



DEVELOPMENT AND FINANCE COMMITTEE

June 24, 2022

10:00 a.m.

Livestream: <https://youtu.be/MIS-UOJyFlk>

Approval of Minutes:

Title	Page
1. Minutes: Approval of Development and Finance Committee Minutes of May 27, 2022	3

Discussion/Action Items:

Title	Page
1. Single Family: Approval of New Participating Lender for Single Family Mortgage Purchase Program	7
2. HOC at Wheaton Gateway, LLC – Wheaton Gateway: Approval and Selection of an Architect, Civil Engineer, and Approval of an Amended Predevelopment Budget and Funding	11
3. Elizabeth House III, LP – EH-III: Selection of a Property Name in Accordance with HOC's Naming Guidelines	40

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Development and Finance Committee Minutes

May 27, 2022

For the official record of the Housing Opportunities Commission of Montgomery County, an open meeting of the Development and Finance Committee was conducted via an online platform and teleconference on Friday, May 27, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 10:05 a.m., available for viewing [here](#). Those in attendance were:

Present

Jackie Simon, Chair – Development and Finance Committee
Richard Y. Nelson, Jr. – Commissioner
Jeffrey Merkowitz – Commissioner

Also Attending via Online

Kayrine Brown, Acting Executive Director
Zachary Marks
Jennifer Arrington
Alex Thorton
Leidi Reyes
Vivian Benjamin
Marcus Ervin
John Broullire
Gio Kavaladze

Aisha Memon, General Counsel
Timothy Goetzinger
Paulette Dudley
Nathan Bovelie
Jeremiah Battle
Terri Fowler
Ellen Goff
Hyunsuk Choi
Jay Berkowitz

IT Support

Aries Cruz

Commission Support

Patrice Birdsong, Spec. Asst. to Commission

Commissioner Simon opened the meeting with a welcome and introduction of the Commissioners participating on the Committee.

APPROVAL OF MINUTES

The minutes of the April 22, 2022 Development and Finance Committee open and closed session meetings was approved upon a motion by Commissioner Merkowitz and seconded by Commissioner Nelson. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

DISCUSSION ITEMS

1. Single Family: Approval of Structure, Cost of Issuance Budget, and Adoption of Series Resolution(s) for the Issuance of Single Family Mortgage Revenue Bonds

Jennifer Arrington, Acting Director of Mortgage Finance, provided a presentation requesting the Development and Finance Committee to recommend to the full Commission approval of (1) the structure and issuance of the 2022 Bonds under the 1979 Mortgage Revenue Bond Resolution; (2) to allocate funds of private activity volume cap to complete the transaction; (3) authorization to execute an interest rate hedge agreement; (4) the cost of issuance budget to be funded by the 1979 Indenture; and (5) adoption of up to four (4) Series Resolutions authorizing the issuance of the 2022 Bonds.

Staff addressed the questions of the Commissioners. A motion was made by Commissioner Nelson and seconded by Commissioner Merkowitz to recommend to the full Commission for approval at the June 8, 2022 monthly meeting. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

2. Financial Advisor Contract: Approval of Firm to Serve the Commission as its Financial Advisor in Accordance with Request for Proposal (RFP) #2318

Jennifer Arrington, Acting Director of Mortgage Finance, provided a presentation requesting that the Development and Finance Committee join staff's recommendation to the full Commission to (1) approve Caine Mitter and Associates Incorporation to serve as Financial Advisor for a new contract term in accordance with the Procurement Policy for an initial term of four (4) years with two (2) one-year renewals; and (2) to authorize the Executive Director to negotiate and execute a contract.

Staff addressed the questions of the Commissioners. A motion was made by Commissioner Merkowitz and seconded by Commissioner Nelson to recommend to the full Commission for approval at the June 8, 2022 monthly meeting. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

NEW BUSINESS ITEMS

Authorization to Enter into Interest Rate Hedge and/or Novation in Connection with Certain Single Family Mortgage Revenue Bonds and Multifamily Housing Development Bonds and to Executive and Deliver Documents in Connection Therewith

Kayrine Brown, Acting Executive Director, provided an overview requesting approval of the Development and Finance Committee to present the above named item at the June 8, 2022 Commission meeting regarding novation terms of the swap agreements.

Staff addressed Commissioners questions and comments. A motion was made by Commissioner Merkowitz and seconded by Commissioner Nelson to recommend to the full Commission for approval at the June 8, 2022 monthly meeting. Affirmative votes were cast by Commissioners Simon, Nelson, and Merkowitz.

Based upon this report and there being no further business to come before this session of the Development and Finance Committee, a motion was made by Commission Nelson and seconded by Commissioner Merkowitz, to adjourn the meeting. Affirmative votes were cast by Commissioners Simon, Nelson and Merkowitz. The meeting adjourned at 10:41 a.m.

Kayrine Brown
Acting Secretary/Treasurer

/pmb

Discussion/Action Items

Approved lenders receive training from HOC staff and U.S. Bank before they are allowed to begin originating and closing loans in the MPP. Under the MBS program, HOC underwrites for program compliance and the lenders underwrite for credit worthiness.

Lender approval will apply to the 1979 Single Family Mortgage Revenue Bond Resolution, the 2009 Single Family Housing Revenue Bond Resolution and the 2019 Program Revenue Bond Resolution.

Celebrity Home Loans, LLC

Celebrity Home Loans, LLC (hereinafter “Celebrity”) has submitted a request to participate in the MPP and meets the criteria for approval.

Celebrity is an approved seller/servicer with FHA, Fannie Mae and Freddie Mac, and is an approved lender with U.S. Bank’s Mortgage Revenue Bond Program (“MRBP”) division.

Celebrity was established in 2006 and is headquartered in Oakbrook Terrace, Illinois. It is licensed in 48 states and has loaned over \$21 billion in home loans since its inception in 2006.

Apex Home Loans, Inc. (hereinafter “Apex”), which has been originating HOC loans for several years and is a top level company with loan officers, who have an extensive knowledge of the Commission’s single family programs, was acquired by Celebrity Financial, Inc. on November 30, 2021. Celebrity Financial, Inc. also owns Celebrity. Apex will continue to operate as a stand-alone company until July 1, 2022 at which time it will become a division of Celebrity.

Apex (NMLS# 2884) is approved with U.S. Bank with its Correspondent and HFA divisions and does have active pipeline, which is being allowed to proceed. The survivor, Celebrity (NMLS# 227765), is also approved with U.S. Bank’s Correspondent and HFA divisions.

Loan application, processing and underwriting are done at the two (2) participating branches located in Rockville and Clarksville. Celebrity has also applied to participate with Maryland’s Community Development Administration (“CDA”) Mortgage Program and the Virginia Housing Development Authority. Both currently do business with Apex.

Apex, now Celebrity, will continue to market any affordable housing programs that work in conjunction with the Commission’s lending programs. Its loan officers have extensive knowledge and work closely with Montgomery County’s Moderately Priced Dwelling Unit (“MPDU”) program as well with HCII Counseling, teaching MPDU classes.

SERVICING

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

ISSUES FOR CONSIDERATION:

Does the Development and Finance Committee wish to join staff’s recommendation that the Commission approve Celebrity Home Loans, LLC for participation in the Single Family Mortgage Purchase Program?

PRINCIPALS:

Celebrity Home Loans, LLC
Housing Opportunities Commission of Montgomery County

BUDGET IMPACT:

None.

TIME FRAME:

For discussion at the meeting of the Development and Finance Committee on June 24, 2022 and action at the July 6, 2022 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Development and Finance Committee join staff's recommendation that the Commission approve Celebrity Home Loans, LLC for participation in the Single Family Mortgage Purchase Program.

Attachment 1
Approved HOC/U.S. Bank Lenders

- Apex Home Loans, Inc.
- Ameris Bank Mortgage
- Embrace Home Loans, Inc.
- Fairway Independent Mortgage Corporation
- First Heritage Mortgage, LLC
- First Home Mortgage Corp
- HomeBridge Financial Services, Inc.
- Homeside Financial LLC
- loandepot.com
- Mortgage Access Corp
- Movement Mortgage, LLC
- NFM, Inc. dba NFM Lending
- NVR Mortgage Finance, Inc.
- Presidential Bank, FSB
- PrimeLending, a Plains Capital Company
- Prosperity Home Mortgage, LLC
- Sandy Spring Bank
- Severn Bank
- TowneBank Mortgage

WHEATON GATEWAY: APPROVAL OF REVISED PRE-DEVELOPMENT BUDGET AND FUNDING; APPROVAL OF AN ARCHITECT AND CIVIL ENGINEER

Wheaton Gateway



KAYRINE BROWN, ACTING EXECUTIVE DIRECTOR

**Daejauna Donahue, Project Manager
Marcus Ervin, Director of Real Estate
Zachary Marks, Chief Real Estate Officer**

June 24, 2022

Table of Contents

Topics	Page
Executive Summary	3
Development Plan	8
Concept Design – Massing	12
Selection for Architectural Services	19
Selection for Civil Engineering Services	23
Pre-Development Budget	26
Pre-Development Budget Comparison	27
Pre-Development Timeline	28
Summary and Recommendations	29

Executive Summary



Veirs Mill West (Lindsay Ford), Ambassador, and Mattress Firm comprise the Wheaton Gateway Development.

In 2017, the Lindsay family, owners of the existing Lindsay Ford dealership located at 11250 Veirs Mill Road in Wheaton, desired to relocate the dealership and its operations to a new site. Located adjacent to the Ambassador Apartments, which was jointly owned at the time as a condominium between HOC and an affiliate of Willco, LLC (“Willco”), acquisition of the Lindsay Ford holdings would not only create the opportunity for synergies for the redevelopment of The Ambassador Apartments, but would also dramatically increase the scope of the revitalization for a core part of Wheaton, whose greatest challenge is the highly fragmented nature of land ownership. A cohesive redevelopment of this prominent corner, which, if consolidated, could deliver approximately 1,000 units at full buildout, was a vision shared by the Planning staff during the Sector Plan process.

To jumpstart this redevelopment effort, HOC staff negotiated the acquisition of the Lindsay Ford dealership consisting of 11 parcels, totaling approximately 5.4 acres (the “LAG Properties”). The LAG Properties include approximately 3.8 acres of property West of Veirs Mill Road (together the “Veirs Mill West Properties”) and approximately 1.6 acres of property East of Veirs Mill Road (the “Veirs Mill East Properties”).

On **January 17, 2019**, the Commission completed acquisition of the LAG Properties, which represented the culmination of several years of negotiation to secure one of the largest and most impactful redevelopment opportunities in Wheaton allowing for the opportunity to combine those properties with the adjacent Ambassador Apartments site.

In keeping with the “Gateway” concept that HOC and private development partner The Duffie Companies (“Duffie”), a third-generation, Montgomery County-based, family-owned real estate development and asset management company, have promoted in partnership as part of the Hillandale Gateway development, HOC and Duffie created a similar partnership and structure for the redevelopment of the Lindsay West Properties (together the HOC/Duffie joint venture being Wheaton Gateway, LLC or the “Duffie JV”).

Executive Summary



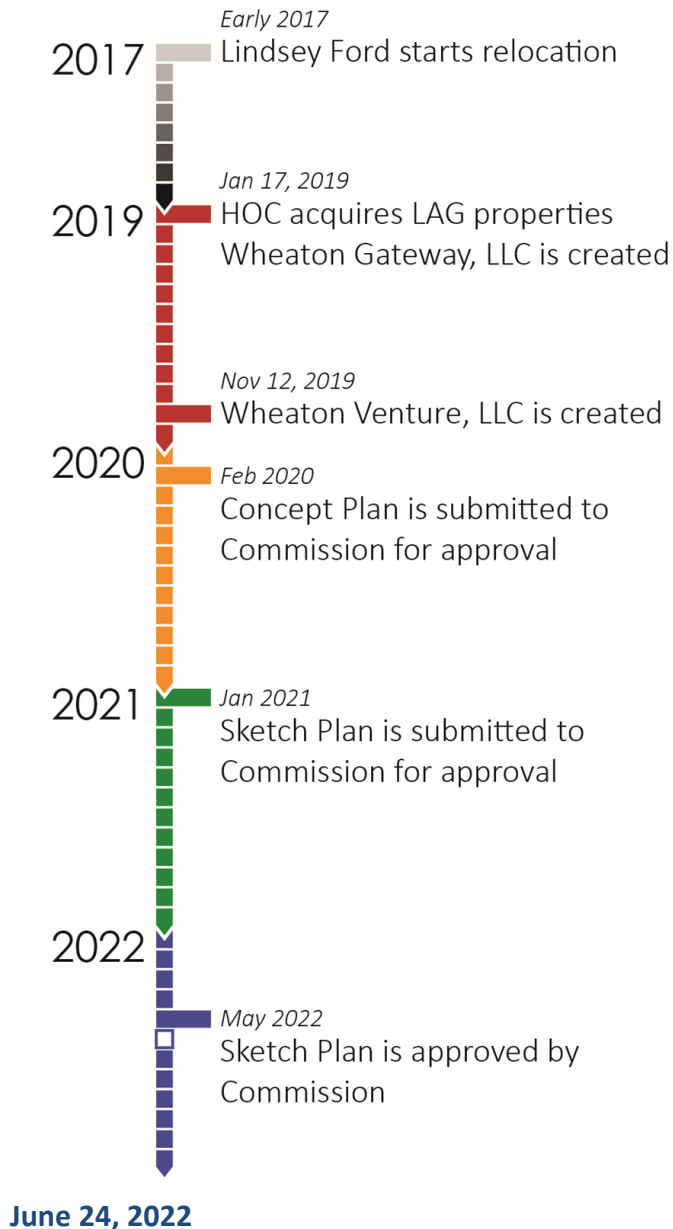
Veirs Mill West (Lindsay Ford), Ambassador, and Mattress Firm comprise the Wheaton Gateway Development.

On **November 12, 2019**, following fruitful negotiations with Duffie's assistance, the Commission approved the creation of Wheaton Venture, LLC, a partnership between Wheaton Gateway, LLC and Willco (the "Venture"). This partnership fully unlocked the development potential of this prominent corner by earning Willco's participation with respect to the Ambassador Apartments site and further augmenting the assemblage of the Veirs Mill West Properties through incorporation of Willco's corner Mattress Firm property to form what is now known as the "Wheaton Gateway" development site.

Serving as lead developer in this effort will be Duffie affiliate PS Ventures, LLC ("PS Ventures"). PS Ventures is a highly specialized real estate development firm whose primary mission is to help design and develop buildings that are more resilient, more durable, and more efficient utilizing building science and passive building principles. PS Ventures will be responsible for managing the day-to-day project activities, feasibility analysis, and crafting the vision for the project.

While the plans are being developed and subject to approval by the members of the Venture and the Commission, the opportunity to transform this Gateway site will greatly contribute to the overall Wheaton economy and life.

Entitlement Process

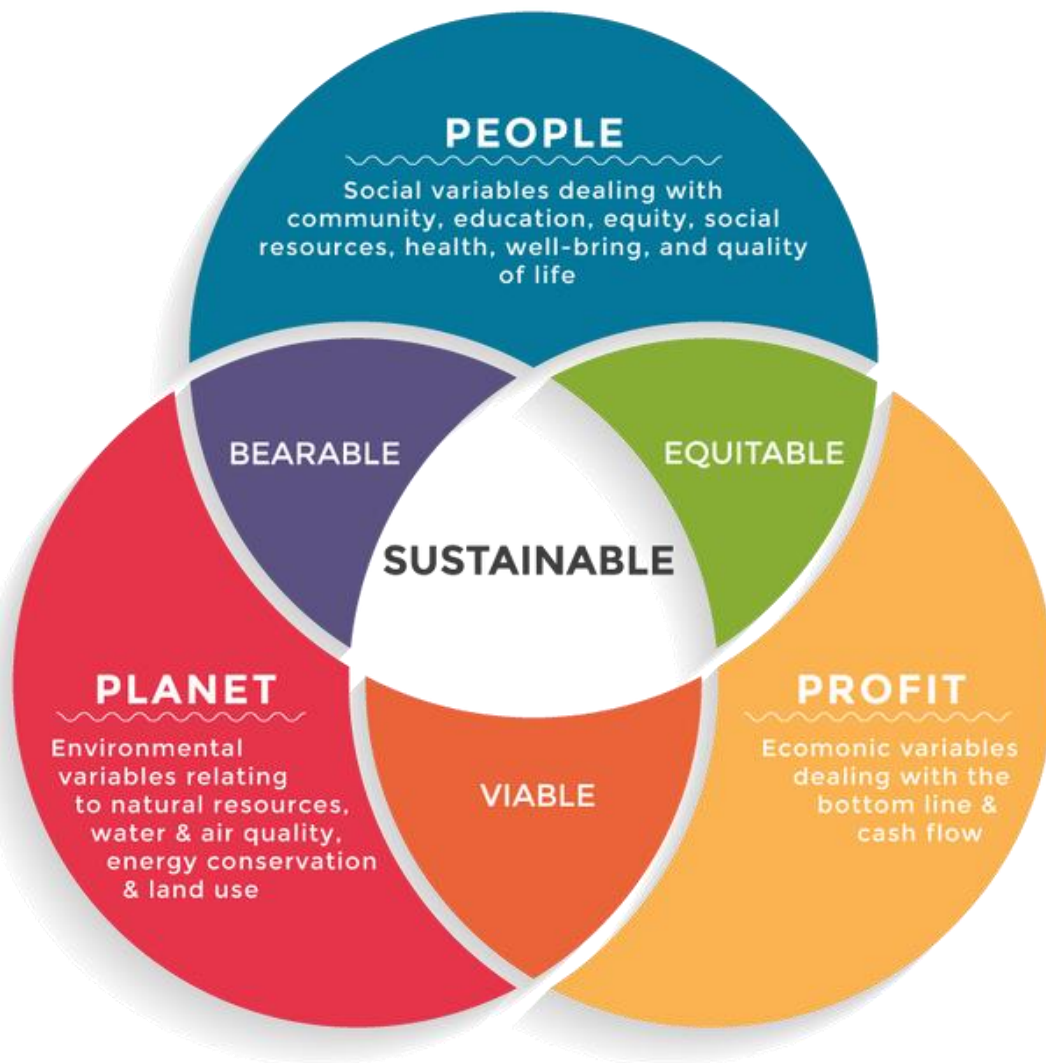


The Wheaton Gateway team has consistently sought community input since the project's inception. With the benefit of early outreach and extensive design efforts (including a project design charrette hosted by HOC), a Concept Plan was developed and submitted in **February of 2020**.

Following a productive Concept Planning process, the team proceeded to prepare a robust Sketch Plan set of design drawings. Notwithstanding the COVID pandemic, the team continued its planning efforts and met community outreach requirements prior to Sketch Plan submission. Following Commission Approval, the Sketch Plan was submitted in **January of 2021**. While the Sketch Plan was under review, the team became aware of challenges being faced by the Montgomery County Department of General Services in finding a suitable location for a Cultural Arts Center ("CAC") being investigated by the County for Wheaton. The Development team has worked to create a plan suitable for the CAC and remains eager to earn the County's consideration as a location for this regional amenity. Notwithstanding a challenging period addressing staff comments (including a brief pause in the Sketch Planning process to consider an alternative entitlement pathway via a consolidated "speed to market" application) the team ultimately decided to proceed with a traditional two-step entitlement process. The Sketch Plan was updated to incorporate elements favorable to the inclusion of a CAC and resubmitted. Sketch Plan approval was successfully earned by unanimous decision in **May of 2022**.

Simultaneous with the Sketch Plan approval process the development team has worked to solicit proposals from the primary third party professionals to proceed to the Site Plan and Subdivision Plan phase of the entitlement process (i.e. Architect, Civil Engineer, and Land Use Counsel.)

TRIPLE BOTTOM LINE



TARGETING



Energy-efficiency, carbon reduction, and resiliency are cornerstones of the Project's goals. The Project is anticipated to target LEED-H Midrise V4 Platinum certification, Passive House (PHIUS+ 2021) certification, and Energy Star Multifamily New Construction Certification. The Project will also need to achieve all relevant building, energy, and green building codes.

Approach to Sustainability: MoCo Climate Action

Importantly, the Montgomery County Council in 2017, declared a climate emergency and demanded the focus of all available resources toward achieving zero carbon emissions by 2035. In response, the County's Climate Action Plan outlines a strategy to cut greenhouse gas (GHG) emissions 80 percent by 2027 and 100 percent by 2035.

The Climate Action Plan details the effects of a changing climate on Montgomery County and includes strategies to reduce GHG emissions and climate-related risks to the County's residents and businesses, as well as the built and natural environment.

Outlined within the Climate Action Plan is a "Vision for Building a Healthy, Equitable, Resilient Community." This includes specific priorities of newly constructed buildings, including:

- High-performance buildings should be equitably available to all County residents.
- Increase energy conservation and efficiency and decrease fossil fuel use in all buildings, with the County leading by example with its own building portfolio.
- Support sustainable, carbon-neutral building design, improvements, and energy sources.

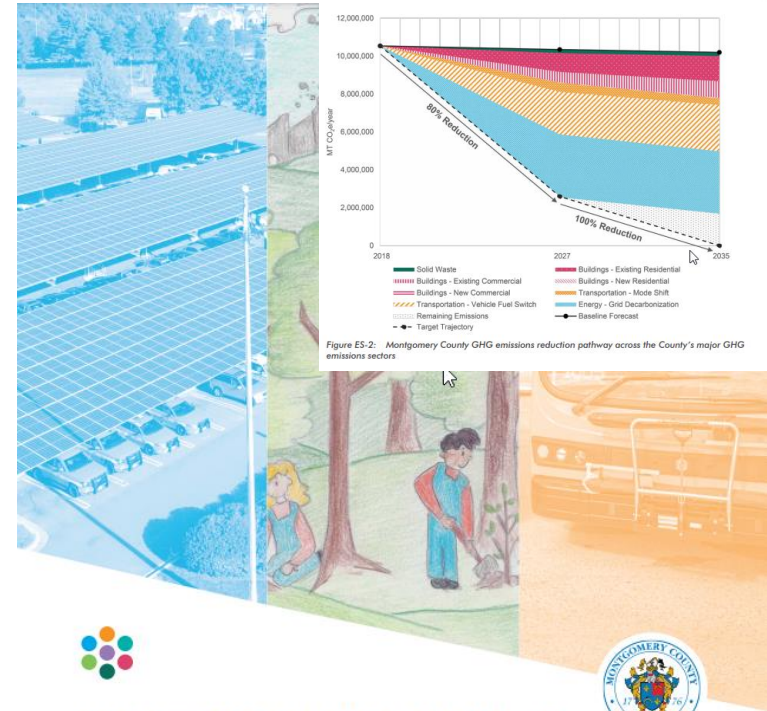
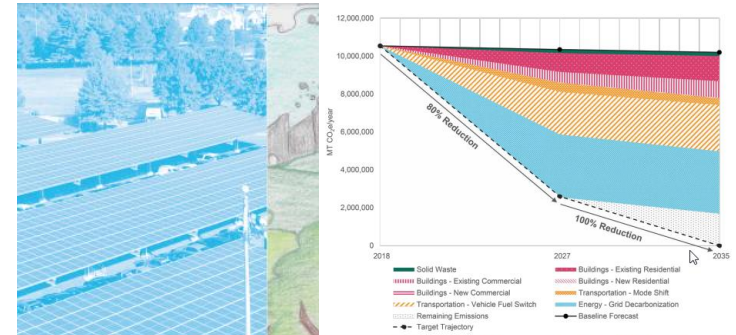
Building upon the same sustainability and resiliency efforts previously programmed into HOC's proposed Hillandale Gateway development, the Wheaton Gateway project will strive to exemplify all these priorities, as well. With these efforts, the Applicant is confident that Wheaton Gateway will make an impactful contribution toward meeting the objectives outlined within the Sector Plan.



Buildings

Montgomery County is home to resilient and efficient buildings.

- High-performance buildings should be equitably available to all County residents.
- Increase energy conservation and efficiency and decrease fossil fuel use in all buildings, with the County leading by example with its own building portfolio.
- Support sustainable, carbon neutral building design, improvements, and energy sources.
- Phase in building requirements while providing transparency to residents and businesses and developing the market knowledge to best meet those requirements.
- Expand access to incentives, financing, and programs to construct or upgrade to resilient, efficient commercial and residential buildings.
- Create demand for jobs and grow the workforce by transitioning to resource-efficient, low-carbon, resilient buildings.

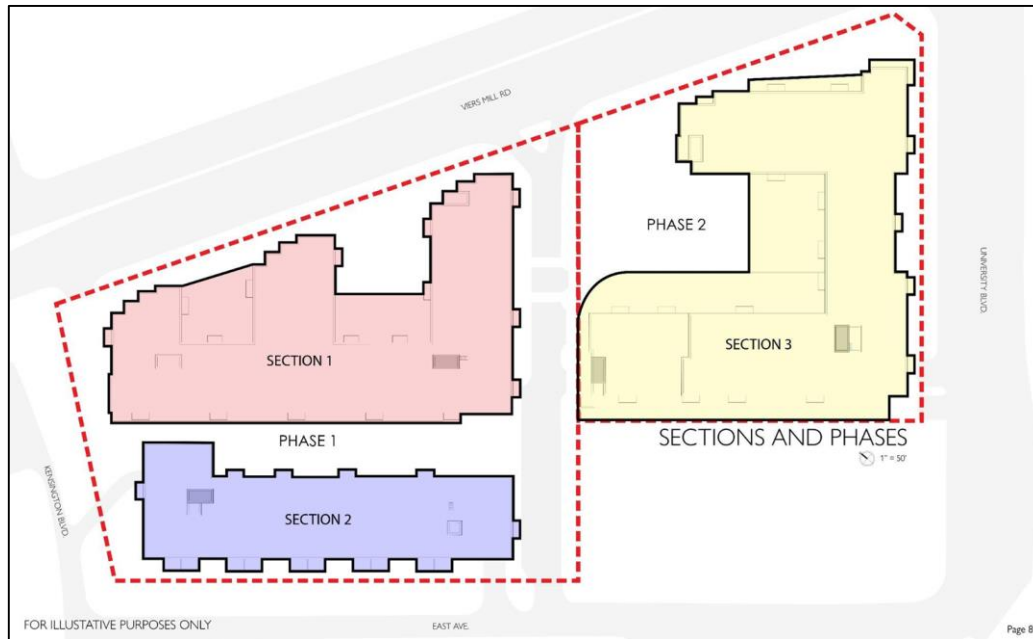


MONTGOMERY COUNTY CLIMATE ACTION PLAN

Building a Healthy, Equitable, Resilient Community



Development Program



Phasing and Section Diagram

The combination of the Duffie JV's Veirs Mill West Properties, HOC and Willco's Ambassador property and Willco's Mattress Firm property allow for an impactful redevelopment program that will incorporate a mix of uses including high-quality mixed-income multifamily housing; a community use urban park to provide needed passive open space; and a curated selection of retail/commercial uses. **The pre-development budget is representative of the entitlement of Phases I and II for 770 units. The design and construction documentation services are for Phase I and includes permitting of Sections 1 and 2.**

Mixed-Use & Mixed-Income

770+/- Units

- 30% Site-wide Affordability Target.
- *Sustainability Targets*
 - LEED H Platinum
 - Energy Star Multifamily
 - Passive House Target

Multi-Phase: Multi-Building Program

PHASE 1

- **Section 1 -**
 - 320 +/- Units
 - 40k +/- s.f Commercial
- **Section 2 -**
 - 100 +/- Residential Units

PHASE 2

- **Section 3 -**
 - 350 +/- Units
 - 25k +/- s.f Commercial

Development Program and Massing



Aerial view illustrating the rear of the site that is comprised of Section 2 (foreground) along University of Blvd and East Ave.

Development Program and Massing

SECTION 1

- 11-stories
- 320+/-units (353,182 ft²)
- ~40,000 ft² Commercial/Retail

SECTION 3

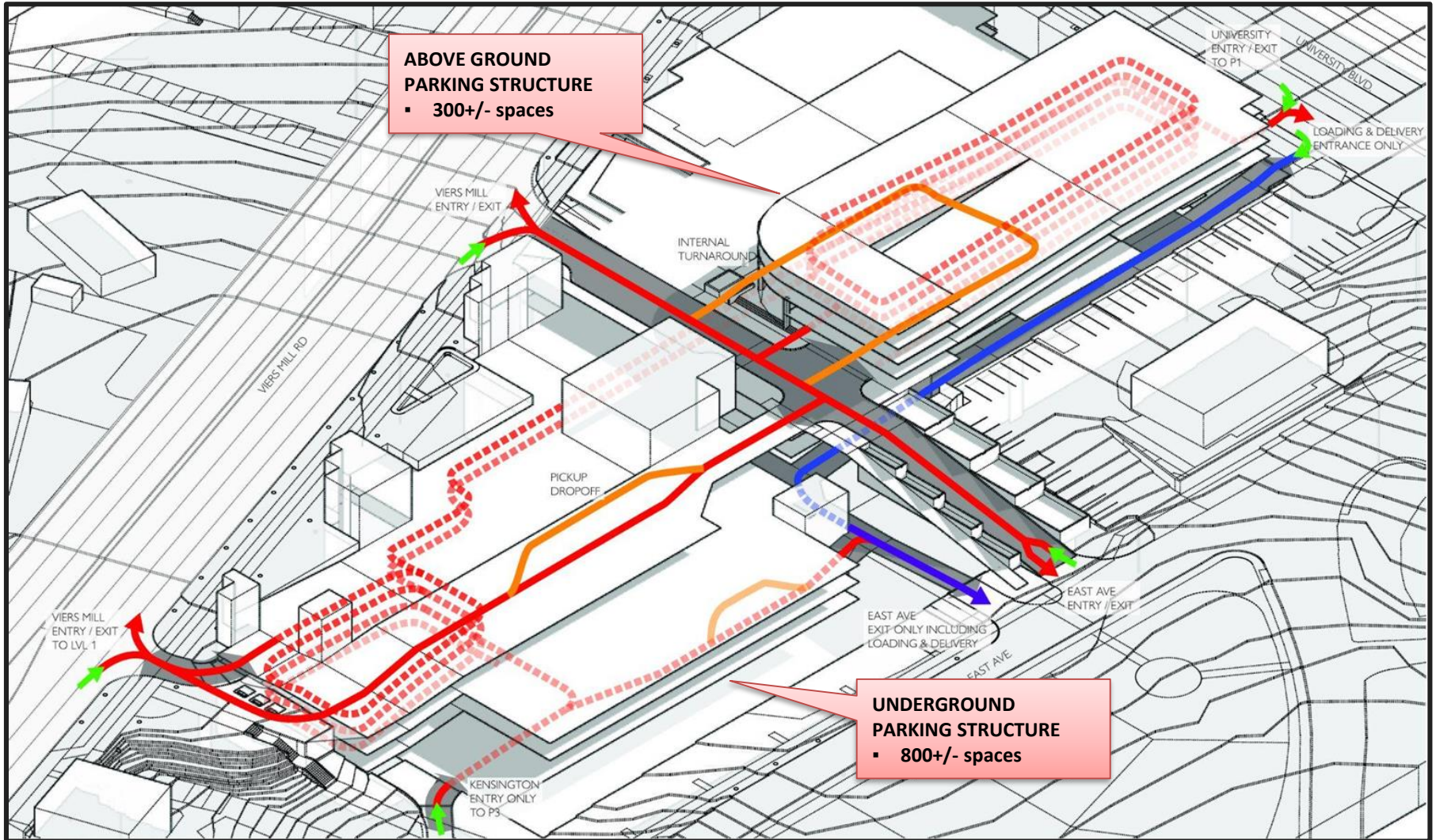
- 13-stories
- 350+/-units (374,819 ft²)
- ~25,000 ft² of Retail

SECTION 2

- 6-stories
- 100+/- units (117,222 ft²)

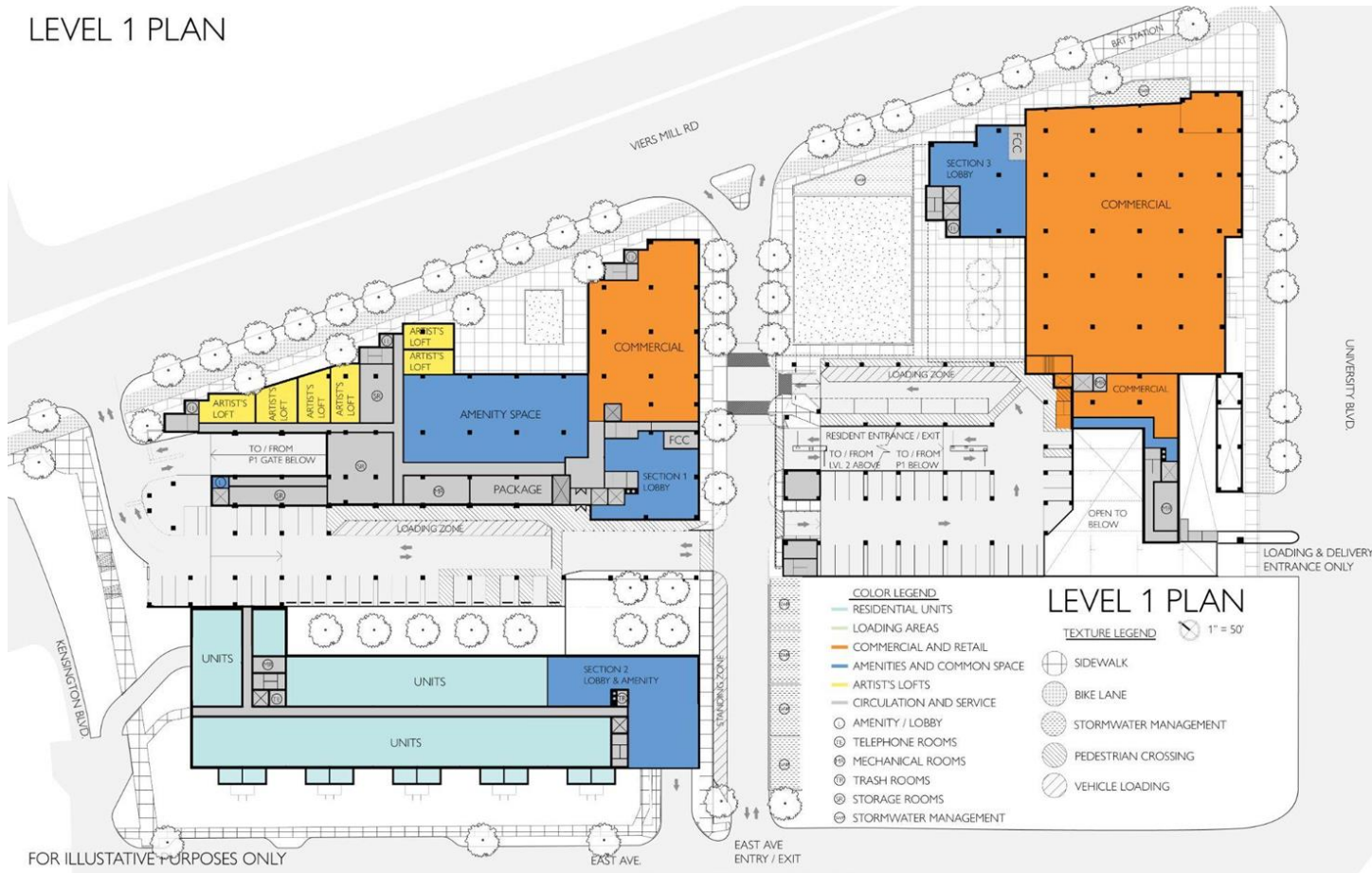
Aerial view illustrating the rear of the site that is comprised of Section 2 (foreground) along University of Blvd and East Ave.

Site Circulation



Sketch Plan

LEVEL 1 PLAN

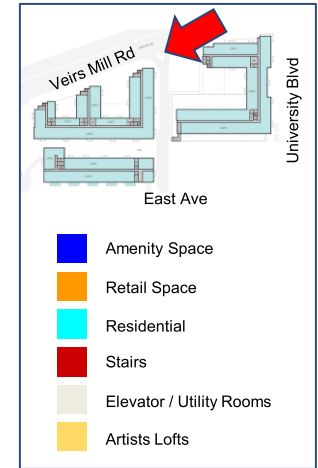


DEVELOPMENT NARRATIVE SUMMARY: The current plan reflects three (3) distinct sections that would be delivered in two phases over several years. Section 1 incorporates ~320-units with a substantial ~ 40,000 sqft of commercial retail. Section 2 envisions a smaller ~100-unit development along East Ave. Section 3, which incorporates the Ambassador Apartments & Mattress Firm parcels, will include a 13-story building with ~350 units and a large ground floor retail area.

PHASE 1: Section 1

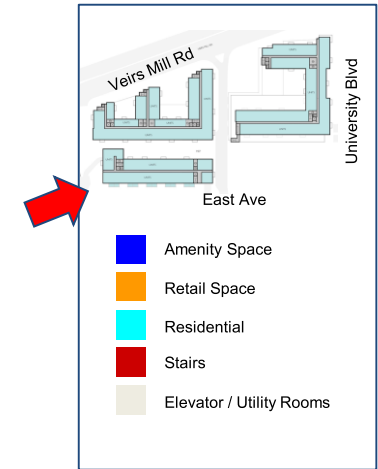
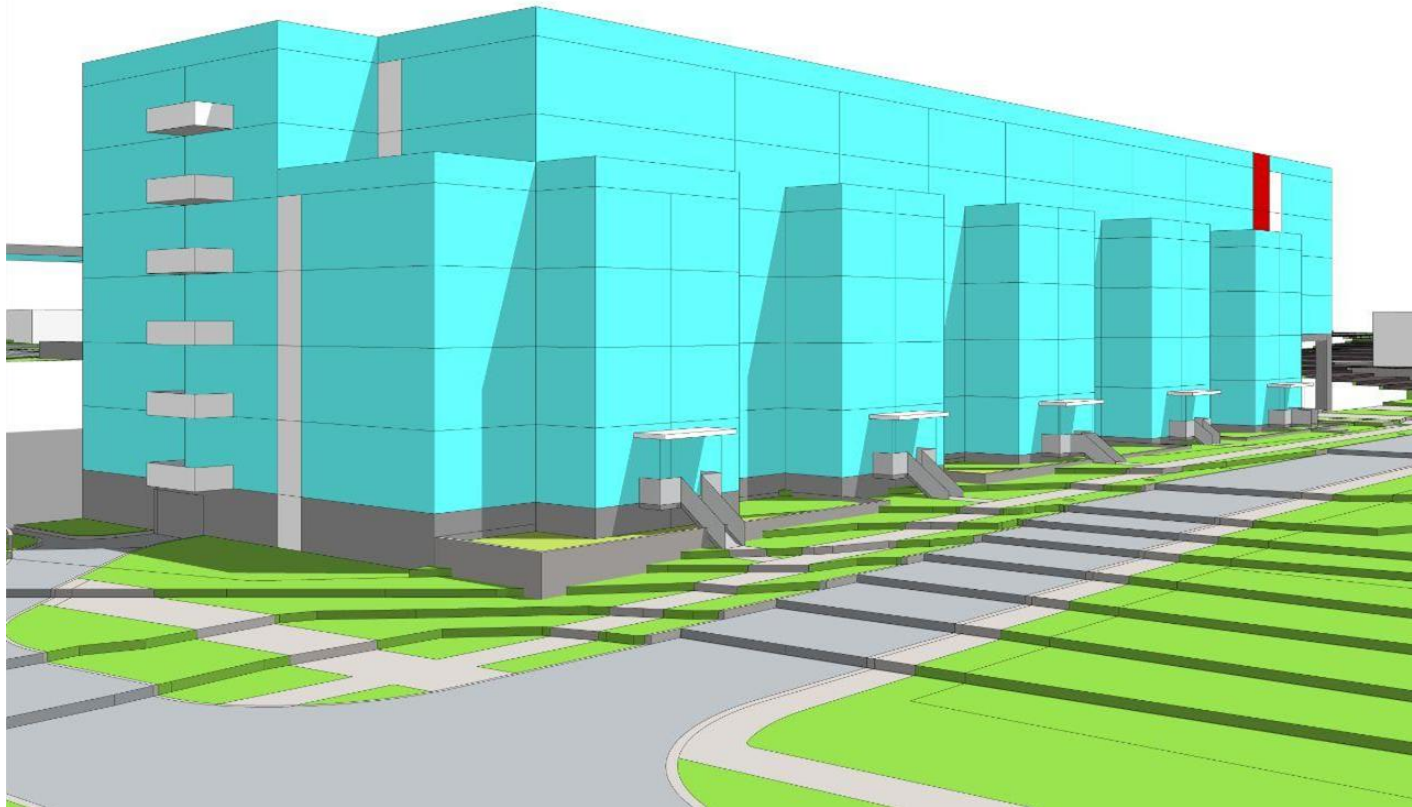


View from Veirs Mills Rd



- 393,182 ft² total
 - 353,182 ft² res.
 - ~320 units
 - 40,000 ft² retail
- 11 Stories
 - 125' height
- Features
 - 6 Artists' lofts

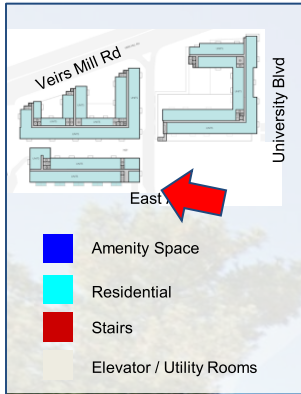
PHASE 1: Section 2



- 117,222 ft² total
 - ~100 units
- 6 Stories
 - 70' height

View from the corner of Kensington Blvd and East Ave

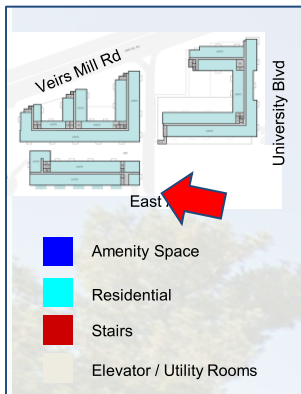
PHASE 1: Section 2 Before



View from East Ave

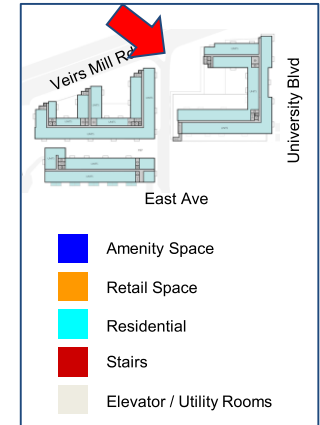
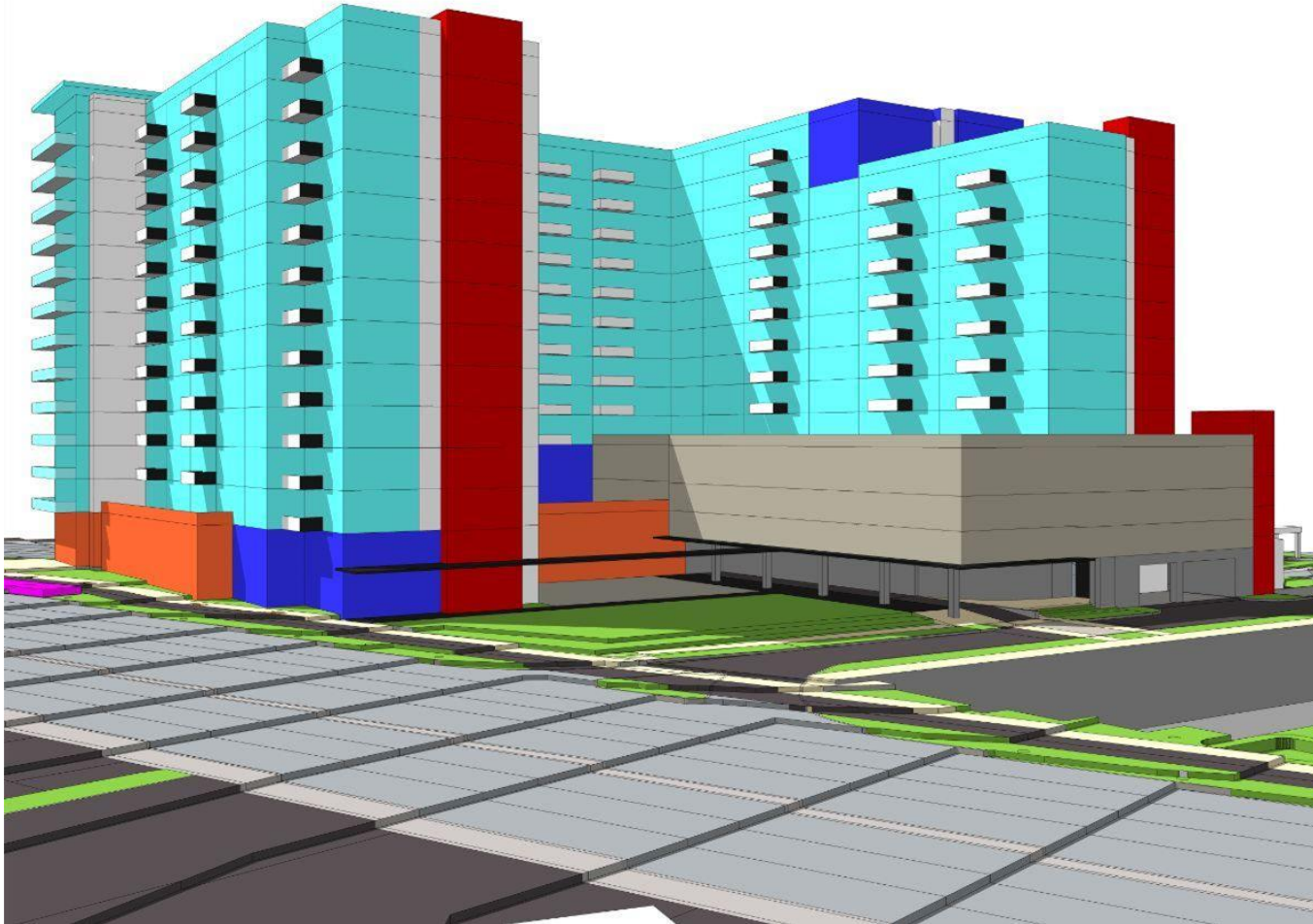
June 24, 2022

PHASE 1: Section 2 After



View from East Ave
June 24, 2022

PHASE 2: Section 3



- 399,819 ft² total
 - 374,819 ft² res.
 - ~350 units
 - 25,000 ft² retail
- 13 Stories
 - 155' height
- Features
 - Prominent Corner
 - Community Use Urban Park
 - Pocket Green

View from Veirs Mill Rd

June 24, 2022

Construction Technologies Comparison

Stick Frame



- Sustainable material with **lower carbon footprint** than alternatives.
- Cheap and widely available building material.
- **Limited in height to five stories above a podium.**
- **Combustible.**
- **Lighter weight frame not generally as durable as other options.**
- More susceptible to water, mildew, mold, and rot.
- Widely available skill set in workforce, don't need special training to build.

Mass Timber



- Sustainable material with **lower carbon footprint** than other tall alternatives.
- Can match or exceed the performance of concrete and steel.
- **Fast and easy to assemble** onsite when compared with concrete.
- **Less energy intensive** to produce versus steel or concrete.
- Rapidly developing, but still new (added to code in 2018)
- **Accepted in Montgomery County** in 2021 building code.
- Aesthetically appealing.

Mid-Weight Steel (Prescient)



- Historically more affordable than concrete.
- Prescient integrates with BIM and other building systems
- Manufacturing and assembly are designed into system.
- Less susceptible to water, mildew, mold, and rot.
- Not widely available subcontractor base.
- Non Combustible

Concrete



- Concrete construction is extremely durable.
- Allows for taller construction than other systems.
- Less susceptible to water, mildew, mold, and rot.
- Very high embodied carbon
- Widely available subcontractor base.
- Non Combustible.
- Costly.

Selection of an Architect - Criteria

HOC's Procurement Office issued a Request for Proposal (RFP #2311) for architectural services for Wheaton Gateway accordance with HOC's Procurement Policy. RFP #2311 was released on February 23, 2022 with a due date of April 8, 2022. The RFP was posted to HOC's website and distributed to more than 300 vendors registered in the Montgomery County Central Vendor Registration System ("CVRS"). A pre-proposal meeting and conference was held virtually on March 4, 2022. Twelve (12) firms attended the pre-bid conference.

The scope of work outlined in RFP #2311 included six (6) months of site plan preparation, nine (9) months of entitlement phase services (Park and Planning), six (6) months of construction document preparation, a permitting phase (Department of Permitting Services), followed by a construction phase services including construction administration services and construction observation. The scoring team received written instructions prior to scoring and currently consists of staff from Risk Management, Asset Management, and Real Estate divisions, as well as a Duffie and Willco representatives (together, the "Architectural Scoring Team") who reviewed the responses on May 25, 2022. After corresponding with some of the firms in attendance at the pre-bid conference, they stated that due to the lack of capacity, they did not respond to the solicitation. The Proposals were scored on the following four (4) evaluation criteria. The maximum points a proposal could receive is 100.

Qualifications (Maximum 50 Points)	Additional MFD Participation (Maximum 15 Points)	References (Maximum 5 Points)	Price (Maximum 30 Points)
<p>Demonstrated experience with projects involving: i) high-rise mixed-use and residential ii) achieving energy standards beyond code requirements, iii) high performance construction standards and certifications, iv) experience with Low Income Housing Tax Credit ("LIHTC"), showing successful track record with LIHTC projects, with a preference for LIHTC projects in the State of Maryland.</p>	<p>The 15% of MFD scoring shall be subdivided in two areas. The first is the Architect's direct MFD efforts (5% Direct MFD). All firms can receive 5% MFD effort and any respondents that are a certified MFD firm are awarded the full 5% as well. The second area is MFD subcontractors (10% MFD Subcontracting). Respondents who meet the MFD requirement (i.e., 25%) will score 0% , 25% – 29% will receive 6%, and 30% or above will receive the full 10%.</p>	<p>Reference checks were conducted to evaluate and verify past performance regarding ability for on-time completion and change order management.</p>	<p>Lowest priced bid reflecting full project scope shall be awarded full percentage point (30%). For each percentage point that a bid exceeds the lowest full scope bid, that comparative bid's score shall be reduced by 2% (i.e. if a comparative bid is 6% higher than the lowest bid, that comparative bid shall lose 12% in this selection criterion).</p>

Selection of an Architect – Bidders

HOC received three (3) responsive proposals in response to RFP# 2311 by the proposal deadline on April 8, 2022 at 12:00 pm and are listed below.

KGD Architecture (“KGD”)

KGD Architecture is an award-winning full service design firm headquartered in Washington, D.C., with offices around the world. KGD has received accolades for design excellence and environmental stewardship for its work addressing the pressing needs of our communities including but not limited to: Affordable Housing, Mixed-Use, Multi-Family Residential, and Sustainable Design. KGD has experience on the following HOC projects: Elizabeth House III and Alexander House.



Moya Design Partners (“Moya”)

Moya Design Partners is a multidisciplinary boutique studio producing creative work in the fields of architecture, interiors, and visual design. The firm was founded five years ago by designer Paola Moya. Moya is currently designing and developing over 1500 units in Maryland, Virginia, Pennsylvania, Durham, and DC. Their mission is to provide high-quality, inclusive, accessible housing to all levels of affordability including experience navigating complex entitlement processes.



Torti Gallas + Partners (“Torti Gallas”)

Founded in 1953, the firm has continued to evolve. Today, Torti Gallas + Partners is a leading proponent of New Urbanism—and a powerful force in the creation of environmentally, economically, and socially sustainable communities. Torti Gallas is dedicated to designing quality affordable housing communities. In total they have designed over 40,000 affordable and workforce housing units in neighborhoods and communities throughout the country. Torti Gallas has experience on the following HOC projects: Hillandale Gateway, Upton II, and MetroPointe.



Selection of an Architect – Scoring

Torti Gallas has the highest score at 97 points. Scores below reflect the average of the individual scores from each member of the Architectural Scoring Team. The results of the Architectural Scoring Team are summarized below.

Rank	Architect	Qualifications (50 Points)	Additional MFD Participation (15 Points)	References (5 Points)	Price (30 Points)	Total (100 Points)
1	Torti Gallas	47	15	5	30	97
2	Moya	33	15	4	26	78
3	KGD	46	15	4	0	65

Qualifications:

- Torti Gallas’ proposal included predominantly high-rise new construction mixed-use and residential projects within the area and with energy goals beyond code including Passive House certification, which resulted in the highest score. KGD was the only other respondent with a similar level of experience.

MFD Participation:

- All respondents demonstrated direct MFD employment efforts for the first area of consideration.
- For the second area of consideration, Torti Gallas’ subcontractor plan included 36% MFD participation.
- Both KGD and Moya are certified MFD firms self-performing 75% and 70% respectively.

References:

- HOC has experience with Torti Gallas on Hillandale Gateway, Upton II, and MetroPointe. The references also spoke highly of Torti Gallas’ experience with mixed-use residential projects regarding the ability for on-time completion, change order history, and quality assurance and control.
- KGD has experience with HOC projects including, Elizabeth House III and Alexander House. Although, Moya received a good reference based on the specified criteria, they have no prior experience on HOC projects.

Selection of an Architect – Pricing

Torti Gallas provided the lowest comprehensive pricing in their proposal reflective of the full project scope for Wheaton Gateway. As a result, their pricing was deemed the lowest bid.

Architect	Pricing
KGD	\$5,858,000
Moya	\$4,335,400*
Torti Gallas	\$4,248,618

Pricing:

- Passive house is integral to the design of the Wheaton Gateway project. Notwithstanding clear direction within the RFP, Moya was initially unclear whether their bid was inclusive of the requisite passive house design scope. With follow-up, Moya failed to clearly indicate who would be providing passive house consulting services for the Wheaton project.
- Although Moya submitted the lowest pricing, the scoring team is confident that additional passive house design services (likely from a third party passive house consultant) would be required to allow Moya to provide the comprehensive passive house scope of services proposed by the other respondents.
- Accordingly, while it did not change the final result of the scoring, the team added cost to the Moya bid as submitted in order to more fairly equalize their pricing with equivalent scope from the other respondents. * - The value added to Moya was equal to the lowest bid for passive consulting services that was provided by the other bidders, (i.e. \$172,000).

Torti Gallas and Partners has demonstrated the capability to perform the architectural services for Wheaton Gateway. As a result, staff proposes the selection of Torti Gallas and Partners for \$4,248,618.

Selection of Civil - Criteria

HOC's Procurement Office issued a Request for Proposal (RFP #2321) for civil engineering services for Wheaton Gateway in accordance with HOC's Procurement Policy. RFP #2321 was released on April 13, 2022 with a due date of May 18, 2022. **The RFP was posted to HOC's website and distributed to more than 300 vendors registered in the Montgomery County Central Vendor Registration System CVRS.** A pre-proposal meeting and conference was held virtually on April 20, 2022. **Four firms attended the pre-bid conference.**

The scope of work outlined in RFP #2321 included six (6) months of site plan preparation, nine (9) months of entitlement phase services (Park and Planning), construction phase services and construction administration services. HOC received one (1) responsive proposal in response to RFP# 2321 by the proposal deadline on May 18, 2022 at 12:00 pm. In accordance with HOC's Procurement Policy and after consulting with Procurement, the minimum requirements were evaluated to bring forth a recommendation for civil engineering services. The scoring team similarly received written instructions prior to reviewing and scoring the proposal. **After corresponding with the firms in attendance at the pre-bid conference, they stated that due to the lack of capacity they did not respond to the solicitation.** The minimum requirements included the following:

High-Rise Residential Projects	Mixed-Use Projects	Low Income Housing Tax Credit ("LIHTC")	3rd Party Certifications	References
Demonstrate experience	Demonstrate experience	Demonstrate experience	Certifications above code minimum standards including but not limited to Leadership in Energy and Environmental Design (LEED), Energy Star, Passive House Institute US (PHIUS), Green Globes, National Green Buildings Standard (NGBS), etc.	Respondent's references shall demonstrate successful experience with multifamily residential / mixed-use construction in Montgomery County, Maryland or the surrounding Baltimore-Washington Metropolitan area.

Selection of Civil – Bidder and Evaluation

HOC received one (1) responsive proposal in response to RFP# 2321 by the proposal deadline on May 18, 2022 at 12:00 pm and is listed below.

Charles P. Johnson & Associates (“CPJ”)

CPJ is a full-service civil engineering firm that has provided quality engineering, land planning, surveying, and landscape architecture services to both the public and private sector since 1971. They are comprised of approximately 96 talented employees including licensed engineers, registered landscape architects, and professional surveyors. Charles P. Johnson & Associates is a corporation organized under the laws of the state of Maryland, is headquartered in Silver Spring, MD. CPJ is currently working with HOC on Hillandale Gateway, a high performance, mixed-use residential, and LIHTC project.



High-Rise Residential:

CPJ’s proposal included predominantly high-rise new construction residential projects within the area, such as Hillandale Gateway.

Mixed-Use:

CPJ’s proposal included mixed-use new construction, such as Hillandale Gateway.

LIHTC:

CPJ’s proposal demonstrated experience with LIHTC projects in Montgomery County including Hillandale Gateway.

3rd Party Certification:

CPJ’s proposal included projects that had energy goals beyond code including Passive House certification, such as Hillandale Gateway.

References:

HOC has experience with CPJ on Hillandale Gateway. The references also spoke highly of CPJ’s experience with mixed-use residential projects.

MFD Participation:

CPJ’s subcontractor plan included 32% MFD participation.

CPJ has met the minimum requirements for RFP #2321 and demonstrated the ability to provide civil engineering services for Wheaton Gateway. As a result, staff proposes the selection of CPJ to provide civil engineering services at Wheaton Gateway for \$1,476,121.

Selection of Architectural & Civil – Pricing Comparison

Torti Gallas and Partners serves as the Architect on the Hillandale Gateway Project. CPJ serves as the Civil Engineer for the Hillandale Gateway project. The table shows the difference in pricing for Wheaton Gateway versus Hillandale Gateway.

Wheaton Gateway Units (Entitled / Phase 1)	Hillandale Gateway Units (Entitled /Phase 1)
770 / 420	463 / 463
Wheaton Gateway Architecture	Hillandale Gateway Architecture
\$4,248,618 <i>\$10,116 per unit</i>	\$3,838,133 <i>\$8,290 per unit</i>
Wheaton Gateway Civil	Hillandale Gateway Civil
\$1,476,121 <i>\$3,315 per unit</i>	\$1,340,913 <i>\$2,896 per unit</i>

Pricing:

- CPJ's Wheaton pricing is 10% higher than that provided for Hillandale Gateway.
- This pricing shows the increase in market changes and approximately 30% increase in the number units for Wheaton Gateway.

Pre-Development Budget by Year

Budget Code	Project Total	2022 & Prior	Total Previous Cost to date	Net 2022 Spend	2023	2024	2025 to Financial Close
SOFT COSTS	\$14,583,412.32	\$5,104,490.13	\$1,827,416.88	\$3,277,073.25	\$3,166,400.84	\$3,196,357.58	\$3,116,163.76
A. Land and Acquisition Costs	\$103,768.55	\$79,983.55	\$79,068.55	\$915.00	\$1,008.00	\$1,008.00	\$21,769.00
B. Site Studies & Reports	\$107,240.00	\$55,403.50	\$54,740.00	\$663.50	\$0.00	\$0.00	\$51,836.50
C. Government & Registration Fees	\$2,060,905.52	\$718,405.52	\$237,995.50	\$480,410.02	\$51,200.00	\$620,450.00	\$670,850.00
D. Design Consultants	\$8,412,077.23	\$2,439,816.86	\$385,709.73	\$2,054,107.13	\$2,185,413.22	\$1,998,788.45	\$1,788,058.70
E. Professional Consultants	\$3,899,421.02	\$1,810,880.71	\$1,069,903.10	\$740,977.61	\$928,779.62	\$576,111.13	\$583,649.56
F. Lease Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HARD COST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G. Construction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
H. Furniture, Fixtures & Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FINANCING/OTHER COSTS	\$5,314,776.28	\$1,995,771.63	\$1,235,776.28	\$759,995.35	\$926,984.84	\$939,970.80	\$1,452,049.02
I. Financing	\$1,774,859.61	\$51,405.79	\$36,859.61	\$14,546.18	\$275,971.92	\$413,957.88	\$1,033,524.02
J. Other / General Contingency	\$3,539,916.67	\$1,944,365.84	\$1,198,916.67	\$745,449.17	\$651,012.92	\$526,012.92	\$418,525.00
TOTAL	\$19,898,188.60	\$7,100,261.76	\$3,063,193.16	\$4,037,068.60	\$4,093,385.68	\$4,136,328.38	\$4,568,212.77

Summary Predevelopment Budget

Previously Approved	\$ 7,100,262.00
Spent/Obligated to Date (2022)	\$ (3,063,193.00)
Available to Spend/Obligate	\$ 4,037,069.00
Projected for 2023	\$ 4,093,385.68
Projected for 2024	\$ 4,136,328.38
Projected for 2025 to Financial Close	\$ 4,568,212.77
Total Predevelopment Budget	\$ 19,898,188.60

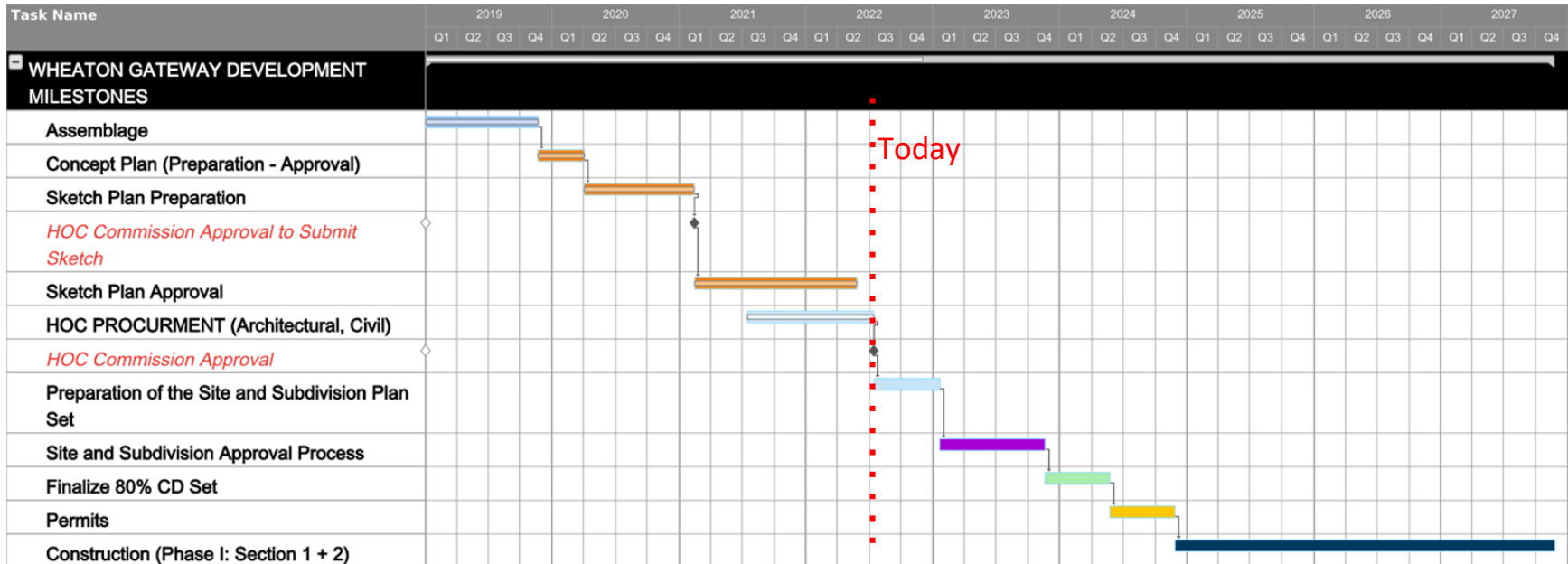
CY 2022 Pre-Development Budget Comparison

The pre-development budget is representative of the entitlement of Phases I and II for 770 units. The design and construction documentation services are for Phase I and includes permitting of Sections 1 and 2 as illustrated on Slide 7. The table below illustrates the comparison of Wheaton Gateway to Hillandale, which contains three (3) distinct buildings over two (2) phases, 39% more residential units, and additional commercial square footage not contained in Hillandale Gateway.

	Wheaton Gateway	Hillandale Gateway
# of Buildings	3	2
# of Phases	2	1
Total Site Area (a.c./s.f.)	5.15 ac or 224,717 s.f.	6.60 ac or 287,744 s.f.
Total # of Units Entitled	770	463
Total # of Units - Phase 1	420	463
Total Amt of Commercial (s.f.)	~65,000 s.f.	~11,000 s.f.
Total Predev Amt (\$)	\$19,898,188	\$11,427,510

Pre-Development Timeline – Master Schedule

Wheaton Gateway Predevelopment Schedule



CY 2019

- Assemblage of Lindsay Properties
- Begin development of the Concept plan

CY 2020-2021

- Submitted Concept Plan to the commission for approval.
- Development of the Sketch Plan & Submission to MNCPPC for approval

CY 2020-2021 Cont'd

- Received unfavorable DRC comments.
- Evaluated Speed to Market permit process.
- Began the HOC vendor procurement process consultants.
- Elected to proceed with traditional entitlement process

CY 2022 - 2023

- Finalized HOC procurement process for Site/Subdivision consultants
- Begin the Site/Subdivision process and submit to MNCPPC
- Pre-Submission Community Meeting
- Approval of the Site/Subdivision by MNCPPC
- Procure potential Construction manager Q2/Q3 2024

Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Development and Finance Committee wish to join staff's recommendation to the Commission to:

1. Approve the CY22 Pre-development Budget in an amount of \$19,898,188.60, which shall be funded from the PNC Bank, N.A. Real Estate Line of Credit ("RELOC");
2. Approve a loan in an amount of \$19,898,188.60 to Wheaton Gateway, LLC in accordance with the terms of the joint venture agreement, fund the ongoing predevelopment costs for Wheaton Venture, which includes \$10,284,538.60 for the full entitlement of the site and \$9,613,650.00 for Phase I construction documents and permitting;
3. Approve the selection of Torti Gallas and Partners for architectural services; and
4. Approve the selection of Charles P. Johnson and Associates for civil engineering services?

BUDGET/FISCAL IMPACT

As the outstanding balance of the RELOC will gradually increase over the course of the predevelopment period, and so will the outstanding interest, which would be paid from the General Fund and reimbursed at the closing of the construction financing. The RELOC has sufficient resources to cover the projected costs with a current available balance of \$70,187,059.

TIME FRAME

For action discussion at the July 24, 2022 meeting of the Development and Finance Committee and formal action at the July 13, 2022 meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Development and Finance Committee join staff's recommendation to the Commission to:

1. Approve the CY22 Pre-development Budget in an amount of \$19,898,188.60, which shall be funded from the OHRF;
2. Approve a loan in an amount of \$19,898,188.60 to Wheaton Gateway, LLC in accordance with the terms of the joint venture agreement, fund the ongoing predevelopment costs for Wheaton Venture, which includes \$10,284,538.60 for the full entitlement of the site and \$9,613,650.00 for Phase I construction documents and permitting;
3. Approve the selection of Torti Gallas and Partners for architectural services; and
4. Approve the selection of Charles P. Johnson and Associates for civil engineering services.

ELIZABETH HOUSE III : APPROVAL OF THE NAMING AND BRANDING IN ACCORDANCE WITH HOC NAMING GUIDELINES



KAYRINE V. BROWN, ACTING EXECUTIVE DIRECTOR

**ZACHARY MARKS, CHIEF REAL ESTATE OFFICER
MARCUS ERVIN, DIRECTOR OF DEVELOPMENT
HYUNSUK CHOI, HOUSING ACQUISITION MANAGER
BRIAN SELDEN, PUBLIC INFORMATION SPECIALIST**

Table of Contents

Topic	Page #
Executive Summary	3
Naming Guidelines	4
Outstanding Accomplishments	6
Invested Greatly in Senior Programs	7
Awards and Recognition	8
Summary and Recommendation	9

EXECUTIVE SUMMARY

Elizabeth House III (the “Property”) is a 267-unit development for seniors (including replacement housing for the current Elizabeth House residents) and will include the South County Regional Recreation and Aquatic Center (“SCRRAC”), totaling approximately 120,000 square feet and a 7,500 square feet Senior Resource Center/Primary Care Facility that will be operated by Holy Cross Hospital.

The selection of a permanent name for the Property is required to support ongoing marketing, branding and leasing efforts for the Property.

As this represents the third community to be named under the Commission’s Naming Guidelines (“Guidelines”), staff will remain committed to making naming recommendations that reflect the unique nature of each property while recognizing the surrounding and immediate location, the future resident experience, and the high-quality spaces incorporated into the development.

Proposed Name: In alignment with the “Guidelines for Naming of HOC Properties and Facilities,” the proposed name is: ***“The Leggett”, which was vetted and subsequently approved personally and with humility by Mr. Leggett.***

Isiah (Ike) Leggett was the first African American to be elected to the public office of Montgomery County Executive and the first African American to be elected to the County Council where he chaired the Council’s Transportation and Environment Committee and served on the Education Committee. During his 12-year tenure as County Executive, he built an extraordinary legacy including accomplishments affecting all aspects of the lives of vital and vulnerable older adults of diverse backgrounds and cultures.



Proposed Name: The Leggett

EXECUTIVE SUMMARY

Elizabeth Square will be a mixed-income, multigenerational, mixed-use development consisting of three (3) buildings: The Leggett, below which will reside the county's aquatic and recreational facility; the proposed multifamily Elizabeth Square Building IV; and the renovated Alexander House.

Elizabeth Square will be a landmark achievement. A bold and energetic place that brings together people of all ages and backgrounds to experience a life of connection, wellness, and opportunity in the heart of Silver Spring.

One of the key elements of Elizabeth Square will be The Leggett, a pioneering senior living community and more. A place that welcomes people from surrounding neighborhoods to a state-of-the-art public aquatic and recreation center, promoting physical health and intergenerational activity. A destination where seniors can thrive within modern residences, benefit from a senior wellness center, and enjoy shopping and dining, surrounded by green spaces and walking paths, for a truly holistic living experience.



Elizabeth Square Rendering

Naming such a dynamically and progressive senior living community after Isiah Leggett makes perfect sense. As the first African American elected to the Montgomery County Council and County Executive, Mr. Leggett is a trailblazer, a bold and compassionate public servant of all the people of Montgomery County, notably its seniors. He is best known as a tireless Montgomery County Executive who achieved real results, expanding housing opportunities and access to services. As one of Montgomery County's cornerstone senior communities, The Leggett will honor and enhance the legacy of Ike Leggett for generations to come. He has a long record of leadership and accomplishments in serving the people of Montgomery County.

GUIDELINES FOR NAMING OF HOC PROPERTIES AND FACILITIES

The naming guidelines require consideration of the following principles for the selection of a permanent name of a property or facility and should:

- Have a strong positive image and stand the test of time;
- Have appropriate regard to the facility's location, geography, natural land feature, and/or history;
- Commemorate places, people or events that are of continued importance to the town, region, state, and/or nation;
- Recognize outstanding accomplishments by an individual for the good of the community.
- Consider the quality of the contribution along with the length of service by the individual.



OUTSTANDING ACCOMPLISHMENTS

As County Executive, Isiah (Ike) Leggett focused on ensuring that every part of diverse Montgomery County had a seat at the table and a voice in the decisions that affected their lives. During his tenure, the County population grew significantly in size and diversity, becoming a “majority minority” community, meaning no single population group was in the majority.

Many claim that one of his most noteworthy accomplishments was protecting the County’s long-term finances after the nation’s “Great Recession” of 2008. Thanks to his efforts, the County ultimately increased its reserves from \$79 million to \$500 million, and protected its Triple-A bond rating.

With a strengthened County economy, Ike Leggett expanded the tax base, constructed more than 21,000 new school classroom seats, and funded the development and preservation of some 77,000 affordable housing units during his tenure.

Mr. Leggett relocated County facilities to pave the way for a burst of development in Shady Grove and launched nearly sixty (60) major public infrastructure projects during his 12 years in office. He also converted the County’s economic development entity from a public department to one led by the private sector.

Under his leadership, Montgomery County expanded affordable-housing funding, added programs for immigrants, increased the minimum wage, and created a program to hire people with disabilities.

These accomplishments have touched all aspects of County life for older adults, including civic and social involvement, communications and outreach, elder abuse prevention, employment, health and wellness, home and community-based services, housing, open spaces and buildings, senior public safety, transportation and those aspects that are designated “dementia-friendly.”



INVESTED GREATLY IN SENIOR PROGRAMS

He commissioned a task force for a County-wide study about the plight of seniors, and how the County may respond to their needs. Subsequently, and thanks to Mr. Leggett's support of the task force's recommendations, life for senior adults dramatically improved. **Additional senior program investments include the following:**

- Several initiatives, public private partnerships, County staff positions and a variety of specialized work groups were created to strengthen elder abuse prevention programs;
- Dozens of services were enacted to increase opportunities for civic and social involvement;
- Communication and public outreach tools were redesigned to more effectively engage seniors;
- Robust efforts were undertaken to increase and enhance educational, volunteer and employment opportunities for the 50+ population of the County;
- Expanded senior recreational opportunities were developed and curb-to-curb transportation to senior centers were provided;
- The number of exercise and healthy nutrition programs were increased to improve overall health & wellness;
- Subsidies, partnerships and a variety of services were created to improve in-home and community-based health and wellness programs;
- Seventeen (17) senior housing projects were initiated, and when complete, a total of 2,100 rental units, including approximately 1,700 units affordable for seniors will be preserved or created;
- Upon recommendations from the Senior Citizen Fire Safety Task Force, the Montgomery County's Fire and Rescue Service ("MCFRS") visited thousands of senior's homes to improve fire prevention;
- Several transportation programs were enhanced, such as extended free bus hours for seniors and people with disabilities, Call-N-Ride outreach and scope, increase of number of wheel-chair accessible taxicabs and improved pedestrian safety measures for senior adults.

AWARDS AND RECOGNITION

In January 2016, Leggett was named "Washingtonian of the Year" by the Washingtonian Magazine. He received more than 200 honors and awards from a variety of organizations, including the Leadership Award from the Maryland State Teachers Association, Humanitarian of the Year Award from the Montgomery County Humane Society, the Distinguished Public Service Award from the American Lung Association, the Advancement of Public Service Responsibility Award from the Maryland Bar Foundation, the award for Achievement in Environmental & Occupational Health from Metropolitan Washington Public Health Association, Alzheimer's Association, Excellence in Leadership, George Washington University Law School, J. William Fulbright Public Service Award, and several others.

Also, Mr. Leggett has served on several boards of directors for a number of professional, civic and community organizations including: The Jewish Foundation for Group Homes, the Maryland College of Art and Design, Leadership Montgomery, the Montgomery Multiple Sclerosis Center, the Montgomery County Chapter of the NAACP, Impact Silver Spring, the Washington Area Housing Partnership, Montgomery County Boys and Girls Club, the African American Business Council and others. In addition, he has been a member of the Urban League, the Vietnam Veterans Leadership Forum, the National Bar Association, the American Bar Association, Phi Alpha Delta Legal Fraternity, Southern Christian Leadership Conference, Burtonsville Kiwanis, and the Alpha Phi Alpha Fraternity.

Mr. Leggett has made a significant impact on the life of all residents of Montgomery County, especially senior adults, people with disabilities and low-income families. The programs that he either created or enhanced will provide much needed services to those who need them the most. His legacy will ensure the wellbeing of County residents for generations to come.

So fittingly, staff are proud to propose the permanent name of our newest premier mixed-income housing community, The Leggett.



Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Development and Finance Committee wish to join staff's recommendation that the Housing Opportunities Commission of Montgomery County (the "Commission") approve the permanent name, " The Leggett" for the Elizabeth House III development?

BUDGET/FISCAL IMPACT

There is no budget or fiscal impact.

TIME FRAME

For discussion at the June 24, 2022 meeting of the Development and Finance Committee and formal action at the July 13, 2022 meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff requests that the Development and Finance Committee join its recommendation to the Commission to approve the permanent name, "The Leggett" for the Elizabeth House III development.