

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

October 7, 2015

15-10

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, October 7, 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  
Richard Y. Nelson, Jr.  
Roberto Piñero

**Absent**

Margaret McFarland

**Also Attending**

Stacy Spann, Executive Director

Ken Goldstraw

Kayrine Brown

Eugene Spencer

Terri Fowler

Lola Knights

Jennifer Arrington

Bonnie Hodge

Dean Tyree

Belle Seyoum

Richard Hanks

Tiffany Jackson

Ugonna Ibebuchi

Hyunsuk (Wilson) Choi

Sheryl Hammond

Kelly McLaughlin, General Counsel

Jim Atwell

Gail Willison

Ethan Cohen

Zachary Marks

Brian Kim

Ellen Goff

Bill Anderson

Bobbie DaCosta

Lynn Hayes

Mary Ellen Ewing

Clarence Landers

Gina Smith

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Commission

**Guest**

**None**

**IT Support**

Irma Rodriguez

Prior to the meeting convening an election was held to nominate Chair Pro Tem due to the passing of Jean Banks. A motion was made by Commissioner Piñero to nominate Richard Y. Nelson, Jr., as Chair Pro Tem, and seconded by Vice Chair Simon. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, Nelson and Pinero. Commissioner McFarland was necessarily absent and did not participate in the vote.

The Consent Calendar was adopted with minor edits to the Internal Audit Policy, Process and Procedure document. A motion was made by Chair Pro Tem Nelson and seconded by Commissioner Piñero. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, Nelson and Piñero. Commissioner McFarland was necessarily absent and did not participate in the vote.

**I. CONSENT ITEMS**

**A. Approval of Minutes of Regular Meeting of September 2, 2015** – The minutes were approved as submitted.

**B. Approval of Internal Audit Policy, Process and Procedures**

**RESOLUTION No. 15-75:**

**RE: Approval of Revised Internal Audit Policy and Internal Audit Process and Procedure**

**WHEREAS**, in the late 1990s, the Housing Opportunities Commission created the position of Internal Auditor; and

**WHEREAS**, with the creation of the position, the Commission approved an Internal Audit Policy; and

**WHEREAS**, when the Internal Audit position was created a policy was written, but a procedure never was.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves a revision to the Internal Audit Policy to replace the existing Policy.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the Internal Audit Process and Procedure.

## II. INFORMATION EXCHANGE

- A. **Report of the Executive Director** – The Executive Director updated on status of Housing Path – hotline remains busy with calls and emails. Chair Roman commented on an article in the Washington Post regarding the electronic waiting list process and how the article gave positive ratings for Montgomery County and services provided to the applicants. Commissioner Piñero requested demographic breakdown of the Wait List when available.
- B. **Calendar and Follow-up Action** – Commissioner Nelson informed the Board of the 2015 Governor’s Housing Conference in Baltimore to be held on November 4, 2015 which will be a conflict with the HOC regular meeting scheduled on that evening.

Commissioner Piñero requested that the Administrative Guide for Commissioners and Staff be added to the To Do/Action List.

- C. **Commissioner Exchange** – Commissioner Hatcher gave an update on the Bauer (Banor) Board meeting held on September 16, 2015. The next scheduled meeting is tentatively scheduled for November 2015.

Commissioner Piñero reported that he attended the Health Fair. He said it was a very nice event. Executive Director Spann acknowledged Mary Phillips, Resident Services Supervisor, as coordinate for the event as a part of the Leadership Tomorrow Team.

- 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. **Acceptance of Fourth Quarter FY’15 Budget to Actual Statements**

Gail Willison, Chief Financial Officer and Terry Fowler, Budget Officer, were presenters.

The following resolution was approved upon a motion by Commissioner Piñero and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Roman,

**WHEREAS**, the Housing Opportunities Commission ratified the CY'15 Budgets for Georgian Court Silver Spring LP, MV Affordable Housing Association (Stewartown) LP, Shady Grove Apartments LP, Spring Garden One Association LP and The Willows of Gaithersburg Association LP on November 5, 2014; and

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

**WHEREAS**, the Commission has reviewed the proposed budget amendments to the CY'15 Capital Budgets for Georgian Court Silver Spring LP, MV Affordable Housing Association (Stewartown) LP, Shady Grove Apartments LP, Spring Garden One Association LP and The Willows of Gaithersburg Association LP.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby amends the CY'15 Capital Budgets for Georgian Court Silver Spring LP, MV Affordable Housing Association (Stewartown) LP, Shady Grove Apartments LP, Spring Garden One Association LP and The Willows of Gaithersburg Association LP by increasing revenues and expenses for the partnerships as follows:

- Georgian Court Silver Spring LP - \$70,754
- MV Affordable Housing Association (Stewartown) LP - \$48,068
- Shady Grove Apartments LP - \$57,350
- Spring Garden One Association LP - \$35,197
- The Willows of Gaithersburg Association LP - \$63,990

**3. Approval to Release Obligations Against the PNC Bank \$60 Million Line of Credit**

Gail Willison, Chief Financial Officer and Tiffany Jackson, Accounting Manager, were presenters.

The following resolution was approved upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Piñero. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, Nelson and Piñero. Commissioner McFarland was necessarily absent and did not participate in the vote.

**RESOLUTION No. 15-78:**

**RE: Approval to Release Obligations Against the PNC Bank \$60 Million Line of Credit**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County has a \$60 million Line of Credit with PNC Bank, N.A.; and

**WHEREAS**, the Commission has obligated \$10 million of the PNC Bank \$60 million Line of Credit to use for the Single Family Mortgage Purchase MBS Program; and

**WHEREAS**, the Commission has also obligated \$2.5 million of the PNC Bank \$60 million Line of Credit to use for the HOC/HOP Program; and

**WHEREAS**, the Commission has been advised by Caine Mitter, Bond Counsel, that an obligation of \$5 million is sufficient to fund the Single Family Mortgage Purchase MBS Program; and

**WHEREAS**, the Commission utilizes the County Revolving Fund for the HOC/HOP Program; and

**WHEREAS**, the Commission wishes to reduce the obligation against the PNC Bank \$60 million Line of Credit for the Single Family Mortgage Purchase MBS Program from \$10 million to \$5 million; and

**WHEREAS**, the Commission wishes to release the \$2.5 million obligation against the PNC Bank \$60 million Line of Credit for the HOC/HOP Program; and

**WHEREAS**, upon the reduction of the obligation for the Single Family Mortgage Purchase MBS Program to \$5 million and the release of the \$2.5 million obligation for the HOC/HOP Program, the unobligated balance of the PNC Bank \$60 million Line of Credit will be \$8,461,334.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Commission authorizes staff to reduce the obligation against the PNC Bank \$60 million Line of Credit for the Single Family Mortgage Purchase MBS Program from \$10 million to \$5 million and to release the \$2.5 million obligation against the PNC Bank \$60 million Line of Credit.

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

- 1. Approval of a Predevelopment Budget in the Amount of \$1,195,000 for the Redevelopment of Holly Hall Through the End of Calendar Year 2016; Approval to Accept a Distribution of the Duffie Contribution from Hillandale Gateway, LLC and to Loan Hillandale Gateway, LLC \$546,000 in Predevelopment Funding; and Approval for Hillandale Gateway, LLC to Accept the Predevelopment Loan**

Kayrine Brown, Chief Investment & Real Estate Officer and Zachary Marks, Asst. Director of New Developments, 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, Nelson and Piñero. Commissioner McFarland was necessarily absent and did not participate in the vote.

**RESOLUTION No. 15-79:**

**RE: Approval of a Predevelopment Budget in the Amount of \$1,195,000 for the Redevelopment of Holly Hall Through the End of Calendar Year 2016; Approval to Accept a Distribution of the Duffie Contribution from Hillandale Gateway, LLC and to Loan Hillandale Gateway, LLC \$546,000 in Predevelopment Funding; and Approval for Hillandale Gateway, LLC to Accept the Predevelopment Loan**

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

**WHEREAS**, HOC is the sole member of HOC at Hillandale Gateway, LLC (“HOC’s JV Member”), which is a member of Hillandale Gateway, LLC the entity that will redevelop the Holly Hall site; and

**WHEREAS**, HOC recently contributed a 43,671-square foot parcel of land at the southwest corner of Powder Mill Road and New Hampshire Avenue, which HOC purchased from Capital One Bank, N.A. on July 11, 2014 (“CONA Site”), and was wholly owned by HOC, to Hillandale Gateway, LLC through HOC’s JV Member; and

**WHEREAS**, the location of Holly Hall and the CONA Site (together, the “Redevelopment Properties”) is at the corner of New Hampshire Avenue and Interstate 495 providing high visibility and access; and

**WHEREAS**, the Redevelopment Properties were recently approved for an increase in development density via a Sectional Map Amendment, which presents a unique opportunity for HOC to expand its housing presence in the East County, which has seen decades of disinvestment in housing; and

**WHEREAS**, the Duffie Companies and HOC wish to form a venture to redevelop Holly Hall and the CONA Site where HOC would contribute the Redevelopment Properties and the Duffie Companies would contribute cash, purchasing an ownership interest in Hillandale Gateway, LLC; and

**WHEREAS**, on July 8, 2015, the Commission authorized the Executive Director to execute all documents associated with the creation of a venture between the Duffie Companies and HOC provided the terms in a letter agreement between the parties would be substantially the same as those originally presented to the Commission on October 22, 2014, and as revised and presented to the Commission on July 8, 2015; and

**WHEREAS**, on July 31, 2015, a letter agreement was signed by HOC and countersigned by The Duffie Companies with terms substantially the same as those originally presented to the Commission on October 22, 2014, and as revised and presented to the Commission on July 8, 2015; and

**WHEREAS**, the letter agreement committed HOC to the an initial contribution of the CONA site to Hillandale Gateway, LLC through HOC's JV Member and committed the Duffie Companies to an initial contribution of \$546,000 ("Duffie Contribution"); and

**WHEREAS**, the parties contemplate that through HOC's JV Member, HOC will take a distribution of the Duffie Contribution and subsequently loan such funds to Hillandale Gateway, LLC to cover predevelopment expenses ("Predevelopment Loan"); and

**WHEREAS**, the Predevelopment Loan must first repay the predevelopment costs incurred to date, estimated to be approximately \$60,000.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC at Hillandale Gateway, LLC acting for itself and for and on behalf of Hillandale Gateway, LLC that it approves a predevelopment budget for the redevelopment of the Redevelopment Properties for up to \$1,195,000 through the end of calendar year 2016.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC at Hillandale Gateway, LLC that it accepts the distribution of the Duffie Contribution for deposit into the Opportunity Housing Reserve Fund ("OHRF").

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC at Hillandale Gateway, LLC acting for itself and for and on behalf of Hillandale Gateway, LLC that it authorizes a loan to Hillandale Gateway, LLC from HOC's OHRF in the amount of \$546,000 and an acceptance by Hillandale Gateway, LLC of such loan, bearing interest at the Applicable Federal Rate and to be repaid from the proceeds of Hillandale Gateway, LLC's redevelopment construction-period financing.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC at Hillandale Gateway, LLC acting for itself and for and on behalf of Hillandale Gateway, LLC, that Hillandale Gateway, LLC is authorized to use Predevelopment Loan proceeds to repay predevelopment expenses incurred to date, estimated to be approximately \$60,000.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC at Hillandale Gateway, LLC acting for itself and for and on behalf of Hillandale Gateway, LLC that the Executive Director of the Commission is hereby authorized, without any further action on their respective parts, 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.

- 2. Approval of a Tax-Exempt Draw of up to \$6,875,000 by the Commission from the Original PNC Bank, N.A. Line of Credit (\$60 Million) and the Commission's Advance of Such Funds to Chevy Chase Lake Development Corporation to Prepay the First Mortgage Loan**

Kayrine Brown, Chief Investment & Real Estate Officer, Zachary Marks, Asst. Director of New Developments, and Richard Hanks, Housing Acquisition Manager, were presenters.

The following resolution was approved upon a motion by Vice Chair Simon and seconded by Commissioner Piñero. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, Nelson and Piñero. Commissioner McFarland was necessarily absent and did not participate in the vote.

**RESOLUTION No. 15-80a:**

**RE: Approval of a Tax-Exempt Draw of up to \$6,875,000 by the Commission from the Original PNC Bank, N.A. Line of Credit (\$60 Million) and the Commission's Advance of Such Funds to Chevy Chase Lake Development Corporation to Prepay the First Mortgage Loan**

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

**WHEREAS**, Chevy Chase Lake Development Corporation (the "Corporation"), an entity



wholly controlled by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), is the owner of a 68-unit development in Chevy Chase known as Chevy Chase Lake Apartments located on approximately 205,300 square feet of land at 3719 Chevy Chase Lake Drive, Chevy Chase, MD 20815 (the “CCL Site”); and

**WHEREAS**, on July 30, 2013, the Montgomery County Council approved the redevelopment plan for the CCL Site based on a proposed joint development for mixed-use housing providing between 20-40 affordable rental units and 30-40 workforce units in a 150-200 mixed income mid-rise building to be retained by the Corporation (the “Multifamily Building”) in addition to 50-60 for-sale townhomes (the “Townhouses”), of which 15% are slated to be Moderately Priced Dwelling Units pursuant to Article 25A of the County Code (MPDUs); and

**WHEREAS**, on January 23, 2014, the Commission and the Corporation approved entering into a Purchase and Sale Agreement with Eakin Youngentob and Associates (“EYA”) to sell a portion of the land for the development of the Townhouses (the “Townhouse Site”), consisting of approximately 142,278 square feet, with the remainder of the CCL Site to be owned by the Corporation or another Commission-controlled entity for the development of the Multifamily Building (the “Multifamily Site”); and

**WHEREAS**, on July 24, 2014, the Montgomery County Department of Park and Planning approved the Sketch Plan application for the redevelopment of the CCL Site, increasing the urgency to accelerate the design of the Multifamily Building and produce materials necessary to complete a preliminary and site plan application for the Multifamily Site (the “MF Preliminary Plan Application”), so that it may be submitted in conjunction with the site plan for the Townhouse Site, which is significantly closer to completion; and

**WHEREAS**, the Commission has authorized the permanent relocation of all existing residents and such relocation is expected to be completed by October 31, 2015, thereby availing the development for demolition in preparation for redevelopment; and

**WHEREAS**, as a result of vacating the property and as a precondition of EYA’s closing on the acquisition of the townhome portion of the site, HOC must also prepay the existing first mortgage and redeem the outstanding bonds; and

**WHEREAS**, the Commission may make draws on the original \$60 million PNC Bank, N.A. line of credit at a taxable rate of the London Interbank Offered Rate (LIBOR) plus 90 basis points or tax-exempt at 68.5% of the LIBOR plus 38 basis points.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves a tax-exempt draw on the original PNC Bank, N.A. line of credit for an amount up to \$6,875,000 (the “Loan”) and the subsequent advance of such Loan funds to the Corporation for the purpose of prepaying the existing first mortgage loan and redemption of the portion of the 2004 Series C Multifamily Housing Development Bonds

attributable to Chevy Chase Lakes Development Corporation for a maximum term of 24 months.

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

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

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The following resolution was approved upon a motion by Vice Chair Simon and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, Nelson and Piñero. Commissioner McFarland was necessarily absent and did not participate in the vote.

**RESOLUTION No. 15-80b:**

**RE:** Approval to Make a Predevelopment Loan of up to \$250,000 from the Opportunity Housing Reserve Fund to the Chevy Chase Lake Development Corporation to Fund Predevelopment Costs for the Proposed Multifamily Building

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

**WHEREAS**, Chevy Chase Lake Development Corporation (the "Corporation"), an instrumentality of HOC, is the owner of a 68-unit development in Chevy Chase known as Chevy Chase Lake Apartments located on approximately 205,300 square feet of land at 3719 Chevy Chase Lake Drive, Chevy Chase, MD 20815 (the "CCL Site"); and

**WHEREAS**, on July 30, 2013, the Montgomery County Council approved the redevelopment plan for the CCL Site based on a proposed joint development for mixed-use housing providing between 20-40 affordable rental units and 30-40 workforce units in a 150-200 mixed income mid-rise building (the "Multifamily Building") in addition to 50-60 for-sale townhomes (the "Townhouses") of which 15% are slated to be Moderately Priced Dwelling Units pursuant to Article 25A of the County Code (MPDUs); and

**WHEREAS**, on January 23, 2014, the Commission and the Corporation approved entering into a Purchase and Sale Agreement with Eakin Youngentob and Associates (“EYA”) to sell a portion of the land for the development of the Townhouses (the “Townhouse Site”), consisting of approximately 142,278 square feet, with the remainder of the CCL Site to be owned by the Corporation or another Commission-controlled entity for the development of the Multifamily Building (the “Multifamily Site”); and

**WHEREAS**, on July 24, 2014, the Montgomery County Department of Park and Planning approved the Sketch Plan application for the redevelopment of the CCL Site, increasing the urgency to accelerate the design of the Multifamily Building and produce materials necessary to complete a preliminary and site plan application for the Multifamily Site (the “MF Preliminary Plan Application”), so that it could be submitted in conjunction with the site plan for the Townhouse Site, which is significantly closer to completion; and

**WHEREAS**, the Commission previously authorized predevelopment funding of \$1,350,000 which was funded from deposits received from EYA (\$750,000) and from the Opportunity Housing Reserve Fund (OHRF) (\$600,000) but, in order to cover the completion of the remaining design work, pre-closing site work, permit fees, and legal fees and costs through the date the Multifamily Site is acquired by the to-be-formed Commission-controlled entity with acquisition and construction financing; and

**WHEREAS**, it is estimated that additional predevelopment funding of approximately \$2.2 million is needed to complete the predevelopment expenditures of the Multifamily Building and that all such cost are attributable only to the Multifamily Building; and

**WHEREAS**, the Commission’s OHRF has an unobligated balance of \$14.06 million and such funds may be appropriated with Commission approval for among other things, the funding of predevelopment costs.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves a predevelopment loan of up to \$250,000 from the OHRF to the Chevy Chase Lake Development Corporation for predevelopment expenses for the Multifamily Building, reserving the right to approve any additional amount of the \$2.2 million that is anticipated to be needed to complete the predevelopment work when the final development plan and the request for funding are presented to the Commission for approval.

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

- 3. Approval of Revised Development Plan and Authorization to Expend Additional Predevelopment Spending of up to \$750,000 of Opportunity Housing Reserve**

**Funds for the Submission of the Detail Site Plan for Elizabeth Square to Maryland-National Capital Park and Planning Commission (M-NCPPC) and Montgomery County**

Kayrine Brown, Chief Investment & Real Estate Officer and Brian Kim, Development Associate, were presenters.

Upon a motion by Vice Chair Simon and seconded by Commissioner Hatcher, the following resolution was approved, with revisions to condition the submission of the site plan on the Commission's subsequent approval of a revised unit mix. Commissioners requested to review changes prior to the next meeting for approval. Affirmative votes were cast by Commissioners Roman, Simon, Hatcher, Nelson and Piñero. Commissioner McFarland was necessarily absent and did not participate in the vote.

**RESOLUTION No.: 15-81**

**RE: Approval of Revised Development Plan and Authorization to Expend Additional Predevelopment Spending of up to \$750,000 of Opportunity Housing Reserve Funds for the Submission of the Detail Site Plan for Elizabeth Square to Maryland-National Capital Park and Planning Commission (M-NCPPC) and Montgomery County**

**WHEREAS**, Elizabeth Square is a 136,032 sq. ft. parcel located in downtown Silver Spring, bounded by Fenwick Street to the North, Second Avenue to the East, WMATA Rail Lines to the West and Apple Street to the South, consisting of three discrete properties, Alexander House owned by Alexander House Development Corporation, Elizabeth House owned by the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission") and Fenwick Professional Park owned by Lee Development Group ("LDG"); and

**WHEREAS**, on February 18, 2014, HOC entered into a pre-development agreement and preliminary plan submittal phase with LDG, Inc., an affiliate of LDG, as authorized by Resolution 14-13, adopted on February 18, 2014 and ratified by Resolution 14-13-R, adopted on March 5, 2014; and

**WHEREAS**, on May 28, 2014, the Commission passed Resolution 14-34 approving the essential business terms of the ground lease and land development agreement and authorizing the Executive Director to negotiate and execute the land development agreement ("Agreement"), which Resolution 14-34 was ratified by the Commission on June 4, 2014 by Resolution 14-34-R; and

**WHEREAS**, HOC and LDG entered into the Agreement as of July 31, 2014; and

**WHEREAS**, on July 23, 2015, the preliminary and project plans for Elizabeth Square were unanimously approved by the County Planning Department; and

**WHEREAS**, preliminary and project plans approved up to 766,046 square feet of residential development with up to 907 dwelling units, up to 6,032 square feet of non-residential uses, and up to 63,896 square feet of public use facilities; and

**WHEREAS**, HOC has now completed the feasibility phase of Elizabeth Square and is prepared to develop the detail site plan for the increased building height on Alexander House and the construction of both Elizabeth House III, which will be constructed on the Fenwick Professional Park site, and Elizabeth House IV, which will be constructed on the existing Elizabeth House site; and

**WHEREAS**, as part of the detail site plan phase, the development consultants are prepared to initiate the site plan process by submitting an application to M-NCPPC and the County Planning Department; and

**WHEREAS**, the Commission previously approved predevelopment funding totaling \$2,240,949; and

**WHEREAS**, staff seeks approval for additional predevelopment funding estimated to cost \$4,500,000 to carry the development through the completion of design and engineering documents for both Elizabeth House III and Elizabeth House IV, issuance of permits for Elizabeth House III, and the closing on the construction financing for Elizabeth House III, with the additional funding request to be divided into four installments, each requiring Commission approval; and

**WHEREAS**, the first installment of \$750,000 can be funded out of the Opportunity Housing Reserve Fund from monies yielded by the sale of certain scattered site units and reserved for investment in multifamily development opportunities.

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

1. HOC is authorized to incur up to SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000) in costs for the detail site plan, which shall be funded from the Opportunity Housing Reserve Fund; and
2. subject to a subsequent written approval by a majority of the Commissioners present herewith, which approval may be given in counterparts, of a revised unit mix and financial proforma for the Development, the Executive Director is authorized to execute all applications and submissions necessary for the approval of a detail site plan for the development of Elizabeth House III and Elizabeth House IV, and to file such applications and submissions with all of the required regulatory agencies,

including the Maryland-National Capital Park and Planning Commission and the County Planning Department.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized, without any further action on its part other than the subsequent written approval provided for herein, to take any and all other actions necessary and proper to carry out the transaction 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 meeting on October 7, 2015.

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

**A. None**

**V. FUTURE ACTION ITEMS**

**None**

**VI. INFORMATION EXCHANGE (CONT'D)**

**None**

**VII. NEW BUSINESS**

**None**

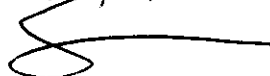
**VIII. EXECUTIVE SESSION FINDINGS**

**None**

The meeting recessed at 5:16 p.m. for a meeting of the Board of Chevy Chase Lake Development Corporation and Alexander House Development Corporation.

The Housing Opportunities Commission meeting reconvened at 5:20 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