

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

May 5, 2021

21-05

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, May 5, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:02 p.m. Those in attendance were:

Present

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

Absent

Linda Croom

Also Attending

Stacy Spann, Executive Director
Aisha Memon, General Counsel
Zachary Marks
Eamon Lorincz
Christina Autin
Jay Berkowitz
Lynn Hayes
Terri Fowler
Jennifer Arrington
Nathan Bovelie
Ian Hawkins
Jay Shepherd

Kayrine Brown, Deputy Executive Director
Cornelia Kent
Fred Swan
Patrick Mattingly
Renee Harris
Darcel Cox
Nicolas Deandreis
Emma Fiorentino
Marcus Ervin
Paulette Dudley
Claire Kim

COMMISSION SUPPORT

Patrice Birdsong, Spec. Asst. to the Commission

Chair Priest opened the meeting welcoming all to the monthly meeting. There was a roll call of Commissioners participating.

I. **Information Exchange**

Community Forum

- Rian Admain – Addressed the Board regarding the Bethesda African American Cemetery.
- Ilhan Cagei – Muslim Voices Coalition, addressed the Board regarding the Bethesda African American Cemetery.
- Molly Hauck – Addressed the Board regarding request for public information and having to pay a fee.
- Marsha Coleman-Adebayo – Continues to address the Board regarding HOC conveying Moses African-American Cemetery to Macedonia Church

Executive Director's Report

- Nothing additional to add to the written report.

Commissioner Exchange

Vice Chair Kelleher congratulated Executive Director Spann and staff on COVID-19 vaccination clinics for residents. Vice Chair Kelleher also informed the Board of new development.

Chair Pro Tem Nelson responded to comment during Community Forum indicating that there was no discussion on ending the term of the Executive Director.

- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Vice Chair Kelleher and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Merkwowitz, and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.
- A. **Approval of Minutes of April 7, 2021**
 - B. **Approval of Minutes of April 7, 2021 Closed Session**
 - C. **Approval of Minutes of April 20, 2021 Special Session**

III. **CLOSED AND SPECIAL SESSION RATIFICATION**

- A. **Bradley Boulevard:** Approval to Complete the Acquisition of the Bradley Boulevard Portfolio and Approval of the Finance Plan for the Acquisition

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

RESOLUTION: 21-42^AR

RE: Approval to Complete the Acquisition of the Bradley Boulevard Portfolio and Approval of the Finance Plan for the Acquisition

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

WHEREAS, HOC has reached terms at which to buy existing rental housing (“Bradley Boulevard Properties”) located at 4740, 4730, 4701, 4705, and 4709 Bradley Blvd; 6900, 6904 and 6908 Strathmore Street; 4750 and 4757 Chevy Chase Drive; and 4800, 4804 and 4808 Wellington Drive – all in Chevy Chase, Maryland 20815;

WHEREAS, the 401 units of the Bradley Boulevard Properties are unrestricted rental units that currently serve a significant number of households earning below 80% of the Area Median Income within the Washington-Metropolitan Statistical Area (“AMI”);

WHEREAS, acquiring the Bradley Boulevard Properties supports HOC’s mission by preserving the availability of affordable housing in Montgomery County;

WHEREAS, upon its acquisition of the Bradley Boulevard Properties, HOC will record a covenant on the property restricting 30% of units to 80% of AMI and an additional 20% of units to 50% AMI;

WHEREAS, in December 2020, the Commission made a \$1,880,000 earnest money deposit, which is applicable to the purchase price and was funded from HOC’s Opportunity Housing Development Fund (“OHDF”);

WHEREAS, staff has completed its review of the property and has found no adverse conditions that would prevent completing the acquisition;

WHEREAS, HOC received financing proposals from several banks to fund the acquisition of Bradley Boulevard Properties and EagleBank submitted the most favorable proposal for a three-year \$81,200,000 loan;

WHEREAS, staff proposes to fund the remaining approximately \$16,990,000 required to complete the acquisition with draws of \$1,000,000 from HOC’s Opportunity Housing Reserve Fund (“OHRF”), \$2,320,000 from the MPDU/Property Acquisition Fund (“MPDU/PAF”), and up to \$14 million from the PNC N.A. Real Estate Line of Credit (“RELOC”) (the “Remaining Acquisition Funds”);

WHEREAS, staff proposes to keep the \$1,880,000 earnest money deposit draw from OHDF and the \$2,320,000 draw from the MPDU/PAF outstanding for 90 days after closing, at which time both balances will be repaid to OHDF and MPDU/PAF from OHRF;

WHEREAS, staff will request a \$10 million HIF acquisition loan from the County DHCA and, if approved, this loan will partially repay the acquisition draw from RELOC;

WHEREAS, Bradley Boulevard Properties are currently managed by Aldon Management Corporation (“Aldon Management”), and staff proposes to retain Aldon Management as the initial management company for Bradley Boulevard Properties for a management fee of 3.5% of effective gross income and a one (1) year term commencing at closing, with two options to extend the term for one (1) year each subject to mutual agreement;

WHEREAS, at an open Special Session duly called and held on April 20, 2021, with a quorum participating, the Commission duly adopted Resolution 21-42A, with Commissioners Priest, Kelleher, Nelson, Merkowitz, and Simon voting in approval, and Commissioners Byrd and Croom being necessarily absent and not participating in the vote;

WHEREAS, by adopting Resolution 21-42A, the Commission approved the following actions:

1. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, the Commission authorized the Executive Director to complete the acquisition of the Bradley Boulevard Properties.
2. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, approved acceptance of a \$81,200,000 loan from EagleBank to fund the acquisition of Bradley Boulevard Properties, with the expectation that the EagleBank loan would be refinanced using the proceeds of tax-exempt bonds to be issued by the Commission to fund a mortgage that would be insured under the FHA Risk Share program.
3. Authorized the use of the \$1,880,000 earnest money deposit to fund HOC’s equity contribution toward the acquisition of the Bradley Boulevard Properties, and authorized an extension of the term of the OHDF draw to 90 days after closing, with the expectation that at the expiration of the 90-day term, the draw will be repaid from OHRF.
4. Authorized a draw of \$1,000,000 from the OHRF to be used to fund HOC’s equity contribution toward the acquisition of the Bradley Boulevard Properties.
5. Authorized a draw of \$2,320,000 from the MPDU/PAF to be used to fund HOC’s equity contribution toward the acquisition of the Bradley Boulevard Properties, with the expectation that the draw will remain outstanding for 90 days after closing and will be repaid from OHRF at the expiration of this term.
6. Authorized a draw on the RELOC not to exceed \$14,000,000 to complete the funding of the acquisition of Bradley Boulevard Properties, with the expectation that the draw will be partially repaid with the proceeds of the requested \$10,000,000 County HIF loan, if approved.
7. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, accepting the Remaining Acquisition Funds.
8. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, approved the selection of Aldon Management as the initial management company for Bradley Boulevard Properties.

9. Authorized the repayment of a loan of up to \$210,000 that was extended from the OHRF for due diligence and pursuit activities related to the acquisition of the Bradley Boulevard Properties.
10. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, authorized the Executive Director of HOC, or his authorized designee, 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.

WHEREAS, consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 21-42A and any actions taken since April 20, 2021 to effectuate the actions contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 21-42A and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

- B. **Bradley Boulevard:** Approval to Draw up to \$14,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Acquire Bradley Boulevard

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

RESOLUTION: 21-42^BR

RE: Approval to Draw up to \$14,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Acquire Bradley Boulevard Properties

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

WHEREAS, HOC has reached terms at which to buy existing rental housing ("Bradley Boulevard Properties") located at 4740, 4730, 4701, 4705, and 4709 Bradley Blvd; 6900, 6904 and 6908 Strathmore Street; 4750 and 4757 Chevy Chase Drive; and 4800, 4804 and 4808 Wellington Drive – all in Chevy Chase, Maryland 20815;

WHEREAS, HOC intends to finance the acquisition with a \$81,200,000 loan from EagleBank and a \$5,200,000 equity contribution from HOC resources;

WHEREAS, HOC wishes to complete the acquisition funding with a tax-exempt PNC Bank N.A. Real Estate Line of Credit ("RELOC") draw of up to \$14,000,000;

WHEREAS, at an open Special Session duly called and held on April 20, 2021, with a quorum participating, the Commission duly adopted Resolution 21-42B, with Commissioners Priest, Kelleher, Nelson, Merkowitz, and Simon voting in approval, and Commissioners Byrd and Croom being necessarily absent and not participating in the vote;

WHEREAS, by adopting Resolution 21-42B, the Commission authorized a tax-exempt draw on the RELOC in an amount not to exceed \$14,000,000 for the acquisition of Bradley Boulevard Properties for a term of 48 months.

WHEREAS, consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 21-42B and any actions taken since April 20, 2021 to effectuate the actions contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 21-42B and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

IV. **CONSENT**

A. **Approval to Unseal Resolution 18-93AS, Resolution 18-94AS¹ and Resolution 18-94AS²**

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

RESOLUTION NO.: 21-43

RE: Approval to Unseal Resolution 18-94AS¹ and Resolution 18-94AS²

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 is subject to the Open Meetings Act ("OMA");

WHEREAS, the OMA provides that the minutes of a closed session shall be sealed and may not be open to the public unless, upon a request by the public, a majority of the members of a public body vote in favor of unsealing the minutes;

WHEREAS, on March 30, 2021, HOC received a request that the Commission consider unsealing the resolutions passed at the November 7, 2018 closed meeting (i.e., Resolutions 18-93AS, 18-94AS¹, and 18-94AS²) (the "Resolutions"); and

WHEREAS, staff reviewed the Resolutions and recommends to the Commission that they be unsealed with redactions to maintain the confidentiality of certain financial information provided by a financial partner.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolutions 18-93AS, 18-94AS¹ and 18-94AS², as redacted, be unsealed.

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

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

RESOLUTION NO.: 21-44

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

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") approves lenders to participate in the Single Family Mortgage Purchase Program ("MPP"); and

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

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

WHEREAS, Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank have applied for participation in the MPP; and

WHEREAS, Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank have satisfied the required criteria for admittance to the MPP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank are approved for participation in the MPP, effective immediately.

V. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

- 1. Single Family Bond Issuance:** Approval of Structure, Cost of Issuance Budget, and Adoption of a Series Resolution for 2021 Series A and 2021 Series B Single Family Mortgage Revenue Bonds for the Purpose of Issuing New Deb and Refunding Single Family Mortgage Revenue Bonds

Kayrine Brown, Deputy Executive Director, and Jennifer Arrington, Acting Director of Mortgage Finance, were the presenters.

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

RESOLUTION: 2021-45

**Re: Approval of Structure, Cost of Issuance
Budget and Adoption of Series Resolution for
Mortgage Revenue Bonds in Two or More Series or**

**Subseries for the Purpose of Financing New
Mortgage Loans and Refunding Prior Bonds of the
Commission**

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

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

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

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

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

WHEREAS, the Commission has determined to carry out the Single Family Program by issuing its 2021 Single Family Mortgage Revenue Bonds as tax-exempt and/or taxable, fixed rate and/or variable rate obligations, in two or more series beginning with 2021 Series A and 2021 Series B, and with each subsequent series, if any, to follow in alphabetical order (collectively, the “2021 Bonds”) in a total aggregate principal amount not to exceed \$50,000,000; and

WHEREAS, in connection with any variable rate 2021 Bonds in an amount not to exceed \$20,000,000 (the “2021 Variable Rate Bonds”) and to mitigate the economic impact on the Commission of potential rises in interest rates, the Commission may purchase an interest rate hedge in the form of a swap agreement (the “Interest Rate Hedge”); and

WHEREAS, in connection with the proposed issuance of the 2021 Bonds, the Commission has reviewed the recommended structure and the cost of issuance budget and has been provided with initial drafts of the series resolution(s) to be adopted prior to the issuance of the 2021 Bonds (individually and collectively, the “Series Resolution”), and the initial draft of the preliminary official statement to be provided to prospective purchasers of the 2021 Bonds (the “POS,” and following the sale of the 2021 Bonds and the appropriate revisions reflecting the final pricing and terms of the 2021 Bonds, the “Official Statement”);

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

1. The 2021 Bonds. The 2021 Bonds are authorized to be issued in a principal amount not to exceed \$50,000,000 (i) to make, purchase or finance newly originated Mortgage Loans (as defined in the

Bond Resolution), (ii) to refund and redeem certain bonds outstanding under the Bond Resolution (the "Prior Bonds"), and (iii) if necessary, to fund certain required reserves.

2. Approval of the Series Resolution and the Structure of the 2021 Bonds. The 2021 Bonds are to be issued pursuant to the terms of the Bond Resolution and pursuant to the terms of the Series Resolution, which have been provided to the Commission. The Commission hereby approves the current provisions of the Series Resolution and the structure of and the security for the 2021 Bonds set forth therein and in the POS. The Executive Director is hereby authorized to approve the final provisions of the Series Resolution, the POS and the Official Statement prior to the issuance of the 2021 Bonds.

3. Approval of an Interest Rate Hedge for the 2021 Variable Rate Bonds. The Commission hereby authorizes and approves one or more Interest Rate Hedges to be entered into with a qualified counterparty to mitigate against a rise in interest rates, with any scheduled or termination payment owed by the Commission being from the Commission's legally available general funds, subject to agreements now or hereafter made with holders of the Commission's notes and bonds, pledging particular revenues, assets or moneys for the payment thereof, and subject to agreements with governmental agencies or other parties providing funds to the Commission and restricting the uses to which such funds may be applied. The Executive Director is hereby authorized to approve the provisions of the Interest Rate Hedge.

4. Commission Documents. The Chair, the Vice-Chair, the Chair Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver the Series Resolution, the Official Statement, any Interest Rate Hedge and any such other documents and agreements to be prepared in connection with the issuance of the 2021 Bonds (collectively, the "Commission Documents") in such forms as shall be prepared and approved by the Chair, the Vice Chair, the Chair Pro Tem or the Executive Director, their execution and delivery of the Commission Documents being conclusive evidence of such approval and of the approval of the Commission and the Secretary of the Commission, or any other Authorized Representative (defined below), is hereby authorized and directed to affix the seal of the Commission to the Commission Documents and to attest the same.

5. Authorizing Ongoing Determinations under Commission Documents. The Executive Director is hereby authorized, without further authority from the Board of Commissioners, to perform any act, to execute any documents, and to make any ongoing determinations as may be required to be made on behalf of the Commission from time to time, including, but not limited to, the determination of other terms to be in effect with respect to the 2021 Bonds as shall be set forth in the Commission Documents.

6. Other Action. The Chair or Vice Chair or Chair Pro Tem and the Executive Director of the Commission or a person designated by the Executive Director to act on his behalf (the "Authorized Representative") are hereby authorized and directed to undertake any other actions necessary (i) for the issuance and sale of the 2021 Bonds, (ii) for the financing of new Mortgage Loans under the Single Family Program, (iii) for the refunding and redemption or repayment of the Prior Bonds, (iv) for the performance of any and all actions required or contemplated under the Bond Resolution, the Series Resolution, the POS, the Official Statement and any other financing documents relating to the issuance of the 2021 Bonds, and (v) for the entire period during which the 2021 Bonds are outstanding following the issuance thereof.

7. Approval of Cost of Issuance. The Commission approves the cost of issuance budget in an amount up to \$660,000 to be incurred by the Commission in connection with the issuance of the 2021 Bonds.

8. Appointment of Financial Advisor and Bond Counsel. Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2021 Bonds.

9. Action Approved and Confirmed. All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this resolution and in the furtherance of the issuance and sale of the 2021 Bonds, the financing of newly originated Mortgage Loans approved hereby, the refunding and redemption of the Prior Bonds, the funding of reserves, and the execution, delivery and performance of the Commission Documents authorized hereby are in all respects approved and confirmed.

10. Severability. If any provision of this resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provision to be invalid, inoperative or unenforceable to any extent whatsoever.

11. Effective Date. This resolution shall take effect immediately.

- 2. Housing Production Fund:** Approval of a Master Resolution Providing for the Creation of a Revolving Housing Production Fund to Provide Construction Bridge Financing for Multifamily Housing in Montgomery County; Approval to Enter into a Funding Agreement with Montgomery County Maryland to Provide Funding for the Revolving Housing Production Fund; Approval of the Program Parameters of the Housing Production Fund; and Approval of Structure and Cost of Issuance Budget of, and Adoption of Series Resolution for the Issuance of Limited Obligation Bonds (Revolving Housing Production Fund)

Kayrine Brown, Deputy Executive Director, and Zachary Marks, Chief Financial Officer, were the presenters.

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

RESOLUTION: 2021-46

Re: Approval of a Revolving Housing Production Fund Program; Authorizing Resolution for a New Master Resolution to Implement the Revolving Housing Production Fund Program; Approval of Structure, Cost of Issuance Budget, and Adoption of Series Resolution for the Issuance of Limited Obligation Bonds, Series 2021 to Provide Funding for the Revolving Housing Production Fund

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 the Memorandum of Understanding effective June 29, 2018 between the Commission and Montgomery County, Maryland (collectively, the "Act"), and is authorized thereby to issue its notes and

bonds from time to time to fulfill its corporate purposes, which include, without limitation, the construction, financing and operation of housing developments for persons of eligible income; and

WHEREAS, to meet the goals of the County for increased housing and increased availability of affordable housing, the County has determined that new creative and dynamic tools are needed including new tools for financing the production of new mixed-income housing developments including housing units affordable to households earning less than 50% of area median income;

WHEREAS, the County and the Commission have determined that it is in the public interest to establish a revolving housing production fund to be used for construction bridge financing for residential rental projects (the "Program") which will be funded with the proceeds of notes, bonds, certificates or other evidences of indebtedness of the Commission and to finance such Program through the issuance by the Commission of its limited obligation bonds (the "Bonds"); and

WHEREAS, the Commission has determined to issue, sell and deliver its Housing Opportunities Commission of Montgomery County Limited Obligation Bonds (Revolving Housing Production Fund) in one or more series in an aggregate principal amount of not to exceed \$50,000,000 (the "Series Bonds") pursuant to and in accordance with the terms of the Commission's Master Resolution dated as of July 1, 2021 (the "Master Resolution") for the purpose of obtaining moneys to provide construction bridge financing for residential rental developments in the Commission's pipeline (the "Series Purposes"); and

WHEREAS, the County and the Commission propose to enter into a Funding Agreement dated as of July 1, 2021 (the "Funding Agreement"), pursuant to which (i) the Commission agrees to establish and maintain the Program in accordance with the terms, conditions and guidelines set forth in the Funding Agreement, and (ii) the County has agreed to provide amounts sufficient to repay principal of and interest on the Bonds, including the Series Bonds, subject to annual appropriation as provided in the Master Resolution and in the Funding Agreement; and

WHEREAS, to secure its payment obligations under the Bonds, the Commission will pledge and grant to the Holders (as defined herein) a first priority security interest in the payments under the Funding Agreement and a first priority security interest in the contract rights of the Commission contained in the Funding Agreement (other than its Reserved Rights as defined in the Master Resolution); and

WHEREAS, the Series Bonds will be issued pursuant to one or more series resolutions (collectively, the "Series Resolution" and together with the Master Resolution, the "Resolution"), drafts of which have been provided to the Commission, and the Series Bonds will be marketed to potential holders of the Bonds pursuant to a Preliminary Official Statement (the "Preliminary Official Statement," and following the sale of the Series Bonds and the appropriate revisions reflecting the final pricing and terms of the Series Bonds, the "Official Statement"); and

WHEREAS, the Bonds and the interest and any premium thereon shall be limited obligations of the Commission and shall be secured by and payable from the Trust Estate pledged and assigned to the Trustee by the Commission under the Resolution;

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

1. **Approval of the Program; Approval of the Funding Agreement.** The Commission hereby authorizes and approves the Program. The Commission hereby approves the Funding Agreement, to be finalized consistent with the draft herein, which has been provided to the Commission, and the use thereof for purposes of carrying out the Program. The Executive Director is hereby authorized to approve the final provisions of the Funding Agreement.

2. **Approval of the Master Resolution.** The Commission hereby approves the Master Resolution, to be finalized consistent with the draft herein, which has been provided to the Commission, and the use thereof for purposes of carrying out the Program. The Executive Director is hereby authorized to approve the final provisions of the Master Resolution.

3. **The Series Bonds; Approval of the Series Resolutions and the Structure of the Series Bonds.** The Commission hereby authorizes the issuance of the Series Bonds in an aggregate principal amount not to exceed \$50,000,000 to finance the Series Purposes. The Series Bonds shall be issued pursuant to the terms of the Master Resolution and pursuant to the terms of the Series Resolution, to be finalized consistent with the draft herein, which has been provided to the Commission. The Commission hereby approves the current provisions of the Series Resolution and the structure of and the security for the Series Bonds set forth therein. The Executive Director is hereby authorized to approve the final provisions of the Series Resolution, the Preliminary Official Statement and the Official Statement prior to the issuance of the Series Bonds.

4. **Commission Documents.** The Chair, the Vice-Chair, the Chair Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver the Funding Agreement, the Master Resolution, the Series Resolution, the Official Statement and any such other documents and agreements to be prepared in connection with the execution and delivery of the Master Resolution and the issuance of the Series Bonds (the "Commission Documents") in such forms as shall be prepared and approved by the Chair, the Vice Chair, the Chair Pro Tem or the Executive Director, the execution and delivery of the Commission Documents being conclusive evidence of such approval and of the approval of the Commission. The Secretary of the Commission, or any other Authorized Representative (defined below), is hereby authorized and directed to affix the seal of the Commission to the Commission Documents and to attest the same.

5. **Authorizing Ongoing Determinations under Commission Documents.** The Executive Director is hereby authorized, without further authority from the Board of Commissioners, to perform any act, to execute any documents, and to make any ongoing determinations as may be required to be made on behalf of the Commission from time to time, including, but not limited to, the determination of other terms to be in effect with respect to the Series Bonds as shall be set forth in the Commission Documents.

6. **Other Action.** The Chair or Vice Chair or Chair Pro Tem and the Executive Director of the Commission or a person designated by the Executive Director to act on his behalf (an "Authorized Representative") are hereby authorized and directed to undertake any other actions necessary (i) for the issuance and sale of the Series Bonds, (ii) for the performance of any and all actions required or contemplated under the Funding Agreement, the Master Resolution, the Series Resolution, the Official Statement and any other financing documents relating to the issuance of the Series Bonds, and (iii) for the entire period during which the Series Bonds are outstanding following the issuance thereof.

7. **Approval of Cost of Issuance.** The Commission approves the cost of issuance budget currently estimated to be \$660,000 to be incurred by the Commission in connection with the issuance of the Series Bonds. The Executive Director is hereby authorized to confirm and approve the final cost of issuance budget. The Commission hereby authorizes the payment of costs of issuance from proceeds of the Series Bonds.

8. **Appointment of Underwriters, Financial Advisor and Bond Counsel; Appointment of Trustee.** The Series Bonds shall be sold to PNC Capital Markets, LLC and Wells Fargo Bank, National Associations underwriters (together, the "Underwriters"), pursuant to purchase contract between the Commission and the Underwriters, as shall be approved by the Executive Director. Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the Series Bonds. The Executive Director is hereby authorized to appoint a Trustee for the Bonds as necessary to effectuate the transactions contemplated by the Resolution.

9. **Action Approved and Confirmed.** All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this resolution and in the furtherance of the issuance and sale of the Series Bonds and the execution, delivery and performance of the Commission Documents authorized hereby are in all respects approved and confirmed.

10. **Severability.** If any provision of this resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provision to be invalid, inoperative or unenforceable to any extent whatsoever.

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

3. Sandy Spring Missing Middle: Approval of Third Phase of Predevelopment Funding and Concept Plan Application Preparation for Submittal to Planning Commission

Zachary Marks, Chief Financial Officer, and Jay Shepherd, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO: 21-47

RE: Approval of Third Phase of Predevelopment Funding and Concept Plan Application Preparation for Submittal to Planning Commission at Sandy Spring Meadow

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

acquisition, construction, rehabilitation and/or permanent financing of rental housing properties which provide a public purpose; and

WHEREAS, “Missing Middle” housing is a range of multi-unit or clustered housing types—compatible in scale with detached single-family homes—that help meet the growing demand for walkable urban living; and

WHEREAS, on January 14, 2015, the Commission approved the purchase of a single family house and lot located at 617 Olney Sandy Spring Road (“617 O-SS”), immediately adjacent to Sandy Spring Meadow Apartments, a property that is owned by an HOC affiliate; and

WHEREAS, the acquisition of 617 O-SS with HOC’s ownership interest in Sandy Spring Meadow Apartments, created a larger property aggregation that staff believes is a strong candidate for a Missing Middle development (the “Missing Middle Pilot Program” or “M2P2”); and

WHEREAS, On March 4, 2020, the Commission approved \$75,000 in feasibility funding from the Opportunity Housing Reserve Fund to explore a joint venture between the Maryland-National Capital Park and Planning Commission and HOC on M2P2; and

WHEREAS, On July 1, 2020, the Commission approved a second tranche of \$330,000 in feasibility funding from the Opportunity Housing Reserve Fund to continue predevelopment activities on M2P2; and

WHEREAS, staff have prepared and are ready to submit a Concept Plan Application for M2P2 as an infill development on 3.27 +/- acres within the Sandy Spring Meadows community, which is immediately adjacent to the Sandy Spring Village Center, as a Demonstration/Pilot Project to implement Missing Middle Housing, will proceed under the R-60 MPDU Optional Method project; and

WHEREAS, to continue predevelopment activities for the M2P2, staff requires a third tranche of funding in the amount of \$425,000; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures for the redevelopment of M2P2 in an amount not to exceed \$25,000,000, *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 M2P2 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 hereby authorizes the Executive Director to submit the Concept Plan Application for the Missing Middle Pilot Program and expend up to \$425,000 to continue predevelopment activities at M2P2, to be funded by a draw on the Opportunity Housing Reserve Fund and reimbursed at closing of the construction financing for M2P2.

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 M2P2 located in Sandy Spring, 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 \$25,000,000 will be applied to reimburse the Commission for its expenditures in connection with M2P2.

BE IT FURTHER 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 other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

B. Legislative and Regulatory Committee – Com. Kelleher, Chair

- 1. Project Based Vouchers:** Authorization to Issue 100 Project-Based Vouchers in Response to Request for Proposal (RFP) #2232

Lynn Hayes, Director of Housing Resources, was the presenter.

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

RESOLUTION NO.: 21-48

RE: Authorization to award 100 Project Based Vouchers in response to RFP #2232

WHEREAS, Project-Based Vouchers (“PBVs”) are a component of the Housing Choice Voucher Program that provide rental subsidies for low income families;

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) can allocate up to 20% of its Housing Choice Vouchers as PBVs;

WHEREAS, staff issued Request for Proposals #2232 (“RFP”) to award 100 PBVs to developers in Montgomery County and received and scored nine proposals;

WHEREAS, of the nine proposals, seven met the minimum qualifications for an award; and

WHEREAS, staff recommends awarding the 100 PBVs as indicated on the attached Exhibit A, and authorizing the Executive Director to execute the corresponding Housing Assistance Payments (“HAP”) Contracts.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves the award of 100 PBVs as indicated in the attached Exhibit A.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director, or his designee, to execute the corresponding HAP Contracts for the awarded PBVs.

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 actions contemplated herein, including the execution of any necessary documentation.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 5:36 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: June 9, 2021

Attachments:

- 1 – Redacted Resolution 18-93AS
- 2 – Redacted Resolution 18-94AS¹
- 3 – Redacted Resolution 18-94AS²
- 4 – Exhibit A: Revised Administrative Plan/Housing Choice Voucher Program

RESOLUTION NO.: 18-93AS

RE: Approval of the Final Development Plan and Budget for Elizabeth House III, Authorization for the Executive Director to Award and Execute the General Contractor Contract for the Construction of Elizabeth House III and the South County Regional Recreation Aquatic Center ("SCRRAC") and Amendments to Condominium, Master Lease and Easement Documents

WHEREAS, Elizabeth House III is a planned mixed-use residential building with mixed-income housing and public amenities (collectively, the "Development") that is one part of a larger planned mixed-use development known as Elizabeth Square; and

WHEREAS, the fee interest in the Development is owned by Acorn Storage No. 1, LLC a subsidiary of Lee Development Group ("Acorn") and subject to a condominium regime (the "Condominium") that established three separate condominium units: (1) a unit comprised of the market rate apartments (the "Market Rate Condo"), (2) a unit comprised of the affordable apartments (the "LIHTC Condo"), and (3) a unit comprised of the South County Regional Recreation and Aquatic Center, a public recreational facility totaling 120,000 square feet (the "Aquatic Center"), which will be operated by Montgomery County Department of Recreation and approximately 7,411 square feet of ground floor retail intended to be leased to Holy Cross Hospital for a senior resource center and primary care facility and parking (the "Aquatic Center Condo"); and

WHEREAS, Acorn has leased (1) the Market Rate Condo to Elizabeth House III LLC (the "Market Rate Owner"), which is wholly owned by the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission"), (2) the LIHTC Condo to Elizabeth House III Limited Partnership (the "LIHTC Owner"), which is currently wholly owned by HOC (with the intent that a tax credit investor will ultimately be admitted as a limited partner), and (3) the Aquatic Center Condo to EH III Recreational Center LLC, which is wholly owned by HOC (the "Aquatic Center Owner") (collectively, the "Master Leases"); and

WHEREAS, the original development plan included 120 affordable apartments owned by the LIHTC Owner and 147 market rate apartments owned by the Market Rate Owner; and

WHEREAS, on August 9, 2017 the Commission, acting for itself and for and on behalf of the LIHTC Owner, approved the selection of R4 Capital as the Low Income Housing Tax Credit Syndicator for the affordable portion of the Development and authorized the Executive Director to negotiate and enter into a Limited Partnership Agreement with R4 Capital; and

WHEREAS, HOC and the LIHTC Owner expect to receive a Letter of Reservation of Federal Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development which will enable the LIHTC Owner to raise approximately \$28.0 million in equity to pay part of its acquisition and development costs; and

WHEREAS, changes to the Low Income Housing Tax Credit ("LIHTC") program now permit owners to meet affordability requirements through the income averaging of units with higher and lower income limitations, which will allow the Development to serve a broader range of income levels while generating additional tax credit equity; and

WHEREAS, the Market Rate Owner, the LIHTC Owner and the Aquatic Center Owner (collectively, the "Owners") wish to (i) work with Acorn to amend the Condominium to provide that the LIHTC Condo will now be comprised of all 267 units apartments and parking and will be owned by the LIHTC Owner, the Market Rate Condo will be eliminated and the Aquatic Center Condo will remain unchanged, (ii) amend a related Reciprocal Easement Agreement to adjust rights and responsibilities among the Owners accordingly and (iii) upon completion of the foregoing, to dissolve the Market Rate Owner; and

WHEREAS, the Owners also wish to work with Acorn to amend the Master Leases to reflect the revisions to the Condominium structure and to extend the initial terms from 75 years to 99 years in order to secure additional real property tax exemptions from the State of Maryland; and

WHEREAS, additionally, as part of the redesign to incorporate the Aquatic Center into the Elizabeth Square Development, a portion of the land currently owned by Alexander House Development Corporation ("AHDC") will be used to construct the 11-lane competition pool and gymnasium with high school sized basketball court (the "AHDC Aquatic Center Land"); and

WHEREAS, upon the approval of the AHDC board, the condominium document and plat for the land parcel currently owned by AHDC will be modified to remove the AHDC Aquatic Center Land from the existing plat and AHDC will transfer the fee simple to the AHDC Aquatic Center Land to the Aquatic Center Owner; and

WHEREAS, on October 4, 2017, the Commission approved the selection of Whiting-Turner as General Contractor for the construction of the Development, based on a Guaranteed Maximum Price; and

WHEREAS, at the request of the Montgomery County Department of General Services ("DGS"), the Commission elected to re-open the procurement of the general contractor based on a Stipulated Sum contract; and

WHEREAS, staff reached out to the contractors qualified to during the previous Request for Qualification ("RFQ") and requested a hard bid budget format, which prompted Whiting-Turner to withdraw from consideration by choosing not to provide an updated pricing in a hard bid budget format, but Costello Construction and Clark Construction did provide hard bid budgets; and

WHEREAS, in connection with the foregoing, staff has prepared development plan and budget for the Development that have been provided to the Commission for review; and

WHEREAS, the development plan and budget requires a total Developer's Equity of \$23,862,057 and funding sources identified to fund the equity requirement is \$20,451,083. The shortfall of \$3,410,974 will be funded as a loan from the OHRF.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and as general partner for and on behalf of each of the Owners, that it hereby:

1. Approval of the final development plan and budget of Elizabeth House III in the amount

up to \$117,650,000;

2. Approval of a permanent loan of approximately \$3,410,974 loan from HOC to the LIHTC Owner from the OHRF with the final amount to be determined at the closing of the construction financing;
3. Approval to amend the Master Leases with Acorn Storage No. 1, LLC to change the condominium ownership structure to account for the revised residential unit mix and to modify the initial lease terms from 75 years to 99 years;
4. Approval to amend the Reciprocal Easement Agreement to be executed by the three condominium ownership structures for EH III;
5. Approval for the Aquatic Center Owner to receive the AHDC Aquatic Center Land upon approval of the AHDC board and removal of such land from the existing condominium structure encumbering such land;
6. Approval to amend the limited partnership agreement for the LIHTC Owner to admit a tax credit investor as a 99.99% limited partner (with a general partner wholly owned by HOC retaining a 0.01% equity stake and control over day-to-day operations of the LIHTC Owner), which will finance the construction of the development using equity from the syndication of LIHTC;
7. Authorization for the Executive Director to sign the general contractor contract with Costello Construction for an amount not to exceed \$125 million for the construction of Elizabeth House III and the South County Regional Recreational and Aquatic Center;
8. Authorization for the Executive Director to execute all documents to effect the approvals granted herein, all documents necessary to effect the approvals by Montgomery County government departments.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of each of the Owners, that the Executive Director is authorized, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

The foregoing Resolution was approved upon a motion by Commissioner Byrd and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Simon, Nelson, Rodriguez, Croom, Byrd, Priest, and Kelleher.

I **HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of each of Elizabeth House III LLC, Elizabeth House III Limited Partnership, and EH III Recreational Center LLC at an Administrative Session meeting of the Commission on November 7, 2018.



A handwritten signature in cursive script, appearing to read "Patrice M. Birdsong", written over a horizontal line.

Patrice M. Birdsong
Special Assistant to the Commission

RESOLUTION NO.: 18-94AS¹

RE: Approval to Accept Assignment of Purchase Contract for Acquisition of the Vertical Bridge Site; Approval to Acquire the Vertical Bridge Site by Drawing up to 10.2 million on the PNC Bank, N.A. Line of Credit (“\$60 million LOC”); and Approval of a Predevelopment Loan from the Opportunity Housing Reserve Fund

WHEREAS, the Commission, a public body corporate and politic duly created, organized and existing under the laws of the state of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland (the “Act”), to carry out and effectuate the purpose of providing affordable housing; and

WHEREAS, to effect its corporate purpose, the Commission routinely acquires land and buildings in Montgomery County for the development or preservation of multifamily housing developments that serves eligible households; and

WHEREAS, Vertical Bridge CC FM, LLC (“Vertical Bridge”), owns real property in aggregate of approximately ten acres at 8800 Brookville Road, Silver Spring (“Property”); and

WHEREAS, the Property is nearby to a Washington Suburban Sanitary Commission (“WSSC”) Maintenance Depot located at 2501 Lyttonsville Road, Silver Spring of approximately 10 acres (“WSSC Depot”); and

WHEREAS, the Commission is seeking to redevelop the WSSC Depot as a new, mixed-income rental and for-sale community that will expand affordable housing in Lyttonsville; and

WHEREAS, the Commission and WSSC have negotiated a letter of intent (“LOI”) outlining the business terms upon which WSSC would sell the WSSC Depot to the Commission and relocate WSSC’s current operations at the WSSC Depot to another suitable site; and

WHEREAS, among those certain terms contained in the LOI is the provision by the Commission to WSSC a suitable site for the relocation of WSSC’s current operations at the WSSC Depot; and

WHEREAS, WSSC has indicated to the Commission that the Property is such a suitable site for the relocation of WSSC’s current operations; and

WHEREAS, the Commission and Vertical Bridge have agreed to a \$10.75MM purchase price (“Purchase Price”) for the Property, of which \$750,000 is due only if WSSC relocates its current operations at the WSSC Depot to the Property, the value of which has been confirmed by a licensed appraiser reflecting the approved zoning for the site; and

WHEREAS, on January 4, 2018 (“Effective Date”), EYA, LLC gained control of the Property via purchase contract (“Purchase Contract”) at the Purchase Price; and

WHEREAS, EYA, LLC made a \$50,000 earnest money deposit ("Deposit") on the Effective Date of the purchase contract for the Property; committed to broker compensation of 3% of the total purchase price of the Property; and subsequently incurred approximately \$400,090 in feasibility and due diligence costs; and

WHEREAS, the Commission is satisfied with the evaluation of the Property and wishes to move forward with the acquisition of the Property, which must occur by November 30, 2018.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery authorizes the assignment of the Purchase Contract to the Commission from EYA, LLC; and

BE IT FURTHER RESOLVED the Housing Opportunities Commission of Montgomery County approves the reimbursement of EYA, LLC up to \$700,090 for broker compensation, due diligence, and the initial earnest money deposit; and

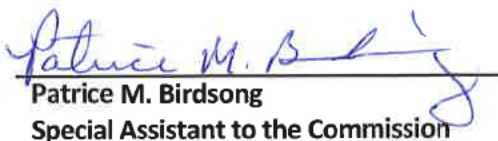
BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes a draw up to \$10,850,000 from the \$60MM PNC Bank, N.A. Line of Credit to fund the acquisition of the Property, costs related to the acquisition of the Property, reimbursement of costs incurred by the Commission related to feasibility study of and due diligence for the Property, and reimbursement of costs in the amount of \$700,090 incurred by EYA, LLC related to feasibility study of and due diligence for the Property; and

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of 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 transactions and actions contemplated herein.

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

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an Administrative Session meeting of the Commission conducted on November 7, 2018.




Patrice M. Birdsong
Special Assistant to the Commission

RESOLUTION NO.: 18-94AS²

**RE: Authorization to Draw up to \$10.85MM from
\$60MM PNC Bank, N.A. Line of Credit to
Complete the Acquisition of Vertical Bridge Site**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC"), a public body corporate and politic duly created, organized and existing under the laws of the state of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland (the "Act"), to carry out and effectuate the purpose of providing affordable housing; and

WHEREAS, to effect its corporate purpose, the Commission routinely acquires land and buildings in Montgomery County for the development or preservation of multifamily housing developments that serves eligible households; and

WHEREAS, Vertical Bridge CC FM, LLC ("Vertical Bridge"), owns real property in aggregate of approximately ten acres at 8800 Brookville Road, Silver Spring ("Property"); and

WHEREAS, the Commission and Vertical Bridge have agreed to a \$10.75MM purchase price ("Purchase Price") for the Property, the value of which has been confirmed by a licensed appraiser reflecting the approved zoning for the site; and

WHEREAS, on January 4, 2018, EYA, LLC gained control of the Property via a purchase contract ("Purchase Contract") at the Purchase Price; and

WHEREAS, the Purchase Contract provides EYA, LLC the right to assign the Purchase Contract to HOC; and

WHEREAS, the Commission is satisfied with the evaluation of the Property and wishes to take assignment of the Purchase Contract and move forward with the acquisition of the Property; and

WHEREAS, the Commission wishes to draw up to \$10,850,000 from the \$60MM PNC Bank, N.A. Line of Credit ("PNC LOC") to fund the acquisition of the Property, costs related to the acquisition of the Property, reimbursement of costs incurred by the Commission related to feasibility study of and due diligence for the Property, and reimbursement of costs incurred by EYA, LLC related to feasibility study of and due diligence for the Property, which shall be outstanding for no more than 36 months from the date of the draw; and

WHEREAS, the Commission may make draws under the PNC LOC at a taxable rate equivalent to

[REDACTED] or at a tax-exempt rate equivalent to [REDACTED]

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery accepts the assignment of the Purchase Contract from EYA, LLC.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes a taxable draw up to \$10,850,000 on the PNC LOC at an interest rate [REDACTED]

██████████ or a tax-exempt draw on the PNC LOC at an interest rate ██████████
██████████ to fund the acquisition of the Property, costs related to
the acquisition of the Property, reimbursement of costs incurred by the Commission related to the
feasibility study and due diligence for the Property, and reimbursement of costs incurred by EYA, LLC
related to the feasibility study and due diligence for the Property.

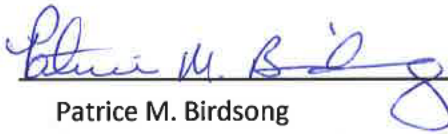
BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County
authorizes that the funds drawn on the PNC LOC shall be outstanding for no longer than 36 months
from the date drawn.

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.

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities
Commission of Montgomery County at an Administrative Session of the Commission on November 7,
2018.





Patrice M. Birdsong
Special Assistant to the Commission

EXHIBIT A

Developer and Property	Vouchers Awarded	Property Type	Property Address
TM & Green Street (Sligo Apartments)	8	Family Property; New construction	715 Sligo Ave, Silver Spring
Enterprise Community Development (Park Montgomery West)	28 ¹	Family Property; New construction & Rehabilitation	8860 Piney Branch Rd, Silver Spring
MHP (Hillwood Manor)	3	Family Property; Rehabilitation	1100 Linden Ave, Takoma Park
KB Companies (Willow Manor at Fairland)	28	Senior Property; Existing Project	13605 Robey Rd, Silver Spring
Housing Unlimited (Scattered Sites)	15	SRO; Disabled Singles	Scattered Sites
KCG Development (Sandy Spring Village)	8	Senior Property; New Construction	17810 Meeting House Rd, Sandy Spring
Kirby Development (Willow Manor at Cabin Branch)	10	Senior Property; New Construction	Cabin Branch Ave, Clarksburg
<i>Total</i>	<i>100</i>		