

EXPANDED AGENDA

February 5, 2020

			Res #
4:00 p.m.	I. <u>INFORMATION EXCHANGE</u> A. Resident Advisory Board B. Community Forum		
4:30 p.m. Page 5	II. <u>APPROVAL OF MINUTES</u> A. Approval of Minutes of January 8, 2020		
Page 18	III. <u>CONSENT</u> A. Approval of the Nomination of Sally Roman to the Board of Directors of Housing Opportunities Community Partners, Inc.		20-10 (pg. 21)
4:35 p.m.	IV. <u>INFORMATION EXCHANGE (CONTINUED)</u> A. Report of the Executive Director B. Commissioner Exchange		
4:45 p.m.	V. <u>ADMINISTRATIVE AND SPECIAL SESSION RATIFICATION</u> A. None		
4:50 p.m.	VI. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u>		
Page 26	A. Legislative and Regulatory Committee – Com. Byrd, Chair 1. Authorization to Implement Voucher Payment Standards Based on HUD FY 2020 Small Area Fair Market Rents		20-11 (pg. 32)
5:00 p.m. Page 37	B. Development and Finance Committee – Com. Simon, Chair 1. Financial Advisor: Approval to Extend the Financial Advisor Contract with Caine Mitter and Associates Incorporated (“CMA”) in Accordance with Current Contract and Procurement Policy		20-12 (pg. 41)
42	2. Hillandale Gateway: Approval to Submit the Revised Site Plan for the Development of Hillandale Gateway; Approval of Revised Predevelopment Budget; and Approval of CY 2020 Predevelopment Funding		20-13 (pg. 60)
64	3. Wheaton Gateway: Approval of the CY 2020 Predevelopment Budget and Funding for Wheaton Gateway; Approval of a Loan to Wheaton Gateway, LLC; Approval of the Concept Plan for the Redevelopment of the Ambassador Apartments/Lindsay Ford/Mattress Firm Sites		20-14 (pg. 76)
5:40 p.m.	VII. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u> 1. None		
5:45 p.m.	VIII. ELECTION OF OFFICERS • Chair • Vice Chair • Chair Pro Tem		
5:50 p.m.	IX. <u>*FUTURE ACTION ITEMS</u>		
6:00 p.m.	<u>ADJOURN</u>		

	<u>ADMINISTRATIVE SESSION</u>		
	1. None		

NOTES:

1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. ***Times are approximate and may vary depending on length of discussion.***
4. *These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.

Information Exchange

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

January 8, 2020

20-01

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, January 8, 2020 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:04 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Richard Y. Nelson, Jr., Vice Chair
Roy Priest, Chair Pro Tem
Linda Croom
Pamela Byrd
Frances Kelleher

Also Attending

Stacy L. Spann, Executive Director
Cornelia Kent
Charnita Jackson
Christina Autin
Millicent Anglin
Marcus Ervin
Gio Kavaladze
Eamon Lorincz
Ian Williams
Fred Swan
Lynn Hayes
Kathryn Hollister

Aisha Memon, Acting General Council
Kayrine Brown
Terri Fowler
Eugenia Pascual
Jay Berkowitz
Zachary Marks
Ian-Terrell Hawkins
Nargiza Polvanova
Patrick Mattingly
Jennifer Arrington
Bonnie Hodge
Rita Harris

Resident Advisory Board

Yvonne Caughman, Vice Chair

IT Support

Gabriel Taube
Michael Tadesse

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

Guest

Karen Lundregan
Macedonia Baptist Church/Bethesda African
Cemetery Coalition

I. **Information Exchange**

Resident Advisory Board (RAB)

- Yvonne Caughman, Vice Chair, updated on activities of the Resident Advisory Board. The RAB is interviewing new members.

Community Forum

- Karen Lundregan continues to address the Board with her allegations of discrimination and retaliation from staff.
- Macedonia Baptist Church/Moses African American Cemetery Group addressed the Board with individual comments on the Legislation Hearing.

- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Byrd and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

A. Approval of Minutes of December 11, 2019

B. Approval of Minutes of December 11, 2019 Administrative Session

III. **Consent Items**

A. None

IV. **Information Exchange Continued**

Report of the Executive Director

- Mr. Spann highlighted some of HOC's accomplishments: 2019 Holiday Giving continued – Over 350 residents received direct assistance from HOC; Santa Store opened on December 22, 2019; The Bethesda Fire Department donated toys and gifts to some of our families; The Fatherhood Initiative – 60 Fathers completed the program.

Commissioner Exchange

- Vice Chair Nelson congratulated Executive Director Stacy Spann on his appointment to the NAHRO Board of Governors.

V. **ADMINISTRATIVE AND SPECIAL SESSION RATIFICATION**

A. None

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

A. Budget, Finance and Audit Committee – Com. Nelson, Chair

1. Acceptance of First Quarter FY'20 Budget to Actual Statement

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

RESOLUTION NO.: 20-01

**Re: Acceptance of First Quarter FY'20
Budget to Actual Statements**

WHEREAS, the Budget Policy for the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission") states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the First Quarter FY'20 Budget to Actual Statements during its January 8, 2020 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the First Quarter FY'20 Budget to Actual Statements.

2. Approval of FY'20 First Quarter Budget Amendment

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

RESOLUTION NO.: 20-02

**Re: Approval of FY'20 First Quarter
Budget Amendment**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted a budget for FY'20 on June 5, 2019;

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

WHEREAS, the net effect of the FY'20 First Quarter Budget Amendment is a balanced budget;

WHEREAS, the total FY'20 Operating Budget increased from \$276,161,036 to \$276,361,036;

WHEREAS, the total FY'20 Capital Budget increased from \$154,279,276 to \$155,206,111;

and

WHEREAS, approval of the budget amendments to revise the FY'20 budget will reflect an accurate plan for the use of the Commission's resources for the remainder of FY'20.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'20 Operating Budget by increasing total revenues and expenses for the Commission from \$276,161,036 to \$276,361,036.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY'20 Capital Budget by increasing revenues and expenses for the Commission from \$154,279,276 million to \$155,206,111.

3. Authorization to Write-off Bad Debt Related to Tenant Accounts Receivable

Cornelia Kent, Chief Financial Officer, and Eugenia Pascual, Controller, were the presenters.

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

RESOLUTION NO.: 20-03

**RE: Authorization to Write off Bad Debt
Related to Tenant Accounts
Receivable**

WHEREAS, the current policy of the Housing Opportunities Commission of Montgomery County ("HOC") is (i) to provide for an allowance for tenant accounts receivable balances that are delinquent for more than ninety (90) days; and (ii) to propose the write-off of former tenant balances; and

WHEREAS, staff periodically proposes the write-off of uncollected former tenant balances which updates the financial records to accurately reflect the receivables and the potential for collection; and

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period July 1, 2019 – September 30, 2019 is \$45,338, consisting of \$26,413 from Opportunity Housing properties, \$12,494 from RAD properties, \$4,108 from Rental Assistance Sec8 Repays, and \$2,323 from Supportive Housing program.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all actions necessary and proper to write off \$45,338 in bad debt related to (i) tenant accounts receivable balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

4. Shady Grove Apartments Limited Partnership: Approval to Renew the Property Management Contract

Charnita Jackson, Director of Property Management, and Jay Berkowerts, Asset Manager, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Priest and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

RESOLUTION NO.: 20-04

**RE: Shady Grove Apartments Limited Partnership:
Approval to Renew Property Management
Contract**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the general partner of Shady Grove Apartments Limited Partnership (“Shady Grove LP”), and Shady Grove LP owns the development known as Shady Grove Apartments located in Gaithersburg, Maryland (“Shady Grove”); and

WHEREAS, staff desires to renew the current property management contract at Shady Grove for one (1) year with Edgewood/Vantage Management.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Shady Grove Apartments Limited Partnership, as its general partner, that the Executive Director is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Shady Grove.

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

5. Pooks Hill Court: Approval to Renew Property Management Contract through December 22, 2020

Charnita Jackson, Director of Property Management, and Millicent Anglin, Asset Manager, were the presenters.

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

RESOLUTION NO.: 20-05

RE: Pooks Hill Court: Approval to Renew the Property Management Contract Through December 22, 2020

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) owns the development known as Pooks Hill Court located in Bethesda, Maryland; and

WHEREAS, staff desires to renew the current property management contract at Pooks Hill Court with Vantage Management through December 22, 2020.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a renewal of the property management contract at Pooks Hill Court with Vantage Management through December 22, 2020.

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

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

1. Bond Counsel Contracts: Renewal with Kutak Rock LLP and Ballard Spahr LLP in Accordance with the Current Contract and Approval to select Kutak Rock LLP as sole bond counsel for the General Trust Indenture

Kayrine Brown, Chief Investment and Real Estate Officer, was the presenter.

The following resolution was adopted upon a motion by Chair Pro Tem Priest and seconded by Vice Chair Nelson. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

RESOLUTION NO.: 20-06

Re: Bond Counsel Contracts: Renewal with Kutak Rock LLP and Ballard Spahr LLP in Accordance with the Current Contracts and Approval to select Kutak Rock LLP as sole bond counsel for the General Trust Indenture

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and, as further provided in that certain Memorandum of Understanding by and between the Commission and Montgomery County, Maryland the Commission is authorized to issue its notes and bonds from time to time to fulfill its corporate purposes; and

WHEREAS, the ability to issue notes and bonds to the capital markets is subject to the issuance of an opinion from nationally recognized bond counsel concerning (1) the validity of the bonds, and (2) the excludability of interest on the bonds from gross income for federal income tax purposes, without which the bonds are not normally marketable; and

WHEREAS, on April 5, 2017, the Commission appointed Kutak Rock LLP (“Kutak”) and Ballard Spahr LLP (“Ballard”) as bond counsel for its financing programs for a three-year term, with the two optional one year renewals that must be approved by the Commission; and

WHEREAS, the Commission is satisfied with the services that are provided by bond counsel and wishes to renew the contracts for one year in accordance with provisions of the existing contracts; and

WHEREAS, the Commission, with the help of Kutak Rock LLP, created a new General Trust Indenture in 2019, which is a multiple program indenture that authorizes the Commission to issue taxable or tax-exempt bonds to finance or reimburse the related Commission’s capital expenditures across programs, and staff recommends that Kutak be named sole counsel for such indenture.

NOW, THEREFORE BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the renewal of the existing contracts with Kutak and Ballard as its bond counsel for one year, including the fees schedules submitted with the initial proposal that provide for a 3% annual increase for Ballard after the first three years.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of Kutak as its sole bond counsel for the newly created General Trust Indenture with compensation that is consistent with the existing engagements.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the maximum aggregate contract amount of \$600,000 annually.

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

2. Stewartown Homes: Authorization to Select General Contractor for the Renovation of Stewartown Homes in Accordance with RFQ #2121 and RFP #2121-01; Approval to Freeze Leasing to Facilitate Renovation; and Approval of Request for Additional Predevelopment Funds

Marcus Ervin, Housing Acquisitions Manager, and Gio Kaviladze, Senior Financial Analyst, were the presenters.

The following resolution was adopted upon a motion by Commissioner Croom and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

RESOLUTION NO.: 20-07

RE: Stewartown Homes: Authorization to Select General Contractor for the Renovation of Stewartown Homes in Accordance with RFQ #2121 and RFP #2121-01; Approval to Freeze Leasing to Facilitate Renovation; and Approval of Request for Additional Predevelopment Funds

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) seeks to preserve Montgomery County’s existing affordable housing, including that subsidized by Rental Assistance Payment (“RAP”) contracts and Section 236 financing facing growing sustainability challenges; and

WHEREAS, Stewartown Homes (the “Property”), located at 9310 Merust Lane, Gaithersburg, was built in 1977 under the Section 236 Program and consists of 94 townhome units, 19 of which were subsidized by a RAP contract, in twelve (12) buildings on three (3) parcels totaling 15 acres of land; and

WHEREAS, the Property, with the exception of ongoing capital improvements, has not had major renovations within the last twenty years; and

WHEREAS, the Commission approved a predevelopment plan at the May 2, 2018 Commission meeting to comprehensively renovate the Property in order to maximize its life, public purpose, and financial contribution to HOC; and

WHEREAS, in August 2018, HOC started Phase 1 of the General Contractor (“GC”) evaluation and selection process for the upcoming renovation by issuing a Request for Qualifications (“RFQ”) to solicit qualifications statements from all interested GCs and to pre-qualify contractors for Phase 2 of the selection process; and

WHEREAS, in September 2019, HOC started Phase 2 of the GC selection process by issuing an RFP to those GCs qualified via the RFQ for the selection of general contractor to renovate the Property; and

WHEREAS, Harkins Builders (“Harkins”) submitted the most advantageous proposal in response to the RFQ and RFP and staff recommends the selection of Harkins as general contractor for the renovation of the Property; and

WHEREAS, staff will present to the Commission (1) a Final Development Plan after the construction costs and budget are finalized, and (2) a Financing Plan after potential capital providers, amounts, and terms are assessed, and such plans will identify the sources of funds to finance all expected predevelopment and development costs; and

WHEREAS, in March 2017 and May 2018, the Commission approved an aggregate amount of \$350,000 in funding from the Opportunity Housing Reserve Fund (“OHRF”) for predevelopment activities for the renovation of the Property; and

WHEREAS, costs related to the conversion of the expiring RAP contract subsidizing 19 units at the Property to Project Based Section 8 assistance and other predevelopment expenses incurred to date have exhausted the predevelopment funding previously authorized by the Commission; and

WHEREAS, in preparation for the upcoming tax credit re-syndication, bond financing, and renovation, staff projects an additional \$350,000 in funding will be needed to cover predevelopment expenses through closing; and

WHEREAS, the upcoming renovation will take place in phases, with each phase lasting approximately two months and comprising up to 16 units, and the Property will need to make this number of units available for renovation through either vacancy or temporary resident relocations off-site; and

WHEREAS, to minimize the number of residents that will be impacted by temporary relocations off-site during the construction, staff requests the Commission’s authorization to freeze leasing at the property immediately and hold any upcoming vacancies, up to 16 vacant units required for each phase of renovation, for the duration of the renovation.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Harkins is selected as the General Contractor for renovation of the Property, and the Executive Director is authorized to negotiate contract terms with Harkins for the renovations contemplated under RFQ #2121 and RFP #2121-01 for the Property.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves an additional \$350,000 in predevelopment funding from the OHRF for design and due diligence related to the renovation of the Project, bringing the total authorized funding to \$700,000, to be repaid to the OHRF by the construction financing for the renovation of the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes HOC staff and the Property's management to freeze leasing any vacant units beginning immediately and to hold any upcoming vacancies, up to 16 vacant units, for the duration of the renovation.

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

VII. **ITEMS REQUIRING DELIBERATION and/or ACTION**

1. Elizabeth House III: Approval to Convert and Transfer Public Housing Subsidy from Elizabeth House to Elizabeth House III, and Execute HUD Agreements and Other Documents in Connection Therewith

Zachary Marks, Director of Development, and Eamon Lorincz, Deputy General Counsel, were presenters

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

RESOLUTION NO.: 20-08

RE: Elizabeth House III: Approval to Convert and Transfer Public Housing Subsidy from Elizabeth House to Elizabeth House III, and Execute HUD Agreements and Other Documents in Connection Therewith

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

WHEREAS, the Commission desires to convert the Public Housing subsidy provided to one hundred and six (106) Public Housing units located at the multifamily housing community commonly known as Elizabeth House (the "Converting Units") as follows: (a) eighty (80) units to a form of project-based assistance under Section 8 of the United States Housing Act of 1937, as amended, pursuant to the United States Department of Housing and Urban Development's ("HUD") Rental Assistance Demonstration ("RAD") Program (the "RAD Units") and (b) twenty-six (26) units to Tenant Protection Vouchers pursuant to demolition and disposition application made pursuant to Section 18 of the U.S. Housing Act of 1937 (the "Tenant Protection Vouchers"), which Tenant Protection Vouchers are expected to be processed simultaneously with the RAD Units (collectively, the "RAD Conversion");

WHEREAS, in connection with the RAD Conversion, the Commission desires to transfer such assistance (the "RAD Transfer") to a project to be constructed in Silver Spring, Maryland and to be commonly known as Elizabeth House III located at 1315 Apple Avenue in Silver Spring, Maryland (the "Project").

WHEREAS, in connection with the RAD Conversion and the RAD Transfer, the Commission and Elizabeth House III Limited Partnership, a Maryland limited partnership (the “Partnership”), which is the owner of the Project and is a tax credit partnership ultimately controlled by the Commission, as the sole member of its general partner, desire to enter into various agreements, including without limitation, an Amendment to the RAD Conversion Commitment, Master Lease Agreement for RAD Temporary Housing in Place (Elizabeth House III), Certification and Assurances, and Consolidated Owner Certification – Rental Assistance Demonstration, RAD Use Agreement, RAD Subordination Agreement(s), Housing Assistance Payment (HAP) Contract and such other documents as may be required by the RAD Conversion Commitment (collectively, the “HUD Agreements”).

WHEREAS, the Commissioners have determined it to be in the best business and interest of the Commission and the Partnership to complete the RAD Conversion and RAD Transfer and to enter into the HUD Agreements.

NOW, THEREFORE, BE IT RESOLVED, by the Housing Opportunities Commission of Montgomery County, for itself and, with respect to the Partnership, additionally in its capacity as the sole member of the general partner of the Partnership, that (A) the Commission and the Partnership, as applicable, are hereby authorized to perform their respective obligations under the HUD Agreements and (B) the Executive Director is authorized to execute and deliver (i) the HUD Agreements, (ii) any and all documents deemed necessary and appropriate to obtain HUD approval (the “HUD Approval”) for the RAD Conversion and RAD Transfer and (iii) any other documents reasonably required to be executed by the Commission or the Partnership to carry out the transactions contemplated by the HUD Agreements.

BE IT FURTHER RESOLVED, that the Commission hereby authorizes the Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including without limitation, finalizing the submission to HUD of all documents required by HUD to obtain the HUD Approval and, upon receipt of such HUD Approval, completing the RAD Conversion and RAD Transfer.

BE IT FURTHER RESOLVED, by the Commission that all actions of the Commission, the Partnership and their respective officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed, including, but not limited to, the initial submission of the RAD closing package and the execution of the RAD Conversion Commitment.

2. West Side at Shady Grove: Approval of a Resolution Declaring the Official Intent of the Housing Opportunities Commission of Montgomery County to Reimburse itself with the Proceeds of a Future Tax-Exempt Borrowing for Certain Capital Expenditures to be Undertaken in Connection with the Acquisition and Development of the Property

Kayrine Brown, Chief Investment and Real Estate Officer, and Marcus Ervin, Housing Acquisitions Manager, were presenters

RESOLUTION NO.: 20-09

Re: West Side at Shady Grove: Approval of a Resolution Declaring the Official Intent of the Housing Opportunities Commission of Montgomery County to Reimburse itself with the Proceeds of a Future Tax-Exempt Borrowing for Certain Capital Expenditures to be Undertaken in Connection with the Acquisition and Development of the Property

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

WHEREAS, the Commission has determined that it is in the best interest of the Commission to make certain capital expenditures on the projects named in this Resolution; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures in an amount not to exceed \$100,000,000, *all or a portion of which may reimburse* the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission’s expenditures within 18 months of the later of the date of such capital expenditures or the date that the Projects (as hereinafter defined) is placed in service (but in no event more than 3 years after the date of the original expenditure of such moneys); and

WHEREAS, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission’s future tax-exempt borrowing for such projects named in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION THAT:

Section 1. *Declaration of Official Intent.* The Commission presently intends and reasonably expects to finance costs related to the acquisition, predevelopment, development, and equipping of the property known as West Side at Shade Grove Multi-Family Parcel D (the “Project”), generally located in Gaithersburg area of Montgomery County, with moneys currently contained in its Opportunity Housing Reserve Fund, and General Fund Property Reserve Account, County Revolving Fund accounts, and any other funds of the Commission so designated for use by the Commission.

Section 2. *Dates of Capital Expenditures.* All of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings will be incurred not earlier than 60 days prior to the date of this Resolution except preliminary expenditures as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect’s fees, engineering fees, costs of soil testing and surveying).

Section 3. *Issuance of Bonds or Notes.* The Commission presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$100,000,000 will be applied to reimburse the Commission for its expenditures in connection with the Project.

Section 4. *Confirmation of Prior Acts.* All prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. *Repeal of Inconsistent Resolutions.* All other resolutions of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the *extent* of such inconsistency.

Section 6. *Effective Date of Resolution.* This Resolution shall take effect immediately upon its passage.

VIII. **FUTURE ACTION ITEMS**

None

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 5:40 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Consent Items

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

February 5, 2020

- Housing Opportunities Community Partners, Inc. (“Community Partners”), a 501c(3) charitable organization, supports residents and resident programs operated by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”).
- The Commission is required, per Community Partners’ bylaws, to review nominees submitted to fill vacancies of the Board of Directors of Community Partners.
- Sally Roman is being nominated for a second three-year term on the Community Partners’ Board.

ISSUES FOR CONSIDERATION:

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

PRINCIPAL:

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

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

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

With dedication and distinction, Ms. Roman has served on the Community Partners' Board of Directors since 2016.

BUDGET IMPACT

None

TIME FRAME:

Commission action is requested at the February 5, 2020 meeting.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED:

Staff recommends that the Commission approve the nomination of Sally Roman to the Board of Directors of Housing Opportunities Community Partners, Inc. for a second three-year term.

Resolution No.: 20-10

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

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission”) approved the creation of the non-profit, Housing Opportunities Community Partners, Inc. (“Community Partners”), in 1999 to support the residents and programs of the Commission; and

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

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

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

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting on February 5, 2020.

S
E
A
L

Patrice Birdsong
Special Assistant to the Commission

Information Exchange

Administrative and Special Session Ratifications

Committee Reports and Recommendations for Action

Legislative and Regulatory Committee

**AUTHORIZATION TO IMPLEMENT
VOUCHER PAYMENT STANDARDS
BASED ON HUD FY 2020 SMALL AREA FAIR MARKET RENTS**

February 5, 2020

- On January 17, 2018, HUD published new guidance on the use of Small Area Fair Market Rents to determine Voucher Payment Standards for PHAs who operate a Housing Choice Voucher program.
- On October 1, 2019 HUD published its Fiscal Year 2020 Fair Market Rents (FMR) for all jurisdictions in the United States of America.
- Annually, HOC is required to implement the new FMRs and corresponding Voucher Payment Standards (VPC) for the upcoming fiscal year based on a percentage of the FMRs.
- According to HUD Notice PIH 2018-01, mandatory use of SAFMRs is now in effect for all 24 designated SAFMR areas, which includes the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area in which HOC is located.
- Staff recommends that the Commission approve the Voucher Payment Standards for FY 2020 based on the chart featured in the following memo and resolution.

In the administration of the HCV program, SAFMRs replace the 50th percentile FMRs previously required in metropolitan areas with high concentrations of voucher families, such as Montgomery County. SAFMRs are intended to provide families residing in such areas with access to low-poverty areas by providing rental assistance at a level that makes the higher rents in such areas affordable to them.

Staff from the Housing Resources Division (HRD) conducted an extensive analysis to determine the most appropriate SAFMR percentages to use for all of the FY 2020 VPSs. HOC's objective in this regard is to maintain strong voucher utilization while also ensuring that the Agency's Voucher Payment Standards will allow HOC residents to afford the average rental unit per bedroom size in their given SAFMR zip code area.

Staff forecasted the projected rent increase amount of 2.3%, using the average of the Montgomery County Voluntary Rent Guidelines, and the average rent increase request submitted during the 2019 calendar year. Landlords participating in the Housing Choice Voucher Program are not restricted to the voluntary rent guidelines. Rather, the rent will be approved contingent that it is reasonable in comparison to similar, unassisted units.

In comparison to the FY 2019 SAFMRs, the FY 2020 SAFMRs increased nearly across all efficiency to three bedroom units, in all zip codes. The SAFMR decrease was less notable, however there was a broad reduction amongst four bedroom units. Staff took into consideration the direction that the SAFMRs increased or decreased and recommend VPSs congruent with these changes. Accordingly, staff is recommending VPSs ranging from 90% to 106% of the published SAFMRs in order to keep rental units in Montgomery County attainable for HOC's voucher customers.

Though the majority of recommended VPSs are increasing, this will help reduce the rent burden that many of our families incur. Last year ended with 1241 (16%) families moving out of areas with decreased payment standards and 4788 (63%) of our households living in low-poverty areas. The recommended VPSs will continue to allow families access to better schools, transportation, healthcare and employment opportunities. HOC will incur the increase in subsidy payments in areas where the VPS is increasing. We can incur the cost utilizing funds from our HUD held reserves.

HUD's SAFMRs for Montgomery County include 71 zip codes which HOC grouped into 32 VPS areas based on their identical or nearly similar SAFMRs. As a result of this analysis, staff recommends that the Commission approve the Voucher Payment Standards for FY 2020 as per the attached tables.

Suggested FY 20 Payment Standards							
Groups	Zipcode	Cities	0	1	2	3	4
1	20842	Dickerson	1092	1132	1318	1731	2153
	20899	Gaithersburg	1092	1132	1318	1731	2153
Individuals VPS	20912	Takoma Park	1109	1288	1463	1748	2181
	20705	Beltsville	1213	1297	1474	1950	2416
2	20838	Barnesville	1256	1302	1488	1934	2390
	20839	Beallsville	1256	1302	1488	1934	2390
Individuals VPS	21771	Mount Airy	1217	1270	1513	1964	2421
	21797	Woodbine	1217	1270	1585	2054	2397
	20853	Rockville	1222	1300	1584	2112	2585
	20901	Silver Spring	1258	1323	1525	1980	2440
	20886	Montgomery Village	1260	1424	1648	2163	2540
	20777	Highland	1296	1539	1893	2452	2840
	20707	Laurel	1305	1347	1547	2042	2512
	20877	Gaithersburg	1306	1431	1643	2150	2788
	20903	Silver Spring	1362	1421	1624	2097	2587
	20872	Damascus	1370	1495	1691	2170	2703
	20879	Gaithersburg	1378	1525	1698	2270	2780
	20851	Rockville	1386	1495	1701	2186	2698
	20832	Olney	1401	1548	1764	2200	2679
3	20824	Bethesda	1410	1457	1664	2171	2679
	20825	Chevy Chase	1410	1457	1664	2171	2679
	20827	Bethesda	1410	1457	1664	2171	2679
	20875	Germantown	1410	1457	1664	2171	2679
	20883	Gaithersburg	1410	1457	1664	2171	2679
	20884	Gaithersburg	1410	1457	1664	2171	2679
	20885	Gaithersburg	1410	1457	1664	2171	2679
	20891	Kensington	1410	1457	1664	2171	2679
	20898	Gaithersburg	1410	1457	1664	2171	2679
	20907	Silver Spring	1410	1457	1664	2171	2679
	20911	Silver Spring	1410	1457	1664	2171	2679
	20914	Silver Spring	1410	1457	1664	2171	2679
	20915	Silver Spring	1410	1457	1664	2171	2679
	20916	Silver Spring	1410	1457	1664	2171	2679
20918	Silver Spring	1410	1457	1664	2171	2679	
Individual VPS	20904	Silver Spring	1410	1612	1872	2346	2850
4	20847	Rockville	1423	1476	1683	2204	2698
	20848	Rockville	1423	1476	1683	2204	2698
	20849	Rockville	1423	1476	1683	2204	2698
Individual VPS	20830	Olney	1423	1457	1664	2171	2641
	20859	Potomac	1423	1476	1701	2204	2641
	20902	Silver Spring	1426	1540	1754	2297	2621
	20876	Germantown	1431	1630	1879	2314	2862
	20906	Silver Spring	1432	1590	1882	2374	2841
	20913	Takoma Park	1438	1476	1664	2171	2679
	20882	Gaithersburg	1449	1494	1814	2205	2700
	20874	Germantown	1457	1600	1875	2407	2601

	20878	Gaithersburg	1460	1620	1822	2414	2920
	20837	Poolesville	1494	1530	1749	2278	2778
	20895	Kensington	1494	1530	1765	2318	2772
	20866	Burtonsville	1512	1609	1786	2406	2876
	20868	Spencerville	1530	1575	1791	2322	2835
	20905	Silver Spring	1532	1579	1871	2385	2936
	20880	Washington Grove	1549	1596	1843	2410	2966
	20910	Silver Spring	1584	1683	1936	2510	3018
	20860	Sandy Spring	1602	1647	1872	2430	2961
	20896	Garrett Park	1629	1674	1908	2475	3033
	20855	Derwood	1638	1683	1920	2484	3042
	20861	Ashton	1656	1701	1935	2502	3069
	20850	Rockville	1665	1730	1969	2613	3121
	20852	Rockville	1692	1795	2024	2603	3176
	20814	Bethesda	1739	1805	2065	2697	3123
	20815	Chevy Chase	1767	1776	2046	2651	3246
	20862	Brinklow	1845	1935	2232	2889	3501
	20816	Bethesda	1852	1989	2147	2832	3449
	20817	Bethesda	1858	1914	2190	2834	3459
	20818	Cabin John	1890	1944	2218	2876	3516
	20871	Clarksburg	1908	1932	2250	2976	3525
	20812	Glen Echo	1971	2025	2308	2993	3660
	20833	Brookeville	1971	2025	2308	3001	3654
5	20841	Boyd's	1971	2025	2308	3001	3670
	20854	Potomac	1971	2025	2308	3001	3670

ISSUES FOR CONSIDERATION:

Does the Housing Opportunities Commission of Montgomery County wish to accept the recommendation of the Legislative and Regulatory Committee to establish the described Voucher Payment Standards for HOC's Fiscal Year (FY) 2020, and authorize the Executive Director, or his designee, to implement the described Voucher Payment Standards for HOC's administration of the Housing Choice Voucher Program during FY 2020?

PRINCIPALS:

Housing Resources Division

BUDGET IMPACT:

Within each of Montgomery County's 71 zip codes there are five bedroom size options: 0, 1, 2, 3, and 4. This totals 355 different Voucher Payment Standards (VPS) for all five bedroom sizes in the 71 zip codes. Among the 355 different VPSs, 176 increased (50%), 43 decreased (12%) and 136 (38%) remained the same. Staff estimate an increase of \$1,300,000 in the Housing Assistance Payments (HAP). HOC can incur this increase in HAP using funds from our HUD held reserves.

TIME FRAME:

The Legislative and Regulatory Committee reviewed this item at its meeting on January 22, 2020. For Commission action on February 5, 2020.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Housing Opportunities Commission of Montgomery County accept the recommendation of the Legislative and Regulatory Committee to establish the described Voucher Payment Standards for HOC's Fiscal Year (FY) 2020, and authorize the Executive Director, or his designee, to implement the described Voucher Payment Standards for HOC's administration of the Housing Choice Voucher Program during FY 2020.

RESOLUTION: 20-11

RE: Authorization to Implement
Voucher Payment Standards
Based on HUD FY 2020 Small
Area Fair Market Rents

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

WHEREAS, the establishment of the VPS must be between 90 and 110 percent of the HUD Small Area Fair Market Rents (SAFMR) for the given fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County establishes the Voucher Payment Standards for FY 2020 as shown on **Exhibit A**.

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

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on February 5, 2020.

S
E
A
L

Patrice Birdsong
Special Assistant to the Commission

EXHIBIT A

Fiscal Year 2019 Voucher Payment Standard Tables

[Attached]

Zp Code	Cities	VPS Percentages					FY 2019 Voucher Payment Standards					VPS Percentages					FY 2020 Voucher Payment Standards					FY 20 19 VS FY 2020 Comparison				
		%					VPS					%					VPS					VPS Difference2				
		0	1	2	3	4	0	1	2	3	4	0	1	2	3	4	0	1	2	3	4	0	1	2	3	4
20842	Dickerson	104%	104%	104%	104%	104%	\$ 1,217	\$ 1,279	\$ 1,477	\$ 1,945	\$ 2,413	103%	102%	103%	102%	103%	\$ 1,092	\$ 1,132	\$ 1,318	\$ 1,731	\$ 2,153	-\$125	-\$147	-\$158	-\$214	-\$260
20899	Gaithersburg	104%	104%	104%	104%	104%	\$ 1,217	\$ 1,279	\$ 1,477	\$ 1,945	\$ 2,413	103%	102%	103%	102%	103%	\$ 1,092	\$ 1,132	\$ 1,318	\$ 1,731	\$ 2,153	-\$125	-\$147	-\$158	-\$214	-\$260
20912	Takoma Park	94%	104%	104%	94%	94%	\$ 1,109	\$ 1,279	\$ 1,477	\$ 1,758	\$ 2,181	92%	103%	103%	95%	97%	\$ 1,109	\$ 1,288	\$ 1,463	\$ 1,748	\$ 2,181	\$0	\$8	-\$14	-\$10	\$0
20705	Beltsville	94%	96%	97%	98%	99%	\$ 1,213	\$ 1,277	\$ 1,474	\$ 1,950	\$ 2,416	90%	94%	94%	96%	97%	\$ 1,213	\$ 1,297	\$ 1,474	\$ 1,950	\$ 2,416	\$0	\$20	\$0	\$0	\$0
20838	Barnesville	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	93%	93%	93%	93%	93%	\$ 1,256	\$ 1,302	\$ 1,488	\$ 1,934	\$ 2,390	-\$155	-\$155	-\$176	-\$237	-\$289
20839	Beallsville	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	93%	93%	93%	93%	93%	\$ 1,256	\$ 1,302	\$ 1,488	\$ 1,934	\$ 2,390	-\$155	-\$155	-\$176	-\$237	-\$289
21771	Mount Airy	104%	100%	96%	98%	103%	\$ 1,217	\$ 1,270	\$ 1,469	\$ 1,940	\$ 2,421	97%	90%	90%	90%	94%	\$ 1,217	\$ 1,270	\$ 1,513	\$ 1,964	\$ 2,421	\$0	\$0	\$44	\$23	\$0
21797	Woodbine	104%	92%	90%	90%	94%	\$ 1,217	\$ 1,270	\$ 1,548	\$ 1,998	\$ 2,397	106%	90%	90%	90%	92%	\$ 1,217	\$ 1,270	\$ 1,585	\$ 2,054	\$ 2,397	\$0	\$0	\$37	\$56	\$0
20853	Rockville	101%	102%	103%	104%	104%	\$1,222	\$1,275	\$1,473	\$1,945	\$2,413	97%	100%	107%	110%	110%	\$ 1,222	\$ 1,300	\$ 1,584	\$ 2,112	\$ 2,585	\$0	\$25	\$111	\$167	\$172
20901	Silver Spring	94%	97%	97%	97%	97%	\$ 1,250	\$ 1,319	\$ 1,513	\$ 1,979	\$ 2,435	96%	98%	99%	99%	100%	\$ 1,258	\$ 1,323	\$ 1,525	\$ 1,980	\$ 2,440	\$7	\$4	\$11	\$1	\$5
20886	Montgomery Village	94%	97%	100%	100%	100%	\$ 1,250	\$ 1,329	\$ 1,570	\$ 2,050	\$ 2,520	92%	101%	103%	104%	100%	\$ 1,260	\$ 1,424	\$ 1,648	\$ 2,163	\$ 2,540	\$10	\$95	\$78	\$113	\$20
20777	Highland	94%	94%	94%	94%	94%	\$ 1,100	\$ 1,354	\$ 1,692	\$ 2,181	\$ 2,510	90%	90%	90%	90%	90%	\$ 1,296	\$ 1,539	\$ 1,893	\$ 2,452	\$ 2,840	\$196	\$185	\$201	\$271	\$330
20707	Laurel	90%	91%	91%	92%	92%	\$ 1,296	\$ 1,347	\$ 1,547	\$ 2,042	\$ 2,512	90%	90%	91%	92%	93%	\$ 1,305	\$ 1,347	\$ 1,547	\$ 2,042	\$ 2,512	\$9	\$0	\$0	\$0	\$0
20877	Gaithersburg	94%	100%	100%	100%	100%	\$ 1,297	\$ 1,420	\$ 1,630	\$ 2,130	\$ 2,620	92%	98%	99%	100%	106%	\$ 1,306	\$ 1,431	\$ 1,643	\$ 2,150	\$ 2,788	\$9	\$11	\$13	\$20	\$168
20903	Silver Spring	98%	98%	99%	98%	98%	\$ 1,362	\$ 1,401	\$ 1,624	\$ 2,097	\$ 2,587	97%	98%	98%	98%	99%	\$ 1,362	\$ 1,421	\$ 1,624	\$ 2,097	\$ 2,587	\$0	\$20	\$0	\$0	\$0
20872	Damascus	97%	98%	102%	100%	100%	\$ 1,368	\$ 1,421	\$ 1,693	\$ 2,170	\$ 2,670	100%	106%	105%	104%	106%	\$ 1,370	\$ 1,495	\$ 1,691	\$ 2,170	\$ 2,703	\$2	\$74	-\$3	\$0	\$33
20879	Gaithersburg	95%	98%	98%	98%	98%	\$ 1,378	\$ 1,460	\$ 1,676	\$ 2,185	\$ 2,695	92%	99%	97%	100%	100%	\$ 1,378	\$ 1,525	\$ 1,698	\$ 2,270	\$ 2,780	\$0	\$64	\$22	\$85	\$85
20851	Rockville	92%	94%	94%	94%	94%	\$ 1,408	\$ 1,476	\$ 1,692	\$ 2,209	\$ 2,717	90%	94%	94%	93%	94%	\$ 1,386	\$ 1,495	\$ 1,701	\$ 2,186	\$ 2,698	-\$22	\$19	\$9	-\$24	-\$19
20832	Olney	94%	94%	94%	94%	94%	\$ 1,372	\$ 1,410	\$ 1,617	\$ 2,115	\$ 2,604	91%	98%	98%	94%	94%	\$ 1,401	\$ 1,548	\$ 1,764	\$ 2,200	\$ 2,679	\$29	\$138	\$147	\$85	\$75
20824	Bethesda	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20825	Chevy Chase	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20827	Bethesda	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20875	Germantown	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20883	Gaithersburg	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20884	Gaithersburg	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20885	Gaithersburg	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20891	Kensington	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20898	Gaithersburg	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20904	Silver Spring	94%	98%	102%	102%	98%	\$ 1,410	\$ 1,509	\$ 1,795	\$ 2,346	\$ 2,773	92%	102%	104%	100%	100%	\$ 1,410	\$ 1,612	\$ 1,872	\$ 2,346	\$ 2,850	\$0	\$102	\$77	\$0	\$77
20907	Silver Spring	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20911	Silver Spring	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20914	Silver Spring	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20915	Silver Spring	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20916	Silver Spring	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20918	Silver Spring	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	92%	93%	93%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	\$0	\$0	\$0	\$0	\$0
20902	Silver Spring	94%	98%	102%	102%	96%	\$ 1,354	\$ 1,450	\$ 1,734	\$ 2,264	\$ 2,621	97%	102%	102%	103%	96%	\$ 1,426	\$ 1,540	\$ 1,754	\$ 2,297	\$ 2,621	\$72	\$90	\$20	\$33	\$0
20830	Olney	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	93%	93%	93%	94%	93%	\$ 1,423	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,641	\$13	\$0	\$0	\$0	-\$38
20847	Rockville	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	93%	94%	94%	95%	95%	\$ 1,423	\$ 1,476	\$ 1,683	\$ 2,204	\$ 2,698	\$13	\$19	\$19	\$33	\$19
20848	Rockville	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	93%	94%	94%	95%	95%	\$ 1,423	\$ 1,476	\$ 1,683	\$ 2,204	\$ 2,698	\$13	\$19	\$19	\$33	\$19
20849	Rockville	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	93%	94%	94%	95%	95%	\$ 1,423	\$ 1,476	\$ 1,683	\$ 2,204	\$ 2,698	\$13	\$19	\$19	\$33	\$19
20859	Potomac	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	93%	94%	95%	95%	93%	\$ 1,423	\$ 1,476	\$ 1,701	\$ 2,204	\$ 2,641	\$13	\$19	\$37	\$33	-\$38
20876	Germantown	90%	101%	101%	96%	96%	\$ 1,395	\$ 1,616	\$ 1,848	\$ 2,294	\$ 2,822	90%	100%	101%	96%	97%	\$ 1,431	\$ 1,630	\$ 1,879	\$ 2,314	\$ 2,862	\$36	\$14	\$30	\$19	\$39
20906	Silver Spring	94%	98%	102%	102%	96%	\$ 1,410	\$ 1,519	\$ 1,805	\$ 2,356	\$ 2,736	93%	100%	104%	101%	99%	\$ 1,432	\$ 1,590	\$ 1,882	\$ 2,374	\$ 2,841	\$22	\$71	\$77	\$17	\$105

Zip Code	Cities	VPS Percentages					FY 2019 Voucher Payment Standards					VPS Percentages					FY 2020 Voucher Payment Standards					FY 2019 VS FY 2020 Comparison				
		%					VPS					%					VPS					VPS Difference				
		0	1	2	3	4	0	1	2	3	4	0	1	2	3	4	0	1	2	3	4	0	1	2	3	4
20913	Takoma Park	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	94%	94%	93%	94%	94%	\$ 1,438	\$ 1,476	\$ 1,664	\$ 2,171	\$ 2,679	\$28	\$19	\$0	\$0	\$0
20882	Gaithersburg	94%	94%	94%	94%	94%	\$ 1,419	\$ 1,457	\$ 1,673	\$ 2,190	\$ 2,688	90%	90%	96%	90%	90%	\$ 1,449	\$ 1,494	\$ 1,814	\$ 2,205	\$ 2,700	\$30	\$37	\$141	\$15	\$12
20874	Germantown	94%	102%	102%	100%	96%	\$ 1,457	\$ 1,622	\$ 1,856	\$ 2,380	\$ 2,813	94%	100%	103%	102%	90%	\$ 1,457	\$ 1,600	\$ 1,875	\$ 2,407	\$ 2,601	\$0	-\$22	\$18	\$27	-\$212
20878	Gaithersburg	94%	99%	100%	99%	96%	\$ 1,448	\$ 1,564	\$ 1,810	\$ 2,346	\$ 2,794	93%	100%	99%	101%	100%	\$ 1,460	\$ 1,620	\$ 1,822	\$ 2,414	\$ 2,920	\$13	\$56	\$12	\$68	\$126
20837	Poolesville	92%	92%	92%	92%	92%	\$ 1,472	\$ 1,509	\$ 1,730	\$ 2,263	\$ 2,778	90%	90%	90%	90%	90%	\$ 1,494	\$ 1,530	\$ 1,749	\$ 2,278	\$ 2,778	\$22	\$21	\$19	\$14	\$0
20895	Kensington	90%	91%	94%	91%	91%	\$ 1,440	\$ 1,492	\$ 1,767	\$ 2,239	\$ 2,748	90%	90%	91%	92%	90%	\$ 1,494	\$ 1,530	\$ 1,765	\$ 2,318	\$ 2,772	\$54	\$38	-\$2	\$80	\$24
20866	Burtonsville	90%	94%	94%	94%	94%	\$ 1,449	\$ 1,560	\$ 1,786	\$ 2,331	\$ 2,876	90%	93%	91%	94%	92%	\$ 1,512	\$ 1,609	\$ 1,786	\$ 2,406	\$ 2,876	\$63	\$49	\$0	\$75	\$0
20868	Spencerville	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	90%	90%	90%	90%	90%	\$ 1,530	\$ 1,575	\$ 1,791	\$ 2,322	\$ 2,835	\$120	\$118	\$127	\$151	\$156
20905	Silver Spring	94%	94%	96%	95%	95%	\$ 1,532	\$ 1,579	\$ 1,843	\$ 2,385	\$ 2,936	90%	90%	94%	92%	93%	\$ 1,532	\$ 1,579	\$ 1,871	\$ 2,385	\$ 2,936	\$0	\$0	\$27	\$0	\$0
20880	Washington Grove	95%	95%	96%	96%	96%	\$ 1,549	\$ 1,596	\$ 1,843	\$ 2,410	\$ 2,966	97%	98%	99%	100%	101%	\$ 1,549	\$ 1,596	\$ 1,843	\$ 2,410	\$ 2,966	\$0	\$0	\$0	\$0	\$0
20910	Silver Spring	90%	94%	94%	94%	92%	\$ 1,557	\$ 1,673	\$ 1,918	\$ 2,510	\$ 3,018	90%	93%	94%	94%	92%	\$ 1,584	\$ 1,683	\$ 1,936	\$ 2,510	\$ 3,018	\$27	\$10	\$19	\$0	\$0
20860	Sandy Spring	94%	94%	94%	95%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,195	\$ 2,679	90%	90%	90%	90%	90%	\$ 1,602	\$ 1,647	\$ 1,872	\$ 2,430	\$ 2,961	\$192	\$190	\$208	\$236	\$282
20896	Garrett Park	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	90%	90%	90%	90%	90%	\$ 1,629	\$ 1,674	\$ 1,908	\$ 2,475	\$ 3,033	\$219	\$217	\$244	\$304	\$354
20855	Derwood	90%	90%	91%	91%	91%	\$ 1,611	\$ 1,656	\$ 1,920	\$ 2,512	\$ 3,085	90%	90%	90%	90%	90%	\$ 1,638	\$ 1,683	\$ 1,920	\$ 2,484	\$ 3,042	\$27	\$27	\$0	-\$28	-\$43
20861	Ashton	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	90%	90%	90%	90%	90%	\$ 1,656	\$ 1,701	\$ 1,935	\$ 2,502	\$ 3,069	\$246	\$244	\$271	\$331	\$390
20850	Rockville	90%	92%	91%	94%	91%	\$ 1,629	\$ 1,711	\$ 1,938	\$ 2,613	\$ 3,121	91%	92%	92%	94%	92%	\$ 1,665	\$ 1,730	\$ 1,969	\$ 2,613	\$ 3,121	\$36	\$18	\$31	\$0	\$0
20852	Rockville	90%	91%	91%	91%	91%	\$ 1,674	\$ 1,738	\$ 1,993	\$ 2,603	\$ 3,203	90%	93%	92%	91%	91%	\$ 1,692	\$ 1,795	\$ 2,024	\$ 2,603	\$ 3,176	\$18	\$57	\$31	\$0	-\$27
20814	Bethesda	90%	93%	93%	93%	93%	\$ 1,701	\$ 1,804	\$ 2,065	\$ 2,697	\$ 3,320	93%	94%	94%	95%	90%	\$ 1,739	\$ 1,805	\$ 2,065	\$ 2,697	\$ 3,123	\$38	\$1	\$0	\$0	-\$197
20815	Chevy Chase	92%	96%	96%	92%	92%	\$ 1,766	\$ 1,891	\$ 2,170	\$ 2,714	\$ 3,340	94%	92%	93%	93%	93%	\$ 1,767	\$ 1,776	\$ 2,046	\$ 2,651	\$ 3,246	\$1	-\$116	-\$124	-\$64	-\$94
20862	Brinklow	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	90%	90%	90%	90%	90%	\$ 1,845	\$ 1,935	\$ 2,232	\$ 2,889	\$ 3,501	\$435	\$478	\$568	\$718	\$822
20816	Bethesda	95%	98%	95%	96%	95%	\$ 1,824	\$ 1,931	\$ 2,147	\$ 2,832	\$ 3,449	94%	98%	93%	94%	94%	\$ 1,852	\$ 1,989	\$ 2,147	\$ 2,832	\$ 3,449	\$28	\$59	\$0	\$0	\$0
20817	Bethesda	92%	92%	92%	92%	92%	\$ 1,858	\$ 1,914	\$ 2,190	\$ 2,861	\$ 3,524	92%	92%	92%	92%	92%	\$ 1,858	\$ 1,914	\$ 2,190	\$ 2,834	\$ 3,459	\$0	\$0	\$0	-\$28	-\$64
20818	Cabin John	94%	94%	94%	94%	94%	\$ 1,410	\$ 1,457	\$ 1,664	\$ 2,171	\$ 2,679	90%	90%	90%	90%	90%	\$ 1,890	\$ 1,944	\$ 2,218	\$ 2,876	\$ 3,516	\$480	\$487	\$554	\$704	\$837
20871	Clarksburg	90%	90%	90%	91%	90%	\$ 1,908	\$ 1,962	\$ 2,250	\$ 2,976	\$ 3,618	94%	92%	94%	96%	93%	\$ 1,908	\$ 1,932	\$ 2,250	\$ 2,976	\$ 3,525	\$0	-\$30	\$0	\$0	-\$93
20812	Glen Echo	90%	90%	90%	90%	90%	\$ 1,908	\$ 1,962	\$ 2,250	\$ 2,943	\$ 3,618	90%	90%	90%	90%	90%	\$ 1,971	\$ 2,025	\$ 2,308	\$ 2,993	\$ 3,660	\$63	\$63	\$58	\$50	\$42
20833	Brookeville	90%	90%	90%	90%	90%	\$ 1,908	\$ 1,962	\$ 2,250	\$ 2,943	\$ 3,618	90%	90%	90%	90%	90%	\$ 1,971	\$ 2,025	\$ 2,308	\$ 3,001	\$ 3,654	\$63	\$63	\$58	\$58	\$36
20841	Boyd's	90%	90%	90%	90%	90%	\$ 1,908	\$ 1,962	\$ 2,250	\$ 2,943	\$ 3,618	90%	90%	90%	90%	90%	\$ 1,971	\$ 2,025	\$ 2,308	\$ 3,001	\$ 3,670	\$63	\$63	\$58	\$58	\$52
20854	Potomac	90%	91%	90%	90%	90%	\$ 1,908	\$ 1,984	\$ 2,250	\$ 2,943	\$ 3,618	90%	90%	90%	90%	90%	\$ 1,971	\$ 2,025	\$ 2,308	\$ 3,001	\$ 3,670	\$63	\$41	\$58	\$58	\$52

Development and Finance Committee

APPROVAL TO EXTEND THE FINANCIAL ADVISOR CONTRACT WITH CAINE MITTER AND ASSOCIATES INCORPORATED (“CMA”) IN ACCORDANCE WITH THE CURRENT CONTRACT AND PROCUREMENT POLICY

February 5, 2020

- The Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) serves as the Housing Finance Agency of Montgomery County. To advance its mission and operate a successful bond financing program, the Commission engages the services of a number of industry professionals, one of which is a financial advisor.
- On May 18, 2017, the Commission approved a new contract for CMA after completing a full procurement, with an initial contract term of two years and three optional one-year renewals that require the approval of the Commission in accordance with the current Procurement Policy.
- CMA is an independent financial advisory firm that, acting through its personnel, has been in the business of providing financial advisory and quantitative services to state and local housing finance agencies for over 40 years, specializing in single family and multifamily housing finance as well as the fiscal management for local and state housing finance agencies. Its principal, Thomas P. Caine, has been in the business for over 40 years. CMA also acts as swap advisor and investment-bidding agent for both single family and multifamily programs and provides a broad array of services to its clients.
- On May 8, 2019, the Commission approved the renewal of CMA’s financial advisor contract for one year, the first of three renewals, through June 30, 2020.
- CMA continues to provide satisfactory financial advisory services to the Commission and staff wishes to recommend a second one-year renewal to the Commission under the terms of the original contract.
- At its monthly meeting on January 24, 2019, the Development and Finance Committee (the “D&F Committee”) considered staff’s request to recommend that the Commission approve a one-year renewal of the financial advisor contract with Caine Mitter & Associated Incorporated.
- Staff recommends that the Commission accept the recommendation of the D&F Committee and approve a one-year renewal in accordance with the terms of the current contract, effective July 1, 2020.

MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Brown Division: Mortgage Finance Ext. 9589

RE: Approval to Extend the Financial Advisor Contract with Caine Mitter and Associates Incorporated (“CMA”) in Accordance with the Current Contract and Procurement Policy

Date: February 5, 2020

STATUS: Committee Report Deliberation X

OVERALL GOAL & OBJECTIVE:

To renew the term of the financial advisory services contract with Caine Mitter and Associates Incorporated (“CMA”) in accordance with the current contract, thereby, enabling the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) to meet its affordable housing goals.

BACKGROUND:

On May 18, 2017, the Commission approved a new contract for CMA after completing a full procurement and approved a two-year contract with three optional one-year renewals that must be approved by the Commission in accordance with the current Procurement Policy.

On May 8, 2019, the Commission approved the first of the three optional renewals with the contract term expiring on June 30, 2020. Two renewals are available under the contract but they must be approved by the Commission.

The Financial Advisor

CMA is an independent financial advisory firm that, acting through its personnel, has been in the business of providing financial advisory and quantitative services to state and local housing finance agencies for over 40 years, specializing in single family and multifamily housing finance as well as the fiscal management for local and state housing finance agencies. Its principal, Thomas P. Caine, has been in the business for over 43 years. CMA also acts as swap advisor and investment bidding agent for both single family and multifamily programs and provides a broad array of services to its clients.

Financial advisors are heavily regulated and the principal regulator is the Municipal Securities Rulemaking Board (“MSRB”). The MSRB develops rules for financial professionals designed to ensure a fair and efficient market by preventing fraud and other unfair practices, establishing professional qualifications, supporting market transparency, and applying uniform practices to the industry. Among these rules are those that regulate the activities of municipal advisors and clarify their obligations to the state and local governments and other municipal entities that engage their services.

All municipal financial advisors must be registered with the MSRB and any of the advisors' staff that provides financial advisory services must have passed the Series 50 examination. CMA is a registered municipal advisor within the context of the MSRB.

An effective financial advisor to the Commission is expected to among other things, provide advice for the structuring and management of its municipal housing finance programs to optimize the Commission's resources. At the transaction level, it structures bond issuances, prepares quantitative cash flow analyses for each transaction, and provides annual analysis for its parity indentures under which single family and multifamily housing bonds are issued. This ensures that rating-agency-required cash flow stress runs are successful and that the issued securities are yield compliant within the meaning of the Internal Revenue Code ("IRC"). If the financial advisor does not provide cash flow services and program structuring, they would need to be contracted out. Further, the financial advisor generally informs the Commission of current market conditions and financing techniques being employed to optimize these conditions.

Since the beginning of the current contract in 2017, CMA has represented the Commission on seven publicly issued series of tax-exempt bonds representing \$269.8 million in securities. Moody's Investors Services ("Moody's") rated the bonds, which were issued under the Commission multifamily and single family parity indentures.

Additionally, working with staff and the Commission's bond counsel, Kutak Rock, LLP, CMA assisted with the creation of a parity indenture, the General Trust Indenture, which successfully received a rating of Aa2 by Moody's. All cash flows were prepared using CMA's proprietary financial model, Flow.

As we have discussed previously with the Commission, HOC's bond accounting staff prepares financial tables to provide data to CMA for cash flow preparation. Staff also provides draft copies of the indenture audits with all audit schedules at or around the end of October of each year. Additionally, mortgage balances, accrued interest schedules, foreclosure information, approved bond draw, and program expenses are provided during this process. Furthermore, these scheduled are now included in the indenture audits, adding another layer of review. It is important to underscore that CMA does not generate data for cash flow preparation, but that the data is created by HOC staff and reconciled among staff, CMA and Trustees to confirm an accurate starting point.

Further, Moody's issues rating for all of the Commission's publicly issued bonds. Therefore, it reviews all cash flows prior to issuing or affirming a rating based on its established rating methodologies and confirms that the cash flows accurately reflect such methodologies. Periodically, the rating agencies request information from the three companies that provide software for public finance housing cash flows. In December 2019, Moody's reviewed the procedures these companies use for maintaining their software and CMA responded with its procedures, which were accepted by Moody's. The rating agency continues to be comfortable using cash flows runs prepared on CMA's own software, FLOW, in its rating process.

Finally, HOC's Bond Counsel, Kutak Rock, LLP, reviews the cash flows for all transactions issued under the Commission's parity indentures. Bond Counsel reviews the cash flow results for compliance with indenture covenants, reviews rating confirmation letters and reports, viewing rating confirmations (and, impliedly, satisfaction of rating agency criteria) as probative of satisfaction of indenture covenants, and finally reviews arbitrage yield runs, weighted average maturity runs, and other financial and statistical calculations evidencing satisfaction of applicable tests imposed under the Internal Revenue Code.

Staff remains confident in Caine Mitter and Associates Incorporated's representation of HOC as financial advisor.

ISSUES FOR CONSIDERATION:

Does the Commission wish to approve a second renewal of the current financial advisor services contract with Caine Mitter and Associates Incorporated for one year in accordance with the current contract and Procurement Policy?

PRINCIPALS:

Housing Opportunities Commission
Caine Mitter & Associates Incorporated

BUDGET IMPACT:

There is no impact to the Commission's operating budget, in general. The Financial Advisor is paid from revenues in the Single Family Indenture and from proceeds of each multifamily financing. Fees paid to the Financial Advisor are included in the cost of issuance budget for each transaction and approved by the Commission.

TIME FRAME:

For action at the February 5, 2020 meeting of the Commission.

COMMITTEE RECOMMENDATION:

The Development and Finance Committee considered this request at its monthly meeting on January 24, 2020 and unanimously voted to recommend a one-year renewal of the CMA financial advisor contract by the full Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission accept the recommendation of Development and Finance Committee approve a second renewal of the current financial advisor services contract with Caine Mitter and Associates Incorporated for one year in accordance with the current contract and Procurement Policy, effective July 1, 2020.

Resolution No.: 20-12

Re: Approval to Extend the Financial Advisor Contract with Caine Mitter and Associates Incorporated (“CMA”) in Accordance with the Current Contract and Procurement Policy

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and the Memorandum of Understanding by and between the Housing Opportunities Commission of Montgomery County and Montgomery County, Maryland (the “County”), dated June 20, 2018, and authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes; and

WHEREAS, to advance its mission and operate a successful bond financing program, the Commission engages the services of a number of industry professionals, one of which is a financial advisor; and

WHEREAS, Caine Mitter & Associates Incorporated (“CMA”) has successfully served the Commission since 1979 and was selected on June 7, 2017, to continue to serve the Commission as its financial advisor for a new contract term after completing a full procurement, initially for two years with three optional one year renewals for a maximum term of five years, with each renewal requiring the approval of the Commission; and

WHEREAS, On May 8, 2019, the Commission approved a one-year renewal of the contract with CMA, which expires on June 30, 2020; and

WHEREAS, CMA continues to provide satisfactory financial advisory services to the Commission and the Commission wishes to renew the contract for one year in accordance with the current contract and Procurement Policy; and

NOW THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the renewal of current contract with Caine Mitter & Associates Incorporated to continue to serve the Commission as Financial Advisor for one-year in accordance with terms provided in the current contract in accordance with the Procurement Policy.

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

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on February 5, 2020.

Patrice M. Birdsong
Special Assistant to the Commission

[SEAL]

**HILLANDALE GATEWAY: APPROVAL TO SUBMIT THE REVISED
SITE PLAN FOR THE DEVELOPMENT OF HILLANDALE GATEWAY,
APPROVAL OF REVISED PREDEVELOPMENT BUDGET AND
APPROVAL OF CY2020 PREDEVELOPMENT FUNDING**

Hillandale Gateway



STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE BROWN
ZACHARY MARKS
KATHRYN HOLLISTER

February 5, 2020

Table of Contents

Topics	Page
Executive Summary	3
Background	5
Initial Site Plan Submission	7
Revised Site Plan Submission	9
Side-by-Side Comparison	12
Predevelopment Budget	13
Predevelopment Timeline	15
Prior Commission Action	16
Summary and Recommendations	17

Executive Summary

- Hillandale Gateway will be a new mixed-use, mixed-income, intergenerational community that will include 463 residential units, 25% of which will be affordable to households with incomes at or below 60% of the Washington, Arlington-Alexandria, VA-MD-WV Statistical Area Median Income (“AMI”) and 5% of which will be affordable to households with incomes at or below 80% of the AMI. In addition to residential units, the site will have a drive-thru Starbucks, above-ground parking garage, commercial/retail/restaurant space, and public and private green space.
- On October 7, 2015, the Commission approved a predevelopment budget of \$1,195,000 to fund the first 15 months of predevelopment activity related to the redevelopment of Holly Hall. The Commission authorized initial funding of \$546,000 that was sufficient for approximately 17 months of work. On March 1, 2017, the Commission approved a revised 12-month predevelopment budget of \$1,341,500, annulling the remaining \$649,000 previously approved. The second installment of funding was sufficient for approximately 22 months of work.
- On January 9, 2019, the Commission approved a revised predevelopment budget, including approval to fund a third installment of \$1,616,970, representing predevelopment expenditures projected for the first six months of calendar year 2019, bringing the total authorized Commission loans from HOC’s Opportunity Housing Reserve Fund (“OHRF”) to \$3,504,470.
- On February 6, 2019, the Commission approved the sale of the CONA Site to The Duffie Companies (“Duffie”) and authorized HOC’s portion of the proceeds from the disposition of the CONA site (\$1,326,251) to remain with Hillandale Gateway, LLC and be used for future predevelopment and development activities.
- On May 8, 2019, the Commission approved the Site Plan design for Hillandale Gateway, which the HOC-Duffie team submitted to the Planning Board in June 2019. The Site Plan received significant comments from Planning and DOT staff, mostly related to transportation improvements to Powder Mill Road. Since June 2019, the HOC-Duffie team has worked hand in hand with the Montgomery County Department of Transportation (“DOT”) and Planning staff to redesign the Hillandale Gateway site to accommodate DOT’s and Planning’s requests.
- In addition to the transportation improvements, the HOC-Duffie team is proposing to redesign the commercial presence at Hillandale Gateway. Originally, the initial Site Plan proposed a future “Phase 2” commercial building of 58,974 SF. The revised Site Plan proposes two single-story retail/restaurant pads totaling 4,540 SF to be delivered at the same time as the residential buildings and the rest of Phase I in order to activate the site, establish Hillandale as a destination, and provide amenities that would benefit residents at Hillandale Gateway and the broader community.

Executive Summary

- The HOC-Duffie development team has made significant headway toward site plan approval. In order to continue that effort toward construction financing, HOC staff now recommends that the Commission accept the recommendation of the Development and Finance Committee and approve the following:
 1. a redesigned Site Plan for Hillandale Gateway for final submission to the Montgomery County Planning Board;
 2. a revised predevelopment budget of \$7,990,437, representing \$3,271,877 in actual predevelopment funding spent to date and \$4,718,560 in anticipated predevelopment spending from January 2020 through closing of construction financing;
 3. predevelopment funding by way of a fourth installment of \$2,868,000 for calendar year 2020; and,
 4. a loan to Hillandale Gateway from the Commission's OHRF in the amount of \$2,868,000. Staff will return to the Commission in January 2021 for approval of a fifth installment of predevelopment funding to cover the remainder of the predevelopment work through construction financing.

Background



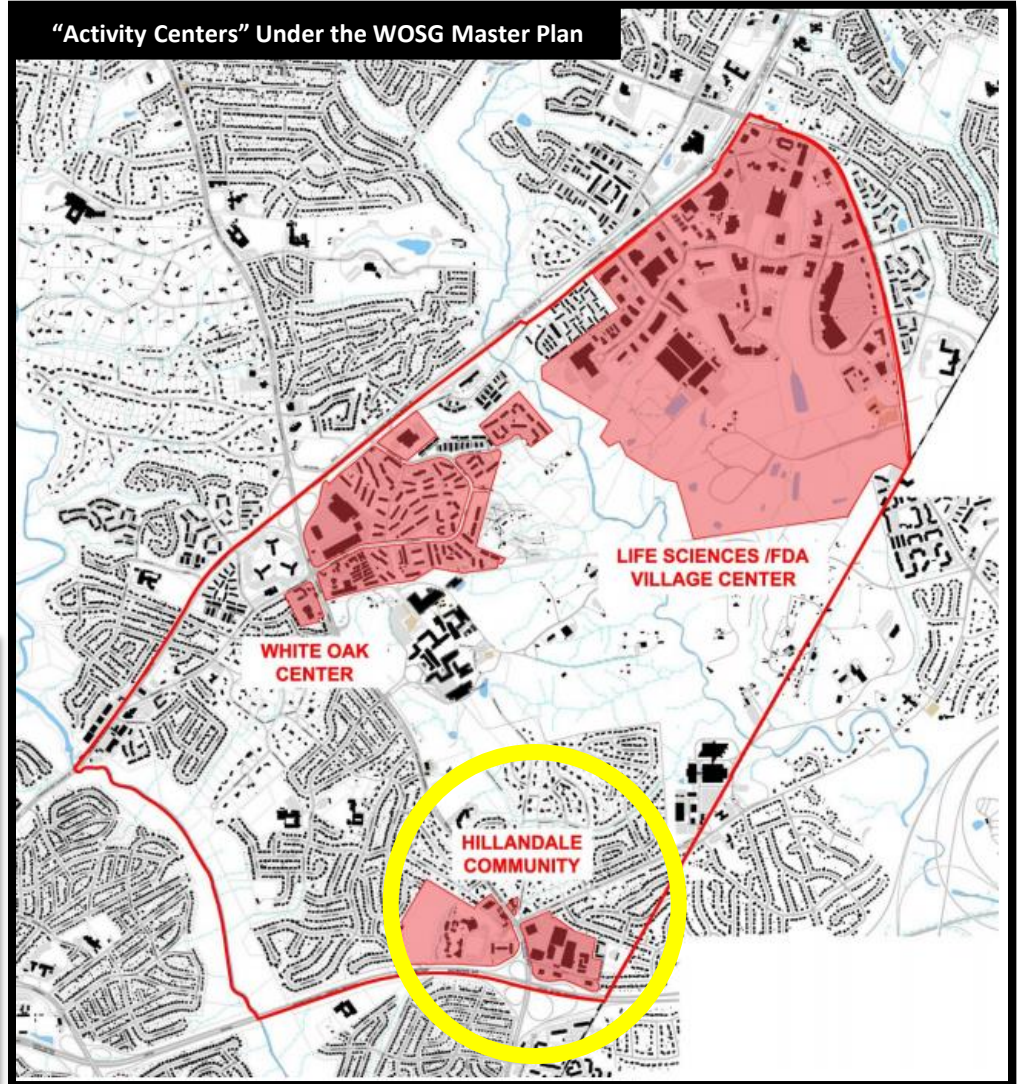
Hillandale Gateway will be a new mixed-use, mixed-income property located on the site of Holly Hall Apartments (“Holly Hall”), a former 96-unit Public Housing community on 4.35 acres located at the northwest corner of the intersection of Interstate 495 and New Hampshire Avenue in the Hillandale neighborhood of Silver Spring. The disposition of Holly Hall from the Public Housing program made possible by the Rental Assistance Demonstration Program, the permanent off-site relocation of residents (along with their rental assistance) to the newly-constructed Victory Crossing and Fenton Silver Spring, and the provision of additional density at the site via the White Oak Science Gateway Master Plan provide HOC with an entirely unencumbered property with significant redevelopment potential.

Background

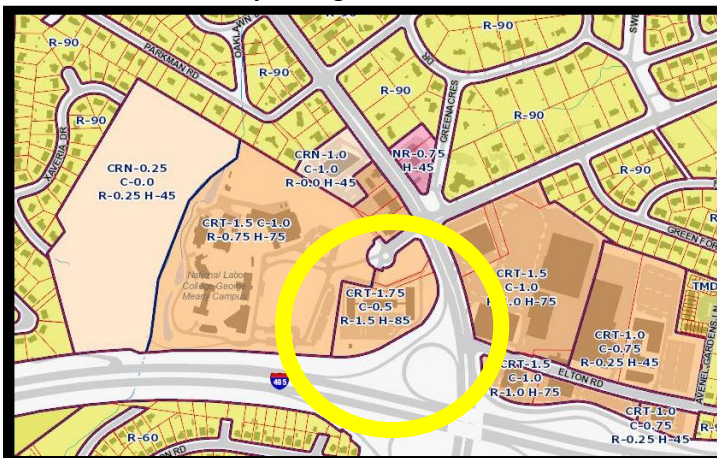
In July 2014, the Montgomery County Council approved the White Oak Science Gateway Master Plan (“WOSG Master Plan”), which increased the residential and commercial density in three “activity centers” in the greater White Oak area of Silver Spring: 1) White Oak Center, 2) Hillandale Community and 3) the Life Sciences/FDA Village Center (see map to the right).

Additional density was provided to the Hillandale Community to allow for mixed-use development and create the greatest incentive for redevelopment. The WOSG Master Plan seeks to change and transform Hillandale into a sustainable, complete community over time, with the support of a future Bus Rapid Transit (“BRT”) system. Mixed-use developments with walkable centers that bring employment, housing, and shopping opportunities together are desirable. Redevelopment that does not include a significant commercial component would not be consistent with the WOSG Master Plan.

“Activity Centers” Under the WOSG Master Plan



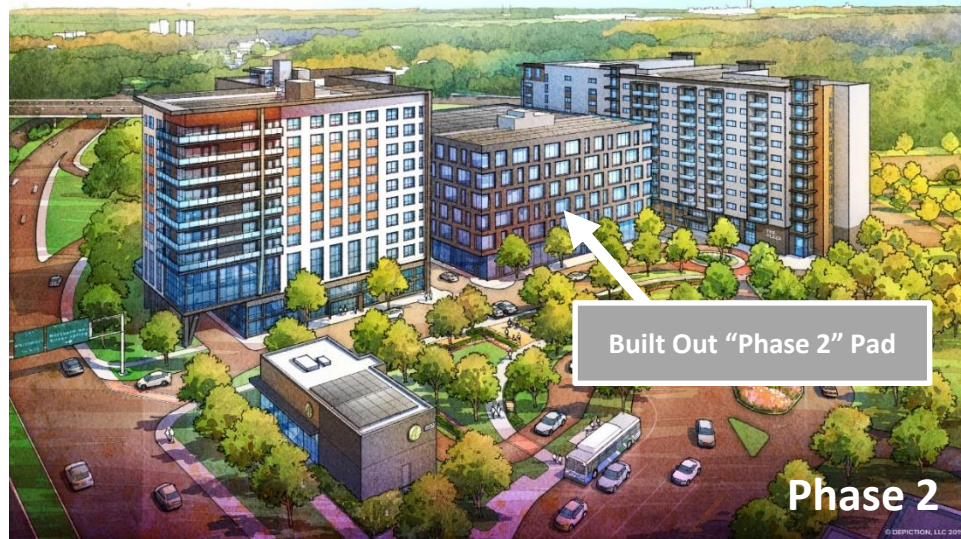
Hillandale Gateway Zoning Under the WOSG Master Plan



Initial Site Plan Submission



The HOC-Duffie development team submitted a Sketch Plan Amendment, Preliminary Plan and Site Plan for Hillandale Gateway in June 2019. The Plans proposed a two-phase development: an 11-story Senior building, an 11-story Multifamily apartment building, a 2,600 SF free-standing Starbucks with drive-through and parking garage would be built in Phase 1 and a 58,974 SF Commercial building would be built in Phase 2. Staff would return to the Commission for approval to build Phase 2 when the Hillandale market demanded significant commercial uses. In the interim, the “Phase 2” pad would be left as open green space for the use of residents and the community, and not yield any income.



While the Phase 2 commercial component in the initial Site Plan has its benefits (a commercial building of that scale has significant potential future income value, and a phased development approach could help mitigate market risks), the Commission raised potential issues about disruption to future residents living at Hillandale Gateway (namely, the noise and inconvenience of an active construction site between the two residential buildings, and the development of open green space that residents will have grown accustomed to) and too much commercial density on the site. As such, the HOC-Duffie team explored redesigning the commercial component into smaller restaurant/retail pads totaling 4,540SF so as to provide useful commercial use to the site in the immediate term and contribute to the economic viability of the development.

Initial Site Plan Submission

The HOC-Duffie team received significant comments from Planning and DOT staff regarding transportation improvements to Powder Mill Road, and internal traffic and pedestrian circulation.

Since June, the HOC-Duffie team has worked diligently with DOT and Planning staff to redesign the Hillandale Gateway site to accommodate DOT's and Planning's requests.

Summary of major comments received and revisions made:

- 1 Comment:** Revise bus pick-up/drop-off area to include transit station with restroom facility, three bus sheds and queuing spaces for three 40' busses.

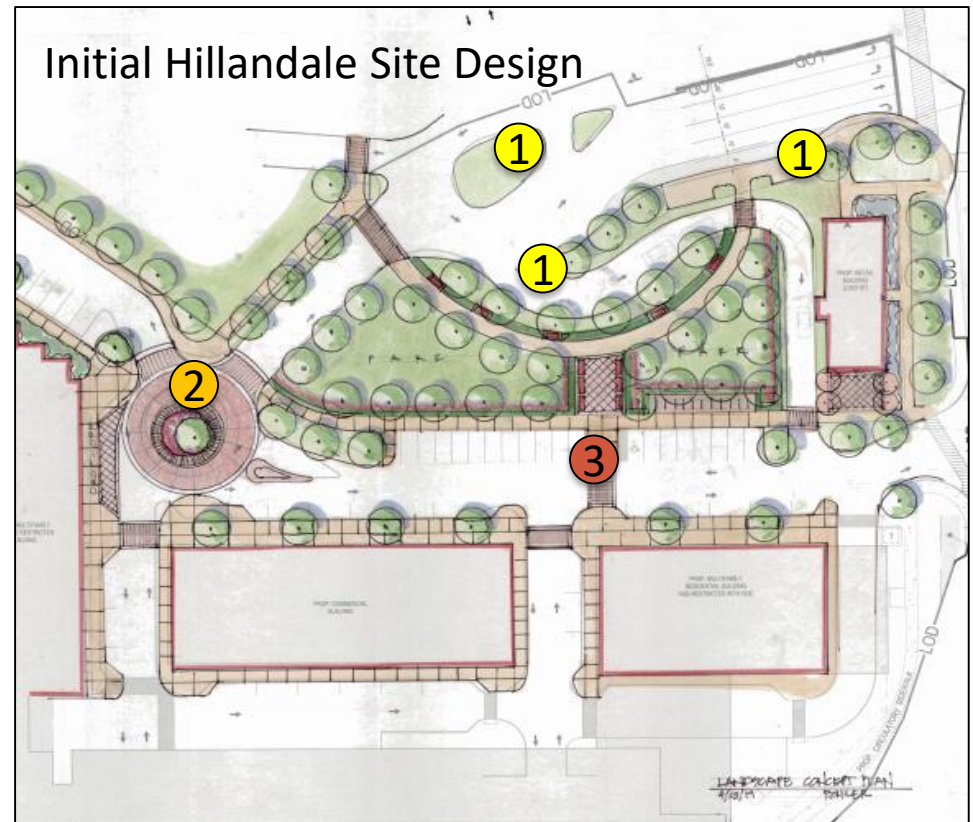
Response: Revisions made. Accommodating these revisions also required reconfiguration of the Powder Mill roundabout and Starbucks drive through entrance.

- 2 Comment:** Modify internal roundabout to reduce vehicular speed through the site and improve pedestrian safety. Consider four-way stop in lieu of circle.

Response: Maintained internal circle, but changed curb radii, adjusted circle location and implemented traffic calming measures to reduce vehicular speed through the site.

- 3 Comment:** Consider inclusion of a "festival street" to improve connection between residential/commercial buildings and public spaces.

Response: Revision made. Also fine-tuned the open green space to create more inviting public spaces.



Revised Site Plan Submission

- 1 URBAN PLAZA
- 2 NATURAL AREA
- 3 OPEN LAWN GRASS AREA - WITH MOVABLE FURNITURE AND EVENTING STAGE
- 4 BIKE STATION - IN COMMUTER LOCATION
- 5 PARK SCULPTURE
- 6 GRAND CORNER CANOPY FOR TENANT SIGNAGE IDENTITY
- 7 OPTIONAL RECESSED STOREFRONT FOR COVERED DINING
- 8 FESTIVAL STREET WITH REMOVABLE BOLLARDS
- 9 FLEXIBLE LAWN SPACE WITH MOVABLE SEATING
- 10 DINING TERRACES
- 11 TRANSFORMERS IN GATED ENCLOSURE WITH BLDG.
- 12 PROPERTY LOADING/ MOVE IN
- 13 PROPERTY PICK-UP/ DROP-OFF



New Hampshire Avenue

2/5/2020

Revised Site Plan Submission



PARKS AND ACTIVE PUBLIC SPACE IDEAS



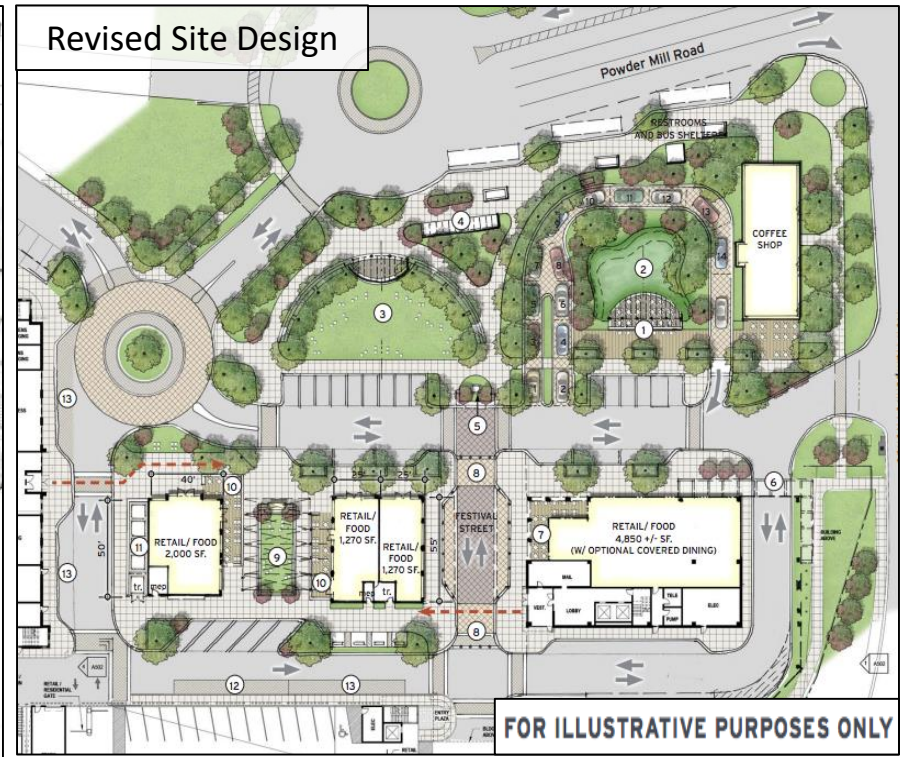
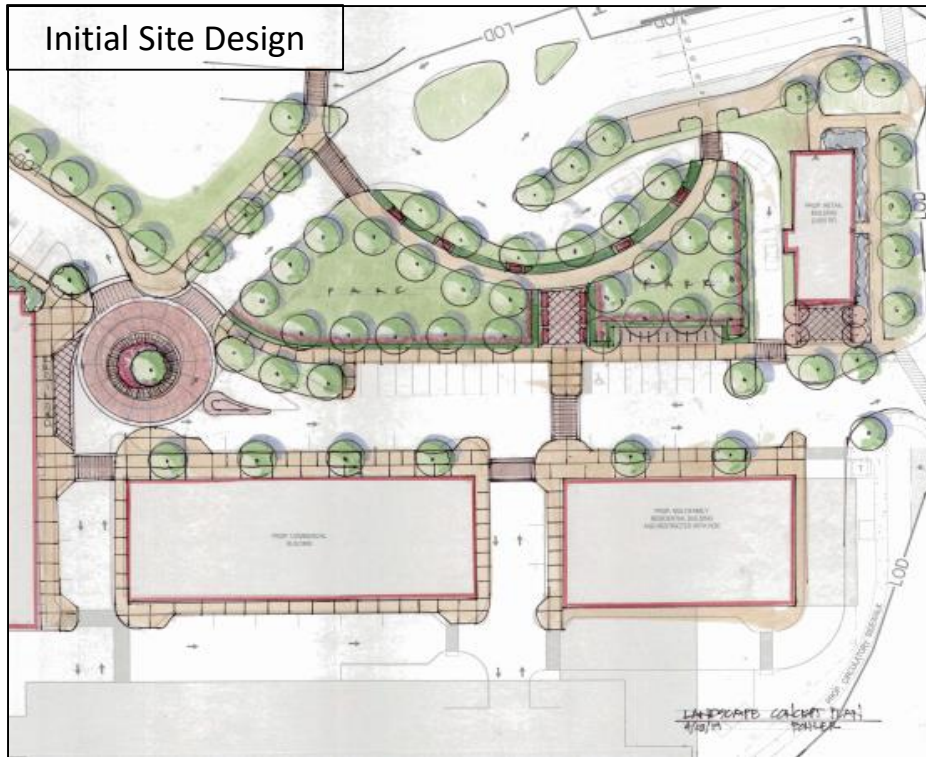
Revised Site Plan Submission



NEIGHBORHOOD SERVICE AND DINING ENVIRONMENTS



Side-by-Side Comparison



The HOC-Duffie team believes the revisions to the Site Plan, which incorporate the changes requested from Planning and DOT, as well as the smaller retail/restaurant pads, make Hillandale Gateway a more cohesive, attractive, and pedestrian-friendly community. Benefits of the revised site plan include improved vehicular and pedestrian circulation, more inviting and purposeful open spaces, and a smaller commercial presence that will activate the site (and generate income on the “Phase 2” pad) immediately.

The residential unit count, unit mix, and affordability will remain unchanged from what was submitted in the initial Site Plan. At least 25% of Hillandale Gateway’s units will be restricted to households earning 60% of the AMI or less and 5% of units will be restricted to households earning 80% of the AMI or less. Most of the development’s affordability will be housed in the Senior building; this is because as part of the property’s rezoning, 96 affordable senior units must be replaced as a part of any redevelopment, a requirement of the master plan. The Site Plan includes 59 market rate senior units such that the senior rental component has a mix of incomes. The remainder of the development’s affordable units will be housed in the multifamily building.

Predevelopment Budget

(A)	(B)	(C)	(D)	Variance		
Spending to Date (Actual)	CY 2020 (Budget)	CY 2021 (Budget)	Revised Total Predevelopment Budget	Original Predevelopment Budget	\$	%
\$3,271,877	\$4,426,060	\$292,500	\$7,990,437	\$6,268,661	\$1,721,776	27%

The proposed Site Plan revisions did not come without costs. First, the requested changes from DOT and Planning regarding bus queuing, the transit station, the internal roundabout and the festival street required multiple rounds of redesign and a significant increase in predevelopment spending for design and engineering. It also added approximately a seven-month delay to the entitlement process, causing an increase in development fees, financing interest and other carrying costs.

Staff is seeking Commission approval of the revised predevelopment budget of \$7,990,437 (Column D), representing \$3,271,877 in predevelopment funding spent to date (Column A) and \$4,718,560 in anticipated predevelopment spending to be incurred from January 2020 through closing of construction financing (Column B+C). As outlined above, the predevelopment budget for CY 2020 is \$4,426,060 (Column B) and the predevelopment budget for CY 2021 through construction financing is \$292,500 (Column C).

Staff is also requesting approval of funds in an amount up to \$2,868,000 to cover CY 2020 predevelopment costs. There is currently \$1,558,844 of previously approved predevelopment funding for Hillandale Gateway that has not been spent due to the delay in the entitlement process. Staff will return to the Commission in January 2021 to seek approval for the remaining predevelopment funding for Hillandale Gateway.

	Source	Resolutions	Amount
<i>Predevelopment Installment 1</i>	OHRF	Res 15-79	\$546,000
<i>Predevelopment Installment 2</i>	OHRF	Res 17-18	\$1,341,500
<i>Predevelopment Installment 3</i>	OHRF	Res 19-10	\$1,616,970
Subtotal of OHRF Loans			\$3,504,470
<i>CONA Sale</i>	HOC Share of Proceeds	Res 19-21AS	\$1,326,251
Total Funds Approved			\$4,830,721
<i>Funds Spent as of 12/31/2019</i>			\$3,271,877
Remaining Approved Funds (Unspent)			\$1,558,844
<i>CY 2020 Predevelopment Budget</i>			\$4,426,060
Additional CY2020 Funds Needed	OHRF		\$2,867,216

Staff is requesting that the \$2,868,000 in predevelopment funds for CY 2020 be funded from the Opportunity Housing Reserve Fund (“OHRF”). The OHRF has sufficient unobligated funds to meet this new commitment, but once funded, Commission’s cash and General Obligation borrowing capacity is reduced by the amount of each draw.

Predevelopment Budget

Predevelopment Items	Original Budget	Revised Budget	Variance	
			\$	%
Entitlement and Permit Fees (1)	\$203,030	\$680,703	\$477,673	28%
Architectural Design (2)	\$1,650,000	\$1,970,111	\$320,111	19%
Civil Engineering (3)	\$332,000	\$611,074	\$279,074	16%
MEP	\$595,000	\$615,000	\$20,000	1%
Other Land Design and Engineering	\$380,000	\$393,777	\$13,777	1%
Sustainability Certifications	\$0	\$77,465	\$77,465	4%
Other Consultants	\$1,112,225	\$1,078,653	\$33,571	-2%
Developer Fees (4)	\$1,300,000	\$1,500,000	\$200,000	12%
Legal	\$400,000	\$512,754	\$112,754	7%
Financing (5)	\$36,400	\$109,500	\$73,100	4%
Branding and Marketing	\$227,753	\$261,289	\$33,536	2%
Misc. Fees, Taxes and Expenses	\$32,253	\$43,574	\$11,321	1%
Financing Interest	\$0	\$136,536	\$136,536	8%
TOTAL	\$6,268,661	\$7,990,437	\$1,721,776	100%

The largest increases to the predevelopment budget are within the following categories:

- 1. Entitlement and Permit Fees:** \$390K of the \$478K increase in this category is due to the upfront payment of half of the total permit fees for the project. This amount has been moved from the development budget to our predevelopment budget due to the timing of the payment.
- 2. Architectural Design:** This increase is to design and produce construction drawing sets for the new retail/restaurant pads that will be developed as part of phase 1. Under the original site plan design, this architectural design cost would have been significantly higher (due to the size and scale of the initial commercial building), but would not have been incurred until the second phase of development.
- 3. Civil Engineering:** The majority of this increase is due to the multiple redesigns of the traffic improvements along Powder Mill Road. \$140K of this budget item will be offset by a \$140K reduction in transportation impact fees in the development budget.
- 4. Developer Fees:** This increase is due to the delay in entitlement. Per the venture operating agreement, HOC and Duffie will split a \$20,000 per month development fee 20% to 80% during the entitlement and permitting period. HOC will receive \$40,000 in additional developer fees than originally anticipated.
- 5. Financing Interest:** This increase is due to the delay in entitlement. An additional \$136,536 in interest will be paid (to HOC) on the predevelopment funds HOC has loaned the venture.

Predevelopment Timeline

- **Final Site Plan Submission**

Feb.
2020

May
2020

- **File for Permits**

Oct.
2021

July
2021

Outside date for closing on LIHTC and Construction Financing and Begin Construction

Nov.
2021*

- **Planning Board Approval**
- **Begin Construction Drawings**
- **Explore Financing Options**

- **Receive Permits**
- **Close on LIHTC and Construction Financing**
- **Begin Construction**

*Hillandale Gateway will be the first development in the County to use Prescient, a patented, prefabricated light steel hybrid framing system that facilitates the construction of multi-unit buildings with greater speed, lower cost and environmental sustainability. The HOC-Duffie development team has met with and will continue to meet with County officials, prior to filing for permits, in order to minimize delays in the permitting process and provide information regarding the Prescient system. While July 2021 is the ideal date by which to begin construction, November 2021 is the outside date by which the development team anticipates receiving permits, closing on LIHTC and construction financing and beginning construction.

Prior Commission Action

- On October 7, 2015, the Commission approved a predevelopment budget to fund the first 15 months of predevelopment activity related to the redevelopment of Holly Hall. (RESOLUTION 15-79)
- On March 1, 2017, Staff provided a Hillandale design update to the Commission and the Commission approved a revised budget for 12 months of predevelopment activity related to the redevelopment of Holly Hall. (RESOLUTION 17-18)
- On January 9, 2019, Staff presented a Hillandale design update to the Commission and the Commission approved a revised budget to fund predevelopment work through closing of construction financing. (RESOLUTION 19-10)
- On February 6, 2019, the Commission approved the sale of the CONA Site to Duffie and authorized HOC's portion of the proceeds from the disposition of the CONA site to remain with Hillandale Gateway, LLC and be used for future predevelopment and development activities. (RESOLUTION 19-21AS)
- On May 8, 2019, the Commission approved the site design and authorized the submission an application to the Planning Board for Site and Subdivision Plan approval. (RESOLUTION 19-56)

Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to:

1. Approve the redesigned Site Plan for Hillandale Gateway for final submission to the Montgomery County Planning Board?
2. Approve a revised Hillandale Gateway predevelopment budget of \$7,990,437, representing \$3,271,877 in predevelopment funding spent to date and \$4,718,560 in anticipated predevelopment spending to be incurred from January 2020 through closing of construction financing?
3. Authorize the funding of up to \$2,868,000, representing the remaining amount of funds needed to cover predevelopment costs for CY 2020?
4. Authorize funding the predevelopment amount of \$2,868,000 in the form of a loan from the OHRF?

TIME FRAME

For action at the February 5, 2020 meeting of the Commission.

COMMITTEE RECOMMENDATION

The Development and Finance Committee met on January 24, 2020 and voted to advance these items to the full Commission for approval.

BUDGET/FISCAL IMPACT

There is no adverse change to the current Agency operating budget. HOC will receive \$24,000 in development fees through the end of Fiscal Year 2019. The balance of the OHRF would be reduced by each draw, up to the \$2,868,000 that is approved.

Summary and Recommendations

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and:

1. Approve the redesigned Site Plan for Hillandale Gateway for final submission to the Montgomery County Planning Board.
2. Approve a revised Hillandale Gateway predevelopment budget of \$7,990,437, representing \$3,271,877 in predevelopment funding spent to date and \$4,718,560 in anticipated predevelopment spending to be incurred from January 2020 through closing of construction financing.
3. Authorize the funding of \$2,868,000, representing the remaining amount of funds needed to cover predevelopment costs for CY 2020.
4. Authorize funding the predevelopment amount of \$2,868,000 in the form of a loan from the OHRF.

RESOLUTION No.: 20-13

RE: Approval to Submit the Revised Site Plan for the Development of Hillandale Gateway; Approval of Revised Predevelopment Budget; and Approval of CY 2020 Predevelopment Funding

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), is the owner of a 96-unit rental property in Hillandale known as Holly Hall Apartments located on approximately 4.35 acres of land at 10110 New Hampshire Avenue, Silver Spring, MD 20903 (“Holly Hall”); and

WHEREAS, HOC is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC, the entity that will redevelop the Holly Hall site; and

WHEREAS, on July 11, 2014, HOC purchased a 43,671 square foot parcel of land located at the southwest corner of Powder Mill Road and New Hampshire Avenue (the “CONA Site”) from Capital One Bank, N.A.;

WHEREAS, on July 8, 2015, the Commission authorized the creation of a joint venture between The Duffie Companies (“Duffie”) and HOC (together, the “Development Team”) to redevelop Holly Hall and the CONA Site (“the Redevelopment Properties”), where HOC will contribute the Redevelopment Properties and Duffie contributed cash, both purchasing respective ownership interests (70% to HOC and 30% to Duffie) in the venture; and

WHEREAS, on October 7, 2015, March 1, 2017, and January 9, 2019 the Commission authorized loans to Hillandale Gateway, LLC from HOC’s Opportunity Housing Reserve Fund (“OHRF”) in the total amount of \$3,504,470 to fund predevelopment activities related to the redevelopment of the Redevelopment Properties; and

WHEREAS, on January 3, 2017 and on August 14, 2017 the Development Team submitted Concept Plan and Sketch Plan applications, respectively, to the Montgomery County Planning Board (“Planning Board”) for the Redevelopment Properties, and on November 16, 2017, the Planning Board approved the Sketch Plan application; and

WHEREAS, on May 8, 2019, the Commission approved the site design (the “Site Plan”) for the Redevelopment Properties, which comprised of one age-restricted apartment building, one non-age-restricted apartment building, one parking garage, one free standing retail building with drive-through (together, “Phase One”), and one commercial building (“Phase Two”), and authorized the Development Team to submit an application to the Planning Board for Site Plan approval for the Redevelopment Properties;

WHEREAS, the Development Team has revised the Site Plan for the Redevelopment Properties in response to comments received from Montgomery County’s Planning Department and Department of Transportation;

WHEREAS, the Development Team has explored alternative development options to Phase Two, and recommends replacing the Phase Two commercial building with two smaller restaurant and/or retail

pads ("Pads"), to be delivered as part of Phase One, and to include these Pads in the revisions to the Site Plan ("Revised Site Plan") for the Redevelopment Properties;

WHEREAS, the Commission desires to approve the Revised Site Plan and authorize the Development Team to submit the Revised Site Plan to Montgomery County's Planning Department;

WHEREAS, the Commission desires to approve a revised predevelopment budget in the amount of \$7,990,437, representing \$3,271,877 in predevelopment funding spent to date and \$4,718,560 in anticipated predevelopment spending of the Redevelopment Properties through close of construction financing (anticipated to occur in 2021); and

WHEREAS, the Commission desires to approve predevelopment funding for calendar year 2020 in an amount up to \$2,868,000 to cover predevelopment costs of the Redevelopment Properties through December 31, 2020; and

WHEREAS, staff recommends approval of a loan in the amount of \$2,868,000 to Hillandale Gateway, LLC to be funded from HOC's OHRF to cover predevelopment and entitlement work for the Redevelopment Properties for calendar year 2020, and such loan shall accrue interest at the applicable federal rate and will be repaid from the proceeds of Hillandale Gateway, LLC's redevelopment construction-period financing.

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures for the redevelopment of the Redevelopment Properties in an amount not to exceed \$100,000,000, *all or a portion of which may reimburse* the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission's expenditures within 18 months of the later of the date of such capital expenditures or the date that the Redevelopment Properties is placed in service (but in no event more than 3 years after the date of the original expenditure of such moneys); and

WHEREAS, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission's future tax-exempt borrowing for such projects named in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the Revised Site Plan for the Redevelopment Properties and authorizes the Development Team to submit the Revised Site Plan to Montgomery County's Planning Department.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the revised predevelopment budget of \$7,990,437, representing \$3,271,877 in predevelopment funding spent to date and \$4,718,560 in anticipated predevelopment spending for the redevelopment of the Redevelopment Properties through closing of construction financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves predevelopment funding for calendar year 2020 in an amount up to \$2,868,000 to cover predevelopment costs related to the redevelopment of the Redevelopment Properties through December 31, 2020.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, that it authorizes a loan to Hillandale Gateway, LLC from HOC's OHRF in the amount of \$2,868,000, accruing interest at the applicable federal rate and to be repaid at the closing of Hillandale Gateway, LLC's redevelopment construction-period financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of HOC at Hillandale Gateway, LLC, as its sole member, that the Executive Director, or his designee, is authorized to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related to Hillandale Gateway, LLC's acceptance of the loan from HOC's OHRF in an amount up to \$2,868,000.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to finance costs related to the redevelopment and other expenditures of the Redevelopment Properties located in the Hillandale area of Montgomery County, with moneys currently contained in its OHRF and any other funds of the Commission so designated for use by the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that all of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings will be incurred not earlier than 60 days prior to the date of this Resolution except preliminary expenditures as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$100,000,000 will be applied to reimburse the Commission for its expenditures in connection with the Redevelopment Properties.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that all prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the redevelopment of the Redevelopment Properties, shall be and the same hereby are in all respects ratified, approved and confirmed.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that all other resolutions of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the *extent* of such inconsistency.

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on February 5, 2020.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Commission

**WHEATON GATEWAY: APPROVAL OF CY 2020
PREDEVELOPMENT BUDGET AND FUNDING; APPROVAL OF A
LOAN TO WHEATON GATEWAY, LLC; APPROVAL OF THE
CONCEPT PLAN FOR THE REDEVELOPMENT OF THE
AMBASSADOR/LINDSAY FORD/MATTRESS FIRM SITES**

Wheaton Gateway



STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE BROWN
ZACHARY MARKS
MARCUS ERVIN
GIO KAVILADZE

February 5, 2020

Table of Contents - Update

Topics	Page
Executive Summary	3
Development Plan	4
Concept Design – Massing	5
Predevelopment Budget CY2020	8
Predevelopment Timeline	9
Summary and Recommendations	11

Executive Summary

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 is jointly owned as a condominium between HOC and an affiliate of WillCo, LLC (“WillCo”), acquisition of the Lindsay Ford Holdings site could not only result in 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 redevelopment of both sites, which would deliver approximately 1,000 units at full buildout, is a vision shared by the Planning staff during the Master 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, (“LAG Properties”) generally located at 11250 Veirs Mill Road, as well as a small patch of ground across East Avenue at the corner of Upton Drive and approximately 1.6 acres across Veirs Mill Road (together with the dealership, the “Lindsay Ford Holdings”), from 11250 Veirs Mill Road LLC (“Lindsay Automotive Group or “LAG”).



On **January 17, 2019**, the Commission completed the acquisition of the eleven (11) parcel 5.4 acre Lindsay Ford dealership site located at 11250 Veirs Mill Road, Wheaton MD, which marks several years of negotiation to secure one of the largest and most impactful redevelopment opportunities in Wheaton by combining it with the Commission’s adjacent Ambassador Apartments site.

In keeping with the “gateway” concept that HOC and The Duffie Companies (“Duffie”), a third-generation, Montgomery County-based, family-owned real estate owner, developer, and asset manager have begun to promote as a part of their Hillandale Gateway development and ownership venture, HOC and Duffie produced a similar “gateway” concept know as Wheaton Gateway LLC, which will be the joint venture (“JV”) owner of the Wheaton Venture, LLC development entity among HOC, Duffie, and WillCo, a third generation real estate development and investment company based in Montgomery County. As HOC’s development partner and master developer for this effort, Duffie will be responsible for managing the day-to-day project activities, feasibility analysis, and crafting the vision for the project.

On **November 12, 2019**, a venture between Wheaton Gateway and WillCo was formed (“Wheaton Venture”) and the mechanism for the contribution of the West Site and Ambassador component properties was agreed upon.

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and approve the following to advance the predevelopment efforts of the Venture:

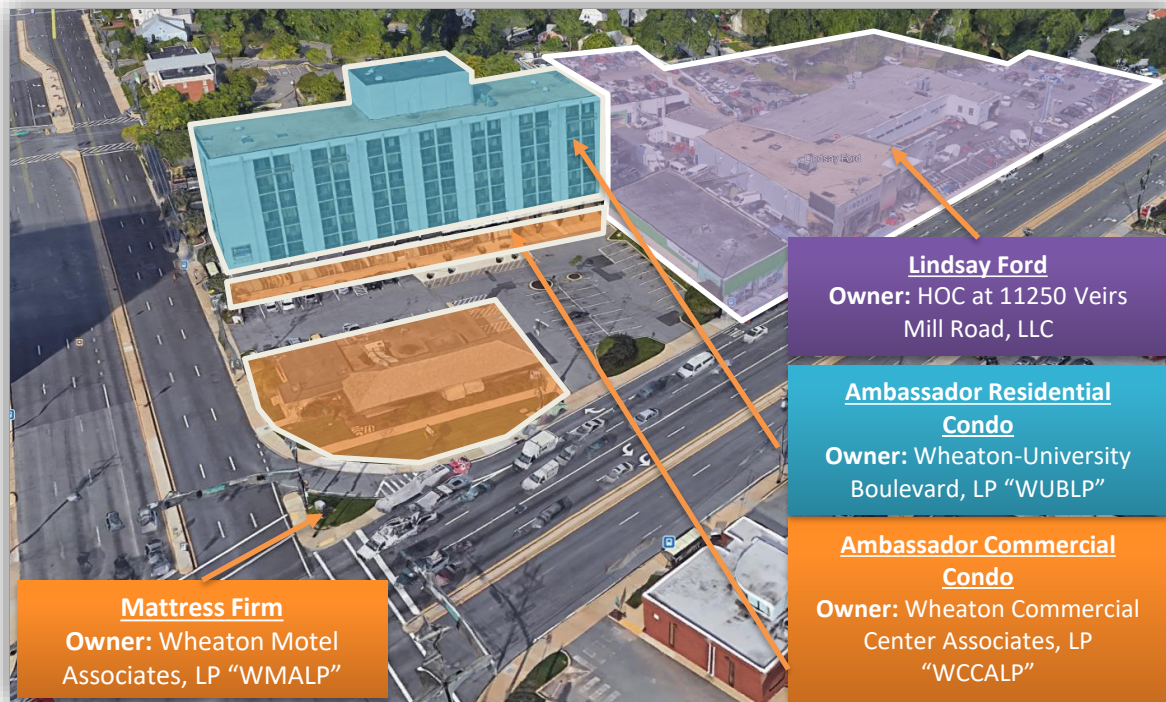
- 1) The CY20 Predevelopment Budget in an amount of \$2,392,500, which shall be funded from the Commission’s Opportunity Housing Reserve Fund (“OHRF”);
- 2) The CY20 Predevelopment Funding in an amount of \$1,196,250 from the OHRF, which represents 6-months of CY2020 predevelopment budget;
- 3) A loan in an amount of \$1,196,250 to Wheaton Gateway, LLC at an interest at the greater of Prime or 6% to fund the ongoing predevelopment costs for Wheaton Venture, LLC; and,
- 4) Submission of the Concept Plan for the redevelopment of the west side of Veirs Mill Rd known as the Wheaton Gateway Development.

Development Plan

HOC closed on the acquisition of the eleven parcels comprising the Lindsay Ford site on **January 17, 2019**. Title to all of these parcels is currently held by HOC at 11250 Veirs Mill Road, LLC, a single-purpose entity wholly-owned by HOC (the "Veirs Mill Property SPE"). The parcels are comprised of two major groups: eight (8) parcels west of Veirs Mill road commonly referred to as "Veirs Mill West" and three parcels east of Veirs Mill Road commonly known as "Veirs Mill East" **The parcel contribution by the parties results in the following:**

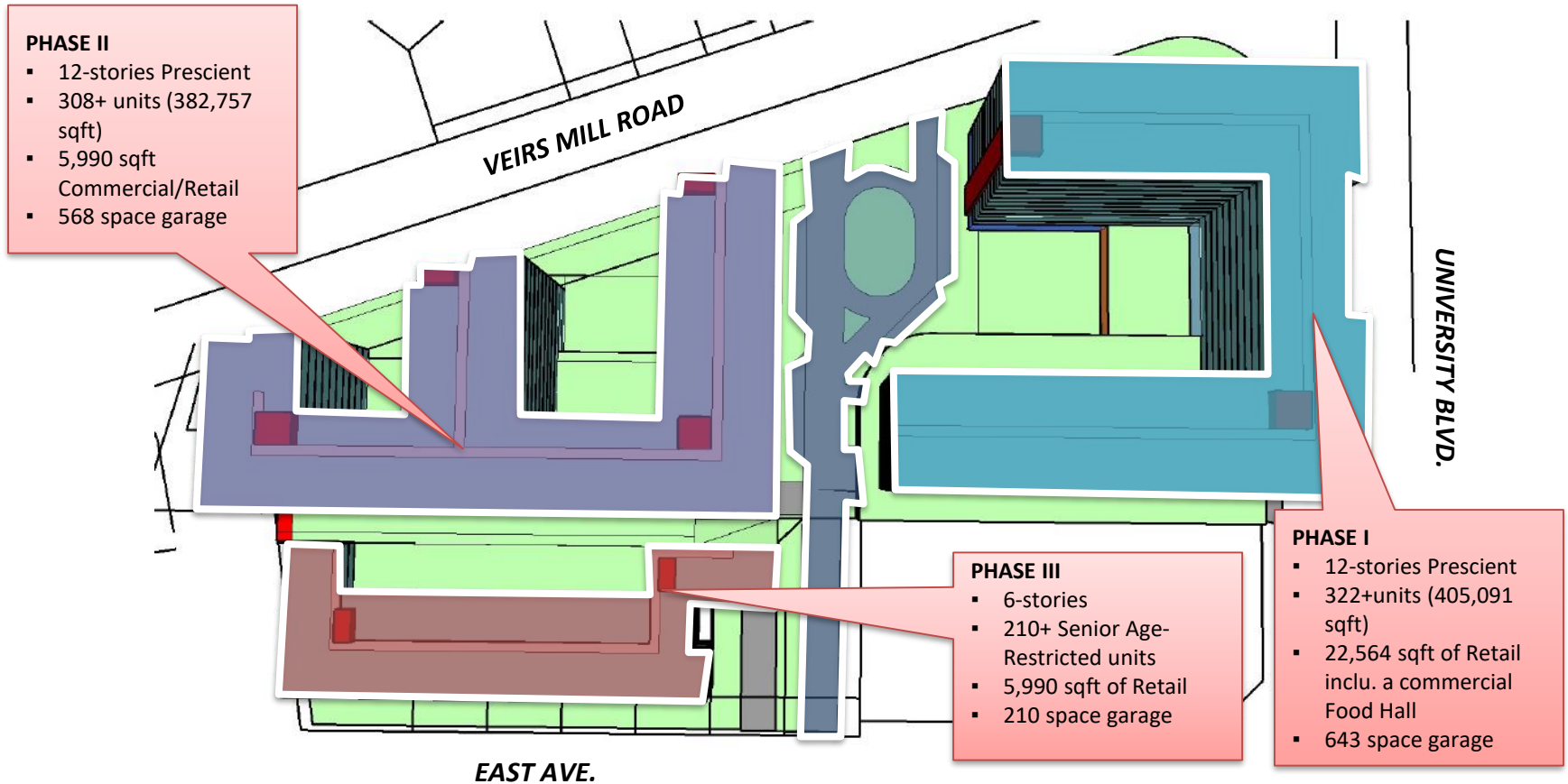
1. Further the advancement and execution of the Consent Demolition Agreement to effectuate demolition of the Ambassador Apartments;
2. Permit participation by WillCo in the overall redevelopment of Veirs Mill West through the contribution of their retail portion of the Ambassador, and
3. Allow for greater parcel aggregation through the contribution of WillCo's Mattress Firm property.

Veirs Mill West - HOC/WillCo Ownership



The combination of the HOC-owned LAG parcels located on the Veirs Mill West portion along with WillCo's commercial components, will allow for a more impactful redevelopment program that will incorporate a mix of uses including high-quality mixed-income multifamily housing; a public greenspace located in the area of the current Mattress Firm parcel that will not only act as a well-needed traffic calming measure, but provide needed passive and active recreational open space; and a curated selection of retail mixes including office, meeting/maker spaces, and a Food Hall incubator that will serve as an economic development initiative and a new destination for celebrating the culinary arts and multicultural vibrancy that embodies Wheaton's uniqueness. 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.

Conceptual Design – Massing



DEVELOPMENT NARRATIVE SUMMARY: The current concept reflects three (3) distinct development phases that would be delivered over several years. Phase I, which incorporates the Ambassador Apartments & Mattress Firm parcels will include a 12-story building with 322-units, a commercial food hall, and an estimated 643-space garage. Phase II incorporates a companion 308-unit Prescient building with a small amount of commercial retail, and 568-space garage. Phase III envisions a smaller 210-unit age-restricted development along East Ave.

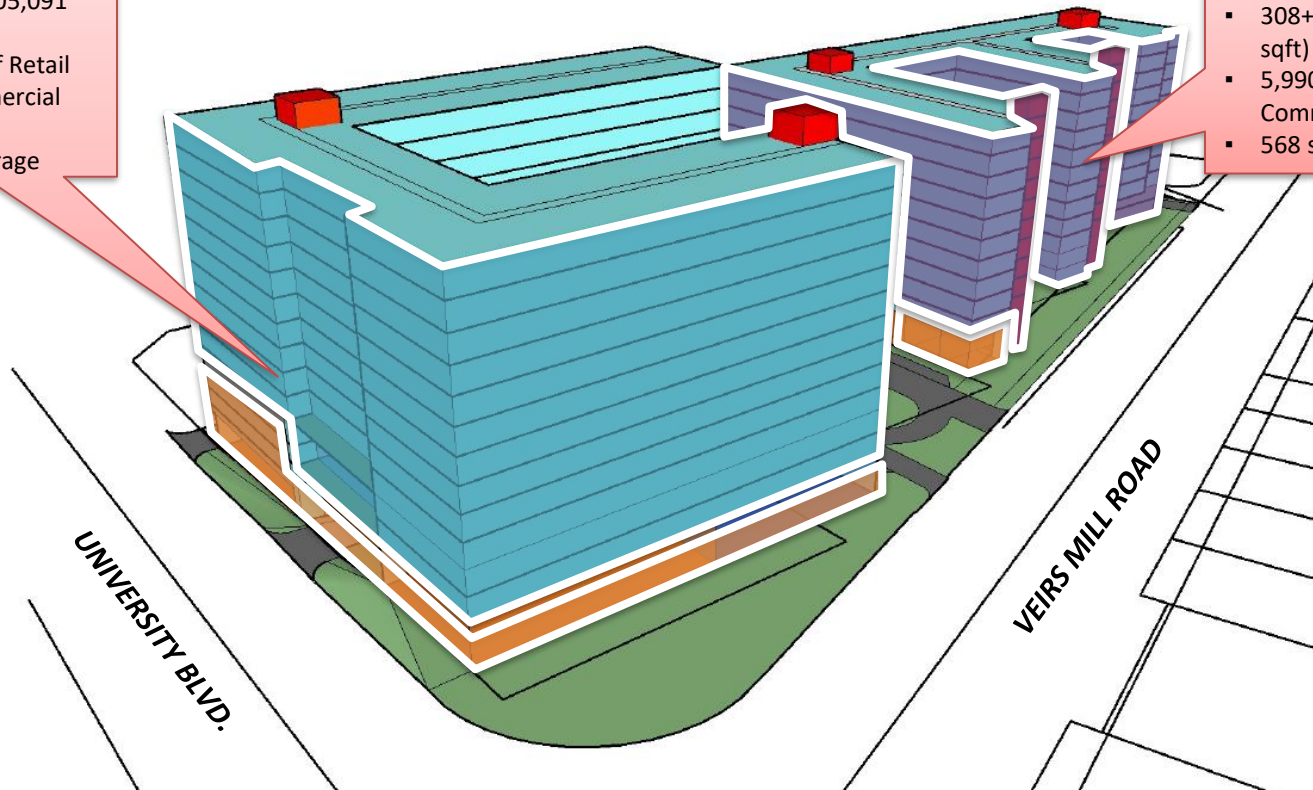
Conceptual Design – Massing

PHASE I

- 12-stories Prescient
- 322+ units (405,091 sqft)
- 22,564 sqft of Retail inclu. a commercial Food Hall
- 643 space garage

PHASE II

- 12-stories Prescient
- 308+ units (382,757 sqft)
- 5,990 sqft Commercial/Retail
- 568 space garage

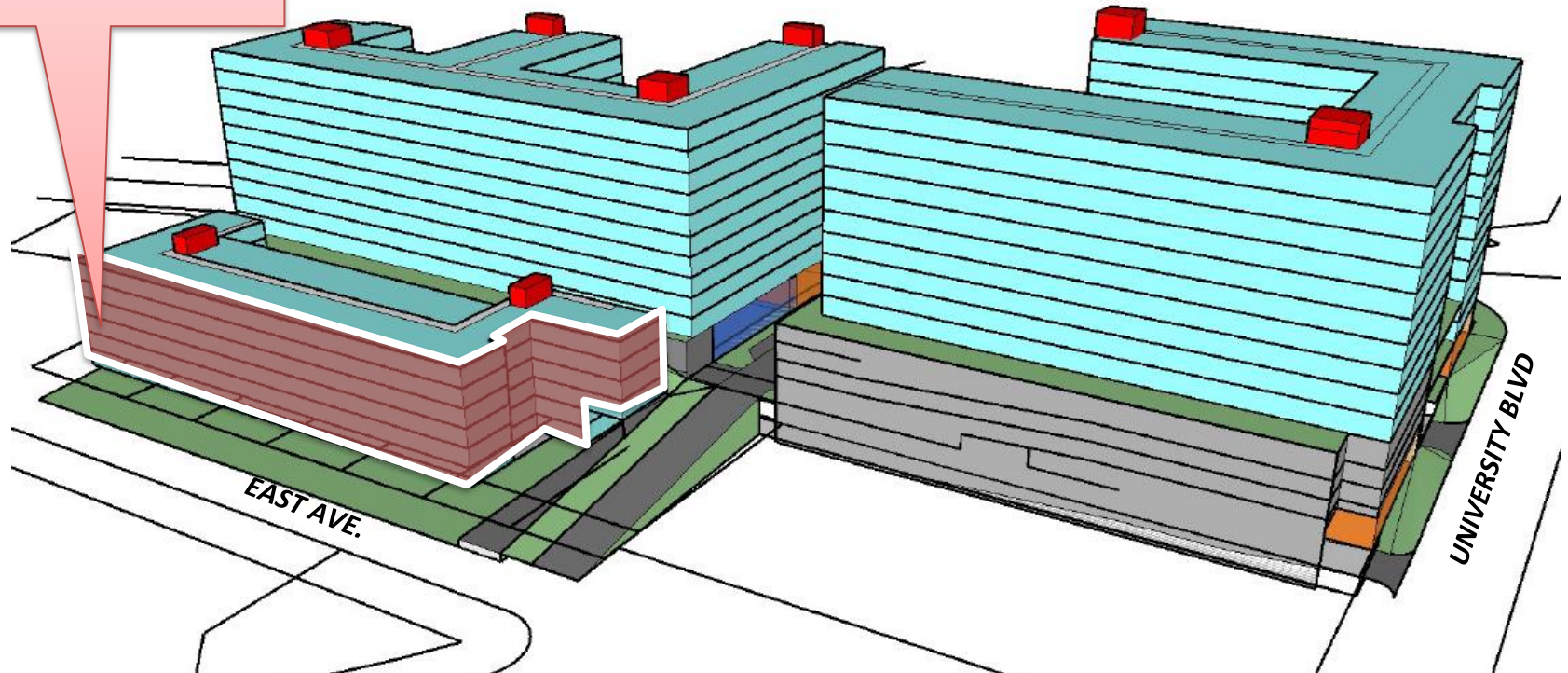


DEVELOPMENT NARRATIVE SUMMARY: The current concept reflects three (3) distinct development phases that would be delivered over several years. Phase I, which incorporates the Ambassador Apartments & Mattress Firm parcels will include a 12-story building with 322-units, a commercial food hall, and an estimated 643-space garage. Phase II incorporates a companion 308-unit Prescient building with a small amount of commercial retail, and 568-space garage. Phase III envisions a smaller 210-unit age-restricted development along East Ave.

Conceptual Design – Massing

PHASE III

- 6-stories
- 210+ Senior Age-Restricted units
- 5,990 sqft of Retail
- 210 space garage



DEVELOPMENT NARRATIVE SUMMARY: The current concept reflects three (3) distinct development phases that would be delivered over several years. Phase I, which incorporates the Ambassador Apartments & Mattress Firm parcels will include a 12-story building with 322-units, a commercial food hall, and an estimated 643-space garage. Phase II incorporates a companion 308-unit Prescient building with a small amount of commercial retail, and 568-space garage. Phase III envisions a smaller 210-unit age-restricted development along East Ave.

CY 2020 Pre-Development Budget

WHEATON GATEWAY- Predevelopment Budget 2020

(B) Total Original Budget (Inception)	(C) Act. Cost Spent to Date (Inception)	(D) (2019 Budget)	(E) (2019 Actual Spent)	(F) Available Budget Remaining B - C	(G) (2020 Budget)	(H) (2021+Budget)	(I) Revised Total Budget 2020 C + G + H	(J) Total Budget Variance B - I
\$ 7,292,604	\$ 1,169,253	\$ 1,026,614	\$ 738,735	\$ 6,123,351	\$ 2,392,500	\$ 4,987,000	\$ 8,548,753	\$ 1,256,149

Staff is seeking Commission approval of the CY 2020 predevelopment budget of \$2,392,500 (Column G) to cover design and entitlement expenditures. As presented, the predevelopment budget for CY 2020 is \$2,392,500 and the predevelopment budget for CY 2021 and beyond is \$4,987,000 (Column H). To date, approximately 72% or \$738,735 (Column E) of the CY 2019 predevelopment budget of \$1,026,614 (Column D) has been expended, which leaves \$287,879.

Staff is also requesting approval of funds in the amount of \$1,196,250 or 50% of the total CY 2020 predevelopment budget to cover the first 6-months of predevelopment expenditures. Staff will return to the Commission within six (6) months of this request to update the Commission on the status of the project and to request approval for the remaining CY 2020 predevelopment funding (\$1,196,250).

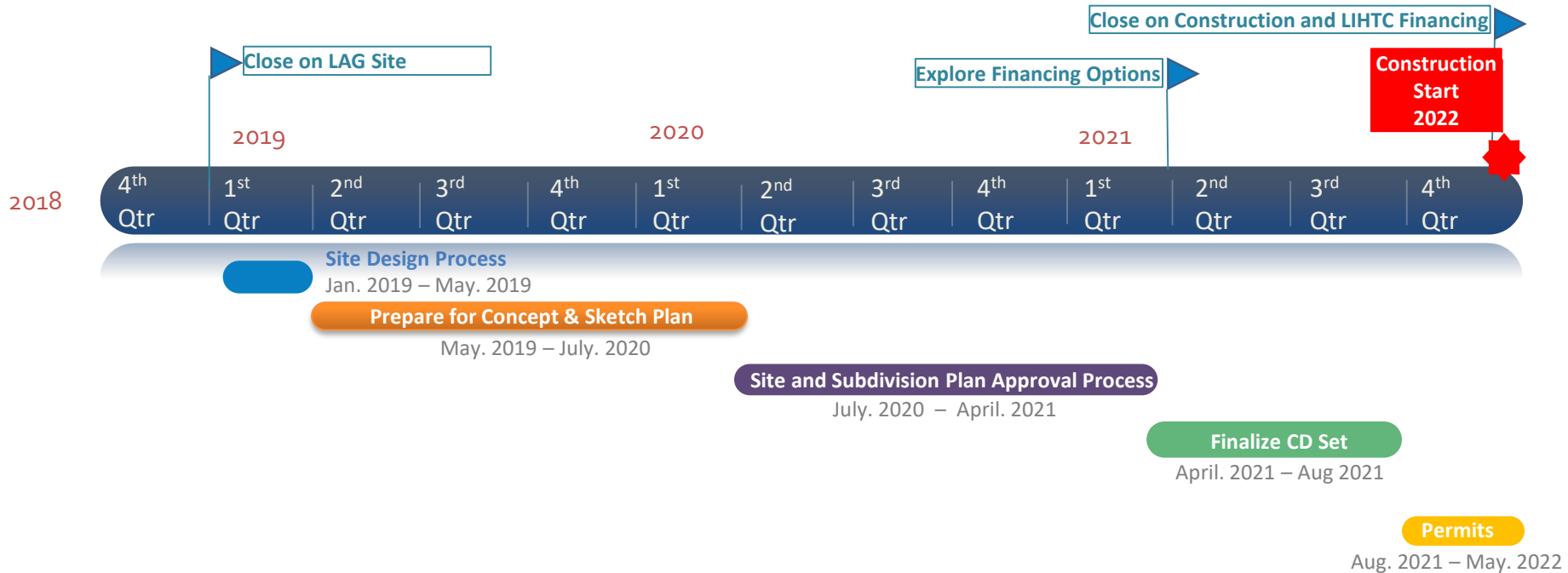
OHRF Funding		Source	Amount
<i>Loan for Feasibility Fund and Earnest Money Deposit</i>		OHRF	\$ 215,000
<i>Loan for Second Earnest Money Deposit</i>		OHRF	\$ 250,000
<i>Initial Loan for development funding for redevelopment of Lindsey Ford Holdings</i>		OHRF	\$ 1,500,000
Total Funds Approved			\$ 1,965,000
<i>Funds Spent as of 12/31/2019</i>			<i>\$ (1,355,986)</i>
Remaining Approved Funds to be Spent			\$ 609,014
<i>CY 2020 Predevelopment Budget</i>			<i>\$ 2,392,500</i>
Additional CY2020 Funds Requested		OHRF	\$ 1,783,486

Staff recommends that the predevelopment funding be from the Commission's OHRF, which currently has sufficient unobligated funds available for this request, and will be loaned, upon Commission's approval, to Wheaton Gateway, LLC at an interest at the greater of Prime or 6% to fund the ongoing predevelopment costs for Wheaton Venture, LLC.

Predevelopment Timeline – Master Schedule

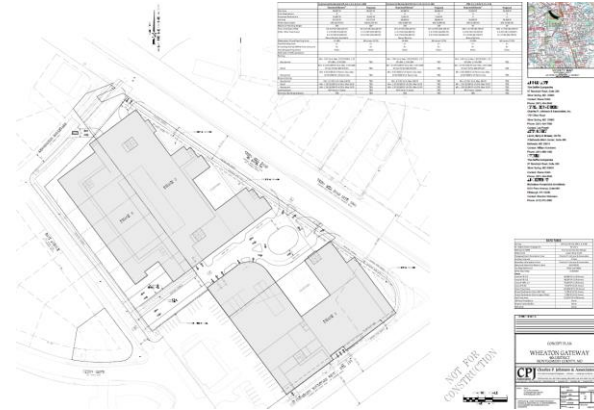
Wheaton Gateway Predevelopment Schedule

December 2018 through May 2022



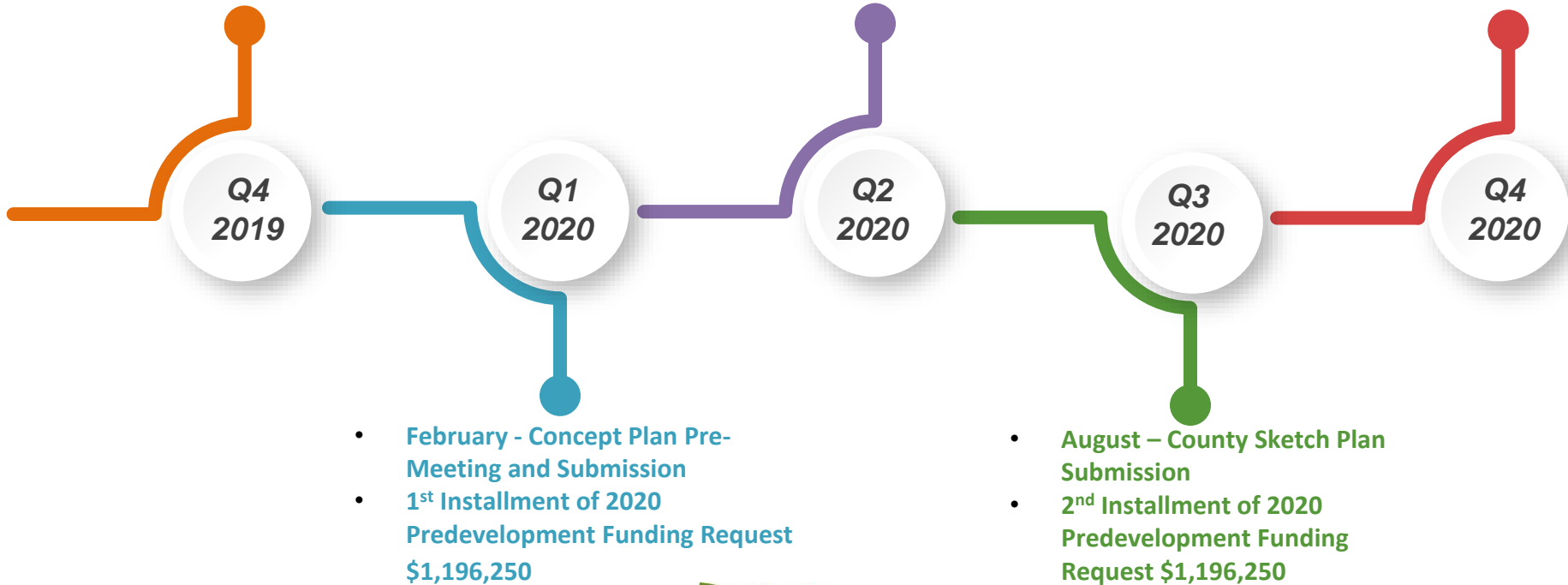
Predevelopment Timeline – CY 2020 Milestones

Ambassador Demolition (Q4 2019 Start | Q2 2020 Completion)



• Ongoing Design

• Ongoing Design



Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to:

1. Approve the CY20 Predevelopment Budget in an amount of \$2,392,500, which shall be funded from the OHRF?
2. Approve the CY20 Predevelopment Funding in an amount of \$1,196,250 from the OHRF, which represents 6-months of CY20 predevelopment budget?
3. Approve a loan in an amount of \$1,196,250 to Wheaton Gateway, LLC at an interest at the greater of Prime or 6% to fund the ongoing predevelopment costs for Wheaton Venture, LLC?
4. Approve the submission of the Concept Plan for the redevelopment of the west side of Veirs Mill Rd known as the Wheaton Gateway Development?

BUDGET/FISCAL IMPACT

There is no adverse impact on the Commission's FY2020 Operating Budget. By funding the predevelopment budget, the Commission's cash and therefore its General Obligation borrowing capacity is reduced by the amount funded.

TIME FRAME

For action at the February 5, 2020 meeting of the Commission.

Summary and Recommendations

COMMITTEE RECOMMENDATION

The Development and Finance Committee met on January 24, 2020 and voted to advance this item to full Commission for approval.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and:

1. Approve the CY20 Predevelopment Budget in an amount of \$2,392,500, which shall be funded from the OHRF;
2. Approve the CY20 Predevelopment Funding in an amount of \$1,196,250 from the OHRF, which represents 6-months of CY20 predevelopment budget;
3. Approve a loan in an amount of \$1,196,250 to Wheaton Gateway, LLC at an interest at the greater of Prime or 6% to fund the ongoing predevelopment costs for Wheaton Venture, LLC; and
4. Approve the submission of the Concept Plan for the redevelopment of the west side of Veirs Mill Rd known as the Wheaton Gateway Development.

RESOLUTION No.: 20-14

RE: Approval of the CY 2020 Predevelopment Budget and Funding for Wheaton Gateway; Approval of a Loan to Wheaton Gateway, LLC; Approval of the Concept Plan for the Redevelopment of the Ambassador Apartments/Lindsay Ford/Mattress Firm Sites

WHEREAS, Wheaton-University Boulevard Limited Partnership, a Maryland limited partnership, a subsidiary of HOC, owns the residential condominium unit in a vacant and to-be-demolished 162-unit mixed-use rental property (the “Ambassador Condo”) in Wheaton located at 2715 University Blvd W., Silver Spring, MD 20902 (the “Ambassador Property”); and

WHEREAS, Wheaton Commercial Center Associates Limited Partnership, a Maryland partnership (“WillCo”), which is part of a third generation real estate development and investment company based in Montgomery County, Maryland and commonly known as WillCo, owns the commercial condominium unit in the Ambassador Condo and owns the immediately adjacent approximately Fourteen Thousand and Twenty Three (14,023) square foot corner property at 11200 Veirs Mill Road in Wheaton, Maryland (the “Mattress Firm Property”); and

WHEREAS, HOC, in accordance with previous Commission resolutions, completed the acquisition of a site adjacent to the Ambassador Property and the Mattress Firm Property with a main address of 11250 Veirs Mill Road and commonly known as the “Lindsay Ford Property” on January 17, 2019 (and collectively with the Ambassador Property and the Mattress Firm Property, the “Property”); and

WHEREAS, HOC is holding the Lindsay Ford Property in a single purpose entity known as HOC at 11250 Veirs Mill Road, LLC (the “Venture Property Entity”); and

WHEREAS, on August 9, 2017, the Commission authorized the creation of a joint venture known as Wheaton Gateway, LLC between The Duffie Companies (“Duffie”) and HOC in order to further the potential redevelopment of the Ambassador Property and the surrounding area; and

WHEREAS, on August 9, 2017, the Commission authorized the creation of a joint venture known as Wheaton Gateway, LLC (“Wheaton Gateway”) between The Duffie Companies (“Duffie”) and HOC in order to further the potential redevelopment of the Ambassador Property and the surrounding area; and

WHEREAS, on April 3, 2019, the Commission authorized the creation of a joint venture, Wheaton Ventures, LLC (“Wheaton Venture”) between Wheaton Gateway and WillCo and approved a land assembly strategy in which HOC will contribute the Venture Property Entity to Wheaton Venture and then WillCo and HOC will convey the Mattress Firm Property and the Ambassador Property to the Venture Property; and

WHEREAS, in order to advance the predevelopment efforts of the Venture Property, the Commission desires to approve the Concept Plan for the redevelopment of the Property and authorize its submission to the Montgomery County Planning Department; and

WHEREAS, the Commission desires to approve the calendar year 2020 Predevelopment Budget in the amount of \$2,392,500 to cover predevelopment costs related to the redevelopment of the

Property (the “Wheaton Gateway Redevelopment”) and needed to continue with the design and planning options for the redevelopment plan; and

WHEREAS, staff recommends that the calendar year 2020 predevelopment budget be funded from the Opportunity Housing Reserve Fund (“OHRF”), which will be repaid upon the closing of the construction or permanent financing of the Properties; and

WHEREAS, staff recommends a draw of half of the calendar year 2020 predevelopment budget in the amount of \$1,196,250 from the OHRF, which shall be loaned to Wheaton Gateway, LLC at an interest at the greater of Prime or 6% to fund the ongoing predevelopment costs for the Wheaton Gateway Redevelopment; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures in an amount not to exceed \$125,000,000, all or a portion of which may reimburse the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission’s expenditures within 18 months of the later of the date of such capital expenditures or the date that the applicable project comprising the Wheaton Gateway Redevelopment to which such expenditure applies is placed in service (but in no event more than 3 years after the date of the original expenditure of such moneys); and

WHEREAS, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission’s future tax-exempt borrowing for such projects named in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the Concept Plan for the redevelopment of the Property and authorizes the Development Team to submit the Concept Plan to the Montgomery County Planning Department.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the calendar year 2020 total predevelopment budget of \$2,392,500 for the Wheaton Gateway Redevelopment through December 2020.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the calendar year 2020 predevelopment budget shall be funded from the OHRF, which will be repaid upon the closing of the construction or permanent financing of the Properties.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves a draw of half of the calendar year 2020 predevelopment budget in the amount of \$1,196,250 from the OHRF, which shall be loaned to Wheaton Gateway, LLC at an interest at the greater of Prime or 6% to fund the ongoing predevelopment costs for the Wheaton Gateway Redevelopment.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to finance costs related to the predevelopment and other expenditures of the Wheaton Gateway Redevelopment with moneys currently contained in its OHRF and any other funds of the Commission so designated for use by the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that all of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings will be incurred not earlier than 60 days prior to the date of this Resolution except preliminary expenditures as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$125,000,000 will be applied to reimburse the Commission for its expenditures in connection with the Wheaton Gateway Redevelopment.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that all prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the redevelopment of the Wheaton Gateway Redevelopment, shall be and the same hereby are in all respects ratified, approved and confirmed.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that all other resolutions of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as sole member of HOC at Wheaton Gateway, LLC ("HOC at Wheaton"), a member of Wheaton Gateway, that HOC, HOC at Wheaton and Wheaton Gateway are each authorized to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related to Wheaton Gateway, LLC's acceptance of the loan from HOC's OHRF in the amount of \$1,196,250.

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a closed Administrative Session conducted on February 5, 2020.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Commission

Deliberation and/or Action

Election of Officers

Future Action

Adjourn