

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, Maryland 20895
(240) 627-9425

Special Session Minutes

December 19, 2016

A Special Session of the Housing Opportunities Commission of Montgomery County convened on Monday, December 19, 2016 at 12:30 p.m. Those in attendance were:

Present

Sally Roman, Chair
Jackie Simon, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Christopher Hatcher
Pamela Byrd

Absent

Margaret McFarland
Linda Croom

Also Attending

Stacy Spann, Executive Director
Gail Willison
Kayrine Brown
Patrick Mattingly
Bobbie DaCosta

Kelly McLaughlin, General Counsel
Nowelle Ghahhari
Zachary Marks
Louis Chaney
Hyunsuk "Wilson" Choi

IT Support

Karlos Taylor
Vincent Collin

Commission Support

Patrice Birdsong, Spec. Asst. to Comm.

According to Section 10-508(a) of the State Government Articles of the Annotated Code of the State of Maryland, this Special Session was called to order in pursuant to subsection (3), the acquisition of real property; and pursuant to subsection (1), personnel matters.

The meeting began with presentations of the Consent Calendar Items.

I. CONSENT ITEMS

A. Ratification of Action Taken in Emergency Special Session on November 6, 2016: Approval of An Amended Final Development and Financing Plan for the Development of the Chevy Chase Lake Multifamily Property and Ratification of Authorization to Enter into an Operating Agreement with Cafritz Foundation LLC

Kelly McLaughlin, General Counsel, was the presenter.

The following resolution was approved upon a motion by Vice Chair Simon and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Hatcher, and Byrd. Commissioners McFarland and Croom were necessarily absent and did not participate in the vote.

RESOLUTION: 16-80R

RE: Ratification of Approval of an Amended Final Development and Financing Plan for the Development of the Chevy Chase Lake Multifamily Property and Ratification of Authorization to Enter into an Operating Agreement with Cafritz Foundation LLC

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 Emergency Special Session duly called and held on November 6, 2016, with a quorum present, the Commission duly adopted Resolution 16-80SS titled: “Approval of an Amended Final Development and Financing Plan for the Development of the Chevy Chase Lake Multifamily Property and Ratification of Authorization to Enter into an Operating Agreement with Cafritz Foundation LLC”; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 16-80SS and any action taken since November 6, 2016 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 16-80SS and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

B. Approval of a Four-year Collective Bargaining Agreement between The Housing Opportunities Commission and The Municipal County Government Employees Organization

Patrick Mattingly, Director of Human Resources, and Louis J. Chaney, Jr., Labor Relations Manager, were presenters.

The following resolution was approved upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Hatcher. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Hatcher, and Byrd. Commissioners McFarland and Croom were necessarily absent and did not participate in the vote.

RESOLUTION: 16-96SS

RE: Approval of a Four-year Collective Bargaining Agreement between the Housing Opportunities Commission and the Municipal County Government Employees Organization

WHEREAS, the Housing Opportunities Commission of Montgomery County is required by law to enter into a collective bargaining agreement for those employees of the Commission who are covered under the Collective Bargaining Law that went into effect as of October 1, 1999; and

WHEREAS, the Commission and the Municipal County Government Employees Organization (MCGEO), who is the exclusive union representative for those employees in the bargaining units of Service, Labor, and Trades (SLT) and Office, Professional, and Technical (OPT), have successfully negotiated a Four Year Collective Bargaining Agreement for the period of July 1, 2016 through June 30, 2020; and

WHEREAS, the Agreement stipulates that the parties will hold re-opener negotiation sessions to address the issue of wage adjustments for the third and fourth years of the Agreement. The wage re-opener for the third year of the Agreement will begin no later than March 1, 2018 and conclude no later than May 1, 2018. The wage re-opener for the fourth year of the Agreement will begin no later than March 1, 2019 and will conclude no later than May 1, 2019; and

WHEREAS, the union membership ratified the Agreement in meetings held on December 14, 2016; and

WHEREAS, the Collective Bargaining Law stipulates that "A Collective Bargaining Agreement shall be effective upon the approval of the Commission and the membership of the Union representing the Bargaining Unit".

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County (HOC) that the Four Year Collective Bargaining Agreement is approved and that the Agreement will become effective July 1, 2016.

BE IT FURTHER RESOLVED that the Collective Bargaining Agreement will be signed by the Commission's Chair, Vice Chair and the President of MCGEO.

C. Approval of Additional Compensation and Benefits for Unrepresented Staff

Patrick Mattingly, Director of Human Resources, was the presenter.

The following resolution was approved upon a motion by Commissioner Hatcher and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Hatcher, and Byrd. Commissioners McFarland and Croom were necessarily absent and did not participate in the vote.

RESOLUTION: 16-97SS

**RE: Approval of Additional
Compensation and Benefits for
Unrepresented Staff**

WHEREAS, the Commission and the Municipal County Government Employees Organization (MCGEO) have negotiated a Four Year Collective Bargaining Agreement for the period of July 1, 2016 through June 30, 2020; and

WHEREAS, there are 125 unrepresented staff positions not covered by this Agreement that include supervisory, confidential or employees at grade 26 and above; and

WHEREAS, on December 7, 2016, the Commission approved a wage adjustment and service increment for FY'17 commensurate with the contract.

NOW, THEREFORE, BE IT RESOLVED, by the Housing Opportunities Commission that it hereby authorizes the following additional compensation and benefits for the unrepresented staff:

- Longevity Increment increases from 2% to 3%.
- Mileage reimbursement as follows:
 - 1-1,000 IRS Standard Rate (currently \$0.54 per mile)
 - 1,001-7,500 IRS Standard Rate + \$0.15
 - Over 7,500 IRS Standard Rate + \$0.25

- Employees who use their personal vehicles for HOC business in excess of 7,500 miles during the fiscal year may be reimbursed up to \$1,000 annually for regularly scheduled maintenance, including tires, as well as automobile insurance coverage. Verification must be submitted in the form of a receipt in order to obtain reimbursement.
- If an employee is killed in the line of duty, the Commission will reimburse up to Ten Thousand dollars (\$10,000) of funeral expense.
- Fitness Reimbursement increases from \$100 to \$200.

II. COMMITTEE REPORTS and RECOMMENDATION FOR ACTION

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

- 1. Approval to Select PNC Real Estate Tax Credit Capital as the Low Income Housing Tax Credit Syndicator for the Greenhills Apartments Limited Partnership Transaction and Authorization for the Executive Director to Execute a Letter of Intent and Negotiate Partnership Agreement**

Kayrine Brown, Chief Investment and Real Estate Officer, and Hynsuk Choi, Sr. Financial Analyst, were presenters.

The following resolution was approved upon a motion by Vice Chair Simon and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Hatcher, and Byrd. Commissioners McFarland and Croom were necessarily absent and did not participate in the vote.

RESOLUTION: 16-98SS

RE: Approval to Select PNC Real Estate Tax Credit Capital as the Low Income Housing Tax Credit Syndicator for Greenhills Apartments Limited Partnership and Authorization for the Executive Director to Execute a Letter of Intent and Negotiate Partnership Agreement

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, Greenhills Apartments (the “Property”) is a 78-unit townhouse and apartment complex located at 10560 Tralee Terrace, Damascus, Maryland which was acquired by the Commission in 1998; and

WHEREAS, the Preliminary Development plan which was approved on September 7, 2016, contemplates the creation of Greenhills Apartments Limited Partnership (the “Partnership”), an entity controlled by HOC, to acquire the Property in order to avail of equity raised by the syndication of 4% Low Income Housing Tax Credits; and

WHEREAS, Greenhills Apartments Limited Partnership was created on July 22, 2016, with Greenhills Apartments GP LLC as the general partner and HOC as the initial limited partner; and

WHEREAS, HOC and the Partnership expect to receive a Letter of Reservation of Federal Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development which will enable the Partnership to raise approximately \$5.3 million in equity to pay part of its development costs; and

WHEREAS, after soliciting investment proposals from the top Low Income Housing Tax Credit (LIHTC) syndicators, HOC received two proposals from PNC Real Estate-Tax Credit Capital and Boston Capital, detailing interest in purchasing the tax credits allocated to the Partnership and being admitted as its investor limited partner; and

WHEREAS, after review of all the submissions and further inquiries of the investors, PNC Real Estate-Tax Credit Capital has been determined to be the more suitable LIHTC syndicator of the respondents.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Greenhills Apartments GP LLC, acting for itself and for and on behalf of Greenhills Apartments Limited Partnership as its general partner, that it approves the selection of PNC Real Estate-Tax Credit Capital as the LIHTC syndicator for the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Greenhills Apartments GP LLC, acting for itself and for and on behalf of Greenhills Apartments Limited Partnership as its general partner, that the Executive Director, or his authorized designee, is authorized, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of an acceptance of a binding letter of intent from PNC Real Estate-Tax Credit Capital and any documents related thereto, as well as the negotiation of a Limited Partnership Agreement.

III. ITEMS REQUIRING DELIBERATION and/or ACTION

A. Approval of a Sole Source Contract with CDC Capital for Continuation of Work Related to Development Activity of Elizabeth Square

Kayrine Brown, Chief Investment and Real Estate Officer, and Zachary Marks, Asst. Director of New Development, were presenters.

The following resolution was approved upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Hatcher. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Hatcher, and Byrd. Commissioners McFarland and Croom were necessarily absent and did not participate in the vote.

Resolution: 16-99SS

RE: Approval of a Sole Source Contract with CDC Capital ("CDC") for Continuation of Work Related to Development Activity of Elizabeth Square

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

WHEREAS, to effectively carry out its business of delivering affordable housing to persons of eligible income, the Commission from time to time augments its staff by contracting with third party consultants for its development and financing activities; and

WHEREAS, development consultants perform all the work necessary for acquisition, preservation, rehabilitation, or construction opportunities as well as provide accompanying financing consulting services and financing consultants to one or more transactions will advise, source, and structure debt and equity to enhance the Commission's existing debt products, all under the direction of the Commission's real estate staff; and

WHEREAS, the principal of CDC Capital now wishes to assign its current engagement to CDC and continue with the project as a consultant and lead project manager; and

WHEREAS, given the complexity of the Elizabeth Square transaction and the number of partners and county agencies involved, staff believes it is in the best interest of the Commission to take steps to ensure the timely completion of the planning, financing, and construction of the project; and

WHEREAS, the principal of CDC Capital possesses the most institutional knowledge and has agreed to continue to support HOC and the project but in a consulting capacity, necessitating a sole source selection of CDC Capital for development and finance consulting services.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes and directs the Executive Director, without further action on its part, to execute a sole source contract with CDC Capital for development and finance consulting services for the Elizabeth Square Development for a term of twenty four months for a maximum price of \$500,000.

BE IT FURTHER RESOLVED that the funding for the contract is authorized to be included in the Development Budget for Elizabeth Square for the respect development phases but that the ongoing cost of the engagement may be funded by HOC from the General Fund to be reimbursed at the financial closing of each phase of the development.

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized and directed to take all actions necessary and proper to carry out the transactions and activities contemplated herein.

IV. NEW BUSINESS

A. Approval of Property Management Contract for Forest Oak Towers

Bobbie DaCosta, Director of Property Management, was the presenter.

The following resolution was approved upon a motion by Vice Chair Simon and seconded by Commissioner Hatcher. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, Hatcher, and Byrd. Commissioners McFarland and Croom were necessarily absent and did not participate in the vote.

RESOLUTION: 16-100SS

**RE: Approval of Property
Management Contract for Forest
Oak Towers**

WHEREAS, Forest Oak Towers Limited Partnership (the "Partnership"), owns a development known as Forest Oak Towers (the "Property"); and

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") is the general partner of the Partnership; and

WHEREAS, the Commission, in its capacity as the general partner, is authorized to engage a third party to manage the Property; and

WHEREAS, the Commission issued a Request for Proposals (RFP) for management of Forest Oak Towers; and

WHEREAS, based on the criteria included in the RFP and pricing from three responding companies, a panel of HOC staff from Property Management, Finance and Compliance reviewed the submissions and determined that Avison Young is the most qualified to manage Forest Oak Towers.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Forest Oak Towers Limited Partnership as its general partner, that the Executive Director of the Housing Opportunities Commission of Montgomery County is hereby authorized and directed to execute a management contract with Avison Young for Forest Oak Towers for two years, with three (3) one-year renewal options.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Forest Oak Towers Limited Partnership as its general partner, that the Executive Director of the Housing Opportunities Commission of Montgomery County is hereby authorized and directed, without any further action on their respective parts, to take any and all other action necessary and proper to carry out the transaction contemplated herein.

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

The meeting adjourned at 1:03 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: 20170111