

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

September 2, 2015

15-09

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, September 2, 2015 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:07 p.m. Those in attendance were:

Present

- Sally Roman, Chair
- Jackie Simon, Vice Chair
- Christopher Hatcher
- Margaret McFarland
- Richard Y. Nelson, Jr.
- Roberto Piñero

Also Attending

- Stacy Spann, Executive Director
- Ken Goldstraw
- Kayrine Brown
- Fred Swan
- Terri Fowler
- Whitley Granberry
- Jennifer Arrington
- Bonnie Hodge
- Dean Tyree
- Belle Seyoum
- Richard Hanks
- Gio Kaviladze
- Ugonna Ibebuchi
- Hyunsuk (Wilson) Choi
- Sheryl Hammond

- Kelly McLaughlin, General Counsel
- Jim Atwell
- Gail Willison
- Ethan Cohen
- Zachary Marks
- Jim Atwell
- Shaina Francis
- Bill Anderson
- Bobbie DaCosta
- Lynn Hayes
- Mary Ellen Ewing
- Angela McIntosh-Davis

Guest

None

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

IT Support

Dominique Laws

The Consent Calendar was adopted upon a motion by Vice Chair Simon and seconded by Commissioner Hatcher. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, McFarland, Nelson and Piñero.

I. CONSENT ITEMS

- A. Approval of Minutes of Regular Meeting of August 5, 2015** – The minutes were approved as submitted.
- B. Authorization to Revise HOC’s Administrative Plan to Replace a Preference for Chronically Homeless and Medically Vulnerable Persons with a Preference for Homeless Veterans and Their Families with Respect to 10 Housing Choice Vouchers**

RESOLUTION: 15-70

RE: Authorization to Revise HOC’s Administrative Plan to Replace a Preference for Chronically Homeless and Medically Vulnerable Persons with a Preference for Homeless Veterans and Their Families with Respect to 10 Housing Choice Vouchers

WHEREAS, Montgomery County seeks the assistance of the Housing Opportunities Commission of Montgomery County (HOC) with its “Zero: 2016” Campaign to end veteran homelessness in Montgomery County by the close of 2015 and end chronic homelessness overall by the end of 2016; and

WHEREAS, HOC wishes to assist Montgomery County with this campaign by re-allocating up to 10 Housing Choice Vouchers for the chronically homeless and medically vulnerable, which are currently unused, to homeless veterans and their families who are in need of supportive services; and

WHEREAS, the Housing Opportunities Commission of Montgomery County (HOC) desires to revise its Administrative Plan for the Housing Choice Voucher Program by replacing the existing preference for up to 10 Housing Choice Vouchers to be allocated for chronically homeless and medically vulnerable persons, and instead provide this preference for up to 10 Housing Choice Vouchers to be allocated for homeless veterans and their families; and

WHEREAS, a 30-day public comment period for this proposed revision began on August 3, 2015 and concluded on September 2, 2015 with a public hearing.

WHEREAS, a 30-day public comment period for this proposed revision began on August 3, 2015 and concluded on September 2, 2015 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves and authorizes a revision to its Administrative Plan to replace the existing preference for chronically homeless and medically vulnerable persons with a preference for homeless veterans and their families, with respect to 10 Housing Choice Vouchers.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed, without any further action on its part, to take all actions necessary and proper to accomplish the activity contemplated herein.

C. Ratification of Action Taken in Executive Session on August 5, 2015: Approval of Pursuit of Relocation Options for Elizabeth House Residents, Including the Execution of a Purchase and Sale Contract for the Acquisition of 900 Thayer Avenue and Other Related Due Diligence, and Approval for Site Plan Approval Funding in the Amount of \$600,000 for Elizabeth Square

RESOLUTION: 15-68R

RE: Ratification of Approval of Pursuit of Relocation Options for Elizabeth House Residents, Including the Execution of a Purchase and Sale Contract for the Acquisition of 900 Thayer Avenue and other Related Due Diligence, and Approval for Site Plan Approval Funding in the Amount of \$600,000 for Elizabeth Square

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly created, organized and existing under the laws of the State of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland (the “Act”), to carry out and effectuate the purpose of providing affordable housing including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Executive Session duly called and held on August 5, 2015, with a quorum being present, the Commission duly adopted Resolution 15-68(ES) titled: “Approval of Pursuit of Relocation Options for Elizabeth House Residents, including the Execution of a Purchase and Sale Contract for the Acquisition of 900 Thayer Avenue and other Related Due

Diligence, and Approval for Site Plan Approval Funding in the amount of \$600,000 for Elizabeth Square; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 15-68(ES) and any action taken since August 5, 2015 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby ratifies Resolution 15-68(ES) and any action taken since August 5, 2015 to effectuate the transaction contemplated therein.

- D. Ratification of Action Taken in Executive Session on August 5, 2015: Authorization for the Executive Director to Enter into a Grant Agreement with Victory Housing, Inc. (VHI) to Place 39 RAD Units at Victory Crossing; Admit HOC as a Member in the Victory Crossing Owner's General Partner; Negotiate a Letter of Intent (LOI) with VHI for the Development of Bauer Park Apartments as Incentive Fee for Holly Hall RAD Relocation Housing at Victory Crossing; and Negotiate a LOI with VHI for the Development of an Investment Exchange Site in Lieu of the Investment Grant Payable to VHI for the Holly Hall RAD Relocation Housing at Victory Crossing**

RESOLUTION: 15-69R

RE: Ratification of Authorization for the Executive Director to Enter Into a Grant Agreement with Victory Housing, Inc. (VHI) to Place 39 RAD Units at Victory Crossing; Admit HOC as a Member in the Victory Crossing Owner's General Partner; Negotiate a Letter of Intent (LOI) with VHI for the Development of Bauer Park Apartments as Incentive Fee for Holly Hall RAD Relocation Housing at Victory Crossing; and Negotiate a LOI with VHI for the Development of an Investment Exchange Site in lieu of the Investment Grant Payable to VHI for the Holly Hall RAD Relocation Housing at Victory Crossing

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

rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Executive Session duly called and held on August 5, 2015, with a quorum being present, the Commission duly adopted Resolution 15-69(ES) titled: "Authorization for the Executive Director to Enter Into a Grant Agreement with Victory Housing, Inc. (VHI) to Place 39 RAD Units at Victory Crossing; Admit HOC as a Member in the Victory Crossing Owner's General Partner; Negotiate a Letter of Intent (LOI) with VHI for the Development of Bauer Park Apartments as Incentive Fee for Holly Hall RAD Relocation Housing at Victory Crossing; and Negotiate a LOI with VHI for the Development of an Investment Exchange Site in lieu of the Investment Grant Payable to VHI for the Holly Hall RAD Relocation Housing at Victory Crossing" for the purpose of relocating some of the Holly Hall residents to Victory Crossing and authorizing the negotiation of transactions in exchange for payments to VHI;and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission in adopting the Resolution 15-69(ES) and any action taken since August 5, 2015 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Resolution 15-69(ES) and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

II. INFORMATION EXCHANGE

- A. Report of the Executive Director** – The Executive Director reported that Housing Path crossed its 20,000-person threshold. He acknowledged Ken Goldstraw, Gail Willison, Lynn Hayes and Bonnie Hodge. There is interest from other housing authorities, in particular, Fairfax County, who contacted HOC inquiring as to how the program works. The Commissioners requested a full analysis on the Wait List once the current surge goes down, and to send out "Thank You" letters to libraries and other agencies that assisted in housing system access for potential clients.
- B. Calendar and Follow-up Action** – Confirmation of Bauer (Banor) Board Meeting for September 16, 2015 and Town Center Board Meeting scheduled for October 21, 2015.
- C. Commissioner Exchange** – Chair Roman acknowledged receipt of correspondence from resident regarding Elizabeth Square thanking HOC for clarifying matters. Vice Chair Simon discussed Bill 22-15 and Councilmember Roger Berliner's concern of push back he's receiving.
- D. Resident Advisory Board (RAB)** – None

E. **Community Forum** – None

F. **Status Report** – None

III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

1. Authorization to Submit County FY'17-22 Capital Improvements Program (CIP) Budget

Terry Fowler, Budget Officer and Gio Kaviladze, Financial Analyst, were presenters.

The following resolution was approved upon a motion by Commissioner McFarland and seconded by Commissioner Hatcher. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, McFarland, Nelson and Piñero.

RESOLUTION: 15-71

**RE: Authorization to Submit County
FY'17-22 Capital Improvements
Program (CIP) Budget**

WHEREAS, the Housing Opportunities Commission of Montgomery County receives County CIP funding for ongoing CIP projects; and

WHEREAS, the Commission must submit a request for both new and renewed funding by September 9, 2015; and

WHEREAS, the Commission wishes to maintain current funding levels in the amount of \$79,057,000; and

WHEREAS, the Commission wishes to request additional funding in the amount of \$1,250,000 annually for FY'21 and FY'22 for HOC Deeply Subsidized HOC Owned Unit Improvements;

WHEREAS, the Commission wishes to request additional funding in the amount of \$7,000,000 for Preservation & Expansion of Affordable Housing at Elizabeth Square;

WHEREAS, the Commission wishes to request additional funding in the amount of \$2,000,000 for a Demolition Fund for Emory Grove Village and The Ambassador;

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission authorizes staff to submit the County FY'17 – FY'22 Capital Improvements Program (CIP) Budget in the total amount of \$90,557,000 by September 9, 2015.

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

- 1. Adoption of an Authorizing Resolution for the Issuance of 2015 Series A Multifamily Housing Development Bonds and Tax-Exempt Drawings on the PNC Bank, National Association Real Estate Revolving Line of Credit or Tax-Exempt Advances under the PNC Bank, National Association Amended and Restated Committed Line of Credit Note for the Financing of the Acquisition and Rehabilitation of the Arcola Towers and Waverly House Projects**

Kayrine Brown, Chief Investment & Real Estate Officer, Jennifer Arrington, Sr. Multifamily Underwriter, and Ugonna Ibebuchi, Financial Analyst, were presenters.

The following resolution was approved upon a motion by Vice Chair Simon and seconded by Commissioner Nelson. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, McFarland, Nelson and Piñero.

RESOLUTION: 15-72 Re: Adoption of an Authorizing Resolution for the Issuance of 2015 Series A Multifamily Housing Development Bonds and Tax-Exempt Drawings on the PNC Bank, National Association Real Estate Revolving Line of Credit or Tax-Exempt Advances under the PNC Bank, National Association Amended and Restated Committed Line of Credit Note for the Financing of the Acquisition and Rehabilitation of the Arcola Towers and Waverly House Projects

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY AUTHORIZING THE ISSUANCE AND SALE OF A SERIES OF THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT 2015 SERIES A BONDS (THE "2015 SERIES A BONDS") AND AUTHORIZING TAX-EXEMPT DRAWINGS ON THE PNC BANK, NATIONAL ASSOCIATION REAL ESTATE REVOLVING LINE OF CREDIT (THE "PNC RELOC TAX-EXEMPT DRAWINGS") OR TAX-EXEMPT ADVANCES UNDER THE PNC BANK, NATIONAL ASSOCIATION AMENDED AND RESTATED COMMITTED LINE OF CREDIT NOTE (THE "PNC LOC TAX-EXEMPT ADVANCES," AND COLLECTIVELY WITH THE 2015 SERIES A BONDS AND THE PNC RELOC TAX-EXEMPT DRAWINGS, THE "2015 OBLIGATIONS"), IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 FOR THE PURPOSE OF THE FINANCING OF (1) A MORTGAGE LOAN INSURED UNDER THE FHA RISK-SHARING PROGRAM FOR THE ACQUISITION AND REHABILITATION OF ARCOLA TOWERS, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY ARCOLA TOWERS RAD LIMITED PARTNERSHIP, (2) A MORTGAGE LOAN INSURED UNDER THE FHA RISK-SHARING PROGRAM FOR THE ACQUISITION AND REHABILITATION OF WAVERLY HOUSE, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY WAVERLY HOUSE RAD LIMITED PARTNERSHIP, (3) SHORT-TERM SECURED LOANS MADE

UNDER THE BELOW-DEFINED PNC REVOLVING LOAN AGREEMENT OR THE BELOW-DEFINED LOAN DOCUMENTS RELATING TO THE PNC LOC TAX-EXEMPT ADVANCES OR SUCH ADDITIONAL SHORT-TERM SECURED LOANS FINANCED WITH THE PROCEEDS OF SHORT-TERM BONDS ISSUED UNDER THE BELOW-DEFINED TRUST INDENTURE, ALL AS SHALL BE NECESSARY FOR THE FINANCING OF THE ABOVE-DESCRIBED DEVELOPMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES INDENTURE, CERTAIN TAX-RELATED DOCUMENTS, A DISCLOSURE AGREEMENT AND ANY AND ALL REAL ESTATE DOCUMENTS; APPROVING THE PREPARATION, EXECUTION AND DISTRIBUTION OF PRELIMINARY AND FINAL OFFERING DOCUMENTS RELATING TO THE FINANCING; AUTHORIZING THE EXECUTION OF ANY OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE 2015 OBLIGATIONS AND THE ACCOMPLISHMENT OF THE TOTAL FINANCING PLAN DESCRIBED HEREIN; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO PROCEED WITH THE SALE OF THE 2015 SERIES A BONDS TO MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED AND THE OTHER UNDERWRITERS OR TO ANY OTHER INITIAL PURCHASERS AND TO EXECUTE AND DELIVER A CONTRACT OF PURCHASE IN CONNECTION WITH SUCH SALE; AUTHORIZING THE EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO ESTABLISH THE TERMS RELATING TO THE 2015 OBLIGATIONS AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2015 OBLIGATIONS; AND PROVIDING AN EFFECTIVE DATE.

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 Act declares that there exists within Montgomery County (the "County") a critical shortage of decent, safe and sanitary dwelling accommodations available to rent which "persons of eligible income" (within the meaning of the Act) can afford; and

WHEREAS, the Act empowers the Commission to make mortgage loans to qualified sponsors to provide for the construction, rehabilitation, long-term and short-term financing of multifamily residential housing units in the County for occupancy by persons of eligible income and to perform any other duties that the Commission considers necessary in carrying out the purposes of the Act; and

WHEREAS, the Commission, in furtherance of the purposes of the Act, has established a program (the "Program") to provide for the financing of mortgage loans through the issuance of its multifamily housing bonds; and

WHEREAS, pursuant to the Act and the Program, the Commission entered into the Trust Indenture, dated as of November 1, 1996 (the "Trust Indenture"), by and between the Commission and U.S. Bank National Association (formerly, Sun Trust Bank), as successor trustee, providing for the issuance of bonds (the "Bonds") from time to time in accordance with

the provisions thereof and of any series indenture specifically relating to any such series of Bonds issued thereunder; and

WHEREAS, the proceeds received from the issuance and sale of Bonds under the Trust Indenture are used to make, purchase or finance mortgage loans (the "Mortgage Loans") or finance mortgage loans through the purchase of guaranteed mortgage securities; and

WHEREAS, the pledges and assignments made pursuant to the Trust Indenture and the provisions, covenants and agreements therein set forth to be performed by or on behalf of the Commission are for the equal benefit, protection and security of the owners of any and all of the Bonds, each of which, regardless of the time of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Trust Indenture; and

WHEREAS, the Commission has determined to issue its Multifamily Housing Development Bonds, 2015 Series A pursuant to the Trust Indenture and the Series Indenture Providing for the Issuance of Multifamily Housing Development Bonds, 2015 Series A (the "Series Indenture") and to make tax-exempt drawings on its PNC Bank, National Association Real Estate Revolving Line of Credit pursuant to the provisions of the PNC Revolving Loan Agreement (hereinafter defined) or to request tax-exempt advances under its Amended and Restated Committed Line of Credit Note, dated as of June 30, 2014 (the "PNC Line of Credit Note"), pursuant to the Loan Documents (as defined therein) or, alternatively, to issue tax-exempt short-term Bonds, in either case, for the funding of short-term secured loans (i) to make moneys available for the acquisition and rehabilitation of two developments (together, the "RAD Developments")—Arcola Towers, to be owned and operated by Arcola Towers RAD Limited Partnership and Waverly House, to be owned and operated by Waverly House RAD Limited Partnership—each limited partnership, an entity containing a general partner wholly-controlled by the Commission, (ii) to reimburse the Commission for prior expenditures of Commission funds to finance the acquisition and rehabilitation of the RAD Developments; (iii) to make the required deposit to the Reserve Fund (as defined in the Trust Indenture) as required by the Trust Indenture and the Series Indenture; and (iv) to reimburse the Commission for prior capital expenditures, all in accordance with the financing plans approved by the Commission in connection with the RAD Developments under the separate resolutions adopted by the Commission on August 5, 2015 and in accordance with the additional financing plans set forth in this Resolution (together, the "Total Financing Plan"); and

WHEREAS, the Mortgage Loans to be financed with the proceeds of a portion of the 2015 Obligations will be endorsed for federal insurance under the Risk-Sharing Agreement, dated September 23, 1994 (the "Risk-Sharing Agreement"), by and between the Commission and the Secretary of the U.S. Department of Housing and Urban Development ("HUD"), pursuant to which Risk-Sharing Agreement, the Commission will reimburse HUD for its losses under the Mortgage Loans in an amount not greater than 25% of the outstanding principal balance of the Mortgage Loans; and

WHEREAS, in connection with the issuance of the 2015 Obligations and the accomplishment of the Total Financing Plan, the Commission anticipates entering into various documents, including, but not limited to the Series Indenture and, as hereinafter defined, the

Offering Documents, the Contract of Purchase, the Tax-Related Documents, the Disclosure Agreement, the Real Estate Documents and certain other documents relating to the PNC RELOC Tax-Exempt Drawings, the PNC LOC Tax-Exempt Advances, the Mortgage Loans, the short-term secured loans, the sale of the 2015 Series A Bonds, and the financing of the RAD Developments;

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

1. **2015 Obligations.** The 2015 Obligations are hereby authorized to be issued in an aggregate principal amount not to exceed \$40,000,000 to carry out the purposes under the Program as described above. Subject to the following sentence, a portion of the 2015 Obligations shall be separately designated "2015 Series A Bonds" and a portion of the 2015 Obligations will be separately designated "PNC RELOC Tax-Exempt Drawings" and/or "PNC LOC Tax-Exempt Advances." Notwithstanding the foregoing, the Executive Director is hereby authorized to approve, in consultation with the Financial Advisor and Bond Counsel to the Commission, such greater number of 2015 Obligations to be issued in connection with the Total Financing Plan and to determine the designations therefor. The 2015 Series A Bonds are to be issued pursuant to the terms of the Trust Indenture and pursuant to the terms of the Series Indenture. The 2015 Series A Bonds shall be limited obligations of the Commission, secured by and payable solely from moneys pledged therefor under the Indenture. The PNC RELOC Tax-Exempt Drawings will be made in accordance with the provisions of the Revolving Loan Agreement, dated as of July 1, 2014, by and between the Commission and PNC Bank, National Association (the "PNC Revolving Loan Agreement"). The PNC LOC Tax-Exempt Advances will be made in accordance with the provisions of the PNC Line of Credit Note and the related Loan Documents.

2. **Approval of Total Financing Plan.** The Commission hereby approves the Total Financing Plan as described above pursuant to the terms and conditions to be set forth in the documents approved hereby.

3. **Series Indenture.** The Chairman, the Vice Chairman, or the Chairman Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver the Series Indenture in such form as shall be approved by such officers, the execution of such Series Indenture being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission (an "Authorized Officer"), is hereby authorized and directed to affix the seal of the Commission to the Series Indenture and to attest the same.

4. **Tax-Related Documents.** The Chairman, the Vice Chairman, the Chairman Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver a Tax Regulatory Agreement and No Arbitrage Certificate and other documents (collectively, the "Tax-Related Documents") restricting the application of the proceeds of the 2015 Obligations and the use and occupancy of the RAD Developments in such forms as shall be prepared by Bond Counsel and

approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director, the execution of the Tax-Related Documents being conclusive evidence of such approval and of the approval of the Commission. The Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission is hereby further authorized and directed to execute and deliver on behalf of the Commission Internal Revenue Service Form 8038-G relating to the 2015 Obligations as prepared by Bond Counsel.

5. **Disclosure Agreement.** The Commission hereby authorizes and approves the execution and delivery of a continuing disclosure agreement (the "Disclosure Agreement") related to the Series 2015 A Bonds, in such form as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Disclosure Agreement constituting conclusive evidence of such officer's approval of the Disclosure Agreement and the approval of the Commission.

6. **Mortgage Loans; Real Estate Documents.** The Commission hereby authorizes and approves the financing of the Mortgage Loans with the proceeds of a portion of the 2015 Obligations which will be endorsed for federal insurance under the Risk-Sharing Agreement, pursuant to which the Commission will reimburse HUD for its losses under the Mortgage Loans in an amount not greater than 25% of the outstanding principal balance of the Mortgage Loans. The Commission hereby authorizes and approves the financing of the short-term loans to be financed with the PNC RELOC Tax-Exempt Drawing, the PNC LOC Tax-Exempt Advance and/or the short-term tax-exempt Bonds. The Commission hereby further authorizes and approves the preparation, execution and delivery of any and all real estate documents (the "Real Estate Documents") relating to the acquisition and rehabilitation of the RAD Developments, in its capacity as issuer of the 2015 Obligations and in its capacity as general partner of each of the limited partnership owners of the RAD Developments.

7. **Offering Documents.** The Commission hereby authorizes and approves the preparation and distribution of one or more preliminary offering documents of the Commission and the preparation, execution and distribution of one or more final offering documents (collectively, the "Offering Documents"), each relating to the 2015 Series A Bonds, in such forms as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Offering Documents constituting conclusive evidence of such officer's approval of the Offering Documents and the approval of the Commission.

8. **Sale of 2015 Series A Bonds.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to proceed with the sale of the 2015 Series A Bonds to Merrill Lynch, Pierce, Fenner & Smith Incorporated and such other underwriters or to any other entity as shall be in the best interest of the Commission as determined by the Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission.

9. **Contract of Purchase.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to execute a contract of purchase and/or any other form of purchase agreement (the "Contract of Purchase") in connection with the sale to the initial purchasers of the 2015 Series A Bonds.

10. **Terms; Ongoing Determinations.** The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners to establish the dates, maturities, interest payment dates, denominations, terms of redemption, registration privileges, security and other terms, and to approve the interest rates on (a) the 2015 Series A Bonds, (b) the PNC RELOC Tax-Exempt Drawing, and (c) the PNC LOC Tax-Exempt Advance, all of the foregoing to be specified, as applicable, in the Series Indenture, the PNC Revolving Loan Agreement and/or the PNC Line of Credit Note and the related Loan Documents. The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners, to perform any act, to execute any documents, is hereby authorized, from time to time during the period the 2015 Obligations are outstanding, to make ongoing determinations, as may be required by the terms of the Series Indenture, the PNC Revolving Loan Agreement, the PNC Line of Credit Note and the related Loan Documents and any other financing documents relating to the 2015 Obligations, the RAD Developments, the Mortgage Loans, the short-term secured loans and any additional loans, including, but not limited to, the giving and withholding of consents, the selection of certain providers, the determination to permit the prepayment of the Mortgage Loans or the short-term secured loans and the refunding and redemption of the 2015 Obligations and/or other Bonds, and the Executive Director or other Authorized Representative of the Commission, as the case may be, is further authorized to execute any and all documents evidencing such determinations as may be deemed necessary and proper.

11. **Other Action.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is hereby authorized and directed to execute and deliver any and all additional documents and instruments necessary or proper to be executed and delivered and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution relating to the 2015 Obligations and the accomplishment of the Total Financing Plan.

12. **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 2015 Obligations.

13. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the 2015 Obligations, the Series Indenture, the Contract of Purchase, the Tax-Related Documents, the Offering Documents, the Real Estate

Documents, the Disclosure Agreement the PNC Revolving Loan Agreement, the PNC Line of Credit Note and the related Loan Documents, the Mortgage Loans, the short-term secured loans or in any other agreement or document executed on behalf of the Commission in its capacity as issuer of the 2015 Obligations or in its capacity as general partner of each of the limited partnership owners of the RAD Developments, shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Commission in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the 2015 Obligations or be subject to personal liability or accountability by reason of the issuance thereof.

14. **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 furtherance of the issuance of the 2015 Obligations and the accomplishment of the Total Financing Plan are hereby approved, and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

15. **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 hereof or cause any other provision hereof to be invalid, inoperative or unenforceable to any extent whatsoever.

16. **Effective Date.** This Resolution shall take effect immediately.

2. Approval of Interim Financing Plan and Authorization to Accept Loan from BB&T Bank for Greenhills Apartments to Repay the PNC Bank, N.A. Real Estate Line of Credit (RELOC)

Kayrine Brown, Chief Investment & Real Estate Officer, Jennifer Arrington, Sr. Multifamily Underwriter, and Ugonna Ibebuchi, Financial Analyst, were presenters. At the request of the Commissioners the original title of "Approval of Interim Financing Plans and Authorization to Accept Loans from BB&T Bank for Alexander House Development Corporation and Greenhills Apartments to Repay the PNC Bank, N.A. Real Estate Line of Credit (RELOC)" was amended to separate the Alexander House Development Corporation as an individual entity. Resolution 15-73a was deleted.

The following resolution was approved, as revised, upon a motion by Commissioner Piñero and seconded by Commissioner McFarland. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, McFarland, Nelson and Piñero.

RESOLUTION: 15-73

RE: Approval of Interim Financing Plan and Authorization to Accept Loan from BB&T Bank for Greenhills Apartments to Repay the PNC Bank,

**Bank, N.A. Real Estate Line of Credit
(RELOC)**

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

WHEREAS, Greenhills Apartments (the “Property”) is a 78-unit apartment and townhome community located at 10560 Tralee Terrace in Damascus, Maryland which was acquired by the Housing Opportunities Commission of Montgomery County (the “Commission”) in 1998; and

WHEREAS, on March 7, 2012, the Commission approved a Preliminary Development Plan to renovate and refinance the Property; and

WHEREAS, on May 28, 2014, the Commission approved obtaining a line of credit with a limit of \$90 million, the Real Estate Line of Credit (the “RELOC”) from PNC Bank, N.A. (PNC), for the purpose of providing short-term financing for certain costs of the pre-development, rehabilitation, and acquisition of multifamily properties; and

WHEREAS, the Commission’s financial resources are being managed to optimize use and to ensure funding is available to support its real estate initiatives; and

WHEREAS, on November 14, 2014, a tax-exempt draw on the RELOC was made in the amount of \$4,200,000 to retire the mortgage on the Property; and

WHEREAS, on August 5, 2015, the Commission approved the financing strategy for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership which involve draws on the RELOC for no more than \$7.5 million and \$15 million, respectively; and

WHEREAS, part of the Financing Plans for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership involves reducing the outstanding balance on the RELOC by the end of September 2015 prior to making the necessary RELOC draws for Arcola Towers and Waverly House in or around November 2015; and

WHEREAS, the reduction on the RELOC will involve interim financings for the Property (the “Interim Financing Plan”) and Alexander House which are both slated for rehabilitation within the next two to three years; and

WHEREAS, as part of the Interim Financing Plan for the Property, the Commission obtained a loan proposal from BB&T Bank for a tax-exempt loan of \$4,200,000 plus the amount of associated costs of financing that will bear interest at a fixed interest rate of approximately

1.89% for 12 months and a floating interest rate for up to an additional 12 months, with a break-funding penalty based on prevailing interest rates.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves the Interim Financing Plan to accept a tax-exempt loan from BB&T Bank in an amount not to exceed \$4,500,000 in order to repay PNC for the prior draw on the RELOC benefitting Greenhills Apartments and fund related transaction costs.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, without further action on its part, hereby authorizes and directs the Executive Director to act as its authorized representative to execute all Interim Financing Plan loan documents on its behalf, and to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all other documents related thereto.

3. Authorization to Grant United Therapeutics Corporation a Right to Operate a Crane Swing Over the Montgomery Arms Property and to Execute a Crane Overswing Agreement and other Documents Relating Thereto

Kayrine Brown, Chief Investment & Real Estate Officer, and Richard Hanks, Housing Acquisitions Manager, were presenters.

The following resolution was approved upon a motion by Vice Chair Simon and seconded by Commissioner Hatcher. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, McFarland, Nelson and Piñero.

RESOLUTION: 15-74

RE: Authorization to Grant United Therapeutics Corporation a Right to Operate a Crane Swing over the Montgomery Arms Property and to Execute a Crane Overswing Agreement and other Documents Relating Thereto

WHEREAS, Montgomery Arms Development Corporation (the "Development Corporation") owns and operates a 129-unit building in Silver Spring at 8627 Fenton Street known as Montgomery Arms Apartments; and

WHEREAS, the Housing Opportunities Commission of Montgomery County Maryland (HOC) is the sole member of the Development Corporation; and

WHEREAS, Montgomery Arms Apartments provides opportunity housing at or below 90% of area median income and Project-based Section 8 units for residents at or below 30% of area median income; and

WHEREAS, financing for Montgomery Arms Apartments is funded by a first lien priority loan from HOC which was funded by the proceeds of tax-exempt governmental bonds issued by HOC; and

WHEREAS, United Therapeutics Corporation proposes to build a new office building on the land immediately east of Montgomery Arms Apartments on Montgomery County Parking Garage #29 (the "Office Building"); and

WHEREAS, to construct this new office building, United Therapeutics Corporation would need to mobilize a crane which would swing over the Montgomery Arms Apartments; and

WHEREAS, United Therapeutics Corporation is requesting that the Development Corporation enter into a Crane Swing Agreement (the "Agreement") to permit the use of the crane over the Montgomery Arms Apartment during the construction period, and HOC has reviewed and modified the Agreement ; and

WHEREAS, United Therapeutics Corporation has agreed to provide \$5,000 to the Development Corporation to cover legal costs associated with preparing and negotiating the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity as a lender, and for and on behalf of Montgomery Arms Development Corporation, that the Executive Director is authorized to enter into direct negotiations with United Therapeutics Corporation and to execute the Crane Swing Agreement.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Montgomery Arms Development Corporation, authorizes and directs the Executive Director, without further action on their respective parts, to take any and all other actions necessary and proper to consummate the transactions contemplated herein, including the execution of any other documents related thereto.

IV. ITEMS REQUIRING DELIBERATION and/or ACTION

A. None

V. FUTURE ACTION ITEMS

None

VI. INFORMATION EXCHANGE (CONT'D)

None

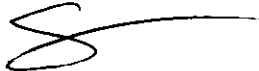
VII. **NEW BUSINESS**
None

VIII. **EXECUTIVE SESSION FINDINGS**
None

The meeting recessed at 5:09 p.m. for a meeting of the Board of Alexander House Development Corporation.

The Housing Opportunities Commission meeting reconvened at 5:10 p.m. to adjourn for an Executive Session called for the purpose of considering matters related to consultation with counsel for legal advice and personnel matter. Based upon this report and there being no further business to come before this session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

Respectfully submitted,



Stacy L. Spann
Secretary-Treasurer

/pmb