

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

May 18, 2018

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted on Friday, May 18, 2018 at 10400 Detrick Avenue, Kensington, Maryland beginning at 11:10 a.m. Those in attendance were:

Present

Richard Y. Nelson, Vice Chair
Margaret McFarland

Via Phone

Pamela Byrd
Roy Priest

Absent

Jackie Simon, Chair
Edgar Rodriguez, Chair Pro Tem
Linda Croom

Also Attending

Stacy Spann, Executive Director
Kayrine Brown
Jim Atwell
Vivian Benjamin
Kevin Seawright
Hyunsuk Choi

Shauna Sorrells
Zachary Marks
Cornelia Kent
Ellen Goff
Ian Hawkins

Commission Support

Patrice Birdsong, Spec. Asst. to Commission

I. CONSENT ITEMS

A. Approval of New Board Members to Serve on the Board of Town Center Apartments in Accordance with the By-Laws of the Corporation

Melody Stanford, Asset Manager, was the presenter.

The foregoing resolutions were adopted upon a motion by Vice Chair Nelson and seconded by Commissioner McFarland. Affirmative votes were cast by Commissioners Nelson, McFarland, Byrd, and

Priest. Commissioners Simon, Rodriguez and Croom were necessarily absent and did not participate in the vote.

RESOLUTION: 18-36SS

**RE: Approval of the Nomination of
Sally Roman as Director to the Policy Board of
Town Center Apartments, Inc.**

WHEREAS, the Policy Board of Town Center Apartments unanimously has nominated Sally Roman to fill as Director on the Policy Board of Town Center Apartment, Inc.; and

WHEREAS, the Commission is required, by Town Center Apartments bylaws, to approve nominees to the Policy Board of Town Center Apartments, Inc.

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

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

RESOLUTION: 18-37SS

**RE: Approval of the Nomination of
Shane Pollin as Director to the Policy Board of
Town Center Apartments, Inc.**

WHEREAS, the Policy Board of Town Center Apartments unanimously has nominated Shane Pollin to fill as Director on the Policy Board of Town Center Apartment, Inc.; and

WHEREAS, the Commission is required, by Town Center Apartments bylaws, to approve nominees to the Policy Board of Town Center Apartments, Inc.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Shane Pollin is hereby approved and appointed to serve on the Policy Board of Town Center Apartments, Inc.

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

II. ITEMS REQUIRING DELIBERATION and/or ACTION

- A. Adoption of a Resolution Supplementing and Amending Resolution 2018-28 for Approval of a Swap Novation for the Commission's 2018 Series A and 2018 Series B Mortgage Revenue Bonds**

Kayrine Brown, Chief Investment and Real Estate Officer, and Jennifer Arrington, Assistant Director of Bond Management, were the presenters.

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

RESOLUTION: 18-38SS

**RE: Adoption of a Resolution Supplementing
and Amending Resolution 2018-28 for
Approval of a Swap Novation for the
Commission's 2018 Series A and 2018
Series B Mortgage Revenue Bonds**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law (the "Act"), and authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes; and

WHEREAS, the Housing Opportunities Commission of Montgomery County has issued various series of Single Family Mortgage Revenue Bonds under the Single Family Bond Resolution originally adopted on March 28, 1979, as amended (the "Bond Resolution"), a portion of which are currently outstanding; and

WHEREAS, the Bond Resolution authorizes the Commission to issue its bonds from time to time pursuant to one or more series resolutions in order to obtain funds to carry out its Single Family Mortgage Purchase Program (the "Single Family Program"); and

WHEREAS, the Commission desires to reduce its debt service expense in the Single Family Program and to produce low mortgage rates and new mortgage loans for Montgomery County, Maryland first time homebuyers; and

WHEREAS, financial market conditions are favorable for refinancing outstanding bond debt and for making mortgage loans to first time homebuyers; and

WHEREAS, pursuant to Resolution 2018-28, adopted May 2, 2018, the Commission authorized the issuance of its Single Family Mortgage Revenue Bonds in one or more series beginning with 2018 Series A and 2018 Series B, and with each subsequent series, if any, to follow in alphabetical order (collectively, the "2018 Bonds") in a total aggregate principal amount not to exceed \$40,000,000; and

WHEREAS, pursuant to Resolution 2018-28, the 2018 Bonds are authorized to be issued in a principal amount not to exceed \$40,000,000 (i) to refund and redeem certain bonds outstanding under

the Bond Resolution (the "Refunded Bonds"), (ii) to make, purchase or finance newly originated Mortgage Loans (as defined in the Bond Resolution), and (iii) if necessary, to fund certain required reserves; and

WHEREAS, the Commission previously entered into a swap agreement (the "Swap Agreement") with Merrill Lynch Capital Services, Inc., successor to Merrill Lynch Derivatives Products AG in connection with certain variable rate Refunded Bonds to be refunded by a portion of the 2018 Bonds; and

WHEREAS, as presented to the Commission on the date of adoption of Resolution 201828, the Commission expects, and the Swap Provider has agreed, to novate and integrate the Swap Agreement (the "Swap Novation") into the 2018 Bond transaction; and

WHEREAS, in connection with the Swap Novation, the Commission and the Swap Provider expect to amend the date on which the Commission can opt to terminate at par the original Swap Agreement, thereby reducing the fixed rate payable by the Commission under the Swap Novation; and

WHEREAS, to ensure compliance with the Commission's protocol relative to derivative transaction management, the Commission desires to evidence approval of the Swap Novation pursuant to this Authorizing Resolution and to grant certain authorized officers of the Commission authority to finalize the terms of, and enter into, the Swap Novation;

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

- 1. *Approval of the Swap Novation.*** The Commission hereby approves the Swap Novation for the 2018 Bond transaction.
- 2. *Authorizing Ongoing Determinations under Commission Documents.*** The Executive Director and the Director of Mortgage Finance are hereby authorized, without further authority from the Board of Commissioners, to perform any act, to execute any documents, and to make any ongoing determinations as may be required to be made on behalf of the Commission from time to time, including, but not limited to, the determination of other terms to be in effect with respect to the Swap Novation.
- 3. *Action Approved and Confirmed.*** All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this resolution and in the furtherance of the Swap Novation approved hereby and the execution, delivery and performance of any and all documents in connection therewith are in all respects approved and confirmed.
- 4. *Severability.*** If any provision of this resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provision to be invalid, inoperative or unenforceable to any extent whatsoever.
- 5. *Supplement and Amendment of Resolution 2018-28.*** This resolution is intended

to supplement and amend Resolution 2018-28. Except as supplemented and amended hereby, all approvals and provisions of Resolution 2018-28 are hereby ratified, confirmed and approved in all respects.

6. *Effective Date.* This resolution shall take effect immediately.

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

The meeting adjourned at 11:20 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: June 6, 2018