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| 4:00 p.m.| I. CONSENT ITEMS | A. Approval of Minutes of April 2, 2014  
 B. Ratification of Action Taken in Executive Session Providing Authorization to Complete Acquisition of Real Property Under Contract with Capital One  
 C. Ratification of Action Taken in Executive Session on April 24, 2014 to Amend the Predevelopment Agreement to Partner with Lee Development Group for the Redevelopment of Elizabeth House to Comply with Terms of the Agreement by Revising “Best Efforts” Date for Negotiating a Ground Lease and Land Development Agreement  
 D. Approval of New Participating Lenders for the Single Family Mortgage Purchase Program |
| 4:05 p.m.| II. 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 |
| 4:25 p.m.| III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION | A. Development and Finance Committee – *Com. Lindstrom, Chair*  
 1. Approval of Preliminary Predevelopment Plans and Selection of Architect and General Contractor for Six Public Housing Developments Approved for Disposition under The Rental Assistance Demonstration (RAD) Program  
 2. Approval of Predevelopment Plans, Entity Formation, Transfer of Real Estate, and Selection of Architect for Arcola Tower and Waverly House Approved for Disposition Under the Rental Assistance Demonstration Program (RAD)  
 3. Approval to Select Energy Efficiency Contractor Pursuant to RFP #1901  
 4. Approval to Select Construction Management Pool Pursuant to RFP #1902 |
| 4:45 p.m.| IV. ITEMS REQUIRING DELIBERATION and/or ACTION | A. Approval of Selection of Law Firms for Qualified Pool of Outside Counsel for Real Estate Legal Services in Response to RFQ #1923 and Related Matters |
| 5:00 p.m.| ADJOURN          |                                                                      |
EXECUTIVE SESSION

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
HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY
10400 Detrick Avenue
Kensington, Maryland  20895
(240) 627-9425

Minutes
April 2, 2014

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, April 2, 2014 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Prior to the meeting a welcome reception was held for two new members of the Commission, Jackie Simon and Mynor Herrera. Those in attendance were:

Present
Roberto Piñero, Chair
Jackie Simon
Mynor Herrera
Pamela Lindstrom
Rick Edson

Absent
Sally Roman, Vice Chair
Jean Banks, Chair Pro Tem

Also Attending

Stacy Spann, Executive Director
Fred Swan
Gail Willison
Scott Ellinwood
Gina Smith
Jennifer Arrington
Dean Tyree
Tara Whicker
Susan Smith
Shaina Francis
Ethan Cohen
Patrick Mattingly
Scott Ewart
Charnita Robinson
Belle Seyoum
Bill Anderson
Diana Bird
Richard Hanks
Kelly McLaughlin
Alethia Cooper

Ken Tecler, Staff Counsel
Kayrine Brown
Regina Mitchell
Zachary Marks
Rita Harris
Gail Gunod-Green
Lorie Seals
Saundra Boujai
Rebecca Grayson
Jay Shepherd
Maria Montero
Lola Knight
Marsha Smith
Tonya Clark
Jim Atwell
Lynn Hayes
Bonnie Hodge
Eugene Spencer
Emily Dorfman
The Consent Calendar was adopted upon a motion by Commissioner Edson and seconded by Commissioner Lindstrom. Affirmative votes were cast by Commissioners Piñero, Edson, Herrera, Lindstrom, and Simon. Commissioners Banks and Roman were necessarily absent and did not participate in the vote.

I. **CONSENT ITEMS**

A. **Approval of Minutes**
- **Approval of Minutes of Regular Meeting of March 5, 2014** — The minutes were approved as submitted.

B. **Adoption of Retirement Resolution for Angie Wolfe-Ross** — The following resolution was approved.

**RESOLUTION: 14-20**  
**RE: Adoption of Retirement Resolution for Angie Ross**  

**WHEREAS,** the Housing Opportunities Commission of Montgomery County is indebted to Angie Ross, Human Resources Supervisor, for more than 25 years of invaluable and dedicated service to the Agency; and

**WHEREAS,** Angie began her career with HOC on August 24, 1988, as a Personnel Assistant in the Human Resources Office; and

**WHEREAS,** in 1996, Angie was promoted to Human Resources Specialist I. Angie’s responsibilities included benefits administration, recruitment and tuition assistance. She was responsible for tracking the insurance changes during transfer seasons. She also took over the enrollment of the Flexible Spending Plan, all while requiring little assistance and supervision. Angie was also successful in her recruitment efforts. She screened all applications for the hiring supervisors in a timely manner and in accordance with the program objectives. Angie was also responsible for arranging and coordinating training for all employees to inform them of services provided through the Agency’s Employee Assistance Program (EAP); and

**WHEREAS,** in 2002, Angie was promoted to Human Resources Specialist II. Angie’s responsibilities expanded to the oversight of all employee benefits, leave administration and training. She was responsible for interfacing with Montgomery County’s Office of Human Resources and packaging benefits information to staff to ensure all employees were well equipped to make the best choices for themselves. Angie was responsible for
communicating all benefit enrollments to the County. In addition, Angie diligently took the time to educate staff on other benefits available to them such as Flexible Spending Accounts, to help stretch the employee’s dollar and the Deferred Compensation Plan to assist employees in garnering financial resources to support their retirement years. Through her exemplary service and with a tailored approach to meet the individual needs of each employee, and for taking the time to elaborate on employee questions or concerns and guide each so that they could make informed decisions, the name “Angie Ross” became synonymous with excellent customer service; and

WHEREAS, in 2007, Angie was promoted to the position of Human Resources Coordinator. Angie’s responsibilities included providing excellent customer service to all staff, OHR representatives and vendors. She was exceptional in her efforts to calm those with concerns and misunderstandings when dealing with Workers Compensation cases, the Family Medical Leave Act and the Americans with Disabilities Act. Angie was also successful in obtaining certification as a Certified Workers’ Compensation Professional (CWCP) by the School of Labor & Industrial Relations at Michigan State University. Angie was awarded this distinction for demonstrating a high level of expertise in the area of workers’ compensation and consistently utilized her expertise in the work environment; and

WHEREAS, in 2012, Angie was promoted to Human Resources Supervisor. In this role, she was responsible to oversee the day-to-day operation of the Human Resources Office and provide guidance to the Human Resources staff. She was given the added responsibility of authorizing and approving personnel transactions and guiding directors, supervisors and employees on personnel matters including the interpretation of the Collective Bargaining Agreement for represented employees and the Personnel Policy for unrepresented staff. Angie took extreme care to assure the adherence of the highest standards and to ensure that relevant equity issues were considered in all cases, both in spirit and in policy application. She continued in the provision of exceptional customer service and guided the Human Resources team accordingly; and

WHEREAS, over the years, Angie achieved the highest standards of excellence on all of her annual performance evaluations and earned numerous employee awards for her efforts with employee benefits, training initiatives, and systems conversions including receiving an award for her efforts in the conversion of the HOC’s Payroll/Human Resources Information System from PayAmerica’s Liberty system to ADP. She also received an award for her significant contribution to the pursuit of excellence through the HOC’s Customer Service Guidelines, through service and delivery and leading by example. In addition to her work in Human Resources, Angie served as a mentor for participants in the Family Self-Sufficiency Program for many years. Her support and willingness to step forward and assist the Agency during numerous changes has been invaluable.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County extends sincere thanks and appreciation to Angie for her many contributions and wishes her health and happiness in her retirement.
C. Ratification of Action to Amend Purchase Contract for Acquisition of Capital One Site –

The following resolution was approved.

RESOLUTION: 14-21-R

RE: Ratification of Action Taken in Executive Session on March 20, 2014 to Amend Purchase Contract for Acquisition of Capital One Site

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, on February 4, 2014, HOC entered into a Purchase and Sale Agreement (“PSA”) with Capital One, National Association (“Seller”) to acquire an approximately one-acre parcel (“Capital One Site”) near HOC’s Holly Hall property; and

WHEREAS, the PSA gave HOC 37 days (“Feasibility Period”) to perform due diligence associated with the acquisition of the Capital One Site; and

WHEREAS, during the feasibility period, a Phase I environmental assessment recommended a Phase II environmental assessment which requires an additional 30 days to conduct; and

WHEREAS, the Seller has agreed to amend the PSA and extend the Feasibility Period with limitations on the refunding of HOC’s escrow deposit.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to execute the Amendment to the Purchase and Sale Agreement that 1) provides for a 30-day extension to complete a Phase II environmental study, and 2) permits HOC to withdraw from the PSA with a refund of its deposit only for reasons of environmental contamination.

II. INFORMATION EXCHANGE

A. Report of the Executive Director – Mr. Spann gave a brief update on the status of the RAD properties. He extended congratulations to the Finance Division on receiving The Government Finance Officers Association Distinguished Budget
Presentation Award. The Board made a request to have the Commission’s Action Alert posted to the website.

B. **Calendar and Follow-up Action** – The National Association of Local Housing Finance Agencies Conference (NALHFA) is being held April 2-5, 2014 in Atlanta, GA. Kayrine Brown, Director of Mortgage Finance/Real Estate Development informed the Board that Vivian Benjamin, Asst. Director of Mortgage Finance and Jennifer Arrington, Sr. Multifamily Underwriter were attending the Conference.

Housing Fair and Financial Fitness, May 3, 2014 – Chair Piñero is unable to attend this year but Commissioner Jackie Simon volunteered to participate in his absence.

C. **Commissioner Exchange**
   - Commissioner Lindstrom gave a report on the new Planning Committee. She explained the two main functions of the Committee are to take the lead on strategic plan for the Agency and to advocate for affordable housing in the County. There is a Strategic Plan Retreat scheduled for May 2014. She reported that she as well as Kayrine Brown attended a meeting with the Purple Line Corridor Coalition. Mr. Spann announced that HOC was approached and will be participating with the Coalition on the Transit Project.
   - Commissioner Edson reported that staff gave an excellent presentation on Mach 6, 2014 before the County Council regarding RAD. He requested that these meetings be added to the Commission’s calendar when known.
   - Commissioner Simon reported, for the record, that she terminated her contract with the Agency once she was confirmed as a Commissioner. She reported that she has a son who is a voucher holder and another son that does real estate business with HOC. The record will reflect that she will recuse herself from meetings when there are discussions on the Voucher Program or Development Deals per General Counsel Ken Tecler.

D. **Resident Advisory Board** – None

E. **Community Forum** – None

F. **Status Report** – None

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

A. **Legislative and Regulatory Committee – Com. Banks, Chair**

   1. **Authorization to Adopt Section 3 Policy**
Gina Smith, Special Assistant to the Executive Director and Fred Swan, Director of Resident Services, presented a brief summary of the Section 3 Policy.

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

RESOLUTION: 14-22

WHEREAS, The Housing and Urban Development (HUD) Act of 1968 (as amended) established the Section 3 program, which is codified at 24 CFR 135, and establishes a legislative directive to provide new employment, training and contracting opportunities for low and very-low income residents in communities that receive HUD funding for projects; and

WHEREAS, as a public housing agency and the recipient of HUD funding for projects, the Housing Opportunities Commission of Montgomery County (“HOC”) has several responsibilities for developing and implementing a Section 3 policy and program; and

WHEREAS, the Housing Opportunities Commission Section 3 Policy, as last revised and updated on March 18, 2014 (the “Section 3 Policy”), establishes the methods and means by which HOC seeks to satisfy requirements of the legislative directive; and

WHEREAS, the Section 3 Policy was presented to the Resident Advisory Board on March 24, 2014.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it adopts the Section 3 Policy.

IV. ITEMS REQUIRING DELIBERATION AND/OR ACTION

A. Authorization to Submit to the Department of Housing and Urban Development the FFY 2014 Capital Fund Program Annual Statement and Supporting Documentation

Regina Mitchell, Director of Property Management, gave a brief presentation.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Commissioner Lindstrom. Affirmative votes were cast by Commissioners Piñero, Herrera, Lindstrom and Simon. Commissioner Edson temporarily stepped away and did not participate in the vote. Commissioners Banks and Roman were necessarily absent and did not participate in the vote.
RESOLUTION: 14-23               RE: Authorization to Submit the FFY 2014 Capital Fund Program Grant Annual Statement and Supporting Documentation

WHEREAS, the Housing Opportunities Commission will receive $1,762,821 in FFY 2014 Capital Fund Program grant funds from the Department of Housing and Urban Development; and

WHEREAS, staff has identified $1,762,821 in needs based upon the Commission’s Five Year Capital Fund Program Plan; and

WHEREAS, by submitting the FFY 2014 Annual Statement and the signed ACC Amendment, the Commission is agreeing that capital and management activities will be carried out in accordance with all HUD regulations.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission that the Executive Director or designee is hereby authorized to submit to the Department of Housing and Urban Development the FFY 2014 Annual Statement (the work plan) outlining how the Capital Fund Program grant funds will be expended to make improvements to public housing units, the signed Annual Contributions Contract Amendment in the amount of $1,762,821 and supporting Commission Resolution.

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

Gail Willison, Chief Financial Officer and Terri Fowler, Budget Officer, gave a detailed presentation on the Executive Director’s FY’15 Recommended Budget.

FUTURE ACTION ITEMS
A. Authorization to Select Legal Counsel

V. INFORMATION EXCHANGE (CONT’D)
None

VI. NEW BUSINESS
None
Based upon this report and there being no further business to come before this session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

The meeting adjourned at 5:16 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb
RATIFICATION OF ACTION TAKEN IN EXECUTIVE SESSION PROVIDING AUTHORIZATION TO COMPLETE ACQUISITION OF REAL PROPERTY UNDER CONTRACT WITH CAPITAL ONE

May 7, 2014

- On February 4, 2014, the Housing Opportunities Commission of Montgomery County (the “Commission”) entered into a Purchase and Sale Agreement (the “Contract”) with Capital One, NA for the acquisition of an unimproved parcel approximately one acre in size adjacent to the Holly Hall Apartments and the former National Labor College (the “Property”).

- Key terms include a purchase price of $1.7MM, a 37-day feasibility period, and a subsequent 120-day closing period. During the feasibility period, HOC has the unilateral right to withdraw from the purchase contract for any reason.

- At the execution of the purchase contract, HOC deposited $85,000 into escrow. That deposit was fully refundable until the end of the feasibility period.

- A Phase II environmental study of the Property disclosed evidence of certain low levels of a chemical utilized by dry cleaning establishments nearby. The Commission was advised that, prior to development of the Property, further study would be necessary to determine if remediation was necessary and, if required, the potential impact on construction cost.

- The Commission authorized the Executive Director to make the additional deposit of $85,000 to the escrow agent identified in the Contract to be applied to the purchase price under the Contract. The Commission also authorized the Executive Director to seek, if possible, a modification in the price, terms and conditions for the Property under the Contract to reflect the possible increase in costs due to potential remediation identified in a Phase II study but to pursue the completion of the transaction as provided in the Contract in any event.
RESOLUTION: 14-24

RE: Ratification of Action Taken in Executive Session Providing Authorization to Complete Acquisition of Real Property under Contract with Capital One

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) entered into a Purchase and Sale Agreement dated February 4, 2014 (the “Contract”) with Capital One, NA for the acquisition of an unimproved parcel approximately one acre in size adjacent to the Holly Hall Apartments and the former National Labor College (the “Property”); and

WHEREAS, an initial deposit was placed with the escrow agent identified in the Contract in the amount of $85,000 with an additional deposit to be made upon satisfaction of contingencies; and

WHEREAS, the Contract provided for a study period during which the Commission could review title matters, zoning, environmental matters and other issues regarding the condition of and the potential development of the Property; and

WHEREAS, a Phase II environmental study disclosed certain evidence of low levels of a chemical utilized by dry cleaning establishments on the Property; and

WHEREAS, the Commission was advised that, prior to development of the Property, further study would be necessary to determine if remediation was necessary and, if required, the potential impact on construction cost; and

WHEREAS, the Commission recognizes that ownership of the Property provides advantages for potential redevelopment of Holly Hall in the future as a location for staging for construction, as a possible site for a relocated housing facility as well as benefits for access to the whole area in conjunction with changes in zoning and development for the planning area generally.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director be and is hereby authorized to seek, if possible, a modification in the price, terms and conditions for the Property under the Contract to reflect the possible increase in costs due to potential remediation identified in a Phase II study but to pursue the completion of the transaction as provided in the Contract in any event; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to make the additional deposit of $85,000 to the escrow agent identified in the Contract to be applied to the purchase price under the Contract.
The foregoing resolution was approved upon a motion by Vice Chair Roman and seconded by Chair Pro Tem Banks. Affirmative votes were cast by Commissioners Piñero, Roman, Banks and Herrera. Commissioners Edson, Lindstrom and Simon were necessarily absent and did not participate in the vote.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission at an Executive Session conducted on April 22, 2014.

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Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN EXECUTIVE SESSION ON APRIL 24, 2014 TO AMEND THE PRE-DEVELOPMENT AGREEMENT TO PARTNER WITH LEE DEVELOPMENT GROUP FOR THE REDEVELOPMENT OF ELIZABETH HOUSE TO COMPLY WITH TERMS OF THE AGREEMENT BY REVISING "BEST EFFORTS" DATE FOR NEGOTIATING A GROUND LEASE AND LAND DEVELOPMENT AGREEMENT

MAY 7, 2014

• On March 5, 2014, the Commission approved the execution of the Pre-Development Agreement (the “Agreement”) with Lee Development Group (“LDG”) for the redevelopment of Elizabeth House and Fenwick Professional Plaza.

• The Agreement required that parties thereto use commercially reasonable “best efforts” to negotiate the Land Development Agreement and Ground Lease and submit the same to the Commission on or before March 31, 2014 and April 30, 2014 respectively (the “Best Efforts Period”).

• Staff has been working on the structure and terms of the potential transaction with LDG since March but will not finalize all of the terms by the end of April 30, 2014.

• Upon a recommendation from staff and at the request of representatives from LDG, the Commission approved an amendment to the Pre-Development Agreement at an Executive Session on April 24, 2014, extending the Best Efforts Period by moving the dates for negotiation and approval to May 31, 2014.

• HOC entered into the First Amendment to Pre-Development Agreement on April 25, 2014.
RESOLUTION: 14-25-R

RE: Ratification of Action Taken in Executive Session on April 24, 2014 to Amend the Pre-Development Agreement to Partner with Lee Development Group for the Redevelopment of Elizabeth House to Comply with Terms of the Agreement by Revising "Best Efforts" Date for Negotiating a Ground Lease and Land Development Agreement

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

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

WHEREAS, at an Executive Session duly called and held on April 24, 2014, with a quorum being present, HOC duly adopted Resolution 14-25 (the “Amendment Resolution”); and

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

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

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby ratifies Resolution 14-25 and the First Amendment to the Pre-Development Agreement Project and Preliminary Plan Submittal Phase.
I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on May 7, 2014.


APPROVAL OF NEW PARTICIPATING LENDERS FOR THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM

May 7, 2014

• The Commission has approved continuous lender participation in the Mortgage Purchase Program (MPP) and continuous lender solicitation for new lender participation. Currently, 29 lenders are approved for participation in the MPP.

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

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

• Twenty-three of the previously approved MPP lenders have also been approved by U.S. Bank and one is pending approval.

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

• Integrity Home Mortgage Corporation and Sandy Spring Bank have applied for participation in the MPP and have satisfied the criteria for admission.

• Staff recommends approval of Integrity Home Mortgage Corporation and Sandy Spring Bank as MPP participating lenders, bringing the total of approved lenders to 31.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

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

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

DATE: May 7, 2014

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

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

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

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

The Commission has approved 29 lenders to participate in the MPP. Of that group, 23 have been approved by U.S. Bank and one is pending the bank’s approval (see Attachment). With the approval of Integrity Home Mortgage Corporation and Sandy Spring Bank, the total number of lenders to participate in the MBS/MPP will increase to 25 approved plus one pending approval by U.S. Bank.
Approved lenders receive training from HOC staff and U.S. Bank before they are allowed to begin originating and closing loans in the MPP. Under the MBS program, HOC underwrites for program compliance and the lenders underwrite for credit worthiness.

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

**Integrity Home Mortgage Corporation (IHMC)**

Established in 2005, Integrity Home Mortgage is headquartered in Winchester, VA. IHMC’s business strategy has been to focus on the Realtor community and first time homebuyers. In 2013, 80% of the loans originated by IHMC were purchase transactions. IHMC’s target market area to date has been rural communities in Virginia and West Virginia.

Integrity Home Mortgage’s vision is to build on its success by seeking new opportunities for growth. In 2013, less than 8% of the loans originated by IHMC were located in Maryland. IHMC’s focus for 2014 is to expand into Montgomery County and views the Mortgage Revenue Bond Program as an integral part of this expansion.

IHMC was approved to participate in the Virginia Housing Development Authority (VHDA) program in late 2013 and has been an approved lender in the United States Department of Agriculture (USDA) Rural Development Program with 29% of loans originated by IHMC totaling approximately 438 units for $68.1 million.

IHMC is willing to market their lending programs in conjunction with the HOC Mortgage Purchase Program.

IHMC is a FHA and VA approved lender and is already an approved lender with U.S. Bank’s Mortgage Revenue Bond Program (MRBP) division.

**Sandy Spring Bank**

Sandy Spring Bank, a Maryland local institution has been in the community since 1868. They have various locations to include bank branch offices and realtor offices. Throughout the Sandy Spring history, the bank has maintained a mortgage department focused upon satisfying the needs of its clients. This has included conventional, FHA, VA, Jumbo and the Maryland Community Development Administration (CDA) offerings.

Sandy Spring Bank has an obligation under the Community Reinvestment Act (CRA) which was designed to encourage commercial banks and savings associations to help meet the needs of borrowers in all segments of their communities, including low- and moderate-income neighborhoods. Sandy Spring’s overall bank rating was satisfactory but low satisfaction for lending.
Over the past two years, Sandy Spring Bank has averaged approximately 23% of originations in Montgomery County to low-and moderate-income households. During this period, the bank has developed and promoted products for its own portfolio specifically for low-and moderate-income borrowers, independent of any bond programs. Becoming a participating lender will give Sandy Spring the opportunity to provide other affordable options to borrowers. Sandy Spring Bank has participated in the Maryland CDA program. The bank is willing to market their lending programs in conjunction with the HOC Mortgage Purchase Program.

Sandy Spring Bank is a FHA, Fannie and Freddie Mac approved lender and are already an approved lender with U.S. Bank’s MRBP division.

**Servicing**
Under the HOC MBS Program, lenders will release servicing and receive a loan origination fee of between 2% and 0% based on the time lapse between loan origination and purchase. Lenders receive a higher origination fee the earlier the loan is purchased. Servicing is handled through U.S. Bank which the Commission has approved as the Master Servicer.

**ISSUES FOR CONSIDERATION:**
Does the Commission wish to approve Integrity Home Mortgage Corporation and Sandy Spring Bank for participation in the Mortgage Purchase Program?

**PRINCIPALS:**
Integrity Home Mortgage Corporation
Sandy Spring Bank
Housing Opportunities Commission

**BUDGET IMPACT:**
None.

**TIME FRAME:**
Action at the May 7, 2014 meeting of the Commission.

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**
Staff recommends approval of Integrity Home Mortgage Corporation and Sandy Spring Bank for participation in the Mortgage Purchase Program.
RESOLUTION: Approval of New Participating Lenders for the Single Family Mortgage Purchase Program

WHEREAS, the Housing Opportunities Commission of Montgomery County approves lenders to participate in the Mortgage Purchase Program; and

WHEREAS, such participation is continuous and for multiple programs; and

WHEREAS, the Commission has approved an ongoing process for adding new lenders to the Mortgage Purchase Program; and

WHEREAS, Integrity Home Mortgage Corporation and Sandy Spring Bank have applied for participation in the Mortgage Purchase Program; and

WHEREAS, Integrity Home Mortgage Corporation and Sandy Spring Bank have satisfied the required criteria for admittance to the Mortgage Purchase Program.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Integrity Home Mortgage Corporation and Sandy Spring Bank are approved for participation in the Mortgage Purchase Program, effective immediately.

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Patrice M. Birdsong
Special Assistant to the Commission
## Attachment 1

| 1. | APEX HOME LOANS, INC. |
| 2. | BAY CAPITAL MORTGAGE CORP. |
| 3. | C & F MORTGAGE CORPORATION |
| 4. | CALIBER FUNDING LLC |
| 5. | EAGLE BANK (pending bond division approval) |
| 6. | EMBRACE HOME LOANS |
| 7. | FIRST HOME MORTGAGE |
| 8. | HOME BRIDGE FINANCIAL SERVICES, INC. (*Formerly Real Estate Mortgage Network*) |
| 9. | HOMESTEAD FUNDING CORP. |
| 10. | MORTGAGE MASTER, INC. |
| 11. | MONARCH MORTGAGE |
| 12. | NVR MORTGAGE |
| 13. | MOVEMENT MORTGAGE, LLC |
| 14. | PEOPLES HOME MORTGAGE, a division of Peoples Bank |
| 15. | PRESIDENTIAL BANK, FSB |
| 16. | PRIMELENDING |
| 17. | PROSPECT MORTGAGE |
| 18. | PROSPERITY MORTGAGE |
| 19. | STEARNS LENDING, INC. |
| 20. | THE WASHINGTON SAVINGS BANK |
| 21. | UNION MORTGAGE |
| 22. | UNIVERSAL AMERICAN MORTGAGE CO. |
| 23. | WELLS FARGO HOME MORTGAGE |
| 24. | WEICHERT FINANCIAL SERVICES |
Information Exchange
Real Estate

Chevy Chase Lake

On Friday, April 4, 2014, Housing Opportunities Commission (HOC) and Eakin, Youngentob, & Associates (EYA) executed a Purchase and Sale Agreement (PSA) to transfer approximately 3.3 acres of the Chevy Chase Lake Apartments site to EYA as part of the concept redevelopment plan previously approved by Montgomery County Council. With the execution of the agreement, EYA also made its initial $250,000 deposit.

Finance

Finance Team Honored

HOC has again received a Certificate of Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA). This award honors the outstanding work presented in the most recent Comprehensive Annual Financial Report (CAFR).

This award represents the highest form of recognition in governmental accounting and financial reporting and is indicative of the fine work of Chief Financial Officer Gail Willison, Controller Belle Seyoum and her staff.

Congratulations to the entire Finance team!

Legislative and Public Affairs

HOC Archive Initiative

Commissioner Simon and Scott Ellinwood have been working to ensure that HOC's rich history of accomplishment is properly documented and preserved digitally. I understand that boxes have been explored that contain documents and photos dating to 1969.

Some of the early discoveries - or maybe I should say recoveries - are copies of each logo the agency has had since its inception as the Housing Authority of Montgomery County in 1966, news coverage and clippings of each multifamily project, and photos of the original Commission and many subsequent Commissioners.
The project will yield a much more vibrant historical record for the website and for future HOC staffers. It's a nice way to honor the service and success of those who came before us. I think Scott's vision and enthusiasm for the project will only be limited by the budget, so Gail, please make sure you keep him in line.

**PHED Committee Reviews NDA Funding**

On Friday, April 25, I was joined by Chair Pro Tem Banks, and Commissioners Edson and Simon as well as staff from Finance and Resident Services for the PHED Committee's annual review of County funding directed to HOC.

The amount requested in County Executive Leggett's Recommended FY15 Budget represents a 4.6% increase over FY14 funding levels, and I am appreciative of Council support for HOC and our Resident Services initiatives in particular.

**Town Hall Meeting Held**

On Monday, April 21, we held a Town Hall Meeting for clients at the Executive Office Building Cafeteria in Rockville. Commissioner Simon attended the meeting, as did Ann Humphrey from Congressman Van Hollen's office and DHCA Director Rick Nelson.

Our next Town Hall Meeting is scheduled for June 10 at 6:30 p.m. at Springbrook High School in Silver Spring.

**Resident Services**

**Section 3 Program Branded, Launched**

The first pilot of our Section 3 effort, which is called HOC Works, was launched on Wednesday, April 30. An e-mail blast to all FSS participants was distributed and one for participants of the Employment Initiative Program was sent on Monday, May 5. There is a palpable sense of excitement among staff over the potential of the program and you'll be hearing more as we move forward.

**Nancy Scull Honored**

FSS Coordinator Nancy Scull was honored last week with the Roscoe R. Nix Distinguished Community Leadership Award. The Award was established by County Executive Leggett in 2012 as the County's equivalent to the Presidential Medal of Freedom. Nancy was one of three Award winners and was honored for her work with HOC as well as her efforts with the Shepherd's Table Soup Kitchen in Silver Spring. Congratulations to Nancy.
Family Fun Day

Speaking of FSS, the 18th Annual FSS Family Fun Day will be held at Wheaton Regional Park on Sunday, May 10, 2014. This event is always well attended and features great food and a wide range of fun activities for parents and children alike. The day will kick off at 10:00 a.m., and I encourage you to register through Patrice Birdsong and stop by as your calendar permits.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Location</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2014</td>
<td>23rd Annual Affordable Housing Conference (All)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>8 a.m. – 3 p.m.</td>
</tr>
<tr>
<td></td>
<td>Housing Fair &amp; Financial Fitness Day (Activity Center at Bohrer Park, Summit Hall Farm, 506 S. Frederick Ave., Gaithersburg, MD 20877)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>10 a.m. – 3 p.m.</td>
</tr>
<tr>
<td></td>
<td>Budget Finance and Audit Committee (Opportunity Housing) (Roman, Piñero, Edson)</td>
<td>Strathmore Court Apartments, 544 Marinelli Dr., N. Bethesda, MD 20852</td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Commissioner/Executive Staff Retreat (All)</td>
<td>Strathmore Court Apartments, 544 Marinelli Dr., N. Bethesda, MD 20852</td>
<td>9:00 a.m.</td>
</tr>
<tr>
<td></td>
<td>HOC Regular Meeting (All)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Budget, Finance and Audit Committee (General Fund) (Roman, Piñero, Edson)</td>
<td>Wheaton Regional Park – Shelter A, 2000 Shorefield Rd., Silver Spring, MD 20902</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td></td>
<td>Family Fun Day – FSS/GWIFA and NAIFA-GWDC Families</td>
<td>Wheaton Regional Park – Shelter A, 2000 Shorefield Rd., Silver Spring, MD 20902</td>
<td>11 a.m. – 2:30 p.m.</td>
</tr>
<tr>
<td></td>
<td>Legislative and Regulatory Committee (Banks, Roman, Simon)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Information and Communication Committee (Banks, Simon)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Development and Finance Committee (Lindstrom, Piñero, Herrera)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td></td>
<td>Budget, Finance and Audit Committee (Wrap-up)(Roman, Piñero, Edson)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td></td>
<td>Jubilee Ribbon Cutting Ceremony (All) (2408 Falling Creek Road, Silver Spring, MD 20904)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>2 - 4 p.m.</td>
</tr>
<tr>
<td></td>
<td>Agenda Formulation (Piñero, Lindstrom)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Resident Advisory Board (Banks)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Budget, Finance and Audit Committee (3rd Quarter) (Roman, Piñero, Edson)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td></td>
<td>MAHRA Spring Conference (Ocean City, MD)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Executive Session (All)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>2:00 p.m.</td>
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<tr>
<td>June 2014</td>
<td>HOC Regular Meeting (All)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>4:00 p.m.</td>
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<tr>
<td></td>
<td>Staff Appreciation Day (All) (16407 Riffle Ford Rd., Gaithersburg, MD 20878)</td>
<td>Gaithersburg, MD 20878</td>
<td>11 a.m. – 5 p.m.</td>
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<tr>
<td></td>
<td>Town Hall Meeting — (District 4, Springbrook HS Cafeteria, 201 Valley Brook Dr., Silver Spring, MD 20904)</td>
<td>Silver Spring, MD 20904</td>
<td>6:30 p.m.</td>
</tr>
<tr>
<td></td>
<td>Information and Communication Committee (Banks, Simon)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Executive Session (All)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td></td>
<td>Resident Advisory Board (Banks)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>HAND Annual Meeting and Award Luncheon (All) (Omni Shoreham Hotel, Ambassador Ballroom, 2500 Calvert Street, Washington, DC)</td>
<td>Washington, DC 20001</td>
<td>9 a.m. – 3 p.m.</td>
</tr>
<tr>
<td></td>
<td>Tony Davis Scholarship Review Committee</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>12:00 noon</td>
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<tr>
<td></td>
<td>Development and Finance Committee (Lindstrom, Piñero, Herrera)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>11:30 p.m.</td>
</tr>
<tr>
<td>July 2014</td>
<td>Independence Day (HOC Closed)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agenda Formulation (Piñero, Banks)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>HOC Regular Meeting and Tony Davis Award Ceremony (Tony Davis Award Reception, 3:00 p.m.) (All)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Information and Communication Committee (Banks, Simon)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Resident Advisory Board (Banks)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Legislative and Regulatory Committee (Banks, Roman, Simon)</td>
<td>Bethesda N. Marriott Conference Center</td>
<td>2:00 p.m.</td>
</tr>
</tbody>
</table>

Updates and changes in RED

May 7, 2014
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>Development and Finance Committee <em>(Lindstrom, Piñero, Herrera)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>24</td>
<td>Executive Session <em>(All)</em></td>
<td>1:30 p.m.</td>
</tr>
<tr>
<td>28</td>
<td>Agenda Formulation <em>(Piñero, Banks)</em></td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>30</td>
<td>Planning Committee <em>(Roman, Edson, Lindstrom)</em></td>
<td>11:30 a.m.</td>
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</tbody>
</table>

**August 2014**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>14</td>
<td>Information and Communication Committee <em>(Banks, Simon)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>21</td>
<td>Development and Finance Committee <em>(Lindstrom, Piñero, Herrera)</em></td>
<td>11:30 a.m.</td>
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<tr>
<td>25</td>
<td>Agenda Formulation <em>(Piñero, Herrera)</em></td>
<td>1:00 p.m.</td>
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</table>

**September 2014**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Time</th>
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<tbody>
<tr>
<td>1</td>
<td>Labor Day <em>(HOC Closed)</em></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>11</td>
<td>Information and Communication Committee Meeting <em>(Banks, Simon)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>15</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td>16</td>
<td>Budget, Finance and Audit Committee *(4th Quarter &amp; CIP) <em>(Piñero, Roman, Edson)</em></td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>18</td>
<td>Development and Finance Committee <em>(Lindstrom)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>22</td>
<td>Agenda Formulation <em>(Piñero, Herrera)</em></td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>23</td>
<td>Legislative and Regulatory Committee <em>(Banks, Lindstrom)</em></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>24</td>
<td>Planning Committee <em>(Roman, Edson, Lindstrom)</em></td>
<td>11:30 a.m.</td>
</tr>
</tbody>
</table>

**October 2014**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>14</td>
<td>Budget, Finance and Audit Committee <em>(Piñero, Roman, Edson)</em></td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>14</td>
<td>HOC Meeting w/County Council <em>(All)</em></td>
<td>12:00 noon</td>
</tr>
<tr>
<td>15</td>
<td>Information and Communication Committee Meeting <em>(Banks, Simon)</em></td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>16</td>
<td>Development and Finance Committee <em>(Lindstrom, Piñero, Herrera)</em></td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>20</td>
<td>Resident Advisory Board <em>(Banks)</em></td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td>27</td>
<td>Agenda Formulation <em>(Piñero, Edson)</em></td>
<td>1:00 p.m.</td>
</tr>
</tbody>
</table>

**Activities of Interest**

| TBD   | Joint Meeting with Commission on People with Disabilities |
| TBD   | Joint Meeting with the Planning Board                 |

**changes/additions in red**

May 7, 2014
<table>
<thead>
<tr>
<th>Ref. #</th>
<th>DUE DATE</th>
<th>ACTION</th>
<th>STAFF</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TD-14-01</td>
<td>Third Quarter 2014</td>
<td>Property Tour with Commissioners</td>
<td>LPA</td>
<td>TBD</td>
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<tr>
<td>TD-14-02</td>
<td>May 6, 2014</td>
<td>Commissioners and Executive Staff Retreat</td>
<td>PB</td>
<td>May 6</td>
</tr>
<tr>
<td>TD-14-03</td>
<td>May 6, 2014</td>
<td>Worksession – Status of HOC Reorganization</td>
<td></td>
<td>In Process</td>
</tr>
<tr>
<td>TD-14-04</td>
<td>First Quarter 2015</td>
<td>Annual Evaluation of the HUBs – what things are working and what needs improvement (July 1)</td>
<td></td>
<td>In Process</td>
</tr>
<tr>
<td>TD-14-05</td>
<td>August 2014</td>
<td>HOC Academy</td>
<td></td>
<td>In Process</td>
</tr>
<tr>
<td>TD-14-06</td>
<td>August 2014</td>
<td>Property Assessment Tool</td>
<td></td>
<td>In Process</td>
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</tbody>
</table>
Committee Reports and Recommendations for Action
APPROVAL OF PRELIMINARY DEVELOPMENT PLANS AND SELECTION OF ARCHITECTS AND GENERAL CONTRACTORS FOR SIX PUBLIC HOUSING DEVELOPMENTS APPROVED FOR DISPOSITION UNDER THE RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM

FAMILY PUBLIC HOUSING

STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN
ZACHARY MARKS
JAY SHEPHERD

May 7, 2014
RAD 6 Stabilization are six (6) multifamily public housing developments approved for disposition and conversion from traditional public housing to Section 8 project based assistance under the housing choice voucher program pursuant to the Rental Assistance Demonstration (RAD).

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- Executive Summary ................................................................. 3
- Preliminary Development Plan
  - Sources and Uses ........................................................................ 5
  - Estimated Timeline(s) ................................................................. 6
  - Renovation Program ..................................................................... 7
  - Predevelopment Funding Schedule .............................................. 8
  - Property Locations ........................................................................ 9
  - Unit Mix and BR Counts ............................................................... 10
  - Financing Update ......................................................................... 11
  - FY2016 Stabilized Operations ....................................................... 12
  - Transaction Rationale ................................................................. 13
- Selection of Architectural Team .................................................... 14
- Pre-Qualification and Selection of General Contractor(s) ............. 17
- Summary and Recommendations ................................................ 20
Executive Summary

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

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

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

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

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

- Applying the criteria described above, the two highest overall scores for architects were received from Bennett Frank McCarthy and Karl Reidel Architects, and four highest overall scores for general contractors were received from Foulger-Pratt, Capital Building Partners, Colossal Construction, and Efficient Home, LLC.

- Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and approve the Preliminary Development Plans and the selection of architects and general contractors for the RAD 6 developments approved for disposition under the Rental Assistance Demonstration program.

May 7, 2014
Executive Summary

HOC has obtained approval from HUD to convert six (6) properties from traditional public housing to Section 8 project based assistance under the housing choice voucher program pursuant to the Rental Assistance Demonstration (RAD) process.

As part of implementing the RAD conversion process, HOC seeks approval to carry out “like-kind” renovations for all 268 units at the six properties.

Disposition supports FHA Risk Sharing Bond Issuance

Bond proceeds to renovate 268 units $9.1M

Earned Commitment and Development Fees to HOC $1.3M

CFFP* Repayment $1.9M

*Rental Assistance Demonstration (RAD) Disposition Process

* CFFP (Capital Fund Financing Program)

May 7, 2014
## Preliminary Development Plan Summary

### Sources and Uses

<table>
<thead>
<tr>
<th>Expenditure Schedule</th>
<th>Cost Element</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acquisition Costs (CFFP Repayment)</td>
<td>1,900,000</td>
</tr>
<tr>
<td></td>
<td>Rehab / Construction</td>
<td>9,164,767</td>
</tr>
<tr>
<td></td>
<td>Commitment / Development Fees to HOC</td>
<td>1,327,770</td>
</tr>
<tr>
<td></td>
<td>Capital Reimbursement</td>
<td>1,638,077</td>
</tr>
<tr>
<td></td>
<td>Fees / Misc. Expenses</td>
<td>1,189,012</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$15,219,626</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding Schedule</th>
<th>Funding Source</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bond Financing</td>
<td>14,619,626</td>
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<tr>
<td></td>
<td>Capital Fund Program</td>
<td>600,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$15,219,626</strong></td>
</tr>
</tbody>
</table>
Preliminary Development Plan Summary

Estimated Timeline(s)

Conversion

• **CHAP Issued:** December 18, 2013
• **Financing Plan:** 180 days after CHAP issuance
• **HUD Approvals:** 90 days after Financing Plan submittal

Financing

• **Due Diligence:** December 18, 2013 – May 18, 2014
• **FHA Risk Sharing Commitment:** 150 days after CHAP issuance
• **Financing Plan:** 180 days after CHAP issuance
• **Estimate Closing:** October 2014

Design and Renovation

• **Team Assembly:** May 2014
• **Design Documents:** August 2014
• **Renovation Kickoff:** December 2014
Preliminary Development Plan Summary

Renovation Program

The project entails the Green Renovation of 268 single family and townhome dwellings in six principal locations in Montgomery County.

HOC seeks to provide an elevated Standard of Quality based on market comparables that are energy efficient and cost effective for long-term ownership.

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

Interior work, such as replacement of:
- Kitchens and bathrooms (appliances, cabinets, fixtures, finishes)
- Flooring and Painting
- HVAC systems, Electrical modifications

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

Based upon a product specifications book, the units will be finished with a standard set of energy efficient appliances, lighting and windows.
Preliminary Development Plan Summary

Predevelopment Funding Schedule

Capital Fund Program allocates $100,000 per property for predevelopment activities. The total available is $600,000. Staff anticipates the costs related to RAD disposition to be $596,475 in accordance with the table below.

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>Budget</th>
<th>Expended</th>
<th>Balance Available</th>
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</thead>
<tbody>
<tr>
<td>A&amp;E Schematic Design</td>
<td>$172,465</td>
<td>-</td>
<td>$172,465</td>
</tr>
<tr>
<td>Appraisal (s)</td>
<td>42,000</td>
<td>-</td>
<td>42,000</td>
</tr>
<tr>
<td>Engineering (Property Condition Assessments)</td>
<td>35,140</td>
<td>-</td>
<td>35,140</td>
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<tr>
<td>Environmental Phase I (s)</td>
<td>14,296</td>
<td>-</td>
<td>14,296</td>
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<tr>
<td>Survey (s)</td>
<td>88,900</td>
<td>-</td>
<td>88,900</td>
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<tr>
<td>RAD Consultant</td>
<td>176,079</td>
<td>47,439</td>
<td>128,640</td>
</tr>
<tr>
<td>Legal/Cost Certification</td>
<td>20,400</td>
<td>-</td>
<td>20,400</td>
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<tr>
<td>Contingency</td>
<td>47,195</td>
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<tr>
<td>Total</td>
<td>$596,475</td>
<td>$47,439</td>
<td>$549,036</td>
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</table>

May 7, 2014
## Unit Mix and BR* counts

<table>
<thead>
<tr>
<th>Property</th>
<th>Year Built (Renovated)</th>
<th>Product Type</th>
<th>Units</th>
<th>Market Rate Units</th>
<th>Occupancy (as of 3/31/14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Square</td>
<td>1968/2002</td>
<td>Townhouse</td>
<td>50</td>
<td>50%</td>
<td>90%</td>
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<tr>
<td>Seneca Ridge</td>
<td>1970/2008</td>
<td>Townhouse</td>
<td>71</td>
<td>10%</td>
<td>89%</td>
</tr>
<tr>
<td>Towne Centre Place</td>
<td>1986</td>
<td>Townhouse</td>
<td>49</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>Sandy Spring Meadow</td>
<td>1980</td>
<td>Townhouse and SFD</td>
<td>55</td>
<td>10%</td>
<td>89%</td>
</tr>
<tr>
<td>Parkway Woods</td>
<td>1980</td>
<td>Townhouse</td>
<td>24</td>
<td>10%</td>
<td>87%</td>
</tr>
<tr>
<td>Sandy Spring Meadow</td>
<td></td>
<td></td>
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<tr>
<td>KenGar</td>
<td>1979</td>
<td>Townhouse and SFD</td>
<td>19</td>
<td>10%</td>
<td>89%</td>
</tr>
<tr>
<td>Total Unit Count</td>
<td></td>
<td></td>
<td>268</td>
<td>18.3% Avg.</td>
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</table>

<table>
<thead>
<tr>
<th>BRs</th>
<th>Parkway Woods</th>
<th>BR Count</th>
<th>Towne Centre Place (Olney)</th>
<th>BR Count</th>
<th>Sandy Spring Meadow</th>
<th>BR Count</th>
<th>Washington Square</th>
<th>BR Count</th>
<th>Ken Gar</th>
<th>BR Count</th>
<th>Seneca Ridge</th>
<th>BR Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>5</td>
<td>5</td>
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<tr>
<td>2</td>
<td>9</td>
<td>18</td>
<td>20</td>
<td>40</td>
<td>25</td>
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<td>10</td>
<td>20</td>
<td>7</td>
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<td>9</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>9</td>
<td>18</td>
<td>20</td>
<td>60</td>
<td>22</td>
<td>66</td>
<td>32</td>
<td>96</td>
<td>5</td>
<td>15</td>
<td>40</td>
<td>120</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>12</td>
<td>8</td>
<td>32</td>
<td>7</td>
<td>28</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>48</td>
<td>49</td>
<td>109</td>
<td>55</td>
<td>133</td>
<td>50</td>
<td>148</td>
<td>19</td>
<td>57</td>
<td>71</td>
<td>220</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BRs/Unit</th>
<th>2.00</th>
<th>2.22</th>
<th>2.42</th>
<th>2.96</th>
<th>3.00</th>
<th>3.10</th>
</tr>
</thead>
</table>

Total Number of Units: 268
Total Number of BRs: 715
Average BRs Per Unit: 2.67

* BR = bedroom

The average number of 2.67 bedrooms per unit desired by families.

May 7, 2014
Financing Update

Debt

<table>
<thead>
<tr>
<th>Max Mortgage Amount</th>
<th>$14,619,626</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>30</td>
</tr>
<tr>
<td>Interest Rate*</td>
<td>5.00%</td>
</tr>
<tr>
<td>Debt Service Constant</td>
<td>6.44%</td>
</tr>
<tr>
<td>MIP</td>
<td>0.50%</td>
</tr>
<tr>
<td>&quot;All-In&quot; Rate</td>
<td>6.94%</td>
</tr>
<tr>
<td>Debt Coverage Ratio Target (2016)</td>
<td>1.20</td>
</tr>
<tr>
<td>NOI</td>
<td>$1,217,849</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$1,013,186</td>
</tr>
</tbody>
</table>

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

Impacts

Annual Replacement Reserves: $340 Per Unit
Initial Deposit Replacement Reserves: $500 Per Unit

Fees to HOC: $1,327,770
Includes approx. $300,000 Finance Fee and $1,000,000 Development Fee

Due Diligence Expenses: $552,804 + Contingency (~8.5%)

May 7, 2014
## Fiscal Year 2016 (Stabilized) Operating

<table>
<thead>
<tr>
<th>Property</th>
<th>Ken Gar</th>
<th>Parkway Woods</th>
<th>Sandy Spring Meadow</th>
<th>Seneca Ridge</th>
<th>Towne Centre Place</th>
<th>Washington Square</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AFFORDABLE UNITS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total units</td>
<td>19</td>
<td>24</td>
<td>55</td>
<td>71</td>
<td>49</td>
<td>50</td>
<td>268</td>
</tr>
<tr>
<td><strong>MARKET UNITS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total units</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>8</td>
<td>5</td>
<td>25</td>
<td>49</td>
</tr>
<tr>
<td><strong>TOTAL UNITS</strong></td>
<td>21</td>
<td>27</td>
<td>51</td>
<td>81</td>
<td>54</td>
<td>75</td>
<td>268</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET RENTAL INCOME</strong></td>
<td>$205,202</td>
<td>$10,800</td>
<td>$260,229</td>
<td>$10,843</td>
<td>$452,339</td>
<td>$8,224</td>
<td>$800,986</td>
<td>$11,281</td>
</tr>
<tr>
<td></td>
<td>$380,035</td>
<td>$7,756</td>
<td>$572,808</td>
<td>$11,456</td>
<td>$452,339</td>
<td>$8,224</td>
<td>$800,986</td>
<td>$11,281</td>
</tr>
<tr>
<td><strong>TOTAL OTHER INCOME</strong></td>
<td>$8,837</td>
<td>$465</td>
<td>$13,993</td>
<td>$583</td>
<td>$27,373</td>
<td>$498</td>
<td>$57,956</td>
<td>$816</td>
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<tr>
<td></td>
<td>$36,787</td>
<td>$751</td>
<td>$58,691</td>
<td>$1,174</td>
<td>$36,787</td>
<td>$751</td>
<td>$58,691</td>
<td>$1,174</td>
</tr>
<tr>
<td><strong>EFFECTIVE GROSS INCOME</strong></td>
<td>$214,039</td>
<td>$11,265</td>
<td>$274,223</td>
<td>$11,426</td>
<td>$479,712</td>
<td>$8,722</td>
<td>$858,942</td>
<td>$12,098</td>
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<td>$416,822</td>
<td>$8,507</td>
<td>$631,499</td>
<td>$12,630</td>
<td>$416,822</td>
<td>$8,507</td>
<td>$631,499</td>
<td>$12,630</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>$126,241</td>
<td>$6,644</td>
<td>$169,172</td>
<td>$11,265</td>
<td>$274,501</td>
<td>$4,991</td>
<td>$395,968</td>
<td>$5,577</td>
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<tr>
<td></td>
<td>$276,876</td>
<td>$6,561</td>
<td>$323,537</td>
<td>$6,471</td>
<td>$276,876</td>
<td>$6,561</td>
<td>$323,537</td>
<td>$6,471</td>
</tr>
<tr>
<td><strong>REPLACEMENT RESERVE</strong></td>
<td>$6,458</td>
<td>$340</td>
<td>$8,158</td>
<td>$340</td>
<td>$18,695</td>
<td>$340</td>
<td>$24,133</td>
<td>$340</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$132,699</td>
<td>$7,289</td>
<td>$177,330</td>
<td>$6,644</td>
<td>$293,196</td>
<td>$5,331</td>
<td>$420,101</td>
<td>$5,917</td>
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<tr>
<td></td>
<td>$293,531</td>
<td>$6,351</td>
<td>$340,532</td>
<td>$6,811</td>
<td>$293,531</td>
<td>$6,351</td>
<td>$340,532</td>
<td>$6,811</td>
</tr>
<tr>
<td><strong>NET OPERATING INCOME</strong></td>
<td>$81,340</td>
<td>$4,281</td>
<td>$96,893</td>
<td>$4,037</td>
<td>$186,516</td>
<td>$3,391</td>
<td>$438,841</td>
<td>$6,181</td>
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<tr>
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<td>$123,291</td>
<td>$2,516</td>
<td>$290,967</td>
<td>$5,819</td>
<td>$123,291</td>
<td>$2,516</td>
<td>$290,967</td>
<td>$5,819</td>
</tr>
<tr>
<td><strong>TOTAL DEBT SERVICE</strong></td>
<td>$70,112</td>
<td>$83,518</td>
<td>$160,769</td>
<td>$378,263</td>
<td>$106,272</td>
<td>$250,802</td>
<td>$1,049,735</td>
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<tr>
<td><strong>NET CASH FLOW</strong></td>
<td>$11,228</td>
<td>$13,375</td>
<td>$25,747</td>
<td>$60,578</td>
<td>$17,019</td>
<td>$40,166</td>
<td>$168,114</td>
<td></td>
</tr>
<tr>
<td><strong>DEBT COVERAGE RATIO</strong></td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
</tr>
</tbody>
</table>
Transaction Rationale

HOC Benefits

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

• Equity for affordable housing.

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

Serving our Residents

• Addressing deferred maintenance for improving housing quality standards.

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

• Providing residents flexibility in housing choices.
## Selection of Architectural Team

**RFP #1914 – Request for Proposals**

Issued February 7, 2014. Responses Received February 28, 2014

### Scoring Summary

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Team Qualifications (10%), Comparable Size (5%), Comparable Scope (5%)</th>
<th>Experience in affordable housing (15%), Montgomery County Building Codes (15%)</th>
<th>References (25%)</th>
<th>Price (25%)</th>
<th>Total Percentage (100%)</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bennett Frank McCarthy</td>
<td>9.7</td>
<td>14.7</td>
<td>24.0</td>
<td>23.0</td>
<td>96.0</td>
<td>1</td>
</tr>
<tr>
<td>Karl Riedel Architecture, P.C.</td>
<td>8.7</td>
<td>12.7</td>
<td>23.3</td>
<td>25.0</td>
<td>88.7</td>
<td>2</td>
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<tr>
<td>ATI, Inc.</td>
<td>9.3</td>
<td>14.7</td>
<td>16.7</td>
<td>12.3</td>
<td>76.3</td>
<td>3</td>
</tr>
<tr>
<td>Zavos Architecture and Design</td>
<td>8.7</td>
<td>15.0</td>
<td>16.0</td>
<td>9.7</td>
<td>74.0</td>
<td>4</td>
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<tr>
<td>DCI Architects / HALLC</td>
<td>7.7</td>
<td>10.3</td>
<td>13.3</td>
<td>14.3</td>
<td>65.7</td>
<td>5</td>
</tr>
<tr>
<td>Rutkove Building Consultants, LLC</td>
<td>6.0</td>
<td>10.0</td>
<td>20.0</td>
<td>2.0</td>
<td>57.7</td>
<td>6</td>
</tr>
<tr>
<td>GTM Architects</td>
<td>6.0</td>
<td>7.0</td>
<td>16.7</td>
<td>0.3</td>
<td>52.0</td>
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</table>

May 7, 2014
Selection of Architectural Team (Continued)

RFP #1914 – Recommendations

• Pricing Summary

<table>
<thead>
<tr>
<th>Firm</th>
<th>Total Pricing</th>
<th>Per Unit Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karl Riedel Architecture</td>
<td>$165,850</td>
<td>$619</td>
</tr>
<tr>
<td>Bennett Frank McCarthy</td>
<td>$183,450</td>
<td>$685</td>
</tr>
<tr>
<td>DCI Architects /HALLC</td>
<td>$381,200</td>
<td>$1,422</td>
</tr>
<tr>
<td>ATI, Inc.</td>
<td>$395,810</td>
<td>$1,477</td>
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<td>Zavos Architecture</td>
<td>$425,260</td>
<td>$1,587</td>
</tr>
<tr>
<td>Rutkove Building Consultants</td>
<td>$652,000</td>
<td>$2,433</td>
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<tr>
<td>GTM Architects</td>
<td>$1,501,027</td>
<td>$5,601</td>
</tr>
</tbody>
</table>

• Recommendations

• The two highest scoring firms to RFP 1914 are Bennett Frank McCarthy and Karl Riedel Architecture.

• Bennett Frank McCarthy
  • To Be Awarded Washington Square, Seneca Ridge, and Parkway Woods
    • Bennett Frank McCarthy is based in Silver Spring, MD and well-known for high quality and low-cost design work. This firm is most appropriate for renovations and new construction of affordable garden housing.
    • HOC has used Bennett Frank McCarthy for several previous contracts of similar types, including Greenhills Apartments and 669 Public Housing Disposition.
    • Staff are pleased with their abilities, value-oriented mindset, and reasonable pricing structures.

• Karl Riedel Architecture, P.C.
  • To Be Awarded Ken Gar, Sandy Spring Meadow, and Towne Centre Place (Olney)
    • Karl Riedel Architecture is a firm based in Loudoun, VA that is strong in mid-rise and garden style market-rate residential housing communities.
    • Depth of experience with market rate, single-family homes, in-place tenant renovations.
    • They are also proficient at construction document detailing, thus reducing costly change orders in the field.
    • Partnered with CTA Consulting Engineers for MEP.
## Selection of Architectural Team (Continued)

### RFP #1914 – Pricing Summary by Property

<table>
<thead>
<tr>
<th>Bennett Frank McCarthy</th>
<th>Units</th>
<th>Phase One – Scope</th>
<th>Phase Two - Schematic Design</th>
<th>Total Predevelopment Cost by Project - All Disciplines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Square</td>
<td>50</td>
<td>6,900</td>
<td>23,650</td>
<td>30,550</td>
</tr>
<tr>
<td>Seneca Ridge</td>
<td>71</td>
<td>6,900</td>
<td>21,650</td>
<td>28,550</td>
</tr>
<tr>
<td>Parkway Woods</td>
<td>24</td>
<td>6,500</td>
<td>25,750</td>
<td>32,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>145</td>
<td><strong>$20,300</strong></td>
<td><strong>$71,050</strong></td>
<td><strong>$91,350</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Karl Riedel Architecture, P.C.</th>
<th>Units</th>
<th>Phase One – Scope</th>
<th>Phase Two - Schematic Design</th>
<th>Total Predevelopment Cost by Project - All Disciplines</th>
</tr>
</thead>
<tbody>
<tr>
<td>KenGar</td>
<td>19</td>
<td>Incl.</td>
<td>27,440</td>
<td>27,440</td>
</tr>
<tr>
<td>Towne Centre Place Olney</td>
<td>49</td>
<td>Incl.</td>
<td>26,837</td>
<td>26,837</td>
</tr>
<tr>
<td>Sandy Spring Meadow</td>
<td>55</td>
<td>Incl.</td>
<td>26,838</td>
<td>26,838</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>123</td>
<td><strong>$81,115</strong></td>
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<td><strong>$81,115</strong></td>
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</tbody>
</table>

**Combined A&E Spending:** $172,465
Pre-Qualification and Selection of General Contractor

Issued February 21, 2014. Responses Received March 21, 2014

• Qualification Requirements

  • Project of Similar Scope (residential townhouse/SFD, tenant in place)
  • Projects of Similar Size (> $2MM)
  • Familiarity with Montgomery County Storm Water Management and Building Codes
  • Financial Capacity and Bonding
  • HUD 2530 Approval
  • Davis-Bacon, Section 3, and Section 504 Experience Desired
  • Maryland General Contractor’s license
  • Description of company’s procedures for handling tenant personal property
  • Description of company’s staffing and approach to project delivery
<table>
<thead>
<tr>
<th>Rank</th>
<th>Firm</th>
<th>Experience and Project Capacity</th>
<th>Experience and Project Capacity Notes</th>
<th>Financial Capacity</th>
<th>Financial Capacity Notes</th>
<th>Contractor Qualifications</th>
<th>Contractor Qualifications Notes</th>
<th>Contractor Approach to Schedule</th>
<th>Contractor Approach to Schedule Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FOULGER- PRATT</td>
<td>25</td>
<td>Highest rank due to project similarities</td>
<td>25</td>
<td>Strong Financial Capacity exhibited in Financial Stats and Bonding</td>
<td>32</td>
<td>Mix of commercial work not applying to scope</td>
<td>13</td>
<td>Met threshold requirements</td>
<td>95</td>
</tr>
<tr>
<td>2</td>
<td>CAPITAL BUILDING PARTNERS</td>
<td>24</td>
<td>Similar size and scope, 669 projects for HOC.</td>
<td>22</td>
<td>New company</td>
<td>33</td>
<td>Great experience with similar scope</td>
<td>13</td>
<td>Met threshold requirements</td>
<td>92</td>
</tr>
<tr>
<td>3</td>
<td>EFFICIENT HOME LLC</td>
<td>23</td>
<td>Good experience with capabilities</td>
<td>23</td>
<td>Good Financial Capacity</td>
<td>33</td>
<td>Good Experience</td>
<td>13</td>
<td>Met threshold requirements</td>
<td>92</td>
</tr>
<tr>
<td>4</td>
<td>COLOSSAL CONTRACTORS</td>
<td>20</td>
<td>Good experience with project capabilities</td>
<td>20</td>
<td>Medium Sized Company</td>
<td>29</td>
<td>Very good experience with government</td>
<td>14</td>
<td>Best</td>
<td>83</td>
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<tr>
<td>5</td>
<td>CENTENNIAL CONTRACTORS ENTERPRISES, INC.</td>
<td>11</td>
<td>Similar projects in Baltimore county.</td>
<td>20</td>
<td>Good financial</td>
<td>30</td>
<td>Good Experience</td>
<td>12</td>
<td>Met threshold requirements</td>
<td>73</td>
</tr>
<tr>
<td>6</td>
<td>DEKO CONSTRUCTION CO.</td>
<td>15</td>
<td>Good experience with capabilities</td>
<td>10</td>
<td>No information</td>
<td>28</td>
<td>completed many projects for government</td>
<td>10</td>
<td>Decent approach</td>
<td>63</td>
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<tr>
<td>7</td>
<td>E&amp;R SERVICES INC</td>
<td>12</td>
<td>Not many projects of similar scope or size</td>
<td>13</td>
<td>Did not meet Financial thresholds.</td>
<td>20</td>
<td>Better than average, just small project work.</td>
<td>13</td>
<td>Decent approach</td>
<td>58</td>
</tr>
<tr>
<td>8</td>
<td>FREELAND CONSTRUCTION CO. INC.</td>
<td>12</td>
<td>Substantially less experience than others.</td>
<td>15</td>
<td>Did not meet Financial thresholds.</td>
<td>5</td>
<td>No Specified</td>
<td>10</td>
<td>Did not meet threshold requirements</td>
<td>42</td>
</tr>
<tr>
<td>9</td>
<td>WORKING BOOTS HOME IMPROVEMENT LLC</td>
<td>10</td>
<td>No information provided</td>
<td>10</td>
<td>Did not meet Financial thresholds.</td>
<td>5</td>
<td>Provided no qualifications</td>
<td>5</td>
<td>Did not meet threshold requirements</td>
<td>30</td>
</tr>
</tbody>
</table>
Pre-Qualification and Selection of General Contractor (Continued)

RFP #1913 – Recommendations

- Met Qualification Requirements
- Recommendations

- Projects of Similar Scope (residential townhouse/SFD, tenant in place)
- Maryland General Contractor’s license
- Davis-Bacon, Section 3, and Section 504 Experience
- HUD 2530 Approved (Note: Checking Colossal Contractors Approvals)
- Projects of Similar Size (> $2MM)
- Familiarity with Montgomery County Storm Water Management and Building Codes
- Robust Financial Capacity and Bonding

Recommendations:

- FOULGER-PRATT
- CAPITAL BUILDING PARTNERS
- EFFICIENT HOME LLC
- COLOSSAL CONTRACTORS

May 7, 2014
Summary and Recommendations

Issues for Consideration

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

Fiscal / Budget Impact

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

Predevelopment Cost Schedule

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants - Predisposition and Closing</td>
<td></td>
</tr>
<tr>
<td>A&amp;E Schematic Design</td>
<td>$172,465</td>
</tr>
<tr>
<td>Appraisal</td>
<td>$42,000</td>
</tr>
<tr>
<td>Engineering (PNA) - Actual</td>
<td>$53,140</td>
</tr>
<tr>
<td>Environmental Phase I</td>
<td>$15,000</td>
</tr>
<tr>
<td>Survey</td>
<td>$89,000</td>
</tr>
<tr>
<td>RAD Consultant</td>
<td>$160,800</td>
</tr>
<tr>
<td>Legal/Cost Certification</td>
<td>$20,400</td>
</tr>
<tr>
<td>Contingency</td>
<td>$47,195</td>
</tr>
<tr>
<td>Total</td>
<td>$600,000</td>
</tr>
</tbody>
</table>

Funding Schedule

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

Time Frame

Action at the May 7, 2014 meeting of the Commission.

Staff Recommendation and Commission Action Needed

- Staff recommends that the Commission accept the recommendation of the Development and Finance Committee to approve Preliminary Development Plans and selection of architects and general contractor pool for six multifamily public housing developments approved for disposition under the Rental Assistance Demonstration Program (RAD).

- Staff also recommends approval for the Executive Director to negotiate and execute a contract with Karl Riedel Architects and Bennett Frank McCarthy Architects for an amount not to exceed $175,000.
RESOLUTION: RE: Approval of Preliminary Development Plans and Selection of Architects and General Contractors for Six Public Housing Developments Approved for Disposition under the Rental Assistance Demonstration (RAD) Program

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

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

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

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

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

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

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

WHEREAS, applying the criteria described above, the two highest overall scores for architects were received from Bennett Frank McCarthy and Karl Riedel Architects, and four highest overall scores for general contractors were received from Foulger-Pratt, Capital Building Partners, Colossal Construction, and Efficient Home, LLC; and

WHEREAS, the Commission has prepared Preliminary Development Plans by which the architects and general contractors develop a viable scope of work and development plan that will meet the properties immediate and long-term physical needs.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the Preliminary Development Plans for the in place rehabilitation of the RAD 6 properties that include Parkway Woods, KenGar, Sandy Spring Meadow, Towne Centre Place, Seneca Ridge and Washington Square.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the selection of Bennett Frank McCarthy and Karl Riedel Architects as the architects, and authorizes the Executive Director to enter into contract with the aforementioned for this purpose with the final price of the contracts to be negotiated but not to exceed $175,000 based on submitted proposals.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the selection of Foulger-Pratt, Capital Building Partners, Colossal Construction, and Efficient Home, LLC as the pool of general contractors for the rehabilitation in place of the RAD 6 with final contracts to be negotiated and submitted to the Commission for approval upon completion of final development plans.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission at a regular meeting conducted on May 7, 2014.

S ______________________________________
E Patrice M. Birdsong
A Special Assistant to the Commission
APPROVAL OF PREDEVELOPMENT PLANS, ENTITY FORMATION, TRANSFER OF REAL ESTATE, AND SELECTION OF ARCHITECT FOR ARCOLA TOWER AND WAVERLY HOUSE APPROVED FOR DISPOSITION UNDER THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM (RAD)

Silver Spring & Bethesda

STACY L. SPANN, EXECUTIVE DIRECTOR
KAYRINE V. BROWN
KELLY MCLAUGHLIN
ZACHARY MARKS
CHRISTOPHER DONALD

MAY 7, 2014
Arcola Towers and Waverly House are two (2) Public Housing-assisted age-restricted developments approved for participation in the Rental Assistance Demonstration (“RAD”) program, which converts Public Housing rental assistance to Project-Based Section 8 rental assistance. A requirement of conversion is the satisfaction of all building physical needs. This packet outlines the initial development and financing plans for the required comprehensive renovation, the selection of the development team and structures for the ownership entities.

• Executive Summaries
• Property Locations
• Preliminary Development Plan
  – Transaction Rationale
  – Scope of Work
  – Unit Mix & Rent Supplementation
  – Preliminary Underwriting
• Selection of Design & Development Team
• Projected Development Period Spending
• Structure of the Ownership Entities
• Summary and Recommendations
Executive Summary

• On July 30, 2013, the Housing Opportunities Commission of Montgomery County (“HOC”) approved participation in the RAD program and authorized evaluation of a portfolio disposition of its entire Public Housing assets. On November 6, 2013, the Commission approved the performance of feasibility analyses for each property in the public housing inventory of the Commission to determine the ultimate scope of work to be conducted in the rehabilitation and redevelopment of these properties and the use of Capital Fund Program (CFP) funds to pay for feasibility studies and RAD related fees.

• On December 18, 2013, HUD awarded a Commitment to Enter a Housing Assistance Payment contract (“CHAP”) to Arcola Towers and Waverly House each.

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

• Staff solicited proposals from architects interested in providing renovation services on an as-needed basis for Arcola Towers and Waverly House (the “Properties”), releasing RFP No. 1916 for Architectural Services on April 1, 2014.

• The highest overall score among the architects was received by Architecture By Design, Inc. (“ABD”); and the second highest overall score among the architects was received by Miner Feinstein Architects (“MFA”). MFA bid only on Arcola Towers and offered the lowest price of any bidder. As such, staff recommends awarding Waverly House to ABD and Arcola Towers to MFA.

• Both projects generate fully paid development fee and require no Commission cash investment as part of the permanent financing.

• Each project can benefit from tax credit equity raised through the allocation of Low Income Housing Tax Credits to an investor partner. The properties would each be owned by a limited partnership which would allocate the Low Income Housing Tax Credits to an investor in return for equity. Applications for Low Income Housing Tax Credits also require evidence of site control by the limited partnerships.
Executive Summary

• Staff recommends the following actions by the Commission:

1. Acceptance of the recommendation of the Development and Finance Committee to approve the preliminary development plans for Arcola Towers and Waverly House approved for disposition under the RAD Program.

2. Approval of the selection of Miner Feinstein Architects as the architect for the development phase of Arcola Towers and authorization for the Executive Director to execute a contract for $130,799.

3. Approval of the selection of Architecture By Design as the architect for the development phase of Waverly House and authorization for the Executive Director to execute a contract for $218,000.

4. Approval of the following entity structure:
   - creation of two special purpose entity limited partnerships, in which the general partners are HOC-controlled entities;
   - creation of two special purpose entity limited liability companies, wholly-owned by HOC, to serve as the general partners of the tax credit limited partnerships;
   - admission of HOC as the initial limited partner in each tax credit limited partnership.

5. Approval to enter into the initial limited partnership agreements and operating agreements at this time to facilitate the applications for Low Income Housing Tax Credits.

6. Approval for the execution of preliminary purchase and sale agreements between HOC and the tax credit limited partnerships for the transfer of the properties at the time of the financing closing.
Abutting Sligo Creek Park, Arcola Towers sits among an island of high-rise rental and condominium buildings east of Wheaton along University Boulevard West. Arcola Towers is currently assisted by Public Housing subsidy. The capital funding levels within the Public Housing program have inadequately met physical need. Residents are generally happy: however, the building is dated, uses energy inefficiently, and has some systems approaching the end of useful lives.

On December 20, 2013, HOC received from the United States Department of Housing and Urban Development (“HUD”) approval to participate in its RAD program. The RAD program will allow the form of subsidy serving Arcola Towers to be converted to Project-Based Section 8 rental assistance (“PBRA”). This conversion will allow HOC to raise sufficient capital to meet the outstanding physical needs of the asset. It will also allow for a revised operating budget that introduces initial and on-going property capital reserves.

- FHA Risk-Share Bonds, $150K fee to HOC.
- Debt proceeds of $7.6MM (@ 1.2x DCR) and 4% LIHTC equity of $5.5MM.
- Fully current development fee of $2.0MM.
- Capitalized equity at closing: $1.1MM.
- Capitalized equity to be reserved for financing of new construction RAD deals.
Located in the heart of downtown Bethesda, Waverly House is in one of the most highly desirable neighborhoods in the metropolitan area. The property is assisted by Public Housing subsidy and houses senior residents. Waverly House has been kept in relatively good condition. However, the property infrastructure could operate more efficiently with up to date heating and cooling systems, plumbing, and electrical systems.

On December 20, 2013, HOC received from HUD approval to participate in its RAD program. The RAD program will allow the form of subsidy serving Waverly House to be converted to Project-Based Section 8 rental assistance. This conversion will allow HOC to raise sufficient capital to meet the outstanding physical needs of the asset. It will also allow for a revised operating budget that introduces initial and on-going property capital reserves.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Waverly House</th>
<th>Units</th>
<th>158</th>
<th>Closing Date</th>
<th>Mar-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Bethesda, MD</td>
<td>Average Unit Size (SF)</td>
<td>562</td>
<td>Stabilization Date</td>
<td>May-15</td>
</tr>
<tr>
<td>Product Type</td>
<td>High Rise</td>
<td>Occupancy (as of 3/31/14)</td>
<td>99.37%</td>
<td>Recapitalization</td>
<td>Rehab</td>
</tr>
<tr>
<td>Year Built (Renovated)</td>
<td>1978</td>
<td>Total Sqft</td>
<td>124,410</td>
<td>Funding Strategy</td>
<td>4% LIHTC</td>
</tr>
</tbody>
</table>

- FHA Risk-Share Bonds, $175K fee to HOC.
- Debt proceeds of $8.8MM (@ 1.2x DCR) and 4% LIHTC equity of $5.6MM.
- Fully current development fee of $2.0MM.
- Cash equity at closing: $1.1MM.
- Cash equity to be reserved for financing of new construction RAD deals.
Aerial View – Arcola Towers

Kemp Mill Shopping Center

University Towers (535 Units / Condos)
Aerial View – Waverly House

- Metropolitan Apartments
- Round House Theatre
- Bethesda Chevy Chase High School

5/7/2014 Arcola Towers & Waverly House
## Preliminary Development Plan Summary

<table>
<thead>
<tr>
<th></th>
<th>Arcola Towers</th>
<th>Waverly House</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition Costs</td>
<td>11,799,700</td>
<td>11,173,300</td>
</tr>
<tr>
<td>Rehab / Construction</td>
<td>7,568,728</td>
<td>8,465,163</td>
</tr>
<tr>
<td>Commitment / Development Fees</td>
<td>2,120,850</td>
<td>2,232,769</td>
</tr>
<tr>
<td>Fees / Misc. Expenses</td>
<td>1,904,800</td>
<td>2,298,100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$23,394,078</td>
<td>$24,044,038</td>
</tr>
<tr>
<td><strong>SOURCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Financing</td>
<td>7,588,296</td>
<td>8,750,300</td>
</tr>
<tr>
<td>Tax Credit Equity</td>
<td>5,538,965</td>
<td>5,584,262</td>
</tr>
<tr>
<td>Capital Fund Program Funds</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>HOC Seller Note</td>
<td>10,166,817</td>
<td>9,580,966</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$23,394,078</td>
<td>$24,015,527</td>
</tr>
<tr>
<td><strong>Funds To HOC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment / Development Fees</td>
<td>$2,120,850</td>
<td>$2,201,372</td>
</tr>
<tr>
<td>Capitalized Asset Equity</td>
<td>$1,133,183</td>
<td>$1,119,034</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$3,254,033</td>
<td>$3,320,406</td>
</tr>
</tbody>
</table>
## Preliminary Development Plan Summary

<table>
<thead>
<tr>
<th>Phase</th>
<th><strong>Arcola Towers</strong></th>
<th><strong>Waverly House</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conversion</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHAP Issued</td>
<td>12/18/2013</td>
<td>12/18/2013</td>
</tr>
<tr>
<td>Financing Plan</td>
<td>150 days after LIHTC allocation</td>
<td>150 days after LIHTC allocation</td>
</tr>
<tr>
<td>HUD Approvals</td>
<td>90 days after Financing Plan submittal</td>
<td>90 days after Financing Plan submittal</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FHA Risk Sharing Commitment</td>
<td>120 days after LIHTC allocation</td>
<td>120 days after LIHTC allocation</td>
</tr>
<tr>
<td>Financing Plan</td>
<td>150 days after LIHTC allocation</td>
<td>150 days after LIHTC allocation</td>
</tr>
<tr>
<td>Estimated Closing Date</td>
<td>3/2015</td>
<td>3/2015</td>
</tr>
<tr>
<td><strong>Design &amp; Renovation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Assembly</td>
<td>5/2014</td>
<td>5/2014</td>
</tr>
<tr>
<td>Design Documents</td>
<td>12/2014</td>
<td>12/2014</td>
</tr>
</tbody>
</table>
Transaction Rationale – Arcola Towers

Benefits to Mission

• Arcola Towers serves some of the Commission’s most vulnerable residents. The RAD conversion process will allow HOC to reinvigorate the property with much needed updates to the physical plant and expanded capacity for senior oriented programming.
• This comprehensive renovation will address the property’s capital need backlog and dramatically reduce operating expenses particularly in maintenance and utility expenses.
• The renovated property will see more thoughtful activation of the common area amenities. Of particular note at Arcola are the functional kitchen and café space, as well as significant additional indoor and outdoor communal space.
• Recapitalization of the property will generate additional funds for use on future RAD transactions.

Location

• Arcola Towers is located just south of Kemp Mill Shopping Center, which has an assortment of medical services located there, and is five minutes east of downtown Wheaton.
• It also abuts Sligo Creek Park, which boasts walking trails, places to sit, and beautiful scenery.

Transportation

• The site itself sits on a major bus route, #8 Ride-On Bus, which is right out the front door.

Future Development

• At some point in the future after the initial renovation is complete, the Commission has the option to explore additional development on an undeveloped portion of the site. The current timeline does not allow for this expansion, but that opportunity may be pursued post conversion.
Transaction Rationale – Waverly Towers

Benefits to Mission

• Waverly House serves some of the Commission’s most vulnerable residents. The RAD conversion process will allow HOC to reinvigorate the property with much needed updates to the physical plant and expanded capacity for senior oriented programming.
• This comprehensive renovation will address the property’s capital need backlog and dramatically reduce operating expenses particularly in maintenance and utility expenses.
• The renovated property will see more thoughtful activation of the common area amenities. Of particular note at Waverly House are the significant common area space and shared balconies on each floor.
• Recapitalization of the property will generate additional funds for use on future RAD transactions.

Location

• Waverly is located in downtown Bethesda on East West Highway.
• Bethesda Row is a 10-minute walk away.

Transportation

• The site itself sits on a major bus route, #J2 Ride-On Bus, which is right out the front door.
• The entrance to the Red Line metro is only 5 minutes away.
Scope of Work (Arcola Towers & Waverly House)

HOC seeks to provide an elevated Standard of Quality based on market comparables that are energy efficient and cost effective for long-term ownership.

The scope of work at these two properties will be comprehensive. To the extent that recent improvements have been made and are consistent with new renovation standards, these improvements will be integrated into scope.

• Renovations will include:
  – HVAC
  – Electrical
  – Plumbing
  – Windows
  – Kitchens & Baths
  – Roofs
  – Organizing Common Space and Administrative Offices
  – Improved Amenity Spaces and Programming
Unit Mix & Rent Supplementation

Typically, when Public Housing units are disposed of, a pro rata portion of capital funding to a Public Housing Authority (“PHA”) is extinguished; and Rental Housing Factor (“RHF”) funds are generated as a one-time source for acquisition and development of new Public Housing units. HOC is using the RAD program to exit Public Housing entirely. However, RHF use is limited to Public Housing.

<table>
<thead>
<tr>
<th>Property</th>
<th>Unit Type</th>
<th># of Units</th>
<th>SF</th>
<th>RAD Rent</th>
<th>Supplement</th>
<th>Total Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcola Towers</td>
<td>1 Bedroom</td>
<td>59</td>
<td>480</td>
<td>$727</td>
<td>$183</td>
<td>$910</td>
</tr>
<tr>
<td>Arcola Towers</td>
<td>1 Bedroom</td>
<td>82</td>
<td>550</td>
<td>$727</td>
<td>$183</td>
<td>$910</td>
</tr>
<tr>
<td>Waverly House</td>
<td>1 Bedroom</td>
<td>156</td>
<td>560</td>
<td>$716</td>
<td>$183</td>
<td>$899</td>
</tr>
<tr>
<td>Waverly House</td>
<td>2 Bedroom</td>
<td>2</td>
<td>750</td>
<td>$811</td>
<td>$183</td>
<td>$994</td>
</tr>
</tbody>
</table>

HUD, anticipating this would be the case for many housing authorities, created Demolition or Disposition Transition Funding (“DDTF”) as an alternative to RHF that can be used as a source in RAD conversions. Not only can DDTF be used as a capital source, it can also be used as a rent supplement to boost rents in the post-conversion HAP contract. While units disposed of through the RAD program do not generate DDTF, units disposed through the Section 18 process do. In the current Federal fiscal year, 596 of HOC’s 669 scattered site Public Housing units will be counted as disposed of and will generate DDTF. Staff proposes that it be used as shown above. Supporting calculations are below:

<table>
<thead>
<tr>
<th>FY2013 Capital Funding (Approximate)</th>
<th>FY2014 Capital Funding (Estimated)</th>
<th>Percentage Disposed by FY2014</th>
<th>DDTF Generated</th>
<th>Total Units at AT &amp; WH</th>
<th>Rent Supplement (/mo.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,700,000</td>
<td>$1,700,000</td>
<td>39%</td>
<td>$655,000</td>
<td>299</td>
<td>$183</td>
</tr>
</tbody>
</table>

The DDTF generated by the FY2014 dispositions will show up in and must be spent in FY2015. As Arcola Towers and Waverly House are the only RAD conversions scheduled for FY2015, it is included in the financing for those projects.
### Pro Forma Stabilized Operations

<table>
<thead>
<tr>
<th>Arcola Towers</th>
<th>Waverly House</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Gross Potential Rent</td>
<td>$1,230,084</td>
</tr>
<tr>
<td>Vacancy &amp; Bad Debt (@5%)</td>
<td>($61,504)</td>
</tr>
<tr>
<td>Other Income</td>
<td>$35,057</td>
</tr>
<tr>
<td>DDTF Rental Supplement</td>
<td>$308,880</td>
</tr>
<tr>
<td><strong>Total Net Revenue</strong></td>
<td>$1,512,517</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>($815,079)</td>
</tr>
<tr>
<td>Replacement Reserves</td>
<td>($42,300)</td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
<td>$655,138</td>
</tr>
</tbody>
</table>
# Financing Update – Arcola Towers

## Debt

<table>
<thead>
<tr>
<th>Max Mortgage Amount</th>
<th>$7,588,296</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>30</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>6.00%</td>
</tr>
<tr>
<td>MIP</td>
<td>0.50%</td>
</tr>
<tr>
<td>Debt Coverage Ratio</td>
<td>1.20</td>
</tr>
<tr>
<td>NOI</td>
<td>$655,138</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$545,948</td>
</tr>
</tbody>
</table>

## Equity

<table>
<thead>
<tr>
<th>LIHTC Equity Amount</th>
<th>$5,538,965</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Basis</td>
<td>$17,941,762</td>
</tr>
<tr>
<td>Applicable Credit Rate</td>
<td>3.25%</td>
</tr>
<tr>
<td>Credit Pricing</td>
<td>$0.95</td>
</tr>
</tbody>
</table>

## Impacts

<table>
<thead>
<tr>
<th>Reserves:</th>
<th>Fees to HOC:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Deposit:</td>
<td>$300/Unit</td>
</tr>
<tr>
<td>Development Fees</td>
<td>$1,969,084</td>
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<td>Initial Deposit:</td>
<td>$500/Unit</td>
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<tr>
<td>Finance Fees</td>
<td>151,766</td>
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<tr>
<td>Total Fees</td>
<td>$2,120,850</td>
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</table>

5/7/2014 16

Arcola Towers & Waverly House
## Financing Update – Waverly House

### Debt

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Max Mortgage Amount</td>
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<tr>
<td>Term</td>
<td>30</td>
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<tr>
<td>Interest Rate</td>
<td>6.00%</td>
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<tr>
<td>MIP</td>
<td>0.50%</td>
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<tr>
<td>Debt Coverage Ratio</td>
<td>1.20</td>
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<td>NOI</td>
<td>$755,460</td>
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<tr>
<td>Debt Service</td>
<td>$629,550</td>
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### Equity

<table>
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<tr>
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<tr>
<td>LIHTC Equity Amount</td>
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<td>Eligible Basis</td>
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<td>Applicable Credit Rate</td>
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<td>Credit Pricing</td>
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### Impacts

#### Reserves:

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<td>Annual Deposit:</td>
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<tr>
<td>Initial Deposit:</td>
<td>$500/Unit</td>
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#### Fees to HOC:

<table>
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<tr>
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<tr>
<td>Development Fees</td>
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<td>Finance Fees</td>
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<td>Total Fees</td>
<td>$2,201,372</td>
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</table>
## Selection of Design & Development Team

### RFP #1916 – Architects

**Issued April 1, 2014. Responses Received April 24, 2014**

#### Scoring Summary

<table>
<thead>
<tr>
<th>Aggregate Scoring</th>
<th>Team Qualifications (10), Comparable Size (8), Comparable Scope (7)</th>
<th>Experience in affordable housing (15), Montgomery County Building Codes (15)</th>
<th>References (25)</th>
<th>Price (25)</th>
<th>Total Points AVG.</th>
<th>RANK</th>
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<tbody>
<tr>
<td>Architecture By Design</td>
<td>9.0 7.8 7.8</td>
<td>13.7 14.0</td>
<td>19.3</td>
<td>22.7</td>
<td>94.3</td>
<td>Waverly</td>
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<tr>
<td>Miner Feinstein Architects</td>
<td>10.0 8.0 7.0</td>
<td>13.7 13.7</td>
<td>18.7</td>
<td>23.0</td>
<td>94.0</td>
<td>Arcola</td>
</tr>
<tr>
<td>Zavos Architecture and Design</td>
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<td>Rutkove Building Consultants, LLC</td>
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<td>71.2</td>
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<td>Mimar Architects</td>
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<td>11.0</td>
<td>11.7</td>
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<td>EDG Architects</td>
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<tr>
<td>Showcase Architects</td>
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<td>10.7</td>
<td>11.7</td>
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<td>45.0</td>
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</table>
## Selection of Design & Development Team

### RFP #1916 – Pricing Summary by Property (Architects)

<table>
<thead>
<tr>
<th>Architects By Design</th>
<th>Units</th>
<th>Phase One - Schematic Design</th>
<th>Phase Two - Construction Documentation</th>
<th>Phase Three - Construction Administration</th>
<th>Total Predevelopment Cost by Project - All Disciplines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waverly House</td>
<td>158</td>
<td>$80,000</td>
<td>$53,000</td>
<td>$85,000</td>
<td>$218,000</td>
</tr>
<tr>
<td>Total</td>
<td>158</td>
<td>$80,000</td>
<td>$53,000</td>
<td>$85,000</td>
<td>$218,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minner Feinstein</th>
<th>Units</th>
<th>Phase One - Schematic Design</th>
<th>Phase Two - Construction Documentation</th>
<th>Phase Three - Construction Administration</th>
<th>Total Predevelopment Cost by Project - All Disciplines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcola Towers</td>
<td>141</td>
<td>$31,806</td>
<td>$51,552</td>
<td>$47,441</td>
<td>$130,799</td>
</tr>
<tr>
<td>Total</td>
<td>141</td>
<td>$31,806</td>
<td>$51,552</td>
<td>$47,441</td>
<td>$130,799</td>
</tr>
</tbody>
</table>

### General Contractor – Arcola Towers (Recommendation to Commission on May 28, 2014)

- Part I (Pre-qualification) of RFP for the general contractor for the full project was due May 2, 2014.
- Part II (Pricing exercise) of RFP is due May 12, 2014.
- Harkins is under contract for the feasibility period.

### General Contractor – Waverly House (Recommendation to Commission on May 28, 2014)

- Part I (Pre-qualification) of RFP for the general contractor for the full project was due May 2, 2014.
- Part II (Pricing exercise) of RFP is due May 12, 2014.
- Whiting-Turner is under contract for the feasibility period.
Selection of Design & Development Team

RFP #1916 – Recommendations (Architects)

- Pricing Summary

<table>
<thead>
<tr>
<th>Firm</th>
<th>Arcola Towers Pricing</th>
<th>Waverly House Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture By Design</td>
<td>$203,000</td>
<td>$218,000</td>
</tr>
<tr>
<td>EDG Architects</td>
<td>$148,540</td>
<td>$148,540</td>
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<tr>
<td>Mimar Architects</td>
<td>$343,124</td>
<td>$343,124</td>
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<tr>
<td>Miner Feinstein Architects</td>
<td>$130,799</td>
<td>No bid</td>
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<tr>
<td>Rutkove Building Consultants, LLC</td>
<td>$232,651</td>
<td>$260,700</td>
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<tr>
<td>Showcase Architects</td>
<td>$424,000</td>
<td>$457,500</td>
</tr>
<tr>
<td>Zavos Architecture and Design</td>
<td>$296,100</td>
<td>$331,800</td>
</tr>
</tbody>
</table>

- Recommendations

The two highest scoring firms to RFP 1916 are Architecture By Design and Miner Feinstein Architects.

Architecture By Design

To Be Awarded Waverly House
- Architecture By Design (“ABD”) is based in Ellicott City, MD and well-known for high quality and low-cost design work.
- This firm is a preferred architect of CDA, the State entity that awards LIHTCs. ABD has extensive experience with and knowledge of the LIHTC architectural threshold items.

Miner Feinstein Architects

To Be Awarded Arcola Towers
- Miner Feinstein is a firm based in Frederick, MD that is strong in high-rise and mid-rise affordable residential housing communities.
- Depth of experience with in-place tenant renovations.
- They are also proficient at construction document detailing, thus reducing costly change orders in the field.
- Staff are pleased with their abilities, value-oriented mindset, and reasonable pricing structures.
### Projected Development Spending

#### Arcola Towers

**Development Cost Schedule**

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>Total</th>
<th>FP</th>
<th>PDP</th>
<th>DP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture</td>
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<tr>
<td>MEP Design</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Engineering (PCA)</td>
<td>$7,368</td>
<td>$7,368</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Environmental Phase I</td>
<td>$1,950</td>
<td>$0</td>
<td>$1,950</td>
<td>$0</td>
</tr>
<tr>
<td>Survey</td>
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<td>$0</td>
<td>$0</td>
<td>$1,500</td>
</tr>
<tr>
<td>Appraisal</td>
<td>$2,750</td>
<td>$0</td>
<td>$0</td>
<td>$2,750</td>
</tr>
<tr>
<td>Market Study</td>
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<td>$0</td>
<td>$6,000</td>
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<tr>
<td>RAD Consultant</td>
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<td>$180,000</td>
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<tr>
<td>Contingency</td>
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<td>$15,612</td>
<td>$0</td>
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<tr>
<td>LIHTC Application Fee</td>
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<td>$0</td>
<td>$2,500</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$405,912</td>
<td>$39,562</td>
<td>$37,817</td>
<td>$328,533</td>
</tr>
</tbody>
</table>

**Funding Schedule**

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Total</th>
<th>FP</th>
<th>PDP</th>
<th>DP</th>
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<tbody>
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<tr>
<td>OHRF</td>
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<td>$0</td>
<td>$305,912</td>
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<tr>
<td><strong>Total</strong></td>
<td>$405,912</td>
<td>$39,562</td>
<td>$37,817</td>
<td>$328,533</td>
</tr>
</tbody>
</table>

#### Waverly House

**Development Cost Schedule**

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>FY 2015</th>
<th>FP</th>
<th>PDP</th>
<th>DP</th>
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<tr>
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<td>$19,000</td>
<td>$80,000</td>
<td>$53,000</td>
</tr>
<tr>
<td>MEP Design</td>
<td>$2,000</td>
<td>$0</td>
<td>$2,000</td>
<td>$0</td>
</tr>
<tr>
<td>Engineering (PCA)</td>
<td>$7,368</td>
<td>$7,368</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Environmental Phase I</td>
<td>$1,950</td>
<td>$0</td>
<td>$1,950</td>
<td>$0</td>
</tr>
<tr>
<td>Survey</td>
<td>$1,500</td>
<td>$0</td>
<td>$0</td>
<td>$1,500</td>
</tr>
<tr>
<td>Appraisal</td>
<td>$2,750</td>
<td>$0</td>
<td>$0</td>
<td>$2,750</td>
</tr>
<tr>
<td>Market Study</td>
<td>$6,000</td>
<td>$0</td>
<td>$0</td>
<td>$6,000</td>
</tr>
<tr>
<td>RAD Consultant</td>
<td>$94,800</td>
<td>$18,960</td>
<td>$0</td>
<td>$75,840</td>
</tr>
<tr>
<td>Legal</td>
<td>$180,000</td>
<td>$0</td>
<td>$0</td>
<td>$180,000</td>
</tr>
<tr>
<td>Contingency</td>
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<td>$0</td>
<td>$1,807</td>
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<td>LIHTC Application Fee</td>
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<td>$2,500</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$469,943</td>
<td>$41,328</td>
<td>$88,257</td>
<td>$340,357</td>
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</table>

**Funding Schedule**

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Total</th>
<th>FP</th>
<th>PDP</th>
<th>DP</th>
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<tr>
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<tr>
<td>OHRF</td>
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<td>$340,357</td>
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<tr>
<td><strong>Total</strong></td>
<td>$469,943</td>
<td>$41,328</td>
<td>$88,257</td>
<td>$340,357</td>
</tr>
</tbody>
</table>

Next request for development funding at approval of full development plan.

All OHRF funds reimbursed at close of finance (projected for March 2015).
Structure of Arcola Towers Entities

Arcola Towers RAD Limited Partnership
(property owner)

0.01% Credits

Arcola Towers RAD GP LLC
(General Partner; 0.01% Interest)

HOC
(to be replaced by Investor)

99.99% Credits

HOC
(Sole Member; 100% Interest)

CDA

Tax Credits

Equity

5/7/2014
Arcola Towers & Waverly House
Structure of Waverly House Entities

Waverly House RAD Limited Partnership (property owner)

Waverly House RAD GP LLC
(General Partner; 0.01% Interest)

HOC
(Sole Member; 100% Interest)

HOC
(Limited Partner; 99.99% Interest)

CDA

Tax Credits

Equity

0.01% Credits

99.99% Credits
Summary and Recommendations

Issues for Consideration

• Does the Commission wish to accept the recommendation of the Development and Finance Committee to authorize preliminary development plans and selection of architect for Arcola Towers and Waverly House?

• Does the Commission wish to approve the formation of to-be-HOC-owned special purpose entities (SPEs) in anticipation of tax credit transactions?

• Does the Commission wish to authorize entering into purchase and sale agreements to transfer properties from HOC to SPEs at financing close?

Fiscal and Budget Impact

There is no direct impact on the FY 2014 operating budget. Development activities will be borne by the respective projects or funded from Federal Capital Fund Grant previously approved or are to be approved by the Commission.
Summary and Recommendations

Timing of Approval*

- For action at the May 7, 2014, Commission meeting.

LIHTC Timing

- LIHTC Application Submission: May 30, 2014
- Financial Closing: Mar. 2015

* Letters of local support to be requested from County Council in May.
Summary and Recommendations

Recommendation and Commission Action Needed

1. Acceptance of the recommendation of the Development and Finance Committee to approve the preliminary development plans for Arcola Towers and Waverly House approved for disposition under the RAD Program.

2. Approval of the selection of Miner Feinstein Architects as the architect for the development phase of Arcola Towers and authorization for the Executive Director to execute a contract for $130,799.

3. Approval of the selection of Architecture By Design as the architect for the development phase of Waverly House and authorization for the Executive Director to execute a contract for $218,000.

4. Approval of the following entity structure:
   - creation of two special purpose entity limited partnerships, in which the general partners are HOC-controlled entities;
   - creation of two special purpose entity limited liability companies, wholly-owned by HOC, to serve as the general partners of the tax credit limited partnerships;
   - admission of HOC as the initial limited partner in each tax credit limited partnerships.

5. Approval to enter into the initial limited partnership agreements and operating agreements at this time to facilitate the applications for Low Income Housing Tax Credits.

6. Approval for the execution of preliminary purchase and sale agreements between HOC and the tax credit limited partnerships for the transfer of the properties at the time of the financing closing.
RESOLUTION: RE: Approval of Preliminary Development Plans and Selection of Architects for Arcola Towers and Waverly House Approved for Disposition under the Rental Assistance Demonstration (RAD) Program

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

WHEREAS, HUD’s Rental Assistance Demonstration program (the “RAD Program”) presents the Commission with an opportunity to convert its multifamily Public Housing assets to Project-based Section 8 subsidy providing for their acquisition, construction, rehabilitation and permanent financing; and

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

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

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

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

WHEREAS, to solicit proposals from architects interested in providing renovation services on an as-needed basis for Arcola Towers and Waverly House (the “Properties”), the Commission released RFP No. 1916 for Architectural Services on April 1, 2014; and

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

WHEREAS, applying the criteria described above, the highest overall score among the architects was received by Architecture By Design, Inc. and the second highest overall score among the architects was received by Miner Feinstein Architects; and

WHEREAS, the Commission has prepared preliminary development plans by which the architects can develop a viable scope of work and development plan for each of the Properties that will meet the Properties’ immediate and long-term physical needs.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the preliminary development plans for the rehabilitation, with tenants in place, of Arcola Towers and Waverly House are hereby approved; and

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the selection of Architecture By Design, Inc. as the architect of record for Waverly House and authorizes the Executive Director to execute a contract with the aforementioned for $218,000 for its architectural and design services; and

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the selection of Miner Feinstein Architects as the architect of record for Arcola Towers, and authorizes the Executive Director to execute a contract with the aforementioned for $130,799 for its architectural and design services.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission at a regular meeting conducted on May 7, 2014.

S ______________________________________
E Patrice M. Birdsong
A Special Assistant to the Commission
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WHEREAS, the Housing Opportunities Commission of Montgomery County (HOC) has received a Commitment for Housing Assistance Payments (CHAP) from the Department of Housing and Urban Development (HUD) under the Rental Assistance Demonstration (RAD) program for the public housing complex known as Arcola Towers; and

WHEREAS, the CHAP allows the conversion of the public housing units at Arcola Towers to affordable housing units with rental assistance through Section 8 of the Housing Act of 1937, as amended (the “RAD Conversion”); and

WHEREAS, in connection with the RAD Conversion, HOC intends to rehabilitate Arcola Towers using Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development; and

WHEREAS, the operation of a development with Low Income Housing Tax Credits is best conducted through ownership of the project by a limited partnership (the “Limited Partnership”) with the tax credit investor acting as the investor limited partner and HOC or its affiliate acting as the general partner; and

WHEREAS, it is recommended that the Limited Partnership be established now as part of the application for the Low Income Housing Tax Credits and other financing necessary for the rehabilitation of the project; and

WHEREAS, in connection with the formation of the Limited Partnership, the Commission desires to form and appoint a special purpose entity as the general partner (the “General Partner”) of the Limited Partnership; and

WHEREAS, the Commission desires to appoint HOC as an interim limited partner and authorize the execution by both HOC and the General Partner of a limited partnership agreement; and

WHEREAS, the Commission intends, at a later date, to authorize the withdrawal of HOC as the interim limited partner and authorize the simultaneous admission of the investor limited partner upon negotiation of a new limited partnership agreement.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:

1. Intending to create under the Maryland Limited Liability Company Act a limited liability company to be known as Arcola Towers RAD GP LLC to serve as the General Partner, the Commission determines to act as sole member hereof and authorizes and directs execution by the Executive Director and filing with the State of Maryland of articles of organization, and any amendment thereto, for the formation of the General Partner using the foregoing name or any name substantially similar thereto accepted by the State of Maryland Department of Assessments and Taxation.

2. The Commission authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the formation, governance and business of Arcola Towers RAD GP LLC, including, without limitation, the execution of an operating agreement for Arcola Towers RAD GP LLC.

3. Intending to create under the Maryland Revised Uniform Limited Partnership Act a limited partnership to be known as Arcola Towers RAD Limited Partnership, the Commission determines to have Arcola Towers RAD GP LLC act as general partner thereof and authorizes and directs execution by the Executive Director and filing with the State of Maryland of a certificate of limited partnership on behalf of Arcola Towers RAD GP LLC as general partner, and any amendment thereto, for the formation of Arcola Towers RAD Limited Partnership, using the foregoing partnership name or any name substantially similar thereto accepted by the State of Maryland Department of Assessments and Taxation.

4. The Commission, for itself and acting for Arcola Towers RAD GP LLC in its own capacity and as the general partner of and on behalf of Arcola Towers RAD Limited Partnership, authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the formation, governance and business of Arcola Towers RAD Limited Partnership, including, without limitation, the execution of an initial limited partnership between Arcola Towers RAD GP LLC as the general partner and HOC as the initial limited partner.

5. The Commission, acting for Arcola Towers RAD GP LLC in its own capacity and as the general partner of and on behalf of Arcola Towers RAD Limited Partnership, authorizes and directs execution by the Executive Director of a purchase agreement for the acquisition of Arcola Towers by Arcola Towers RAD Limited Partnership from HOC for a price and such terms as the Commission shall approve upon review of appraisals and/or other relevant information to be collected.

6. The Commission, acting for Arcola Towers RAD GP LLC in its own capacity and as the general partner of and on behalf of Arcola Towers RAD Limited Partnership, authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the acquisition of Arcola Towers by Arcola Towers RAD Limited Partnership.
I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 7, 2014.

Patrice M. Birdsong
Special Assistant to the Commission
RESOLUTION: RE: Authorization for the Formation of a Limited Partnership to Acquire Waverly House, the Formation of a Limited Liability Company to Serve as the General Partner of the Limited Partnership, the Execution of Governing Documents for the General Partner and Limited Partnership, and the Acquisition of Waverly House by the Limited Partnership

WHEREAS, the Housing Opportunities Commission of Montgomery County (HOC) has received a Commitment for Housing Assistance Payments (CHAP) from the Department of Housing and Urban Development (HUD) under the Rental Assistance Demonstration (RAD) program for the public housing complex known as Waverly House; and

WHEREAS, the CHAP allows the conversion of the public housing units at Waverly House to affordable housing units with rental assistance through Section 8 of the Housing Act of 1937, as amended (the “RAD Conversion”); and

WHEREAS, in connection with the RAD Conversion, HOC intends to rehabilitate Waverly House using Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development; and

WHEREAS, the operation of a development with Low Income Housing Tax Credits is best conducted through ownership of the project by a limited partnership (the “Limited Partnership”) with the tax credit investor acting as the investor limited partner and HOC or its affiliate acting as the general partner; and

WHEREAS, it is recommended that the Limited Partnership be established now as part of the application for the Low Income Housing Tax Credits and other financing necessary for the rehabilitation of the project; and

WHEREAS, in connection with the formation of the Limited Partnership, the Commission desires to form and appoint a special purpose entity as the general partner (the “General Partner”) of the Limited Partnership; and

WHEREAS, the Commission desires to appoint HOC as an interim limited partner and authorize the execution by both HOC and the General Partner of a limited partnership agreement; and

WHEREAS, the Commission intends, at a later date, to authorize the withdrawal of HOC as the interim limited partner and authorize the simultaneous admission of the investor limited partner upon negotiation of a new limited partnership agreement.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:

1. Intending to create under the Maryland Limited Liability Company Act a limited liability company to be known as Waverly House RAD GP LLC to serve as the General Partner, the Commission determines to act as sole member hereof and authorizes and directs execution by the Executive Director and filing with the State of Maryland of articles of organization, and any amendment thereto, for the formation of the General Partner using the foregoing name or any name substantially similar thereto accepted by the State of Maryland Department of Assessments and Taxation.

2. The Commission authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the formation, governance and business of Waverly House RAD GP LLC, including, without limitation, the execution of an operating agreement for Waverly House RAD GP LLC.

3. Intending to create under the Maryland Revised Uniform Limited Partnership Act a limited partnership to be known as Waverly House RAD Limited Partnership, the Commission determines to have Waverly House RAD GP LLC act as general partner thereof and authorizes and directs execution by the Executive Director and filing with the State of Maryland of a certificate of limited partnership on behalf of Arcola Towers RAD GP LLC as general partner, and any amendment thereto, for the formation of Waverly House RAD Limited Partnership, using the foregoing partnership name or any name substantially similar thereto accepted by the State of Maryland Department of Assessments and Taxation.

4. The Commission, for itself and acting for Waverly House RAD GP LLC in its own capacity and as the general partner of and on behalf of Waverly House RAD Limited Partnership, authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the formation, governance and business of Waverly House RAD Limited Partnership, including, without limitation, the execution of an initial limited partnership between Waverly House RAD GP LLC as the general partner and HOC as the initial limited partner.

5. The Commission, acting for Waverly House RAD GP LLC in its own capacity and as the general partner of and on behalf of Waverly House RAD Limited Partnership, authorizes and directs execution by the Executive Director of a purchase agreement for the acquisition of Waverly House by Waverly House RAD Limited Partnership from HOC for a price and such terms as the Commission shall approve upon review of appraisals and/or other relevant information to be collected.

6. The Commission, acting for Waverly House RAD GP LLC in its own capacity and as the general partner of and on behalf of Waverly House RAD Limited Partnership, authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the acquisition of Waverly House by Waverly House RAD Limited Partnership.
I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 7, 2014.

S E A L

Patrice M. Birdsong
Special Assistant to the Commission
RESOLUTION RE: Authorization of the Transfer of Arcola Towers to Arcola Towers RAD Limited Partnership or other HOC-Controlled Limited Partnership and the Execution of a Purchase and Sale Agreement

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”), a public body corporate and politic duly created, organized and existing under the laws of the state of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, (the “Act”), to carry out and effectuate the purpose of providing affordable housing; and

WHEREAS, the Commission has received a Commitment for Housing Assistance Payments (CHAP) from the Department of Housing and Urban Development (HUD) under the Rental Assistance Demonstration (RAD) for the public housing complex known as Arcola Towers; and

WHEREAS, the CHAP allows the conversion of the public housing units at Arcola Towers to affordable housing units with rental assistance through Section 8 of the Housing Act of 1937, as amended (the “RAD Conversion”); and

WHEREAS, in connection with the RAD Conversion, HOC intends to rehabilitate Arcola Towers using Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development; and

WHEREAS, the operation of a development with Low Income Housing Tax Credits is best conducted through ownership of the project by a limited partnership with the tax credit investor acting as the investor limited partner and HOC or its affiliate acting as the general partner; and

WHEREAS, in connection with the RAD Conversion and the rehabilitation of Arcola Towers, the Commission desires to transfer the property to a limited partnership which is controlled by the Commission, to be known as Arcola Towers RAD Limited Partnership or such other similar name approved by the Maryland Department of Assessment and Taxation; and

WHEREAS, in connection with the application for Low Income Housing Tax Credits, the applicant limited partnership must show some degree of site control over Arcola Towers, as typically evidenced by a purchase and sale agreement or option agreement.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:
1. The Commission authorizes and directs execution by the Executive Director of the Commission, or his designee, of a Purchase and Sale Agreement for the transfer of the Commission’s full ownership interest in Arcola Towers to Arcola Towers RAD Limited Partnership, or such other limited partnership controlled by the Commission, for a price determined by no less than two (2) appraisals.

2. The Commission authorizes the preparation and negotiation of an amendment to the Purchase and Sale Agreement to reflect such additional terms as the Commission may approve upon review of other relevant information to be collected.

3. The Commission authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the execution such Purchase and Sale Agreement, including, but not limited to, ordering appraisals.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 7, 2014.

Patrice M. Birdsong
Special Assistant to the Commission
RESOLUTION

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”), a public body corporate and politic duly created, organized and existing under the laws of the state of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, (the “Act”), to carry out and effectuate the purpose of providing affordable housing; and

WHEREAS, the Commission has received a Commitment for Housing Assistance Payments (CHAP) from the Department of Housing and Urban Development (HUD) under the Rental Assistance Demonstration (RAD) for the public housing complex known as Arcola Towers; and

WHEREAS, the CHAP allows the conversion of the public housing units at Arcola Towers to affordable housing units with rental assistance through Section 8 of the Housing Act of 1937, as amended (the “RAD Conversion”); and

WHEREAS, in connection with the RAD Conversion, HOC intends to rehabilitate Arcola Towers using Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development; and

WHEREAS, the operation of a development with Low Income Housing Tax Credits is best conducted through ownership of the project by a limited partnership with the tax credit investor acting as the investor limited partner and HOC or its affiliate acting as the general partner; and

WHEREAS, in connection with the RAD Conversion and the rehabilitation of Arcola Towers, the Commission desires to transfer the property to a limited partnership which is controlled by the Commission, to be known as Arcola Towers RAD Limited Partnership or such other similar name approved by the Maryland Department of Assessment and Taxation; and

WHEREAS, in connection with the application for Low Income Housing Tax Credits, the applicant limited partnership must show some degree of site control over Arcola Towers, as typically evidenced by a purchase and sale agreement or option agreement.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:
1. The Commission authorizes and directs execution by the Executive Director of the Commission, or his designee, of a Purchase and Sale Agreement for the transfer of the Commission’s full ownership interest in Arcola Towers to Arcola Towers RAD Limited Partnership, or such other limited partnership controlled by the Commission, for a price determined by no less than two (2) appraisals.

2. The Commission authorizes the preparation and negotiation of an amendment to the Purchase and Sale Agreement to reflect such additional terms as the Commission may approve upon review of other relevant information to be collected.

3. The Commission authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the execution such Purchase and Sale Agreement, including, but not limited to, ordering appraisals.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 7, 2014.

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Patrice M. Birdsong
Special Assistant to the Commission
RESOLUTION

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”), a public body corporate and politic duly created, organized and existing under the laws of the state of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland (the “Act”), to carry out and effectuate the purpose of providing affordable housing; and

WHEREAS, the Commission has received a Commitment for Housing Assistance Payments (CHAP) from the Department of Housing and Urban Development (HUD) under the Rental Assistance Demonstration (RAD) for the public housing complex known as Waverly House; and

WHEREAS, the CHAP allows the conversion of the public housing units at Waverly House to affordable housing units with rental assistance through Section 8 of the Housing Act of 1937, as amended (the “RAD Conversion”); and

WHEREAS, in connection with the RAD Conversion, HOC intends to rehabilitate Waverly House using Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development (the “Credit Agency”); and

WHEREAS, the operation of a development with Low Income Housing Tax Credits is best conducted through ownership of the project by a limited partnership with the tax credit investor acting as the investor limited partner and HOC or its affiliate acting as the general partner; and

WHEREAS, in connection with the RAD Conversion and the rehabilitation of Waverly House, the Commission desires to transfer the property to a limited partnership which is controlled by the Commission, to be known as Waverly House RAD Limited Partnership or such other similar name approved by the Maryland Department of Assessment and Taxation; and

WHEREAS, in connection with the application for Low Income Housing Tax Credits, the applicant limited partnership must show some degree of site control over Waverly House, as typically evidenced by a purchase and sale agreement or option agreement.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:

1. The Commission authorizes and directs execution by the Executive Director of the Commission, or his designee, of a Purchase and Sale Agreement for the transfer of the Commission’s full ownership interest in Waverly House to Waverly House RAD Limited Partnership or such other limited partnership controlled by the Commission (the “Limited Partnership”), at the time of the financing closing for the rehabilitation, for a price determined by no less than two (2) appraisals, which agreement shall provide that the transfer will be contingent on HOC’s and the Limited Partnership’s receipt of financing approval from the project lenders, all RAD-related approvals from HUD, and an award of Low-Income Housing Tax Credits from the Credit Agency.

2. The Commission authorizes the preparation and negotiation of an amendment to the Purchase and Sale Agreement to reflect such additional terms as the Commission may approve upon review of other relevant information to be collected.

3. The Commission authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the execution such Purchase and Sale Agreement, including, but not limited to, ordering appraisals.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 7, 2014.

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Patrice M. Birdsong
Special Assistant to the Commission
APPROVAL TO SELECT
ENERGY EFFICIENCY CONTRACTOR
PURSUANT TO RFP #1901

VARIOUS HOC PROPERTIES

STACY L. SPANN, EXECUTIVE DIRECTOR
KAYRINE V. BROWN
ZACHARY MARKS
SHERYL HAMMOND

MAY 7, 2014
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• Summary and Recommendations ..............................................8
Executive Summary

• HOC is undertaking the review of its entire real estate portfolio and anticipates that it will undertake rehabilitation and redevelopment of a significant portion of the properties it owns or will acquire. Energy Efficiency in all properties will be a primary focus of this undertaking.

• Federal and County Agencies provide funding to property owners that undertake energy saving initiatives. These awards often require the performance of audits and/or applications for funding consideration.

• Due to the intricate nature of the application and reporting requirement as well as the volume of work to be performed to qualify for the award, staff believes hiring specialist firms to pursue the work is the right course of action.

• Additionally, many of these firms provide installation services as well, providing a co-location of responsibilities for award pursuit, work completion and funding receipt.

• On November 7, 2013, staff issued an RFP for Energy Efficiency Contractor services to which six firms responded. The applicants were scored and four have been recommended for inclusion in a pool.

• Because the audits would be paid from PEPCO grants and other service would be sought as part of project related budgets, there is no impact on the Agency’s operating budget.

• Staff recommends that the Commission accept the recommendation of the Development and Finance Committee which met on April 15, 2014 and approve the pool of Energy Efficiency Services firms included herein. Applicants in this pool can be engaged for pre-development work and approved for participation in future development projects. Each contract will be for an initial one-year term with three optional one-year renewals.
Executive Summary (Continued)

Scope Of Work

- Audits
- Analysis Reports
- Deficiency Corrections (as instructed by HOC)
- Identifying and obtaining alternate sources of funding

No Impact On The Operating Budget

- Funding for the initial contract (audits) will come from outside sources (e.g., grants etc.)
- Funding from credits, rebates, etc. will not cover the cost in its entirety
- Remaining funding will be funded in each project’s development budget

The Contract Term of Each Agreement

- One year from the date of the Notice to Proceed
- The contract may be renewable for up to three years, at HOC’s discretion
Selection of Energy Efficiency Pool

RFP #1901 – Request for Proposals

- Qualification Requirements
  - Maryland Business License
  - Participate in:
    - PEPCO Trade Ally
    - PEPCO Commercial & Industrial
    - PEPCO Small Business Program
    - BG&E’s Smart Energy Program
  - Be Building Performance Institute (BPI) certified
  - Have performed similar work within the last three years
  - Carry specified insurance coverage
## Respondent Scoring Summary

<table>
<thead>
<tr>
<th>RANK</th>
<th>Respondent</th>
<th>Experience (50%)</th>
<th>Price (40%)</th>
<th>Available and Qualified Staff (10%)</th>
<th>Total Points AVG.</th>
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<tbody>
<tr>
<td>1</td>
<td>Elysian Energy</td>
<td>43</td>
<td>40</td>
<td>8</td>
<td><strong>91.0</strong></td>
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<td>2</td>
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<td>37</td>
<td>32</td>
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<tr>
<td>3</td>
<td>greenNEWit</td>
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<td>28</td>
<td>8</td>
<td><strong>74.3</strong></td>
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<tr>
<td>4</td>
<td>Taurus Renovation and Construction</td>
<td>35</td>
<td>24</td>
<td>8</td>
<td><strong>66.7</strong></td>
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<td>5</td>
<td>SEDESCO</td>
<td>23</td>
<td>22</td>
<td>6</td>
<td><strong>51.0</strong></td>
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<td>Kinzo, Inc.</td>
<td>18</td>
<td>10</td>
<td>1</td>
<td><strong>28.7</strong></td>
</tr>
</tbody>
</table>

*Evaluated by: Mortgage Finance, Property Management and Real Estate Development*
### Respondent Analysis

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Efficient Home, LLC.        | • Good References  
                               • Serves Montgomery County  
                               • Wage pricing was higher than other top competitors  
                               • Strong staff of Building Performance Institute (BPI) certified individuals |
| Elysian Energy              | • Experienced Team  
                               • Price break offered per unit bedroom count  
                               • Solid understanding of incentive/rebate programs  
                               • Exhibited the most comprehensive understanding of the credit programs |
| greeNEWit                   | • Provided detailed educational information for tenants  
                               • Experienced Team  
                               • Solid understanding of incentive/rebate programs  
                               • Comprehensive educational materials for our tenants |
| Kinzo, Inc.                 | • Contractor did not provide a list of staff  
                               • Pricing was the highest |
| SEDESCO                     | • Limited Experience  
                               • No References were provided |
| Taurus Renovation and       | • Diverse Work History  
                               • Experienced  
                               • Experienced in Weatherization Programs |
| Construction                |                                                                                                   |

*Evaluated by: Executive Division, Property Management and Real Estate Development*
Summary and Recommendations

Issues for Consideration

• Does the Commission wish to accept the recommendation of the Development and Finance Committee and select a pool of four firms that are qualified to provide Energy Efficiency evaluation and remediation services?

Fiscal / Budget Impact

• None for the operating budget. Services will be sought on as needed project specific basis.

Time Frame

• Action at the May 7, 2014 Commission meeting.

Staff Recommendation

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee to approve the establishment of a pool of Construction Management firms. Applicants in this pool can be engaged for pre-development work and approved for participation in future development projects. The four firms recommended to the pool are: Elysian Energy, Efficient Home, LLC, greeNEWit, and Taurus Renovation and Construction.
RESOLUTION:  

RE: Approval to Select Energy Efficiency Contractor Pursuant to RFP #1901

WHEREAS, HOC is undertaking the review of its entire real estate portfolio and anticipates that it will undertake rehabilitation and redevelopment of a significant portion of the properties it owns or will acquire; and

WHEREAS, Federal and County Agencies provide funding to property owners that undertake energy saving initiatives and these awards often require the performance of audits and/or applications for funding consideration; and

WHEREAS, due to the intricate nature of the application and reporting requirement as well as the volume of work to be performed to qualify for the award, staff believes hiring specialist firms to pursue the work is the right course of action; and

WHEREAS, many of these firms provide installation services as well, providing a co-location of responsibilities for award pursuit, work completion and funding receipt; and

WHEREAS, to solicit proposals from Energy Efficiency Contractor services firms interested in providing these services on an as needed basis, staff issued a Request for Proposal (#1901) on November, 7, 2013; and

WHEREAS, five qualification submissions were timely received in response to the RFP; and

WHEREAS, the RFP attached distinct weight to three categories of qualifications; and

WHEREAS, each of the five proposals was evaluated, assigning numerical values to the firms having furnished a complete set of qualifications: Experience, Price, and Available Qualified Staff; and

WHEREAS, by applying the criteria described in the RFP, the four highest overall scores were received by Elysian Energy, Efficient Home, greeNEWit, and Taurus Renovation and Construction.

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


2. Authorizes the use of these firms for pre-development activities as well as on Commission-authorized development projects
3. Authorizes an initial one-year term of each engagement with three optional one-year renewals.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 7, 2014.

S
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________________________________________
Patrice M. Birdsong
Special Assistant to the Commission
APPROVAL TO SELECT
CONSTRUCTION MANAGEMENT POOL
PURSUANT TO RFP #1902

VARIOUS HOC PROPERTIES

STACY L. SPANN, EXECUTIVE DIRECTOR
KAYRINE V. BROWN
ZACHARY MARKS
SHERYL HAMMOND

May 7, 2014
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- Summary and Recommendations ............................................... 10
Executive Summary

• HOC is undertaking the review of its entire real estate portfolio and anticipates that it will undertake rehabilitation and redevelopment of a significant portion of the properties it owns or will acquire.

• To help ensure the efficient and effective timely execution of the Commission’s goal of providing safe, high quality, amenity rich, affordable housing, staff recommends the use of Construction Managers to support management in this redevelopment process.

• On October 28, 2013, staff issued an RFP for Construction Management services and received six responses. After review, staff is recommending five firms participate in the pool.

• This pool of advisors will allow staff to serve as project managers instead of overseeing daily operations increasing efficiency and productivity.

• Approval of the pool has no financial impact of the Agency’s operating budget as Construction Management services will be sought on an as needed basis and built into each project’s development budget.

• Staff is asking the Commission to accept the recommendation of the Development and Finance Committee which met on April 15, 2014 and approve the pool of Construction Management Services firms included herein. Applicants from this pool can be engaged for pre-development work and approved for participation in future development projects.
Executive Summary (Continued)

Scope Of Work

- Assisting in budget development, preliminary bid and invoice review and change order oversight
- Day to day supervision, meeting attendance and quality adherence/job safety checks and monthly status reports to HOC
- Permit oversight, liaison for lenders/developers
- Job close out

No Impact On The Operating Budget

- Funding source(s) will be identified at the time of contract award

The Contract Term of Each Agreement

- One year from the date of the Notice to Proceed
- The contract may be renewable for up to three years, at HOC’s discretion
Qualification Requirements for CMA Pool

RFP #1902

- Have performed similar work including renovation or new construction of single family and multifamily residential developments, with tenant in place or vacant
- Provide three references for projects of similar scope
- Projects of similar size (> $2.5MM)
- Experience with Environmental Abatement (ACM, LBP and Mold Removal and remediation)
- Experience working with local utilities and demonstrated experience with major utility upgrades and utility coordination
- Experience working with the State of Maryland DHCD’s Low Income Housing Tax Credit and Rental Housing Fund Loan Programs
- Description of company’s staffing and approach to project delivery
## Scoring Summary

<table>
<thead>
<tr>
<th>RANK</th>
<th>Firm</th>
<th>Construction Management Qualifications, Showing experience with similar project types (minimum 2) (30%)</th>
<th>Price per Hourly Rate Schedule (20%)</th>
<th>Experience with Government Agencies and Housing Authorities (20%)</th>
<th>Construction Management Approach (15%)</th>
<th>References Sheet (15%)</th>
<th>Total Points AVG.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>JDC Construction</td>
<td>26.7</td>
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<td>Dewberry</td>
<td>26.0</td>
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<td>Construction Corp.</td>
<td>27.7</td>
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<td>14.7</td>
<td>82.3</td>
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<td>4</td>
<td>Efficient Home</td>
<td>21.0</td>
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<td>15.7</td>
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<td>13.7</td>
<td>83.0</td>
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<tr>
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<td>Severn Construction Co.</td>
<td>21.0</td>
<td>15.0</td>
<td>14.3</td>
<td>12.7</td>
<td>5.7</td>
<td>68.7</td>
</tr>
</tbody>
</table>

*Evaluated by: Executive Division, Property Management, and Real Estate Development*
# Respondent Analysis

## RFP #1902

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Corp.</td>
<td>• Experience as General Contractor as well as a Construction Manager&lt;br&gt;• Lack of government experience</td>
</tr>
<tr>
<td>Dewberry</td>
<td>• Experience with large Federal contracts&lt;br&gt;• Limited housing construction management experience</td>
</tr>
<tr>
<td>Efficient Home</td>
<td>• Good experience with projects of similar scope&lt;br&gt;• Staff is limited but a list of partners is included in their proposal</td>
</tr>
<tr>
<td>JDC Construction</td>
<td>• Demonstrated success with performing the full scope of Construction Manager responsibilities&lt;br&gt;• Experience with government work including Section 3&lt;br&gt;• Only lack of experience is with scattered site construction</td>
</tr>
<tr>
<td>Severn Construction Co.</td>
<td>• Experience as General Contractor as well as a Construction Manager&lt;br&gt;• Good project work</td>
</tr>
</tbody>
</table>

*Evaluated by: Executive Division, Property Management, and Real Estate Development*
Respondent Analysis (Continued)

RFP #1902

- A&HD
  - Submitted a late proposal and, therefore, was not evaluated
- Construction Corp.
  - Construction Management experience is supplemented with General Contractor experience
- Dewberry, Inc.
  - Experience with large Federal contracts
- Efficient Home, LLC.
  - Experience with MD Department of Housing and Community Development
- JDC Construction
  - Experience with Section 3
- Severn Construction Company, LLC.
  - Experience with an array of project funding types and environmental abatement
### Summary and Recommendations

### Issues for Consideration

- Does the Commission wish to allow third party experts to procure funding on its behalf from various governmental agencies?
- Will using the Energy Efficiency firms for installation work increase the complexity of the renovations (i.e. multiple contractor teams onsite)?

### Fiscal / Budget Impact

- No immediate impact. Services will be sought on as needed project specific basis.

### Time Frame

- Action at the May 7, 2014 Commission meeting.

### Staff Recommendation

- Staff recommends that the Commission accept the recommendation of the Development and Finance Committee to approve the establishment of a pool consisting of five firms: Construction Corp., Dewberry, Inc., Efficient Home, LLC., JDC Construction, and Severn Construction Company, LLC., to provide Construction management services to the Commission. The initial term of each contract is one-year with three optional one-year renewals.
- Applicants from this pool can be engaged for pre-development work and approved for participation in future development projects.
RESOLUTION: RE: Approval to Select Construction Management Pool Pursuant to RFP #1902

WHEREAS, HOC is undertaking the review, of its entire real estate portfolio and anticipates that it will undertake rehabilitation and redevelopment of a significant portion of the properties it owns or will acquire and this will require manpower and operational support to augment its current staff; and

WHEREAS, the use of Construction Management firms will help ensure the efficient and effective execution of the Commission’s goal of providing safe, high quality, amenity rich, affordable housing to its current residents; and

WHEREAS, to solicit qualifications from Construction Management services firms interested in providing these services on an as needed basis, staff issued a Request for Proposal (#1902), on October, 28, 2013 to which five firms met the submission requirement and one was rejected for late submission; and

WHEREAS, the RFP attached distinct weight to six categories of qualifications; and

WHEREAS, each of the five proposals were evaluated, assigning numerical values to the firms having furnished a complete set of qualifications: the Construction Management Qualifications, Showing experience with similar project types, Price per Hourly Rate Schedule, Experience with Government Agencies and Housing Authorities, Construction Management Approach and References Sheet; and

WHEREAS, applying the criteria described above, the five highest overall scores were received by JDC Construction, Dewberry, Construction Corp., Efficient Home, and Severn Construction Co.

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

1. Authorizes the selection of JDC Construction, Dewberry, Construction Corp., Efficient Home, and Severn Construction Co. as qualified for inclusion in a single pool of Construction Management services firms;

2. Authorizes the use of these firms for pre-development activities as well as on Commission Authorized development projects;

3. Authorizes an initial one-year term of each contract with three optional one-year renewals.
I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 7, 2014.

______________________________
Patrice M. Birdsong
Special Assistant to the Commission
Deliberation and/or Action
APPROVAL OF SELECTION OF LAW FIRMS
FOR QUALIFIED POOL OF OUTSIDE COUNSEL
FOR REAL ESTATE LEGAL SERVICES
IN RESPONSE TO RFQ #1923
AND RELATED MATTERS

STACY L. SPANN, EXECUTIVE DIRECTOR
KENNETH TECLER
KELLY MCLAUGHLIN
MAY 7, 2014
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Overall Goal & Objective

➢ To select a pool of qualified law firms to serve in the capacity of outside counsel to the Housing Opportunities Commission of Montgomery County (the “Commission”) with respect to various real estate legal services:

• General Real Estate (Transactional)
• Land Use & Zoning
• Construction Law (Transactional and Litigation)
• Real Estate Finance and Lending
• Environmental Regulations and Compliance
• General and Real Estate Tax
• Affordable Housing (including HUD-compliance)
• Tax Credits (including low-income housing tax credits, historic rehabilitation tax credits and/or new markets tax credits)
• Fair Housing Law
Background

The Mortgage Finance and Real Estate Development Division is currently actively engaged in numerous real estate development and redevelopment activities.

- Many are part of HOC’s conversion of public housing units under HUD’s Rental Assistance Demonstration (RAD) program.
- A number are a result of HOC’s efforts to capitalize on extinguishing or new zoning classifications.
- Others are Low-Income Housing Tax Credit deals with terminating Compliance Periods and potential for re-syndication.

Given the volume of real estate activity, their time-sensitive nature, and the increased potential for conflicts in legal representation, the staff seeks to engage outside counsel to provide legal services for these transactions.

Staff issued a Request for Qualifications for Real Estate Legal Services (RFQ #1923) on March 5, 2014.
## Background

- Twenty-one (21) responses were received by March 28, 2014.

<table>
<thead>
<tr>
<th>RESPONDENTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AKIN-DEKO PROFESSIONAL SERVICES FIRM, LLC</td>
<td>LERCH EARLY &amp; BREWER, CHARTERED</td>
</tr>
<tr>
<td>BALLARD SPAHR LLP</td>
<td>LINOWES AND BLOCHER, LLP</td>
</tr>
<tr>
<td>BOCARLSY EMDEN COWAN ESMAIL &amp; ARNDT LLP</td>
<td>MCGUIRE WOODS LLP</td>
</tr>
<tr>
<td>GALLAGHER EVELIUS &amp; JONES LLP</td>
<td>MCMANUS DARDEN AND FELSEN LLP</td>
</tr>
<tr>
<td>GOLDSTEIN HALL PLLC</td>
<td>MILLER, MILLER &amp; CANBY, CHARTERED</td>
</tr>
<tr>
<td>HESSEL, ALUISE AND NEUN, P.C.</td>
<td>RENO &amp; CAVANAUGH, PLLC</td>
</tr>
<tr>
<td>HOLLAND &amp; KNIGHT, LLP</td>
<td>ROBERT WINDSOR ESQ.</td>
</tr>
<tr>
<td>JACQUELYN V. MEISER, P.C.</td>
<td>SAVAGE &amp; ASSOCIATES LAW GROUP, P.C.</td>
</tr>
<tr>
<td>KELLIHER &amp; SALZER, LLC</td>
<td>SCHRADER HARRISON SEGAL &amp; LEWIS LLP</td>
</tr>
<tr>
<td>KLEIN HORNIG LLP</td>
<td>VILLAGE SETTLEMENTS INC.</td>
</tr>
<tr>
<td>KUTAK ROCK LLP</td>
<td></td>
</tr>
</tbody>
</table>
Staff has completed its review of the responses to the RFQ and scored the respondents based on specific evaluation criteria.

Staff interviewed legal counsel where appropriate.

Staff has compiled a list of firms to recommend for selection into the pool of outside real estate counsel for the various real estate legal services.
## Background

<table>
<thead>
<tr>
<th>SELECTION CRITERIA</th>
<th>% WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>THE LEVEL OF EXPERIENCE</strong></td>
<td>40%</td>
</tr>
<tr>
<td>(based on the volume, complexity, and nature of relevant matters)</td>
<td></td>
</tr>
<tr>
<td><strong>QUALITY OF THE FIRM’S WORK PRODUCT</strong></td>
<td>20%</td>
</tr>
<tr>
<td>(based on references and the prior experiences of HOC staff)</td>
<td></td>
</tr>
<tr>
<td><strong>DEPTH AND CAPACITY</strong></td>
<td>15%</td>
</tr>
<tr>
<td>(based on its commitment of time and resources to HOC, the stability of the firm’s attorneys and staff, and availability of additional personnel)</td>
<td></td>
</tr>
<tr>
<td><strong>EXPERIENCE REPRESENTING GOVT. AGENCIES</strong></td>
<td>5%</td>
</tr>
<tr>
<td><strong>COST</strong> (including willingness to provide discounted rates, flat fee arrangements, feedback, value-added template/form document preparation)</td>
<td>20%</td>
</tr>
</tbody>
</table>

- Scores ranged from 1 to 5 for each of the selection criteria.
- Each firm’s overall score was calculated by taking the sum of each criteria’s weighted score.
Background

Top 5 Scores: General Real Estate (Transactional)

- Reno & Cavanaugh: 4.8
- Linowes & Blocher: 4.6
- Gallagher: 4.4
- Ballard Spahr: 4.2
- Kutak Rock: 4.2
Top 5 Scores: Land Use & Zoning
Top 5 Scores: Construction (Transactional & Litigation)

<table>
<thead>
<tr>
<th>Firm</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schnader</td>
<td>4.6</td>
</tr>
<tr>
<td>McManus Darden</td>
<td>4.4</td>
</tr>
<tr>
<td>Holland &amp; Knight</td>
<td>4.4</td>
</tr>
<tr>
<td>Gallagher</td>
<td>4.2</td>
</tr>
<tr>
<td>Kutak Rock</td>
<td>4.0</td>
</tr>
</tbody>
</table>
Top 5 Scores: Real Estate Finance & Lending

- Reno & Cavanaugh: 4.8
- Gallagher: 4.6
- Linowes: 4.4
- Holland & Knight: 4.4
- Hessel & Alluise: 4.4
Top 5 Scores: Environmental Regulation & Compliance
Background

Top 5 Scores: Real Estate Tax

- Gallagher: 4.8
- Reno & Cavanaugh: 4.6
- Bocarsly Emden: 4.4
- Linowes: 4.4
- Ballard Spahr: 4.4
Top 5 Scores: Affordable Housing

- Gallagher: 4.8
- Reno & Cavanaugh: 4.6
- Bocarsly Emden: 4.4
- Hessel & Alluise: 4.2
- Ballard Spahr: 4
Top 5 Scores: Tax Credits

- Gallagher: 4.6
- Reno & Cavanaugh: 4.6
- Kutak Rock: 4.6
- Bocarsly Emden: 4.4
- Klein Hornig: 4.2
Background

Top 5 Scores: Real Estate Tax

- Gallagher: 4.8
- Reno & Cavanaugh: 4.6
- Bocarsly Emden: 4.4
- Linowes: 4.2
- Ballard Spahr: 4.0

5/7/2014

Pool of Qualified Counsel for Real Estate Legal Services
Top 5 Scores: Fair Housing

- Reno & Cavanaugh: 4.8
- Gallagher: 4.4
- Ballard Spahr: 4.2
- McGuire Woods: 3.4
- Holland & Knight: 3.2
Recommended real estate counsel for the various groupings of real estate legal services:

- **Land Use & Zoning**
  - Linowes & Blocher
  - Miller Miller & Canby
  - Lerch Early
  - Ballard Spahr

- **Construction**
  - Schnader
  - McManus Darden
  - Holland & Knight
  - Gallagher

- **Environmental**
  - Linowes & Blocher
  - Kutak Rock
  - Holland & Knight
  - Gallagher

- **Fair Housing**
  - Reno & Cavanaugh
  - Gallagher
  - Ballard Spahr

5/7/2014
Background

Affordable Housing and Tax Credits
- Reno & Cavanaugh
- Gallagher
- Hessel Aluise
- Bocarsly Emden
- Kutak Rock
- Klein Hornig
- Ballard Spahr

General Real Estate, General & RE Tax, and RE Finance & Lending**
- Reno & Cavanaugh
- Linowes & Blocher
- Gallagher**
- Ballard Spahr**
- Kutak Rock**
- Bocarsly Emden
- Klein Hornig
- Hessel Aluise
- Holland & Knight

**Also has experience serving as bond counsel
Letters of Agreement

HOC will enter into Letters of Agreement with the selected firms.

The term will be two (2) years, renewable for up to three (3) additional one-year periods.

The Letter of Agreement provides that the firm’s legal fees and other costs/prices will remain fixed for the initial two year period (upon the firm’s written request, these may be increased by CPI for any renewal period).

The Letter of Agreement permits HOC to engage the firm for one or more Real Estate Legal Services on either general, preliminary/feasibility/pre-development, limited-scope and/or issue-specific real estate matters; for continued representation in projects that progress beyond the feasibility phase; and for continued representation relating to project operations.
Approval of a $350,000 Budget for Legal Services from the Qualified Pool Prior to Project-Specific Budget Approvals

- The HOC Procurement Policy permits the Executive Director to approve expenditures up to $50,000 for duly-bid professional services. Expenditures exceeding $50,000 require Commission approval. Since multiple real estate transactions in the feasibility phase are active at a given time, this threshold will easily be exceeded. Therefore, staff requests approval for a general budget of $350,000 to cover legal fees incurred with a firm from the Qualified Pool for any legal work performed prior to the approval of a project-specific budget.

- The cost of legal services rendered during the development phase of a project will be built into such project’s budget. Legal fees incurred with respect to a project that has already received budget approval will be paid from such project’s budget.
Commission Requests & Next Steps

Issues for Consideration

• Does the Commission wish to accept staff’s recommendation of firms to be added to a pool of qualified outside counsel for real estate legal services?

• Does the Commission wish to authorize the Executive Director, or his designee, to execute Letters of Agreement with the selected firms?

• Does the Commission wish to authorize staff to engage firms from the legal pool for legal services for a project throughout all phases of development and operations of such project?

• Does the Commission wish to approve a budget of $350,000 for legal expenses fees for firms in the Qualified Pool for work performed prior to the approval of a project-specific development budget?
Commission Requests & Next Steps

Timing Considerations

• For action at the May 7, 2014, Commission meeting
• Notification of Selections on or about May 8, 2014
• Execution of Letters of Agreement on or about May 16, 2014

Items for Action – Staff recommends Commission approval of the following:

• Selection of the recommended law firms to become part of a pool of qualified counsel for real estate legal services;
• Authorization for the Executive Director to execute Letters of Agreement with the selected firms;
• A budget of [$350,000] for legal services rendered by the selected firms for projects prior to the approval or adoption of such project’s development budget; and
• Engagement of counsel from the legal pool for legal services for projects throughout all phase of development and operations of such project.
RESOLUTION: RE: Approval of Selection of Firms for Qualified Pool of Real Estate Counsel, Authorization to Execute Letters of Agreement with Selected Firms, Approval of a $350,000 Budget for Legal Fees for the Qualified Pool, and Approval to Engage Firms from Qualified Pool for Legal Work Throughout All Phases of Development or Operation of the Project

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”), a public body corporate and politic duly created, organized and existing under the laws of the state of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland (the “Act”), to carry out and effectuate the purpose of providing affordable housing; and

WHEREAS, the Commission is currently actively engaged in numerous real estate development and redevelopment activities, which are time-sensitive in nature; and

WHEREAS, the Commission is actively pursuing partnerships with co-developers for the redevelopment of a number of projects in its portfolio, which increases the potential for a conflict of interest in legal representation; and

WHEREAS, in connection therewith, the Commission issued a Request for Qualifications for Real Estate Legal Services (RFQ #1923) on March 5, 2014; and

WHEREAS, the Commission desires to select a number of respondents to be included in a qualified pool of real estate legal counsel (the “Qualified Pool”).

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

1. The Commission approves the selection and addition of the following law firms to the Qualified Pool for the various areas of real estate legal services, as shown:

A. Land Use and Zoning:
   Linowes & Blocher, LLP
   Miller Miller & Canby, Chartered
   Lerch Early & Brewer, Chartered
   Ballard Spahr LLP
B. **Environmental Regulation and Compliance:**
   Linowes & Blocher, LLP
   Kutak Rock, LLP
   Holland & Knight, LLP

C. **Construction (Transactional and Litigation):**
   Schnader Harrison Segal & Lewis, LLP
   McManus Darden and Felsen LLP
   Holland & Knight, LLP
   Gallagher Evelius & Jones, LLP

D. **Affordable Housing and Tax Credits:**
   Reno & Cavanaugh, PLLC
   Gallagher Evelius & Jones, LLP
   Hessel Aluise and Neun, P.C.
   Bocarsly Emden Cowan Esmail & Arndt LLP
   Ballard Spahr LLP
   Kutak Rock, LLP
   Klein Hornig, LLP
   Ballard Spahr LLP

E. **General Real Estate, General & Real Estate Tax, and Real Estate Finance & Lending**
   Reno & Cavanaugh, PLLC
   Linowes & Blocher, LLP
   Gallagher Evelius & Jones, LLP
   Ballard Spahr LLP
   Kutak Rock, LLP
   Bocarsly Emden Cowan Esmail & Arndt LLP
   Klein Hornig, LLP
   Hessel Aluise and Neun, P.C.
   Holland & Knight, LLP

F. **Fair Housing:**
   Reno & Cavanaugh, PLLC
   Gallagher Evelius & Jones, LLP
   Ballard Spahr LLP

2. The Commission authorizes the preparation and negotiation of, and directs execution by the Executive Director of the Commission, or his designee, of Letters of Agreement with each of the firms selected for the Qualified Pool for an initial term of two years, with three annual renewals.
3. The Commission approves an aggregate budget of $350,000 for legal services rendered by the Qualified Pool for projects prior to the approval or adoption of such project’s development budget.

4. The Commission authorizes the staff to engage counsel directly from the Qualified Pool for any legal services required by a project throughout all phases of development or operation of such project.

5. The Commission authorizes, without further action on its part, the taking of any and all other actions necessary and proper to carry out the creation and engagement of the Qualified Pool.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 7, 2014.

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Patrice M. Birdsong
Special Assistant to the Commission