaton Metro Limited Partnership and Wheaton Metro Development Corporation as the owners of all units. As general partner of the limited partnership and the sole member of the corporation, the Commission and the property manager conduct business and activities on behalf of both entities. Lowe is requesting the owners of Metropointe, Wheaton Metro Limited Partnership and Wheaton Metro Development Corporation, enter into a Utility Easement to permit PEPCO to provide permanent power to the building through the existing utility line and to install conduit to connect the existing conduit, transformers and vaults. This work is scheduled to start once PEPCO releases their construction crew upon receipt of the executed Utility Easement and will be completed within 2 weeks of the start of the work.
ISSUES FOR CONSIDERATION:
Does the Commission wish to authorize the Executive Director to execute a Utility Easement on behalf of Metro Pointe Development Corporation to permit PEPCO to provide power to the 11141 Georgia Avenue development?

PRINCIPALS:
Housing Opportunities Commission, Wheaton Metro Limited Partnership, Wheaton Metro Development Corporation, Lowe Enterprise and PEPCO.

BUDGET IMPACT:
None.

TIME FRAME:
Action at the March 5, 2014 meeting of the Commission.

STAFF RECOMMENDATION:
Staff recommends that the Commission authorize the Executive Director to execute a Utility Easement on behalf of Metro Pointe Development Corporation to permit PEPCO to install and provide permanent power to 11141 Georgia Avenue.
RESOLUTION:

WHEREAS, Lowe Enterprise is the owner of 11141 Georgia Avenue, formerly a five-story office building located directly south of Metropointe; and

WHEREAS, Lowe Enterprise is converting the office building into apartments and adding an additional seven stories of apartments totaling 194 apartment units; and

WHEREAS, the electricity provided by PEPCO will come from existing underground lines located on the southeast corner of the Metropointe property; and

WHEREAS, Lowe is requesting the owners of Metropointe enter into a Utility Easement to permit PEPCO to install and provide permanent power to the 11141 Georgia Avenue development through an existing utility line; and

WHEREAS, Wheaton Metro Development Corporation is one of the two owners of all the units in the Metropointe condominium; and

NOW, THEREFORE, BE IT RESOLVED by Wheaton Metro Development Corporation that the Executive Director, on behalf of the Housing Opportunities Commission of Montgomery County, as sole member of the corporation is authorized to execute a Utility Easement to permit PEPCO to install and provide power to the 11141 Georgia Avenue development.

I HEREBY CERTIFY that the foregoing resolution was adopted by Wheaton Metro Development Corporation at a meeting conducted on March 5, 2014.

Secretary – Wheaton Metro Development Corporation
Limited Partnership Meeting
WHEATON METRO LIMITED PARTNERSHIP MEETING

AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO EXECUTE A UTILITY EASEMENT ON BEHALF OF WHEATON METRO LIMITED PARTNERSHIP

March 5, 2014

- Lowe Enterprise is the owner of 11141 Georgia Avenue, formerly a five-story office building, located directly to the south of Metropointe.

- Lowe Enterprise is converting the office building into apartments and adding an additional seven stories of apartments totaling 194 apartment units.

- The electricity provided by PEPCO will come from existing underground lines located on the southeast corner of the Metropointe property.

- Metropointe is a condominium with units owned by two entities, Wheaton Metro Limited Partnership and Wheaton Metro Development Corporation.

- Lowe is requesting the owners of Metropointe to enter into a Utility Easement with PEPCO allowing PEPCO to install and provide permanent power to 11141 Georgia Avenue through an existing utility line.

- To permit PEPCO to install and provide power to 11141 Georgia Avenue, Lowe has requested that the owners of Metropointe execute the Utility Easement.
MEMORANDUM

TO: Wheaton Metro Limited Partnership

VIA: Stacy Spann, Executive Director

FROM: Staff: Brown/Benjamin/Rubin
Division: Mortgage Finance  Ext.9589/9590/9625

RE: Authorization for the Executive Director to Execute a Utility Easement on Behalf of Wheaton Metro Limited Partnership

DATE: March 5, 2014

STATUS: CONSENT

OVERALL GOAL & OBJECTIVE:
To authorize the Executive Director to execute a Utility Easement to permit PEPCO to provide permanent power to the 11141 Georgia Avenue building.

BACKGROUND:
Lowe Enterprise (“Lowe”) is the owner of 11141 Georgia Avenue, an office building located directly to the south of Metropointe. The original office building was 2-levels below grade and five stories above grade. Lowe is in the process of converting the office building into apartments and adding an additional seven stories of apartments totaling 194 apartment units comprising a mix of studios (31%), 1’s (63%) and 2’s (6%).

Lowe started construction in February 2013 and is approximately 65% complete. Lowe anticipates construction completion by June 2014.

The electricity provided by PEPCO will come from existing underground lines located on the southeast corner of the Metropointe property. Metropointe is a condominium with Wheaton Metro Limited Partnership and Wheaton Metro Development Corporation as the owners of all units. As general partner of the limited partnership and the sole member of the corporation, the Commission and the property manager conduct business and activities on behalf of both entities. Lowe is requesting the owners Metropointe, Wheaton Metro Limited Partnership and Wheaton Metro Development Corporation, enter into a Utility Easement to permit PEPCO to provide permanent power to the building through the existing utility line and to install conduit to connect the existing conduit, transformers and vaults. This work is scheduled to start once PEPCO releases their construction crew upon receipt of the executed Utility Easement and will be completed within 2 weeks of the start of the work.
ISSUES FOR CONSIDERATION:
Does the Commission wish to authorize the Executive Director to execute a Utility Easement on behalf of Metro Pointe Limited Partnership to permit PEPCO to provide power to the 11141 Georgia Avenue development?

PRINCIPALS:
Housing Opportunities Commission, Wheaton Metro Limited Partnership, Wheaton Metro Development Corporation, Lowe Enterprise and PEPCO.

BUDGET IMPACT:
None.

TIME FRAME:
Action at the March 5, 2014 meeting of the Commission.

STAFF RECOMMENDATION:
Staff recommends that the Commission authorize the Executive Director to execute a Utility Easement on behalf of Metro Pointe Limited Partnership to permit PEPCO to install and provide permanent power to 11141 Georgia Avenue.
RESOLUTION:

WHEREAS, Lowe Enterprise is the owner of 11141 Georgia Avenue, formerly a five-story office building located directly south of Metropointe; and

WHEREAS, Lowe Enterprise is converting the office building into apartments and adding an additional seven stories of apartments totaling 194 apartment units; and

WHEREAS, the electricity provided by PEPCO will come from existing underground lines located on the southeast corner of the Metropointe property; and

WHEREAS, Lowe is requesting the owners of Metropointe enter into a Utility Easement to permit PEPCO to install and provide permanent power to the 11141 Georgia Avenue development through an existing utility line; and

WHEREAS, Wheaton Metro Limited Partnership is one of the two owners of all the units in the Metropointe condominium; and

NOW, THEREFORE, BE IT RESOLVED by Wheaton Metro Limited Partnership that the Executive Director, on behalf of the Housing Opportunities Commission of Montgomery County, as general partner of the partnership is authorized to execute a Utility Easement to permit PEPCO to install and provide power to the 11141 Georgia Avenue development.

I HEREBY CERTIFY that the foregoing resolution was adopted by Wheaton Metro Limited Partnership at a meeting conducted on March 5, 2014.

__________________________________________
Secretary – Wheaton Metro Limited Partnership