

EXPANDED AGENDA

YouTube Link: <https://youtu.be/gO6M2UvfG3U>

May 3, 2023

The public is invited to attend HOC's May 3, 2023 Monthly Commission meeting in-person. HOC's Board of Commissioners and staff will continue to participate through a hybrid model (a combination of in-person online participation).

		Res. #
4:00 p.m.	I. <u>INFORMATION EXCHANGE</u> A. Community Forum B. Report of the Executive Director C. Commissioner Exchange	(Pg. 3)
4:30 p.m.	II. <u>APPROVAL OF MINUTES</u> A. Approval of Minutes of April 5, 2023 B. Approval of Minutes of April 5, 2023 Closed Session C. Approval of Minutes of April 21, 2023 Special Session	
4:30 p.m.	III. <u>CONSENT</u> A. Westwood Tower: Approval of Additional Funding for the Continuation of Litigation Services	23-29 (Pg.38)
4:35 p.m.	IV. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u>	
	A. Development & Finance Committee- Com. Simon, Chair	
	1. Single Family Lending: Approval of New Participating Lender for the Single Family Mortgagee Purchase Program	23-30 (Pg. 47)
	2. Single Family: Approval of Structure, Cost of Issuance Budget, and Adoption of Series Resolution(s) for the Issuance of Single Family Mortgage Revenue Bonds	23-31A (Pg. 59) 23-31B (Pg. 62)
5:35 p.m.	<u>CLOSING STATEMENT</u> Vote to close meeting	
5:40 p.m.	<u>ADJOURN</u>	
5:45 p.m.	<u>CLOSED SESSION</u> <i>The closed session will be called to order pursuant to Section 3-305(b)(3), 3-305(b)(7) and 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland.</i>	

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) 627-9421 or email Jocelyn.Koon@hocmc.org.

Information Exchange

HOC AT-A-GLANCE: April 2023

During the month of April, HOC continued to engage in its core activities providing support and enrichment programming to our clients, fulfilling our federal obligations, and enhancing our clients' experiences. This month we are pleased to announce that HOC received a HUD grant award for 25 Stability Vouchers, allowing the agency to provide rental assistance to those in critical need of housing. We are also excited to share that we have opened our doors to one of our newest mixed-income communities conveniently located near the Shady Grove Metro, The Laureate, offering rental options for those across the income spectrum.

This month, we continue to provide updates from our Office of Resident Services, Housing Resources and Finance Divisions, as well as key Real Estate Development activities. We also provide an update from our Mortgage Finance Division and its efforts to engage key stakeholders for additional resources.

HOC RECEIVES A HUD GRANT AWARD FOR 25 STABILITY VOUCHERS

In April 2023, HUD notified HOC that our agency had been awarded 25 Stability Vouchers which provide rental assistance to people experiencing or who are at-risk of homelessness, including survivors of domestic violence, dating violence, sexual assault, stalking or human trafficking. HOC will accept these vouchers in partnership with Montgomery County's Continuum of Care, which will implement coordinated approaches that connect homeless outreach, permanent housing, health and supportive services to address homelessness among people in unsheltered settings.

In the state of Maryland, HUD awarded Stability Vouchers to HOC (25 vouchers) and Rockville Housing Enterprises (5 vouchers), with a total value of \$4,870,352.

THE LAUREATE OPENED ITS DOORS TO RESIDENTS IN APRIL

The Laureate is a 268-unit mixed-income, mixed-use new construction project located in Rockville, just steps away from the Shady Grove metro station. This project represents HOC's first new development to utilize the County's Housing Production Fund. Twenty percent of the units will be set aside for households at 50% Area Median Income and 10% as Moderately Priced Dwelling Units. In addition to our staff involvement, this development's success can be attributed to the exemplary partnership we have with EYA and Bozutto. HOC received Use and Occupancy Permits in late March with first resident moves occurring in April. HOC, with support from Weinberg, Harris & Associates, will host a grand opening event on June 8, 2023 to celebrate.

RESIDENT SERVICES UPDATE

Service Coordination and Programming

The Service Coordination and Programming Units provide assessment, counseling, information, referrals and program services to HOC customers. During the month of April, staff continued to provide services virtually and in person. Resident Counselors continued to engage with HOC customers to determine their needs. Customers were referred to our partners to receive food and other assistance. Resident Counselors continued to perform wellness checks with customers to ensure their safety and assess their needs. Customers with delinquent rent were referred/connected to the COVID Rental Assistance Program, the Emergency Rental Assistance Program, and the Housing Stabilization Program.

HOC's customers also continued to receive referrals to unemployment assistance, Temporary Cash Assistance, Supplemental Nutrition Assistance Program, Maryland Energy Assistance Program, and other benefit programs. The Housing Stabilization staff continued to process applications for rental assistance. Resident Counselors have also attended the Housing Resources Division's virtual briefings for new voucher recipients to provide information on the services that Resident Services offer. Additionally, the Resource Services team continues to provide services to persons with disabilities to meet their service needs.

Highlights for April activities of Resident Counselors include the following:

1. Workshops

- Facilitated Resource Sharing workshop on April 18
- Facilitated the Fundamentals of Housing workshop on April 19

2. Resident Well Being

Activities for Youth

- **After-School Programs:** The Montgomery County Department of Health and Human Services' Street Outreach Network ("SON") continued to facilitate the Safe Zones program at Cider Mill in April. Safe Zones is an after school initiative that provides safe places and programming for youth. The goal of the initiative is to prevent violence in the community. The program operates on Fridays and there are plans to expand programming to Saturdays beginning in May.
- **STEM Enrichment:** On April 4, 6 and 11, HOC held STEM enrichment programs for youth at Cider Mill. In partnership with Manna Foods, HOC held events on April 4 and 6 designed to teach kids ages 8-11 about nutrition and how to follow a recipe to prepare a meal. Youth ended the evening enjoying their culinary creations. Simultaneously, the Resident Counselor held a Meet and Greet during this event while assisting in registering children for the program. On April 11, HOC's Social Work ("SW") interns facilitated a sand sculpture project for youth where they created sand sculptures in water and learned that water molecules coat the grains of sand and hold them together to create masterpieces.

Activities for Youth and Families

- **Meet and Greets:** Resident Services staff facilitated meet and greet activities at Diamond Square (April 13), Greenhills (April 17), Town Center Place Olney (April 18), and Sandy Springs (April 20) designed to introduce/re-introduce counselors to residents and provide information on HOC programs and services.

- **Recreation:** Staff hosted a range of recreational activities for youth and families including an ice cream social and community bingo at Magruder's Discover (April 5); Easter Egg Hunt at Tanglewood (April 7); and a movie night, in partnership with Property Management staff, at Washington Square (April 10).

Activities for Seniors

- **Digital Equity:** Social Work ("SW") interns facilitated an introductory/101 computer workshop at Arcola Towers on April 1 that targeted customers who obtained free Chromebooks from the County.
- **Arts for the Aging:** On April 1 and 20, in partnership with the Arts for Aging Program, staff facilitated an art activity at Arcola Towers entitled "I've Gotta Be Me: Portrait Fan" where residents created word and image collages that represented their personal lives and experiences. Similarly, on April 13, an activity was facilitated at Waverly House entitled "Blues Guitar and Dance," an interactive music and body movement experience for the residents.
- **Health and Wellness Services:** On April 10, a Diabetic Shoe Clinic was facilitated at Arcola Towers and Waverly House. The clinic allowed residents to get fitted for diabetic shoes and have them ordered and delivered to their home.
- **Food and Nutrition:** The Bauer Park Senior Nutrition Lunch Program reopened on April 3, offering an opportunity for addressing nutrition and senior socialization. As a result of the program, one resident created a crafting group for residents at the property.
- **Recreation:** Staff hosted arts and crafts activities for customers at Fenton Silver Spring on April 5.

3. Relocation and Re-Certification Assistance

- The Resident Services Division continued to assist customers on an ongoing basis with relocations and other needs related to renovation projects at Shady Grove Apartments, Willow Manor at Farm Hill, Willow Manor at Cloppers Mill, Town Center Olney, Sandy Spring Meadow and Georgian Court.
- Staff provided continued outreach and assistance to customers who have failed to submit all required documents for re-certification by the stated deadline.

4. Rental Assistance

- Staff provided face-to-face, telephonic and electronic outreach and assistance to customers with applications for the CDBG and other rental assistance programs.

The Resident Services Division develops and implements programs that provide meals, educational, recreational and enrichment opportunities for HOC's customers. Listed below are highlights of programming activities for April 2023.

The Resident Services Division continued to provide food resources and other support with the help of Manna Food Center, Emmanuel Brinklow Seventh Day Adventist Church, Montgomery County Senior Nutrition Lunch Program, Capital Area Food Bank's Senior Brown Bag, and My Groceries To Go Programs. This month approximately 420 households received supplemental food with the assistance of HOC staff. On April 20, the Food Preservation Program held at Washington Square explored the history of food preservation and its benefits.

HOC Academy

The HOC Academy is an HOC initiative developed to help its customers reach their fullest potential by providing educational, enrichment, job training and job placement opportunities to youth and adults. The program specifically focuses on education and enrichment for youth education and workforce development for adults. Listed below are highlights from April 2023.

Youth Education/Enrichment

- HOC Academy staff facilitated a Family STEM Festival on April 15 in the HOC Kensington gym. The event was a family-friendly, hands-on tour of four unique STEM modalities facilitated by Metro Warriors STEM organization. Participants received a passport that identified STEM stations they could visit including VEX robotics, RC STEM, Flight Simulation, and Drone Flying. Gift bags were provided to all attendees, and staff hosting raffles with prizes.
- On April 15, HOC Academy staff also facilitated a recreational field trip for youth at Tanglewood Apartments to TopGolf where youth used scientific methods to determine how far golf balls would travel. Participants applied new vocabulary, as well as independent and dependent variables, to test their predictions.
- The First Generation College Bound Program participants continued to work with their coach and prepare for college.

Adult Education and Workforce Development (“AEWD”)

Small Business Strategy Course (“SBSC”) alumni continue to report their progress and new business ventures. Below are three (3) milestones:

- A Workforce Development and Employment Fair was held at Cider Mill on April 13, 2023. The fair was designed to expose customers to organizations and job opportunities, including current HOC positions. Additionally, assistance with resume writing and job search was provided. Some of the vendors who participated included: Hamel Builders, Inspection Experts, Inc., Lambis Rank, LLC, WorkSource Montgomery Mobile Unit, Equus Solutions, MoCo YES Program, HOC Fatherhood Initiative, We Achieve, and Classroom to Community. Of note is Hamel Builders’ desire to hire three (3) of our customers from the fair.
- HOC Academy staff began facilitating a 25-hour Microsoft 365 training course in partnership with Montgomery College. The course includes resume building and competency in Excel, Word, and PowerPoint functionality. The course began on April 17 and will run through May 17, 2023.

Financial Literacy

The Financial Literacy Coach continued to work with HOC’s customers and individuals on the HousingPath waitlist on creating a financial foundation. During April, the Financial Literacy Coach provided one-on-one financial literacy coaching to 15 HOC customers and four (4) individuals from the HousingPath waitlist. The coaching sessions continued to cover topics including: creating a working budget, identifying disposable income, reading one’s credit report, and creating and accomplishing monthly financial goals. During April, the Financial Literacy Coach also facilitated a financial literacy workshop attended by four (4) HOC customers and one (1) individual from the waitlist.

Supportive Housing

The Supportive Housing Program provides housing assistance and case management services to participants who are formerly homeless with disabilities. The program services some of the most vulnerable residents of the county. In April, the program served 225 participants. Throughout March,

program staff continued to conduct home visits with program participants, provide case management services, and pay rent and utilities. Additionally, program staff continued to help Emergency Voucher recipients secure housing by providing housing location services, as well as financial assistance for application fees, security deposits, moving expenses and household items.

Program staff also continued to implement the Rent Supplement Program (“RSP”), which provides a shallow rental subsidy (up to \$600 monthly) to county residents who struggle to pay their full rent with their current income. The program serves many seniors on fixed incomes. Program turnover has created a challenge in achieving full program utilization; however, staff increased program participation to 276 participants this month, only 24 participants shy of the 300-person program target. Staff will continue to monitor program expenditures to determine if additional participants can be served.

Fatherhood Initiative

The Fatherhood Initiative is a national program funded by the U.S. Department of Health and Human Services. HOC is the first and only housing agency to be awarded a grant under the Fatherhood Initiative. HOC completed its first five-year grant as a ‘best practice’ model. HOC was awarded an additional grant and is currently in year three of the new grant period. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. On April 21, the program graduated 24 fathers from the April cohort, and enrolled 34 fathers for the May cohort. The program is on track to meet its target of serving 356 fathers.

On April 28, the Fatherhood Initiative, in partnership with the HOC Academy, hosted a Family STEM event for fathers and their families at iFLY in Gaithersburg, MD. HOC’s Fatherhood Initiative program has recently worked with iFLY indoor skydiving, where children and fathers learn about math and physics, and they see it come to life in a state-of-the-art wind tunnel. The highly-trained STEM educators guided children and fathers through an immersive, hands-on experience that consisted of the following activities:

- An interactive presentation on real-world STEM applications
- Physics demonstrations in the wind tunnel
- Lab activity and immersive experiments (based on grade level)
- An activity on measuring and recording data and interpret results
- One-on-one flying with a certified, world-class iFLY flight instructor

Social Work Internship Program

HOC hosts Bachelor of Social Work (“BSW”) and Master of Social Work (“MSW”) student interns referred by accredited social work programs with whom HOC has established formal agreements. Historically, this program has operated for 15+ years. The Service Coordination Manager serves as the school liaison, interviews potential intern candidates, coordinates with Human Resources on their placement with the agency, negotiates their work schedule, and identifies a suitable placement within HOC. They are assigned to an HOC field instructor who must agree to accept this responsibility and who are licensed social workers that qualify to serve as field instructors by each intern’s respective program. Staff members who are not licensed social workers that qualify to serve as field instructors by each intern’s respective program. Staff members who are not licensed social workers can function as task supervisors. However, field instructors must oversee the intern’s activities, provide weekly individual supervision and complete required school documentation. Intern’s placement with HOC is typically for a full academic year. During that time, interns are assigned Resident Counseling responsibilities, receive weekly supervision from their field instructor, and receive monthly group supervision organized by the Service Coordination Manager. Prior to getting started, interns must meet Human Resources employment requirements (i.e., pass a criminal background check and complete the OMS Medical Screening). Upon

arrival, they receive an agency orientation. They also receive customized training for their assigned tasks. Interns must serve at least three clients, conduct a “macro” project, and develop and implement a group project during the academic year. SW interns allow Resident Services to provide and reach maximum impact.

This year we had a total of seven (7) interns, five (5) BSWs and two (2) MSW students. The SW interns provided support to seniors, youth and families. They worked with the Housing Services Unit and HOC Academy and were assigned to the following properties: Gaithersburg Service Center, Cider Mills, Forest Oaks Towers, Georgian Court and Arcola Towers. They conducted English as a Second Language programs to support seniors at Forest Oak who were Mandarin speakers. The interns created a Realty Store Workshop to educate youth and their families in financial literacy. The interns also worked on the Community Development Block Grant project and supported on-site programming at Cider Mill.

HOUSING RESOURCES UPDATE

Housing Choice Voucher (“HCV”) Program

Monthly, HOC selects applicants from the HousingPath Waitlist to achieve a 95% program utilization rate. The utilization rate has remained at 96%. Currently, 145 families with issued vouchers are searching for suitable units to rent; and 132 contracts are pending execution. Two Hundred (200) families were selected from the HCV waitlist last month.

During April, the Housing Resources Division received four (4) requests for voucher extensions beyond the initial 90-day period. The requests included a search record reflecting the efforts made to secure housing during the voucher term and the landlords who were contacted. Three (3) of the four (4) extension requests warranted a referral to the Human Rights Commission and the Commission on Civil Rights for possible discrimination.

RENTCafé Used to Support Online Annual Recertifications

HOC introduced the use of RENTCafé to assist with annual recertifications. Customers with recertifications effective April 2023, were required to submit their annual recertification paperwork electronically. Staff enlisted the IT division to provide technical support to customers requiring assistance with the submission of recertification materials. Overall, 405 out of 693 customers submitted their paperwork electronically. We will continue to accept mailed submissions from customers who do not have email or who prefer to submit information by mail. We anticipate that more families will utilize the online portal as they become more comfortable with the technology.

Fifty-nine (59) customers were recommended for program termination effective April 1, 2023. The Resident Services Division worked in collaboration with the Housing Resources Division to assess client needs and to determine why recertifications were not being completed.

The Resident Services Counselors conducted outreach to every customer in the termination window to ascertain why the annual requirement was not completed and to provide assistance. They were able to assist twenty-eight (28) families with the recertification requirement and overturn the termination. Termination proceedings will continue for thirty-one (31) families for the following reasons:

- 29 – Failed to respond to counselor outreach
- 2 – Deceased

The Housing Resources Division will continue to work collaboratively with the Resident Services Division to assist those customers facing termination.

Emergency Housing Vouchers (“EHVs”)

HOC has an allocation of 118 Emergency Housing Vouchers. Currently 100 families have successfully leased units. Four (4) families with issued vouchers are searching for suitable units to rent. Staff are reviewing two certification packets to determine program eligibility. HOC requested ten additional referrals from HHS for the EHV Program.

Family Self Sufficiency (“FSS”) Update

This month FSS staff continued their recruitment efforts, with current enrollment consisting of 369 families. Six (6) new families enrolled into the FSS program this month, with three graduations occurring in April. Amongst the three graduates, earned income increased significantly, ranging from \$16,261 to \$76,706. The graduates obtained careers in the following fields: IT support, Client Services and Administrative Support.

HOC staff met with Worksource Montgomery on April 18, 2023. Worksource Montgomery is a resource center providing individualized employment plans for long-term employment. The purpose of the meeting was to evaluate the formal process for employment assessments for FSS participants.

Worksource Montgomery proved to be a valuable resource offering two local job centers (Germantown and Wheaton) as well as social services at each center offered in partnership with the Department of Health & Human Services (“DHHS”), Montgomery College, and the United Way. Services include assistance with rent, food, and transportation. Additionally, there are twenty computers for customers to conduct job searches and the center offers virtual workshops to assist with career development tasks along with financial literacy workshops. Hiring events are also presented on the Maryland Workforce Exchange platform as an added bonus and resource to customers.

FSS participants remain committed to the alliances formed with the FSS Case Managers. FSS Case Managers continue to work with customers on their long- and short-term self-sufficiency goals. During monthly meetings, Case Managers offer integrated strategies for self-care, personal goal fulfillment and emotional support. Community partnerships continue to be a capstone of the program. In conjunction with person-centered planning efforts, Case Managers solicit feedback from customers to determine the effectiveness of previously provided resources. Maintaining continuous feedback ensures that referrals to external partners continue to meet individual goals and exceed expectations.

REAL ESTATE DEVELOPMENT UPDATE

Real Estate Development on the Move

The Laureate, our latest mixed-income, mixed-use development to open its doors, has made significant progress with the first set of residents moving in April, and the common areas and amenities being nearly fully-furnished. Amenities include approximately 10,000 sq. ft. of ground floor amenity space including a lobby lounge, theater, pet spa, children’s area, fitness room and entertainment kitchen. Additional amenities include a first-level courtyard space including outdoor grilling stations, lounge, and pool area. The residential portion of the community has achieved a 27% leasing rate and an overall 5% occupancy rate, with ongoing leasing and marketing for the commercial retail spaces including future dining vendors. CVS has started construction on its space and is slated for completion this September.

Our UpCounty Customer Service Center, which features approximately 7,400 sq. ft. of office space with a first-level lobby space along Columbus Avenue, will be relocated late summer 2023 and will welcome clients to our new offices.

State Partners: The Real Estate Development (“RED”) team had a productive meeting with the Maryland Community Development Administration (“CDA”) on April 18 where we discussed HOC’s volume cap needs to support our Single Family Mortgage Program and future Low-Income Housing Tax Credit (LIHTC) development transactions, including the transformative mixed-income, mixed-use, sustainable Hillandale Gateway project, as well as many others in the pipeline. The meeting was very well received by Governor Wes Moore’s newest appointees, and representatives were excited and receptive to our requests to fund these respective priorities accordingly.

MORTGAGE FINANCE UPDATE

Working with Our Stakeholders

Mortgage Finance Staff continues to work closely with the RED division on several important HOC initiatives. Two examples include the aforementioned collaboration with RED in requesting additional volume cap from the State of Maryland CDA, as well as a webinar hosted by the Greater Capital Area Association of Realtors and Mortgage Finance’s single-family team. The webinar received rave reviews on how highly instructive and informative the content was to the 50+ participants present. Members of HOC’s Commission also provided positive feedback.

Mortgage Finance staff is looking forward to attending the annual NALHFA Conference and learning more best practices from our local Housing Finance Agency colleagues about how to navigate through both single-family and multifamily lending environments given the current and projected inflationary and rising interest environment.

FINANCE UPDATE

HOC Awarded Additional FEMA Support

The Finance Team continues to work diligently with FEMA for reimbursement of eligible COVID-19 expenses. Such related expenses include purchase of personal protective equipment and cleaning and disinfecting supplies, dissemination of information in order to communicate warnings and guidance for residents and the public, screening equipment to monitor possible infected persons in work facilities, and other related administrative costs. In addition to the \$680,147 received in March 2023, FEMA approved another \$16,085 this month. Additionally, staff will be working on the final application to cover eligible costs covering July 2 thru May 11, 2023.

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

April 5, 2023

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Wednesday, April 5, 2023, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Jeffrey Merkowitz
Rick Nelson
Jackie Simon
Pamela Byrd
Linda Croom

Also Attending

Chelsea Andrews, Executive Director
Kayrine Brown, Deputy Executive Director
Ken Siverman
Timothy Goetzinger
Marcus Ervin
Lynn Hayes
Kathryn Hollister
Terri Fowler
Michael Ruth

Aisha Memon, General Counsel
Paige Gentry, Deputy General Counsel
Zachary Marks
Elliot Rule
Fred Swan
Lori Bonnette
Gio Kaviladze
Monte Stanford
Jennifer Hines Washington

Also Attending via Zoom

Terri Fowler
John Wilhoit
Steven Firth

Tia Blount
Matthew Husman

IT Support

Irma Rodriguez
Aries "AJ" Cruz
Genio Etienne

Commission Support

Jocelyn Koon, Senior Executive Assistant

Chair Priest opened the meeting with the introduction of the Commission.

I. **Information Exchange**

Community Forum

- There were no speakers who signed up to address the Board.

Executive Director's Report

- Chelsea Andrews, Executive Director, provided a presentation of the written report. Ms. Andrews also shared updates as in pertains to HOC activities for the month of March 2023.

Commissioner Exchange

- Commissioner Croom congratulated the twenty-eight fathers who graduated the Fatherhood Initiative Program and inquired if the fathers received training or job offers following graduating the program. Chelsea Andrews, Executive Director mentioned the program does not guarantee employment but works very closely to provide them with referrals to job opportunities.
- Commissioner Kelleher inquired about the Housing Choice Voucher Program information that was provided and was very encouraging. Lynn Hayes responded to the question.
- Chair Priest inquired about the activities in HOC and how are they promoted. Executive Director, Chelsea Andrews mentioned our newsletter goes out monthly and there are flyers and information provided at each particular site.
- Commissioner Merkowitz inquired about the Resident Advisory Board. Executive Director, Chelsea Andrews mentioned entering a contract with third party that will allow residences to participate in an upcoming election electronically. The Executive Director mentioned all communications around this will occur in the next few months.

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

- A. **Approval of Minutes of March 8, 2023**
- B. **Approval of Minutes of March 8, 2023 Closed Session**

III. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION**

A. Administrative & Regulatory Committee- Com. Kelleher, Chair

1. Approval to Amend the HOC Procurement Policy Purchasing Limits for Micro Purchases

Commissioner Kelleher gave an introduction and opened the floor to the Executive Director, Chelsea Andrews, who introduced Tim Goetzinger, Acting Chief Financial Officer and Chief Development Funds Officer who provided the presentation.

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

RESOLUTION No.: 23-19

RE: Approval to Amend the HOC Procurement Policy Purchasing Limits for Micro Purchases

WHEREAS, the Housing Opportunities Commission of Montgomery County’s (“HOC”) Procurement Policy establishes various purchasing limits; and

WHEREAS, the purchasing limit for Micro Purchases is \$5,000 (except for construction services for which the maximum is \$2,000 due to Davis-Bacon requirements) (the “Micro Purchase Ceiling”);

WHEREAS, by a June 20, 2018 Memorandum for Chief Financial Officers and Heads of Small Executive Agencies (M-18-18), the Office of Management and Budget raised the federal micro purchase threshold to \$10,000; and

WHEREAS, per a memo dated March 12, 2019, the U.S. Department of Housing and Urban Development confirmed that public housing authorities can use the higher threshold, but must document the change in their procurement policies; and

WHEREAS, due to rising costs for goods and services, staff recommends amending the HOC Procurement Policy to increase the Micro Purchase Ceiling to \$10,000 (except for construction services for which the maximum is \$2,000 due to Davis-Bacon requirements).

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the HOC Procurement Policy to increase the Micro Purchase Ceiling to \$10,000 (except for construction services for which the maximum is \$2,000 due to Davis-Bacon requirements), effective immediately.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on April 5, 2023.

2. Authorization to Submit HOC’s Fiscal Year 2024 Annual Public Housing Agency Plan

Commissioner Kelleher gave an introduction and opened the floor to Executive Director, Chelsea Andrews, who introduced Elliot Rule, Compliance Analyst, who provided the presentation.

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

RESOLUTION NO.: 23-20

RE: Authorization to Submit the Fiscal Year 2024 Annual Public Housing Agency Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) seeks to implement the mandatory Annual Public Housing Agency (“PHA”) Plan requirements of the Quality Housing and Work Responsibility Act of 1998 (“QHWRA”); and

WHEREAS, the submission of the Fiscal Year (“FY”) 2024 Annual PHA Plan was prepared in accordance with 24 CFR Part 903 regulations and requirements for submission to the U.S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, HOC worked in collaboration with the Resident Advisory Board to obtain recommendations in the development of the proposed Annual PHA Plan submission; and

WHEREAS, HOC obtained certification from local government officials that the proposed Annual PHA Plan Submission is consistent with the jurisdiction’s Consolidated Plan; and

WHEREAS, HOC conducted a Public Hearing on April 3, 2023 to obtain public comments regarding the proposed Annual PHA Plan Submission; and

WHEREAS, HOC has considered all comments and recommendations received and has incorporated all relevant changes in the proposed Annual PHA Plan Submission.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the FY 2024 Annual PHA Plan and its submission to HUD no later than April 17, 2023, as required by federal regulation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her 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 April 5, 2023.

B. Development & Finance Committee- Com. Simon, Chair

1. Single Family Lending: Approval of New Participating Lender, Luminate Home Loans, Inc., for the Single Family Mortgage Purchase Program.

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Paulette Dudley, Program Specialist III and Jennifer Washington, Assistant Director of Bond Management, who provided the presentation.

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

RESOLUTION No: 23-21

RE: Approval of New Participating Lender 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, Luminate Home Loans, LLC has applied for participation in the MPP; and

WHEREAS, Luminate Home Loans, LLC has satisfied the required criteria for admittance into the MPP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Luminate Home Loans, LLC is approved for participation in the MPP, effective immediately.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 5, 2023.

2. Single Family Mortgage Loan Subservicer: Approval to Select Single Family Mortgage Loan Subservicer in Accordance with Request for Proposal #2344

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Jennifer Washington, Assistant Director of Bond Management and Monte Stanford, Director of Mortgage Finance who provided the presentation.

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

RESOLUTION No.: 23-22

RE: Approval to Select Single Family Mortgage Loan Subservicer in Accordance with Request for Proposals (RFP) #22344

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) operates a Single Family Mortgage Purchase Program (“MPP”), and the MPP portfolio contains some whole loans that are serviced by a loan subservicer; and

WHEREAS, on June 23, 2017, pursuant to Request for Proposal (“RFP”) #2071, the Commission approved the execution of a contract for whole loan subservicing with Dovenmuehle Mortgage, Inc. (“DMI”), which expires at the end of September 2023; and

WHEREAS, on July 25, 2022, HOC issued RFP #2334 for Mortgage Loan Subservicing services, but no responses were received; and

WHEREAS, on September 19, 2022, HOC re-issued RFP #2344 and received three (3) responses from AmeriNat, DMI, and NOVAD Management Consulting, LLC, whereupon evaluation by a scoring team, DMI receiving the highest score; and

WHEREAS, staff recommends that the Commission approve DMI as the Commission’s mortgage loan subservicer for a new contract term, as permitted under HOC’s Procurement Policy.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves the selection of DMI as its single family whole loan subservicer and authorizes the Executive Director, or her designee, to negotiate and execute a contract for an initial two-year term with three optional one-year renewals.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or her designee, without further action on its part, to take any and all other actions necessary and proper to carry out the actions contemplated herein, including but not limited to the execution of any and all documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023.

3. Mortgage Purchase Program: Approval to Increase the Sales Price and Income Limits for the Single Family Mortgage Purchase Program

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Jennifer Washington, Assistant Director of Bond Management and Monte Stanford, Director of Mortgage Finance, who provided the presentation.

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

RESOLUTION No.: 23-23

RE: Approval to Increase the Maximum Sales Price and Income Limits for the Single Family Mortgage Purchase Program

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) has operated the Single Family Mortgage Purchase Program (“MPP” or the “Program”) since 1979, issuing approximately \$1.6 billion of taxable and tax-exempt Mortgage Revenue Bonds to

finance more than 12,000 single family mortgage loans; and

WHEREAS, on March 30, 2022, the Internal Revenue Service published new revenue procedures setting forth average area purchase price applicable to Montgomery County, Maryland, and on April 18, 2022, the U.S. Department of Housing and Urban Development published new national income limits; and

WHEREAS, the Commission approves the maximum income and sales price limits that apply to the MPP, subject to rules and regulations governing Mortgage Revenue Bonds and Mortgage Backed Securities.

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

1. The maximum allowed sales price for the MPP shall be increased to \$806,598.
2. The maximum income limits for the MPP shall be increased as follows:

Household Size	Maximum Income
1	\$119,532
2	\$170,760
3+	\$199,220

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or her designee, without further action on its part, to take any and all other actions necessary and proper to carry out the actions contemplated herein, including but not limited to the execution of any and all documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023.

4. Hillandale Gateway: Approval to Select Construction Materials Testing and Third Party Inspection Services Consultant for the Hillandale Gateway Development

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Kathryn Hollister, Senior Financial Analyst and Marcus Ervin, Director of Development, who provided the presentation.

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

RESOLUTION No.: 23-24

RE: Approval of a Construction Materials Testing and Third-Party Inspection Services Consultant for Hillandale Gateway

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC; and

WHEREAS, Hillandale Gateway, LLC, is the lessee of approximately 4.35 acres of land at 10100, 10110 and 10120 New Hampshire Avenue, Silver Spring, MD 20903, the former site of Holly Hall Apartments (“Holly Hall Site”); and

WHEREAS, HOC is redeveloping the Holly Hall Site and a neighboring parcel located at 10140 New Hampshire Avenue, Silver Spring, MD into a mixed-income, mixed-use, multigenerational community (“Hillandale Gateway”) as part of a joint venture with The Duffie Companies; and

WHEREAS, the Commission issued a request for proposals (“RFP #2348”) for construction materials testing and third-party inspection services (“Third Party Services”) for Hillandale Gateway; and

WHEREAS, Hillis-Carnes Engineering Associates, Inc. (“Hillis-Carnes”) received the highest score among respondents to RFP #2348; and

WHEREAS, the Commission desires to approve a “Third Party Testing Budget” in the amount of \$562,845, which includes the price provided by Hillis-Carnes in its response to RFP #2348 in an amount of \$489,430 (“Contract Price”), and a Commission-held contingency (“Contingency”) of \$73,415 (15% of Contract Price); and

WHEREAS, the Commission desires to select Hillis-Carnes for Third Party Services for Hillandale Gateway and authorize the Executive Director to execute a contract with Hillis-Carnes in an amount not to exceed the Contract Price.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that it approves the selection of Hillis-Carnes as the Third Party Services consultant for Hillandale Gateway and approves the Third Party Testing Budget in the amount of \$562,845, which includes the Contract Price of \$489,430, and the Contingency of \$73,415.

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, acting for itself and on behalf of Hillandale Gateway, LLC, that it authorizes the Executive Director, or her designee, to execute a contract with Hillis Carnes in an amount not to exceed the Contract Price.

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, acting for itself and on behalf of Hillandale Gateway, LLC, that it authorizes the use of the Contingency in the event unforeseen or additional Third Party Services are required.

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, acting for itself and on behalf of Hillandale Gateway, LLC, that the Executive Director, or her 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 April 5, 2023

5. Elizabeth House: Approval to Select the Berg Corporation as the Demolition Contractor for Elizabeth House apartments in Accordance with Invitation for Bid (“IFB”) @2361 and Authorization for the Executive Director to Negotiate and Execute a Contract for Demolition

Commissioner Simon opened the floor to Executive Director Chelsea Andrews who introduced Gio Kavaladze, Senior Financial Analyst, Marcus Ervin, Director of Development and Zachary Marks, Chief Real Estate Officer, who provided the presentation.

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

RESOLUTION No.: 23-25a

RE: Approval of a Demolition Contractor for Elizabeth House Apartments

WHEREAS, Elizabeth House Apartments (“Elizabeth House”), located at 1400 Fenwick Lane in Silver Spring, MD, is a former 160-unit senior public housing community, fully owned by the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”); and

WHEREAS, Elizabeth House is adjacent to The Leggett, a new, mixed-income 267-unit multigenerational community that is adjacent the South County Regional Recreation and Aquatic Center; and

WHEREAS, Elizabeth House has reached the end of its useful life cycle and, in order to facilitate the further development of the square, HOC issued an Invitation for Bid (“IFB #2361”) to select a contractor for the demolition of Elizabeth House; and

WHEREAS, The Berg Corporation (“Berg”) submitted the lowest cost bid among three (3) respondents to IFB #2361; and

WHEREAS, the Commission desires to approve a demolition budget in the amount of \$2,758,591, which includes the price provided by Berg in its response to IFB #2361 in an amount of \$2,298,826 (“Contract Price”) and a Commission-held contingency (“Contingency”) of \$459,765 (20% of Contract Price); and

WHEREAS, the Commission desires to select Berg to demolish Elizabeth House and authorize the Executive Director to execute a contract with Berg in an amount not to exceed the Contract Price; and

WHEREAS, the demolition will be funded with \$1,500,000 County CIP grant (“CIP Grant”), \$1,000,000 DHCA 0% interest loan (“DHCA Loan”), and up to \$500,000 contribution from the HOC Opportunity Housing Reserve Fund (“OHRF Contribution”); and

WHEREAS, the Commission desires to approve the use of OHRF funds for the OHRF Contribution, with the expectation that, if the site is redeveloped, the contribution will either be returned to OHRF or will be converted into HOC equity in the new development; and

WHEREAS, because the DHCA Loan is not yet available for disbursement, staff requests a bridge loan of up to \$1,000,000 from HOC's PNC Real Estate Line of Credit ("RELOC") to bridge the receipt of DHCA Loan.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves the selection of Berg as the demolition contractor for Elizabeth House and approves the demolition budget in the amount of \$2,758,591, which includes the Contract Price of \$2,298,826, and the Contingency of \$459,765.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director, or her designee, to execute a contract with Berg in an amount not to exceed the Contract Price.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the use of the Contingency in the event unforeseen or additional demolition-related expenses are incurred.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the use of OHRF funds for the OHRF Contribution and accepts CIP Grant and DHCA Loan to fund the demolition.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes a draw on the RELOC not to exceed \$1,000,000 to bridge the demolition funding of Elizabeth House, with the expectation that the draw will be fully repaid with the proceeds of DHCA Loan.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her 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 April 5, 2023.

RESOLUTION No.: 23-25b

RE: Approval to Draw up to \$1,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Demolish Elizabeth House Apartments

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 redevelopment of rental housing properties which provide a public purpose; and

WHEREAS, Elizabeth House Apartments (“Elizabeth House”), located at 1400 Fenwick Lane in Silver Spring, MD, is a former 160-unit senior public housing community, fully owned by HOC; and

WHEREAS, Elizabeth House has reached the end of its useful life cycle and, in order to facilitate the further development of the site, HOC wishes to demolish the property; and

WHEREAS, the demolition will be funded with \$1,500,000 County CIP funds, \$1,000,000 DHCA 0% interest loan (“DHCA Loan”), and up to \$500,000 contribution from the HOC Opportunity Housing Reserve Fund(the “Demolition Funds”); and

WHEREAS, because the DHCA Loan is not yet available for disbursement, HOC wishes to bridge the receipt of DHCA Loan funds with a taxable draw of up to \$1,000,000 from HOC’s PNC Real Estate Line of Credit (“RELOC”), which will be repaid (including accrued interest) from the Demolition Funds.

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

County that it authorizes a taxable draw on the RELOC in an amount not to exceed \$1,000,000 for the demolition of Elizabeth House for a maximum term of 12 months with interest payable as provided by the RELOC facility, to be repaid from the Demolition Funds.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her 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 April 5, 2023.

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

1. Strategic Plan Consultant: Approval to Select and Negotiate a Contract with Public Works LLC for the Development of HOC’s Fiscal Years 2023-2028 Strategic Plan in Accordance with RFP #2358

Commissioner Kelleher gave an introduction and opened the floor to Executive Director, Chelsea Andrews who introduced Kayrine Brown, Deputy Executive Director and Ken Silverman, Director of Government Affairs who provided the presentation.

There was much discussion among the Commissioners and staff. Commissioner Priest made a motion to amend Resolution 23-26 (as presented) to approve phase one of the work for an amount not to exceed \$400,000, and for staff to return to the Commission at the halfway point of phase one to provide a recommendation on phase two. Commissioner Kelleher seconded. Affirmative Votes were cast by Commissioners Priest, Merkwowitz, Kelleher, Nelson, Byrd, Croom and Simon.

RESOLUTION No. 23-26

RE: Approval to Select and Negotiate a Contract with Public Works, LLC for the Development of HOC’s Fiscal Years 2023-2028 Strategic Plan, in Accordance with RFP #2358

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) operates pursuant to the values, vision, and mission developed in the agency’s 2018-2022 Strategic Plan, which focused HOC’s efforts on getting people housed, keeping people housed, and helping customers reach their fullest potential; and

WHEREAS, HOC is ready to chart a path for the next five years by soliciting input from a diverse array of internal and external stakeholders, mapping HOC’s place in the broader housing ecosystem, and updating and refining HOC’s vision, mission, priorities, goals, and objectives for the next five years; and

WHEREAS, the Commission desires to select a consultant to lead the agency through a strategic planning process and therefore issued a Request for Proposals (“RFP”) for strategic planning services (“RFP #2358”); and

WHEREAS, five firms responded to the RFP, detailing their qualifications, experience and methodology pursuant to which they would deliver a comprehensive Strategic Plan that would guide HOC’s operations and decisions over the next five years; and

WHEREAS, Public Works, LLC received the highest score among respondents to RFP #2358 and is determined to have met the requirements outlined in the RFP and is deemed to possess the experience in a qualified team to deliver a strategic plan timely and of the highest quality; and

WHEREAS, the Commission desires to select Public Works, LLC as the consultant for the 2023-2028 Strategic Plan and authorize the Executive Director to negotiate a contract with Public Works, LLC.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of Public Works, LLC as the consultant for the development of the 2023-2028 Strategic Plan, and authorizes the Executive Director to negotiate and execute a contract with Public Works, LLC for up to \$400,000 for phase one of the work.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that staff will return to the Commission at the halfway point of phase one of the strategic planning process to provide a recommendation on the implementation of phase two of the work.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her 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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 5, 2023.

2. Bond Underwriter Selection: Approval of Firms Selected to Service on the Commission’s Bond Underwriting Team in Accordance with RFP #2353 and Approval of the Structure of the Team

Executive Director, Chelsea Andrews, introduced Monte Stanford, Director of Mortgage Finance, and Jennifer Washington, Assistant Director of Bond Management, who provided the presentation¹.

¹ As a point of correction: Jennifer Arrington incorrectly commented that the Westside Shady Grove (a/k/a The Laureate) deal was the first of its kind in the country. This was a misstatement. It was not the first, but one of the largest transactions of its kind in the country.

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

RESOLUTION No: 23-27

RE: Approval of Firms Selected to Serve on the Commission's Bond Underwriting Team in Accordance with RFP #2353 and Approval of the Structure of the Team

WHEREAS, to advance its mission and operate a successful bond financing program, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") engages the services of a number of industry professionals, including a team of bond underwriters to help structure HOC's bond issues and market the bonds to obtain the most favorable pricing; and

WHEREAS, HOC last selected members of the bond underwriting team in 2019, and their contract expires on May 28, 2023; and

WHEREAS, in accordance with the Commission's Procurement Policy, a request for proposal for Managing Underwriter services was issued on October 31, 2022; and

WHEREAS, an Evaluation Team, comprised of two (2) Commissioners, the Executive Director, the Deputy Executive Director, three (3) staff personnel, and the Commission's Financial Advisor, reviewed the qualifications of the firms that were considered and recommends that seven (7) firms be contracted for the Commission's bond underwriting team; and

WHEREAS, historically, the bond underwriting team has included a single Senior Manager and four to five Co-managers, but more recently has included a Senior Manager, a Co-Senior Manager and four to five Co-managers; and

WHEREAS, the Commission wishes to create incentives for firms that are not designated as Senior Manager or Co-Senior Manager to bring forth ideas to enhance the Commission's bonds programs with the knowledge that they would be rewarded by being elevated to the role of senior manager for a specific bond issuance.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves the below listed firms to act as HOC's bond underwriting team with the following structure:

Senior Manager: Bank of America Securities, New York
NY Co-Senior Manager PNC Capital Markets, LLC, Pittsburgh,
PA

Co- Managers: Jefferies LLC, New York, NY
Morgan Stanley, New York, NY
RBC Capital Markets, New York,

NY TD Securities, New York, NY
Wells Fargo Company, San Francisco, CA

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director in consultation with the Commission's Financial Advisor to create a team for each bond issuance.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her designee, is authorized to negotiate and execute contracts and/or letter agreements with each firm, and that each engagement shall be for an initial two (2) years with two (2) optional one-year renewals for a maximum term of four (4) years.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that any Co-manager with a unique idea may be elevated to Senior Manager for a specific bond issuance, if it is determined by HOC in consultation with the Commission's Financial Advisor that the idea is unique, enhances the Commission bond program, and does not create undue risk to the Commission or its bond program.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or her designee, without further action on its part, to take any and all other actions necessary and proper to carry out the actions contemplated herein, including but not limited to the execution of any and all documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 5, 2023.

3. Recommended Budget: Presentation of the Executive Director's HOC FY' 2024 Recommended Budget

Chair Priest gave an introduction and opened the floor to Executive Director, Chelsea Andrews, who gave an extensive presentation of the Executive Director's HOC FY' 2024 Recommended Budget. The Executive Director then introduced Timothy Goetzinger, Chief Development Funds Officer, and Terri Fowler, Budget Officer who provided highlights on HOC FY' 2024 Recommended Budget.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Commissioner Merkowitz seconded the motion, with Commissioners Priest, Merkowitz, Kelleher, Nelson, Simon, Byrd, and Croom voting in approval. 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 6:45pm, and reconvened in closed session at 7:00pm.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County's closed session held on April

5, 2023 at approximately 7:00 p.m. at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(3) and 3-305(b)(13) to discuss three topics: (1) the potential purchase or lease of commercial office space located in Silver Spring, Maryland (pursuant to Section 3-305(b)(3)); (2) the confidential commercial and financial terms of a ground lease with a third party (pursuant to Section 3-305(b)(13)); and (3) the potential acquisition of real property located in Silver Spring, Maryland (pursuant to Section 3-305(b)(3)).

The meeting was closed and the closing statement dated April 5, 2023 was adopted on a motion made by Chair Priest, seconded by Pro-Tem Merkowitz, with Commissioners Priest, Merkowitz, Kelleher, Nelson, Simon, Byrd, and Croom voting in approval of the motion. The following persons were present: Roy Priest, Frances Kelleher, Richard Nelson, Pamela Byrd, Jeffrey Merkowitz, Jackie Simon, Linda Croom, Chelsea Andrews, Kayrine Brown, Aisha Memon, Paige Gentry, Zachary Marks, Marcus Ervin, Jocelyn Koon, and Lori Bonnette.

In closed session, the Commission discussed the below topics and took the following actions:

1. **Topic:** The potential purchase or lease of commercial office space located in Silver Spring, Maryland (pursuant to Section 3-305(b)(3)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Merkowitz, Kelleher, Nelson, Byrd, Croom, and Simon voted to decline the potential purchase or lease of commercial office space, and to move forward with a previously approved Commission action.
2. **Topic:** The confidential commercial and financial terms of a ground lease with a private third party (pursuant to Section 3-305(b)(13)).
 - a. **Action Taken:** No action taken. This item was not discussed.
3. **Topic:** The potential acquisition (via either a ground lease or purchase) of real property located in Silver Spring, Maryland for redevelopment into multifamily housing (pursuant to Section 3-305(b)(3)).
 - a. **Action Taken:** The Commission received an update about the potential acquisition. No action taken.

The closed session was adjourned at 8:13p.m.

Respectfully submitted,

Chelsea Andrews, Secretary-Treasurer

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

April 21, 2023

For the official record of the Housing Opportunities Commission of Montgomery County, an open Special Session of the Commission was conducted via a hybrid model on April 21, 2023, with some participating by online platform/teleconference, and others participating in-person at 10400 Detrick Avenue, Kensington, Maryland beginning at 11:30 a.m., available for viewing here. Those in attendance were:

Present

Jackie Simon – Commissioner
Richard Y. Nelson, Jr. – Commissioner
Jeffrey Merkowitz – Chair Pro Tem

Attending via Zoom

Roy Priest – Chair
Frances Kelleher – Vice-Chair

Also Attending

Chelsea Andrews, Executive Director
Paige Gentry, Deputy General Counsel
Zachary Marks
Jay Shepherd

Aisha Memon, General Counsel
Jeremiah Battle
Monte Stanford
Daejauna Donahue

Attending via Zoom

John Wilhoit
Fred Swan
Paulette Dudley
Sewari Agbodjan

Timothy Goetzinger
Eugenia Pascual
Ellen Golf
Niketa Patel

IT Support

Irma Rodriques
Aries Cruz
Genio Etienne

Commission Support

Jocelyn Koon, Senior Executive Assistant
Lori Bonnette, Special Assistant

Chair Priest opened the meeting welcoming all to the Special Session of the Housing Opportunities Commission of Montgomery County.

I. ITEMS REQUIRING DELIBERATION and/or ACTION

- A. HOC Headquarters: Authorization of the Executive Director to Execute an Early Start Agreement with the General Contractor, Approval of the Reallocation of Savings to the Existing Predevelopment Budget to Fund the Early Start, Approval of the Selection of the Third-party Testing Contractor, and Approval of the Budget for the Third-party Testing Contractor**

Chelsea Andrews, Executive Director, provided an overview and introduction of Zachary Marks, Chief Real Estate Officer, and Daejauna Donahue who provided the presentation. A motion was made by Commissioner Simon to recommend approval of the item. It was seconded by Commissioner Merkowitz. Affirmative votes were cast by Commissioners Simon, Nelson and Merkowitz, Priest, and Kelleher.

Based upon this report and there being no further business to come before this Special Session of the Commission, the meeting adjourned at 12:04 p.m.

RESOLUTION No. 23-28

RE: Approval of the Selection of the General Contractor, Authorization of the Executive Director to Execute an Early Start Agreement with the General Contractor, Approval of the Reallocation of Savings to the Existing Predevelopment Budget to Fund the Early Start, Approval of the Selection of the Third-party Testing Contractor, and Approval of the Budget for the Third-party Testing Contractor

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), has secured three lots located at 1324 and 1328 Fenwick Lane, Silver Spring, MD 20910 (the “Property”), as the site of a new headquarters building, projected to be approximately 83,000 gross square feet or the maximum allowed by the current zoning regulations (the “New HQ”); and

WHEREAS, on April 3, 2019, the Commission authorized the Executive Director to execute a Development Agreement and Ground Lease with Promark Development, LLC for the joint development of Property, engaged Design Collective, Inc. for architectural services and to administer construction for the New HQ, and subsequently, on May 6, 2020, approved pursuing site development approval; and

WHEREAS, HOC has received all required approvals from the Montgomery County Planning Board, and is now prepared to select a general contractor to construct the building; and

WHEREAS, the Commission issued a request for proposals for general contracting services (“RFP #2340”) for the New HQ, and Paradigm Contractors, LLC (“Paradigm”) received the highest score among the respondents; and

WHEREAS, the Commission desires to select Paradigm as the general contractor for the New HQ and authorize the Executive Director to negotiate a Guaranteed Maximum Price (“GMP”) construction contract with Paradigm; and

WHEREAS, the Commission recognizes the benefits of starting certain construction preparation work for the New HQ, including (1) releasing subcontractors to produce shop drawings, (2) engaging in advance trades with critical paths and long lead times for construction, and (3) expediting the process of selecting and approving materials and equipment to stem lead-time issues during construction (collectively, the “Early Start Work”); and

WHEREAS, staff has identified \$837,000 in the predevelopment budget that can be re-obligated to cover the entire Early Start Work budget of \$766,968 plus a contingency of \$70,032 until construction closing is complete; and

WHEREAS, the Commission desires to authorize the Executive Director to negotiate and execute a contract with Paradigm for the Early Start Work in an amount not to exceed \$837,000 (the “Early Start Agreement”) and provide a limited notice to proceed to Paradigm for the Early Start Work; and

WHEREAS, the Commission issued a request for proposals for third-party inspection services (“RFP #2356”) for the New HQ, and ECS Mid-Atlantic, LLC (“ECS”) received the highest score among the respondents; and

WHEREAS, the Commission desires to engage ECS as HOC’s third-party inspector for the New HQ.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of Paradigm as the general contractor for the New HQ and authorizes the Executive Director to negotiate a GMP construction contract with Paradigm.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to execute the Early Start Agreement for up to \$837,000 with Paradigm and provide a limited notice to proceed for the Early Start Work.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the reallocation of savings to the existing predevelopment budget for the New HQ to fund the Early Start Work not to exceed \$837,000.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the selection of ECS as the third-party inspector for the New HQ, authorizes the Executive Director to execute a contract with ECS not to exceed \$299,930, and approves a total budget of \$344,920 for third-party inspection services.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her 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 an open Special Session conducted on April 21, 2023.

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Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/lb

Consent

WESTWOOD TOWER: APPROVAL OF ADDITIONAL FUNDING FOR THE CONTINUATION OF LITIGATION SERVICES

May 3, 2023

- In November 2021, the Commission authorized an emergency procurement for the continuation of litigation services provided by Douglas & Boykin PLLC (“Douglas”) pursuant to Section 5.6(ii) of HOC’s Procurement Policy, and approved the use of Westwood Tower’s existing property cash to fund future legal costs and fees associated the continuation of litigation services provided by Douglas in an amount not to exceed \$270,000.
- Litigation services rendered through the conclusion of the appellate process is anticipated to exceed the \$270,000 previously authorized.
- Staff is seeking Commission approval of an additional \$50,000 in funding for these services.
- Staff recommends that Westwood Tower’s existing property cash be used to fund future legal costs and fees associated with the continuation of litigation services provided by Douglas.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, Executive Director

FROM: Staff:	Aisha Memon, General Counsel	Ext. 9740
	Zachary Marks, Chief Real Estate Officer	Ext. 9613
	Marcus Ervin, Director of Development	Ext. 9752
	Kathryn Hollister, Housing Acquisition Manager	Ext. 9551

RE: **Westwood Tower:** Approval of Additional Funding for the Continuation of Litigation Services

DATE: May 3, 2023

STATUS: Consent Item: X

OVERALL GOAL & OBJECTIVE:

To authorize additional funding for the continuation of litigation services.

BACKGROUND:

On July 2, 2021, the Commission authorized the sale of Westwood Tower to a private purchaser. On August 10, 2021, HOC was named as a defendant in a Complaint for Writ of Mandamus filed in the Circuit Court for Montgomery County, Maryland (Case No. 486734-V) by the Bethesda African Cemetery Coalition, Reverend Olusegun Adebayo, Darold Cuba, Geneva Nanette Hunter, and Montani Wallace (the "Plaintiffs"). Plaintiffs allege that HOC violated Md. Code, Bus. Reg. § 5-505 and Md. R Prop. Sales Rule 14-401 by not petitioning the court before attempting to sell Westwood Tower. Shortly thereafter, staff engaged Douglas & Boykin PLLC ("Douglas") to represent HOC in the litigation.

In November 2021, the Commission authorized an emergency procurement for the continuation of litigation services provided by Douglas pursuant to Section 5.6(ii) of HOC's Procurement Policy, and approved the use of Westwood Tower's existing property cash to fund future legal costs and fees associated the continuation of litigation services provided by Douglas in an amount not to exceed \$270,000.

Litigation services rendered through the conclusion of the appellate process is anticipated to exceed the \$270,000 previously authorized. As of April 2023, legal fees and costs totaled \$267,808.73. Litigation costs through the conclusion of the appellate process is anticipated to be an additional \$25,000.

Funding

Douglas estimates that their legal fees and costs to see the litigation through the conclusion of the appellate process is \$25,000. To date, legal fees and costs, which have been incurred for HOC's defense, have been paid by the Property.

Staff proposes that the projected future legal fees and cost of \$25,000, plus a \$25,000 contingency , for a total of \$50,000, be paid from existing Property cash. Staff is, in part, proposing a \$25,000 contingency in the event the Appellate Court unexpectedly asks the parties for another brief on the issues.

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff's recommendation to:

1. Approve additional funding in the amount of \$50,000 for the continuation of litigation services process provided by Douglas & Boykin PLLC?
2. Approve the use of Westwood Tower's existing property cash to fund the additional costs and fees associated the continuation of litigation services provided by Douglas & Boykin PLLC in an amount not to exceed \$50,000?

BUDGET IMPACT:

There is no adverse impact on the agency's FY2023 operating budget. Westwood Tower has sufficient existing property cash to fund this request.

TIME FRAME:

For action by the Commission, at the May 3, 2023 open meeting of the Commission.

STAFF RECOMMENDATION:

Staff recommends that the Commission:

1. Approve additional funding in the amount of \$50,000 for the continuation of litigation services provided by Douglas & Boykin PLLC?
2. Approve the use of Westwood Tower's existing property cash to fund the additional costs and fees associated the continuation of litigation services provided by Douglas & Boykin PLLC in an amount not to exceed \$50,000?

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the owner of a multifamily building located at 5401 Westbard Avenue, Bethesda known as Westwood Tower Apartments (“Westwood Tower” or the “Property”); and

WHEREAS, on January 8, 2020, HOC entered into an agreement for services (“Agreement”) with Douglas & Boykin PLLC (“Douglas”), which included HOC’s ability to request that Douglas represent HOC in the event any litigation was filed; and

WHEREAS, on July 2, 2021, the Commission authorized the sale of Westwood Tower to a private purchaser; and

WHEREAS, on August 10, 2021, HOC was named as a defendant in a Complaint for Writ of Mandamus filed in the Circuit Court for Montgomery County, Maryland (Case No. 486734-V) by the Bethesda African Cemetery Coalition, Reverend Olusegun Adebayo, Darold Cuba, Geneva Nanette Hunter, and Montani Wallace, and shortly thereafter, staff engaged Douglas to represent HOC in the litigation; and

WHEREAS, on November 3, 2021, the Commission approved the use of Westwood Tower’s existing property cash to fund legal costs and fees provided by Douglas in an amount not to exceed \$270,000; and

WHEREAS, litigation services rendered through the conclusion of the appellate process is anticipated to exceed the \$270,000 previously authorized; and

WHEREAS, the Commission wishes to approve the use of Westwood Tower’s existing property cash to fund additional legal costs and fees associated the continuation of litigation services provided by Douglas in an amount not to exceed \$50,000.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the use of Westwood Tower’s existing property cash to fund additional legal costs and fees associated with the continuation of litigation services provided by Douglas in an amount not to exceed \$50,000.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Executive Director, or her 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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on May 3, 2023.

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Cheslea J. Andrews
Executive Director

Committee Reports and Recommendations for Action

Development & Finance Committee

SINGLE FAMILY LENDING: APPROVAL OF NEW PARTICIPATING LENDERS FOR THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM

- The Housing Opportunities Commission of Montgomery County (hereinafter, the “Commission” or “HOC”) has approved continuous new lender participation and solicitation in the single family Mortgage Purchase Program (“MPP”). While over the years HOC has approved 35 lenders, through non-participation or the mortgage company’s notice to no longer participate, there are currently 24 active lender participants in the MPP.
- The criteria for lender participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name; and, 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank, N.A., HOC’s master servicer for the Mortgage Backed Securities program.
- Only approved MPP lenders have access to the County Revolving County Closing Cost Assistance Program and other special Closing Cost Programs.
- Vellum Mortgage, Inc. and Primary Residential Mortgage, Inc. have applied for participation in the MPP and meet the criteria for participation.
- The Development and Finance Committee, having considered this item at its meeting on April 21, 2023, supports staff’s recommendation to approve both Vellum Mortgage, Inc. and Primary Residential Mortgage, Inc. for participation in the MPP.
- Therefore, staff recommends the Commission’s approval of Vellum Mortgage, Inc. and Primary Residential Mortgage, Inc., as new MPP participating lenders.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, Executive Director

FROM: Staff: Monte Stanford, Director of Mortgage Finance Ext. 4877
Jennifer H. Washington, Asst. Dir. of Bond Management Ext. 9760
Paulette Dudley, Program Specialist III Ext. 9596

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

DATE: May 3, 2023

COMMITTEE REPORT: Deliberation X

OVERALL GOAL & OBJECTIVE:

To approve new participating lenders in the Single Family Mortgage Purchase Program that will provide mortgage financing to low-to-moderate income first-time homebuyers in Montgomery County at below market rates.

BACKGROUND:

The Commission has approved the continuous participation of lenders from program to program and an on-going admission of new lenders to the Mortgage Purchase Program (“MPP”). As lenders apply for participation in the MPP, the requests are submitted to the Commission for approval. Increasing lender participation broadens the exposure to the Commission’s Single Family mortgage products, as well as to the Revolving County Closing Cost Assistance Program and other special Closing Cost programs, as the closing cost assistance loans must be used in conjunction with a MPP first mortgage.

All approved and participating lenders are advised that continued participation in the MPP require mortgage loan production. If the lender does not submit a mortgage loan within any 12-month period, that lender may be subject to suspension, as a participating lender in the MPP. HOC over the years has approved 35 lenders, but through non-participation or the mortgage company’s notice to end its participation, there are currently 24 active lenders in the MPP. Lenders can be activated again with approval by HOC, but are subject to retraining, and verification that they are approved with U.S. Bank, N.A. (“U.S. Bank”), the Commission’s Master Servicer for the Mortgage Backed Securities (“MBS”) program. Vellum and PRMI are approved Mortgage Revenue Bond Program (MRBP) correspondent lender with U.S. Bank, master servicer.

The minimum qualifications for lender participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in the company’s name; 2) the lender is an FHA approved seller/servicer and have FHA direct endorsement approval; and, 3) the lender is a Freddie Mac and/or Fannie Mae seller/servicer for originating the conventional product. New lenders are also required to be approved by U.S. Bank. In addition, lenders must have origination experience in single family tax-exempt bond programs; are committed to lending toward low- and moderate-income borrowers; have the ability to accommodate

non-English speaking, hearing impaired and disabled applicants in the office or offices that would be originating HOC loans; and, acceptable lender fees.

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

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

The following companies have applied to participate in the HOC Single Family Mortgage Purchase Program and have met the minimum requirements and criteria for selection stated above.

- Vellum Mortgage, Inc.
- Primary Residential Mortgage, Inc.

Vellum Mortgage, Inc. (hereinafter “Vellum”) was established in 2017 and is headquartered in Fairfax, Virginia. It is licensed in 13 states. Vellum has two (2) main offices in Fairfax and Annapolis, and a smaller branch in Rockville, Maryland. All applicants may apply online, if they are unable to make it into a physical office.

Vellum is a home mortgage lender created to “elevate the mortgage experience for clients, employees as well as business partners”. Its mission is to provide a transparent loan process, backed by quality and integrity.

With the closing of Apex Home Loans dba Celebrity in February 2023, the Yi Team (a producing team formerly with Apex), located in Rockville, has partnered with Vellum to continue to help families achieve their dream of homeownership opportunities in the Montgomery County market. The Yi Team is looking forward to continuing their relationship with HOC’s Mortgage Purchase Program.

Statistically in 2022, Vellum originated 41 loans for borrowers purchasing Montgomery County properties. Please see the following Origination Statistics in Montgomery County:

VELLUM Origination Statistics in MoCo	2022 Average	2022 Total
Loan Amount	\$382,969	\$15,701,735
Sales Price	\$430,139	\$17,635,700
Household Income	\$111,805	\$51,000 to \$199,000 (range)

Vellum participates in the mortgage lending programs for Maryland, the District of Columbia, and Virginia. It will also market any affordable housing programs that work in conjunction with the Commission’s lending programs.

Primary Residential Mortgage, Inc. (hereinafter “PRMI”) is a national lender that has been in business since 1997 and is currently licensed in 49 states. Corporate offices are located in Salt Lake City, Utah. Their goal is to provide all borrowers with the best possible financing options available in today’s mortgage lending environment. PRMI is a direct correspondent lender, which allows them to control the entire loan

process in-house from start to finish. The end result provides quick turnaround times, in-house underwriting, and a more efficient and less costly loan process.

PRMI is currently approved with 51 Housing Finance Agencies, and as a lender for the Maryland Mortgage Program, PRMI has been designated a Gold Level performer, originating thirty or more (30+) loans per quarter.

PRMI currently has 19 Maryland licensed branch offices. It is an FHA approved seller/servicer with FHA direct endorsement approval, and an FHLMC and FNMA approved seller/servicer.

Statistically in 2022, PRMI originated 29 loans for borrowers purchasing Montgomery County properties. Please see the following Origination Statistics in Montgomery County:

PRIMARY RESIDENTIAL MORTGAGE Origination Statistics in MoCo	2022 Average	2022 Total
Loan Amount	\$352,066	\$10,209,919
Sales Price	\$418,528	\$12,137,320
Household Income	\$117,828	\$59,000 to \$190,000 (range)

Mortgage Servicing

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

ISSUES FOR CONSIDERATION:

Will the Commission accept staff’s recommendation, which is supported by the Development and Finance Committee, and approve Vellum Mortgage, Inc. and Primary Residential Mortgage, Inc. for participation in the Single Family Mortgage Purchase Program?

PRINCIPALS:

Housing Opportunities Commission of Montgomery County
Vellum Mortgage, Inc.
Primary Residential Mortgage, Inc.

BUDGET/FISCAL IMPACT:

None.

TIME FRAME:

For formal action at the May 3, 2023 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission approve Vellum Mortgage, Inc. and Primary Residential Mortgage, Inc. for participation in the Single Family Mortgage Purchase Program.

Attachment 1

Approved HOC/U.S. Bank Lenders

1. Ameris Bank Mortgage
2. Bay Capital Mortgage Corporation
3. Celebrity Home Loans
4. Direct Mortgage Loans, LLC
5. Embrace Home Loans, Inc.
6. Fairway Independent Mortgage Corporation
7. First Heritage Mortgage, LLC
8. First Home Mortgage Corp
9. HomeBridge Financial Services, Inc.
10. Homeside Financial LLC
11. loandepot.com
12. Luminare Home Loans
13. Meridian Bank Mortgage
14. Mortgage Access Corp
15. Movement Mortgage, LLC
16. NFM, Inc. dba NFM Lending
17. NVR Mortgage Finance, Inc.
18. Presidential Bank, FSB
19. PrimeLending, a Plains Capital Company
20. Prosperity Home Mortgage, LLC
21. Sandy Spring Bank
22. Severn Bank
23. TowneBank Mortgage
24. WesBanco Bank, Inc.

RESOLUTION No: 23-30

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, Vellum Mortgage, Inc. and Primary Residential Mortgage, Inc. have applied for participation in the MPP; and

WHEREAS, Vellum Mortgage, Inc. and Primary Residential Mortgage, Inc. have satisfied the required criteria for admittance into the MPP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Vellum Mortgage, Inc. and Primary Residential Mortgage, Inc. are approved for participation in the MPP, effective immediately.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 3, 2023.

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Chelsea J. Andrews
Executive Director

**APPROVAL OF STRUCTURE, COST OF ISSUANCE BUDGET, AND ADOPTION OF SERIES
RESOLUTION(S) FOR THE ISSUANCE OF SINGLE FAMILY MORTGAGE REVENUE BONDS**

SINGLE FAMILY MORTGAGE FINANCE



CHELSEA ANDREWS, EXECUTIVE DIRECTOR

MONTE STANFORD, DIRECTOR OF MORTGAGE FINANCE
JENNIFER HINES WASHINGTON, ASSISTANT DIRECTOR OF BOND MANAGEMENT
PAULETTE DUDLEY, PROGRAM SPECIALIST III

MAY 3, 2023

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EXECUTIVE SUMMARY

Since the creation of the Single Family Mortgage Purchase Program (the “Program” or “MPP”) in 1979, the Commission has issued multiple series of bonds under the Single Family Mortgage Revenue Bond (“MRB”) Resolution (the “1979 Indenture”) to provide low-interest rate mortgages to first-time homebuyers. The Commission also may issue bonds under the Single Family Housing Revenue Bond (“HRB”) Resolution 2009 Indenture (the “2009 Indenture”) and under the Program Revenue Bond (“PRB”) Resolution 2019 Indenture (the “2019 Indenture”). In addition, the Commission has utilized the practice of issuing refunding bonds in the Program to (i) recycle and extend the life of volume cap it allocates to each bond issue (“Replacement Refunding”) and/or (ii) refinance its outstanding bond debt at a lower bond yield, thus lowering costs of the Program (“Economic Refunding”).



As of April 2023, there are approximately \$12,500,000 remaining in bond proceeds for the Program of which \$4,500,000 have been reserved. Additional reservations are anticipated in conjunction with Montgomery County’s release of new funding for the Montgomery County Homeownership Assistance Fund; therefore, staff has begun planning for a 2023 issuance of bonds under the 1979 Indenture (the “2023 Bonds”). The 2023 Bonds are anticipated to include:

- **Replacement Refunding bonds** to (1) repay the Program’s \$3.7 million draw on the PNC Bank, N.A. Line of Credit (“PNC LOC”) made on January 2, 2023 that replacement refunded several series of MRBs, HRBs, and PRBs; and, (2) redeem several series of MRBs, HRBs, and PRBs eligible for July 1, 2023 redemptions. The total amount of Replacement Refunding bonds is estimated to be approximately \$7 million but will depend on the amount of prepayments and repayments received under the Program up to the time of the issuance.
- **New money bonds**, totaling approximately \$23 million of which \$15 million is estimated to be private activity, tax-exempt, will require an allocation of volume cap. Approximately \$8 million is estimated to be taxable and will not require an allocation of volume cap. Total existing volume cap available to the Commission’s for its single family and multifamily program needs in 2023 is approximately \$67.6 million.

As a result of issuing the 2023 Bonds, approximately \$30 million (but no more than \$40 million) is estimated to be made available to the Program to make new mortgage loans at below-market rates. Assuming an average loan size of \$250,000, this bond issue will generate approximately 160 new mortgage loans. Should volume cap not be made available for the Single Family Program, then a bond issuance may not be feasible, depending on market conditions.

EXECUTIVE SUMMARY

The 2023 Bonds proposed structure assumes the issuance of up to three (3) series of bonds that will be fixed rate, tax-exempt non-AMT and/or AMT, serial and/or term, par and/or premium bonds, along with taxable serial and/or term bonds with the latest maturity of all bonds to be the year 2054. The bonds are expected to be sold at par or a premium, but may also be sold at a discount.

Currently, 2023 Series A is proposed as fixed rate, non-AMT replacement refunding bonds (approximately \$6 million) and new money private activity bonds (approximately \$15 million); 2023 Series B is proposed as fixed rate, AMT replacement refunding bonds (approximately \$1 million); and 2023 Series C is proposed as fixed rate, taxable new money bonds (approximately \$8 million). As mentioned previously, volume cap will be required for the new money private activity bonds, which are tax-exempt in nature. No volume cap is required for the replacement refunding bonds, given that volume cap is being recycled and extended by executing the replacement refunding.

The cost of issuance is estimated to be approximately \$530,000 (and not to exceed \$610,000). This is commensurate with the size and structure of the overall issuance, and will be paid from funds available under the Single Family Program. Assuming a not to exceed issuance amount of \$40 million, the cost of issuance is estimated to be approximately \$610,000.

In addition, one or more Series Resolution(s) will be drafted to establish, among other things, authorization to issue the bonds, the purpose of the bonds and the application of proceeds, redemption provisions, types of accounts to be created, and authority to execute necessary documents. The Series Resolution(s) will be prepared by the Commission's bond counsel, Kutak Rock, LLP, which will be presented to the full Commission for approval.

Staff recommends that the Commission accept its recommendation, which is supported by the Development & Finance Committee, and approve the following actions:

1. Approval of the structure and issuance of the 2023 Bonds under the 1979 Mortgage Revenue Bond Resolution in an amount not to exceed \$40 million in aggregate;
2. Approval to allocate up to \$15 million of private activity volume cap to complete the transaction herein proposed;
3. Approval of the cost of issuance budget, estimated to be no more than \$610,000, to be funded by the Single Family Program; and,
4. Adoption of one or more Series Resolution(s) authorizing the issuance of the 2023 Bonds.

TRANSACTION STRUCTURE: OVERVIEW

The overall financing plan is comprised of (1) the Replacement Refunding of various series of MRBs, HRBs and PRBs eligible for redemption on July 1, 2023, and the repayment of the Program’s \$3.7 million draw on the PNC LOC made on January 2, 2023 for scheduled redemptions, totaling an estimated \$7 million of Replacement Refunding depending on actual repayments; and, (2) the issuance of new money of approximately \$23 million, producing a total issuance of approximately \$30 million. The new issuance will include up to three (3) series of fixed rate bonds. The following is a discussion of the transaction’s current proposed structure. Amounts are approximate.

	2023 Series A (Non-AMT) (Fixed)	2023 Series B (AMT) (Fixed)	2023 Series C (Taxable) (Fixed)	Total
Replacement Refunding Bonds	\$6,000,000	\$1,000,000		\$7,000,000
New Money	\$15,000,000		\$8,000,000	\$23,000,000
TOTAL	\$21,000,000	\$1,000,000	\$8,000,000	\$30,000,000

Structure of Issuance

- Issue up to \$40 million under the 1979 Indenture.
- Fixed rate, tax-exempt non-AMT and/or AMT serial and/or term, par and/or premium bonds, along with taxable serial and/or term bonds.
- Latest Maturity – year 2054 (31 years).
- Up to three (3) series of bonds; current structure assumptions:
 1. 2023 Series A will include fixed rate, non-AMT Replacement Refunding and new money bonds (est. \$21 million);
 2. 2023 Series B will include fixed rate, AMT Replacement Refunding bonds (est. \$1 million); and
 3. 2023 Series C will include fixed rate, taxable bonds (est. \$8 million)

TRANSACTION STRUCTURE: HIGHLIGHTS

Lendable Proceeds via Replacement Refunding and New Money

- Replacement Refunding of approximately \$7 million will be issued to (1) repay the Program’s \$3.7 million draw on the PNC LOC on January 2, 2023 that refunded several series of MRBs, HRBs, and PRBs; and, (2) redeem approximately \$3.3 million of several series of MRBs, HRBs, and PRBs scheduled for redemption on July 1, 2023, depending on actual repayments received.
- New money issued is estimated at \$23 million and includes zero percent funds. Approximately \$8 million of the new money issued is estimated to be taxable.
- Total lendable proceeds of approximately \$30 million will be made available, as a result of the premium bond proceeds, to make mortgage loans and provide funds for down payment and closing cost assistance for first-time homebuyers.
 - Creates funding for approximately 160 FHA and Fannie Mae HFA Preferred first mortgage loans.

Volume Cap / TEFRA

- Replacement refundings do not require an allocation of volume cap, given that existing cap is being recycled and extended by executing the replacement refunding.
- New debt that is tax-exempt private activity in nature will require the use of Bond Cap and satisfaction of Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) requirements. Replacement refunding can require TEFRA, if the maturity is extended beyond the replacement refunded bonds.
- The TEFRA Hearing was held on April 28, 2023.
- The Single Family Program will utilize approximately \$15 million out of the \$67.6 million in Bond Cap currently available to HOC, leaving approximately \$52.6 million utilized for multifamily transactions in 2023 or carried forward into 2024. Volume cap deficits may be secured through a request to the Maryland Department of Commerce or through Maryland Community Development Administration (“CDA”).

COST OF ISSUANCE BUDGET

Up to \$40 Million MRB Issuance	AMOUNT
Underwriters Spread	
Underwriters Counsel	34,000
Travel/Tax/Miscellaneous	4,000
CUSIP	1,846
DTC	800
IPREO	4,047
Tax	359
Takedown	250,000
Management	30,000
Underwriter's Spread - Total	325,052
Other Cost of Issuance	
Bond Counsel	52,000
Financial Advisor	40,000
Financial Advisor - Computer	35,000
Universal cap	26,000
Analysis of Loan Data	12,500
OS printing	2,500
Rating	53,500
Auditor	6,920
Trustee	8,500
Trustee Counsel	4,000
Program Marketing	30,000
Miscellaneous / Disbursements	14,028
Other Cost of Issuance - Total	284,948
TOTAL COST OF ISSUANCE BUDGET	610,000

Based upon an estimated not-to-exceed bond issuance amount of \$40 million, the cost of the issuance is estimated to be \$610,000. Should only \$30 million of bonds be issued, the cost of issuance budget will likely size to approximately \$530,000. The estimated amount of the cost of issuance is commensurate with the size of the overall issue of the 2023 Bonds.

As with other transaction costs for the Single Family Program, the cost of issuance is paid from funds available under the Single Family Program.

Revenues generated from the issuance of the 2023 Bonds will accumulate over time in the 1979 Indenture.

SERIES RESOLUTIONS FOR THE 2023 BONDS

For each bond issue, the Commission is asked to approve one or more Series Resolution(s) which contain specific information about the series of bonds being issued. A Series Resolution authorizes the issuance of one or more series of bonds defining, among other things, the bonds' purpose, redemption provisions, creation of certain accounts, and use of the bond proceeds.

Bond Counsel of the Commission, Kutak Rock, LLP, will prepare one or more Series Resolution(s) for the 2023 Bonds.

The Series Resolution(s) will set forth the structure of the bonds, as described previously herein. The interest rates on the 2023 Bonds will be determined when the bonds are priced. Currently, the 2023 Bonds are expected to price in June 2023.

SCHEDULE (SUBJECT TO CHANGE)

April 2023

- Kick-Off Conference Call
- Notify Auditors and Rating Agency of Financing
- Distribute preliminary Cost of Issuance Budget
- Approval of the Structure, Cost of Issuance Budget and Adoption of Series Resolution(s) for the 2023 Bonds (Development & Finance Committee)

May 2023

- Provide comments to POS, Bond Purchase Agreement and Series Resolution(s)
- Approval of the Structure, Cost of Issuance Budget and Adoption of Series Resolution(s) for the 2023 Bonds (Commission)
- Receive Rating (est. 5/22/2023)
- Post POS (est. 5/24/2023)

June 2023

- Bond Sale (est. 6/7/2023)
- Receive Auditor's Consent Letter and Verbal Assurances (est. 6/8/2023)
- Clear OS (est. 6/13/2023)
- Closing (est. 6/29/2023)
- Repay PNC LOC
- Redeem Replacement Refunded Bonds

ISSUES FOR CONSIDERATION

Will the Commission approve staff's recommendation, which is supported by the Development and Finance Committee, and:

1. Approve of the structure and issuance of the 2023 Bonds under the 1979 Mortgage Revenue Bond Resolution in an amount not to exceed \$40 million in aggregate?
2. Approve an allocation of up to \$15 million of private activity volume cap to complete the transaction herein proposed?
3. Approve the cost of issuance budget, estimated to not to exceed \$610,000, to be funded by funds available under the Single Family Program?
4. Adopt one or more Series Resolution(s) authorizing the issuance of the 2023 Bonds?

PRINCIPALS

- Housing Opportunities Commission of Montgomery County
- Caine Mitter & Associates Incorporated – Financial Advisor
- Kutak Rock, LLP – Bond Counsel
- BofA Securities – Senior Managing Underwriter
- PNC Capital Markets – Co-Senior Managing Underwriter
- Jefferies LLC – Co-Manager*
- Morgan Stanley – Co-Manager *
- RBC Capital Markets – Co-Manager*
- Wells Fargo Company – Co-Manager*
- Bank of New York Mellon – Trustee

* Co-Managers are subject to change for the 2023 Bonds.

FISCAL/ BUDGET IMPACT

Expenses of the Single Family Program are borne from excess revenue in the program; therefore, there is no impact on the Commission's operating budget. Savings from reduced bond cost remain with the indenture.

TIME FRAME

For formal action at the May 3, 2023 Commission meeting.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission:

1. Approve the structure and issuance of the 2023 Bonds under the 1979 Mortgage Revenue Bond Resolution in an amount not to exceed \$40 million in aggregate;
2. Approve an allocation of up to \$15 million of private activity volume cap to complete the transaction herein proposed;
3. Approve the cost of issuance budget, estimated to not to exceed \$610,000, to be funded by funds available from the Single Family Program; and,
4. Adopt one or more Series Resolution(s) authorizing the issuance of the 2023 Bonds.

RESOLUTION: 2023-31A

Re: Approval of Structure, Cost of Issuance Budget and Adoption of Series Resolution for Mortgage Revenue Bonds in One 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 2023 Single Family Mortgage Revenue Bonds as tax-exempt and/or taxable, fixed rate and/or variable rate obligations, in one or more series with such designations as shall be determined in the Series Resolution (as hereinafter defined) (collectively, the “2023 Series Bonds”) in a total aggregate principal amount not to exceed \$40,000,000; and

WHEREAS, any 2023 Series Bond that is “private activity bond” as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended (the “Code”), must be allocated volume cap pursuant to Section 146 of the Code and applicable provisions of Maryland law, subject to exceptions set forth in the Code; and

WHEREAS, in connection with the proposed issuance of the 2023 Series 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 2023 Series Bonds (individually and collectively, the “Series Resolution”), and the initial draft of the preliminary official statement to be provided to prospective purchasers of the 2023 Series Bonds (the “Preliminary Official Statement,” and following the sale of the 2023 Series Bonds and the appropriate revisions reflecting the final pricing and terms of the 2023 Series Bonds, the “Official Statement”);

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

1. ***The 2023 Series Bonds; Volume Cap.*** The 2023 Series Bonds are authorized to be issued in a principal amount not to exceed \$40,000,000 (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. The Commission hereby approves an allocation of volume cap for the 2023 Series Bonds in an amount not to exceed \$15,000,000.

2. ***Approval of the Series Resolution and the Structure of the 2023 Series Bonds.*** The 2023 Series 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 2023 Series Bonds set forth therein and in the Preliminary Official Statement. 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 2023 Series Bonds.

3. ***Commission Documents.*** The Chair, the Vice-Chair, the Chair Pro Tem and the Executive Director of the Commission are each hereby authorized and directed to execute and deliver the Series Resolution, the Official Statement and any such other documents and agreements to be prepared in connection with the issuance of the 2023 Series Bonds (collectively, the “Commission Documents”) in such forms as shall be 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, where applicable, and to attest the same.

4. ***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 2023 Series Bonds as shall be set forth in the Commission Documents.

5. **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 each hereby authorized and directed to undertake any other actions necessary (i) for the issuance and sale of the 2023 Series 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 Preliminary Official Statement, the Official Statement and any other Commission Documents relating to the issuance of the 2023 Series Bonds, and (v) for the entire period during which the 2023 Series Bonds are outstanding following the issuance thereof, including without limitation, any novation thereof, shall remain in effect.

6. **Approval of Cost of Issuance.** The Commission approves the cost of issuance budget in an amount up to \$610,000 to be incurred by the Commission in connection with the issuance of the 2023 Series Bonds.

7. **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 2023 Series Bonds.

8. **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 2023 Series 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.

9. **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.

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

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 3, 2023.

By: _____
Chelsea J. Andrews
Secretary-Treasurer and Executive Director

[SEAL]

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

Resolution No. 2023-31B

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF

\$_[_____] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2023 SERIES A OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

\$_[_____] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2023 SERIES B OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

and

\$_[_____] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2023 SERIES C OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2023

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Resolution No. 2023-__ABC

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF

\$_[_____] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2023 SERIES A OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

\$_[_____] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2023 SERIES B OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

and

\$_[_____] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2023 SERIES C OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2023

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) has previously issued certain Bonds to purchase Mortgage Loans from Mortgage Lenders pursuant to its single family mortgage program under the provisions of Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County, 1974, as amended, known as the Housing Opportunity Act, and the Memorandum of Understanding by and between the Commission and Montgomery County, Maryland, effective June 29, 2018, as amended from time to time (the “Acts”); and

WHEREAS, the Commission adopted a Single Family Mortgage Revenue Bond Resolution on March 28, 1979, and adopted resolutions amending said Bond Resolution on December 15, 1982, as of August 1, 1983, as of June 1, 1986, as of June 26, 1991, on May 17, 1995, on June 9, 1999, on May 3, 2000, on September 18, 2002, as of December 1, 2005, on April 2, 2008, on December 7, 2011 and on June 5, 2013 (the “Bond Resolution”); and

WHEREAS, in order to obtain funds with which to refund and redeem certain prior outstanding bonds of the Commission to make certain moneys available to finance additional Mortgage Loans it is deemed necessary and advisable to issue a series of Single Family Mortgage Revenue Bonds of the Commission as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, as follows:

ARTICLE I

DEFINITIONS

Definitions. (a) Except as provided in subsection (b) hereof, all defined terms contained in the Bond Resolution when used in this 2023 Series ABC Resolution shall have the same meanings as set forth in the Bond Resolution.

(b) As used in this 2023 Series ABC Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Bond Counsel*” means one or more attorneys or firms of attorneys with a nationally recognized standing in the field of municipal bond financings selected by the Commission.

“*Business Day*” means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York or in which the designated corporate trust office of the Trustee is located, are authorized by law to close, or a day on which the New York Stock Exchange is closed.

“*Electronic Means*” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*Flow of Funds Memorandum*” means the memorandum attached hereto as Exhibit C dated June [___], 2023 directing the Trustee with respect to the deposit and transfer of proceeds of the 2023 Series Bonds and the refunding of the Series AB Refunded Bonds, and the debit of assets from and credit of assets to various funds and accounts related to the 2023 Series Bonds and the Series AB Refunded Bonds.

“*Interest Payment Date*” means each January 1 and July 1, commencing January 1, 2024.

“*1954 Code*” means the Internal Revenue Code of 1954, as amended, and the regulations of the United States Department of Treasury thereunder.

“*1986 Code*” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of Treasury thereunder.

“*No Arbitrage Certificate*” means the No Arbitrage Certificate, dated June [___], 2023 relating to the 2023 Series A Bonds and the 2023 Series B Bonds.

“*Record Date*” means the 15th day of the calendar month next preceding each Interest Payment Date.

“*Series AB Refunded Bonds*” means the bonds (as defined in the Act) of the Commission being refunded by the 2023 Series AB Bonds of the series and in the amounts set forth in the Flow of Funds Memorandum.

“*Single Family Residence*” has the meaning ascribed to such term in the Financing Agreement.

“*2023 Series A Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, 2023 Series A, in the aggregate principal amount of \$[_____], authorized under this 2023 Series ABC Resolution.

“*2023 Series A PAC Bonds*” has the meaning ascribed to such term in Section 2.11(c) hereof.

“*2023 Series AB Bonds*” means, collectively, the 2023 Series A Bonds and the 2023 Series B Bonds.

“*2023 Series AB Rebate Account*” means the Account created pursuant to Section 3.02 hereof.

“*2023 Series AB Refunding Account*” means the Account created pursuant to Section 3.02 hereof.

“*2023 Series ABC Bonds*” means, collectively, the 2023 Series A Bonds, the 2023 Series B Bonds and the 2023 Series C Bonds.

“*2023 Series ABC Resolution*” means this Series Resolution authorizing the issuance of the 2023 Series ABC Bonds.

“*2023 Series ABC Mortgage Loan Account*” means the Account created pursuant to Section 3.01 hereof.

“*2023 Series ABC Reserve Account*” means the Account created pursuant to Section 3.08 hereof.

“*2023 Series B Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, 2023 Series B, in the aggregate principal amount of \$[_____].

“*2023 Series Bonds*” means, collectively, the 2023 Series A Bonds, the 2023 Series B Bonds and the 2023 Series C Bonds.

“*2023 Series C Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, 2023 Series C, in the aggregate principal amount of \$[_____].

The terms “hereby,” hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this 2023 Series ABC Resolution, refer to this 2023 Series ABC Resolution.

Authority for This 2023 Series ABC Resolution. This 2023 Series ABC Resolution is adopted pursuant to the provisions of the Acts and the Bond Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF 2023 SERIES ABC BONDS

Authorization of Bonds, Principal Amount, Designation and Series. In order to provide sufficient funds necessary to finance newly originated Mortgage Loans or Guaranteed Mortgage Securities and for the refunding and redemption of the Series AB Refunded Bonds to finance Mortgage Loans or Guaranteed Mortgage Securities, in each case pursuant to the Acts and in accordance with and subject to the terms, conditions and limitations established in the Bond Resolution and this 2023 Series ABC Resolution, the 2023 Series ABC Bonds are hereby authorized to be issued. The 2023 Series A Bonds in the aggregate principal amount of \$[_____] will be entitled “Single Family Mortgage Revenue Bonds,” and such Series of Bonds shall bear the additional designation “2023 Series A” and each Bond as so designated shall be entitled “Single Family Mortgage Revenue Bond, 2023 Series A.” The 2023 Series A Bonds are to be substantially in the form attached to this 2023 Series ABC Resolution as Exhibit B, with appropriate variations, omissions and insertions as permitted or required by the Bond Resolution. The 2023 Series B Bonds in the aggregate principal amount of \$[_____] will be entitled “Single Family Mortgage Revenue Bonds,” and such Series of Bonds shall bear the additional designation “2023 Series B” and each Bond as so designated shall be entitled “Single Family Mortgage Revenue Bond, 2023 Series B.” The 2023 Series B Bonds are to be substantially in the form attached to this 2023 Series ABC Resolution as Exhibit B, with appropriate variations, omissions and insertions as permitted or required by the Bond Resolution. The 2023 Series C Bonds in the aggregate principal amount of \$[_____] will be entitled “Single Family Mortgage Revenue Bonds,” and such Series of Bonds shall bear the additional designation “2023 Series C” and each Bond as so designated shall be entitled “Single Family Mortgage Revenue Bond, 2023 Series C.” The 2023 Series C Bonds are to be substantially in the form attached to this 2023 Series ABC Resolution as Exhibit B, with appropriate variations, omissions and insertions as permitted or required by the Bond Resolution.

Purposes. The purposes for which the 2023 Series ABC Bonds are being issued is to provided funds in the amount of \$[_____] to finance Mortgage Loans or Guaranteed Mortgage Securities and to refund and redeem \$[_____] aggregate principal amount of the Series AB Refunded Bonds.

A more detailed description of the use of proceeds of the 2023 Series AB Bonds is included in the Commission’s No Arbitrage Certificate relating to the 2023 Series AB Bonds, dated June [__], 2023.

Issue Date and Payment. The 2023 Series ABC Bonds shall be dated the date of delivery and authentication thereof. The 2023 Series ABC Bonds will bear interest from the date of delivery thereof, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2024. Interest on the 2023 Series ABC Bonds shall be paid by check to the registered owners at their addresses as they appear as of the close of business on the Record Date on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A.,

as trustee and registrar (the “Trustee”) or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such registered owners on or prior to the Record Date or, upon timely written request of a registered owner of 2023 Series ABC Bonds and payment of any applicable transfer fee, by wire transfer from the Trustee to the registered owner thereof. Principal of, redemption premium, if any, and interest due at maturity or upon redemption or purchase of the 2023 Series ABC Bonds will be payable at the designated corporate trust office of the Trustee at maturity or earlier redemption or purchase.

The 2023 Series ABC Bonds.

(a) Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The 2023 Series ABC Bonds shall mature on the dates and in the principal amounts and shall bear interest at the rates per annum as follows:

2023 Series A Bonds

[\$[_____]] Serial Bonds

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
[July 1, 2027	\$	%
January 1, 2028		
July 1, 2032		
January 1, 2033]		

[\$[_____]] Term Bonds

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
[July 1, 2042	\$	%
July 1, 2052]		

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2023 Series B Bonds

[\$[_____]] **Serial Bonds**

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
[January 1, 2027]	\$	%

[\$[_____]] **Term Bonds**

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
[July 1, 2038]	[\$[_____]]	%

2023 Series C Bonds

[\$[_____]] **Serial Bonds**

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
[January 1, 2024	\$	%
July 1, 2024		
January 1, 2025		
July 1, 2025		
January 1, 2026		
July 1, 2026		
July 1, 2028		
January 1, 2029		
July 1, 2029		
January 1, 2030		
July 1, 2030		
January 1, 2031		
July 1, 2031		
January 1, 2032		
July 1, 2033		
January 1, 2034		
July 1, 2034]		

[\$[_____]] **Term Bonds**

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
[July 1, 2038]	[\$[_____]]	%

Original Reoffering Price. The Original Reoffering Price of the 2023 Series A Bonds shall be \$[_____]. The Original Reoffering Price of the 2023 Series B Bonds shall be \$[_____]. The Original Reoffering Price of the 2023 Series C Bonds shall be \$[_____].

Denominations, Numbers and Letters. The 2023 Series ABC Bonds shall be issued as fully registered Bonds without coupons. The 2023 Series ABC Bonds shall be issued in the denominations of \$5,000 each or any integral multiple thereof. The 2023 Series A Bonds, the 2023 Series B Bonds and the 2023 Series C Bonds shall be numbered consecutively from one upwards with the prefix RA, RB and RC, respectively, preceding each number.

Exchange of 2023 Series ABC Bonds. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, the 2023 Series ABC Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the registered owner thereof, for a like aggregate principal amount of registered 2023 Series ABC Bonds without coupons of other authorized denominations of the same Series and the same maturity. None of the 2023 Series ABC Bonds may be exchanged for coupon Bonds.

Trustee, Registrar and Paying Agent. The Bank of New York Mellon Trust Company, N.A., is hereby appointed the Trustee, Registrar and Paying Agent of the 2023 Series ABC Bonds.

Redemption from Special Redemption Account. (a) The 2023 Series ABC Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, from moneys deposited in the 2023 Series ABC Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, at a price equal to, (i) for the 2023 Series A PAC Bonds, at the respective redemption prices (expressed as percentages of the respective principal amounts thereof) set forth in Exhibit A attached hereto, plus accrued interest thereon, if any, to the date fixed for redemption, and (ii) for all other 2023 Series ABC Bonds, at the principal amount thereof plus accrued interest, if any, to the redemption date without premium, calculated as of the redemption date. If the 2023 Series Bonds are redeemed from moneys deposited in the 2023 Series ABC Mortgage Loan Account, then the amount of the 2023 Series A PAC Bonds redeemed will be proportional to the total amount of 2023 Series Bonds being redeemed.

The 2023 Series ABC Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, at a price equal to the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, from Revenues relating to any Series of Bonds (primarily payments of principal and interest and Prepayments of principal on Mortgage Loans and Guaranteed Mortgage Securities and earnings on Permitted Investments) and any amounts available as a result of a reduction in the reserve requirements established pursuant to the Resolutions, which are in excess of the amount required to pay principal of and interest on the Bonds in the then current year.

To comply with certain provisions of federal tax law, up to \$[_____] of the funds deposited in the 2023 Series ABC Mortgage Loan Account, to the extent that such amounts constitute proceeds of the 2023 Series A Bonds, including premium thereon, are required to be applied to the redemption of the 2023 Series A Bonds no later than [December 28, 2025] to the extent that, on or before such date, such amount has not been applied to the purchase of Mortgage Loans and Guaranteed Mortgage Securities or to the earlier redemption of the 2023 Series A Bonds. In addition, the following percentages of scheduled payments and Prepayments of

principal of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2023 Series A Bonds and the 2023 Series B Bonds received on or after the following dates, are required to be applied no later than the close of the first semi-annual period beginning after the date of receipt to the retirement of the 2023 Series A Bonds or the 2023 Series B Bonds through the payment thereof at maturity or upon redemption.

<u>Date</u>	<u>Percent</u>	<u>Date</u>	<u>Percent</u>
June [], 2023	%		

The Commission may redeem the 2023 Series ABC Bonds, including the 2023 Series A PAC Bonds (but only to the extent as described herein), in amounts greater than such percentages from available amounts in the Revenue Fund.

(b) An amount equal to 100% of Prepayments of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2023 Series Bonds will be applied at least once during each semi-annual period to the redemption of the 2023 Series A PAC Bonds at par in an amount up to the cumulative amounts set forth in the following table, prior to the redemption of other 2023 Series Bonds.

<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>	<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>
July 1, 2023	\$	July 1, 2027	\$
January 1, 2024		January 1, 2028	
July 1, 2024		July 1, 2028	
January 1, 2025		January 1, 2029	
July 1, 2025		July 1, 2029	
January 1, 2026		January 1, 2030	
July 1, 2026		July 1, 2030	
January 1, 2027		January 1, 2031	

The cumulative amounts set forth in the table above are derived from certain assumptions related to the Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2023 Series Bonds, including the assumptions that all such newly purchased Mortgage Loans and Guaranteed Mortgage Securities are purchased by [] and Prepayments on all such Mortgage Loans and Guaranteed Mortgage Securities are received at a rate equal to 100% of the Securities Industry and Financial Markets Association Standard Prepayment Model (the “SIFMA Model,” as described below) and that 100% of such Prepayments will be used to redeem the 2023 Series A PAC Bonds. Prepayments of Mortgage Loans and Guaranteed Mortgage Securities will be applied to the redemption of the 2023 Series A PAC Bonds, but only to the extent that such redemptions do not exceed the cumulative amounts set forth in the above table (provided that such prepayments may be applied to the redemption of 2023 Series A PAC

Bonds in excess of such cumulative amounts if such redemption is necessary to preserve the tax-exempt status of the 2023 Series A Bonds and the 2023 Series B Bonds). If the 2023 Series Bonds are redeemed from moneys deposited in the 2023 Series ABC Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, then the amount of the 2023 Series A PAC Bonds redeemed will be proportional to the total amount of 2023 Series Bonds being redeemed, and each cumulative amount set forth in the table above will be recalculated to be equal to the product of (1) such amount and (2) the fraction whose numerator is equal to the remainder of (a) the total amount originally deposited in the 2023 Series ABC Mortgage Loan Account less (b) the cumulative amount of the proceeds of the 2023 Series Bonds that have been used to so redeem the 2023 Series Bonds, and whose denominator is equal to the total amount originally deposited in the 2023 Series ABC Mortgage Loan Account. If the amount available for such redemption is less than \$100,000, the Commission may delay redemption of the 2023 Series A PAC Bonds until the amount of Prepayments available totals \$100,000 or more.

Prepayments of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2023 Series Bonds in excess of the aggregate amounts set forth in the table above and up to the cumulative amounts set forth in the following table, will be applied to the redemption at par of the 2023 Series Bonds, excluding the 2023 Series A PAC Bonds (provided that such prepayments may be used to redeem the 2023 Series A PAC Bonds, if such redemption is necessary to preserve the tax-exempt status of the 2023 Series A Bonds and the 2023 Series B Bonds). Prepayments in excess of cumulative amounts set forth in the following table may be applied by the Commission to the redemption of the 2023 Series Bonds, including the 2023 Series A PAC Bonds. The cumulative amounts in the following table are derived from certain assumptions related to Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2023 Series Bonds including the assumptions that newly-purchased Mortgage Loans and Guaranteed Mortgage Securities, or participations therein, are purchased by [_____] and prepayments on all such Mortgage Loans and Guaranteed Mortgage Securities are received at a rate equal to 400% of the SIFMA Model. If the 2023 Series Bonds are redeemed from moneys deposited in the 2023 Series ABC Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, each cumulative amount set forth in the table below will be recalculated to be equal to the product of (1) such amount and (2) the fraction whose numerator is equal to the remainder of (a) the total amount originally deposited in the 2023 Series ABC Mortgage Loan Account less (b) the cumulative amount of the proceeds of the 2023 Series Bonds that have been used to so redeem the 2023 Series Bonds, and whose denominator is equal to the total amount originally deposited in the 2023 Series ABC Mortgage Loan Account.

<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>	<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>
July 1 ,2023	\$	January 1, 2028	\$
January 1, 2024		July 1, 2028	
July 1, 2024		January 1, 2029	
January 1, 2025		July 1, 2029	
July 1, 2025		January 1, 2030	
January 1, 2026		July 1, 2030	
July 1, 2026		January 1, 2031	
July 1, 2027			

Redemption from Optional Redemption Account. (a) The 2023 Series ABC Bonds maturing on or after [January 1, 2033] are subject to redemption or purchase in lieu of redemption, at the option of the Commission, from moneys in the Optional Redemption Account in the Redemption Fund, in whole or in part, at any time on or after [July 1, 2032], at one hundred percent (100%) of the principal amount thereof, plus accrued interest thereon, if any, to the redemption or purchase date, plus accrued interest, if any to the redemption date, except the 2023 Series A PAC Bonds, which will be redeemed at a premium that retains the same yield through [July 1, 2032] as the original purchase price thereof, plus accrued interest, if any, to but not including the redemption date.

To exercise the option to purchase the 2023 Series ABC Bonds in lieu of redemption pursuant to this section, the Commission shall deliver written notice thereof to the Trustee no later than 12:00 Noon, New York City Time, on the date the 2023 Series ABC Bonds would otherwise have been redeemed (the “Purchase-in-Lieu Date”), and the Commission shall transfer or cause to be transferred to the Trustee the moneys required to purchase the 2023 Series ABC Bonds no later than 12:00 Noon, New York City Time, on such Purchase-in-Lieu Date. If notice of redemption has been given as required under the Bond Resolution, no additional notice to the Bondholders shall be required to be given of the exercise by the Commission of the option to purchase 2023 Series ABC Bonds pursuant to this Section. All 2023 Series ABC Bonds shall be deemed to have been purchased on the Purchase-in-Lieu Date provided funds sufficient to purchase the 2023 Series ABC Bonds on the Purchase-in-Lieu Date have been deposited with the Trustee, and from and after such Purchase-in-Lieu Date, interest shall cease to accrue on the 2023 Series ABC Bonds to the prior Bondholders, and the prior owners thereof shall have no rights with respect to such 2023 Series ABC Bonds except to receive payment of the purchase price thereof and accrued interest to the Purchase-in-Lieu Date. Notwithstanding such purchase, the 2023 Series ABC Bonds shall remain Outstanding for all purposes under this 2023 Series ABC Resolution and the Bond Resolution. Failure to mail the related notice of redemption or any defect therein shall not affect the validity of the purchase of the 2023 Series ABC Bonds. The Commission’s notice of purchase in lieu of redemption may be conditioned upon receipt of funds by the Trustee or may be withdrawn at any time as specified therein. The Commission’s notice of purchase in lieu of redemption may be given in conjunction with a notice of redemption given pursuant to the Bond Resolution, in which case it shall so state and shall provide that a

withdrawal of the purchase notice will not constitute a withdrawal of the redemption notice unless otherwise specified therein.

Section II.11. *Redemption from Sinking Fund Installments.* (a) The 2023 Series A Bonds maturing on [July 1, 2042] are subject to mandatory redemption in part by lot on [January 1, 2039] and on each July 1 and January 1 thereafter, to and including [July 1, 2042], at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount (January)</u>	<u>Principal Amount (July)</u>	<u>Year</u>	<u>Principal Amount (January)</u>	<u>Principal Amount (July)</u>
2039	\$	\$	2041	\$	\$
2040			2042		(maturity)

(b) The 2023 Series A Bonds maturing on [July 1, 2052] are subject to mandatory redemption in part by lot on [January 1, 2049] and on each July 1 and January 1 thereafter, to and including [July 1, 2052], at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount (January)</u>	<u>Principal Amount (July)</u>	<u>Year</u>	<u>Principal Amount (January)</u>	<u>Principal Amount (July)</u>
2049	\$	\$	2051	\$	\$
2050			2052		(maturity)

(b) The 2023 Series B Bonds maturing on [July 1, 2038] are subject to mandatory redemption in part by lot on [January 1, 2035] and on each July 1 and January 1 thereafter, to and including [July 1, 2038], at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount (January)</u>	<u>Principal Amount (July)</u>	<u>Year</u>	<u>Principal Amount (January)</u>	<u>Principal Amount (July)</u>
2035	\$	\$	2037	\$	\$
2036			2038		(maturity)

Section II.12. *Reserved.*

Issue and Sale of 2023 Series ABC Bonds. The 2023 Series ABC Bonds authorized to be issued herein shall be sold to BofA Securities, Inc., PNC Capital Markets LLC, Jefferies LLC, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, and Wells Fargo Bank, National Association (together, the “Underwriters”) at the aggregate price of \$[_____] on the terms and conditions set forth in the Contract of Purchase dated June [___], 2023, by and between the Underwriters and the Commission (the “Contract of Purchase”). The Underwriters will receive an underwriting fee of \$[_____] relating to the sale of the 2023 Series ABC Bonds. Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2023 Series ABC Bonds.

Delivery of 2023 Series ABC Bonds. (a) The 2023 Series ABC Bonds shall be delivered, upon compliance with the provisions of the Bond Resolution to the order of the Underwriters named in Section 2.13 hereof, at such time and place as provided in, and subject to, the provisions of the Contract of Purchase.

(b) The Commission adopts the expectations, beliefs, assumptions and representations expressed and made on behalf of the Commission made in the Preliminary Official Statement relating to the 2023 Series Bonds, dated May [___], 2023, and in the Official Statement relating to the 2023 Series Bonds, dated June [___], 2023 (the “Official Statement”), and hereby ratifies the Underwriters’ use and distribution of the Preliminary Official Statement in selling the 2023 Series Bonds.

(c) The execution and distribution of the Official Statement and the execution of the Contract of Purchase are hereby approved and ratified.

(d) The Executive Director, the Executive Director, Chair, Vice-Chair or Chair pro tem are authorized to make such changes, deletions and additions to the provisions of this 2023 Series ABC Resolution, consistent with the purposes of this 2023 Series ABC Resolution, as they deem necessary or advisable to issue the 2023 Series ABC Bonds.

Further Authority. The Chair, Vice-Chair, Chair pro tem, Executive Director, Executive Director, Deputy Executive Director and Chief Financial Officer of the Commission are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as they or either of them deem necessary or advisable to provide for the issuance, sale and delivery of the 2023 Series ABC Bonds.

Trustee Authority to Facilitate Use of Securities Depository. The authorized officers of the Trustee are, and each of them is, hereby authorized to do or perform such acts and to execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the 2023 Series ABC Bonds; provided that neither the Trustee nor the Commission may assume: (i) any obligations to such securities depository or beneficial owners of Bonds that are inconsistent with their obligations to any registered bondholder under this 2023 Series ABC Resolution or the Bond Resolution or (ii) any obligation which would directly or indirectly create obligations on the part of the Trustee or the Commission to persons who own 2023 Series ABC Bonds or interests therein but who are not registered owners of 2023 Series ABC Bonds, unless the Commission shall have consented in writing to such obligations.

Special Procedures Relating to Partial Redemptions. Notwithstanding the provisions of Section 4.05 of the Bond Resolution, the Commission, with the prior written consent of the Trustee, may enter into an agreement with an owner of any 2023 Series Bond having a denomination greater than \$5,000 providing that such registered owner is authorized to effect a reduction in the face amount of such 2023 Series Bond by making a notation indicating the principal amount of such redemption and the date thereof on the payment grid attached to such 2023 Series Bond in lieu of surrendering such 2023 Series Bond to the Trustee for cancellation and the issuance of a new bond or bonds in the amount of the unredeemed portion thereof in accordance with Section 4.05 of the Bond Resolution. If the Commission and an owner enter into such an agreement, the records of the Trustee shall be conclusive in determining the outstanding principal amount of any 2023 Series Bond affected by the agreement, notwithstanding the failure of the owner to make any notation on the payment grid attached to such 2023 Series Bond of the redemption of a portion thereof, and shall be binding upon the owner, any heirs, personal representatives, successors or assigns, or any transferee or purchaser of such 2023 Series Bond. If the Commission enters into such an agreement with such an owner of any 2023 Series Bond, a notation of the effect of such agreement may be inserted in the form of any 2023 Series Bond to be delivered to such owner.

ARTICLE III

2023 SERIES ABC BONDS; ESTABLISHMENT OF CERTAIN ACCOUNTS

Establishment of 2023 Series ABC Mortgage Loan Account. There is hereby established an account designated as the 2023 Series ABC Mortgage Loan Account, moneys in which shall be used for the purposes and as authorized by Section 5.03 of the Bond Resolution and this 2023 Series ABC Resolution. In addition, the Commission acknowledges that the 2023 Series Bonds have been structured to have certain redemption priorities and protections, and the Commission covenants to apply moneys in the 2023 Series ABC Mortgage Loan Account to effect such priorities and protections as described in the Flow of Funds Memorandum.

Establishment of 2023 Series AB Refunding Account and 2023 Series AB Rebate Account.
(a) There is hereby established a special account separate from all other funds and accounts, irrevocably in trust for, and assigned to, the Holders of the Series AB Refunded Bonds, designated as the 2023 Series AB Refunding Account, moneys in which shall be used to pay the principal of the Series AB Refunded Bonds upon redemption as provided in Section 3.04 hereof and for such other purposes as authorized by the Bond Resolution and this 2023 Series ABC Resolution.

(b) There is hereby established a special account separate from all other funds and accounts, designated as the 2023 Series AB Rebate Account, as authorized by Section 5.01 of the Bond Resolution, moneys in which shall be used to pay rebate to the United States as provided in Section 3.05 hereof.

Application of Proceeds of the 2023 Series ABC Bonds. (a) The Trustee shall apply the proceeds of the 2023 Series ABC Bonds as directed in the Flow of Funds Memorandum.

(b) [No amount of the proceeds of the 2023 Series ABC Bonds shall be deposited in the Debt Service Reserve Fund.]

(c) No amount of the proceeds of the 2023 Series ABC Bonds shall be deposited in the Mortgage and Special Hazard Reserve Fund.

(d) The Commission covenants to use its best efforts to apply the proceeds relating to the 2023 Series ABC Bonds in the 2023 Series ABC Mortgage Loan Account to make or purchase Mortgage Loans or Guaranteed Mortgage Securities, provided, however, that nothing herein shall prohibit the Commission's use of moneys in any Mortgage Loan Account if necessary to maintain the tax-exempt status of the 2023 Series AB Bonds or to best achieve the objectives of the Program.

(e) No amount of the proceeds of the 2023 Series ABC Bonds shall be used to pay the costs of issuing the 2023 Series ABC Bonds.

Refunding and Redemption. (a) The Commission hereby authorizes the Trustee, in its capacity as trustee for such Series AB Refunded Bonds as are identified in the Flow of Funds Memorandum, to apply the amounts on deposit in the 2023 Series AB Refunding Account as directed in the Flow of Funds Memorandum.

(b) The Commission hereby notifies the Trustee that sufficient moneys are being deposited on the date of issuance of the 2023 Series AB Bonds into the 2023 Series AB Refunding Account so that such moneys will be sufficient to pay the principal of the Series AB Refunded Bonds being redeemed on [July 1, 2023].

Restriction as to "Arbitrage Bonds." The Commission shall not use or direct or permit the use of the proceeds of the 2023 Series AB Bonds or any other moneys held under the Bond Resolution or this 2023 Series ABC Resolution in any manner that would cause the 2023 Series AB Bonds to be "arbitrage bonds" within the meaning ascribed to such quoted term in the 1986 Code. The Commission covenants that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the 1986 Code. This covenant shall survive payment in full or defeasance of the 2023 Series AB Bonds. Money shall be deposited to the 2023 Series AB Rebate Account by the Commission or by the Trustee at the written direction of the Commission and shall be held by the Trustee to the extent required to make the necessary payments in connection with the 2023 Series AB Bonds to the United States pursuant to Section 148(f) of the 1986 Code. Upon receipt of the Commission's written directions, the Trustee shall remit part or all of the balances in the 2023 Series AB Rebate Account to the United States as so directed. Any funds remaining in the 2023 Series AB Rebate Account after redemption and payment of all of the 2023 Series AB Bonds and payment and satisfaction of any requirement to make payment to the United States pursuant to Section 148(f) of the 1986 Code, or provision for payment made satisfactory to the Trustee, shall be withdrawn and remitted to the Commission.

Special Tax Covenants. (a) The Commission hereby covenants: (i) to take all steps and actions necessary to assure the successful operation of the Program in a manner consistent with the

preservation of the exclusion of the interest payable on the 2023 Series AB Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code, (ii) to take all steps and actions necessary to preserve the exclusion of the interest payable on the 2023 Series AB Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code and (iii) to refrain from taking any steps or actions that would impair or call into question the exclusion of the interest payable on the 2023 Series AB Bonds from gross income under Sections 103 or 143(e) and (f) of the 1986 Code or 103A of the 1954 Code.

(b) The Commission covenants not to use the proceeds of the 2023 Series A Bonds to finance a Single Family Residence unless:

(1) The acquisition cost (within the meaning of Section 143(e) of the 1986 Code) of such Single Family Residence does not exceed 90% of the average area purchase price applicable to such Single Family Residence at the time of the financing of the Mortgage Loan, which average area purchase prices are set forth in Revenue Procedure 2022-21 or any more recent applicable revenue procedure relating to average area purchase price, unless such Single Family Residence is located in a Targeted Area, in which case the acquisition cost (within the meaning of Section 143 of the 1986 Code) may not exceed 110% of the average area purchase price applicable to such Single Family Residence; and

(2) The current annual income of the family using or intending to use the Single Family Residence as its principal residence does not exceed either (i) for a family of 3 or more persons, 115% (140% if the residence is located in a Targeted Area) of the median gross income for the area in which such Single Family Residence is located, and adjusted for being in a high housing cost area as provided in Section 143(f)(5) of the Internal Revenue Code of 1986, or (ii) for a family of less than 3 persons, 100% (120% if the residence is located in a Targeted Area) of the median gross income for the area in which such Single Family Residence is located, and adjusted for being in a high housing cost area as provided in Section 143(f)(5) of the Internal Revenue Code of 1986, in accordance with determinations of annual income established pursuant to regulations issued under Section 8 of the United States Housing Act of 1937.

These covenants may be modified from time to time pursuant to written instructions as delivered to the Trustee by the Commission, accompanied by an opinion of Bond Counsel permitting such modifications.

Section III.08. *Covenant for Use of Prepayments.*

Subject to the provisions of Section 2.09 hereof, the Commission will apply repayments and prepayments of principal of Mortgage Loans or Guaranteed Mortgage Securities financed from the issuance of the 2023 Series ABC Bonds that, under the Code, are not permitted to be used to finance additional Mortgage Loans or Guaranteed Mortgage Securities to the redemption of the 2023 Series ABC Bonds.

Reserved.

ARTICLE IV

DETERMINATIONS REQUIRED BY THE BOND RESOLUTION

Determination Concerning the Debt Service Reserve Fund. In compliance with Section 2.02 of the Bond Resolution, the Commission determines that no amounts are to be deposited in the Debt Service Reserve Fund on the Closing Date and that the amounts on deposit are sufficient to maintain a balance therein equal to the Debt Service Reserve Requirement computed with reference to all Outstanding Bonds and to the 2023 Series ABC Bonds authorized hereunder.

Determination Concerning the Issuance of the 2023 Series ABC Bonds. In compliance with Section 2.02 of the Bond Resolution, the Commission determines that the 2023 Series ABC Bonds will not adversely affect the ability of the Commission to purchase Mortgage Loans or Guaranteed Mortgage Securities with the proceeds of Outstanding Bonds previously issued.

ARTICLE V

[RESERVED]

ARTICLE VI

MISCELLANEOUS

Continuing Disclosure. The Commission agrees to comply with and carry out the provisions of the Continuing Disclosure Agreement dated as of June [___], 2023 by and between the Commission and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, and any other information filings required by federal securities laws.

Unclaimed Moneys. In the event any 2023 Series Bond is not presented for payment when the principal of any such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such 2023 Series Bond have been deposited with the Trustee for the benefit of the owners of such Bond and have remained unclaimed for 5 years after such principal has become due and payable, either at the stated maturity date thereof or by call for earlier redemption, then such amounts shall, at the request of the Commission, be repaid by the Trustee to the Commission, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Commission for the payment of such 2023 Series ABC Bonds, as the case may be; provided, however, that the Trustee, before being required to make any such payment to the Commission shall, at the expense of the Commission, cause to be published, at least twice, at an interval of not less than 7 days between publications, in Authorized Newspapers, notice that such moneys remain unclaimed and that, after a date specified in such notice, which will not be less than 30 days from the date of such publication, any unclaimed balance of such moneys then remaining will be paid to the Commission. The obligation of the Trustee under this Section to pay any such amounts to the Commission will be subject to any

provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

Electronic Means. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to the Bond Resolution and this Series Resolution and delivered using Electronic Means; provided, however, that the Commission shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Commission whenever a person is to be added or deleted from the listing. If the Commission elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Commission understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Commission shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Commission and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Commission. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Commission agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Commission; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Severability. If any provision of this 2023 Series ABC Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Applicable Provisions of Law. This 2023 Series ABC Resolution shall be governed by and construed in accordance with the laws of the State of Maryland.

HOUSING OPPORTUNITIES COMMISSION
MONTGOMERY COUNTY

[SEAL]

By: _____
Roy O. Priest
Chair

ATTEST:

By: _____
Chelsea J. Andrews
Secretary-Treasurer

[SIGNATURE PAGE TO 2023 SERIES ABC RESOLUTION]

EXHIBIT A

REDEMPTION PRICE TABLE FOR CERTAIN REDEMPTIONS

The 2023 Series A PAC Bonds that are redeemed from unexpended proceeds as set forth in Section 2.09 of the foregoing Series Resolution will be redeemed at the respective redemption prices (expressed as percentages of the principal amounts) set forth below.

Redemption Dates

Redemption Prices

Date of Delivery	%
January 1, 2024	
July 1, 2024	
January 1, 2025	
July 1, 2025	
January 1, 2026	
July 1, 2026	
January 1, 2027	
July 1, 2027	
January 1, 2028	
July 1, 2028	
January 1, 2029	
July 1, 2029	
January 1, 2030	
July 1, 2030	
January 1, 2031	

[The applicable redemption price for any date other than those above will be determined by the Commission using straight-line interpolation between the respective redemption prices for the immediately preceding and succeeding dates, based on the number of days between such dates.]

EXHIBIT B

FORM OF 2023 SERIES ABC BONDS

[FORM OF 2023 SERIES A BOND]

UNITED STATES OF AMERICA
STATE OF MARYLAND
HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

Single Family Mortgage Revenue Bond
2023 Series A

NO. RA- \$

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
% June [__], 2023

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Housing Opportunities Commission of Montgomery County, a public body corporate and politic of the State of Maryland (the "Commission"), for value received, promises to pay from the sources and as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on said sum from the Dated Date identified above, at the Interest Rate per annum identified above, semiannually on January 1 and July 1 of each year, commencing January 1, 2024 (the "Interest Payment Date"), until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond before maturity may become applicable hereto. Interest on this Bond is payable by check mailed to the Registered Owner hereof as his or her name and address appear, as of the close of business on the 15th day of the month next preceding each Interest Payment Date (the "Record Date"), on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the "Trustee"), or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such Registered Owner on or prior to the Record Date or, upon timely written request of a Registered Owner and payment of wire transfer fee, by wire transfer from the Trustee to the Registered Owner. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal and redemption premium, if any, and interest due at maturity or upon redemption or purchase of this Bond will be payable at the designated corporate trust office of the Trustee in any

coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the event of a partial redemption of this Bond, the Registered Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation indicating the principal amount of such redemption and the date thereon on the Payment Grid attached hereto, in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF, NOTWITHSTANDING THE FAILURE OF THE REGISTERED OWNER TO MAKE ANY NOTATION ON SUCH PAYMENT GRID OF THE REDEMPTION OF A PORTION THEREOF, AND SHALL BE BINDING UPON THE REGISTERED OWNER, ANY HEIRS, SUCCESSORS OR ASSIGNS, OR ANY TRANSFEREE OR PURCHASER OF THIS BOND. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

This Bond is one of an authorized issue of 2023 Series A Bonds in the aggregate principal amount of \$[_____] (the “2023 Series A Bonds”). The 2023 Series A Bonds were issued for the purpose of providing funds for the Commission to carry out its program of making or purchasing qualified mortgage loans (the “Mortgage Loans”) for the acquisition, construction, and rehabilitation of dwelling accommodations for persons of eligible income to facilitate the development of a sufficient supply of single family residential housing in Montgomery County, Maryland for such persons, including providing funds for various reserve funds. Simultaneously with the issuance of the 2023 Series A Bonds, the Commission has issued its Single Family Mortgage Revenue Bonds 2023 Series B in the aggregate principal amount of \$[_____] (the “2023 Series B Bonds”) and its Single Family Mortgage Revenue Bonds, 2023 Series C in the aggregate principal amount of \$[_____] (the “2023 Series C Bonds,” and together with the 2023 Series A Bonds and the 2023 Series B Bonds, the “2023 Series ABC Bonds”).

The 2023 Series ABC Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Commission’s Single Family Mortgage Revenue Bond Resolution No. 79-26, adopted March 28, 1979, as amended, and the 2023 Series ABC Resolution, adopted by the Commission as of June 1, 2023 (collectively, the “Bond Resolution”). The Bond Resolution provides that the Commission may hereafter issue additional Bonds from time to time under certain terms and conditions contained in the Bond Resolution and, if issued, such additional Bonds will rank pari passu with this issue of 2023 Series A Bonds and be equally and ratably secured by and entitled to the protection of the Bond Resolution. Reference is hereby made to the Bond Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Commission, the Trustee and the owners of the 2023 Series A Bonds and the terms upon which the 2023 Series A Bonds are issued and secured.

The Commission and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for

all other purposes and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

The 2023 Series A Bonds are issuable as registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, registered 2023 Series A Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the Registered Owner thereof, for a like aggregate principal amount of registered 2023 Series A Bonds without coupons of other authorized denominations of the same Series and the same maturity. This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same Series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee is not required to make any exchange or transfer in the case of any proposed redemption of Bonds of such Series, after the first publication or the mailing of notice calling such Bonds or portions thereof for redemption has been given as herein provided, or during the fifteen days next preceding the date of the first publication of notice of such redemption.

The 2023 Series A Bonds shall be subject to prior redemption and purchase in lieu of redemption as provided in the Bond Resolution.

If any of the 2023 Series A Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2023 Series A Bonds or portions thereof to be redeemed will be given by the Trustee by transmitting a copy of the redemption notice at least twenty (20) days before the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. All 2023 Series A Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

The 2023 Series A Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Maryland, particularly Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County 1974, as amended, known as the Housing Opportunities Act, and a certain Memorandum of Understanding By and Between the Commission and Montgomery County, Maryland, effective as of June 29, 2018, as amended.

This Bond and the issue of which it forms a part and the interest thereon are limited obligations of the Commission and are payable solely out of the Revenues and other assets of the Commission pledged therefor pursuant to the Bond Resolution. The Commission has no taxing power. The 2023 Series A Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the

2023 Series A Bonds be payable out of any funds or properties of the Commission other than those pledged therefor. The 2023 Series A Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of the Commission nor any persons executing the 2023 Series A Bonds shall be liable personally on the 2023 Series A Bonds by reason of the issuance thereof. Payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the 2023 Series A Bonds are to be paid to the Trustee for the account of the Commission, which payments have been duly pledged and assigned for that purpose.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Resolution, the principal of all the 2023 Series A Bonds issued under the Bond Resolution and then outstanding may become or may be declared due and payable before the stated maturities thereof, at the principal amount thereof, together with interest accrued thereon to the date of acceleration.

The Bond Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the owners of the 2023 Series A Bonds at any time by the Commission with the consent of the owners of two-thirds in Aggregate Principal Amount of the 2023 Series A Bonds at the time outstanding, as defined in the Bond Resolution. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any 2023 Series A Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Bond Resolution also contains provisions permitting the Trustee to waive certain defaults under the Bond Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Commission, does not exceed or violate any constitutional or statutory limitation; and that the amounts pledged to the payment of the principal of and premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, are expected to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Trustee or an authorized signatory thereof.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be executed in its name by the facsimile signature of its Chair and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the facsimile signature of its Secretary-Treasurer.

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

[SEAL]

By: _____
Roy O. Priest
Chair

Attest:

By: _____
Chelsea J. Andrews
Secretary-Treasurer

[If a payment grid is to be added to the Bond, the following is to be inserted after the signature pages:]

PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
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_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

[If any of the 2023 Series A Bonds are to be printed, the Commission may place the “IN WITNESS WHEREOF” clause, signatures and seal on the face of such Bonds and insert on the face of such Bonds the following language:]

(optional language to be inserted on face of any 2023 Series A Bonds to be printed)

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the Single Family Mortgage Revenue Bonds, 2023 Series A of the Housing Opportunities Commission of Montgomery County.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., TRUSTEE

By: _____
Authorized Signatory

Date of Authentication: _____

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____ (Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program or similar program (STAMP, SEMP, MSP).)

Please insert social security or other identifying number of assignee: _____

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

* * * * *

[End of Form of 2023 Series A Bond]

[FORM OF 2023 SERIES B BOND]

UNITED STATES OF AMERICA
STATE OF MARYLAND
HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

Single Family Mortgage Revenue Bond
2023 Series B

NO. RB- _____ \$ _____

INTEREST RATE: _____ %
MATURITY DATE: _____
DATED DATE: June [___], 2023
CUSIP: _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Housing Opportunities Commission of Montgomery County, a public body corporate and politic of the State of Maryland (the "Commission"), for value received, promises to pay from the sources and as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on said sum from the Dated Date identified above, at the Interest Rate per annum identified above, semiannually on January 1 and July 1 of each year, commencing January 1, 2024 (the "Interest Payment Date"), until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond before maturity may become applicable hereto. Interest on this Bond is payable by check mailed to the Registered Owner hereof as his or her name and address appear, as of the close of business on the 15th day of the month next preceding each Interest Payment Date (the "Record Date"), on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the "Trustee"), or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such Registered Owner on or prior to the Record Date or, upon timely written request of a Registered Owner and payment of wire transfer fee, by wire transfer from the Trustee to the Registered Owner. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal and redemption premium, if any, and interest due at maturity or upon redemption or purchase of this Bond will be payable at the designated corporate trust office of the Trustee in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the event of a partial redemption of this Bond, the Registered Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation indicating the principal

amount of such redemption and the date thereon on the Payment Grid attached hereto, in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF, NOTWITHSTANDING THE FAILURE OF THE REGISTERED OWNER TO MAKE ANY NOTATION ON SUCH PAYMENT GRID OF THE REDEMPTION OF A PORTION THEREOF, AND SHALL BE BINDING UPON THE REGISTERED OWNER, ANY HEIRS, SUCCESSORS OR ASSIGNS, OR ANY TRANSFEREE OR PURCHASER OF THIS BOND. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

This Bond is one of an authorized issue of 2023 Series B Bonds in the aggregate principal amount of \$[_____] (the “2023 Series B Bonds”). The 2023 Series B Bonds were issued for the purpose of providing funds for the Commission to carry out its program of making or purchasing qualified mortgage loans (the “Mortgage Loans”) for the acquisition, construction, and rehabilitation of dwelling accommodations for persons of eligible income to facilitate the development of a sufficient supply of single family residential housing in Montgomery County, Maryland for such persons, including providing funds for various reserve funds. Simultaneously with the issuance of the 2023 Series B Bonds, the Commission has issued its Single Family Mortgage Revenue Bonds 2023 Series A in the aggregate principal amount of \$[_____] (the “2023 Series A Bonds”) and its Single Family Mortgage Revenue Bonds, 2023 Series C in the aggregate principal amount of \$[_____] (the “2023 Series C Bonds,” and together with the 2023 Series A Bonds and the 2023 Series B Bonds, the “2023 Series ABC Bonds”).

The 2023 Series ABC Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Commission’s Single Family Mortgage Revenue Bond Resolution No. 79-26, adopted March 28, 1979, as amended, and the 2023 Series ABC Resolution, adopted by the Commission as of June 1, 2023 (collectively, the “Bond Resolution”). The Bond Resolution provides that the Commission may hereafter issue additional Bonds from time to time under certain terms and conditions contained in the Bond Resolution and, if issued, such additional Bonds will rank pari passu with this issue of 2023 Series B Bonds and be equally and ratably secured by and entitled to the protection of the Bond Resolution. Reference is hereby made to the Bond Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Commission, the Trustee and the owners of the 2023 Series B Bonds and the terms upon which the 2023 Series B Bonds are issued and secured.

The Commission and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

The 2023 Series B Bonds are issuable as registered 2023 Series B Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations and upon

payment of the charges provided in the Bond Resolution, registered 2023 Series B Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the Registered Owner thereof, for a like aggregate principal amount of registered 2023 Series B Bonds without coupons of other authorized denominations of the same Series and the same maturity. This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same Series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee is not required to make any exchange or transfer in the case of any proposed redemption of Bonds of such Series, after the first publication or the mailing of notice calling such Bonds or portions thereof for redemption has been given as herein provided, or during the fifteen days next preceding the date of the first publication of notice of such redemption.

The 2023 Series B Bonds shall be subject to prior redemption and purchase in lieu of redemption as provided in the Bond Resolution.

If any of the 2023 Series B Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2023 Series B Bonds or portions thereof to be redeemed will be given by the Trustee by transmitting a copy of the redemption notice at least twenty (20) days before the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. All 2023 Series B Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

The 2023 Series B Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Maryland, particularly Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County 1974, as amended, known as the Housing Opportunities Act, and a certain Memorandum of Understanding By and Between the Commission and Montgomery County, Maryland, effective as of June 29, 2018, as amended.

This Bond and the issue of which it forms a part and the interest thereon are limited obligations of the Commission and are payable solely out of the Revenues and other assets of the Commission pledged therefor pursuant to the Bond Resolution. The Commission has no taxing power. The 2023 Series B Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2023 Series B Bonds be payable out of any funds or properties of the Commission other than those pledged therefor. The 2023 Series B Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of the Commission nor any persons executing the 2023 Series B Bonds shall be liable personally on the 2023 Series B Bonds by reason of the issuance thereof. Payments

sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the 2023 Series B Bonds are to be paid to the Trustee for the account of the Commission, which payments have been duly pledged and assigned for that purpose.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Resolution, the principal of all the 2023 Series B Bonds issued under the Bond Resolution and then outstanding may become or may be declared due and payable before the stated maturities thereof, at the principal amount thereof, together with interest accrued thereon to the date of acceleration.

The Bond Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the owners of the 2023 Series B Bonds at any time by the Commission with the consent of the owners of two-thirds in Aggregate Principal Amount of the 2023 Series B Bonds at the time outstanding, as defined in the Bond Resolution. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any 2023 Series B Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Bond Resolution also contains provisions permitting the Trustee to waive certain defaults under the Bond Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Commission, does not exceed or violate any constitutional or statutory limitation; and that the amounts pledged to the payment of the principal of and premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, are expected to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Trustee or an authorized signatory thereof.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be executed in its name by the facsimile signature of its Chair and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the facsimile signature of its Secretary-Treasurer.

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

[SEAL]

By: _____
Roy O. Priest
Chair

Attest:

By: _____
Chelsea J. Andrews
Secretary-Treasurer

[If a payment grid is to be added to the Bond, the following is to be inserted after the signature pages:]

PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

[If any of the 2023 Series B Bonds are to be printed, the Commission may place the “IN WITNESS WHEREOF” clause, signatures and seal on the face of such Bonds and insert on the face of such Bonds the following language:]

(optional language to be inserted on face of any 2023 Series B Bonds to be printed)

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the Single Family Mortgage Revenue Bonds, 2023 Series B of the Housing Opportunities Commission of Montgomery County.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., TRUSTEE

By: _____
Authorized Signatory

Date of Authentication: _____

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____ (Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program or similar program (STAMP, SEMP, MSP).)

Please insert social security or other identifying number of assignee: _____

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

* * * * *

[End of Form of 2023 Series B Bond]

[FORM OF 2023 SERIES C BOND]

UNITED STATES OF AMERICA
STATE OF MARYLAND
HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

Single Family Mortgage Revenue Bond
2023 Series C

NO. RC- _____ \$ _____

INTEREST RATE: _____ MATURITY DATE: _____ DATED DATE: _____ CUSIP: _____
% _____ June [__], 2023

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Housing Opportunities Commission of Montgomery County, a public body corporate and politic of the State of Maryland (the "Commission"), for value received, promises to pay from the sources and as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on said sum from the Dated Date identified above, at the Interest Rate per annum identified above, semiannually on January 1 and July 1 of each year, commencing January 1, 2024 (the "Interest Payment Date"), until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond before maturity may become applicable hereto. Interest on this Bond is payable by check mailed to the Registered Owner hereof as his or her name and address appear, as of the close of business on the 15th day of the month next preceding each Interest Payment Date (the "Record Date"), on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the "Trustee"), or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such Registered Owner on or prior to the Record Date or, upon timely written request of a Registered Owner and payment of wire transfer fee, by wire transfer from the Trustee to the Registered Owner. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal and redemption premium, if any, and interest due at maturity or upon redemption or purchase of this Bond will be payable at the designated corporate trust office of the Trustee in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the event of a partial redemption of this Bond, the Registered Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation indicating the principal amount of such redemption and the date thereon on the Payment Grid attached hereto, in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF, NOTWITHSTANDING THE FAILURE OF THE REGISTERED OWNER TO MAKE ANY NOTATION ON SUCH PAYMENT GRID OF THE REDEMPTION OF A PORTION THEREOF, AND SHALL BE BINDING UPON THE REGISTERED OWNER, ANY HEIRS, SUCCESSORS OR ASSIGNS, OR ANY TRANSFEREE OR PURCHASER OF THIS BOND. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

This Bond is one of an authorized issue of 2023 Series C Bonds in the aggregate principal amount of \$[_____] (the “2023 Series C Bonds”). The 2023 Series C Bonds were issued for the purpose of providing funds for the Commission to carry out its program of making or purchasing qualified mortgage loans (the “Mortgage Loans”) for the acquisition, construction, and rehabilitation of dwelling accommodations for persons of eligible income to facilitate the development of a sufficient supply of single family residential housing in Montgomery County, Maryland for such persons, including providing funds for various reserve funds. Simultaneously with the issuance of the 2023 Series C Bonds, the Commission has issued its Single Family Mortgage Revenue Bonds 2023 Series A in the aggregate principal amount of \$[_____] (the “2023 Series A Bonds”) and its Single Family Mortgage Revenue Bonds, 2023 Series B in the aggregate principal amount of \$[_____] (the “2023 Series B Bonds,” and together with the 2023 Series A Bonds and the 2023 Series C Bonds, the “2023 Series ABC Bonds”).

The 2023 Series ABC Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Commission’s Single Family Mortgage Revenue Bond Resolution No. 79-26, adopted March 28, 1979, as amended, and the 2023 Series ABC Resolution, adopted by the Commission as of June 1, 2023 (collectively, the “Bond Resolution”). The Bond Resolution provides that the Commission may hereafter issue additional Bonds from time to time under certain terms and conditions contained in the Bond Resolution and, if issued, such additional Bonds will rank pari passu with this issue of 2023 Series C Bonds and be equally and ratably secured by and entitled to the protection of the Bond Resolution. Reference is hereby made to the Bond Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Commission, the Trustee and the owners of the 2023 Series C Bonds and the terms upon which the 2023 Series C Bonds are issued and secured.

The Commission and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

The 2023 Series C Bonds are issuable as registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, registered 2023 Series C Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the Registered Owner thereof, for a like aggregate principal amount of registered 2023 Series C Bonds without coupons of other authorized denominations of the same Series and the same maturity. This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same Series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee is not required to make any exchange or transfer in the case of any proposed redemption of Bonds of such Series, after the first publication or the mailing of notice calling such Bonds or portions thereof for redemption has been given as herein provided, or during the fifteen days next preceding the date of the first publication of notice of such redemption.

The 2023 Series C Bonds shall be subject to prior redemption and purchase in lieu of redemption as provided in the Bond Resolution.

If any of the 2023 Series C Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2023 Series C Bonds or portions thereof to be redeemed will be given by the Trustee by transmitting a copy of the redemption notice at least twenty (20) days before the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. All 2023 Series C Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

The 2023 Series C Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Maryland, particularly Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County 1974, as amended, known as the Housing Opportunities Act, and a certain Memorandum of Understanding By and Between the Commission and Montgomery County, Maryland, effective as of June 29, 2018, as amended.

This Bond and the issue of which it forms a part and the interest thereon are limited obligations of the Commission and are payable solely out of the Revenues and other assets of the Commission pledged therefor pursuant to the Bond Resolution. The Commission has no taxing power. The 2023 Series C Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2023 Series C Bonds be payable out of any funds or properties of the Commission other than those pledged therefor. The 2023 Series C Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the

commissioners of the Commission nor any persons executing the 2023 Series C Bonds shall be liable personally on the 2023 Series C Bonds by reason of the issuance thereof. Payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the 2023 Series C Bonds are to be paid to the Trustee for the account of the Commission, which payments have been duly pledged and assigned for that purpose.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Resolution, the principal of all the 2023 Series C Bonds issued under the Bond Resolution and then outstanding may become or may be declared due and payable before the stated maturities thereof, at the principal amount thereof, together with interest accrued thereon to the date of acceleration.

The Bond Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the owners of the 2023 Series C Bonds at any time by the Commission with the consent of the owners of two-thirds in Aggregate Principal Amount of the 2023 Series C Bonds at the time outstanding, as defined in the Bond Resolution. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any 2023 Series C Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Bond Resolution also contains provisions permitting the Trustee to waive certain defaults under the Bond Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Commission, does not exceed or violate any constitutional or statutory limitation; and that the amounts pledged to the payment of the principal of and premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, are expected to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Trustee or an authorized signatory thereof.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be executed in its name by the facsimile signature of its Chair and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the facsimile signature of its Secretary-Treasurer.

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

[SEAL]

By: _____
Roy O. Priest
Chair

Attest:

By: _____
Chelsea J. Andrews
Secretary-Treasurer

EXHIBIT C

FLOW OF FUNDS MEMORANDUM

See Tab ____

Closing Statement

Written Statement for Closing a Meeting (“Closing Statement”)

Date: May 3, 2023

A. Pursuant to Section 3-305(b) and (d) of the General Provisions Article of the Annotated Code of Maryland, I move to adjourn this open session to a closed session only:

- 3. “To consider the acquisition of real property for a public purpose and matters directly related thereto;”
- 7. “To consult with counsel to obtain legal advice”; and
- 13. “To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.”

For each provision checked above, the topic to be discussed and the reason for discussing that topic in closed session is provided below.

Statutory Citation	Topic	Reason for closed-session discussion
§3-305(b)(3)	The potential purchase of improved real property with multifamily housing located in Silver Spring, Maryland.	This must be a closed meeting in order to protect HOC’s bargaining power.
§3-305(b)(7)	To obtain legal advice on the above referenced property acquisition, and on the agency’s potential participation in a multiparty funding consortium.	The meeting must be closed to protect HOC’s attorney-client privilege.
§3-305(b)(13)	The confidential commercial and financial terms of the (i) above referenced property acquisition; (ii) the agency’s participation in the above referenced funding consortium; and (iii) the financing of a potential loan to a third party.	Section 4-335 of the Maryland Public Information Act prevents disclosure of confidential commercial or financial information obtained from a third party. This must be a closed meeting in order to protect confidential commercial and financial information provided to HOC from third parties regarding their finances, financing terms, and other confidential contractual terms. All such information is customarily and actually treated as private by the third parties, and has been provided to HOC under an assurance of privacy.
§3-305(b)(13)	Discussing information related to the above referenced property acquisition and to the agency’s potential participation in a multiparty funding consortium that is subject to attorney-client privilege.	Section 4-301(a)(1) of the Maryland Public Information Act prevents disclosure of information if, by law, the information is privileged or confidential. The meeting must be closed to protect HOC’s attorney-client privilege.

B. This statement is made by Roy Priest, Chair.

C. Recorded vote to close the meeting:

- Date: May 3, 2023 Time: _____
- Location: HOC’s Kensington Office (10400 Detrick Avenue, Kensington, MD 20895), Zoom, & Livestream (YouTube).
- Motion to close meeting made by: _____
- Motion seconded by: _____

- Commissioners in favor: _____
- Commissioners opposed: _____
- Commissioners abstaining: _____
- Commissioners absent: _____

Officer's Signature: _____

Adjourn

Closed Session