

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, Maryland 20895
(240) 773-9025

Minutes

February 4, 2015
15-02

The Annual meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, February 5, 2014 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:28 p.m. Those in attendance were:

Present

Roberto Piñero, Chair
Jackie Simon
Margaret McFarland
Pamela Lindstrom
Rick Nelson

Not Present

Sally Roman, Vice Chair
Jean Banks, Chair Pro Tem

Also Attending

Stacy Spann, Executive Director	Brenda Curay
Kelly McLaughlin, General Counsel	Carol April
Kayrine Brown	Ellen Goff
Gail Willison	Terri Fowler
Jim Atwell	Paulette Dudley
Scott Ewart	Elsie Weinstein
Fred Swan	Patrick Mattingly
Patricia Oliver	Bill Anderson
Jennifer Arrington	Mary Ellen Ewing
Scott Ellinwood	Pete Atta
Christopher Donald	Rita Harris
Saundra Boujai	Diana Bird
Zachary Marks	Ken Tecler
Marsha Smith	Bobbie DaCosta
Vivian Benjamin	Mary Phillips
Belle Seyoum	Dean Tyree
Lynn Hayes	Patrick Mattingly
Gina Smith	Eugene Spencer
Ethan Cohen	Steve Lukaczer
Stephanie Semones	

Commission Support

Patrice Birdsong

Special Assistant to the Commission

IT Support

Dominique Laws

Nick Monaco

Housing Honor Roll Award

Michael J. Kator

Special Recognition Award

Eugene Montgomery

Samantha Clark

Community Achievement Award

Kimberly Jordan-Gaskins

Guests

Hans Reimer, County Council

Ken Reichard, Sen. Ben Cardin's Office

Susan Lofhjelm, Cong. Chris Van Hollen's Office

Lorie Edberg, Sen. Barbara Mikulski

Warren Hanson, Councilmember Roger Berliner's Office

Clarence Snuggs, DHCA

Marvin Turner, HUD

Christine Jenkins, HUD

Amy Millar, MCGEO

Chair Piñero convened the annual meeting of the Housing Opportunities Commission by first welcoming Richard Y. Nelson, Jr. back to the Board of Commissioners. Mr. Nelson initially served on the Board from 1991 until 2007 when he was appointed Director of the Department of Housing and Community Affairs by County Executive Isaiah Leggett.

The 2015 Housing Honor Roll and Special Recognition Awards were presented as follows:

HOUSING HONOR ROLL AWARD

Michael J. Kator – Mr. Kator served as Commissioner from 2002-2014, including several years as Chair of the Commission. Mr. Kator worked with three different Executive Directors and led the Agency through the Great Recession and the period of economic turbulence that followed. Throughout his years of service Mr. Kator has been a consistent and tireless advocate on behalf of the families served by HOC.

SPECIAL RECOGNITION AWARD

Eugene Montgomery – Mr. Montgomery has selflessly volunteered his own time to serve as a supervisor for youth activities and field trips, HOC community events and even assists staff with

the daily closing of the Washington Square office for the last six years. Mr. Montgomery has been instrumental to the success of the HOC Reading Group, tutoring program and homework club. His character, pleasant demeanor and outstanding work ethic are deeply appreciated by staff.

Samantha Clark – Ms. Clark has volunteered at the Washington Square Family Resource Center more than 20-hours per week over the last four years. Ms. Clark has consistently provided a range of services to HOC clients, including chaperoning field trips and assisting with the homework club. Additionally, she routinely offers assistance to staff in setting up and breaking down events at the Center. Her positive attitude and commitment to helping others has made a tremendous difference in the lives of many HOC clients.

COMMUNITY ACHIEVEMENT AWARD

Kimberly Jordan-Gaskins - Ms. Jordan-Gaskins is an HOC client who was recently named the 2015 Ms. Wheelchair Maryland. She founded and administers Women on Wheels (WOW) a support group that advocates on behalf of people with disabilities.

YEAR IN REVIEW

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

[Looking Back on 2014 – Slide Presentation]

- During last year's Annual Meeting, I described the HOC's new look, new attitude, my vision for the agency and I outlined the changes that would form the foundation of HOC 2.0, namely:
- That we needed to generate more revenue and reduce the number of public housing units in our portfolio.
- That we needed to address our structural deficit, make the agency financially viable over the long term and how the Real Estate Division would play a key role in our progress towards a self-sustaining portfolio.
- I also unveiled the first component of HOC Academy, Leadership Tomorrow.

Let's take a look back and measure our progress against the goals set a year ago.

- As we all know, there is a positive correlation between an organization's success and its leadership. As a result of this fact, there were a few changes in the agency's leadership during 2014.

- The most significant being our new Chief Operating Officer, Gina Smith. As most of you know, Gina has an extraordinary knack for providing leadership in housing development, policy analysis, construction management and intergovernmental relations. She is an accomplished manager, skilled at conceptualizing and executing new programs and transformative policies. Since her arrival, three years ago, Gina has excelled in restructuring several HOC divisions, leading project teams, managing project budgets and communicating with internal and external stakeholders. She has worked hard for this position and no one deserves it more than she does. Congratulations Gina, but remember that the reward for good work is more work.
- Also in 2014: Lynn Hayes became the Director of Housing Resources, Kelly McLaughlin is now serving as HOC's General Counsel and Bobbie DaCosta is the Acting Director for Property Management.
- There were also several changes on the Commission in 2014. As you know from the 2015 Honor Roll presentation, we lost a strong Commissioner in Michael Kator. I am sure you have noticed the new faces on the stage. The agency gained three new Commissioners: Ms. Jackie Simon, Ms. Margaret McFarland and Mr. Rick Nelson. I am pleased to welcome back Commissioner Nelson. Mr. Nelson served as a Commissioner from 1991 – 2007 and was Chair for four of those years. We look forward to working with you in our shared pursuit of improved and expanded affordable housing in Montgomery County.
- Lastly, I am sure you have noticed that Commissioner Banks has been absent during the last meetings. She continues to make progress in her recovery from a significant stroke. We miss her and wish her a speedy recovery. I am hopeful that she will be rejoining us in the weeks and months ahead.

Mortgage Finance and Real Estate Development (RED)

- 2014 was a busy year for the Mortgage Finance and Real Estate Development staff. The team continued its evaluation of HOC's real estate assets for opportunities to unlock equity through refinancing, disposition, rehabilitation, and redevelopment.
- A major objective in HOC's strategic plan is to expand our approach and ability to develop mixed-income housing with an emphasis on strong design, energy efficient, and amenity-rich properties that are both environmentally and financially stable. The agency will accomplish this objective by building partnerships and identifying alternative sources of equity. This may also be achieved by employing a number of strategies to include acquisition, disposition, rehabilitation, or redevelopment.
- Since my arrival, I have reiterated the fact the Public Housing program has been severely underfunded and the Federal Government wants to eliminate the program in its entirety. HOC's Public Housing properties, like those of every other public housing authority in the country, is in dire need of capital investment. However, HUD cannot provide adequate

financial resources to properly maintain our Public Housing portfolios. The truth is that Public Housing as we know it is a dying program. In light of budget challenges, it is unrealistic to expect continued funding from HUD when it is far cheaper for HUD to support vouchers hence the reason that we are radically reducing our Public Housing portfolio.

- HUD's Rental Assistance Demonstration Program, commonly known as RAD, is aiding the agency in its mission to accomplish this goal.

SLIDE 4

- As you know, HOC applied to participate in RAD last year. I am proud to announce, our hard work paid off and the agency was approved to participate in the program. To date, seven of HOC's eleven multifamily public housing sites are scheduled for conversion from public housing to Project-Based Section 8 properties. Emory Grove, Washington Square, Seneca Ridge, Towne Centre Place, Sandy Spring Meadows, Waverly House and Parkway Woods will become Project-Based Section 8 properties. These properties will also undergo some degree of rehabilitation and some will eventually be completely redeveloped. This is major for the county, agency and our clients.
- RAD is an opportunity for the agency to preserve its affordable housing stock and improve the lives of the clients that we serve. This program enables HOC to reduce the concentration of poverty on our properties and provide residents with opportunities to live in more diversified communities throughout Montgomery County.
- As a result of RAD, our public housing portfolio will be completely renovated and self-sufficient as the agency will not have to rely on HUD's budget to maintain it.
- In addition to conversions and renovations, the agency acquired several properties in 2014.

SLIDE 5

- On October 31, 2014, HOC closed the Churchill Senior Living community located on Farther Hurley Boulevard in Germantown. This acquisition will yield an additional 133 apartment homes that will adjoin the existing structure. All of the apartment homes will offer spacious living along with walk in closets and walk in showers. The property is a premier active adult community that provides exceptional living with superior resident service.
- The structure of the financing is an FHA insured mortgage with Government Mortgage Association (GNMA) backing. Because of HOC's involvement, the transaction will enjoy receiving equity from the sale of the Low Income Housing Tax Credits. HOC is providing \$16.5 million in bond cap. The bonds from this transaction will be outstanding for a two year period (during the construction loan period). The transaction will convert to a taxable GNMA permanent loan upon completion of construction. The bonds were privately placed with Capital One. While HOC will monitor the occupancy on the property for 15 years during the permanent loan period, we will not enjoy our typical monitoring relation with the property. We, therefore, collected our loan management fee up front in addition to our

typical upfront fee. In addition to HOC, the DHCA not only provided a PILOT for this transaction, but provided \$1.10 million in Housing Initiatives Funds and \$2.0 million in HOME Funds.

SLIDE 6

- On December 18, 2014, Paddington Square successfully closed on a \$20.7 million permanent mortgage. The mortgage has a loan term of 35 years, amortizing for 35 years, with a fixed interest rate of 3.60%. Under these terms and including the mortgage insurance premium, Paddington is expected to achieve a Debt Service Coverage Ratio (DSCR) of 1.40 exceeding the DSCR target of 1.176.
- Since the acquisition in 2004 and the substantial renovation between 2005 and 2011, a total of \$28 million was invested to reposition the property, which dedicates 40% of its units (or 67 of its 165 units) for households earning 60% or less of the Area Median Income. Post renovation, Paddington struggled to stabilize making it difficult to secure permanent financing.
- By 2013, the property's average occupancy improved to 90%, and today's current occupancy is 95%. Proceeds from the \$20.7 million loan funded the repayment of \$20 million in debt from various sources, including HOC's PNC Bank Line of Credit, HOC's OHRF, HOC's County Revolving Fund, and DHCA's Housing Initiative Fund. The return of these funds will allow HOC to continue to invest in its mission of providing affordable housing to Montgomery County.

SLIDE 7

- On December 17, 2014, HOC received word that Woodfield Commons, an 84-unit multifamily community to be built in Damascus in partnership with Conifer, was awarded an allotment of competitive 9% Low Income Housing Tax Credits. Sale of these credits will generate much-needed capital to construct the high-quality, high-density garden community within Damascus' Town Center.
- Approximately 90% of the units will be held as affordable at rents ranging from 30% of the Area Median Income ("AMI") to 60% of AMI. The proposed project has been warmly received by both Councilmember Craig Rice and the County's Department of Planning with its units available to a broad mix of incomes and its delivering relatively high-density rental product near to the core shopping, services, and transportation for the Damascus area.
- With the award in hand, the Conifer-HOC team will begin the design and development process with a target construction start date in the first quarter of Calendar Year 2016.

SLIDE 8

- *HOC's Single Family Mortgage Purchase Program was approved to participate in the Fannie Mae HFA Preferred Loan Program. The National Association of Local Housing Finance Agencies collaborated with Fannie Mae on a project to allow local Housing Finance Agencies to participate in the "HFA Preferred" mortgage loan product that was available exclusively to state agencies. The product allows for a loan-to-value ratio of 97%. The National Association of Local Housing Finance Agencies approach was to demonstrate that local HFAs are as sophisticated as states and undertake first-time home buyer programs based on sound public policy; and, assist Fannie Mae in developing a threshold for local HFA participation.*

HOC is one of five PHA's in this nation approved to participate *the Fannie Mae HFA Preferred Loan Program*. Fannie Mae and NALHFA will begin expansion to local HFAs in a methodical and careful manner beginning with the five local HFAs identified above. Once the five local HFAs have implemented HFA Preferred program, Fannie Mae will assess effectiveness of the program and determine if it will expand to more local HFAs.

SLIDE 9

Property Management

- 2014 was a busy year for the Property Management division. It was the first complete year since the HUB conversion.
- In addition to decreasing fuel consumption across the agency's fleet of service vehicles, reducing travel time and minimizing mileage reimbursements, the Property Management division reduced operating and capital expenses in 2014 by installing standardized appliances in all HOC units. Installing standardized appliances enables the agency to purchase appliances and parts in bulk which significantly reduces the line-item expense. Furthermore, standardizing appliances and buying in bulk will prevent service delays due to waiting on parts since they are stored in our own warehouse.
- HOC's housing portfolio drastically improved during 2014.

SLIDE 10

- The agency celebrated Tanglewood's rebirth during a June Ribbon-Cutting Ceremony. While we are on the subject of Tanglewood, I would also like to mention, HOC contributed to the 100,000 Homes National Campaign by providing five, freshly rehabilitated units at Tanglewood.

SLIDE 11

- On October 14, 2014, HOC's Property Management staff attended the annual Property Management Association's Apartment Community Excellence or PACE awards ceremony. A

team of property management professionals judge properties in a variety of categories each year. Many HOC properties were nominated for awards and three won awards for excellence in property management: Stewartown Homes managed by Edgewood as well as Tanglewood Apartments and Paddington Square which are both managed by Equity.

Talk about improvements. I am proud of our contract management team for their leadership and oversight. The Paddington Square award, in particular, represents a significant achievement given the challenges the agency faced with this property just a couple of years ago.

SLIDE 12

- Also, in 2014, five HOC properties received Beautification Awards from Montgomery County in their annual "Keep Montgomery County Beautiful" campaign. The properties are: Stewartown Homes, The Willows, Shady Grove Apartments, Georgian Court, and The Oaks at Four Corners.

SLIDE 13

- I would also like to mention, Former District 5 Councilmember Cherri Branson visited the Oaks at Four Corners to meet with clients and staff, and celebrate the installation of new, fully accessible mailboxes for seniors living at the site. The new mailboxes are spacious enough to accommodate large packages such as those containing prescriptions. The larger mailboxes have also been placed closer to the ground for easier access for clients utilizing wheelchairs.

Finance

SLIDE 14

- My next announcement should create no surprise since I have said it the last three years and it has been said countless times prior.
- Once again, the Budget team has been honored by the Government Finance Officers Association (GFOA) with the Distinguished Budget Presentation Award. The honor is even more special this year because it recognizes the first two-year budget that HOC has attempted.

The Award represents the highest form of recognition in governmental budgeting and represents a significant achievement for the agency. In particular, I'd like to highlight the work of Terri Fowler, Budget Officer, and Maria Montero, Assistant Budget Officer for leading such a successful budget effort.

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

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

SLIDE 15

- In May of 2014, staff members Bill Anderson and Angela McIntosh-Davis represented HOC at the GovConNet Procurement Conference held at the Universities at Shady Grove and sponsored by the Montgomery County Chamber of Commerce.
- This event attracted approximately 800 attendees and provided a forum for businesses to learn how to participate in the procurement process of local, state and federal agencies as well as with other private enterprises. The event featured 85 exhibitors, 73 speakers in 24 breakout sessions, 24 federal agency departments and numerous state and local agency departments.
- Bill was one of the featured speakers in a breakout session of local agencies, providing key information on 392 procurement opportunities with HOC and how to become a supplier of goods and services. The presentation was well received by the attendees and resulted in many new business contacts for the agency.

Human Resources

SLIDE 16

- While on the topic of an educational forum, I would like to mention the new training room at EDP. This room will be used to train HOC staff and as a learning center for HOC Academy participants. That is a really nice training room.
- Our Human Resources department has been doing a phenomenal job at filling positions within 90 days. Since April 2014, HR has filled 84.61% of the vacant positions within 90 days.

SLIDE 17

- Speaking of HOC staff, I would like to thank MCGEO for their successful and productive labor negotiations. HOC's workforce received a 3.5% salary increase last year.
- The nature of our relationship is such that we won't always agree, but I am grateful that we are able to have frank discussions that lead to fair bargaining results.

Legislative and Public Affairs

SLIDE 18

- Frank discussion did not only take place with MCGEO in 2014. Last year, HOC staff met with several political actors to share the agency's agenda and vision. HOC's Legislative and Public Affairs team worked with Maryland's Affordable Housing Coalition for Housing Day in Annapolis. Staff met with Senators Nancy King, Roger Manno and Karen Montgomery, as well as Delegates Al Carr, David Fraser-Hidalgo and Shane Robinson. The purpose of the meetings was to advocate for \$30 million in State funding for Rental Housing Works, support of House Bill 366 (The HOME Act) and in support of the Multifamily Rental Housing Programs Efficiency Act.
- HOC interacted with other affordable housing stakeholders from the public and private sectors throughout the county, state and nation. To provide you with an overview, I will discuss a few tours that took place during the month of March.
- On March 7th, HOC along with staff from Howard County Housing led a tour for HUD officials of properties in Howard County and Montgomery County. The tour, designed to give HUD staff a sense of the possibilities for RAD development, was a tremendous success.
- On March 12th, HOC led a group of 20 housing professionals on a tour of Montgomery County properties. This tour was presented as part of the NAHRO Legislative Conference. Attendees from New Jersey, Wisconsin, Texas and California visited Metropolitan, Strathmore Court and Tanglewood to learn about mixed-income development strategies in an expensive real estate market.
- Real Estate Development staff met the group at Metropolitan and provided an excellent overview of the project, including a description of the ground lease, air rights and some of the more unique features of this success story. Staff also provided a comprehensive overview of the goals and successes of Tanglewood's redevelopment. Attendees were particularly interested in the building materials and challenges of redeveloping a property that is 70 years old.
- On March 21st, nearly three dozen executives and staff from the national HUD office toured Waverly House and attended a staff presentation on HOC's RAD conversion strategy. Guests included Director of the Office of Affordable Housing Preservation (OAHP), Larry Pack; Deputy Assistant Secretary for Multifamily Housing Programs, Ben Metcalf; Acting Associate Deputy Assistant Secretary of OAHP, Margaret Salazar; Special Project Manager, Greg Byrne, who is leading HUD's RAD effort; and dozens of HUD staff members from the RAD applications, underwriting, and closing teams.

- Of particular interest during the tours were the different tactics HOC is employing to use the RAD program as a means to unlock underlying real estate and asset value. Perhaps more importantly, HUD's staff is inspired by how HOC's approach will translate to improved and expanded affordable housing for both existing and future residents. This is the true definition of "Trailblazing."

SLIDE 19

- On the local level, HOC hosted its first annual Housing and Resources Expo on November 22, 2014. Staff from around the agency participated in event. More than 850 invitations were sent to existing clients on the unit transfer list as well as those waiting for Opportunity Housing.
- More than 300 clients attended; an overwhelming response rate. It was very sobering to see the extent of the need in Montgomery County first hand and it underscores the urgency of our work. Even though the event did not begin until 10:00 a.m., clients arrived on buses and were waiting for the doors to open as early as 7:30 a.m. Staff opened the doors so guests could wait in warmth.
- Overall, the event was a success in that 146 applicants received certification packets to fill the 96 available recently renovated disposition units. Those that are unable to secure a unit immediately will have additional opportunities as new renovated units become available.

SLIDE 20

- The LPA team did a exceptional job keeping all of HOC's stakeholders abreast of major agency changes. Whether organizing RAD information sessions or Town Hall Meetings, HOC has a far more polished public presentation. All of these changes communicate professionalism and respect for our audience.
- In 2014, the LPA team coordinated and hosted well over 30 RAD meetings. The purposes of the meetings were to keep residents informed on the coming changes and to solicit their input with the conversion. All of the meetings took place at the respective property and majority of them took place after hours. Even though LPA coordinated the meetings, facilitating them required a cross-divisional effort as staff from HRD, Resident Services, Property Management and RED attended to provide assistance to the residents.
- In addition to the 30 plus RAD-related resident meetings, HOC hosted five Town Hall meetings, one in each council district, to inform residents about significant program changes and initiatives that the agency is actively engaging. The meetings also afforded residents the opportunity to voice their opinions, concerns and recommendations as they pertain to HOC's operations.
- HOC will again stage five Town Hall Meetings throughout 2015. The first meeting will take place on Monday, March 9, 2015 at The National 4H Youth Center. The meeting will start at

6:00 p.m. The remaining meeting dates and locations will be announced as soon as they are finalized.

SLIDE 21

Housing Resources Division

- The overarching purpose for the 2014 Town Hall meetings was to inform Housing Choice Voucher and Public Housing clients of essential Housing Resource program changes. This year, HOC discussed: the changes HUD made for the Utility Allowances, mandatory direct deposits for Landlords as well as Rent Reasonableness and Affordability.
- There were additional changes to the Housing Resources Division besides the information that was shared during the 2014 Town Hall Meetings. The Division now reports directly to the Chief Operating Officer. The Family Self Sufficiency program of FSS joined HRD and the program is now responsible for completing recertification's for FSS households.
- HRD made a few other subtle changes to its SOP's. The division drastically improved its rent increase process by allocating one day per week to process requests. Staff automated many tracking systems through Yardi to monitor progress and assure efficiency.
- Despite all is these changes; HOC earned the High Performer accolade from HUD's Section Eight Management Assessment Program (SEMAP). HUD audited the agency after honoring us with SEMAP's High Performer status just to make sure that there were no mistakes in their review. It was determined that there were none and that HOC truly deserved to be in the High Performer class.
- 2014 was the year of Audits for HRD because they successfully survived three additional external audits.
- On top of all this, HRD managed to lease majority of the Disposition families. Great job HRD and I am sure you know what your reward for the great work is. That's right, more work.

Resident Services

- Just ask Fred Swan. I know I overworked him in 2014.
- During last year's annual meeting, I introduced Fred Swan as the new Director of Resident Services. Over the year, Fred and I worked closely to restructure the Division and I believe that we improved customer service delivery, productivity and efficiency.

SLIDE 22

- The Family Self-Sufficiency Program (FSS) was productive as usual. On November 6, 2014, HOC held the 21st annual FSS graduation ceremony. Thirty-eight individuals successfully completed the five-to-seven year program and five of them are already home owners! The FSS program is one of the most successful resident service programs that the agency offers. To date, over 838 HOC residents have successfully completed the program.

- This means 838 people have not only changed their lives but they've changed the lives of their children, who now have a powerful role model of success through tenacity. These clients had the courage to put themselves through a challenging program that demanded accountability and consistency. Those are big dreams, and their success serves as hope not only for their children, but for those who follow in their footsteps.
- Congratulations to Nancy Scull and her entire team of FSS case workers who make the program a national model.

SLIDE 23

- While we are on the subject of congratulating HOC's FSS Coordinator Nancy Scull, I am pleased to announce that she was honored with the Roscoe R. Nix Distinguished Community Leadership Award. The Award was established by County Executive Leggett in 2012 as the County's equivalent to the Presidential Medal of Freedom. Nancy was one of three Award winners and was honored for her work with HOC as well as her efforts with the Shepherd's Table Soup Kitchen in Silver Spring. Congratulations Nancy! We are lucky to have you on our team.

SLIDE 24

- The Resident Services Division renewed its commitment to improve the lives of the clients that we serve through its customer service delivery.
- For example, On November 4, 2014, Fred Swan arranged for Housing Resources staff to be trained on identifying and intervening in cases of domestic violence. Resident Services employees underwent the training on October 21st. The training provided important information to staff on key indicators of domestic violence and emotional abuse and its impact on the entire family. Staff was also instructed on how to report or escalate concerns on behalf of clients affected by domestic violence and emotional abuse.
- Resident Services partnered with Bullis, the Institute of Real Estate Management, and the Holiday Giving Coalition to fill and prepare the baskets. On November 24, 2014, staff from every division participated in the preparation and moving of 107 Thanksgiving Food baskets at the Bullis School in Potomac. Ninety-seven of the baskets were then distributed to clients from Washington Square the same evening. The remaining 10 were delivered to those unable to pick up their baskets.

SLIDE 25

- HOC's efficient work in administering the Rent Supplement Program earned the agency a 2014 National Association of Counties Achievement Award. The Rent Supplement Program was nominated by County Executive Isiah Leggett and recognizes the program as a national

example of best practices. The award was presented at a ceremony held at the Executive Office Building in Rockville on December 17, 2014.

Information Technology

SLIDE 26

- I would like to share IT's "year in review." It was a busy year, full of progress. Last year, I ordered someone to get Ewart more caffeine, because 2013 was just a warm up for 2014! They must have stuck a permanent intravenous caffeine drip in his left arm because he has been running since the last meeting.
- Take a look around, we have a remodeled Hearing Room. I love this modern look.
- The Technology Employee Purchase program (TEPP) was improved. As a result of the TEPP, more than half of HOC's workforce purchased up-to-date technology devices. One of the most prominent benefits of the TEPP is that it enables employees to remain connected to the Agency around the clock.
- Over the summer, 18 interns from the Maryland Multicultural Youth Center worked for HOC across several divisions. For the second year in a row, the largest allotment worked in the IT division. Interns repaired and in some cases, rebuilt computers. They closed Help Desk tickets, did social media work and had a fulfilling overall experience. It's a tremendous benefit for both HOC and these talented youth who build skills and position themselves to compete for permanent employment.
- IT began connecting multi-family properties to FiberNet, a free internet service provided by Montgomery County. This connection will be accessible within each residential unit at no additional charge. Content access through the HOC-provided FiberNet will be unrestricted, unfiltered and most importantly FREE.
- Launching HOC@cess was another task on IT's To-Do list. In 2014, IT began installing wireless internet access points in all common areas at our multi-family sites, including the community activity center and computer lab. Residents and visitors are now able to connect wirelessly to this free resource using their own personal devices and have access to high-speed internet beyond their residential unit. Content will be filtered in accordance with other Montgomery County internet access policies to prevent resource abuse and illegal and/or inappropriate activity.
- The combination of free Internet access and the 22 community cloud-based computer centers for our residents made it easier for approximately 2,000 households to job search, complete homework assignments and improve their computer proficiency.

HOC Academy

SLIDE 27

- Now, the moment that I have been waiting for. It is finally the time for me to discuss one of my favorite 2014 projects, HOC Academy.
- The agency formally launched HOC Academy in 2014. The Academy is designed to help staff and our clients grow both personally and professionally. It serves as a hub that connects adult education, workforce development programs and counseling resources to low- and very low-income Montgomery County residents as well as HOC's workforce. HOC Academy will house many new and innovative products and services aimed to expand educational opportunities and promote economic self-sufficiency. The training and support provided to participants through HOC Academy can bolster their confidence and skill sets, allowing them to take an active role in improving their futures.
- Adult clients can participate in HOC WORKS, HOC CONNECTS, the Family Self Sufficiency Program (FSS) and the Adult Education and Work Force Development Program.

SLIDE 28

- HOC Works was unveiled during the first 2014 Town Hall Meeting. HOC WORKS is the product of HOC's efforts to develop a more robust Section 3 program. Section 3 is a program of the U.S. Department of Housing and Urban Development (HUD) designed to ensure that HUD funded projects generate employment, contracting, and other economic opportunities for low- and very low-income residents. HOC Works is the agency's program for ensuring that job training, employment and contracting opportunities are provided to our clients, as well as, other low income persons throughout Montgomery County.
- The Adult Education and Workforce Development program (AEWD) is one component of HOC WORKS. This program empowers participants to become self-sufficient by providing them with the necessary academic and job training resources required to obtain and maintain gainful employment. AEWD offers the necessary resources to enhance future employment opportunities and personal growth such as GED and College Preparation, English for Speakers of Other Languages (ESOL), Degrees and/or Professional Certifications and Career Counseling.

SLIDE 29

- HOC Connects was officially launched on July 30, 2014. The agency held a press conference at Stewarttown Homes to announce the launch of HOC Connects, a new initiative to bring computer ownership within the reach of HOC families. This nationally unprecedented program uses HOC's purchasing resources to provide interest-free loans to families interested in acquiring a laptop computer. HOC has partnered with Acer and CDW-G to

design a custom laptop model that is powerful and affordable. HOC Connects will help our parents and adults compete in the workforce and their children compete in the classroom.

- Montgomery County Executive Isiah Leggett, Montgomery County Council members Craig Rice and Nancy Navarro, HUD's Marvin Turner and a parent and HOC Connects program participant Rhonda Morrison joined us at the press conference.

SLIDE 30

- In 2014, HOC successfully conducted the first year of Leadership Tomorrow with its Alpha Class, now commencing their second year. The Alpha Class held a community Health Fair on September 20, 2014 at the Bohrer Park Activity Center in Gaithersburg.

SLIDE 31

Guests received FREE health screenings from licensed doctors for blood pressure, vision, diabetes, teen health, osteoporosis and more. FREE pediatric dental assessments were also provided along with important information about nutrition and wellness. More than 250 people attended the event and several guests identified health issues that were critical and in a couple of cases, life-threatening.

The Beta Class's application period closed on December 17, 2014 with classes scheduled to begin in February 2015. HOC intends to continue Leadership Tomorrow indefinitely for two reasons: First, the program is successful and serves as another important employee benefit. Second, the program is solely funded by the agency; therefore, budget cuts are not expected to jeopardize its operation.

SLIDE 32

- Our youth clientele can also benefit from HOC Academy. The program will afford HOC youth scholarship opportunities, summer employment and internship positions, the chance to participate in Science, Technology, Engineering, and Mathematics or STEM programs and Chess Clubs through HOC Academy. Also, HOC youth will be encouraged to join the Montgomery College Achieving Collegiate Excellence and Success (ACES) program which seeks to create a seamless pathway from high school to college completion.
- The pictures on the slide are of a STEM event that took place at Seneca Ridge in October. The US Military Academy also known as West Point, HUD, HOPE VI Community and Supportive Services, VISTA Americorp and the VA STEM Innovation Network also known as Make a Difference 2020 hosted the STEM Robotics event for our youth!

[Moving Forward 2015]

SLIDE 33

- While I am proud of our accomplishments in 2014, bigger challenges loom in 2015.

Mortgage Finance

- The Mortgage Finance Division and RED will be busier in the coming year. The teams will continue with the rehabilitation and permanent financing of the 669 Scattered Site PH units as well as implement RAD conversions on seven, and hopefully 11, multifamily properties.
- The Real Estate Development team will continue to evaluate HOC's portfolio, identify opportunities which will yield additional affordable housing capital for Montgomery County and aggressively seek to execute those windows of opportunity.
- By 2015's year end, HOC's portfolio and balance sheet will be much stronger. Through the disposition of the entire Public Housing portfolio, highly valued assets will be added to the Agency's balance sheet, and because of such low leverage, the net benefit to the Agency will be tremendous.

Information Technology

- IT will continue to keep HOC functioning powerfully using today's modern technology. A few tasks on IT's "To-Do List" are: enhancing the cloud computer centers and implementing a more robust online conferencing program for the agency to use. All of which will contribute significantly to HOC 2.0.

Property Management

- 2015 will be very different for HOC since the Public Housing program will no longer exist within this agency. Let's be clear folks, we are not losing any affordable housing units. In fact, I hope to open the Housing Choice Voucher waiting list in 2015.
- We are actually increasing our affordable housing arsenal through participation in RAD and the Disposition. Furthermore the addition of new mixed-income units may facilitate additional affordable ones at some sites.

Finance

- What can I say about finance? The bar has been set; I expect continued excellence in fiscal reporting and budget presentation. Earning the GFOA accolades, are critical for HOC because they set a high standard for which we need to produce our financial statements and budgets.

Housing Resources Division

- Lynn, your payment for a successful year is, well you guessed it more work. Here are some of my top priorities for HRD in 2015.
- Collect WORKING email addresses for 75 percent of our clients.
- Conduct frequent Landlord briefings and orientations.

- Open the Housing Choice Voucher waiting list.
- Facilitate ongoing monthly trainings for HRD staff because I want another SEMAP High Performing decoration for 2015.

Executive Division

- The Executive Division will continue to develop the Leadership Tomorrow program and secure prominent industry related professionals to both sponsor and lecture the program.
- Speaking of develop; the agency will continue to work collectively to cultivate HOC Academy. I would like for the agency to accomplish the following goals:
- 80% of FSS graduates will exit the program having increased their income by \$25,000.
- 40 HOC residents will obtain employment through participation in HOC Academy.

Closing

- In closing, I would like to take a moment to acknowledge the staff who retired during 2014.
- I deeply believe in the mission and purpose of this agency. This agency, its staff and our clients mean a great deal to me on a personal level. I know that many of you share these sentiments. Many of our staff care deeply about our clients. Paychecks can be found anywhere, but the rewards of working with HOC clients are what keep our best staff satisfied and here.
- I would like to sincerely thank the Commission for your service to the agency. While this may not be true for each of you individually, I believe that collectively over the last year, we have found more common ground and there is a growing sense of our progress and the potential of HOC 2.0.
- I also need to give recognition to the excellent work of the HOC staff. There are too many to recognize individually, but without their dedicated service, HOC would be just another housing authority. Because of their efforts, HOC is repositioning itself to become a national model of excellence.
- Adapting to change is never easy or comfortable, but change often creates opportunities. With the leadership of the Commission and the commitment of our staff, I am confident that we will continue to identify and capitalize on our opportunities. I expect no less than the excellence that HOC consistently delivers.
- HOC 2.0's foundation and framework are protected and well-built. By this time next year, I expect the agency to be generating additional revenue and well on its way to financial health.

Immediately following the Executive Director's Year In Review presentation, the Commissioners took a brief recess.

Election of Officers

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

The Consent Calendar was then approved upon a motion by Commissioner Lindstrom and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Piñero, Lindstrom, McFarland, Nelson and Simon. Commissioners Banks and Roman were necessarily absent and did not participate in the vote

I. CONSENT ITEMS

- A. Approval of Minutes of January 14, 2015** – The minutes were approved as submitted.
- B. Approval of Selection of 2015 Housing Honor Roll and Special Recognition Award Recipients** – The following resolution was approved.

RESOLUTION: 15-11

**RE: Approval of Selection of 2015
Housing Honor Roll Recipient**

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

WHEREAS, the 2015 Housing Honor Roll award recipient is Michael J. Kator a former HOC Commissioner and Chair; and

WHEREAS, Mr. Kator has tirelessly advocated for affordable housing in Montgomery County for and offered his valuable legal experience and insights to the Commission; and

WHEREAS, Mr. Kator has provided sure and steady guidance to the Commission during a period of economic turbulence and market disruptions

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Michael J. Kator is the recipient of the 2015 Housing Honor Roll award.

RESOLUTION: 15-12

**RE: Approval of Selection of 2015
Special Recognition Award Recipient**

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

WHEREAS, a 2015 Special Recognition Award is given to Eugene Montgomery, a resident of Washington Square; and

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

WHEREAS, Mr. Montgomery has consistently volunteered his time and served HOC youth through his work with the Reading Group, tutoring program and Homework Club,

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Eugene Montgomery is a recipient of a 2015 Special Recognition Award.

RESOLUTION: 15-13

**RE: Approval of Selection of 2015
Special Recognition Award Recipient**

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

WHEREAS, a 2015 Special Recognition Award is given to HOC volunteer Samantha Clark in appreciation for her many hours of service to the Washington Square community;

WHEREAS, her service as a chaperone on youth field trips has contributed to a more positive experience for HOC youth; and

WHEREAS, her positive attitude and kind spirit make her a powerful role model for children in our community,

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Samantha Clark is a recipient of a 2015 Special Recognition Award.

RESOLUTION: 15-14

**RE: Approval of Selection of 2015
Community Achievement Award Recipient**

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

WHEREAS, a 2015 Community Achievement Award is given to HOC client Kimberly Jordan-Gaskins in appreciation for her extraordinary efforts to improve the lives of people with disabilities; and

WHEREAS, her determination to overcome adversity and assist others is an inspiration to HOC and the broader community

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Kimberly Jordan-Gaskins is a recipient of a 2015 Community Achievement Award.

C. Approval of New Participating Lenders for the Single Family Purchase Program

The following resolution was approved.

RESOLUTION: 15-15

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

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

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

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

WHEREAS, Prosperity Home Mortgage, LLC and Southern Trust Mortgage have applied for participation in the Mortgage Purchase Program; and

WHEREAS, Prosperity Home Mortgage, LLC and Southern Trust Mortgage have satisfied the required criteria for admittance to the Mortgage Purchase Program.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Prosperity Home Mortgage, LLC and Southern Trust Mortgage are approved for participation in the Mortgage Purchase Program, effective immediately.

II. INFORMATION EXCHANGE

A. Report of the Executive Director – No report

B. Commissioners Exchange

- Chair Piñero mentioned that the joint meeting with the Planning Board went well, and to follow-up with Gwen Wright, Planning Board Director, regarding white paper on core locations of public facilities for public housing
- Commissioner Simon reported on the concern of Condominiums in the County
- Commissioner McFarland mentioned upcoming events

C. Community Forum

None

III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

No Reports

IV. *FUTURE ACTION ITEMS

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 5:55 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Stacy L. Spann', written in a cursive style with a long horizontal flourish extending to the right.

Stacy L. Spann
Secretary-Treasurer

/pmb