

## HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

### **Minutes**

December 7, 2016

16-12

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, December 7, 2016 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:11 p.m. Those in attendance were:

### **Present**

Sally Roman, Chair  
Jackie Simon, Vice Chair  
Richard Y. Nelson, Jr., Chair Pro Tem  
Margaret McFarland  
Christopher Hatcher  
Linda Croom  
Pamela Byrd

### **Also Attending**

Stacy Spann, Executive Director  
Shauna Sorrells  
Fred Swan  
Kayrine Brown  
Joan McGuire  
Sheryl Hammond  
Louis Chaney  
Garrett Jackson  
Ugonna Ibebuchi  
Angela McIntosh-Davis  
Natalie Kaplan  
Reneé Harris  
Jennifer Arrington  
Mei Li  
Hyunsuk "Wilson" Choi

Kelly McLaughlin, General Counsel  
Nowelle Ghahhari, Deputy General Counsel  
Vivian Benjamin  
Ian Williams  
Bobbie DaCosta  
Zachary Marks  
Jim Atwell  
Tiffany Jackson  
Arthur Tirskey  
Lynn Hayes  
Ethan Cohen  
Rita Harris  
Brian Kim  
Bonnie Hodge  
Gail Gunod-Green

### **Resident Advisory Board**

Yvonne Caughman

### **Guest**

Debra McCain, L  
Ashley Palmer, UMD-Student  
Sean Davis, UMD-Student

**Guest Con't**

Scott Butler, UMD-Student

**IT Support**

Irma Rodriguez

**Commission Support**

Patrice Birdsong

The meeting began with approval of the Consent Calendar. The Consent Calendar was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, McFarland, Hatcher, Croom and Byrd.

**I. CONSENT ITEMS**

- A. Approval of Minutes of November 2, 2016** - The minutes were approved as submitted
- B. Approval of Executive Session Minutes of November 2, 2016** – The minutes were approved as submitted
- C. Approval of Emergency Special Session Minutes of November 6, 2016** – The minutes were approved as submitted
- D. Approval to Exercise the Option to Extend the Interim Mortgage Loan for Greenhills Apartments Pursuant to the Loan Agreement with BB&T Bank**

**RESOLUTION NO.: 16-81**

**RE: Approval to Exercise the Option to Extend the Interim Mortgage Loan for Greenhills Apartments Pursuant to the Loan Agreement with BB&T Bank**

**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 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 were 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 September 2, 2015, the Commission approved an Interim Financing Plan to accept a tax-exempt loan from BB&T Bank ("BB&T Loan") in an amount not to exceed \$4,500,000 that bears interest at a fixed tax-exempt interest rate of 1.57% for 12 months and with the ability to extend at a floating tax-exempt interest rate equal to 68% of 30-day LIBOR plus 98 basis points for up to an additional 12 months; and

**WHEREAS**, the BB&T Loan repaid PNC for the prior draw on the RELOC benefitting Greenhills Apartments and funded related transaction costs; and

**WHEREAS**, HOC staff has submitted an application for Low Income Housing Tax Credits for the Property with anticipation of receiving approval by the State of Maryland in April 2017; and

**WHEREAS**, HOC staff will return to the Commission in May 2017 with a Final Development Plan to renovate the property and a Financing Plan to fund the renovations and repay the BB&T Loan.

**E. Approval of FY 2017 Wage Adjustments and Service Increments for Non-represented Merit System Staff for the period of July 1, 2016 through June 30, 2017**

**RESOLUTION: 16-82**

**RE: Approval of FY 2017 Wage Adjustments and Service Increments for Non-represented Merit System Staff for the period of July 1, 2016 through June 30, 2017**

**WHEREAS**, the Commission wishes to award a compensation package for non-represented merit system staff for FY 2017.

**NOW, THEREFORE, BE IT RESOLVED** that effective the first pay period after July 1, 2016, each non-represented merit system staff member shall receive a general wage adjustment equal to the greater of \$700 or 1%.

**BE IT FURTHER RESOLVED** that the Pay Grade Schedule will be increased by 1%.

**BE IT FURTHER RESOLVED** that non-represented merit system staff who receive a fully satisfactory FY 2016 performance evaluation shall receive a 3.5% service increment effective the first pay date in September 2016.

**II. INFORMATION EXCHANGE**

- A. **Report of the Executive Director** – The Executive Director had nothing new to add to his written report.
- B. **Calendar and Follow-up Action**  
None
- C. **Commissioner Exchange**  
None
- D. **Resident Advisory Board (RAB)** – Ms. Yvonne Caughman, Vice President of the Resident Advisory Board, had nothing new to report.
- E. **Community Forum** – Debra McMcaïn, Landlord, addressed the Board regarding concerns of poor customer service.
- F. **Status Report** – None

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

- A. **Budget, Finance and Audit Committee – *Com. Nelson, Chair***
  - 1. **Approval of Property Management Contract for Westwood Towers Apartments**

Bobbie DaCosta, Director of Property Management, was the presenter.

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

**RESOLUTION NO.: 16-83**

**RE: Approval of Property  
Management Contract for  
Westwood Towers**

**WHEREAS**, the Housing Opportunities Commission issued a Request for Proposals (RFP) for property management of Westwood Towers (Property"); and

**WHEREAS**, based on the criteria included in the RFP and pricing from three responding companies, a panel of staff from Property Management, Finance and Compliance scored the results and determined that Avison Young is the most qualified to manage the Property.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a management contract with Avison Young for two years and three (3) optional one-year renewals.

## **2. Approval of Property Management Contract for Pooks Hill Court**

Bobbie DaCosta, Director of Property Management, was the presenter.

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

**RESOLUTION NO.: 16-84**

**RE: Approval of Property  
Management Contract for Pooks  
Hill Court**

**WHEREAS**, the Housing Opportunities Commission issued a Request for Proposals (RFP) for property management of Pooks Hill Court (Property"); and

**WHEREAS**, based on the criteria included in the RFP and pricing from two responding companies, a panel of staff from Property Management, Finance and Compliance scored the results and determined that Vantage Management is the most qualified to manage the Property.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a management contract with Vantage Management for two years and three (3) optional one-year renewals.

## **3. Approval of Property Management Contract for Shady Grove Apartments**

Bobbie DaCosta, Director of Property Management, was the presenter.

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

**RESOLUTION NO: 16-85**

**RE: Approval of Property  
Management Contract for Shady  
Grove Apartments**

**WHEREAS**, the Shady Grove Apartments Limited Partnership (the "Partnership"), owns a development known as Shady Grove Apartments (the "Property"); and

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") is the general partner of the Partnership; and

**WHEREAS**, the Commission, in its capacity as the general partner is authorized to engage a third party to manage the Property; and

**WHEREAS**, the Commission issued a Request for Proposals (RFP) for management of Shady Grove Apartments; and

**WHEREAS**, based on the criteria included in the RFP and pricing from two responding companies, a panel of HOC staff from Property Management, Finance and Compliance reviewed the submissions and determined that Edgewood Management is the most qualified to manage Shady Grove Apartments.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Shady Grove Apartments Limited Partnership as its general partner, that the Executive Director of the Housing Opportunities Commission of Montgomery County is hereby authorized and directed to execute a management contract with Edgewood Management for Shady Grove Apartments for two years and three (3) optional one-year renewals.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Shady Grove Apartments Limited Partnership as its general partner, that the Executive Director of the Housing Opportunities Commission of Montgomery County is hereby authorized and directed, without any further action on their respective parts, to take any and all other action necessary and proper to carry out the transaction contemplated herein.

#### **4. Approval of Property Management Contract for The Willows**

Bobbie DaCosta, Director of Property Management, was the presenter.

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

**RESOLUTION NO.: 16-86**

**RE: Approval of Property  
Management Contract for The  
Willows**

**WHEREAS**, The Willows of Gaithersburg Associates Limited Partnership (the “Partnership”), owns a development known as The Willows (the “Property”); and

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the general partner of the Partnership; and

**WHEREAS**, the Commission, in its capacity as the general partner is authorized to engage a third party to manage the Property; and

**WHEREAS**, the Commission issued a Request for Proposals (RFP) for management of The Willows; and

**WHEREAS**, based on the criteria included in the RFP and pricing from three responding companies, a panel of HOC staff from Property Management, Finance and Compliance reviewed the submissions and determined that Edgewood Management is the most qualified to manage The Willows.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of The Willows of Gaithersburg Associates Limited Partnership as its general partner, that the Executive Director of the Housing Opportunities Commission of Montgomery County is hereby authorized and directed to execute a management contract with Edgewood Management for The Willows for two years and three (3) optional one-year renewals.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of The Willows of Gaithersburg Associates Limited Partnership as its general partner, that the Executive Director of the Housing Opportunities Commission of Montgomery County is hereby authorized and directed, without any further action on their respective parts, to take any and all other action necessary and proper to carry out the transaction contemplated herein.

**5. Approval of Property Management Contract for Greenhills Apartments and Town Homes**

Bobbie DaCosta, Director of Property Management, was the presenter.

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

**RESOLUTION NO.: 16-87**

**RE: Approval of Property  
Management Contract for  
Greenhills Apartments and  
Townhomes**

**WHEREAS**, the Housing Opportunities Commission issued a Request for Proposals (RFP) for property management of Greenhills Apartments and Townhomes (Property”); and

**WHEREAS**, based on the criteria included in the RFP and pricing from two responding companies, a panel of staff from Property Management, Finance and Compliance scored the results and determined that Avison Young is the most qualified to manage the Property.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a management contract with Avison Young for two years and three (3) optional one-year renewals.

**6. Approval of Service Contract for Housing Quality Standards Inspections**

Reneé Harris, Program Coordinator, was the presenter.

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

**RESOLUTION NO.: 16-88**

**RE: Approval of Service Contract  
for Housing Quality Standards  
Inspections**

**WHEREAS**, the Commission is required to perform Housing Quality Standards Inspections on all units annually and all new units prior to entering into a Housing Assistance Payment contract; and

**WHEREAS**, the Housing Opportunities Commission of Montgomery County issued an invitation for Bid for Housing Quality Standards Inspections; and

**WHEREAS**, based on a review of the responses and in accordance with the selection criteria, staff determined Quality Assurance Inspections, Inc. to be the lowest, responsive and responsible bidder.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to execute a contract for the term of two years, renewable for up to three additional one-year periods with Quality Assurance Inspections, Inc. for Housing Quality Standards Inspections at the price and terms stated in the bid.



## **7. Approval to Procure Customer Relations Management Software and Services**

Shauna Sorrells, Director of Legislative and Public Affairs and Natalie Kaplan, Special Assistant to the Executive Director, were presenters.

The following resolution was approved upon a motion by Commissioner McFarland and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Roman, Simon, McFarland, Hatcher, Croom and Byrd. Chair Pro Tem Nelson abstained.

**RESOLUTION NO.: 16-89**

**RE: Approval to Procure Customer Relations Management Software and Services**

**WHEREAS**, the Housing Opportunities Commission seeks to build a Call Center and Customer Relationship Management (CRM) system to improve customer service and streamline service delivery across the agency; and

**WHEREAS**, the Housing Opportunities Commission performed a robust review of high-quality software products to support the day-to-day operations of the agency's Call Center, track customer interactions, and integrate data from HOC's current systems of record; and

**WHEREAS**, staff established specific requirements that were used to evaluate the list of potential software products and vendors and determined Salesforce to be the most comprehensive and highest-value product to meet the agency's compatibility and functionality requirements; and

**WHEREAS**, the Housing Opportunities Commission requested proposals from Salesforce's three recommended system integration vendors to develop the Salesforce CRM system to HOC's specifications. Staff determined Incapsulate LLC to provide the most customized, high-quality, and cost-effective approach to service delivery to perform the system integration services to develop the CRM system; and

**WHEREAS**, the recommended software and system integration vendors are listed on the GSA Schedule and can be procured using a sole source strategy. The Salesforce software and Incapsulate services will be procured using two separate contracts and will each be renewed annually.

**WHEREAS**, the software and implementation service costs are included within the approved fiscal year 2017 budget.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby authorizes the Executive Director to procure the

Salesforce software product and system integration services from Incapsulate LLC to build a Call Center and customer relationship management system.

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

- 1. Approval of Final Financing Plan for the Alexander House Development (the “Property”); Authorization to Issue Tax-Exempt Notes of up to \$76 million to Citi Community Capital and Loan such Proceeds to Alexander House Apartments Limited Partnership (the “Partnership”) and Alexander House Development Corporation for Construction Financing; Authorization to Issue Commitments for up to \$70 million in Permanent Financing, Including Authorization to Hedge Interest Rate Risk; Authorization for the Partnership to Accept Construction and Permanent Loans; Authorization for the Partnership to Accept Acquisition; and Approval to Execute Low Income Housing Tax Credit Equity Documents**

Kayrine Brown, Chief Investment and Real Estate Officer, and Vivian Benjamin, Asst. Director of Mortgage Finance, were the presenters.

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

**RESOLUTION No.: 16-90**

**RE: Approval of Final Financing Plan for the Alexander House Development (the “Property”); Authorization to Issue Loans to Alexander House Apartments Limited Partnership (the “Partnership”) and Alexander House Development Corporation for Construction Financing; Authorization to Issue Commitments for up to \$70 Million in Permanent Financing, Including Authorization to Hedge Interest Rate Risk; Authorization for the Partnership to Accept Construction and Permanent Loans; and Authorization for Partnership to Accept Acquisition Loan**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and 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 multifamily rental housing properties which provide a public purpose; and

**WHEREAS**, the Alexander House Apartments (the “Development”) was originally constructed in 1992 at 8560 Second Avenue, near the Silver Spring Metro Station as a single sixteen-story building with 311 units, 203 parking spaces in a tri-level underground parking garage, management offices, maintenance and engineering rooms, as well as a common outdoor pool shared with Elizabeth House Apartments, the property adjacent to the north; and

**WHEREAS**, the Development is currently owned by Alexander House Development Corporation (the “Corporation”), a wholly-controlled corporate instrumentality of the Commission; and

**WHEREAS**, on October 05, 2016, the Commission approved a Development Plan (the “Development Plan”) for the Development which would include the renovation of the Development and the creation of One Hundred and Eighty-Three (183) market rate units and One Hundred and Twenty-Two (122) income- and rent-restricted units (the “Tax Credit Units”); and

**WHEREAS**, the Commission is the sole member of Alexander House GP LLC, a Maryland limited liability company (the “General Partner”), which will serve as the general partner of Alexander House Limited Partnership (the “Partnership”), a Maryland limited partnership indirectly controlled and managed by the Commission; and

**WHEREAS**, staff explored a variety of options for construction and permanent financing for the Development, and determined to use a number of sources including low-income housing tax credit (LIHTC) equity; the issuance of short-term tax-exempt Private Activity Bonds and short-term tax-exempt Governmental Bonds to fund construction loans; acquisition financing in the form of a seller take-back loan; and FHA Risk Sharing/Federal Financing Bank (FFB) Risk Sharing Program (the “FHA/FFB Risk-Share Program”) (collectively, the “Financing Plan”); and

**WHEREAS**, as part of the Development Plan, the Commission approved the Partnership’s acquisition of the Tax Credit Units in order to facilitate the use of the LIHTC equity and now wishes to approve an acquisition loan for the Tax Credit Units in an amount not to exceed \$17 million, which will bear interest at 3.50% over a 40 year term (the “Acquisition Loan”); and

**WHEREAS**, the Commission and the Corporation wish to finance the renovation of the non-Tax Credit Units with a construction loan funded through a private placement of short-term, tax-exempt Governmental Bonds (the “Governmental Bond Loan”) and finance the renovation of the Tax Credit Units with a construction loan funded through a private placement of short-term, tax-exempt Private Activity Bonds (the “Tax Credit Bond Loan”, together with the Governmental Bond Loan, the “Development Construction Bond Loan”),

which loans will bear interest at 1.75% over the 1-Month LIBOR, with a term not to exceed 36 months; and

**WHEREAS**, the Commission and Corporation wish to secure a permanent takeout loan for the Development in the form of a three year forward commitment to insure and finance the permanent loan for the non-Tax Credit Units (the "Governmental Permanent Loan") and the Tax Credit Units (the "Tax Credit Permanent Loan" and together with the Governmental Permanent Loan, the "Development Permanent Loan") in an aggregate amount of up to \$70,100,000, based on a projected interest rate of 3.9%, using the FHA/FFB Risk-Share Program financing; and

**WHEREAS**, the FFB cannot lock in an interest rate more than 60 days before issuance of the Development Permanent Loan, but can agree to participate at a rate to be determined three years hence; and

**WHEREAS**, to protect the transaction from potential interest rate increases, the Commission wishes to purchase an interest rate hedge in the form of a forward starting swap transaction, to be evidenced by an ISDA Master Agreement, Schedule, Confirmation and Credit Support Annex ("Forward Swap"), to mitigate the risk of a potential rise in FFB fixed interest rates prior to the time the rates can be fixed for the Development Permanent Loan; and

**WHEREAS**, the Forward Swap will be structured with a notional amount not to exceed the estimated Development Permanent Loan amount that will amortize over 30 years but which will be subject to mandatory termination on a date certain (the "Mandatory Termination Date"), which is expected to be three (3) years from the execution of the Forward Swap, and will be subject to termination at an earlier date at the Commission's option; and

**WHEREAS**, the Forward Swap will be terminated at or before the closing on the Development Permanent Loan (but not later than the Mandatory Termination Date) and, depending on market conditions, either (i) the Commission shall pay the swap counterparty a termination payment from its general legally available funds, the cost of which shall be reimbursed from the permanent financing; or (ii) the swap counterparty shall pay the Commission a termination payment, which the Commission would apply to the cost of the development, thereby reducing the Development Permanent Loan amount.

**WHEREAS**, Commission and the Partnership have received a Letter of Reservation/Determination for the LIHTC from the Maryland Department of Housing and Community Development which will enable the Partnership to raise approximately \$15 Million in equity to pay part of its acquisition and development costs; and

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House GP LLC, acting in its capacity as the general partner of Alexander House Limited Partnership, that the Financing Plan as described herein, is hereby approved and that the staff is hereby

authorized to proceed with the review and processing of the necessary financing applications and other documentation.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the issuance of the Development Construction Bond Loan, as follows:

1. Issuance of the Governmental Construction Bond Loan in an amount of up to \$51,000,000 or such other amount as may be necessary to further the Development Plan, but in no event to exceed an amount which, when aggregated with the Tax Credit Construction Bond Loan, exceeds \$76,000,000; and
2. Issuance of the Tax Credit Construction Bond Loan in an amount of up to \$25,000,000 or such other amount as may be necessary to further the Development Plan, but in no event to exceed an amount which, when aggregated with the Governmental Construction Bond Loan, exceeds \$76,000,000.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the issuance of a three year forward commitment for the Development Permanent Loan, as follows:

1. Issuance of the Governmental Permanent Loan in an amount of up to \$51,000,000 or such other amount as may be necessary to further the Development Plan, but in no event to exceed an amount which, when aggregated with the Tax Credit Permanent Loan, exceeds \$70,100,000; and
2. Issuance of the Tax Credit Permanent Loan in an amount of up to \$19,100,000 or such other amount as may be necessary to further the Development Plan, but in no event to exceed an amount which, when aggregated with the Governmental Permanent Loan, exceeds \$70,100,000

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House GP LLC, acting in its capacity as the general partner of Alexander House Limited Partnership, approves Alexander House Limited Partnership's acceptance of the Tax Credit Construction Bond Loan, the Tax Credit Permanent Loan, and the Acquisition Loan.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes the execution of an interest rate hedge via a Forward Swap with Royal Bank of Canada (or another highly rated financial institution), to mitigate against a rise in the FFB rate, with any termination payment owed by the Commission being paid from its legally available general funds, subject to agreements now or hereafter made with holders of its notes and bonds, pledging particular revenues, assets or moneys for the payment thereof and subject to agreements with governmental agencies or other parties providing funds to the Commission and restricting the uses to which such funds may be applied.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House GP LLC, acting in its capacity as the general partner of Alexander House Limited Partnership, that the Executive Director is hereby authorized, without any further action on their respective parts, to negotiate the terms of the Forward Swap and complete the blanks therein as necessary to complete the transaction contemplated herein.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House GP LLC, acting in its capacity as the general partner of Alexander House Limited Partnership, that the Executive Director is hereby authorized, without any further action on their respective parts, to execute such other documents and to take any and all other actions, in each case as necessary and proper, in the Executive Director's judgment, to carry out the Financing Plan and the transaction and action contemplated herein.

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**RESOLUTION: 2016-91**

**Re: Adoption of Authorizing  
Resolution for Financing of  
Alexander House**

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, AUTHORIZING THE EXECUTION AND DELIVERY BY THE COMMISSION OF A PRIVATE ACTIVITY COMMISSION NOTE AND A GOVERNMENTAL COMMISSION NOTE, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$76,000,000, FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION AND EQUIPPING OF ALEXANDER HOUSE APARTMENTS AND CONTRIBUTING FUNDS FOR THE REHABILITATION AND EQUIPPING OF ELIZABETH HOUSE APARTMENTS; DETERMINING THE FEASIBILITY OF THE FINANCING; AUTHORIZING THE PUBLIC PURPOSE SET-ASIDE COVENANTS; AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF THE FUNDING LOAN AGREEMENTS, THE PROJECT LOAN AGREEMENTS AND THE OTHER COMMISSION DOCUMENTS AS DESCRIBED HEREIN; AUTHORIZING ONGOING DETERMINATIONS BY THE EXECUTIVE DIRECTOR; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS NECESSARY FOR THE DELIVERY OF THE COMMISSION NOTES; AUTHORIZING THE CHAIRMAN, THE VICE CHAIRMAN OR THE CHAIRMAN PRO TEM AND THE EXECUTIVE DIRECTOR OF THE COMMISSION TO PROCEED WITH THE DELIVERY OF THE COMMISSION NOTES TO CITIBANK, N.A. OR TO AN AFFILIATE THEREOF; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL; RATIFYING AND APPROVING THE ACTIONS OF THE STAFF OF THE COMMISSION IN ACCORDANCE WITH THE COMMISSION'S PROCUREMENT POLICY TO SECURE A FISCAL AGENT AND THE APPOINTMENT BY THE EXECUTIVE DIRECTOR OF A FISCAL AGENT; 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 and deliver its bonds and notes from time to time to fulfill its corporate purposes; and

**WHEREAS**, the Commission has previously approved the final development plan for Alexander House Apartments, which provides for (a) the sale by Alexander House Development Corporation ("AHDC") of 122 affordable residential housing units (the "Affordable Units") to a newly created limited partnership, the Alexander House Apartments Limited Partnership ("AHALP"), and the rehabilitation of those units using low-income housing tax credit equity and (b) the rehabilitation of 183 residential housing market rate units (the "Market Units") which will continue to be owned by AHDC;

**WHEREAS**, the Commission proposes to enter into a Funding Loan Agreement (the "Private Activity Funding Loan Agreement"), by and among the Commission, Citibank, N.A., or an affiliate thereof (the "Funding Lender") and U.S. Bank National Association as fiscal agent (the "Fiscal Agent"), under which the Funding Lender will provide a private activity loan (the "Private Activity Funding Loan") to the Commission; and

**WHEREAS**, the Commission will loan the proceeds of the Private Activity Funding Loan to AHALP (the "AHALP Loan") pursuant to a Project Loan Agreement (the "AHALP Project Loan Agreement"), by and between the Commission and AHALP, for the purpose of financing a portion of the costs of the acquisition, rehabilitation and equipping of the Affordable Units; and

**WHEREAS**, AHALP will make payments of principal and interest under the AHALP Project Loan Agreement, in amounts fully sufficient to pay the principal of, premium, if any, and interest due on the Private Activity Commission Note as the same become due and payable; and

**WHEREAS**, to evidence the Private Activity Funding Loan, the Commission will execute and deliver to the Funding Lender a Note (the "Private Activity Commission Note") as a private activity bond under Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), and to evidence the AHALP Loan, AHALP will execute and deliver to the Commission a Project Note (the "AHALP Project Note"); and

**WHEREAS**, the obligations of AHALP under the AHALP Project Loan Agreement will be secured by a lien on and security interest in the Affordable Units pursuant to a Multifamily Deed of Trust, Assignment of Rents and Security Agreement (the "AHALP Security Instrument"), made by AHALP in favor of the Commission; and

**WHEREAS**, the AHALP Project Note and the AHALP Security Instrument will be endorsed and assigned, respectively, by the Commission to the Funding Lender to secure the performance by the Commission of its limited obligations under the Private Activity Commission Note; and

**WHEREAS**, the Commission proposes to enter into a Funding Loan Agreement (the “Governmental Funding Loan Agreement”), by and among the Commission, Citibank, N.A. (the “Funding Lender”) and the Fiscal Agent, under which the Funding Lender will provide a governmental loan (the “Governmental Funding Loan”) to the Commission; and

**WHEREAS**, the Commission will loan the proceeds of the Governmental Funding Loan to AHDC (the “AHDC Loan”) pursuant to a Project Loan Agreement (the “AHDC Project Loan Agreement”), by and between the Commission and AHDC, for the purpose of financing a portion of the costs of the rehabilitation and equipping of the Market Units, the retirement of debt on the Market Units and the financing of the rehabilitation and equipping of the governmental portion of Elizabeth House, all as contemplated in the final development plan; and

**WHEREAS**, AHDC will make payments of principal and interest under the AHDC Project Loan Agreement, in amounts fully sufficient to pay the principal of, premium, if any, and interest due on the Governmental Commission Note as the same become due and payable; and

**WHEREAS**, to evidence the Governmental Funding Loan, the Commission will execute and deliver to the Funding Lender a Note (the “Governmental Commission Note”) as a governmental bond under Section 103 and Section 141 of the Code, and to evidence the AHDC Loan, AHDC will execute and deliver to the Commission a Project Note (the “AHDC Project Note”); and

**WHEREAS**, the obligations of AHDC under the AHDC Project Loan Agreement will be secured by a lien on and security interest in the Market Units pursuant to a Multifamily Deed of Trust, Assignment of Rents and Security Agreement (the “AHDC Security Instrument”), made by AHDC in favor of the Commission; and

**WHEREAS**, the AHDC Project Note and the AHDC Security Instrument will be endorsed and assigned, respectively, by the Commission to the Funding Lender to secure the performance by the Commission of its limited obligations under the Governmental Commission Note; and

**WHEREAS**, while it is currently anticipated that the principal amount of the Private Activity Commission Note will not exceed \$25,000,000 and the principal amount of the Governmental Commission Note will not exceed \$51,000,000, the final principal amounts will be determined in consideration of the development plan and may exceed such amounts, provided that the aggregate principal amount of the Private Activity Commission Note and the Governmental Commission Note together shall not exceed \$76,000,000; and

**WHEREAS**, AHALP will covenant to rent or hold available for rent at least 40% of the Affordable Units to persons with incomes that do not exceed 60% of the Washington Metropolitan Statistical Area median income for the applicable family size (the “Public Purpose Set-Aside Covenants”); and



**WHEREAS**, compliance with the Public Purpose Set Aside Covenants will satisfy certain HUD and County requirements, and will cause the Affordable Units project to constitute a “qualified residential rental project” within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”), a “qualified low-income housing project” as such phrase is utilized in Section 42(g)(1)(B) of the Code, and a “housing project for persons of eligible income” within the meaning of the Act; and

**WHEREAS**, the Commission has determined that the issuance of the Private Activity Commission Note, the application of the proceeds of the AHALP Project Loan to finance a portion of the costs of the acquisition, rehabilitation and equipping of the Affordable Units project, and the Public Purpose Set-Aside Covenants are feasible and will accomplish a valid public purpose for the Commission; and

**WHEREAS**, the documents to be executed and delivered by the Commission in connection with financing of the projects described herein (the “Projects”) include the Private Activity Commission Note, the Governmental Commission Note, the Private Activity Funding Loan Agreement, the Governmental Funding Loan Agreement, the AHALP Project Loan Agreement, the AHDC Project Loan Agreement, a Land Use Restriction Agreement and a Regulatory Agreement related to the Affordable Units and tax documents related to the exclusion of interest on the Private Activity Commission Note and the Governmental Commission Note for federal income tax purposes under the Code (collectively, with all other certificates and documents to be executed by the Commission in connection with the execution and delivery of the such financing documents, the “Commission Documents”).

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

1. ***The Commission Notes.*** The Private Activity Commission Note and the Governmental Commission Note (collectively, the “Commission Notes”) are authorized to be issued pursuant to and under the Private Activity Funding Loan Agreement and the Governmental Funding Loan Agreement, respectively (collectively, the “Funding Loan Agreements”), in an aggregate principal amount not to exceed \$76,000,000. The Chairman, the Vice Chairman, the Chairman Pro Tem and the Executive Director or the Authorized Representative (defined below) of the Commission are authorized to establish the dates, maturities, interest payment dates, denominations, terms of redemption, registration privileges, security and other terms, and to approve the interest rate on the Commission Notes, all of the foregoing to be specified in the final Commission Notes and Funding Loan Agreements. The Private Activity Commission Note shall be a limited obligation of the Commission, secured by and payable solely from security pledged therefor under the Private Activity Funding Loan Agreement. The Governmental Commission Note shall be a limited obligation of the Commission, secured by and payable solely from security pledged therefor under the Governmental Funding Loan Agreement.

2. ***Approval of Financing.*** The Commission hereby approves the financing of the Projects pursuant to the terms and conditions set forth in the Private Activity Funding Loan Agreement, the AHALP Project Loan Agreement, the Governmental Funding Loan

Agreement, the AHDC Project Loan Agreement and the other Commission Documents approved hereby and executed and delivered pursuant to this resolution and hereby finds that such financing as approved hereby is feasible.

3. **Approval of Public Purpose Set-Aside Covenants.** The Commission hereby finds that the Public Purpose Set-Aside Covenants will accomplish a valid public purpose of the Commission under the Act, and, as such, the Commission hereby approves such Public Purpose Set-Aside Covenants.

4. **Commission Documents.** The Chairman, the Vice Chairman, the Chairman Pro Tem and the Executive Director are hereby authorized and directed to execute and deliver the Commission Documents in such forms as shall be prepared and approved by the Chairman, the Vice Chairman, the Chairman 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 Officer of the Commission, is hereby authorized and directed to affix the seal of the Commission to the Commission Documents and to attest the same.

5. **Authorizing Ongoing Determinations under Commission Documents.** The Executive Director is hereby authorized 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 pursuant to the terms of the Commission Documents, including, but not limited to, the determination of other terms to be in effect with respect to the Commission Notes, the giving or withholding of consents, and the selection and removal of purchasers of the Commission Notes and professionals.

6. **Execution and Delivery of Commission Notes.** The Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission or a person designated by the Executive Director to act on his behalf (the "Authorized Representative") is authorized to proceed with the delivery of the Commission Notes to the Funding Lender or to an affiliate thereof or to any other initial purchaser of the Commission Notes as shall be determined to be in the best interest of the Commission, and pursuant to the Funding Loan Agreements.

7. **Other Action.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director and the Authorized Representative of the Commission are 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, the Commission Documents or relating to the execution and delivery or other disposition of the Commission Notes and the financing and the ongoing operations of the Projects, as the case may be.

8. **Appointment of Financial Advisor and Bond Counsel.** Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor and Kutak Rock LLP,

Washington, D.C., is hereby appointed as Bond Counsel in connection with the execution and delivery of the Commission Notes.

9. **Procurement of Fiscal Agent Services; Appointment of Fiscal Agent.** The actions of the staff of the Commission, in accordance with Section III.B. of the Commission's Procurement Policy, adopted on October 9, 1991 and as amended on December 6, 2006 and on December 7, 2011, for the procurement of an entity to provide the professional services of Fiscal Agent under the Funding Loan Agreements, the selection by the Executive Director from the proposal submissions of entities for service as Fiscal Agent under the Funding Loan Agreements, and the appointment by the Executive Director of the entity to serve as Fiscal Agent as shall be determined to be in the best interest of the Commission are hereby ratified and approved. The Executive Director is hereby authorized to execute any such documents as shall be necessary to evidence such appointment.

10. **Volume Cap.** Private activity bond volume cap in the amount of the final principal amount of the Private Activity Commission Note will be allocated to the issuance of the Private Activity Commission Note.

11. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the Commission Notes, the Commission Documents or in any other agreement or document executed on behalf of the Commission 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 Commission Notes or be subject to personal liability or accountability by reason of the execution and delivery thereof.

12. **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 execution and delivery of the Commission Notes and the financing of the Projects approved hereby and the execution, delivery and performance of the Commission Documents authorized hereby are in all respects approved and confirmed.

13. **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.

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

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**Credit Investor Limited Partner for  
Alexander House Apartments Limited  
Partnership**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and 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 multifamily rental housing properties which provide a public purpose; and

**WHEREAS**, the Commission approved the renovation of a building located in Silver Spring, Maryland known as Alexander House, which after renovation will consist of 305 units, 122 of which will be acquired by Alexander House Apartments Limited Partnership (the "Partnership") and will be income-and rent-restricted (the "Property"); and

**WHEREAS**, the Commission approved the formation of the Partnership, a Maryland limited partnership, which is governed by an agreement of limited partnership (the "Partnership Agreement") by and between Alexander House GP LLC, a Maryland limited liability company, as the general partner and the Commission as the limited partner; and

**WHEREAS**, the Commission approved financing the renovation through Commission-issued tax-exempt obligations and equity from the sale of 4% Low Income Housing Tax Credits (LIHTC); and

**WHEREAS**, on August 3, 2016, the Commission approved the selection of R4 Capital or its affiliate (the "Investor Limited Partner") as the LIHTC investor and its admission as a limited partner in the Partnership in exchange for its equity investment in the Partnership (the "Investment"); and

**WHEREAS**, the Investor Limited Partner's Investment is projected to be approximately \$15 million; and

**WHEREAS**, on October 5, 2016, the Commission approved the Partnership's acquisition of the Property; and

**WHEREAS**, the Commission now wishes to withdraw as the limited partner of the Partnership in order to admit the Investor Limited Partner; and

**WHEREAS**, as part of the Investment, Investor Limited Partner shall require that the Partnership Agreement be amended and restated in its entirety to reflect the terms of the Investment (the "Amended and Restated Agreement of Limited Partnership"); and

**WHEREAS**, as part of the Investment, Investor Limited Partner shall require that the Commission and/or the Partnership enter into various documents relating to the renovation and/or operation of the Property (the "Syndication Documents"); and

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House GP LLC, acting in its own capacity and for and on behalf of Alexander House Apartments Limited Partnership, is hereby authorized to take all actions to facilitate the Investment in the Partnership by Investor Limited Partner by entering into any and all agreements with Investor Limited Partner, and to take any and all further actions to facilitate the Investment in the Partnership by Investor Limited Partner.

**BE IT FURTHER RESOLVED**, that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House GP LLC, acting in its own capacity and for and on behalf of Alexander House Apartments Limited Partnership, hereby authorizes and directs the Executive Director to enter into, execute and deliver the following listed Syndication Documents:

1. Amended and Restated Agreement of Limited Partnership;
2. Guaranty Agreement;
3. Development Agreement; and
4. Such other document reasonably and customarily required in connection with the admission of a LIHTC investor as a limited partner.

**BE IT FURTHER RESOLVED**, that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House GP LLC, acting in its own capacity and for and on behalf of Alexander House Apartments Limited Partnership, authorizes the withdrawal of the Commission as the limited partner of the Partnership.

**BE IT FURTHER RESOLVED**, that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House GP LLC, acting in its own capacity and for and on behalf of Alexander House Apartments Limited Partnership, authorizes the Executive Director, without further action on their respective parts, to take any and all other actions necessary and proper to admit the Investor Limited Partner to the Partnership.

2. **Approval to Form New Owner to Acquire Timberlawn Crescent and Pomander Court (the "Properties") and the Transfer thereof to New Owner; Approval of a Financing Plan for Properties; and Authorization to Issue**

**Financing Commitment to Enter into Participation Agreement with the Federal Financing Bank to Fund a Permanent Loan for the Properties**

Kayrine Brown, Chief Investment and Real Estate Officer, and Ugonna Ibebuchi, were the presenters.

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, Nelson, McFarland, Hatcher, Croom and Byrd.

**RESOLUTION NO.: 16-93**

**RE: Approval to Form New Owner to Acquire Timberlawn Crescent and Pomander Court (the "Properties") and the Transfer thereof to New Owner; Approval of a Financing Plan for Properties; and Authorization to Issue Financing Commitment to Enter into Participation Agreement with the Federal Financing Bank to Fund a Permanent Loan for the Properties**

**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**, Timberlawn Crescent ("Timberlawn"), a 107-unit development located in North Bethesda; and Pomander Court ("Pomander"), a 24-unit clustered townhome community located in Silver Spring (together, the "Properties"); are owned by TPM Development Corporation (the "Corporation"), a wholly controlled corporate instrumentality of the Commission; and

**WHEREAS**, HOC staff has developed a permanent Financing Plan for the Properties; and

**WHEREAS**, the Financing Plan involves the purchase of the Properties by a new ownership entity (the "New Owner"), a to-be-formed Limited Liability Company (LLC), with the sole member being the Commission, and the use of the sales proceeds to retire the debt on the Properties; and

**WHEREAS**, the Financial Plan's pro forma includes an initial Replacement Reserve Escrow of \$1,200 per unit and annual contributions thereafter at \$420 per unit to ensure proper funding levels of the replacement reserve escrow for future capital repairs or replacements; and

**WHEREAS**, HOC staff has determined that funding for the purchase of the Properties through Federal Housing Administration ("FHA") Risk Share/Federal Financing Bank ("FFB") (collectively "FHA/FFB Financing") will provide more favorable interest rates and lower transaction costs than a tax-exempt bond financing; and

**WHEREAS**, as of November 1, 2016, Pomander was 75% occupied (six (6) vacant units), Timberlawn was 83% occupied (18 vacant units), and a Marketing Plan has been implemented to lease vacant units and increase occupancy to stabilized levels (93%) during the winter; and

**WHEREAS**, given the Properties current occupancy rates, the Properties do not meet the FHA Risk Share 12-month trailing occupancy requirement (93%) prior to a refinancing, but do meet the requirements for an acquisition; and

**WHEREAS**, HOC staff has completed a review of the transaction and has determined that, given the terms of an FHA/FFB execution, the final underwriting and pro forma operating projections, the transaction is feasible; and

**WHEREAS**, the Commission wishes to permit the creation of the New Owner for acquiring the Properties; and

**WHEREAS**, the Commission wishes to lend the New Owner the requisite funding to complete the acquisition of the Properties

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

1. The Commission approves the formation of a New Owner, a to-be-formed Limited Liability Company, with the sole member being the Commission, for the purpose of acquiring the Properties;
2. The Commission approves the Financing Plan for a taxable, FHA Risk-Share loan in an amount not to exceed \$20,000,000 (the "Permanent Loan"), to be funded by the Federal Financing Bank ("FFB") for the purpose of purchasing the Properties;
3. The Commission authorizes entering into a participation agreement with FFB to fund a permanent loan for the Properties.
4. The Commission authorizes the issuance of a financing commitment to provide a mortgage loan to the New Owner for the acquisition and permanent financing of the Properties; and,

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized, without further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions

contemplated herein, including but not limited to the execution of any and all documents related thereto.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County 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.

**C. Legislative and Regulatory Committee – *Com. Byrd, Chair***

**1. Approval to Implement the U.S. Department of Housing and Urban Development Waiver for the Seven (7) Remaining Public Housing Units in the Housing Opportunities Commission of Montgomery County's Portfolio**

Shauna Sorrells, Director of Legislative and Public Affairs, and Natalie Kaplan, Special Assistant to the Executive Director, were the presenters.

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

**RESOLUTION NO.: 16-94**

**RE: Approval to Implement the U.S. Department of Housing and Urban Development Waiver for the Seven (7) Remaining Public Housing Units in the Housing Opportunities Commission of Montgomery County's Portfolio**

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

**WHEREAS**, by August 2017 HOC will convert nearly all of its Public Housing units to a Section 8 project-based contract under HUD's Rental Assistance Demonstration (RAD) program; and



**WHEREAS**, if HOC does not complete the homeownership transactions for the remaining seven Turnkey III Homeownership Units, the agency will remain subject to federal regulations governing the Public Housing program; and

**WHEREAS**, remaining subject to the regulatory and statutory obligations for seven units would result in operational inefficiencies; and

**WHEREAS**, the original intent of the Turnkey III program was to offer homeownership to low-income households; and

**WHEREAS**, given the age of the development, all properties were anticipated to have transitioned to homeownership by this time; and

**WHEREAS**, the sale of the remaining seven HOC owned Turnkey III units satisfies both program and Commission goals; and

**WHEREAS**, HUD has shown interest in working with Public Housing Authorities to effectuate the complete homeownership transfer of remaining Turnkey III units nationally; and

**WHEREAS**, HOC is required through the Turnkey III regulations to transfer all common area property to the Tobytown Homeowners Association.

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

1. Approves the final sale of seven Turnkey III units and transfer of all common property to the Tobytown Turnkey Homeownership Community.
2. Approves HOC staff submitting a waiver request to finalize the sale of seven Turnkey III units located in the Tobytown Turkey III Homeownership Community.

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

**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**

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.

The meeting adjourned at 6:00 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

**Approved: 2017Jan11**