EXPANDED AGENDA
March 1, 2017

4:00 p.m. I. CONSENT ITEMS

| Page 03 | A. Approval of Minutes of February 1, 2017 |
| 17      | B. Approval of Executive Session Minutes of February 1, 2017 |
| 20      | C. Ratification of Authorization to Form New Owner to Acquire Real Property in Silver Spring for $11.5MM; Approval of the Execution by New Owner of a Purchase and Sales Agreement for the Acquisition of the Property; Approval of Execution by New Owner of an Agreement with Developer to Purchase the New Owner’s Interest in the Property and enter into a joint venture with the New Owner for the redevelopment of the Property; and Approval of a Loan of $215,000 from the Opportunities Housing Reserve Fund (“OHRF”) for Feasibility Fund and Earnest Money Deposit |
| 26      | D. Approval for VPC One and VPC Two Corporations to Accept a Loan from EagleBank to Satisfy Requirement of the Corporations’ Bylaws |
| 3       | E. Approval of the Appointment of Sally Roman to the Board of Directors of Housing Opportunity Community Partners, Inc |

4:05 p.m. II. INFORMATION EXCHANGE

| Page 31 | A. Report of the Executive Director |
| 35      | B. Calendar and Follow-up Action |
|         | C. Correspondence and Printed Matter |
|         | D. Commissioner Exchange |
|         | E. Resident Advisory Board |
|         | F. Community Forum |
|         | G. Status Report |

4:15 p.m. III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

| Page 40 | A. Budget, Finance and Audit Committee – Com. Nelson, Chair |
| 55      | 1. Acceptance of Second Quarter FY’17 Budget to Actual Statements |
| 60      | 2. Approval of FY’17 Second Quarter Budget Amendment |
| 64      | 3. Approval of Calendar Year 2017 (CY’17) Budget for Alexander House Apartments Limited Partnership |
| 68      | 4. Approval of the FY’18 County Operating Budget MARC Reduction |
|         | 5. Approval of Property Management Contract for Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor |

| 73      | B. Development and Finance Committee – Com. Simon, Chair |
|         | 1. Approval of a 12-Month Predevelopment Budget in the Amount of $1,341,500 for the Redevelopment of Holly Hall; Approval to Loan Hillandale Gateway, LLC $1,341,500 in Predevelopment Funding; and Approval for Hillandale Gateway, LLC to Accept the Predevelopment Loan |
| 82      | 2. Approval of Six Months Extension of the Development Consultant Contract with The Concours Group for the Development of 900 Thayer (8240 Fenton St.) |
| 98      | 3. Approval to Advance Funds from the Single Family Indentures to Reimburse Bogman Inc. for Pre-Claim Expenses for Single Family’s Whole Loan Portfolio |

4:55 p.m. IV. ITEMS REQUIRING DELIBERATION and/or ACTION
V. FUTURE ACTION ITEMS

VI. INFORMATION EXCHANGE (continued)
   A. Community Forum

VII. NEW BUSINESS

VIII. EXECUTIVE SESSION FINDINGS

5:00 p.m. ADJOURN

5:05 p.m. DEVELOPMENT CORPORATION MEETING
Page 111
- Paddington Square Development Corporation – Approval of Management Contract for Paddington Square Development Corporation 17-001PS (pg. 114)

5:15 p.m. ADJOURN

5:20 p.m. 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.
The Annual meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, February 1, 2017 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Those in attendance were:

Present
Sally Roman, Chair
Jackie Simon, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Christopher Hatcher
Margaret McFarland
Linda Croom
Pamela Byrd

Also Attending
Stacy Spann, Executive Director
Nowelle Gahahari, Deputy General Counsel
Kayrine Brown
Patrick Mattingly
Jim Atwell
Ethan Cohen
Tiffany Jackson
Arthur Tirsky
Lynn Hayes
Eugene Spencer
Diane Morrison
Fred Swan
Vivian Benjamin
Natalie Kaplan
Deirdre Harris
Michele Ogunbode
Roxanne Holiday
Brian Selden
Erin Bradley
Neron Adams-Escalera
Teferi Gebremariam

Kelly McLaughlin, General Counsel
Gail Willison
Shauna Sorrells
Zachary Marks
Bobbie Dacosta
Nilou Razeghi
Joan McGuire
Angela McIntosh-Davis
Ugonna Ibebuchi
Martine Bohn
Teri Fowler
Rita Harris
Garrett Jackson
Paul Vinciguerra
Jay Shepard
Sue Swierdsol
Gloria Velazquez
Ruth Jorge
Shala Rafiq
Lorie Seals
Chair Roman convened the annual meeting of the Housing Opportunities Commission by first welcoming guests and staff. During this time she introduced the 2017 Housing Honor Roll recipient as well as the 2017 Special Recognition recipient.

**HOUSING HONOR ROLL AWARD**

HOC gives the Housing Honor Roll Award annually to recognize outstanding efforts to provide a fair and affordable housing supply in Montgomery County. The honoree will receive an engraved plaque from the Commission and have their name engraved on the list of Housing Honor Roll Award Winners.

**Perry Berman** – Mr. Berman is Vice President of Land Use & Planning at Scheer Partners. For 28 years, he has worked on land development throughout the Washington region for diverse clients including banks, property owners, builders, colleges and non-profits. In 2013, Mr. Berman began working with HOC. With his help, HOC was able to establish working relationships with Planning staff to support the agency’s real estate agenda. His assistance was critical while the County’s sector and master plans were being revised. Because of his support, HOC has achieved greater zoning capacity and future development potential for more than 1,500 units in support of its mission.

**SPECIAL RECOGNITION AWARD**

HOC gives the Special Recognition Awards annually to recognize outstanding efforts on behalf of HOC, its residents and affordable housing in our community. The Honoree will receive a Plaque Certificate of Recognition from the Commission. This year’s recipient is:

**Juin Killingsworth** – Ms. Killingsworth is a Landlord-Tenant Mediation Investigator in the Division of Housing within Montgomery County’s Department of Housing and Community Affairs. For almost 30 years, Ms. Killingsworth has advocated for HOC tenants and landlords ensuring access to quality housing for all county residents. She guarantees fair and equitable housing access, arbitrates disputes, provides information as well as technical assistance. Her leadership in the area of landlord-tenant relations led HOC to streamline its inspection protocols, adopting a single code in satisfaction of Montgomery County and the Department of Housing and Urban Development requirements. Streamlining HOC’s inspection protocol helps
reduce the number of duplicate and failed inspections and speeds the pace at which vulnerable families are housed.

Rosie McCray-Moody, Department of Housing and Community Affairs, accepted the award on Ms. Killingsworth’s behalf.

Commissioner Nelson also expressed his appreciation and congratulations to Ms. Killingsworth in receiving the 2017 Special Recognition Award.

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

YEAR IN REVIEW

Annual Meeting Speech of the Executive Director, Stacy L. Spann.

2017 Annual Meeting

Introduction

Thank you, Commissioner Roman.

Good afternoon and welcome. My name is Stacy Spann and I’m the Executive Director of the Housing Opportunities Commission of Montgomery County. Thank you for joining us for our 2017 annual meeting – we have a lot to be proud of in terms of how we served this community in 2016 and where we are going in 2017. And, I’m excited to share it with you.

HONOREES

Before I do that, please join me in giving another round of applause for our 2017 honorees. As an organization, HOC and its staff make it our mission to serve this community and its most vulnerable residents. But it’s the fervent leadership of individual citizens, who care deeply about this community and their neighbors, both known and unknown, that inspires. Here’s the deal: HOC would simply not be able to fulfill its mission and serve its customers with the level of excellence or level of services without the partnership and support of our honorees. So, again on behalf of the Commission, staff and clients, I thank both Perry Berman and Juin Killingsworth for their efforts in support of the thousands of men, women and children we serve.

COMMISSION CHANGES

I’d also like to take just a quick moment to acknowledge the work of relatively new and outgoing commissioners. Last year, we welcomed two new Commissioners onto the board –
Commissioner Linda Croom and Commissioner Pamela Byrd. Commissioner Croom was appointed to the Commission in January 2016 and brings invaluable leadership as HOC’s Resident Commissioner, bringing insights and a perspective to the Board that helps HOC fulfill its mission in ways that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County.

Commissioner Byrd was appointed to the board in May 2016, and is a longtime volunteer in Montgomery County, having served with the American Red Cross, Board of Elections and the Potomac Valley Alumnae Chapter of the Delta Sigma Theta Sorority. She is also a board member with her homeowner’s association in Silver Spring. I thank you both for your leadership, the work you’ve done and the work you have ahead of you. So again - Welcome.

We are also celebrating the long service of our outgoing Chair, Commissioner Sally Roman. Commissioner Roman came to HOC in 2007 after giving many years in her career as a Master Planner and ultimately Lead Planner, as a consultant on demographic issues in the county. And, she was critical in updating Montgomery County’s Moderately Priced Developed Unit law – which is pivotal to the work we do here.

Commissioner Roman’s commitment to this County and her passion for affordable housing issues is evidenced in the way she served and led HOC. So, while we will miss her here, it should come as no surprise that she’ll continue to serve Montgomery County and lend her voice to issues she cares so much about - She has graciously agreed to join the board of our non-profit affiliate, the Housing Opportunities Community Partners. I will say that I am personally looking forward to keeping you around.

Overview of Topics for Discussion

Today, I’ll talk about the impact HOC made over the past year thanks to the steady leadership of our commissioners, impassioned volunteers, strong community partners, and the tireless efforts of an extremely dedicated staff. This agency is fortunate to have passionate folks, who take what their work means to this community - seriously. There is room for everyone in this agency to lead from where they are and, as it turns out, it is crucial in the way HOC can continue to push the bounds of how best to provide Montgomery County with the most connected affordable housing this county has ever seen.

Every day, the staff at HOC stretches themselves and their talents so that as an agency we can improve living conditions for this county’s most vulnerable: the elderly, disabled, families working hard to raise children yet barely able to make ends meet, and fathers and mothers trying to give their children the education and support they need to meet their full potential. The thing we ALL want for our children - that they have the chance to meet their fullest potential.
After looking back over the past year, I’ll share what our recent successes have taught us and how we will use that knowledge to serve not only in 2017, but to ensure we position ourselves forward.

2016 Impact

In 2016, one of the activities that I am most proud of is the way this agency came to support families impacted by the devastating explosion at the Flower Branch Apartments in August. During a time of crisis, after many families were left homeless and without hope, working with DHCA and DHHS, HOC provided temporary, emergency housing to folks impacted and without other housing options.

This type of collaboration and partnership brought out the best of HOC in 2016. Strong alliances with uncommon partners who shared our vision and were willing to be creative, helped us push boundaries and shift the affordable housing and service paradigm forward.

Nowhere was this more evident than in our rehabilitation, development and redevelopment efforts. During 2016 we nearly completed all of our RAD conversions of old Public Housing stock, and closed on development transactions that broke new ground in affordable housing development and service delivery.

One example of this is the Chevy Chase Lakes development, which broke ground in September. Chevy Chase Lakes will be a luxury, mixed-income community. Formerly a collection of garden-style apartments, the redevelopment of this site will transform the space to include a 200-unit apartment building and 62 brownstones in the heart of Chevy Chase. Forty percent (40%) of the apartments will be offered at less than market rate, providing more units at deeper levels of affordability than previously existed on site, along with 10 brownstones that will be sold as MPDUs.

But that wasn’t enough. HOC got creative. We pushed ourselves, and our partners, and continue to do so because as an agency we strive to be at the forefront of affordable housing development and finance. As a result, HOC may be the only affordable housing developer in the nation to successfully inject private equity into a transaction, while at the same time retaining principal control – we have done just that with the Chevy Chase Lakes development.

When complete, CCL will be more than just a case study in affordable housing finance, it will expand affordable housing in that location, at all levels – from extremely low-income, to workforce housing and beyond to market rate units. And we’re doing it all on the site of the future [cross your fingers] rail transportation investments. We are creating, mixed income housing in ways that are deeply integrated within the fabric of the community in a way that’s sustainable for the long-term.

Another redevelopment schedule to begin in 2017 is the Elizabeth Square redevelopment and development project. After all is said and done, Elizabeth Square will be
comprised of three separate high-rise apartment buildings, creating a mix of family and elderly properties located in downtown Silver Spring. This project, pushes the boundaries of best practice by co-locating a county-operated Olympic class aquatic center to serve the entire region directly within the property.

Achieving these outcomes, along with an increase in total units, would not have been possible without the flexibility of the Department of Housing and Urban Development’s RAD program, the strength of the Low Income Housing Tax Credit Program, the County’s commitment to and policies for affordable housing, and last but not least partners like EYA, Equity One, the Morris and Gwendolyn Cafritz Foundation, Montgomery County Department of General Services, the County Council - - as I said Strong Alliances and Uncommon Partners.

[At the outset, each of these projects were thought impossible – to some even laughable - both inside and outside of the agency if I’m honest.] Where we faced resistance and disbelief outside these walls, we persevered and pushed forward until everyone shared our vision. Where we may have struggled to imagine the fullest potential of these developments inside these walls – we stretched ourselves and pushed forward until we all knew it would be impossible to do anything less.

Beyond housing, HOC collaborated in ways that expanded services to our customers and the community. 2016 saw our partnership with the Coalition for the Homeless target project-based housing resources to support families at risk of homelessness. The Housing Resources Division and Resident Services worked together to house homeless veterans. HOC currently has 76 vouchers entirely devoted to serving homeless Veteran’s in a unique partnership between HUD and Veteran’s Affairs. With these resources, as well as the HRD/Resident Services, collaboration was crucial to the County being designated by HUD as one of the few jurisdictions in the nation to reach functional zero in their goal to end veteran homelessness.

Not to be forgotten are the more than 300 youth who took part in a variety of extracurricular education programs. From STEM field trips, robotics clubs, chess clubs and more. HOC Academy is presenting HOC’s youngest residents with experiences that broaden their horizons and expose them to rich educational and career opportunities.

HOC is helping close the digital divide in a number of important ways. IT’s broadband internet rollout gave nearly 2,000 households access to high-speed, wi-fi internet where they live, helping students access online educational resources while giving adults the ability to apply for jobs or participate in on-line training.

Pushing forward on this initiative, HOC is launching its partnership with T-Mobile to revamp the HOC Connects program. HOC customers, both voucher holders and those living in our properties, will be able to get tablets and high-speed internet service for just a $10 technology fee. Closing the gap by ensuring folks have both the connectivity and a device. In the future we plan to offer more devices, like Chrome books so kids can use at home exactly the same technology they’re using at school.
Serving this community and our customers is a part of our DNA. HOC has a number of annual service events for customers and the larger Montgomery County community. To give you a sense of the breath of our efforts during 2016:

- We held our Annual Back To School event, which made sure kids were ready to start the school year prepared, handing out more than 540 backpacks filled with school supplies to clients;
- 2016’s Annual Holiday Giving Campaign supported more than 1,700 families during the Holiday Season by providing Thanksgiving meals to gifts from kids.
- HOC also continued its support of the 2016 Health and Wellness Expo that provided nearly 200 vulnerable families from across Montgomery County access to health care and supportive services that they might otherwise not have received.
- Lastly, HOC’s 2016 Day of Service, saw staff donate more than 1,100 hours to 28 non-profit and housing sites across Montgomery County. The Day of Service is an opportunity for HOC to serve the many agencies that serve our customers. We are actually working with our industry partners to extend this across the state of Maryland at other housing authorities.

In September, HOC’s non-profit affiliate Housing Opportunities Community Partners hosted its first ever, fundraising event—the Inspire Gala 2016. Hundreds of community members, stakeholders and elected officials joined Community Partners to celebrate the organization’s impact on families across the county. More than 20 corporate sponsors and dozens of private supporters helped Community Partners raised $175,000. With the donations received, HOCP will be able to expand its support of workforce development initiatives; provide more students with afterschool STEM programming; and assist families move from homelessness to housing stability.

Beyond programming, HOC found new ways to extend information and service to customers by expanding service hours and improving the ways in which we provide information. The Housing Resources Division began offering extended office hours at our Customer Service Centers. Every Wednesday, Customer Service Centers are now open until 6:00 p.m. to give clients a chance to get off work. You’ll also notice, that the HOC website received an overhaul, and now maintains everything from access to our rental programs, Housing Path, HOC’s Twitter feed, and even HOCMC TV. This update provides our customers and partners with a reliable resource they can use to learn about what is happening at HOC, and get information that matters when where and how they need it. And these are just the first steps. We won’t stop pushing forward to provide exceptional customer service. We believe doing so will allow us to tailor and prioritize resources in ways that keep our most vulnerable customers stably housed.

In addition to providing programs, HOC supports clients as they pursue higher education, trainings and certifications. HOC Academy has distributed nearly $24,000 in tuition assistance during 2016.
What We’ve Learned

Over the last four years, HOC has moved at a dizzying pace to take advantage of a once in a generation opportunity to rehabilitate, recapitalize, and redevelop its entire public housing stock as well as much of its real estate portfolio. As an agency, HOC worked to not only revitalize but eliminate obsolete housing that no longer reflects good design or what we now know to be best practice.

Through its efforts, HOC is investing $230 million into the redevelopment of its rental housing portfolio. HOC will ultimately expand the supply of mixed-income affordable housing in Montgomery County; leveraging the real property, while de-concentrating deeply affordable units. Where possible, HOC prioritized creating robust housing options rooted in true market place focused housing choice; located in mixed-income settings; and eliminating, where possible, 100% concentrated developments.

Our work gave us a chance to ask ourselves critical questions. First, “How can we as an agency best serve customers’ affordable housing needs?” And, “What makes not only good housing but good communities?” Here’s what we’ve learned:

Beyond de-concentrating poverty, best practices are reflected when development takes place within an amenity rich environment – for everyone. Critical to being able to access our goals for ourselves’ and our families’ are living in a place with access to transportation, great schools, good jobs, friendly neighbors and recreation opportunities – parks for kids, biking and trail paths, community centers. We understand the desire to walk outside of your door, feel welcomed and connected to the larger community in which we live and raise our families. Every one of us wants this. While what that looks like for each of us may differ, it is a tie that unites.

The research is clear - when children, especially poor children, grow up in neighborhoods without resources it can have lifelong, detrimental implications that limit their life’s chances. Here in Montgomery County, perhaps more than most communities around the nation, we have an opportunity to do better and provide greater access. In fact, Montgomery County has been extremely progressive in creating inclusive communities through its land use policies and its Moderately Priced Developed Units requirements.

All of this has allowed this agency to refine its vision for how to best support customers, and we believe this is best achieved by creating Community Connected Housing. This is the way HOC will develop and site [or cite] affordable housing moving forward. We define Community Connected Housing as existing within "healthy" neighborhoods that furnish strong employment, educational, recreational, and environmental amenities. Neighborhoods and services that not only encourage but cultivate social interactions between neighbors, thereby creating communities that do not isolate vulnerable populations within pockets of poverty.
When deciding where to site future housing, HOC will look to neighborhoods that have as many essential assets as possible, things like:

- Strong Schools and Education
- Transportation
- Employment
- Green Spaces
- Food Access
- Recreation
- Housing Options
- Community Organizations
- Social Supports
- Commercial spaces for local and small businesses

We believe these amenities encourage social interactions between neighbors and promote connectivity. Taken together, these assets reflect educational and employment opportunities, healthy lifestyle options, the chance to engage with neighbors and even volunteer and support ones community.

As developers, we do not expect that every amenity will exist within every potential neighborhood. Within these communities, HOC must act as a convener and putting its resources to work at more than bricks and mortar to create these communities where possible. This is evidenced by our partnership with the county to put a regional, Olympic caliber, aquatic center within the future Elizabeth Square re-development in the Westbard community.

Often, what is harder to create, but no less critical, are community based social supports. As an agency, HOC is committed to providing programming for residents through our Family Self-Sufficiency program; HOC Academy which provides Adult Education and Workforce Development programming; STEM programming for youth and young adults; and pursuing other grants and donations through our non-profit affiliate, Housing Opportunities Community Partners (HOCP).

Developing amenity rich, community connected housing for all of Montgomery County’s residents, regardless of socio-economic status is essential to the fabric of HOC and the county. Through its Moderately Priced Developed Units law, the county is renowned for having the first successfully implemented inclusionary zoning program in the country. As the county’s affordable housing provider and developer, HOC has an obligation to incorporate the best thinking into our work. That is exactly what we intend to do.

Path Forward

At this time, I want to focus on our priorities for the year ahead. Over the last few years at HOC, we focused on re-inventing how we serve, re-positioning our real estate and re-
imagining how we meet the affordable housing needs for the approximately 14,500 families we serve. Our focus for this year is to refresh those efforts by moving to be a data-driven organization, in a way that generates business intelligence across the enterprise and helps us tell our story. What does that mean? It means our efforts have to mean more than checking a box, counting widgets or using antidotes.

By doing this, HOC will stay rooted in our mission to provide affordable housing and supportive services to those who need them most, but will be meeting those needs by fully embracing the data-driven metrics that are critical to our success in the years to come. Let’s be clear, future funding will be directly tied to our ability to tell our story through data—especially grant funds for service programs. Getting our data right matters now more than ever before as services may become even more critical under the current administration.

Next, we need to measure the effectiveness of our housing programs for our customers. By focusing on performance measurement, HOC can reduce the time it takes to get, and keep people housed, using what our data tells us about our internal processes to remove unnecessary barriers.

**Strategic Plan**

Now, I would like to turn our focus to HOC’s 2018-2022 strategic plan.

As we celebrate the accomplishments from the 2013-2017 strategic plan, it is time to embrace the challenge of the new 2018-2022 strategic planning season. The strategic plan will be in place by the beginning of the next fiscal year. But, to get there, we are doing things a bit differently. Before we begin writing the strategic plan, we are hosting an HOC Data Walk, a first of its kind for the agency.

What is a data walk and why are we doing it? A data walk is a tool of results-based leadership that fosters open conversations about program outcomes and services, how a program or division may need to “reset”, as well as what important data may be missing. This exercise will help HOC determine which data to use in developing strategies, achieving goals and tracking progress. Rather than counting widgets, data used in a data walk focuses on outcomes. With every program we should be able to answer the question, “How do we know that we are successful?”

The why is simple. We are doing a data walk so that we can look across our program outcomes and know who we are as an organization, where we’re being effective and where we have an opportunity to deepen our service to the client.

HOC staff at all levels will have a chance to share their thoughts on what the data mean, what connections exists between our processes that should be explored, and whether these are the right measures at all. We will be sharing the data and reflections with Commissioners as part of the Strategic Plan process. Finally, we will conduct a public data walk, where members
of the community can provide their feedback as well. All of this will help guide our thinking for the strategic plan.

To give you a sense of the kinds of questions we are considering:

Our HCV customers also saw a major decrease in the time it took to get housed, from an average of 420 days in 2013 to 42 days in 2016. While the reductions are great, some of the decline is simply related to having more and complete data with which to measure performance. Now that we know, it we can ask ourselves “Is 42 good or bad? Is there an opportunity to do better and where are the bottlenecks customers face when running the HOC gauntlet to get housed? And most importantly how can we eliminate them?” To my knowledge, this is the first time we’ve ever asked ourselves this question – which is interesting given that the point of most of our efforts is “To get people housed”. That’s not an admonishment, its just an acknowledgment of that taking a step back, and getting to the simplest measure of success can reveal things that were previously unseen.

Closing

HOC is on the right path. Our real estate development efforts are positioning us to bring even greater housing opportunities to Montgomery County residents. However, to continue building on our achievements, we are more committed to using data as knowledge so that we protect the investments made in our housing and our mission for this great community.

With the leadership of the Commission and the commitment of our staff, I am confident we will continue to identify and capitalize on our opportunities.

As an agency, HOC understands what is possible when we dream big and maximize the potential within our partnerships. Moving forward, we will spend the year dreaming big together, creating a new strategic vision for the next five years. And I look forward to an amazing year ahead and our work together.

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**Election of Officers**

Mr. Spann opened the floor for the election of the 2017 officers. Prior to the nominations, Chair Pro Tem Nelson, on behalf of the Board, expressed appreciation of the nine (9) years of service and leadership Chair Sally Roman provided to the Board of Commissioners.

A motion to nominate Commissioner Jackie Simon as Chair and Commissioner Christopher Hatcher as Vice Chair. The nomination was seconded by Commissioner McFarland. A motion was made by Commissioner Byrd to nominate Commissioner Rick Nelson, Jr., as Chair Pro Tem. The nomination was seconded by Commissioner Croom. Being no other nominations, the officers were unanimously elected – Jackie Simon, Chair; Christopher Hatcher, Vice Chair;
Rick Nelson, Chair Pro Tem. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, McFarland, Hatcher, Croom and Byrd.

Commissioner Roman thanked the Board for her opportunity to serve as Chair for the past two (2) years, as well as Mr. Spann and HOC staff.

Chair Elect Simon gave remarks as she accepted her role.

The Consent Calendar was then approved upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Roman. Affirmative votes were cast by Commissioners Simon, Hatcher, Nelson, Roman, McFarland, Croom, and Byrd.

I. CONSENT ITEMS

A. Approval of Minutes of January 11, 2017 – The minutes were approved as submitted.

B. Approval of Minutes of Executive Session Minutes of January 11, 2017 – The minutes were approved as submitted.

C. Authorization to Implement Voucher Payment Standards Based on HUD FY 2017 Fair Market Rents – Ethan Cohen, Housing Program Coordinator and Lynn Hayes, Director of Housing Resources, gave a brief explanation of the payment standards analysis at the request of Commissioner McFarland. The following resolution was approved.

RESOLUTION: 17-09 RE: Authorization to Implement Voucher Payment Standards Based on HUD FY 2017 Fair Market Rents

WHEREAS, U.S. Department of Housing and Urban Development (HUD) regulations require that the Housing Opportunities Commission of Montgomery County (HOC) establish and implement new Voucher Payment Standards annually to be used in HOC’s administration of the Housing Choice Voucher Program; and

WHEREAS, the establishment of these Voucher Payment Standards must be based upon a percentage between 90 and 110 percent of the HUD Fair Market Rents (FMRs) for the given fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to establish and implement the Voucher Payment Standards listed below.
### # of Bedrooms | Recommended VPS
--- | ---
Efficiency | $1,310
1 Bedroom | $1,377
2 Bedroom | $1,591
3 Bedroom | $2,093
4 Bedroom | $2,598
5 Bedroom | $2,988
6 Bedroom | $3,378

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized and directed, without further action on its part, to take any and all other actions necessary and proper to carry out the activities contemplated herein.

**II. INFORMATION EXCHANGE**

**A. Report of the Executive Director** – An updated on the closing of the Alexander House Limited Partnership was provided.

**B. Commissioners Exchange** - Commissioner Croom expressed her gratitude to Commission Roman on behalf of the Resident Advisory Board.

**C. Resident Advisory Board** - Yvonne Caughman, Vice President of the Resident Advisory Board, had to leave early. Fred Swan, Resident Services Director, updated the Commission on the continued progress of the RAB meetings with individual Division Directors.

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

No Reports

**IV. *FUTURE ACTION ITEMS**

None

**V. NEW BUSINESS**

None

**VI. EXECUTIVE SESSION FINDINGS**

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

The meeting adjourned at 5:26 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb
RATIFICATION OF ACTION TAKEN IN EXECUTIVE SESSION
ON FEBRUARY 1, 2017:
Authorization to Form New Owner to Purchase Real Property in Silver Spring; Authorization for New Owner to Enter Into a Purchase and Sales Agreement to Purchase the Property; Authorization for New Owner to enter into a Joint Venture with a Developer to Purchase the New Owner’s Interest in the Property and Jointly Redevelop the Property; Authorization of a Loan of $215,000 for Feasibility Fund and Earnest Money Deposit

March 1, 2017

• At an Executive Session on February 1, 2017, the Commission adopted Resolution 17-10R, which authorized the creation of a New Owner in order to enter into a Purchase and Sale Agreement to acquire real property in Silver Spring, Maryland, authorized the New Owner to acquire the Real Property in Silver Spring, Maryland, and authorized New Owner to enter into a Joint Venture Agreement with a Developer to purchase the New Owner’s interests in the Real Property and redevelop it.

• Consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the February 1, 2017 Executive Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commissioner wishes to ratify any action taken since the Executive Session with respect to the approved transaction.
RESOLUTION: 17-10R  RE: Ratification of Authorization to Form New Owner to Acquire Real Property in Silver Spring; Approval of the Execution by New Owner of a Purchase and Sales Agreement for the Acquisition of the Property; Approval of Execution by New Owner of an Agreement with the Developer to Purchase the New Owner’s Interest in the Property and enter into a joint venture with the New Owner for the redevelopment of the Property; and Approval of a Loan of $215,000 from the Opportunity Housing Reserve Fund (“OHRF”) for Feasibility Fund and Earnest Money Deposit

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

WHEREAS, at an Executive Session duly called and held on February 1, 2017, with a quorum present, the Commission duly adopted Resolution 17-10R, which authorized the creation of a New Owner in order to enter into a Purchase and Sales Agreement to acquire certain Real Property in Silver Spring, Maryland, authorized the New Owner to acquire the Real Property in Silver Spring, Maryland, authorized the New Owner to enter into a Joint Venture Agreement with the Developer to purchase the New Owner’s interests in the Real Property and redevelop it, and approved a Loan of $215,000 from the Opportunity Housing Reserve Fund (“OHRF”) for Feasibility Fund and Earnest Money Deposit; and

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 17-10R and any action taken since February 1, 2017 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 17-10R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.
I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a meeting conducted on March 1, 2017.

SE ____________________________
A Patrice M. Birdsong
L Special Assistant to the Commission
APPROVAL FOR VPC ONE CORPORATION AND VPC TWO CORPORATION TO ACCEPT A LOAN FROM EAGLEBANK TO SATISFY REQUIREMENT OF THE CORPORATIONS’ BYLAWS

MARCH 1, 2017

- VPC One Corporation (“VPC One”) and VPC Two Corporation (“VPC Two”) (together the “Corporations” or “VPCs”) own 399 and 280 units, respectively, for a combined total of 679 scattered site properties throughout Montgomery County.

- On May 13, 2016, staff presented to the Corporations and the Housing Opportunities Commission of Montgomery County (HOC or the “Commission”) a Financing Plan to complete the renovation of the VPCs that included a loan from EagleBank (the “Lender”). The Commission approved a loan to the Corporations for up to $50,000 to fund an application fee with the Lender, which supported due diligence costs related to the transaction.

- On December 7, 2016, the Corporations approved an increase to the construction budget for $1.5 million, approved the Final Financing Plan, and authorized acceptance of a loan from the Lender in an amount not to exceed $35.4 million for VPC One and $24.6 million for VPC Two for a combined amount of no more than $60 million.

- The Final Financing Plan for the Corporations will complete the renovations, repay all renovation funds drawn on the PNC Bank, N.A. Line of Credit, repay acquisition draws from the Opportunity Housing Development Fund (OHDF), provide excess proceeds to the Commission, and provide a permanent financing facility (for up to 10 years) for the Corporations by way of an EagleBank working capital non-revolving Line of Credit with the option to issue Sub-Notes for up to $60 million.

- The Bylaws for the Corporations require that its Board of Directors obtain approval of the Commission prior to entering into a loan or mortgage or promissory note, and that said approval shall be no more than 60 days in advance of closing. Closing is scheduled for March 6, 2017.

- Staff recommends that the Commission approve VPC One Corporation’s and VPC Two Corporation’s acceptance of a loan from EagleBank to execute the Final Financing Plan with all the same terms which were approved by the Corporations on December 7, 2016.
MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann, Executive Director

FROM: Division: Mortgage Finance
Staff: Jennifer Arrington/Kayrine Brown Exts. 9760/9589

RE: Approval for VPC One Corporation and VPC Two Corporation to Accept a Loan from EagleBank to Satisfy Requirement of the Corporations’ Bylaws

DATE: March 1, 2017

OVERALL GOAL & OBJECTIVE:
To obtain approval from the Housing Opportunities Commission of Montgomery County ("Commission") for VPC One Corporation and VPC Two Corporation to accept a loan from EagleBank. The Commission’s approval is required in accordance with the Corporations’ Bylaws.

BACKGROUND:
VPC One Corporation (“VPC One”) and VPC Two Corporation (“VPC Two”) (together the “Corporations” or “VPCs”), are wholly controlled corporate instrumentalities of the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) that own 399 and 280 units, respectively, for a combined total of 679 scattered site properties throughout Montgomery County. The Corporations own the 669 former Public Housing units that underwent disposition in March 2012 from the U.S. Department of Housing and Urban Development (HUD) under Section 18 of the Housing Act of 1937, plus 10 units that were subsequently acquired. The disposition was completed in 2015 and has allowed the scattered sites to be renovated and leased under other subsidy programs. Renovations began in 2014 and are scheduled to be completed during the summer of 2017.

On May 4, 2016, staff presented to the Corporations and the Commission a Financing Plan to complete the renovation of the VPCs that included a loan from EagleBank (the “Lender”). The Commission approved a loan to the Corporations for up to $50,000 to fund due diligence costs related to the transaction and the Lender’s term sheet, and the Corporations approved the Financing Plan and accepted the $50,000 loan from the Commission for due diligence costs.

On December 7, 2016, staff presented to the Corporations the Final Financing Plan which will complete the renovations, repay all renovation funds drawn on the PNC Bank, N.A. Line of Credit, repay acquisition draws from the Opportunity Housing Development Fund (OHDF), provide excess proceeds to the Commission, and provide a permanent financing facility (for up to 10 years) for the Corporations by way of an EagleBank working capital non-revolving Line of Credit with the option to issue Sub-Notes for up to $60 million or 60% Loan-to-Value (LTV) of the “as-is” market value (the “EagleBank Loan Facility”). Draws on the Eagle Loan Facility will be limited at all times to an amount that produces a minimum Debt Service Coverage Ratio (DSCR)
of 1.25 and calculated from the annualized 6-month trailing Net Operating Income (NOI). The EagleBank Loan Facility also requires the Commission to provide a limited guarantee to include lien free completion of the proposed renovation program for the VPCs along with the payment of any debt service shortfalls, should the VPCs NOI decrease to a level that is less than the debt service payments due by the VPCs. Please see the below transaction summary:

<table>
<thead>
<tr>
<th>Transaction Summary</th>
<th>VPC One</th>
<th>VPC Two</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Units/Public Purpose</strong></td>
<td>399 Units 98% Affordable</td>
<td>280 Units 99% Affordable</td>
</tr>
<tr>
<td></td>
<td>55 ≤ 50% AMI</td>
<td>58 ≤ 50% AMI</td>
</tr>
<tr>
<td></td>
<td>336 ≤ 80% AMI</td>
<td>221 ≤ 80% AMI</td>
</tr>
<tr>
<td></td>
<td>8 Market</td>
<td>1 Market</td>
</tr>
<tr>
<td><strong>Permanent Financing Facility</strong></td>
<td>EagleBank Non-Revolving Working Capital Line of Credit with Option for Sub Notes</td>
<td></td>
</tr>
<tr>
<td><strong>Loan-to-Value (&quot;As-Is&quot; Restricted)</strong></td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Working-Capital Line of Credit Limit (up to)</strong></td>
<td>$60,000,000</td>
<td>$60,000,000</td>
</tr>
<tr>
<td><strong>First Mortgage Amount (up to)</strong></td>
<td>$35,400,000</td>
<td>$24,600,000</td>
</tr>
<tr>
<td><strong>Line of Credit Interest Rate</strong></td>
<td>Floor - 4.25% Underwritten - 4.78%</td>
<td>Floor - 4.25% Underwritten - 4.78%</td>
</tr>
<tr>
<td><strong>Sub-Note Interest Rate (Permanent)</strong></td>
<td>Floor - 4.50% Underwritten - 5.26%</td>
<td>Floor - 4.50% Underwritten - 5.26%</td>
</tr>
<tr>
<td><strong>Permanent Loan Term/Amortization</strong></td>
<td>Up to 10 years / 30-yr AMO</td>
<td>Up to 10 years / 30-yr AMO</td>
</tr>
<tr>
<td><strong>Debt Service Coverage Ratio Target</strong></td>
<td>1.25</td>
<td>1.25</td>
</tr>
<tr>
<td><strong>Debt Service Coverage Ratio (Projected FY18)</strong></td>
<td>1.49</td>
<td>1.49</td>
</tr>
<tr>
<td><strong>Credit Enhancement</strong></td>
<td>No credit enhancement required</td>
<td>No credit enhancement required</td>
</tr>
<tr>
<td><strong>Limited Guarantee of Commission</strong></td>
<td>• Lien free completion of renovation</td>
<td>• Lien free completion of renovation</td>
</tr>
<tr>
<td><strong>Minimum Deposit Requirement</strong></td>
<td>15% of final loan amount</td>
<td>15% of final loan amount</td>
</tr>
</tbody>
</table>

**VPC FINAL FINANCING PLAN:**

At closing, estimated on March 6, 2017, the first draw will include: 1) construction funds; 2) financing and transaction costs; and, 3) the initial funding of the Replacement Reserves, together estimated at $45 million. Until such time the remaining funds are drawn and a Sub-Note entered into with the Lender, interest only payments will be due. Upon the issuance of the Sub-Note, amortization will begin.

Based upon the above Final Financing Plan, utilizing the EagleBank working capital non-revolving Line of Credit, and issuing Sub-Notes under the facility for acquisition, construction and transaction costs provides approximately $60 million in loan proceeds. The properties are expected to achieve stabilization in FY 2018 with a DSCR of 1.49:1.00, which far exceed the Bank’s target DSCR of 1.25:1.00. The maximum loan limit notwithstanding, the actual maximum loan amount will be an amount that enables the Corporations to realize a maximum loan.
amount that achieves a DSCR of 1.25:1.00, reflecting the stabilized operations for the Corporations.

**ISSUES FOR CONSIDERATION:**
Does the Commission wish to Approve VPC One Corporation and VPC Two Corporation entering into a loan with EagleBank in an amount not to exceed $35.4 million and $24.6 million, respectively, for a combined amount of $60 million on the same terms previously approved by the Corporations but which approval will satisfy requirement of the respective bylaws?

**PRINCIPALS:**
Housing Opportunities Commission of Montgomery County  
VPC One Corporation  
VPC Two Corporation  
EagleBank

**BUDGET IMPACT:**
The FY17 budget assumes 11% vacancy versus the proforma of 14%, creating a variance of approximately $700,000. The pro forma does not include the FY17 budgeted “Other Income - Transfer Between Funds” (approximately $1 million), which is related to the transferring of funds from the Debt Service Reserve. This transfer or a portion thereof will eliminate the FY17 budget impact, and allow the VPCs to meet its budgetary requirements, including old debt service and debt service reserves.

In FY18, the transaction will eliminate the current amount deposited into the Debt Service Reserve ($1.6 million).

**TIME FRAME:**
Action at the March 1, 2017 meeting of the Commission.

**STAFF RECOMMENDATION and COMMISSION ACTION NEEDED:**
Staff recommends that the Commission approve VPC One Corporation and VPC Two Corporation acceptance of a loan from EagleBank. The Commission’s acceptance satisfies a requirement of the Corporation’s Bylaws as well as affirms its guarantee of lien free completion of the renovation and payment of any debt service shortfall.
RESOLUTION: 17-11

Re: Approval for VPC One and VPC Two Corporations to Accept a Loan from EagleBank to Satisfy Requirement of the Corporations’ Bylaws.

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, in November 2015, HOC completed its disposition of 669 scattered site Public Housing properties (“669 Sites”) under Section 18 of the US Housing Act of 1937, as amended (“Section 18”) and transferred the Scattered Sites to VPC One Corporation (“VPC One”) and VPC Two Corporation (“VPC Two” and together with VPC One, the “Corporations”), both of which are wholly controlled corporate instrumentalities of HOC; and

WHEREAS, VPC One owns 390 of the 669 Sites plus an additional nine (9) units that were acquired between December 2014 and December 2015 (collectively, the “VPC One Units”) and VPC Two owns 279 of the 669 Sites plus one (1) additional unit that was acquired in April 2016 (collectively, the “VPC Two Units” and together with the VPC One Units, the “Scattered Sites”); and

WHEREAS, on May 4, 2016, the Commission approved a loan to the Corporations in the amount of $50,000 from its Real Estate Working Capital Fund to fund an application deposit with EagleBank (the “Lender”), which was applied towards due diligence costs in advance of a loan commitment and shall be reimbursed at closing; and

WHEREAS, on December 7, 2016, the Corporations approved an increase to the VPC construction budget for $1.5 million, approved the Final Financing Plan, and authorized acceptance of a loan from the Lender in an amount not to exceed $35.4 million for VPC One and $24.6 million for VPC Two for a combined amount of no more than $60 million; and

WHEREAS, the Final Financing Plan for the Corporations will complete the renovations, repay all renovation funds drawn on the PNC LOC, repay acquisition draws from the Opportunity Housing Development Fund (OHDF), provide excess proceeds to the Commission, and provide a permanent financing facility (for up to 10 years) for the Corporations by way of a working capital non-revolving Line of Credit with the Lender with the option to issue Sub-Notes (“EagleBank Loan Facility”); and

WHEREAS, the EagleBank Loan Facility requires the Commission to provide a limited guarantee ensuring lien-free completion of the proposed renovation program for the VPCs, agreeing to reimburse EagleBank for any costs incurred by EagleBank that normally would be paid by title insurance, and payment of any debt service shortfalls, should the VPCs’ Net Operating Income decrease to a level that is less than the debt service payments due by the VPCs; and
WHEREAS, the Corporations’ Bylaws require the Commission’s approval prior to entering into a loan, mortgage, bond, promissory note, or contract with said approval not being more than 60 days in advance of the issue of any bonds, notes or obligations of the Corporation.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves VPC One Corporation and VPC Two Corporation entering into a loan with EagleBank for no more than $35.4 million and $24.6 million, respectively for a combined total loan with EagleBank not to exceed $60 million.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County affirms the terms of the financing, including its guaranteeing lien free completion of the renovation, agreeing to reimburse EagleBank for any costs incurred by EagleBank that normally would be paid by title insurance, and payment of debt service if the Corporations experience operating shortfalls.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, without further action on its part, hereby authorizes and directs the Executive Director to act as its authorized representative to execute all documents on its behalf, and to take any and all other actions necessary and proper to carry out the transaction contemplated herein.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open session meeting of the Commission on March 1, 2017.

S __________________________________

E Patrice M. Birdsong

A Special Assistant to the Commission

L
APPROVAL OF THE NOMINATION OF SALLY ROMAN TO THE BOARD OF DIRECTORS OF HOUSING OPPORTUNITIES COMMUNITY PARTNERS, INC.

March 1, 2017

- Housing Opportunities Community Partners, Inc. (“Community Partners”), a 501c(3) charitable organization, supports residents and resident programs operated by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”).

- The Commission is required, per Community Partners’ bylaws, to review nominees submitted to fill vacancies of the Board of Directors of Community Partners.

- Sally Roman is being nominated for one of two vacant seats on the Community Partners’ Board.
MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy Spann, Executive Director

FROM: Division: LPA       Staff: Shauna Sorrells       Ext. 9461

RE: Approval of the Nomination of Sally Roman to the Board of Directors of Housing Opportunities Community Partners, Inc.

DATE: March 1, 2017

STATUS: Consent X Deliberation_____ Status Report____ Future Action_____

OVERALL OBJECTIVE:

To approve the nomination of Sally Roman to the Board of Directors of Housing Opportunities Community Partners, Inc. (“Community Partners”).

BACKGROUND:

Community Partners collaborates with the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) on many programs that assist HOC residents. Thanks to competitive grant funding, Community Partners and HOC have established afterschool Kids’ STEM clubs that bring exciting robotics activities to 60 elementary and middle school aged children. Over the years, Community Partners and HOC have helped more than 200 low-income working families purchase refurbished vehicles propelling them to greater self-sufficiency. Community Partners has helped 275 homeless families obtain stable, permanent housing; 400 adults received job search, life and soft skills training services helping many of them to secure employment; 30 low-income families have opened individual development accounts that are matched 6:1 helping them to purchase a home, pursue education and/or start a small business; and 17 foster youth successfully transitioned into independence and are still in stable housing.

Community Partners may elect up to seven Board Directors including four designated seats, for an Attorney, Montgomery County low-income resident, Accountant and Marketing Professional. The HOC Commission, in accordance with Community Partners’ bylaws, must approve the final selection of Board Directors. Currently, there are two vacancies – one At-large and one Marketing. One nominee for the At-large seat is being presented for the Commission’s consideration.
ISSUES FOR CONSIDERATION:

Does the Commission wish to approve the nominee to serve on the Board of Community Partners for a three-year term?

PRINCIPAL:

Sally Roman

Sally Roman was appointed as a Commissioner to HOC in 2007. Her career and civic activities afford her a wealth of experience in housing and Montgomery County community issues that she brought to each decision as an HOC Commissioner.

During her tenure as Commission Chair, HOC underwent significant changes and large scale reorganizations to ensure the agency makes good on its mission to provide high quality, amenity rich housing that also happens to be affordable. HOC took advantage of the U.S. Department of Housing and Urban Development’s Rental Assistance Demonstration (RAD) program which allowed the Agency to redevelop and rehabilitate a portion of its portfolio. HOC introduced HOC Academy to expand tools and resources available to help prepare clients to compete in the classroom and the workplace. Additionally, HOC won the 2015 Innovation Award from the Maryland Affordable Housing Coalition for its cutting edge HOC Housing Path on-line waitlist.

In addition to service to HOC, Ms. Roman is also an active member of the community. The past President of the League of Women Voters, she currently sits on the organization’s Housing Committee. Ms. Roman was also Co-Chair of the New Americans study on immigration issues in Montgomery County and served as Acting Chair of the Montgomery County Ethics Committee.

BUDGET IMPACT

None

TIME FRAME:

Commission action is requested at the March 1, 2017 meeting

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED:

Staff recommends that the Commission approve the nomination of Sally Roman to the Board of Directors of Housing Opportunities Community Partners, Inc.
WHEREAS, the Housing Opportunities Commission of Montgomery County ("Commission") approved the creation of the non-profit, Housing Opportunities Community Partners, Inc. ("Community Partners"), in 1999 to support the residents and programs of the Commission; and

WHEREAS, the Board of Community Partners unanimously has nominated Sally Roman to fill an At-large vacancy on the Community Partners Board; and

WHEREAS, the Commission is required, by the Community Partners’ bylaws, to approve nominees to the Board of Directors of Community Partners.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Sally Roman is hereby approved and appointed to serve on the Board of Directors of Housing Opportunities Community Partners, Inc.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that its Executive Director is authorized, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and action contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting on March 1, 2017.

______________________________
Patrice Birdsong
Special Assistant to the Commission
Information Exchange
HOC Makes Large Donation to Habitat for Humanity

In February, HOC warehouse staff began collecting unused, overstock, items to donate to Habitat for Humanity of Montgomery County. Staff at the East Deer Park office collected a variety of items, including plumbing equipment and fixtures, surplus electrical and HVAC equipment, and miscellaneous building materials. Items were delivered to Habitat for Humanity of Metro Maryland. By delivering to Habitat for Humanity, HOC diverted over two tons of materials from local landfills. This partnership is in furtherance of the Agency’s focus on waste reduction and environmentally friendly practices. Additionally, all proceeds from Habitat for Humanity ReStore are used to fund the building of affordable housing in Montgomery and Prince George’s Counties.

Media Coverage of Westbard Protest

On Sunday, February 12, 2017, members of Macedonia Baptist Church in the Westbard area of Bethesda protested the proposed redevelopment of Westwood Towers, for which HOC has an outstanding right to purchase from current owner, Equity One. Protesters cite concerns that the redevelopment plans, specifically possible parking garage construction, require the developer to disrupt a potential historic African-American burial. The protest received a good deal of local press coverage; however, mentions of HOC were minimal. Articles only reference HOC as occupying the building on the site. A list of media outlets that covered this issue is attached to the report.

Housing Opportunities Community Partners

Housing Opportunities Community Partners Adopts Guidelines for Allocation of Discretionary Funds

HOC and the Housing Opportunities Community Partners, Inc. (Community Partners) hosted their first fundraising gala on September 26, 2016. Due to the success of the event, Community Partners received well over $125,000 in net donations and sponsorships, all of which are available for discretionary expenditures. In order to maximize the impact of these donations, the Community Partners Board of Directors recently adopted a formal process by which Resident Services, HOC Academy and FSS staff may request funds for special programming. Staff will complete a short request form, in which they will provide a narrative description of need, program activities and anticipated objective outcomes. The Board is keenly aware of the importance of tracking measurable outcomes. Accurate tracking of objective outcomes will demonstrate contributors and future grant makers the importance of continuing support of our special programs. Furthermore, in line with HOC priorities, Community Partners has earmarked $75,000 according to the following allocations:
A. 70% for programmatic activities. That 70% is broken down as follows:
   • 40% for STEaM (Science, Technology, Engineering, the Arts, and Math) activities
   • 40% for Adult Education/Workforce Development activities
   • 20% for Senior Adult Health/Well-being
B. 20% for meeting emergency/individual requests for assistance
C. 10% for interest-bearing investments as recommended by HOC Finance Division

The requests for discretionary funds may be submitted throughout the year. There are no formal deadlines. Community Partners Board makes all funding decisions. LPA staff facilitates the application process but does not make recommendations to the Board of Directors.

Sally Roman Nomination to the HOCP Board of Directors
At their January board meeting, Community Partners unanimously nominated Sally Roman to join the Board of Directors for a three-year term. Community Partners may elect up to seven Board Directors including four designated seats, for an attorney, Montgomery County low-income resident, accountant and marketing professional. The HOC Commission, in accordance with Community Partners’ by-laws, must approve the final selection of the Board Directors. Currently, there are two vacancies – one At-large and one Marketing. The board nominated Sally Roman for the At-large seat and will present her nomination for approval at the March 1, 2017 Commission meeting.

Housing Resources

FSS Partners to Offer Financial Literacy Workshops to HOC Customers
In collaboration with Emmanuel- Brinklow Seventh Day Adventist Church, the workshops focus on debt elimination. The workshop series is open to all HOC customers and will run through March 2017. On February 13th, staff held the first of four FSS financial literacy workshops. Twenty-eight clients attended the first workshop.

Resident Services

Forest Oak Towers Hosts Senior Valentine’s Day Party
On Tuesday, February 14, more than 40 seniors participated in Forest Oak Towers’ annual holiday party. The holiday party included games and prizes, festive music, arts and crafts, and treats for everyone. Residents were able to enjoy the holiday with friends and family members.

Property Management

Paddington Square Residents Express Concerns at February Town Hall Meeting
At the recent town hall meeting, residents of the Paddington Square community shared a variety of concerns from maintenance issues to a desire for more programs onsite. Customers also voiced their dissatisfaction with management's treatment of community members. After the meeting, staff from Property Management and Legislative and Public Affairs met privately with clients to catalog issues and share contact information.
I take our customer's feedback seriously. Staff has been working diligently to address each concern raised and ensure that the Paddington Square community has access to high-quality programming and stellar customer service. Property Management will host a community meeting the week of February 27th to discuss customers' issues with management and other concerns.

**HOC Staff Receives Letter of Appreciation from Residents**

Last month, staff from the Oaks at Four Corners in Silver Spring, received the following letter for their exceptional customer services:

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NOTE OF APPRECIATION
FOR THE STAFF
AT
THE OAKS AT FOUR CORNERS, SILVER SPRING, MD
JANUARY 2017

We, the residents feel very proud and comfortable in our homes at the Oaks because of our unique staff personnel. Our grounds are picture book beautiful at all times. Our building is clean at all times, not just for inspections. None of this is done with robots. This is our Community Family-like staff personnel at the Oaks.

- **Mr. J. C. Urgiles** is available to listen and to follow up on any issues that needs attention either himself personally or via the professional personnel listed below.
- **Mr. Hendry Rubio** with the speed of the "Bolt" to remedy structural issues.
- **Mrs. Miriam Lemmerman** who is faithfully trying to accommodate our social requests, on a very limited budget.
- **Mrs. Hlpe To Flores** with her smile that is worth a million dollars professional assistance as she patiently help us through...that dreaded time of lease renewal, the constant barrage of forms that needs to be verified.
- **Ms. Norma Mendez** a beautiful spirit with the ability to make everything she touches become clean, shining, and smelling fresh.
- **Mr. Mauricio Rosales** skills come through with patience and his eagerness to always to make certain it is right and we are satisfied with the finished product.
- **Mr. Luis Ortiz** make us wonder, if he ever has time to take a break because he keeps the building free of debris.

Our staff members do so much more than just a brief note of our observation listed. We appreciate the luncheons that are prepared and served to all residents at Thanksgiving and Christmas time. We appreciate their assistance as we have begun collections for the Montgomery County Shelters for Women, Children, and Men Shelters. We fell safe and content with The Oak Staff Personnel because they have shown us they care about us like their family. Thank you and we appreciate your wisdom for providing us with a competent caring staff.

THE OAKS AT FOUR CORNERS, SILVER SPRING, MD

RESIDENT REPRESENTATIVES

PHYLIS CHASE, MARY A. JACOBS, AND JEAN LANGHORNE
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Media Monitoring: Macedonia Baptist Church Protest

Print:

- Washington Post: Tensions Escalate Between Montgomery and Church Over Possible Black Cemetery 2/16/17 [LINK]
- My MC Media: Planners Share Community’s Concerns About Possible Cemetery Site in Westbard 2/16/17 [LINK]
- My MC Media: Dozens Rally at Macedonia Baptist Church About Historic Burial Site in Bethesda 2/14/17 [LINK]
- Bethesda Patch: Historic African-American Cemetery At Heart of Westbard Protests 2/13/17 [LINK]
- My MC Media: Equity One to Contract Ground Radar Studies for Cemetery Site 2/12/17 [LINK]
- My MC Media: Berliner Asks Planning Board to Ensure Westbard Action Doesn’t Prejudice Cemetery 2/8/17 [LINK]

Television/Radio:

- DCW 50: Community Fights to Find Historic Cemetery, Preserve Black History in Bethesda 2/12/17 [LINK]
- NBC 4: Historic African American Church Asks Developers to Search for Cemetery Remains 2/12/17 [LINK]
- WJLA: Controversy Surrounding what is Believed to be Former African-American Cemetery 2/12/17 [LINK]
- WTOP: Church Tries to Save African-American Cemetery from Developers 2/12/17 [LINK]
- WUSA: Black Church Fights Development in Bethesda 2/9/17 [LINK]
March 2017

1. HOC Regular Meeting (All) 4:00 p.m.
2. Legislative and Regulatory Committee Meeting (Byrd, Croom, Simon) 4:00 p.m.

3. The University of Maryland Innovation & Entrepreneurship in Real Estate Third Annual Awards (All) – Samuel Riggs IV Alumni Center, University of Maryland College Park, 7801 Alumni Dr., College Park, MD 20742 6:00 p.m.
4. Commissioners and Executive Staff: 2018 – 2022 Strategic Plan Retreat (All) – Silver Spring Civic Building – Spring Room, 2 Veterans Place, Silver Spring, MD 20910 9:00 a.m.
5. Development and Finance Committee Meeting (Simon, McFarland, Nelson) 10:00 a.m.
6. Resident Advisory Board (Croom) 6:00 p.m.
7. Budget, Finance and Audit Committee Meeting (Nelson, Hatcher, Roman) 10:00 a.m.
8. Legislative and Regulatory Committee Meeting (Byrd, Croom, Simon) 4:00 p.m.
9. NAHRO Washington Conference (All) – Crystal Gateway Marriott Hotel, 1700 Jefferson Davis Hwy., Arlington, VA 22202 6:00 p.m.
10. Agenda Formulation (Roman, Simon) 12:00 noon

April 2017

2-4. National Low Income Housing Conference (NLIHC) (All) – Washington Court Hotel, 525 New Jersey Ave., NW, Washington, DC 20001
5. Public Hearing – Discussion of PHA Plan (Simon) 3:30 p.m.
6. HOC Regular Meeting (All) 4:00 p.m.
7. Budget, Finance and Audit Committee Meeting (Nelson, Roman, Hatcher) 10:00 a.m.
8. Resident Advisory Board (Croom) 6:00 p.m.
9. Development and Finance Committee Meeting (Simon, McFarland, Nelson) 10:00 a.m.
10. Status/Lunch Meeting w/Executive Director (All) – Location TBD 12:00 noon
11. Agenda Formulation (Roman, Nelson) 12:00 noon
12. Budget, Finance and Audit Committee Meeting (Nelson, Roman, Hatcher) 10:00 a.m.
13. Town Center Board Meeting (Simon, Roman) – Hearing Room 2:30 p.m.
15. National Association of the Advancement of Colored People (NAACP) – 42nd Annual Freedom Fund Dinner (All) – Bethesda North Marriott Conference Center, 5701 Marinelli Road, Bethesda, MD 20852 (6:00 p.m. – Dinner) 5:00 p.m. – Reception

May 2017

3. HOC Regular Meeting (All) 4:00 p.m.
4. Budget, Finance and Audit Committee Meeting (Nelson, Roman, Hatcher) 10:00 a.m.
5. Resident Advisory Board (Croom) 6:00 p.m.
6. Legislative and Regulatory Committee Meeting (Byrd, Croom, Simon) 4:00 p.m.
7. Development and Finance Committee Meeting (Simon, McFarland, Nelson) 10:00 a.m.
8. Agenda Formulation (Roman, Nelson) 12:00 noon
9. Budget, Finance and Audit Committee Meeting (Nelson, Roman, Hatcher) 10:00 a.m.
10. MAHRA Conference (All) – Princess Royal Hotel, 9100 Coastal Hwy., Ocean City, MD 21842
11. Memorial Day Holiday (HOC Offices Closed)
| June 2017 |
|---|---|
| 7 | HOC Regular Meeting (All) | 4:00 p.m. |
| 16 | Tony Davis Scholarship Committee Meeting (Simon) | 10:00 a.m. |
| 19 | Resident Advisory Board (Croom) | 6:00 p.m. |
| 23 | Development and Finance Committee Meeting (Simon, McFarland, Nelson) | 10:00 a.m. |
| 23 | Status/Lunch Meeting w/Executive Director (All) — Location TBD | 12:00 noon |
| 26 | Agenda Formulation (Roman, McFarland) | 12:00 noon |

| July 2017 |
|---|---|
| 4 | Independence Day (HOC Office Closed) |
| 12 | Tony Davis Scholarship Award Reception (All) | 3:30 p.m. |
| 12 | HOC Regular Meeting (All) | 4:00 p.m. |
| 16-18 | NAHRO Summer Conference (All) (Indianapolis Marriott Downtown Hotel, 350 W. Maryland St., Indianapolis, IN 46225) |
| 17 | Resident Advisory Board (Croom) | 6:00 p.m. |
| 18 | Legislative and Regulatory Committee Meeting (Byrd, Croom, Simon) | 4:00 p.m. |
| 21 | Development and Finance Committee Meeting (Simon, McFarland, Nelson) | 10:00 p.m. |

| August 2017 |
|---|---|
| 9 | HOC Regular Meeting (All) | 4:00 p.m. |
| 15 | Budget, Finance and Audit Committee Meeting (Nelson, Roman, Hatcher) | 10:00 a.m. |
| 18 | Development and Finance Committee Meeting (Simon, McFarland, Nelson) | 10:00 a.m. |
| 18 | Status/Lunch Meeting w/Executive Director (All) — Location TBD | 12:00 noon |

Activities of Interest
1 – Follow-up Meeting w/Housing for People with Disabilities Group
2 –
## TO DO / ACTION

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>DUE DATE</th>
<th>ACTION</th>
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<th>STATUS</th>
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<td>TD-14-07</td>
<td>Spring 2017</td>
<td>Procurement Policy</td>
<td>Willison/ McLaughlin</td>
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<td>TD-15-02</td>
<td>Winter 2017</td>
<td>Update Administrative Guide for Commissioners and Staff</td>
<td>Spann</td>
<td>In Progress</td>
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<tr>
<td>TD 16-02</td>
<td>Spring 2017</td>
<td>Personnel Policy</td>
<td>Mattingly</td>
<td>In Progress</td>
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<td>TD 16-04</td>
<td>February 2017</td>
<td>Rental Policy Review with staff recommendations</td>
<td>All</td>
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<td>TD 16-05</td>
<td>Winter 2017</td>
<td>Joint Board Meeting w/Rockville Housing Enterprises and Housing Opportunities Commission</td>
<td>Spann/ Birdsong</td>
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<tr>
<td>TD 16-06 (Simon)</td>
<td>Winter 2017</td>
<td>Worksession with Communities that service Disabled Clients</td>
<td>Completed – 2/21/17</td>
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</table>
Committee Reports and Recommendations for Action
Budget, Finance & Audit Committee
ACCEPTANCE OF SECOND QUARTER FY’17
BUDGET TO ACTUAL STATEMENTS

MARCH 1, 2017

- The Agency ended the second quarter with a net cash deficit of $908,875, which resulted in a second quarter budget to actual negative variance of $1,158,430.

- The General Fund experienced delays in the receipt of anticipated fee income which were partially offset by savings in expenses through the second quarter.

- At the end of the second quarter, the unrestricted properties in the Opportunity Housing Fund generated net cash flow of $4,114,474, or $1,243,650, less than budgeted.

- The Public Housing Program ended the quarter with a surplus primarily as a result of greater than anticipated subsidy due to a higher pro-ration factor coupled with the continued receipt of Asset Repositioning Fees for some of the converted scattered site units. The surplus will be restricted to the program.

- The Housing Choice Voucher (HCV) Program experienced higher administrative fees coupled with savings in expenses which resulted in an administrative surplus through December 31, 2016. The surplus will be restricted to the program.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Gail Willison Division: Finance Ext. 9480
      Tiffany Jackson Ext. 9512

RE: Acceptance of Second Quarter FY’17 Budget to Actual Statements

DATE: March 1, 2017

STATUS: Committee Report: Deliberation [ X ]

OVERALL GOAL & OBJECTIVE:
Acceptance of the Second Quarter FY’17 Budget to Actual Statements.

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

ISSUES FOR CONSIDERATION:
To assess the financial performance of the Agency for the second quarter of FY’17.

BUDGET IMPACT:
A second quarter budget amendment was discussed with the Budget, Finance and Audit Committee at the February 21, 2017 meeting. The Commission will be asked to approve the FY’17 second quarter budget amendment at the March 1, 2017 Commission meeting. Future amendments will be presented to the Commission as necessary.

TIME FRAME:
The Budget, Finance and Audit Committee reviewed the Second Quarter Budget to Actual Statements at the February 21, 2017 Committee meeting. Action is requested at the March 1, 2017 Commission meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
The Budget, Finance and Audit Committee recommends to the full Commission approval of the Second Quarter FY’17 Budget to Actual Statements.
DISCUSSION – SECOND QUARTER BUDGET TO ACTUAL STATEMENTS

This review of the Budget to Actual Statements for the Agency through the second quarter of FY’17 consists of an overall summary and additional detail on the Opportunity Housing properties, the Development Corporation properties, the Public Housing and Housing Choice Voucher (HCV) Programs and all Capital Improvements Budgets.

HOC overall (see Attachment A)

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

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

The Commission approves the revenue and expenses and unrestricted net cash flow from operations for each fund. Unrestricted net cash flow in each fund is what is available to the Commission to use for other purposes. The Budget to Actual Comparison Summary Statement (Attachment A) shows unrestricted net cash flow or deficit for each of the funds. Attachment A also highlights the FY’17 Second Quarter Capital Budget to Actual Comparison.

The Agency ended the second quarter with a net cash deficit of $908,875. This deficit resulted in a second quarter budget to actual negative variance of $1,158,430 when compared to the anticipated second quarter net cash surplus of $249,555. The primary cause was lower recognizable income in the Opportunity Housing portfolio (see Opportunity Housing Fund). There was also lower than anticipated income in the General Fund that was partially offset by savings in expenses (see General Fund). These negative variances were partially offset by greater than anticipated Housing Choice Voucher (HCV) administrative fees, based on a higher pro-ration factor, coupled with savings in the administrative costs of the program which eliminated the projected deficit in the program (see Public Fund).

Explanations of major variances by fund

The General Fund consists of the basic overhead costs for the Agency. This fund ended the quarter with a deficit of $4,895,071, which resulted in a negative variance of $147,376 when compared to the projected deficit of $4,747,695.

As of December 31, 2016, income in the General Fund was $724,916 less than budgeted. This variance is primarily due to delay in the receipt of budgeted development and commitment fees. While the final Tanglewood capital contribution was received in December 2016, the anticipated development and commitment fees for Alexander House were not received until February 2017. This timing difference accounts for approximately $650,000 of the general fund income variance. Furthermore, the FY’17 adopted budget included ground rent of $98,247 to
be generated by the scattered site tax credit properties. As a result of deficits in the tax credit portfolio, we were unable to recognize this income.

Expenses in the General Fund were $577,540 less than budgeted. The positive variance was primarily the result of savings in administrative salaries and benefits, which ended the quarter with a positive variance of $565,431. A portion of these savings is the result of timing issues and staff does not anticipate the full savings to be realized at year end.

The Multifamily Bond Fund and Single Family Bond Fund are budgeted to balance each year. Income (the bond draw downs that finance the operating costs for these funds) is in line with the budget. There is a positive expense variance in the Bond Funds as a result of administrative salary lapse.

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

- The first group includes properties that we budgeted to provide unrestricted net cash flow toward the Agency’s FY’17 Operating Budget. This group ended the quarter with cash flow of $3,766,378, or $895,863 less than projected. It should be noted that we can only recognize revenue up to the amount budgeted for each property. Almost half of the properties in this portfolio exceeded budgeted cash flow; however, when we exclude the extra income earned on properties exceeding their budgets, the quarter’s recognizable cash flow is $3,589,057, or $1,073,184 below budget.
<table>
<thead>
<tr>
<th>Property</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexander House</td>
<td>$391,740</td>
<td>$477,503</td>
<td>$85,763</td>
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<tr>
<td>The Barclay</td>
<td>$(1,146)</td>
<td>$66,341</td>
<td>$67,487</td>
<td>$(1,146)</td>
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<tr>
<td>Glenmont Westerly</td>
<td>$122,893</td>
<td>$128,869</td>
<td>$5,976</td>
<td>$122,893</td>
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<tr>
<td>Magruder’s Discovery</td>
<td>$313,592</td>
<td>$306,099</td>
<td>$(7,493)</td>
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<td>The Metropolitan</td>
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<td>$1,185,178</td>
<td>$(119,138)</td>
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<tr>
<td>Montgomery Arms</td>
<td>$163,171</td>
<td>$174,424</td>
<td>$11,253</td>
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<tr>
<td>TPM - 59 MPDUs</td>
<td>$118,272</td>
<td>$94,350</td>
<td>$(23,922)</td>
<td>$94,350</td>
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<tr>
<td>Paddington Square</td>
<td>$241,628</td>
<td>$216,143</td>
<td>$(25,485)</td>
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<tr>
<td>TPM - Pomander Court</td>
<td>$101,699</td>
<td>$48,448</td>
<td>$(53,251)</td>
<td>$48,448</td>
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<tr>
<td>Pooks Hill High-Rise</td>
<td>$237,854</td>
<td>$183,439</td>
<td>$(54,415)</td>
<td>$183,439</td>
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<td>Scattered Site One Dev. Corp. ...</td>
<td>$213,372</td>
<td>$157,402</td>
<td>$(55,970)</td>
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<td>Scattered Site Two Dev. Corp. ...</td>
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<td>Sligo Development Corp.</td>
<td>$32,402</td>
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<td>TPM - Timberlawn</td>
<td>$345,077</td>
<td>$339,371</td>
<td>$(5,706)</td>
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<td>VPC One Corp.</td>
<td>$629,259</td>
<td>$181,202</td>
<td>$(448,057)</td>
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<td>VPC Two Corp.</td>
<td>$443,320</td>
<td>$142,509</td>
<td>$(300,811)</td>
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<td><strong>Subtotal</strong></td>
<td><strong>$4,662,241</strong></td>
<td><strong>$3,766,378</strong></td>
<td><strong>$(895,863)</strong></td>
<td><strong>$3,589,057</strong></td>
</tr>
</tbody>
</table>

**Recognizable Cash Flow**

$(1,073,184)

**Notes:**

(1) - Properties exceeding budgeted cash flow.

The Barclay experienced lower than anticipated concessions and vacancy loss, which contributed to a positive cash flow variance for the first two quarters. Magruder’s Discovery ended the second quarter slightly below budget due to higher than projected personnel costs. The Metropolitan had a negative cash flow variance which reflects average rents less than budgeted due to Yieldstar rent adjustments to increase occupancy coupled with higher than anticipated vacancy. Higher than anticipated vacancy losses at TPM – 59 MPDUs, Paddington Square, TPM – Pomander Court, and Pooks Hill High-Rise resulted in negative cash flow variances. Scattered Site One Development Corporation required maintenance expenditures in excess of the budget to address HOA violations, including repair/removal of peeling exterior paint and power washing of several units. VPC One and VPC Two Corporations ended the second quarter with negative variances of $448,057 and $300,811, respectively, primarily as a result of vacancy losses greater than anticipated.

- The second group consists of properties whose cash flow will not be used for the Agency’s FY’17 Operating Budget. Cash flow from this group of Development Corporation properties was $263,020 less than budgeted. On a consolidated basis, the RAD 6 properties ended the quarter with a negative variance of $323,964, which consisted primarily of variances at Sandy Spring Meadow and Seneca Ridge. Sandy Spring Meadow ended the second quarter with a negative cash flow variance of $74,470 primarily due to actual gross rents that are...
$104,042 below budgeted coupled with vacancy loss that is approximately $22,000 more than anticipated. **Seneca Ridge** experienced a negative variance of $214,681 driven primarily by expenses that exceeded budget by $162,159. There were notable variances related to administrative personnel costs, temporary staffing costs, utilities expenses, and maintenance costs; specifically, cleaning, landscaping, painting and extermination.

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

- The first group consists of properties whose unrestricted net cash flow will be used for the Agency’s FY’17 Operating Budget. This group ended the second quarter with cash flow of $570,106 or $125,777 less than budgeted. As noted above for the Development Corporations, we can only recognize revenue up to the amount budgeted for each property. When we exclude the extra income earned on those properties exceeding budget, the quarter’s recognizable cash flow for this group is $525,417 or $170,466 below budget.

### Unrestricted Opportunity Housing Properties

<table>
<thead>
<tr>
<th></th>
<th>(6 Months) Budget</th>
<th>(6 Months) Actual</th>
<th>Variance</th>
<th>(6 Months) Adjusted</th>
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<tbody>
<tr>
<td>64 MPDUs</td>
<td>$48,163</td>
<td>$(128)</td>
<td>($48,291)</td>
<td>$(128)</td>
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<tr>
<td>Chelsea Towers</td>
<td>$10,503</td>
<td>$4,725</td>
<td>$(5,778)</td>
<td>$4,725</td>
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<td>Fairfax Court</td>
<td>$51,591</td>
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<td>Holiday Park</td>
<td>$(9,481)</td>
<td>$(21,067)</td>
<td>$(11,586)</td>
<td>$(21,067)</td>
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<tr>
<td>Jubilee Falling Creek</td>
<td>$5,374</td>
<td>$(4,236)</td>
<td>$(9,610)</td>
<td>$(4,236)</td>
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<tr>
<td>Jubilee Hermitage</td>
<td>$5,257</td>
<td>$1,812</td>
<td>$(3,445)</td>
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<td>Jubilee Horizon Court</td>
<td>$(914)</td>
<td>$1,826</td>
<td>$2,740</td>
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<td>Jubilee Woodedge</td>
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<td>$(1,486)</td>
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<td>McHome</td>
<td>$60,362</td>
<td>$52,326</td>
<td>$(8,036)</td>
<td>$52,326</td>
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<td>McKendree</td>
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<td>MHLP VII</td>
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<td>MHLP VIII</td>
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<td>MPDU 2007 Phase II</td>
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<td>$14,079</td>
<td>$386</td>
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<td>Pooks Hill Mid-Rise</td>
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<td>Southbridge</td>
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<td>Strathmore Court</td>
<td>$221,471</td>
<td>$179,219</td>
<td>$(42,252)</td>
<td>$179,219</td>
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</tbody>
</table>

**Subtotal** | **$695,883** | **$570,106** | **(125,777)** | **$525,417** |

**Recognizable Cash Flow** | **(170,466)**

**Notes:**

(1) - Properties exceeding budgeted cash flow.

- **64 MPDUs** ended the second quarter with a negative cash flow variance $48,291 as a result of unanticipated mold remediation costs in December 2016. **Fairfax Court** and **Holiday Park** experienced higher than anticipated vacancy coupled with lower gross rent, which resulted
in a negative cash flow variances. **Jubilee Falling Creek** experienced a leak, which resulted in higher than budgeted water expenses and required mold remediation, which led to maintenance expenses in excess of budget. **MHLP VIII** also reported a negative cash flow variance of $21,080 due to a higher than budgeted payment in lieu of taxes (PILOT) for the units in HUB W. **Pooks Hill Mid-Rise** experienced lower than anticipated operating expenses, resulting in a positive cash flow variance. **Strathmore Court** ended the second quarter with a negative cash flow variance of $42,252 as a result of higher than anticipated vacancy coupled with lower than anticipated gross rent.

- The second group consists of properties whose cash flow will not be used for the Agency’s FY’17 Operating Budget. Some of these properties have legal restrictions on the use of cash flow; others may have needs for the cash flow. Cash flow for this group of properties was $73,715 higher than budgeted as of the close of the second quarter. **The Ambassador** experienced a greater than anticipated cash flow deficit due to the property being decommissioned sooner than anticipated; the property is not generating any income to fund operating expenses. **Avondale Apartments** reported a negative cash flow variance of $57,040. This is primarily attributed to a higher than budgeted PILOT; staff is working with the County to resolve the discrepancy. **Diamond Square** generated $42,084 less than budgeted cash flow as result of higher than anticipated extermination and security contract costs. **Greenhills Apartments** had a positive cash flow variance of $41,950 as a result of lower than anticipated maintenance expenses as the property is preparing to undergo renovations. **State Rental Combined** had a negative cash flow variance of $118,609 driven by negative variances in rental income and vacancy loss coupled with higher than budgeted maintenance expenses. Finally, **Westwood Tower** ended the quarter with a positive cash flow variance of $263,179. This variance is attributed to lower than anticipated vacancy combined with savings related to maintenance expenses, which are the result of timing and staff does not anticipate the full savings to be realized at year end.

**The Public Fund** (Attachment D)

- The Public Housing Rental Program ended the second quarter with a surplus of $391,995, which resulted in a positive variance of $485,062 when compared to the projected shortfall of $93,067. Income was $1,199,887 more than budgeted largely due to the receipt of higher than anticipated operating subsidy. Several factors impacted the positive variance. The budget assumed a pro-rataion of 87.85% for CY’16. The actual pro-ration for CY’16 was increased to 89.76%. In addition, the Agency continued to receive subsidy for some of the scattered sites that converted to the **VPC One** and **VPC Two Corporations**. The majority of this subsidy was received as Asset Repositioning Fees (ARF). Finally, the funding to pay for the vouchers at **Arcola Towers and Waverly House** is being received as operating subsidy through December 2016 resulting in continued income at the former Public Housing properties. There is a corresponding expense recorded to reflect the subsidy being moved to the tax credit properties as voucher revenue which is the primary cause for the negative expense variance of $714,825.
• The Housing Choice Voucher Program (HCVP) ended the second quarter with a surplus of $168,155 which resulted in a positive variance of $1,931,003 when compared to the projected shortfall of $1,762,848. The surplus was comprised of lower than anticipated Housing Assistance Payments (HAP) coupled with higher than projected HAP revenue. The program ended the period with an administrative surplus due to revenue that was $890,202 higher than anticipated and savings in administrative expenses of $565,057. The higher revenue was the result of a higher proration factor of 84% compared to the budgeted proration factor of 81% and higher administrative fees received on incoming portables. The savings in expenses were primarily due to savings in administrative salaries and benefits; these savings are the result of timing and staff does not anticipate the full savings to be realized at year end.

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

The Capital Budget (Attachment E)
Attachment E is a chart of the Capital Improvements Budget for FY’17. The chart is grouped in two sections – General Fund and Opportunity Housing properties. This report is being presented for information only. Most of the variances in the capital budgets reflect timing issues. Capital projects are long-term; therefore, it is very difficult to analyze each project on a quarterly basis. We will keep the Commission informed of any major issues or deviations from the planned Capital Improvements Budget.

Jubilee Falling Creek, Pomander Court, Pooks Hill High-Rise, Seneca Ridge, Timberlawn, and Washington Square have exceeded their FY’17 capital budgets; the overages will be covered by existing replacement reserves. Nominal capital expenditures have occurred at a few NSP units and will be covered by existing property reserves.
Resolution No.: 17-13

Re: Acceptance of Second Quarter FY’17 Budget to Actual Statements

WHEREAS, the budget policy for the Housing Opportunities Commission of Montgomery County states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the Second Quarter FY’17 Budget to Actual Statements during its March 1, 2017 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Second Quarter FY’17 Budget to Actual Statements.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission at a regular meeting conducted on Wednesday, March 1, 2017.

_________________________________________
Patrice Birdsong
Special Assistant to the Commission
## FY 17 Second Quarter Operating Budget to Actual Comparison

<table>
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<th>(6 Months) Budget</th>
<th>(6 Months) Actual</th>
<th>Variance</th>
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<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>($4,747,695)</td>
<td>($4,895,071)</td>
<td>($147,376)</td>
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<tr>
<td><strong>Administration of Multifamily and Single Family Fund</strong></td>
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<tr>
<td>Multifamily Fund</td>
<td>0</td>
<td>106,693</td>
<td>106,693</td>
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<tr>
<td>Single Family Fund</td>
<td>726</td>
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<td>Excess Bond Fund Cash Flow</td>
<td>($726)</td>
<td>($109,736)</td>
<td>($109,010)</td>
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<tr>
<td><strong>Opportunity Housing Fund</strong></td>
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<tr>
<td>Opportunity Housing Properties</td>
<td>695,883</td>
<td>525,417</td>
<td>($170,466)</td>
</tr>
<tr>
<td>Development Corporation Property Income</td>
<td>$4,662,241</td>
<td>$3,589,057</td>
<td>($1,073,184)</td>
</tr>
<tr>
<td>Restricted Development Corporation Properties</td>
<td>($151,205)</td>
<td>($128,278)</td>
<td>$22,927</td>
</tr>
<tr>
<td><strong>OHRF</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OHRF Balance</td>
<td>1,195,311</td>
<td>559,936</td>
<td>($1,755,247)</td>
</tr>
<tr>
<td>Excess Cash Flow Restricted</td>
<td>($1,195,311)</td>
<td>0</td>
<td>1,195,311</td>
</tr>
<tr>
<td>Draw from existing funds</td>
<td>0</td>
<td>559,936</td>
<td>559,936</td>
</tr>
<tr>
<td>Net -OHRF</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>SUBTOTAL - General Fund, Multifamily, Single Family, Opportunity Housing</strong></td>
<td>$459,224</td>
<td>($908,875)</td>
<td>($1,368,099)</td>
</tr>
<tr>
<td><strong>Public Fund</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Housing Rental (1)</td>
<td>($93,067)</td>
<td>391,995</td>
<td>485,062</td>
</tr>
<tr>
<td>Housing Choice Voucher Program HAP (2)</td>
<td>($1,553,179)</td>
<td>($1,077,435)</td>
<td>$475,744</td>
</tr>
<tr>
<td>Housing Choice Voucher Program Admin (3)</td>
<td>($209,669)</td>
<td>1,245,590</td>
<td>$1,455,259</td>
</tr>
<tr>
<td><strong>Total -Public Fund</strong></td>
<td>($1,855,915)</td>
<td>560,150</td>
<td>2,416,065</td>
</tr>
<tr>
<td><strong>Public Fund - Reserves</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Public Housing Rental - Draw from / Restrict to Program</td>
<td>$93,067</td>
<td>($391,995)</td>
<td>($485,062)</td>
</tr>
<tr>
<td>(2) Draw from / Restrict to HCV Program Cash Reserves</td>
<td>$1,553,179</td>
<td>1,077,435</td>
<td>($475,744)</td>
</tr>
<tr>
<td>(3) Draw from / Restrict to HCV Program Excess Admin Fee</td>
<td>0</td>
<td>($1,245,590)</td>
<td>($1,245,590)</td>
</tr>
<tr>
<td><strong>Total -Public Fund Reserves</strong></td>
<td>$1,646,246</td>
<td>($560,150)</td>
<td>($2,206,396)</td>
</tr>
<tr>
<td><strong>SUBTOTAL - Public Funds</strong></td>
<td>($209,669)</td>
<td>0</td>
<td>209,669</td>
</tr>
<tr>
<td><strong>TOTAL - All Funds</strong></td>
<td>$249,555</td>
<td>($908,875)</td>
<td>($1,158,430)</td>
</tr>
</tbody>
</table>

## FY 17 Second Quarter Capital Budget to Actual Comparison

<table>
<thead>
<tr>
<th></th>
<th>(12 Months) Budget</th>
<th>(6 Months) Capital Expenses</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Deer Park</td>
<td>187,800</td>
<td>53,776</td>
<td>134,024</td>
</tr>
<tr>
<td>Kensington Office</td>
<td>344,000</td>
<td>46,756</td>
<td>297,244</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1,089,000</td>
<td>230,010</td>
<td>858,990</td>
</tr>
<tr>
<td><strong>Opportunity Housing Fund</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,652,816</td>
<td>1,808,686</td>
<td>3,844,130</td>
</tr>
<tr>
<td><strong>TOTAL - All Funds</strong></td>
<td>$7,273,616</td>
<td>$2,139,228</td>
<td>$5,134,388</td>
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</tbody>
</table>

---

Attachment A
FY 17 Second Quarter Operating Budget to Actual Comparison
Development Corp Properties - Net Cash Flow

<table>
<thead>
<tr>
<th>Property</th>
<th>Budget</th>
<th>Income</th>
<th>Expense</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexander House</td>
<td>$391,740</td>
<td>($128,193)</td>
<td>$213,956</td>
<td>$477,503</td>
<td>$85,763</td>
</tr>
<tr>
<td>The Barclay</td>
<td>($1,146)</td>
<td>$50,897</td>
<td>$16,590</td>
<td>$66,341</td>
<td>$67,487</td>
</tr>
<tr>
<td>Glenmont Westerly</td>
<td>$122,893</td>
<td>($20,996)</td>
<td>$26,972</td>
<td>$128,869</td>
<td>$5,976</td>
</tr>
<tr>
<td>Magruder's Discovery</td>
<td>$313,592</td>
<td>($38)</td>
<td>($7,454)</td>
<td>$306,099</td>
<td>($7,493)</td>
</tr>
<tr>
<td>The Metropolitan</td>
<td>$1,304,316</td>
<td>($107,564)</td>
<td>($11,574)</td>
<td>$1,185,178</td>
<td>($119,138)</td>
</tr>
<tr>
<td>Montgomery Arms</td>
<td>$163,171</td>
<td>$4,156</td>
<td>$7,097</td>
<td>$174,424</td>
<td>$11,253</td>
</tr>
<tr>
<td>TPM - 59 MPDUs</td>
<td>$118,272</td>
<td>($29,432)</td>
<td>$5,510</td>
<td>$94,350</td>
<td>($23,922)</td>
</tr>
<tr>
<td>Paddington Square</td>
<td>$241,628</td>
<td>($19,435)</td>
<td>($5,050)</td>
<td>$216,143</td>
<td>($25,485)</td>
</tr>
<tr>
<td>TPM - Pomander Court</td>
<td>$101,699</td>
<td>($36,680)</td>
<td>($16,571)</td>
<td>$48,448</td>
<td>($53,251)</td>
</tr>
<tr>
<td>Pooks Hill High-Rise</td>
<td>$237,854</td>
<td>$4,093</td>
<td>$27,020</td>
<td>$183,439</td>
<td>($54,415)</td>
</tr>
<tr>
<td>Scattered Site One Dev. Corp.</td>
<td>$213,372</td>
<td>($17,194)</td>
<td>($38,776)</td>
<td>$157,402</td>
<td>($55,970)</td>
</tr>
<tr>
<td>Scattered Site Two Dev. Corp.</td>
<td>$4,792</td>
<td>$13,795</td>
<td>$7,269</td>
<td>$25,856</td>
<td>$21,064</td>
</tr>
<tr>
<td>Sligo Development Corp.</td>
<td>$32,402</td>
<td>$400</td>
<td>$6,442</td>
<td>$39,244</td>
<td>$6,842</td>
</tr>
<tr>
<td>TPM - Timberlawn</td>
<td>$345,077</td>
<td>($181,278)</td>
<td>$32,378</td>
<td>$339,371</td>
<td>($5,706)</td>
</tr>
<tr>
<td>VPC One Corp.</td>
<td>$629,259</td>
<td>($456,503)</td>
<td>$8,446</td>
<td>$181,202</td>
<td>($448,057)</td>
</tr>
<tr>
<td>VPC Two Corp.</td>
<td>$443,320</td>
<td>($378,278)</td>
<td>$77,467</td>
<td>$142,509</td>
<td>($300,811)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$4,662,241</strong></td>
<td><strong>($1,304,137)</strong></td>
<td><strong>$408,275</strong></td>
<td><strong>$3,766,378</strong></td>
<td><strong>($895,863)</strong></td>
</tr>
</tbody>
</table>

Properties with restricted cash flow (external and internal)

<table>
<thead>
<tr>
<th>Property</th>
<th>Budget</th>
<th>Income</th>
<th>Expense</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glenmont Crossing</td>
<td>$101,269</td>
<td>($5,966)</td>
<td>$37,322</td>
<td>$132,624</td>
<td>$31,355</td>
</tr>
<tr>
<td>RAD 6 Ken Gar</td>
<td>$37,489</td>
<td>($44,805)</td>
<td>($7,780)</td>
<td>($15,096)</td>
<td>($52,585)</td>
</tr>
<tr>
<td>MetroPointe</td>
<td>($151,205)</td>
<td>($4,093)</td>
<td>$27,020</td>
<td>($128,278)</td>
<td>$22,927</td>
</tr>
<tr>
<td>Oaks at Four Corners</td>
<td>$5,477</td>
<td>$21,569</td>
<td>($14,907)</td>
<td>$12,139</td>
<td>$6,662</td>
</tr>
<tr>
<td>RAD 6 Parkway Woods</td>
<td>$17,242</td>
<td>($31,018)</td>
<td>$19,585</td>
<td>$5,809</td>
<td>($11,433)</td>
</tr>
<tr>
<td>RAD 6 Sandy Spring Meadow</td>
<td>$30,566</td>
<td>($108,331)</td>
<td>$33,561</td>
<td>($43,904)</td>
<td>($74,470)</td>
</tr>
<tr>
<td>RAD 6 Seneca Ridge</td>
<td>$24,148</td>
<td>($52,522)</td>
<td>($162,159)</td>
<td>($100,533)</td>
<td>($214,681)</td>
</tr>
<tr>
<td>RAD 6 Towne Centre Place</td>
<td>($2,365)</td>
<td>($48,998)</td>
<td>$34,375</td>
<td>($16,988)</td>
<td>($14,623)</td>
</tr>
<tr>
<td>RAD 6 Washington Square</td>
<td>$44,164</td>
<td>$43,322</td>
<td>$537</td>
<td>$87,992</td>
<td>$43,828</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$106,785</strong></td>
<td><strong>($230,872)</strong></td>
<td><strong>$32,146</strong></td>
<td><strong>$156,235</strong></td>
<td><strong>($263,020)</strong></td>
</tr>
</tbody>
</table>

**TOTAL ALL PROPERTIES**

<table>
<thead>
<tr>
<th>Budget</th>
<th>Income</th>
<th>Expense</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,769,026</td>
<td>($1,535,009)</td>
<td>$376,129</td>
<td>$3,610,143</td>
<td>($1,158,883)</td>
</tr>
</tbody>
</table>
## FY 17 Second Quarter Operating Budget to Actual Comparison

For Opportunity Housing Properties - Net Cash Flow

<table>
<thead>
<tr>
<th>Properties with unrestricted cash flow for FY17 operating budget</th>
<th>(6 Months) Budget</th>
<th>Variance</th>
<th>(6 Months) Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>64 MPDUs ........................................................................</td>
<td>$48,163</td>
<td>$(1,649)</td>
<td>$(46,642)</td>
<td>$(128)</td>
</tr>
<tr>
<td>Chelsea Towers ..................................................................</td>
<td>$10,503</td>
<td>$(13,312)</td>
<td>$7,534</td>
<td>$4,725</td>
</tr>
<tr>
<td>Fairfax Court ...................................................................</td>
<td>$51,591</td>
<td>$(15,615)</td>
<td>$(2,330)</td>
<td>$33,646</td>
</tr>
<tr>
<td>Holiday Park .....................................................................</td>
<td>$(9,481)</td>
<td>$(8,374)</td>
<td>$(3,211)</td>
<td>$(21,067)</td>
</tr>
<tr>
<td>Jubilee Falling Creek ................................................</td>
<td>$5,374</td>
<td>$(118)</td>
<td>$(9,492)</td>
<td>$(4,236)</td>
</tr>
<tr>
<td>Jubilee Hermitage ......................................................</td>
<td>$5,257</td>
<td>$(479)</td>
<td>$(2,966)</td>
<td>$1,812</td>
</tr>
<tr>
<td>Jubilee Horizon Court ................................................</td>
<td>$(914)</td>
<td>$(180)</td>
<td>$2,921</td>
<td>$1,826</td>
</tr>
<tr>
<td>Jubilee Woodedge ......................................................</td>
<td>$6,457</td>
<td>$(286)</td>
<td>$(1,200)</td>
<td>$4,971</td>
</tr>
<tr>
<td>McHome ............................................................................</td>
<td>$60,362</td>
<td>$3,097</td>
<td>$(11,133)</td>
<td>$52,326</td>
</tr>
<tr>
<td>McKendree .......................................................................</td>
<td>$13,072</td>
<td>$2,170</td>
<td>$(10,757)</td>
<td>$25,999</td>
</tr>
<tr>
<td>MHLP VII .......................................................................</td>
<td>$39,779</td>
<td>$(6,439)</td>
<td>$(5,482)</td>
<td>$38,822</td>
</tr>
<tr>
<td>MHLP VIII .....................................................................</td>
<td>$77,801</td>
<td>$8,026</td>
<td>$(29,106)</td>
<td>$56,721</td>
</tr>
<tr>
<td>MPDU 2007 Phase II ....................................................</td>
<td>$13,693</td>
<td>$(351)</td>
<td>$737</td>
<td>$14,079</td>
</tr>
<tr>
<td>Pooks Hill Mid-Rise ....................................................</td>
<td>$107,845</td>
<td>$3,715</td>
<td>$(17,136)</td>
<td>$128,696</td>
</tr>
<tr>
<td>Southbridge ...................................................................</td>
<td>$44,910</td>
<td>$466</td>
<td>$1,665</td>
<td>$47,040</td>
</tr>
<tr>
<td>Strathmore Court ......................................................</td>
<td>$221,471</td>
<td>$(54,977)</td>
<td>$(12,724)</td>
<td>$179,219</td>
</tr>
<tr>
<td><strong>Subtotal</strong> ..................................................................</td>
<td><strong>$695,883</strong></td>
<td><strong>(84,306)</strong></td>
<td><strong>(41,469)</strong></td>
<td><strong>$570,106</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Properties with restricted cash flow (external and internal)</th>
<th>(6 Months) Budget</th>
<th>Variance</th>
<th>(6 Months) Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>617 Olney Sandy Spring Road ........................................</td>
<td>$(4,279)</td>
<td>$(41)</td>
<td>$(3,353)</td>
<td>$(7,673)</td>
</tr>
<tr>
<td>The Ambassador ..................................................................</td>
<td>$(85,400)</td>
<td>$(165,231)</td>
<td>$126,242</td>
<td>$(124,389)</td>
</tr>
<tr>
<td>Avondale Apartments ...................................................</td>
<td>$63,945</td>
<td>$(21,213)</td>
<td>$(35,827)</td>
<td>$6,905</td>
</tr>
<tr>
<td>Brooke Park ......................................................................</td>
<td>$(1,053)</td>
<td>$(4,930)</td>
<td>$5,971</td>
<td>$(12)</td>
</tr>
<tr>
<td>Brookside Glen (The Glen) .........................................</td>
<td>$96,502</td>
<td>$(20,386)</td>
<td>$21,406</td>
<td>$97,522</td>
</tr>
<tr>
<td>CDBG Units .....................................................................</td>
<td>$(925)</td>
<td>$(283)</td>
<td>$7,901</td>
<td>$6,693</td>
</tr>
<tr>
<td>Dale Drive ......................................................................</td>
<td>$3,752</td>
<td>$(408)</td>
<td>$7,088</td>
<td>$10,433</td>
</tr>
<tr>
<td>Diamond Square ................................................................</td>
<td>$132,950</td>
<td>$(5,569)</td>
<td>$(36,515)</td>
<td>$90,866</td>
</tr>
<tr>
<td>Greenhills Apartments .................................................</td>
<td>$126,307</td>
<td>$(40,996)</td>
<td>$82,945</td>
<td>$168,257</td>
</tr>
<tr>
<td>King Farm Village ......................................................</td>
<td>$2,144</td>
<td>$(184)</td>
<td>$3,397</td>
<td>$5,356</td>
</tr>
<tr>
<td>NCI Units .......................................................................</td>
<td>$(503)</td>
<td>$(232)</td>
<td>$8,839</td>
<td>$8,103</td>
</tr>
<tr>
<td>NSP Units ......................................................................</td>
<td>$(2,320)</td>
<td>$(6,660)</td>
<td>$(2,118)</td>
<td>$(11,098)</td>
</tr>
<tr>
<td>Paint Branch ..................................................................</td>
<td>$16,668</td>
<td>$13,628</td>
<td>$4,325</td>
<td>$25,970</td>
</tr>
<tr>
<td>State Rental Combined ................................................</td>
<td>$115,913</td>
<td>$(58,058)</td>
<td>$(60,551)</td>
<td>$(2,696)</td>
</tr>
<tr>
<td>Westwood Tower ................................................................</td>
<td>$29,221</td>
<td>$8,074</td>
<td>$181,105</td>
<td>$292,400</td>
</tr>
<tr>
<td><strong>Subtotal</strong> ..................................................................</td>
<td><strong>$492,922</strong></td>
<td><strong>(228,489)</strong></td>
<td><strong>302,205</strong></td>
<td><strong>$566,637</strong></td>
</tr>
</tbody>
</table>

**TOTAL ALL PROPERTIES** .............................................| $1,188,805        | $(312,795) | $260,736          | $1,136,743 | $(52,062) |
## FY 17 Second Quarter Operating Budget to Actual Comparison
For HUD Funded Programs

<table>
<thead>
<tr>
<th></th>
<th>(6 Months) Budget</th>
<th>(6 Months) Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Housing Rental</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$795,409</td>
<td>$1,995,296</td>
<td>$1,199,887</td>
</tr>
<tr>
<td>Expenses</td>
<td>$888,476</td>
<td>$1,603,301</td>
<td>($714,825)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>($93,067)</td>
<td>$391,995</td>
<td>$485,062</td>
</tr>
</tbody>
</table>

| **Housing Choice Voucher Program** |                   |                   |                |
| HAP revenue                     | $40,331,480       | $40,771,015       | $439,535       |
| HAP payments                    | $41,884,659       | $41,848,450       | $36,209        |
| **Net HAP**                     | ($1,553,179)      | ($1,077,435)      | $475,744       |
| Admin. fees & other inc.        | $3,355,807        | $4,246,009        | $890,202       |
| Admin. Expense                  | $3,565,476        | $3,000,419        | $565,057       |
| **Net Administrative**          | ($209,669)        | $1,245,590        | $1,455,259     |
| **Net Income**                  | ($1,762,848)      | $168,155          | $1,931,003     |

Attachment D
### FY 17 Second Quarter Operating Budget to Actual Comparison

For Public Housing Rental Programs - Net Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Income</th>
<th>Expense</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elizabeth House</td>
<td>($69,809)</td>
<td>($1,503)</td>
<td>($18,479)</td>
<td>($89,791)</td>
<td>($19,982)</td>
</tr>
<tr>
<td>Holly Hall</td>
<td>($23,258)</td>
<td>$14,786</td>
<td>($29,492)</td>
<td>($37,964)</td>
<td>($14,706)</td>
</tr>
<tr>
<td>Arcola Towers</td>
<td>$0</td>
<td>$344,634</td>
<td>($344,326)</td>
<td>$308</td>
<td>$308</td>
</tr>
<tr>
<td>Waverly House</td>
<td>$0</td>
<td>$291,961</td>
<td>($291,698)</td>
<td>$263</td>
<td>$263</td>
</tr>
<tr>
<td>Seneca Ridge</td>
<td>$0</td>
<td>$594</td>
<td>$39</td>
<td>$633</td>
<td>$633</td>
</tr>
<tr>
<td>Emory Grove / Washington Square</td>
<td>$0</td>
<td>$733</td>
<td>($36,756)</td>
<td>($36,023)</td>
<td>($36,023)</td>
</tr>
<tr>
<td>Towne Centre Place / Sandy Spring Meadow</td>
<td>$0</td>
<td>($1,012)</td>
<td>($89)</td>
<td>($1,101)</td>
<td>($1,101)</td>
</tr>
<tr>
<td>Ken Gar / Parkway Woods</td>
<td>$0</td>
<td>$240</td>
<td>$98</td>
<td>$338</td>
<td>$338</td>
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<tr>
<td>Scattered Sites Central</td>
<td>$0</td>
<td>$1,042</td>
<td>($239)</td>
<td>$803</td>
<td>$803</td>
</tr>
<tr>
<td>Scattered Sites East</td>
<td>$0</td>
<td>($1,797)</td>
<td>($73)</td>
<td>($1,870)</td>
<td>($1,870)</td>
</tr>
<tr>
<td>Scattered Sites Gaithersburg</td>
<td>$0</td>
<td>$239,379</td>
<td>($150)</td>
<td>$239,229</td>
<td>$239,229</td>
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<tr>
<td>Scattered Sites North</td>
<td>$0</td>
<td>$309,586</td>
<td>($133)</td>
<td>$309,453</td>
<td>$309,453</td>
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<tr>
<td>Scattered Sites West</td>
<td>$0</td>
<td>$1,243</td>
<td>$6,174</td>
<td>$7,418</td>
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</tr>
<tr>
<td><strong>TOTAL ALL PROPERTIES</strong></td>
<td>($93,067)</td>
<td>$1,199,886</td>
<td>($714,825)</td>
<td>$391,995</td>
<td>$485,062</td>
</tr>
</tbody>
</table>
## FY 17 Second Quarter Operating Budget to Actual Comparison
For Capital Improvements

<table>
<thead>
<tr>
<th></th>
<th>(12 Months)</th>
<th>(6 Months)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td><strong>General Fund</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Deer Park</td>
<td>$187,800</td>
<td>$53,776</td>
<td>$134,024</td>
</tr>
<tr>
<td>Kensington Office</td>
<td>$344,000</td>
<td>$46,756</td>
<td>$297,244</td>
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<td>Information Technology</td>
<td>$1,089,000</td>
<td>$230,010</td>
<td>$859,990</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>$1,620,800</td>
<td>$330,542</td>
<td>$1,290,258</td>
</tr>
<tr>
<td><strong>Opportunity Housing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ambassador</td>
<td>$3,900</td>
<td>$340</td>
<td>$3,560</td>
</tr>
<tr>
<td>Alexander House</td>
<td>$168,532</td>
<td>$51,743</td>
<td>$116,789</td>
</tr>
<tr>
<td>Avondale Apartments</td>
<td>$35,000</td>
<td>$17,344</td>
<td>$17,656</td>
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<tr>
<td>The Barclay</td>
<td>$36,572</td>
<td>$8,636</td>
<td>$27,936</td>
</tr>
<tr>
<td>Brookside Glen</td>
<td>$113,165</td>
<td>$29,819</td>
<td>$83,346</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$5,652,816</td>
<td>$1,808,686</td>
<td>$3,844,130</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$7,273,616</td>
<td>$2,139,228</td>
<td>$5,134,388</td>
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</tbody>
</table>

Attachment E
APPROVAL OF FY’17
SECOND QUARTER BUDGET AMENDMENT

March 1, 2017

- In December 2016, the Agency was notified of an $867,161 increase in Recordation Tax funds from the County.

- There is no net effect of the FY’17 Second Quarter Budget Amendment. The Amendment increases revenues and expenses by $867,181.

- The additional funds will be used for rental assistance.

- Total operating budget for the Agency has increased from $243.1 million to $244.0 million.

- Total capital budget for the Agency remains $293.1 million as amended on January 13, 2017.

- Personnel Complement remains unchanged.

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

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Gail Willison Division: Finance Ext. 9480
       Tiffany Jackson Ext. 9512

RE: Approval of FY’17 Second Quarter Budget Amendment

DATE: March 1, 2017

STATUS: Committee Report: Deliberation [X]

OVERALL GOAL & OBJECTIVE:
To amend the FY’17 Budget so that it reflects an accurate plan for the use of the Agency’s financial resources for the remainder of the year.

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

ISSUES FOR CONSIDERATION:

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

- Public Fund:
  - Increase in County Recordation Tax Funds for Rental Assistance: The FY’17 Adopted Budget included revenue totaling $1,782,819 as a grant for rental assistance from the County’s Recordation Tax Funds; $1,602,700 of these funds were budgeted to be used for housing assistance payments (HAP) and the balance, $180,119, for the administrative costs of the program. In December 2016, staff was notified by the County that HOC’s allocation of these funds for FY’17 was increased to $2,650,000. The County also projects the increase to apply in future years. The FY’17 Second Quarter Budget Amendment will increase revenues in the public fund by the additional $867,181 in funding, which will be utilized for rental assistance in the form of HAP.
BUDGET IMPACT:
The net effect of the FY’17 First Quarter Budget Amendment is zero; the budget remains balanced.

The total FY’17 Operating Budget for HOC increased from $243,109,703 to $243,976,884. This is an increase of $867,181. Approval by the Commission of any budget amendment will revise the FY’17 Budget to reflect an accurate plan for the use of the Agency’s resources for the remainder of the year.

TIME FRAME:
The Budget, Finance and Audit Committee reviewed the FY’17 Second Quarter Budget Amendment at the February 21, 2017 meeting. Action is requested at the March 1, 2017 Commission meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
Staff recommends the Budget, Finance and Audit Committee recommend to the full Commission approval of the proposed amendment to the FY’17 Budget.
Resolution No.: 17-14

Re: Approval of FY’17 Second Quarter Budget Amendment

WHEREAS, the Housing Opportunities Commission adopted a budget for FY’17 on June 17, 2016; and

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

WHEREAS, the Commission has reviewed several proposed budget amendments to the FY’17 Budget; and

WHEREAS, the effect of the FY’17 Second Quarter Budget Amendment is an increase of $867,161 to both revenue and rental assistance expenses.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY’17 Operating Budget by increasing total revenues and expenses for the Agency from $243.1 million to $244.0 million.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on March 1, 2017.

Patrice Birdsong
Special Assistant to the Commission
<table>
<thead>
<tr>
<th>FY 2017 Adopted Operating Budget</th>
<th>2nd Quarter Budget Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues</td>
</tr>
<tr>
<td>General Fund</td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$23,686,050</td>
</tr>
<tr>
<td>Restrict to GFOR</td>
<td>$0</td>
</tr>
<tr>
<td>Multifamily &amp; Single Family Bond Funds</td>
<td></td>
</tr>
<tr>
<td>Multifamily Fund</td>
<td>$20,071,618</td>
</tr>
<tr>
<td>Single Family Fund</td>
<td>$12,990,384</td>
</tr>
<tr>
<td>Opportunity Housing Fund</td>
<td></td>
</tr>
<tr>
<td>Opportunity Housing Reserve Fund</td>
<td>$5,584,917</td>
</tr>
<tr>
<td>Opportunity Housing &amp; Development Corps</td>
<td>$71,698,223</td>
</tr>
<tr>
<td>Restrict to OHRF</td>
<td>$0</td>
</tr>
<tr>
<td>Draw from GFOR for MetroPointe Deficit</td>
<td>$243,339</td>
</tr>
<tr>
<td>Public Fund</td>
<td></td>
</tr>
<tr>
<td>Public Housing Rental</td>
<td>$1,642,432</td>
</tr>
<tr>
<td>County Contributions towards Public Housing</td>
<td>$201,085</td>
</tr>
<tr>
<td>Housing Choice Voucher Program</td>
<td>$90,842,771</td>
</tr>
<tr>
<td>County Contributions towards HCVP Administration</td>
<td>$755,443</td>
</tr>
<tr>
<td>Federal, State and Other County Grants</td>
<td>$15,393,441</td>
</tr>
<tr>
<td>TOTAL - ALL FUNDS</td>
<td>$243,109,703</td>
</tr>
</tbody>
</table>

Footnotes - explanation of changes

Operating Budget
PF I  Add increase to County Recordation Tax Funding for Rental Assistance - $867,181
PF E  Add increase in County Housing Assistance Payments - $867,181

Attachment I
APPROVAL OF THE CALENDAR YEAR’17 (CY’17) BUDGET
FOR ALEXANDER HOUSE APARTMENTS LP

March 1, 2017


- The Agency’s budget policy requires a budget to be prepared and adopted for the Limited Partnership

- The CY’17 budget forecasts Net Cash Flow of $127,054

- At closing, HOC received $505,959 in Development Fees and $1,402,000 in Commitment Fees
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Gail Willison Division: Finance Ext. 9480
       Tiffany Jackson Ext. 9512

RE: Approval of the Calendar Year’17 (CY’17) Budget for Alexander House Apartments LP

DATE: March 1, 2017

STATUS: Committee Report : Deliberation [ X ]

OVERALL GOAL & OBJECTIVE:
To approve the CY’17 Budget for Alexander House Apartments LP.

BACKGROUND:
As Managing General Partner, HOC has a fiduciary responsibility for each of the Tax Credit Partnerships. The current HOC budget policy stipulates that the financial performance and budgets of the Tax Credit Partnerships should be reviewed on the same fiscal year as its partners (December 31). The Tax Credit Partnership Budgets require adoption by the Commission, separate from the Agency’s general budget process. On November 2, 2016, the Commission adopted the CY’17 budgets for the partnerships that own the scattered site properties, MHLP IX, MHLP X, and the 13 multifamily properties which are calendar year-end properties.

On January 31, 2017, the Agency completed a transaction to sell 122 units from Alexander House Development Corporation to Alexander House Apartments Limited Partnership. In keeping with the Agency’s budget policy, a budget for the new limited partnership has been prepared.

ISSUES FOR CONSIDERATION:
The budget was developed based on current and historic budget data for the units when owned by the Development Corporation, as well as the pro forma budget that was used to underwrite the transaction.

The budget forecasts Net Cash Flow of $127,054 in CY’17. Asset Management fees, which are paid to the limited partner, and Partnership Management fees, which are paid to the general partner, will not begin until CY’18. In conjunction with the closing of the transaction, HOC received $505,959 in Development Fees and $1,402,000 in Commitment Fees.
The table below summarizes the CY’17 budget for Alexander House Apartments LP:

<table>
<thead>
<tr>
<th>CY’17 Annual Budget</th>
<th>Per Unit Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Income</td>
<td>$1,767,539</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>(741,444)</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>1,026,095</td>
</tr>
<tr>
<td>Annual Debt Service</td>
<td>(856,341)</td>
</tr>
<tr>
<td>Required Annual Escrow for RfR</td>
<td>(42,700)</td>
</tr>
<tr>
<td>Additional Escrow for RfR</td>
<td>-</td>
</tr>
<tr>
<td>Partners' Tax Expense</td>
<td>-</td>
</tr>
<tr>
<td>Loan Management Fees</td>
<td>-</td>
</tr>
<tr>
<td>Cash Flow Before Distribution</td>
<td>127,054</td>
</tr>
<tr>
<td>Asset Management</td>
<td>-</td>
</tr>
<tr>
<td>Partnership Management Fees</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Flow</td>
<td>$127,054</td>
</tr>
</tbody>
</table>

**BUDGET IMPACT:**
Approval by the Commission will establish this as the CY’17 operating budget for Alexander House Apartments LP.

**TIME FRAME:**
The Budget, Finance and Audit Committee reviewed the CY’17 Alexander House Apartments LP budget at the February 21, 2017 meeting. Commission action is requested at the March 1, 2017 meeting.

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**
The Budget, Finance and Audit Committee recommends to the full Commission approval of the proposed CY’17 Budget for Alexander House Apartments LP.
RESOLUTION NO: 17-15  

WHEREAS, Alexander House Development Corporation sold 122 units to Alexander House Apartments Limited Partnership on January 31, 2017; and  

WHEREAS, the Agency’s budget policy requires a budget be prepared and adopted for the Limited Partnership; and  

WHEREAS, the Calendar Year 2017 budget forecasts net cash flow of $127,054.  

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Alexander House Apartments Limited Partnership as its current general partner, hereby approves the Calendar Year 2017 Budget for Alexander House Apartments Limited Partnership.

______________________________  
Patrice Birdsong  
Special Assistant to the Commission

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A  
L
APPROVAL OF THE FY’18 COUNTY OPERATING BUDGET
MARC REDUCTION

March 1, 2017

• On November 10, 2016, HOC submitted a base budget or Maximum Agency Request Ceiling (MARC) of $6,540,930 for FY’18 equal to the approved FY’17 MARC of $6,513,040 plus an adjustment for health and retirement benefits of $27,890.

• On February 2, 2017, the County Executive formally requested that HOC submit a FY’18 County Operating Budget MARC Reduction of two percent or $130,261 (FY’17 approved MARC of $6,513,040 x 2% = $130,261) in order to maintain a balanced County budget.

• Due to the magnitude of the proposed reduction, HOC’s practice has been to have staff to work through identifying appropriate components to make up the reduction during the budget process.

• Staff will inform the County that reductions equal to the $130,261 request will be identified during the development of HOC’s FY’18 Operating Budget with details provided to the County at a later date.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

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

RE: Approval of the FY’18 County Operating Budget MARC Reduction

DATE: March 1, 2017

STATUS: Committee Report: Deliberation [X]

OVERALL GOAL & OBJECTIVE:
Approval of the proposed FY’18 County Operating Budget MARC Reduction

BACKGROUND:
On October 11, 2016, the Office of Management and Budget (OMB) informed all department heads that there could potentially be two submissions for the FY’18 County Operating Budget. The Agency was required to submit a base budget or Maximum Agency Request Ceiling (MARC) for FY’18 not to exceed $6,540,930 by November 10, 2016. The original FY’18 MARC was based on the FY’17 approved MARC of $6,513,040 plus an adjustment for health and retirement benefits of $27,890.

The County Finance Department’s December Fiscal Plan update, which incorporates the approved FY’17 Savings Plan and a revised revenue forecast, projects a gap of $137.5 million compared to the current approved budget. On February 2, 2017, HOC was informed that the target reduction amount is two percent of the FY’17 operating budget and is inclusive of Savings Plan reductions included in the original FY’18 MARCs.

As mentioned above, HOC’s original Maximum Allowable Request Ceiling (MARC) for FY’18 was $6,540,930. A reduction of two percent or $130,261 (FY’17 approved MARC of $6,513,040 x 2% = $130,261) is now being requested.
ISSUES FOR CONSIDERATION:

HOC – FY’18 Operating Budget:

HOC’s FY’18 Operating Budget is still in the early stages of development. Due to the magnitude of the proposed reduction, HOC’s practice has been to have staff to work through identifying appropriate components to make up the reduction during the budget process. The recommendations will be discussed with Commission members at the April and May Budget, Finance and Audit Committee meetings. Final recommendations will be included in the budget that will be presented for adoption at the June Commission meeting.

Staff will inform the County that reductions equal to the $130,261 request will be identified during the development of HOC’s FY’18 Operating Budget with details provided to the County at a later date.

BUDGET IMPACT:
The County’s Operating Grant is the primary funding source for the Agency’s Resident Services and Housing Resources Divisions.

TIME FRAME:
The Budget, Finance and Audit Committee reviewed the proposed strategy for the FY’18 County Operating Budget MARC Reduction at the February 21, 2017 meeting. Action is requested at the March 1, 2017 Commission meeting with details provided to the County at a later date.

COMMISSION ACTION REQUESTED:
The Budget, Finance and Audit Committee recommends to the full Commission approval of the proposed FY’18 County Operating Budget MARC Reduction at the March 1, 2017 meeting.
RESOLUTION NO: 17-16

RE: Approval of the FY’18 County Operating Budget MARC Reduction

WHEREAS, the Housing Opportunities Commission of Montgomery County has to submit a County Operating Budget MARC Reduction for FY’18; and

WHEREAS, the County has requested HOC submit a proposed MARC Reduction of two percent or $130,261 (FY’17 approved MARC of $6,513,040 x 2% = $130,261) for FY’18.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves the submission of the FY’18 County Operating Budget MARC Reduction totaling $130,261 with details provided to the County at a later date.

Patrice Birdsong
Special Assistant to the Commission
APPROVAL OF PROPERTY MANAGEMENT CONTRACT FOR
TANGLEWOOD AND SLIGO APARTMENTS,
527 DALE DRIVE, SOUTHBRIDGE APARTMENTS
and MANCHESTER MANOR

March 1, 2017

- Tanglewood and Sligo Apartments is a 132-unit garden-style community, fully renovated in 2014, located in Silver Spring.

- 527 Dale Drive is a 10-unit building occupied by formerly homeless individuals referred by the Montgomery County Coalition for the Homeless (MCCH).

- Southbridge is a 39-unit garden-style mixed income community in Takoma Park.

- Manchester Manor is a 53-unit Low Income Housing Tax Credit (LIHTC) mid-rise building renovated in 1999.

- A Request for Proposals (RFP) was issued in accordance with the HOC Procurement Policy for the management of Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor.

- Responses to the RFP were received from three property management companies.

- Staff reviewed submitted materials and scored the respondents in accordance with the RFP criteria.

- Staff determined that Residential One is the best candidate for the management of the four properties.

- Staff recommends that the Commission authorize the Executive Director of the Commission to execute a management contract with Residential One for property management services at Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Bobbie Dacosta Division: Property Management Ext. 9524

RE: Approval of Property Management Contract for Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor

DATE: March 1, 2017

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

OVERALL GOAL & OBJECTIVE:
Approval to execute a management contract with Residential One for property management services at Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor.

BACKGROUND:
Tanglewood and Sligo Apartments is 132-unit community built in 1949 and completely renovated in 2014. The property consists of nine garden-style apartment buildings located in Silver Spring. The property includes efficiencies, one, two, and three-bedroom apartments, and features a community room, cyber café, fitness room, and resource room for children’s activities.

527 Dale Drive is a 10-unit building, including an office and live-on counselor. Fully renovated in 2008, the one-bedroom apartments are rented through referrals from Montgomery County Coalition for the Homeless (MCCH). The daily management of the property, with the exception of maintenance, is handled directly by MCCH. New residents are referred to the property based on need as assessed by MCCH, and pay a percentage of their income towards the total rent.

Southbridge is a 39-unit community that overlooks Sligo Creek in Takoma Park. The one, two and three-bedroom apartments were fully renovated in 2012. It is a mixed income property with 21 units rented to families at or below 50% of the state median income.

Manchester Manor is a 53-unit, one-building mid-rise community renovated in 1999. The unit types are one, two, and three-bedroom apartments and the property features a central laundry facility, on-site parking, and community room. Manchester Manor includes 48 Low Income Housing Tax Credit (LIHTC) units and five market units.

A Request for Proposal (RFP) for management of Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor was issued in accordance with HOC’s Procurement Policy. HOC received responses from three management companies.

<table>
<thead>
<tr>
<th>Responding Company</th>
<th>Proposed Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avison Young</td>
<td>$43.00 PUPM for two years $44.00/$44.00/$45.00 for renewable years</td>
</tr>
<tr>
<td>Residential One</td>
<td>$37 PUPM</td>
</tr>
<tr>
<td>Edgewood Management</td>
<td>$40 PUPM with an annual CPI escalation</td>
</tr>
</tbody>
</table>
Review and scoring of responses was completed by staff from Property Management, Finance and Compliance. Staff considered experience with similar properties in Montgomery County, experience of key personnel managing comparable properties, experience with property positioning and capital improvements, expertise in affordable housing programs and compliance, references, review of submitted materials and proposed fees.

Staff recommends that Residential One continue property management services at Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor. Residential One managed Tanglewood and Sligo during a comprehensive renovation and conversion to a Low Income Housing Tax Credit (LIHTC) property. This included resident relocations, completion of initial certifications for Low Income Housing Tax Credits and submission for Green Certification. Under Residential One’s management, Dale Drive, Southbridge and Manchester Manor have all maintained stable occupancy with no documented compliance issues. Residential One offered the lowest management fee and uses HOC-hosted Yardi at all properties, in addition to managing the HOC maintenance technicians assigned to these properties.

HOC also received proposals from Avison Young and Edgewood, both of which proposed notably higher management fees.

Staff is proposing a management contract with Residential One for a term of two years, with three possible one-year renewals.

**ISSUES FOR CONSIDERATION:**
Does the Commission wish to authorize the Executive Director to execute a management contract with Residential One for property management services at Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor?

**BUDGET IMPACT:**
Residential One proposed a management fee of $37.00 per unit per month. Based on the terms outlined in the RFP, the estimated value of the contract is $103,896.00 for one year.

**TIME FRAME:**
The term of the Management Agreement for Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor was discussed with The Budget, Finance and Audit Committee at its meeting on February 21, 2017. For Commission action at its meeting of March 1, 2017.

**STAFF RECOMMENDATION & BOARD ACTION NEEDED:**
Staff recommends that the Commission accept the recommendation of the Budget, Finance and Audit Committee and authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute a management contract with Residential One for property management services at Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor.
RESOLUTION NO: 17-17  
RE: Approval of Property Management Contract for Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor

WHEREAS, the Housing Opportunities Commission issued a Request for Proposals (RFP) for property management of Tanglewood and Sligo Apartments, 527 Dale Drive, Southbridge Apartments and Manchester Manor (“Properties”); and

WHEREAS, the Housing Opportunities Commission of Montgomery County (HOC or the “Commission”) is the general partner of Tanglewood and Sligo Limited Partnership which owns one hundred and thirty-two (132) low-income housing tax credit (LIHTC) units in a development known as Tanglewood and Sligo Apartments; and

WHEREAS, the Housing Opportunities Commission of Montgomery County (HOC or the “Commission”) is the general partner of Manchester Manor Limited Partnership which owns fifty three (53) low-income housing tax credit (LIHTC) units in a development known as Manchester Manor; and

WHEREAS, the Commission, in its capacity as the Owner or as the general partner for the Partnership, acting for and on behalf of the Partnership, is authorized to engage a third party to manage the Properties; and

WHEREAS, based on the criteria included in the RFP and pricing from three responding companies, a panel of staff from Property Management, Finance and Compliance scored the results and determined that Residential One is the most qualified to manage the Properties.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission that the Executive Director is hereby authorized to execute a contract for the term of two (2) years, with three (3) one (1) year renewal options, with Residential One for property management services at the Properties.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County on March 1, 2017.

_______________________________
Patrice Birdsong
Special Assistant to the Commission
Development and Finance Committee
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<tr>
<td>Concept Plan Notes</td>
<td>4</td>
</tr>
<tr>
<td>Upcoming Predevelopment</td>
<td>6</td>
</tr>
<tr>
<td>Summary and Recommendations</td>
<td>7</td>
</tr>
</tbody>
</table>
Executive Summary

The Development & Finance Committee met on February 17, 2017 to consider staff’s request for approval of the next 12-month predevelopment budget and funding and recommends approval by the Commission. On October 7, 2015, the Commission approved a predevelopment budget of $1.195MM to fund the first 15 months of predevelopment activity related to the redevelopment of Holly Hall. The Commission authorized initial funding of $546,000 anticipating that the amount would be sufficient for seven months of work. Instead, the funding has been sufficient for approximately 17 months of work.

Much of the difference in spending thought required came from periods where work was paused to try to secure the cooperation of the neighboring land owner, the Amalgamated Transit Union. The development team also spent time ensuring that internal circulation, delivery loading, trash extraction, and other operational design was well understood. Typically, this sort of analysis isn’t done until later in the entitlement process. HOC staff now recommends the below revised budget expected to be sufficient for 12 months of continued predevelopment work.

<table>
<thead>
<tr>
<th>Design &amp; Development Budget</th>
<th>Mar-17</th>
<th>Apr-17</th>
<th>May-17</th>
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In January, the HOC-Duffie venture submitted a Concept Plan – the result of the design work to date – to Planning that shows a 440,000-square foot, mixed-use, mixed-income community. Torti Gallas, acting as land planner and concept architect, has produced a plan that more than quintuples the existing 96 units that make up Holly Hall Apartments. The Capital One site will become the site of a half-acre park and a Starbucks location. The Holly Hall site will be a mixed-use, mixed-income development with ground-floor retail.

**KEY COMPONENTS**

- **Retail**: 25,000 SF (incl. Starbucks (w/ Drive-thru) on Capital One site
- **Multifamily**: 365,000 SF
- **Age-restricted**: 150,000 SF
- **Parking**: 749 Stalls

HOC staff will return with periodic design updates and opportunities for Commission comment.

March 1, 2017
With the move from block massing to watercolor art, the transformative character of the proposed development begins to become apparent. No definitive architectural choices have yet been made; however, the concept art is attempting to communicate some key values. First, the development will avoid the sleek or generic; instead, it will endeavor to integrate an aesthetic that evokes the eastern County’s better years. Second, the new community will seek to downplay the automobile by introducing the first walkable uses, hiding parking, creating more inviting space at the existing bus stop, and making way for the future BRT. Lastly, it will place true, visible density at the interchange with Interstate 495, forming the first of two pillars of the gateway to the new eastern County.

One of the architectural keys to that gateway idea, the senior component of Hillandale Gateway is given a prominent, visible location within the redevelopment and shows a feature tower along New Hampshire Avenue to further enhance the building’s appeal and value. HOC and Duffie have engaged the community in discussion of the Concept Plan and met a largely warm reception. At a recent meeting with the East County Citizens Advisory Board, members were excited to see the level of quality and investment HOC and Duffie are looking to make. The placement of the structured parking was also appreciated.

March 1, 2017
The Concept Plan as submitted shows a slightly taller multifamily building (and overall denser building, at 615,000 square feet) than the partnership is likely to build. To remain within the wood frame construction type, the multifamily building will top out at five floors. Unused density can be transferred to other nearby sites.

Included in the Concept Plan are a large outdoor pool and lounge space for the multifamily component and a pocket park (not to be confused with the half-acre park) located along the walking trail available to both residents and the public alike. More economic and durable, the south-facing pre-cast parking deck can likely be covered with solar-power producing panels along the exterior.

Lastly, ATU has asked HOC and Duffie to make a proposal to act as developer for the northeastern edge of its site. HOC staff will return to the Commission with an update should the proposal be accepted.
Upcoming Pre-development

The HOC-Duffie team is continuing to use conceptual design services to engage with both the community and neighboring land holders. Torti-Gallas has produced a highly efficient land plan despite the apparent obstacle of the ATU land intervening the two parcels owned by the partnership. Bohler Engineering has been very effective at navigating the Planning team for the Hillandale Gateway project. STS and Lenhart are providing key traffic analysis, as the Council is struggling to create effective policy for the White Oak Science Gateway corridor. The partnership wishes to make all necessary traffic improvements as a part of the redevelopment. However, the policy may make getting credit for those costs a challenge.

In January, the design team attended a Design Review Committee with all of the relevant County department staff and Planning staff to receive comments on the Concept Plan. Based on that feedback, the design team will make revisions on the way to developing a Sketch Plan submission expected in March 2017.

In the coming months, HOC staff expects to be able to present to the Commission initial underwriting for the project, additional architectural renderings, and a refined scope of outdoor and common area amenities. HOC and Duffie are in the process of gathering proposals from property management firms to join the team and assist with operational design of the residential buildings. Additionally, while Torti-Gallas has produced excellent work thus far, HOC and Duffie will still be selecting the project architect on a competitive basis. Both selections will be brought to the Commission for endorsement.

Per the venture operating agreement, at any time, should spending be projected to exceed 110% of the Commission-approved amount, the HOC-Duffie team must come back to the Commission for a budget amendment before any additional funding will be authorized. Also per the venture operating agreement, HOC and Duffie will split a $20,000 per month development fee 20% to 80% during the entitlement and permitting period. So, HOC will receive $68,000 in development fee through the end of 2016.
Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to accept the recommendation of the Development & Finance Committee and:
1. Approve of a twelve-month predevelopment budget for the redevelopment of Holly Hall in the amount of $1,341,500 (annulling the remaining $649,000 previously approved)?
2. Approve funding of the predevelopment budget of $1,341,500 in the form of a loan from the Opportunity Housing Reserve Fund (“OHRF”)?

BUDGET IMPACT

There is no adverse change to the current Agency operating budget.

TIME FRAME

Action in an open session of the Commission meeting on March 1, 2017.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission accepts the recommendation of the Development & Finance Committee and:
1. Approve of a twelve-month predevelopment budget for the redevelopment of Holly Hall in the amount of $1,341,500 (annulling the remaining $649,000 previously approved).
2. Approve of funding for the predevelopment budget in the amount of $1,341,500 in the form of a loan from the Opportunity Housing Reserve Fund (“OHRF”).
WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), is the owner of a 96-unit rental property in Hillandale known as Holly Hall Apartments located on approximately 4.35 acres of land at 10110 New Hampshire Avenue, Silver Spring, MD 20903 (“Holly Hall”); and

WHEREAS, HOC is the sole member of HOC at Hillandale Gateway, LLC (“HOC’s JV Member”), which is a member of Hillandale Gateway, LLC, the entity that will redevelop the Holly Hall site; and

WHEREAS, HOC has contributed a 43,671-square foot parcel of land at the southwest corner of Powder Mill Road and New Hampshire Avenue, which HOC purchased from Capital One Bank, N.A. on July 11, 2014 (“CONA Site”), and was wholly owned by HOC, to Hillandale Gateway, LLC through HOC’s JV Member; and

WHEREAS, the location of Holly Hall and the CONA Site (together, the “Redevelopment Properties”) is at the corner of New Hampshire Avenue and Interstate 495 providing high visibility and access; and

WHEREAS, the Redevelopment Properties were approved for an increase in development density via a Sectional Map Amendment, which presents a unique opportunity for HOC to expand its housing presence in the East County, which has seen decades of disinvestment in housing; and

WHEREAS, the Duffie Companies and HOC formed a venture to redevelop Holly Hall and the CONA Site where HOC contributes the Redevelopment Properties and the Duffie Companies contributes cash, purchasing an ownership interest in Hillandale Gateway, LLC; and

WHEREAS, on July 8, 2015, the Commission authorized the Executive Director to execute all documents associated with the creation of a venture between the Duffie Companies and HOC, provided the terms in a letter agreement between the parties would be substantially the same as those originally presented to the Commission on October 22, 2014, and as revised and presented to the Commission on July 8, 2015; and

WHEREAS, on October 7, 2015, the Commission approved a budget of $1,195,000 for predevelopment activities through December 2016 related to the redevelopment of the Redevelopment Properties; and

WHEREAS, on October 7, 2015, the Commission authorized a loan to Hillandale Gateway, LLC from HOC’s Opportunity Housing Reserve Fund (“OHRF”) in the amount of $546,000 to fund predevelopment activities related to the redevelopment of the Redevelopment Properties; and
WHEREAS, on October 7, 2015, the Commission, acting on behalf of HOC at Hillandale Gateway, LLC, accepted the loan in the amount of $546,000 bearing interest at the Applicable Federal Rate and to be repaid from the proceeds of Hillandale Gateway, LLC’s redevelopment construction-period financing; and

WHEREAS, using the loan proceeds, a concept plan for the redevelopment of the Redevelopment Properties has been produced acceptable to the Commission and Duffie; and

WHEREAS, the Commission wishes to approve additional funding and a new budget; which rescinds the unfunded portion of the budget approved on October 7, 2015; for predevelopment activities through February 2018 related to the redevelopment of the Redevelopment Properties.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC at Hillandale Gateway, LLC acting for itself and for and on behalf of Hillandale Gateway, LLC that it approves a predevelopment budget for the redevelopment of the Redevelopment Properties for up to $1,341,500 through February 2018.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC at Hillandale Gateway, LLC acting for itself and for and on behalf of Hillandale Gateway, LLC that it authorizes a loan to Hillandale Gateway, LLC from HOC’s OHRF in the amount of $1,341,500 and an acceptance by Hillandale Gateway, LLC of such loan, bearing interest at the Applicable Federal Rate and to be repaid from the proceeds of Hillandale Gateway, LLC’s redevelopment construction-period financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC at Hillandale Gateway, LLC acting for itself and for and on behalf of Hillandale Gateway, LLC that the Executive Director of the Commission is hereby authorized, without any further action on their respective parts, to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC at Hillandale Gateway, LLC acting for itself and for and on behalf of Hillandale Gateway, LLC at an open meeting conducted on March 1, 2017.

S E A L __________________________________
Patrice M. Birdsong
Special Assistant to the Commission
Approval of Six Months Extension of the Development Consultant Contract with The Concourse Group for the Development of 900 Thayer (8240 Fenton St.)

STACY L. SPANN, EXECUTIVE DIRECTOR
KAYRINE V. BROWN
ZACHARY MARKS
HYUNSUK CHOI

March 1, 2017
Executive Summary

• The site, though recently confirmed as having an official address of 8240 Fenton Street, Silver Spring, MD, was heretofore described as having a location of 900 Thayer Avenue. For consistency, it is herein referenced as “900 Thayer” or the “Property”, which consists of 0.65 acres (28,526 square feet) of land on the southwest corner of the intersection of Fenton Street and Thayer Avenue. It is partially improved with a one-story automotive service building, which will be demolished to make way for the new development.

• On March 16, 2016, the Commission acquired 900 Thayer, which already had Site Plan approval for 124 residential units with 5,267 square feet of ground-floor retail.

• On April 6, 2016, the Commission approved the preliminary development plan for 900 Thayer, which provided approvals for: a 124-unit new construction general occupancy development to include 96 RAD Project Based Rental Assistance (PBRA) units, a predevelopment loan of $2,182,500 from the Opportunity Housing Reserve Fund to pay for development expenses related to this development plan for 900 Thayer, selection of The Concourse Group (TCG) as development consultant and authorization for HOC to enter into a contract with TCG, and the acceptance of existing contracts for only KTGY architecture firm.

• There are three groups of County approvals that need to be completed before construction can commence. The items in each of the groups can be pursued somewhat independently and in fact always have a great deal of scheduling overlap. These groups include; Site Plan, Civil, and Building Permits.

• On September 7, 2016 the Commission approved the selection of CBG Building Company (CBG) as General Contractor for the construction of the Property and authorized the Executive Director to enter into contract negotiations and on October 5, 2016, approved the selection of Edgewood Management for pre-construction consulting and property management service.

• Staff recommends that the Commission accepts the recommendation of the Development & Finance Committee and approve the extension of the development consultant contract with TCG for six months - $145,560 ($24,260 per month); however, staff is not requesting an increase in the loan from the Opportunity Housing Reserve Fund. The predevelopment loan of $2,182,500 will cover the extended contract cost.

• Staff anticipates submitting the RAD Financing Plan in March 2017; therefore, requests a slight modification to the number of RAD PBRA units to be delivered at 900 Thayer from 96 to 84. The 12 units will be delivered at the newly constructed, Victory Crossing.
The property is located at 8240 Fenton Street in Silver Spring, Montgomery County, Maryland and contains a total of 0.65 acres of land. The site sits on the southwest corner of the intersection of Fenton Street and Thayer Avenue is partially improved with a one-story automotive service building and associated surface parking lot.

The multifamily development site is approved for six stories and 124 dwelling units. The project will be constructed with wood-frame (five stories above a one-level concrete podium). The design for the new building is site plan approved.

Final scope will be developed by HOC with input from The Concourse Group (development consultant) and KTGY architect. After construction, the building and housing units are expected to qualify for Leadership in Energy & Environmental Design (“LEED”) Silver status.
• While the Property is two blocks from the southern edge of redeveloped Downtown Silver Spring, it has good pedestrian access to Silver Spring shops, services, and amenities. Further, the new Silver Spring Library and The Bonifant have filled in one of the two blocks with new development. Between location of The Bonifant and the Property is a new condominium project and a Safeway that are already in place in this redevelopment area.

• The Property is four blocks from the Silver Spring Red Line Metrorail station platform and the MARC train, one block from a future Purple Line Metrorail station, and a short walk from the Metropolitan Branch Trail.
• On April 6, 2016, the Commission approved the selection of TCG from among the Commission-approved Development and Financing pool of professionals as development consultant and authorized the Executive Director to enter into a contract with TCG for $250,000. The contract will expire March 15, 2017.

• Staff requests approval to extend the development consultant contract for six months - $145,560 ($24,260 per month); however, staff is not requesting or increasing the loan from the Opportunity Housing Reserve Fund. The predevelopment loan of $2,182,500 will cover the extended contract cost.

• The extension is required to allow sufficient time to complete the RAD conversion.

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**Key Dates**

1) Submitted Building Permit Application to County on January 11, 2017
2) Projected receipt of RAD Conversion Commitment around June/July 2017
3) Projected Construction Start: September 2017
4) The Civil approvals include Storm Water Management and Right of Way approvals. Submittal is planned for March 1, 2017 and final approvals are expected before May 1, 2017. Washington Suburban Sanitary Commission (WSSC) approvals are expected in late March.

March 1, 2017
900 Thayer (8240 Fenton St.) - Design

First Floor Amenity – Concept of Lobby

Note: Elevators will be located at each side of the building.

March 1, 2017
Second Floor Amenity – Concept of Community Room/Patio
The roof top open lounge area will have chairs, umbrella tables, and several swinging chairs. The roof will also have low profile solar panels as approved by LEED.
900 Thayer (8240 Fenton St.) - Design

No Parking Space – Alternative

The Property is now in a parking district, current policy does not require any parking. The intent is to encourage resident use of Metro and transit bus lines.

Parking is a premium in any “downtown” area – both limited and expensive. Silver Spring private parking costs range $150-$200 per space per month.

As a consequence, the revised design of 900 Thayer (8240 Fenton St.) does not include parking because alternative parking can be found here:

1. Silver Spring Ave parking (not built yet/public) = <2 minute walk (*)
2. Fenton Street Village (Mont Co.) 249 spaces = <4 minute walk
   - Mon-Fri 7am-7pm .70 per hour. After 7pm and weekend free. 24 hours max limit
   - AM/PM permit allows 5pm - 9am ($20 per month)

In addition to convenient parking within walking distance the site is:
   - Conveniently situated right off Georgia Avenue, you can stroll to the most desirable restaurants, shops, movies, Safeway, Whole Foods, Library, coffee, and more!
   - A few minutes walk to Silver Spring Metro
   - Easy access to Zipcar and Capital Bikeshare

*Shown in the above picture adjacent to the property is Studio Plaza, currently under construction will have 152 county parking spaces.

March 1, 2017
No Parking Space – Alternative

- County Planning advised that the Property is in a Parking District and no parking is required.
- 900 Thayer will have zero parking spaces as is the case with The Bonifant which has 133 units.
- Studio Plaza, currently under construction, will build public parking, 152 Spaces.
On April 6, 2016, the Commission approved the development plan for 900 Thayer as a 124-unit new construction family transaction to include 96 RAD PBRA units. However, staff would like to revise with 84 RAD PBRA units at 900 Thayer and 12 RAD PBRA units at Victory Crossing.
Development Plan: Team Assembly

**Architect**

KTGY, located in Tyson Corner, Virginia is an international full-service architecture and planning firm delivering innovation and artistry.

Six office locations nationwide: Irvine, Los Angeles and Oakland (CA); Denver (CO); Tyson's (VA); Pune (India). Fifteen partners with more than 300+ employees

They are currently working on West Side at Shady Grove in Rockville, MD with mixed-use apartments/retail (an EYA development).

- Commission approved selection of KTGY on April 6, 2016

**Development Consultant**

The Concourse Group

- Commission approved selection of The Concourse Group on April 6, 2016

**Property Management**

Edgewood Management

- Commission approved selection of Edgewood Management on October 5, 2016
- Edgewood Management will provide pre-construction and post-construction management services

**General Contractor**

CBG Building Company

- Commission approved selection of CBG Building Company on September 7, 2016

March 1, 2017
Summary and Recommendations

Issues for Consideration

Does the Commission wish to accept the recommendation of the Development and Finance Committee and approve the:

1. Development Consultant Contract Extension with The Concourse Group for six months for an additional cost of $145,560,
2. Revised unit configuration such that 84 RAD PBRA units would be placed at 900 Thayer and 12 RAD PBRA units at Victory Crossing?

Time Frame

Action at the March 1, 2017 meeting of the Commission.

Budget/Fiscal Impact

There is no adverse impact for the Agency’s FY 2017 budget. Funding for the contract extension will be paid from the previously approved predevelopment budget.

Staff Recommendation and Commission Action Needed

Staff recommends that the Commission accepts the recommendation of the Development and Finance Committee and approve the Development Consultant Contract Extension with The Concourse Group for six months for an additional cost of $145,560 to be paid from previously approved predevelopment funds.

Staff also recommends that the Commission accepts the recommendation of the Development and Finance Committee and approve the revised unit configuration that delivers 84 RAD PBRA units at 900 Thayer and 12 RAD PBRA units at Victory Crossing, successfully placing all 96 RAD units from Holly Hall.

March 1, 2017
WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing financing for the construction of rental housing properties which provide a public purpose; and

WHEREAS, on August 5, 2015, as ratified on September 2, 2015, the Commission authorized the execution of a Purchase and Sale Agreement with 900 Thayer Avenue LLC (the “Seller”) to purchase 28,526 square feet of land at the southwest corner of Thayer Avenue and Fenton Street (the “Property”) including design documents, design consulting contracts, and all other related due diligence; and

WHEREAS, pursuant to the Purchase and Sale contract, which was executed on August 7, 2015, the Commission acquired the fully entitled Property on March 16, 2016; and

WHEREAS, on April 6, 2016, the Commission approved the development plan for 900 Thayer including approvals for a 124-unit new construction family transaction containing 73 one-bedroom units and 51 two-bedroom units in a combination of 96 Rental Assistance Demonstration (RAD) Project Based Rental Assistance (PBRA) units (28 market rate units), a predevelopment loan of $2,182,500, the selection of The Concourse Group (TCG) as development consultant, and the acceptance of an existing contract for the KTGY architecture firm; and

WHEREAS, on September 7, 2016, the Commission approved the selection of CBG Building Company (CBG) as general contractor for the construction of the Property and authorized the Executive Director to enter into contract negotiations; and

WHEREAS, on October 5, 2016, the Commission approved the selection of Edgewood Management for pre-construction consulting and property management service; and

WHEREAS, on January 11, 2017, the building permit application was submitted to the Montgomery County Department of Permitting Services but staff needs additional time to complete predevelopment work in preparation for the closing of the construction financing.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves an extension to the Development Consultant Contract with The Concourse Group for an additional six months, including additional costs of $145,560 to be funded from the previously approved predevelopment loan.
BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes revision to the unit configuration at the Property to deliver 84 RAD PBRA units at 900 Thayer and 12 RAD PBRA units at Victory Crossing and that such revision will be reflected in the project’s RAD Financing Plan to be submitted to the US Department of Housing and Urban Development.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting on March 1, 2017.

Patrice M. Birdsong
Special Assistant to the Commission
Approval to advance funds from the single family indentures to reimburse Bogman Inc. for pre-claim expenses for single family’s whole loan portfolio

March 1, 2017

- On July 18, 2016, Bogman Inc. (Bogman), the Commission’s largest single family whole loan mortgage subservicer, servicing 574 whole loans, submitted to the Commission a cancellation notice, due to its desire to exit the mortgage servicing business.

- The loans serviced by Bogman were funded from various series of Single Family Mortgage Revenue Bonds under the 1979 Indenture and Single Family Housing Revenue Bonds under the 2009 Indenture.

- Staff issued Request for Proposal (RFP) #2030 on October 24, 2016, and RFP #2042 on January 25, 2017 to solicit proposals for a replacement mortgage subservicer. Two (2) proposals were received in response to RFP #2042 but require follow up discussions and clarifications from each respondent prior to providing a recommendation to the Commission.

- On January 25, 2017, Bogman notified the Commission that as a result of its business closing, the reduction in service fee income and lack of reimbursement for pre-claim expenses has caused its liquidity to drop $162,000 below the Federal Housing Administration’s (FHA) requirements, whereby a servicer must hold no less than 20 percent of its adjusted net worth in liquid assets; therefore, putting Bogman’s FHA accreditation and the compliance of the Commission’s whole loan portfolio in jeopardy.

- As of January 31, 2017, Bogman has advanced $258,381 in pre-claim expenses on behalf of the Commission’s whole loan portfolio of which $159,634 will be recouped within 60-90 days of filing the appropriate claims.

- Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and approve an advance to Bogman, Inc. from the Single Family 1979 and 2009 Indentures for an aggregate of no more than $162,000 for pre-claim expenses, paid on behalf of the Commission’s Single Family whole loan portfolio. Funds will be returned to the indentures once claim funds are received.

- Staff also recommends that the Commission authorize and direct the Executive Director to take any and all other actions necessary and proper to carry out the transaction contemplated herein.
MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann, Executive Director

FROM: Division: Mortgage Finance
       Staff: Jennifer Arrington/Kayrine Brown   Exts. 9760/9589

RE: Approval to Advance Funds from the Single Family Indentures to Reimburse Bogman Inc. for Pre-Claim Expenses for Single Family’s Whole Loan Portfolio

DATE: March 1, 2017

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

OVERALL GOAL & OBJECTIVE:
To obtain approval from the Housing Opportunities Commission of Montgomery County (“Commission”) to advance funds from the Single Family indentures to reimburse Bogman, Inc. for pre-claim expenses paid on behalf of the Commission’s Single Family whole loan portfolio.

BACKGROUND:
Bogman Inc. (Bogman) has been the Commission’s largest Single Family whole loan subservicer since 1997 and is currently servicing 574 loans that were funded from various series of Single Family Mortgage Revenue Bonds under the 1979 Indenture and Single Family Housing Revenue Bonds under the 2009 Indenture.

In July 2016, Bogman submitted to the Commission a cancellation notice due to its desire to exit the mortgage servicing business. After several staff discussions regarding the way forward, on October 24, 2016, a Request for Proposal (RFP) #2030 was issued for a replacement mortgage loan subservicer. No responses were received from a list of 10 potential respondents made up of other mortgage servicers and Housing Finance Agencies. The lack of response was due mostly to respondents’ lack of capacity to transition timely, the inability to meet minimum qualifications or lack of interest for new business. Responses were due November 17, 2016.

Staff revised the RFP and issued RFP #2042 on January 25, 2017. Responses were due February 10, 2017, and staff received two (2) proposals. The staff’s RFP Selection Team has reviewed both responses and is following up with each respondent with questions and clarifications prior to providing a recommendation to the Commission.

On January 25, 2017, Bogman notified staff that due to the lack of sufficient service fee income and the non-payment or reimbursement of pre-claim expenses by its former clients, it would be unable to service the Commission’s loan portfolio according to the U.S. Department of Housing and Urban Development’s (HUD) requirements. Most notably, the Federal Housing Administration (FHA) requires that the servicer must hold no less than 20 percent of its required adjusted net worth in liquid assets. Bogman has confirmed that they are below the FHA’s
liquidity requirement by $162,000. In accordance with FHA regulations, Bogman has 30 days to notify FHA along with a Corrective Action Plan that outlines how it intends to lessen the deficiency. Given its deficiency, Bogman has advised that it could ultimately be required to surrender its FHA accreditation, thereby placing the Commission’s whole loan portfolio out of compliance.

As part of the existing mortgage servicing contract, should loan escrows become deficient, Bogman has been advancing pre-claim costs (e.g. taxes, insurance, mortgage insurance premiums, attorney’s fees, foreclosure costs, etc.) for loans that are in various stages of delinquency until the claims are settled. Please note that the advancement of pre-claim expenses when escrows become deficient is not a current market standard and will most likely change upon the engagement of a new subservicer.

As of January 31, 2017, the outstanding amount due to Bogman for eleven (11) pre-claim advances is $258,381.04. Seven (7) claims require primary, supplemental, pool or expense claims to be filed. Three (3) claims are pending third-party sale. And, one (1) claim is awaiting the filing of a partial claim once FHA has approved the assignment of the mortgage to the survivor of a deceased mortgagor. Please see Table 1 attached. In order to mitigate the risk of FHA non-compliance for the Commission’s Single Family whole loan portfolio, it is recommended that the Commission reimburse Bogman for pre-claim expenses in the amount of $162,000 (or 62% of pre-claim costs advanced by Bogman on the Commission’s behalf). It is further recommended that funding be advanced from the 1979 Indenture in the amount of $140,916.67 and from the 2009 Indenture in the amount of $21,083.33.

Of these funds, $159,634 (or 98% of advanced funds) is for seven (7) loans which will be returned to the Indentures within 60-90 days of claim filings. The balance of the funds ($2,366) will be returned upon completion of third-party sales and obtaining FHA’s approval to file a partial claim.

**ISSUES FOR CONSIDERATION:**
Does the Commission wish to accept the recommendation of the Development and Finance Committee and approve the advance of no more than $162,000 from the Single Family indentures to reimburse Bogman, Inc. for pre-claim expenses paid on behalf of the Commission’s Single Family whole loan portfolio?

**PRINCIPALS:**
Housing Opportunities Commission of Montgomery County
Bogman, Inc.

**BUDGET IMPACT:**
There is no impact to the Agency’s operating budget.

**TIME FRAME:**
Action at the March 1, 2017 meeting of the Commission.
STAFF RECOMMENDATION and COMMISSION ACTION NEEDED:
Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and approve an advance from the Single Family indentures of no more than $162,000 to reimburse Bogman, Inc. for pre-claim expenses paid on behalf of the Commission's Single Family whole loan portfolio. The majority of these funds will be returned to the Commission within 60-90 days of claim filings.
### TABLE 1
PRE-CLAIM ADVANCES DUE BOGMAN, INC.

<table>
<thead>
<tr>
<th>Bogman Loan #</th>
<th>HOC Loan #</th>
<th>Bond Issue</th>
<th>Loan Type</th>
<th>Delinquency</th>
<th>Action</th>
<th>Pre-Claim Advances Paid to Bogman (as of 12/31/16)</th>
<th>Outstanding Pre-Claim Advances Per Bogman (as of 1/31/17)</th>
<th>HOC Reconciliation of Pre-Claim Advances Due Bogman (as of 2/7/17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>630722500</td>
<td>52-00-065</td>
<td>2013BC</td>
<td>Conv</td>
<td>ACTIVE REO</td>
<td>$</td>
<td>28,524.99</td>
<td>28,524.99</td>
<td>28,524.99</td>
</tr>
<tr>
<td>630722740</td>
<td>39-39-012</td>
<td>2005AB</td>
<td>Conventional</td>
<td>CLOSED REO</td>
<td>$</td>
<td>14,091.03</td>
<td>1,144.96</td>
<td>-</td>
</tr>
<tr>
<td>630723620</td>
<td>40-39-023</td>
<td>2005CD</td>
<td>Conventional</td>
<td>ACTIVE REO</td>
<td>$</td>
<td>23,051.18</td>
<td>23,051.18</td>
<td>-</td>
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<tr>
<td>630723920</td>
<td>41-39-001</td>
<td>2006AB</td>
<td>FHA</td>
<td>CLOSED REO</td>
<td>$</td>
<td>20,612.87</td>
<td>276.50</td>
<td>-</td>
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<tr>
<td>630724090</td>
<td>41-39-023</td>
<td>2006AB</td>
<td>Conv - SS</td>
<td>CLOSED SS</td>
<td>$</td>
<td>305.57</td>
<td>450.00</td>
<td>-</td>
</tr>
<tr>
<td>630724520</td>
<td>41-41-008</td>
<td>2006AB</td>
<td>Conv - SS</td>
<td>CLOSED SS</td>
<td>$</td>
<td>7,903.22</td>
<td>7,932.22</td>
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</tr>
<tr>
<td>630725910</td>
<td>42-39-027</td>
<td>2007AB</td>
<td>Conv</td>
<td>ACTIVE REO</td>
<td>$</td>
<td>57,881.81</td>
<td>57,881.81</td>
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</tr>
<tr>
<td>630726400</td>
<td>43-39-027</td>
<td>2007CD</td>
<td>Conv</td>
<td>ACTIVE SS</td>
<td>$</td>
<td>3,449.03</td>
<td>3,449.03</td>
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<td>630726510</td>
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<td>2007CD</td>
<td>Conv</td>
<td>ACTIVE REO</td>
<td>$</td>
<td>19,136.81</td>
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<td>630728630</td>
<td>45-35-007</td>
<td>2009A</td>
<td>FHA</td>
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<td>$</td>
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</tr>
<tr>
<td>630728640</td>
<td>45-35-005</td>
<td>2009A</td>
<td>FHA</td>
<td>ACTIVE REO</td>
<td>$</td>
<td>38,070.99</td>
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</tr>
<tr>
<td>630728840</td>
<td>45-35-010</td>
<td>2009A</td>
<td>FHA</td>
<td>ACTIVE REO</td>
<td>$</td>
<td>10,646.90</td>
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<td>-</td>
</tr>
<tr>
<td>630728850</td>
<td>46-47-001</td>
<td>2009X</td>
<td>FHA</td>
<td>Deed in Lieu</td>
<td>$</td>
<td>13,307.84</td>
<td>13,307.84</td>
<td>-</td>
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<tr>
<td>633159520</td>
<td>42-31-006</td>
<td>2007AB</td>
<td>Conv</td>
<td>ACTIVE REO</td>
<td>$</td>
<td>16,248.68</td>
<td>16,248.68</td>
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<tr>
<td>633284690</td>
<td>43-31-005</td>
<td>2007CD</td>
<td>Conv</td>
<td>CLOSED REO</td>
<td>$</td>
<td>8,587.98</td>
<td>6,128.69</td>
<td>-</td>
</tr>
<tr>
<td>630729730</td>
<td>47-56-002</td>
<td>2-2009AB</td>
<td>FHA</td>
<td>ACTIVE REO</td>
<td>$</td>
<td>21,083.33</td>
<td>21,083.33</td>
<td>-</td>
</tr>
</tbody>
</table>

**TOTAL PRE-CLAIM ADVANCE ACTIVITY**

|                  | $51,500.67 | $274,314.41 | $258,813.04 |

1. Primary claim to be filed
2. Listing agreement received 2/15/17; pending 3rd party sale
3. Pool claim to be filed
4. Claim proceeds received this week by Bogman
5. Expense claim to be filed
6. Survivor of deceased mortgagor to assume mortgage; FHA approval needed
7. Supplemental claim to be filed

Claims to be filed
Pending 3rd party sale
Partial claim to be filed
$258,813.04
RESOLUTION: 17-20

Re: Approval to Advance Funds from the Single Family Indentures to Reimburse Bogman Inc. for Pre-Claim Expenses for the Single Family’s Whole Loan Portfolio

WHEREAS, Bogman Inc. (Bogman) is the largest single family whole loan mortgage subservicer for the Housing Opportunities Commission of Montgomery County ("Commission") and is currently servicing 574 whole loans for the Commission that were funded from various series of Single Family Mortgage Revenue Bonds ("MRB") under the 1979 Indenture and Single Family Housing Revenue Bonds ("HRB") under the 2009 Indenture;

WHEREAS, Bogman submitted to the Commission on July 18, 2016, a cancellation notice due to its desire to exit the mortgage servicing business; and

WHEREAS, Bogman has advised staff that it is below the FHA liquidity requirement by $162,000 and that it has 30 days to notify FHA of its Corrective Action Plan outlining how it intends to lessen the deficiency; and

WHEREAS, Bogman’s mortgage servicing contract includes a provision that should mortgage escrows become deficient, it shall advance pre-claim costs on behalf of the Commission for loans that are in various stages of delinquency until the claims are settled; and

WHEREAS, as of January 31, 2017, the outstanding amount due to Bogman by the Commission for 11 pre-claim advances is $258,381, $159,634 of which will be recouped within 60-90 days of filing claims.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves an advance to Bogman, Inc. for no more than $162,000 for pre-claim expenses made on behalf of the Commission’s Single Family whole loan portfolio.

BE IT FURTHER RESOLVED that the advance of funds shall originate from the Single Family 1979 Indenture in the amount of $140,916.67 and from the Single Family 2009 Indenture in the amount of $21,083.33. Said funds will be returned to the appropriate indenture once claim funds are received.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, without further action on its part, hereby authorizes and directs the Executive Director to act as its authorized representative to execute all documents on its behalf, and to take any and all other actions necessary and proper to carry out the transaction contemplated herein.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open session meeting of the Commission on March 1, 2017.

S __________________________________
E Patrice M. Birdsong
A Special Assistant to the Commission
L
Future Action
Information Exchange
New Business
Executive Session
Findings
Adjourn
Development Corporation Meetings
Paddington Square is a 165-unit MID-rise garden-style community in Silver Spring.

A Request for Proposals (RFP) was issued in accordance with the HOC Procurement Policy for the management of Paddington Square.

Responses to the RFP were received from four property management companies.

Staff reviewed submitted materials and scored the respondents in accordance with the RFP criteria.

Staff determined that Residential One is the best candidate for the management of Paddington Square.

Staff recommends that the Board of Directors of Paddington Square Development Corporation authorize a management contract with Residential One for property management services at Paddington Square.
MEMORANDUM

TO: Paddington Square Development Corporation

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Bobbie Dacosta Division: Property Management Ext. 9524

RE: Approval of Property Management Contract for Paddington Square

DATE: March 1, 2017

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

OVERALL GOAL & OBJECTIVE:
Approval to execute a management contract with Residential One for property management services at Paddington Square.

BACKGROUND:
Paddington Square is a 165-unit mixed-income community, built in 1960 and renovated in December 2011. Consisting of 15 three-level garden-style apartment buildings located in Silver Spring, the property features two and three-bedroom apartments, laundry rooms in each building and a swimming pool. Forty percent (40%) of the units, 67 units, are affordable under the County HIF program.

A Request for Proposal (RFP) for management of Paddington Square was issued in accordance with HOC’s Procurement Policy. HOC received responses from four management companies.

<table>
<thead>
<tr>
<th>Responding Company</th>
<th>Proposed Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avison Young</td>
<td>$45.00 PUPM for two years</td>
</tr>
<tr>
<td></td>
<td>$46.00/$46.00/$47.00 for renewable years</td>
</tr>
<tr>
<td>Residential One</td>
<td>$37 PUPM</td>
</tr>
<tr>
<td>Edgewood Management</td>
<td>$40 PUPM with an annual CPI escalation</td>
</tr>
<tr>
<td>WINN Residential</td>
<td>$39 PUPM</td>
</tr>
</tbody>
</table>

Review and scoring of responses was completed by staff from Property Management, Finance and Compliance. Staff considered experience with similar properties in Montgomery County, experience of key personnel managing comparable properties, experience with property positioning and capital improvements, expertise in affordable housing programs and compliance, references, review of submitted materials and proposed fees.

Staff recommends that Residential One continue property management services at Paddington Square. Residential One assumed management of the property in February 2013 at which time the property was experiencing high vacancy and low customer satisfaction. Residential One stabilized occupancy while maintaining compliance requirements and increasing overall resident satisfaction. Offering the most competitive rate, Residential One is also utilizing HOC-hosted Yardi at five properties and working in the mixed staffing model that includes HOC maintenance technicians.

HOC received three other proposals from Avison Young, Edgewood Management and WINN Residential. Proposed management fees from Avison Young and Edgewood Management were notably higher. WINN’s proposed fee was marginally higher and they have limited experience in Montgomery County.
Staff is proposing a management contract with Residential One for a term of two years, with three possible one-year renewals.

**ISSUES FOR CONSIDERATION:**
Does the Board of Directors of Paddington Square Development Corporation wish to authorize the Executive Director of the Housing Opportunities Commission of Montgomery County, as the Corporation’s Authorized Signatory, to execute a management contract with Residential One for property management services at Paddington Square?

**BUDGET IMPACT:**
Residential One proposed a management fee of $37.00 per unit per month. Based on the terms outlined in the RFP, the estimated value of the contract is $73,260.00 for one year.

**TIME FRAME:**
The term of the Management Agreement for Paddington Square Development Corporation was discussed with The Budget, Finance and Audit Committee at its meeting on February 21, 2017. For Paddington Square Development Corporation action at its meeting of March 1, 2017.

**STAFF RECOMMENDATION & BOARD ACTION NEEDED:**
Staff recommends that the Board of Directors of Paddington Square Development Corporation accept the recommendation of the Budget, Finance and Audit Committee and authorize the Executive Director of the Housing Opportunities Commission of Montgomery County, as the Corporation’s Authorized Signatory, to execute a management contract with Residential One for property management services at Paddington Square.
WHEREAS, Paddington Square Development Corporation ("Corporation") owns the development known as Paddington Square ("Property"), located in Silver Spring, Maryland; and

WHEREAS, the Corporation issued a Request for Proposals (RFP) for property management of Paddington Square; and

WHEREAS, based on the criteria included in the RFP and pricing from four responding companies, Residential One was determined to be the most qualified to manage the Property.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors for the Paddington Square Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, as the Corporation’s Authorized Signatory, is hereby authorized and directed to execute a management contract for Paddington Square for two years.

BE IT FURTHER RESOLVED by the Board of Directors for the Paddington Square Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, as the Corporation’s Authorized Signatory, is hereby authorized and directed, without any further action on its part, to take any and all other action necessary and proper to carry out the transaction contemplated herein.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of Paddington Square Development Corporation at a meeting conducted on March 1, 2017.

______________________________
Secretary to the Board of Directors of the
Paddington Square Development Corporation
Adjourn
Executive Session