

EXPANDED AGENDA

July 12, 2017

			<u>Res. #</u>
3:30 p.m.	Tony S. Davis Scholarship Award Reception		
4:00 p.m.	Tony S. Davis Scholarship Award Presentation		
4:30 p.m.	I. <u>CONSENT ITEMS</u>		
Page 4 29 31 35 40	A. Approval of Minutes of June 7, 2017 B. Approval of Minutes of June 7, 2017 Administrative Session C. Approval of Minutes of June 23, 2017 Special Administrative Session D. Approval of Minutes of June 23, 2017 Special Session E. Approval of 2017 Tony S. Davis Memorial Scholarship Award Winners		17-49 _(pg.44)
4:35 p.m.	II. <u>INFORMATION EXCHANGE</u>		
Page 46 50	A. Report of the Executive Director B. Calendar C. Correspondence and Printed Matter D. Commissioner Exchange E. Resident Advisory Board F. Community Forum G. Status Report		
4:45 p.m.	III. <u>ADMINISTRATIVE AND SPECIAL SESSIONS ACTIONS</u>		
Page 54 56	A. Ratification of Action Taken in Special Administrative Session on June 7, 2017: Approval to Renew and Modify Certain Terms of the PNC Bank, N.A. Lines of Credit B. Ratification of Action Taken in Special Administrative Session on June 23, 2017: Approval to Proceed to Closing on the Acquisition of Certain Properties Located in Wheaton and Approval to Fund Additional Earnest Money Deposit		17-32R _(pg. 55) 17-46R _(pg. 57)
4:50 p.m.	IV. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u>		
Page 60	A. Development and Finance Committee – Com. Simon, Chair 1. Approval of a Bond Authorizing Resolution for Greenhills Apartments Limited Partnership and Approval to Transfer the Property’s Existing Cash to the Opportunity Housing Property Reserve Account		17-50a _(pg. 72) 17-50b _(pg. 74)
5:10 p.m.	V. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u>		
	VI. <u>*FUTURE ACTION ITEMS</u>		
	VII. <u>INFORMATION EXCHANGE (continued)</u> A. Community Forum		
	VIII. <u>NEW BUSINESS</u>		

	IX. <u>ADMINISTRATIVE SESSION FINDINGS</u>		
5:15 p.m.	<u>ADJOURN</u>		
5:20 p.m.	<u>ADMINISTRATIVE SESSION</u>		

NOTES:

1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. Times are approximate and may vary depending on length of discussion.
4. *These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.

Consent

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

June 7, 2017

17-06

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, June 7, 2017 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:00 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Christopher Hatcher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Linda Croom
Pamela Byrd
Edgar Rodriguez

Absent

Margaret McFarland

Also Attending

Stacy Spann, Executive Director
Patrick Mattingly
Fred Swan
Kayrine Brown
Melody Stanford
Crystal Rascoe
Teferi Gebremarian
Varun Chawla
Nilou Razeghi
Angela McIntosh-Davis
Tiffany Jackson
Vivian Benjamin
Eugenia Pascual
Ugonna Ibebuchi
Victoria Dixon
Bonnie Hodge
Terri Fowler
Charnita Robinson

Nowelle Ghahhari, Acting General Counsel
Gail Willison
Brian Kim
Hyunsuk Choi
Shauna Sorrells
Zachary Marks
Francisco Vega
Christina Autin
Douglas Brooks
Lynn Hayes
Ethan Cohen
Rita Harris
LaTonya Brooks
Tisha Lockett
Ian Williams
Yolanda Jackson
Clarence Landers
Sherraine Rawlins

Attendees Cont'd

Kenneth Tecler

IT Support

Irma Rodriguez

Commission Support

Patrice Birdsong, Spec. Asst. to Commission

Guest

Aljair Delahunty, Macedonia Baptist Church

Robin Fighter, Macedonia Baptist Church

Ralph Wooden, Macedonia Baptist Church

Harvey M. Matthews, Sr., Macedonia Baptist

Kevin Berenos, Macedonia Baptist Church

Marsha Coleman-Adebayo, Macedonia Baptist

Stephanie Riddick, Sierra Club

Oscar Ventura

A motion was made by Vice Chair Nelson to adjust the agenda format to begin the meeting with the Community Forum to allow guests to address the Board and immediately following the presentation, recess and begin with meetings of the Development Corporations. The motion was seconded by Commissioner Croom and unanimously approved.

Addressing the Macedonia Baptist Church group regarding HOC's real estate negotiations on Westbard and County-sanctioned mediation plans, Executive Director Spann opened with a brief statement indicating that HOC would not be responding to this subject. He suggested that the members of the group select a spokesperson to represent the group.

I. INFORMATION EXCHANGE

Community Forum

Marsha Coleman-Adebayo, Social Justice Minister of Macedonia Baptist Church, and Harvey Matthews, Sr., Community Member, addressed the Board regarding concerns of the African American historical cemetery site and the development plans of Regency Centers (formerly Equity One).

A motion was made at 4:21 p.m. by Chair Pro Tem Nelson to recess. It was seconded by Vice Chair Hatcher and unanimously approved.

The monthly meeting of the Housing Opportunities Commission reconvened at 5:11 p.m. beginning with the approval of the Consent Calendar.

The Consent Calendar was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Hatcher. Affirmative votes were cast by Commissioners Simon, Hatcher, Nelson, Croom, Byrd, and Rodriguez. Commissioner McFarland was necessarily absent and did not participate in the vote.

II. CONSENT ITEMS

A. Approval of Minutes of May 3, 2017 - The minutes were approved as submitted.

- B. **Approval of Minutes of May 3, 2017 Administrative Session** – The minutes were approved as submitted.

III. **INFORMATION EXCHANGE CONT'D**

- A. **Report of the Executive Director** – The Executive Director had nothing to add to his written report.

- B. **Calendar and Follow-up Action**
None

- C. **Commissioner Exchange**
Chair Simon thanked the staff and congratulated them on a job well done at the MAHRA Conference held May 24 – 26, 2017 in Ocean City, MD.

- D. **Resident Advisory Board (RAB)** – No Report

- E. **Community Forum** – None
- Oscar Ventura addressed the Board regarding housing assistance. Lynn Hayes, Director of Housing Resources, and Fred Swan, Director of Resident Services, were asked to assist.
 - Kevin Berenos addressed the Board on behalf of the Macedonia Baptist Church

- F. **Status Report** – None

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

1. **Approval of New HOC Procurement Policy**

Gail Willison, Chief Financial Officer, and Kenneth B. Tecler, Staff Counsel, were presenters.

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

RESOLUTION NO.: 17-33

**RE: Approval of New HOC
Procurement Policy**

WHEREAS, the Department of Housing and Urban Development (HUD) required public housing authorities (PHAs) to update or establish wholly new procurement policies by June 30, 2017; and

WHEREAS, unlike most PHAs, HOC also has powers that allow it to develop, operate and manage housing without the use of federal funds or assistance from HUD; and

WHEREAS, HOC elected to draft a new procurement policy that complies with HUD regulations while also allowing for the procurement of contracts that are not funded from a federal source; and

WHEREAS, HOC hereby revokes the Procurement Policy dated December 7, 2011, as amended and adopts the Procurement Policy attached hereto to be effective immediately.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves a new HOC Procurement Policy as attached.

V. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

A. Budget, Finance & Audit Committee – Com. Nelson, Chair

1. Acceptance of Third Quarter FY'17 Budget to Actual Statements

Gail Willison, Chief Financial Officer, and Tiffany Jackson, Budget Officer, were the presenters.

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

RESOLUTION NO.: 17-34

**RE: Acceptance of Third Quarter FY' 17
Budget to Actual Statements**

WHEREAS, the budget policy for the Housing Opportunities Commission of Montgomery County states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the Third Quarter FY'17 Budget to Actual Statements during its June 7, 2017 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Third Quarter FY'17 Budget to Actual Statements.

2. Approval of FY'17 Third Quarter Budget Amendment

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

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

RESOLUTION NO.: 17-35

**RE: Approval of FY'17 Third
Quarter Budget Amendment**

WHEREAS, the Housing Opportunities Commission adopted a budget for FY'17 on June 17, 2016; and

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

WHEREAS, the Commission has reviewed several proposed budget amendments to the FY'17 Budget; and

WHEREAS, the effect of the FY'17 Third Quarter Budget Amendment is an increase of \$167 to both revenue and expenses.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'17 Operating Budget by increasing total revenues and expenses for the Agency from \$243,976,884 to \$243,977,051.

3. Acceptance of Calendar Year (CY) 2016 Tax Credit Partnership Property Audits

Gail Willison, Chief Financial Officer, and Varun Chawla, Accounting Manager, were presenters.

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

Hatcher, Nelson, Croom, Byrd, and Rodriguez. Commissioner McFarland was necessarily absent and did not participate in the vote.

RESOLUTION No.: 17-36

**RE: Acceptance of Calendar Year
(CY) 2016 Tax Credit
Partnership Property Audits**

WHEREAS, the Housing Opportunities Commission of Montgomery County has completed the CY'16 Tax Credit Audits for 15 tax credit partnership properties; and

WHEREAS, a standard unqualified audit opinion was received for all 15 of the CY'16 Tax Credit Partnership Property Audits from the respective independent certified public accounting firms performing the audits; and

WHEREAS, the audits for Montgomery Homes LP IX, Shady Grove Apartments LP, Manchester Manor Apartments LP, The Willows of Gaithersburg Associates LP and Barclay One Associates LP have not been finalized; however, staff is currently reviewing drafts of these audits and there are no findings and no changes are anticipated.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission accepts the CY 2016 tax credit partnership property audits.

4. Approval of Loans and Advances to Non-HOC Owned Entities as of December 31, 2016 and as of June 30, 2016

Gail Willison, Chief Financial Officer, and Varun Chawla, Accounting Manager, were presenters.

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

RESOLUTION NO.: 17-37

**RE: Approval of Loans and
Advances to Non-HOC Owned
Entities as of December 31, 2016
and as of June 30, 2016**

WHEREAS, in accordance with the Commission approved budget policies as amended on December 7, 1998, the Commission must approve any transfers of HOC funds to any properties HOC does not own; and

WHEREAS, there was a net decrease in capitalization loans and advances for operations to the tax credit partnerships of \$407,748 as of December 31, 2016; and

WHEREAS, total advances have increased for 236 properties from \$1,047,222 on June 30, 2015 to \$1,095,763 as of June 30, 2016.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves \$76,930,734 in loans and advances to the tax credit partnerships as of December 31, 2016 and \$1,095,763 in advances to the 236 properties as of June 30, 2016.

5. Authorization to Write Off Bad Debt Related to Tenant Accounts Receivable

Gail Willison, Chief Financial Officer, and Eugenia Pascual, Controller, were presenters.

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

RESOLUTION NO.: 17-38

RE: Authorization to Write off Bad Debt Related to Tenant Accounts Receivable

WHEREAS, HOC's current policy is to provide for an allowance for any tenant accounts receivable balance in excess of 90 days; and

WHEREAS, HOC periodically proposes the write-off of uncollected former resident balances which updates the financial records to accurately reflect the receivables and the potential for collection; and

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period April 1, 2016 through March 31, 2017 is \$71,048 from Opportunity Housing, \$19,592 from Supportive Housing, \$14,351 from RAD6, \$6,179 from Tax Credit properties, \$5,227 from Public Housing and \$4,070 from 236 properties, totaling \$120,467.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that authorization is granted to the Executive Director to write off bad debt totaling \$120,467 related to tenant accounts receivable.

6. **Approval to Extend the \$60 Million PNC Bank Line of Credit and the \$90 Million Real Estate Line of Credit (RELOC) to Finance Commission Approved Actions related to: Montgomery Homes Limited Partnership (MHLP) VII, Fairfax Court Apartments, Chevy Chase Lake Development Corporation and Ambassador Apartments**

Gail Willison, Chief Financial Officer, and Eugenia Pascual, Controller, were presenters.

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

RESOLUTION NO.: 17-39

RE: Approval to Extend the \$60 Million PNC Bank Line of Credit and the \$90 Million Real Estate Line of Credit (RELOC) to Finance Commission Approved Actions related to: Montgomery Homes Limited Partnership (MHLP) VII, Fairfax Court Apartments, Chevy Chase Lake Development Corporation and Ambassador Apartments

WHEREAS, various Commission actions related to Montgomery Homes Limited Partnership (MHLP) VII, Fairfax Court Apartments, Chevy Chase Lake Development Corporation, and Ambassador Apartments are currently financed through the \$60 Million PNC Bank Line of Credit and \$90 Million RELOC; and

WHEREAS, it is proposed to extend, through June 30, 2018, the use of the \$60 Million PNC Bank Line of Credit at the taxable borrowing rate of LIBOR plus 90 basis points or the tax exempt rate of 68.5% of LIBOR plus 59 basis points and the \$90 Million RELOC at the taxable rate of LIBOR plus 58 basis points or the tax exempt rate of 68.5% of LIBOR plus 38 basis points to finance approved Commission actions; and

WHEREAS, the estimated cost, as of April 24, 2017, under the Lines of Credit is expected to be approximately \$204,963.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves extending, through June 30, 2018, the use of the \$60 Million PNC Bank Line of Credit and the \$90 Million RELOC to finance various Commission actions related to: Montgomery Homes Limited Partnership (MHLP) VII, Fairfax Court Apartments, Chevy Chase Lake Development Corporation and Ambassador Apartments.

7. Approval of Amendment to FY'18 Agency Budget

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

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

RESOLUTION No.: 17-40A

**RE: Amendment of the Agency
FY'18 Budget, Bond Draw
Downs and Transfers**

WHEREAS, the Housing Opportunities Commission adopted a budget for FY'18 on June 17, 2016; and

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

WHEREAS, the Commission has reviewed several proposed budget amendments to the FY'18 Budget; and

WHEREAS, the net effect of the Agency FY'18 Budget Amendment is a balanced budget.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'18 Operating Budget by decreasing total revenues and expenses for the Agency from \$243.5 million to \$237.7 million.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County approves the draw down of bond funds for the Operating Budget as follows:

\$1,488,783 from the Multifamily Housing Development Bond (MHDB) Indenture
\$1,524,625 from the Single Family Mortgage Revenue Bond (MRB) Indenture

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County approves the following transfers between funds in order to balance the Operating Budget:

Up to \$1,439,343 from the cash flow from the Opportunity Housing properties in the Opportunity Housing Fund to the General Fund.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY'18 Capital Budget by increasing revenues and expenses for the Agency from \$183.6 million to \$205.8 million.

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

RESOLUTION No.: 17-40B

**RE: Approval of FY 2018 Wage
Adjustments and Service Increment for
Non-Represented Merit System Staff for
the Period of July 1, 2017 Through
June 30, 2018**

WHEREAS, the Commission wishes to award a compensation package for non-represented merit system staff for FY 2018.

NOW, THEREFORE, BE IT RESOLVED that effective the first pay period after July 1, 2017, 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 2017 performance evaluation shall receive a 3.5% service increment effective the first pay date in September 2017.

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

RESOLUTION No.: 17-40C

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY (THE "COMMISSION") DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A FUTURE TAX-EXEMPT BORROWING FOR CERTAIN CAPITAL EXPENDITURES TO BE UNDERTAKEN BY THE COMMISSION; IDENTIFYING SAID CAPITAL EXPENDITURES AND THE FUNDS TO BE USED FOR SUCH PAYMENT; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

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, 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 the multifamily rental housing properties which provide a public purpose; and

WHEREAS, the Commission has determined that it is in the best interest of the Commission to make certain capital expenditures on the projects named in this Resolution; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures in an amount not to exceed \$72,970,871 , *all or a portion of which may reimburse* the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission's expenditures within 18 months of the later of the date of such capital expenditures or the date that *each of* the Projects (as hereinafter defined) is placed in service (but in no event more than 3 years after the date of the original expenditure of such moneys); and

WHEREAS, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission's future tax-exempt borrowing for such projects named in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION THAT:

Section 1. ***Declaration of Official Intent.*** The Commission presently intends and reasonably expects to finance certain Commission facilities and property improvements to the

properties as described in the Commission's FY 18 Capital Budget attached, including **900 Thayer Avenue, Alexander House, The Barclay, Brooke Park, Brookside Glen, CDBG-NSP-NCI, Chelsea Towers, Chevy Chase Lake, Dale Drive, Diamond Square, Fairfax Court, Glenmont Crossing, Glenmont Westerly, Holiday Park, Jubilee Hermitage, Jubilee Horizon Court, Jubilee Woodedge, Jubilee Falling Creek, Magruder's Discovery, McHome, McKendree, MetroPointe, The Metropolitan, Montgomery Arms, MHLP VII, MHLP VIII, MPDU 2007 Phase II, MPDU I, TPM (Timberlawn, Pomander Court, and MPDU II), The Oaks at Four Corners, Paddington Square, Paint Branch, Pooks Hill High-Rise, Pooks Hill Mid-Rise, RAD 6 Properties (Ken Gar, Parkway Wood, Sandy Spring Meadow, Seneca Ridge, Towne Centre Place, and Washington Square), Scattered Site One, Scattered Site II, VPC One and VPC Two (669 Scattered Site Properties), MPDU III, Southbridge, State Rental Combined, Strathmore Court, , Town Center Apartments, and Westwood Tower** and capital improvements to the Commission's administrative offices and information technology (collectively, the "Projects") with moneys currently contained in its Operating Reserve Account, Replacement Reserve Account and General Fund Property Reserve Account for these Projects and from its operating cash.

Section 2. ***Dates of Capital Expenditures.*** All of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings were made not earlier than 60 days prior to the date of this Resolution except preliminary expenditures related to the Projects as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).

Section 3. ***Issuance of Bonds or Notes.*** The Commission presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$72,970,871 **will be applied** to reimburse the Commission for its expenditures in connection with the Projects.

Section 4. ***Confirmation of Prior Acts.*** 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 of the Projects, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. ***Repeal of Inconsistent Resolutions.*** All other resolutions of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the *extent* of such inconsistency.

Section 6. ***Effective Date of Resolution.*** This Resolution shall take effect immediately upon its passage.

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

- 1. Approval of the Financing Plan and Budget, Feasibility and Public Purpose for Greenhills Apartments, and Authorization for the Commission to Make Loans and for the Greenhills Apartments Limited Partnership to Accept Loans in Accordance with the Financing Plan**

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

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

RESOLUTION NO.: 17-41a

RE: Approval of the Financing Plan and Budget, Feasibility and Public Purpose for Greenhills Apartments, and Authorization for the Commission to Make Loans and for Greenhills Apartments Limited Partnership to Accept Loans in Accordance with the Financing Plan

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 for persons of eligible income which provide a public purpose; and

WHEREAS, Greenhills Apartments (the "Property") is a 78-unit, mixed-income apartment and townhome community located at 10560 Tralee Terrace in Damascus, Maryland which was acquired by the Commission in 1998; and

WHEREAS, on November 14, 2014, a tax-exempt draw on the Commission's PNC Bank, N.A. Real Estate Line of Credit ("RELOC") was made in the amount of \$4,200,000 to retire the mortgage on the Property; and

WHEREAS, on January 8, 2016, interim financing was closed upon using a 12-month, tax-exempt, interest-only loan (the "Interim Loan") from BB&T Bank in the amount of \$4,300,000 to retire a draw on the RELOC, a previous interim source in anticipation of a rehabilitation plan for the property; and

WHEREAS, on December 7, 2016, the Commission approved the extension of the Interim Loan for up to an additional 12 months, in accordance with the Interim Loan terms; and

WHEREAS, on April 5, 2017, the Commission approved a Final Development Plan (the “Development Plan”) that proposed a sale of the Property to Greenhills Apartments Limited Partnership (the “Partnership”) and a tenant-in-place renovation financed by Commission-issued tax-exempt bonds, equity from the sale of 4% Low Income Housing Tax Credits (LIHTC), tax-exempt draws on the RELOC to meet 4% LIHTC requirements and to fund construction, a seller take-back loan, and a deferred Developer Fee; and

WHEREAS, upon rehabilitation, the Property will reserve 55 units (71%) for households with incomes that are at or below 60% of the Washington, DC-MD-VA Area Median Income (AMI), one (1) unit for a management office, and the remaining 22 units for households paying market rate rents; and

WHEREAS, the Commission controls Greenhills Apartments GP LLC, an affiliate entity that serves as the general partner of the Partnership; and

WHEREAS, staff explored options for construction and permanent financing for the Property, including a combination of short-term debt (i.e. Short-term Notes versus draws on the RELOC and long-term debt (i.e. loans funded from the proceeds of the Commission’s issuance of tax-exempt, Private Activity Bonds), credit-enhanced by the Federal Housing Administration’s (FHA) mortgage insurance pursuant to a Risk Sharing Agreement between the Commission and FHA; and

WHEREAS, after reviewing options for debt financing, the transaction, as proposed, will be financed using a number of sources including LIHTC equity; short-term tax-exempt loan by way of draws on the RELOC to meet the 50% test for LIHTC and for bridge funding during construction; the issuance of tax-exempt, Private Activity Bonds to fund a permanent mortgage loan insured by the FHA Risk Sharing Program; acquisition financing in the form of a seller take-back loan; a deferred Developer Fee; and, a portion of the Property’s existing Replacement Reserves (collectively, the “Financing Plan”); and

WHEREAS, in the event the RELOC is unavailable and/or the Partnership’s LIHTC investor does not approve of it as a funding source for the short-term construction loan, the Commission is prepared to issue tax-exempt short-term bonds to fund a construction loan insured through the FHA Risk Sharing Program in the same amount; and

WHEREAS, the Property will require an allocation of a portion of the Commission’s tax-exempt volume cap in an amount not to exceed \$12 million; and

WHEREAS, a review of the transaction has been completed and it has been determined that given the financial commitments to the Property and its operating projections, this transaction is believed to be feasible, and that by providing 55 units (71%) at or below 60% of the AMI, the Property will provide significant public purpose supporting an allocation of tax-exempt volume cap.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity, and for and on behalf of Greenhills Apartments GP LLC, acting in its capacity as the general partner of Greenhills Apartments Limited Partnership, that the Financing Plan and Budget, Feasibility and Public Purpose, as recommended by the Development and Finance Committee, are 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 approves of the allocation of tax-exempt volume cap in an amount not to exceed \$12 million for the transaction and authorizes the Commission to make tax-exempt loans to the Partnership as follows:

1. For short-term construction financing (no more than 30 months), up to \$2.5 million will be loaned to the Partnership by way of tax-exempt draws on the Commission's RELOC to meet the 50% Test for LIHTC for approximately \$378,244 and provide bridge funding for approximately \$1.9 million (or, alternatively, through the issuance of tax-exempt short-term bonds)(the "Short-Term Loan"); and
2. For long-term permanent financing, a senior mortgage loan of up to \$12 million, funded by the proceeds from the issuance of tax-exempt, Private Activity Bonds, with credit enhancement by FHA Risk Sharing (the "Permanent Loan").

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves assuming 25 percent of the risk for the Permanent Loan in accordance with the Risk Sharing Agreement between the Commission and FHA and, therefore, the issuance of a Financing Commitment.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Greenhills Apartments GP LLC, acting in its capacity as the general partner of Greenhills Apartments Limited Partnership, approves Greenhills Apartments Limited Partnership acceptance of the Permanent Loan.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the appointment of PNC Capital Markets, LLC as senior manager for the issuance of tax-exempt, Private Activity Bonds, in accordance with the Financing Plan for the Property.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Greenhills Apartments GP LLC, acting in its capacity as the general partner of Greenhills Apartments Limited Partnership, authorizes and directs the Executive Director, without further action on their respective parts, to take any and all other actions necessary and proper to carry out the consummation of the Greenhills Apartments

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

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

RESOLUTION No.:17-41b

RE: Approval of Tax-Exempt Draws not to exceed \$2,500,000 by HOC on the PNC Bank Real Estate Line of Credit (\$90 million) to Pay for Rehabilitation Costs for Greenhills Apartments

WHEREAS, Greenhills Apartments (the "Property") is a 78-unit apartment and townhome community located in Damascus, Maryland that is owned by the Housing Opportunities Commission of Montgomery County ("HOC"); and

WHEREAS, HOC has approved a Final Development Plan and Financing Plan for the Property, which propose the substantial rehabilitation of the property, preserving it as an affordable housing development in the northern section of Montgomery County; and

WHEREAS, HOC negotiated a Real Estate Line of Credit ("RELOC") with PNC Bank, National Association and may use the line to provide short-term financing for the pre-development, rehabilitation, and acquisition of multifamily properties in Montgomery County; and

WHEREAS, HOC has the option to draw funds on a taxable basis with an interest rate at an optional (1-month, 2-month, or 3-month) London Interbank Offered Rate ("LIBOR") plus 58 basis or on a tax-exempt basis at 68.5% of an optional LIBOR plus 38 basis points; and

WHEREAS, HOC desires to fund a portion of the construction costs with the RELOC as part of the approved Financing Plan for the rehabilitation of the Property and desires to make a series of draws beginning on or about August 2017.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that a series of tax-exempt draws on the PNC Bank, National Association Real Estate Line of Credit for an aggregate amount not to exceed \$2,500,000 is approved for a maximum term of 30 months from construction closing.

BE IT FURTHER RESOLVED that the Executive Director is authorized to take any and all 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 without further Commission action.

2. Authorization to Contract for Alarm and Sprinkler Installation at Bauer Park Apartments and Approval to Advance Funds from the Opportunity Housing Reserve Fund (OHRF) to Fully Fund the Contract

Kayrine Brown, Chief Investment and Real Estate Officer, Jay Shepherd, Senior Financial Analyst, and Paul Vinciguerra, Construction Manager, were presenters.

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

RESOLUTION No: 17-42

RE: Authorization to Contract for Alarm and Sprinkler Installation at Bauer Park and Approval to Advance Funds from the Opportunity Housing Reserve Fund to Fully Fund the Contract

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") receives funding from Montgomery County under its Capital Improvements Program ("CIP") for use by HOC at its Public Housing and deeply subsidized affordable housing properties; and

WHEREAS, Bauer Park Apartments is an age-restricted development owned by Banor Housing, Inc., a non-profit created to develop the property with a board of directors that includes three HOC Commissioners; and

WHEREAS, as part of ongoing renovations at Bauer Park Apartments, staff solicited an Invitation For Bid #2047 Fire Protection, Code Up-Grades and Water Main Upgrade at Bauer Park Apartments ("IFB #2047") on or about A and received two responses; and

WHEREAS, the Commission desires to award a contract to Nichols Contracting, Inc. as lowest priced, qualified bidder under IFB #2047; and

WHEREAS, the cost to install new sprinkler and fire alarm systems at Bauer Park is an estimated \$1,585,357, which exceeds the available funds in the CIP by \$523,110; and

WHEREAS, staff is therefore requesting approval of a short-term advance from the Opportunity Housing Reserve Fund ("OHRF") to fully fund the contract, to be reimbursed with the refinancing proceeds of a tax-exempt bond issuance that is projected to close during the second quarter of calendar year 2018.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to award a contract to Nichols Contracting, Inc., for the installation at the Bauer Park Apartments of fire protection

systems and equipment including, but not limited to, sprinkler and fire alarm systems and related repairs, furniture relocation of occupied units, and other related work as required in an amount not to exceed \$1,600,000.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the contract with Nichols Contracting, Inc. shall be funded from the remaining Montgomery County Capital Improvements Program “Continued Funding of Sprinkler Systems for HOC Elderly Properties” (“CIP”), and the difference between the available CIP funds and the contract award value shall be funded by an advance from the Opportunity Housing Reserve Fund for an amount not to exceed \$523,110 ,and that such advance is expected to be repaid from the proceeds of a tax-exempt bond issuance that is projected to close during the second quarter of calendar year 2018.

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

3. Approval to Increase Predevelopment Budget and Funding for Submission of the Detailed Site Plan for Elizabeth House III, Elizabeth House IV, and the South County Regional Recreation and Aquatic Center (“SCRRAC”) and to Complete Construction Development Plans for Elizabeth House III and SCRRAC

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

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

RESOLUTION No.: 17-43

RE: Approval to Increase Predevelopment Budget And Funding for Submission of the Detailed Site Plan for Elizabeth House III, Elizabeth House IV, and the South County Regional Recreation and Aquatic Center (“SCRRAC”) and to Complete Construction Development Plans for Elizabeth House III and the SCRRAC

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, known as Elizabeth Square and consists of three discrete properties: Alexander House, owned by Alexander House Development Corporation and Alexander House Limited Partnership (combined as “Alexander House”); Elizabeth House, owned

by the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), and Fenwick Professional Park owned by Acorn Storage No. 1, LLC a subsidiary of Lee Development Group (LDG) subject to a Master Lease to Elizabeth House III Limited Partnership, Elizabeth House III LLC and EH III Recreational Center, LLC; and

WHEREAS, on January 31, 2017, Alexander House Apartments closed on a construction loan transaction with Citi Community Capital which reimbursed \$1,399,091 to the Opportunity Housing Reserve Fund (“OHRF”) for pre-development expenses totaling \$4,490,949, which included Commission approved amounts of \$730,000, \$910,949, \$600,000, \$750,000, and \$1,500,000 on March 6, 2014, September 2, 2014, August 5, 2015, October 7, 2015, and April 6, 2016, respectively; and

WHEREAS, on September 7, 2016, the Commission approved \$1,500,000 of predevelopment funds to complete and submit permit set drawings and begin work on construction document plans for Elizabeth House III; and

WHEREAS, on September 7, 2016, the Commission approved \$1,000,000 of predevelopment funds to close the Condominium Master Lease with Lee Development Group (“LDG”) for the Fenwick Business Park (site of the new Elizabeth Square III) by September 30, 2016; and

WHEREAS, on February 13, 2017, the County Executive presented to the County’s Planning Housing and Economic Development (“PHED”) Committee a supplemental appropriation to the FY17 Capital Budget and amendment to the FY 17-22 Capital Improvements Program in the amount of \$3,800,000 for the South County Regional Recreation and Aquatic Center (“SCRRAC”) in order to fund the planning and design costs for the new SCRRAC, and the appropriation was approved by the County Council on February 28, 2017; and

WHEREAS, on April 12, 2017, HOC petitioned the Department of Transportation (“DOT”) for the abandonment of a portion of the Right of Way (“ROW”) comprising the original alignment of Fenwick Lane, the area bounded by HOC and the Alexander House properties on the south, the current alignments of Fenwick Lane on the west, and Second Avenue on the east; and

WHEREAS, staff will have to submit a revised site plan to Maryland National Capital Park and Planning Commission (“M-NCPPC”) in order to incorporate the new SCRRAC and the use of the ROW into the Elizabeth Square Development, which site plan approval process can run concurrently with the abandonment and disposition of the ROW; and

WHEREAS, the revised development plan will include 267 residential units in the Elizabeth House III Apartments (“EH III”) development, of which 120 units will be set aside as affordable units, the 120,000 square foot SCRRAC, and the 7,500 square foot Holy Cross Hospital Senior Resource Center and Primary Care Facility; and

WHEREAS, the revised Sketch Plan, Preliminary Plan, and Site Plan for Elizabeth Square will be submitted to the M-NCPPC in June 2017 with approval projected for October 2017; and

WHEREAS, Schematic and Design Development Plans for the new EH III is anticipated to be completed by June 2017; and

WHEREAS, staff seeks approval for additional predevelopment funding estimated to cost \$8,598,825 to complete the following tasks for the Elizabeth Square Development: complete revised site plan to incorporate SCRRAC and revised Elizabeth House IV (“EH IV”) building to incorporate the ROW to add additional 30,000 square feet of density into the Elizabeth Square Development, complete permit set and construction drawings for EH III, and complete permit set and construction documents for SCRRAC; and

WHEREAS, the first installment of \$4,693,267 (“First Installment”) is required in order to revise the site plan incorporating the SCRRAC, revising the EH IV building, and adding the ROW and an additional 30,000 square feet of density to the Elizabeth Square Development; and

WHEREAS, staff is requesting that \$2,124,950 of the First Installment be funded from proceeds approved from the recapitalization of Arcola Towers, Waverly House, and Alexander House for preparation of the revised sketch plan, preliminary plan, and site plan for EHIII; and

WHEREAS, staff is requesting that \$535,340 of the First Installment be funded from the OHRF for predevelopment expenditures through site plan approval to incorporate revised EH IV building; and

WHEREAS, staff is requesting that \$2,032,977 of the First Installment be funded from the Montgomery County Capital Improvements Program (“CIP”) specifically for the SCRRAC, of which \$1,600,176 will need to be advanced from the unobligated balance of proceeds generated from Arcola Tower, Waverly House, and Alexander House Apartments and reimbursed from County CIP when a Development Agreement for the SCRRAC is executed in August 2017; and

WHEREAS, the second installment of \$3,905,558 (“Second Installment”) is required in order to prepare construction document bid sets and to close on construction loan; and

WHEREAS, staff is requesting that the Second Installment, for which it will return to the Commission prior to drawing, be funded from RAD financing proceeds and Alexander House Apartment financing in the OHRF, other funds available in the OHRF, and the County CIP, for which Staff will return to the Commission prior to drawing.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes and approves:

1. An increase to the predevelopment budget for the Elizabeth Square Development of \$8,598,825 in order to complete the following tasks: revision of the site plan in

order to incorporate both the South County Regional Recreational and Aquatic Center ("SCRRAC") and the revised Elizabeth House IV ("EHIV") building that incorporates the abandoned Right Of Way ("ROW") and the addition of 30,000 square feet of density to the Elizabeth Square Development; completion of the permit set and construction drawings for Elizabeth House III Apartments ("EH III") and for the SCRRAC; and

2. The First Installment of the Additional Funding of up to \$4,693,267 for the completion of the revised site plan to incorporate the SCRRAC and the revised EH IV building that incorporates the abandoned Right Of Way ("ROW") and the addition of 30,000 square feet of density to the Elizabeth Square Development; and
3. The funding of up to \$2,124,950 of the First Installment from proceeds approved from the recapitalization of Arcola Towers, Waverly House, and Alexander House for preparation of the sketch plan, preliminary plan, and site plan for EHIII; and
4. The funding of up to \$535,340 of the First Installment for EH IV building from the Opportunity Housing Reserve Fund for predevelopment expenditures through site plan approval to incorporate revised EH IV building; and
5. The funding of up to \$2,032,977 of the First Installment for the SCRRAC from the Montgomery County Capital Improvements Program ("CIP"), \$1,600,176 of which will be advanced from the unobligated balance of proceeds generated from Arcola Tower, Waverly House, and Alexander House Apartments and then reimbursed from the County CIP upon execution of a Development Agreement in August 2017.

BE IT FURTHER RESOLVED, by the Housing Opportunities Commission of Montgomery County that staff shall return to the Commission prior to any expenditure under the Second Installment of \$3,905,558 and shall provide a full project update and identification of the funding sources.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized 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.

4. Adoption of Resolution in Support of Holy Cross Health's Application for Funding From Maryland Hospital Administration for its Participation in the Elizabeth House III Development

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

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

Hatcher, Nelson, Croom, Byrd, and Rodriguez. Commissioner McFarland was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 17-44 **RE: Adoption of Resolution in Support of Holy Cross Health’s Application for Funding from Maryland Hospital Administration for its Participation in the Elizabeth House III Development**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) has had an ongoing relationship with Holy Cross Health and Senior Source in Silver Spring, Maryland since 2004; and

WHEREAS, the Commission is currently completing designs for the new Elizabeth House III building located at the current Fenwick Business Park that will include 7,500 net square feet for an integrated senior wellness center, including Senior Source and a primary care practice to be operated by Holy Cross Health; and

WHEREAS, the Holy Cross Health Integrated Senior Health project will provide an integrated care model to enhance the physical, spiritual and emotional health of Elizabeth House III residents and the larger Silver Spring community; and

WHEREAS, the Hospital Bond Project requires that if one or more organizations are involved in a project for which capital funding is requested that each organization indicate its support of the planned project; and

WHEREAS, the Commission wishes to demonstrate its support for this project.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County supports the Holy Cross Integrated Senior Health project as part of its Elizabeth House III redevelopment project; and

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to transmit this resolution to Holy Cross Health for use solely in connection with obtaining and implementing funding from the Maryland Hospital Administration Bond Project; and

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes and directs the Executive Director, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein.

C. Financial Advisor Evaluation Committee – Commissioners Hatcher, Nelson, McFarland

1. Approval of Firm to Serve as Financial Advisor to the Housing Opportunities Commission of Montgomery County and Authorization for the Executive Director to Execute a Contract with Recommended Firm

Kayrine Brown, Chief Investment and Real Estate Officer, was the presenter.

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

Resolution NO.: 17-45

Re: Approval of Firm Recommended to Serve as Financial Advisor to the Housing Opportunities Commission of Montgomery County and Authorization for the Executive Director to Execute a Contract with Recommended Firm

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and the Agreement by and between the Housing Opportunities Commission of Montgomery County and Montgomery County, Maryland (the "County"), effective July 1, 2017, as amended (together, the "Act"), and authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes; and

WHEREAS, to advance its mission and operate a successful bond financing program, the Commission engages the services of a number of industry professionals, one of which is the Financial Advisor; and

WHEREAS, Caine Mitter & Associates Incorporated ("CMA") has successfully served the Commission since 1979 and continues to provide a high level of service and professionalism; and

WHEREAS, on May 6, 2015, the Commission approved a two-year extension to the current Financial Advisor Contract with CMA; however, in so doing, the Commission also directed staff to complete a new solicitation and present its findings to the Commission prior to the expiration of the extended period; and

WHEREAS, the current CMA contract expires on July 1, 2017 and consistent with the Commission's Procurement Policy, on March 22, 2017, a request for proposals (RFP) #2055 for firms to provide financial advisory services to the Commission was published and individually mailed to 27 financial advisory firms; and

WHEREAS, two qualified firms, Caine Mitter & Associates Incorporated and CSG Advisors Incorporated (CSG), responded to the RFP; and

WHEREAS, both proposals, including respective fee structures have been reviewed by a Financial Advisor Evaluation Committee consisting of three Commissioners and four staff members, with oversight by the Chief Financial Officer and the Procurement Officer; and

WHEREAS, upon review, both firms were determined to provide comparable financial advisory services in a specialized area of housing finance within the requisite regulatory, legal, and financial frameworks; and

WHEREAS, the analysis and preparation of cash flows and the resulting advice provided for program administration and presentation to the rating agencies is a vital and strategic part of the services provided by the Financial Advisor; and

WHEREAS, the Financial Advisor Evaluation Committee for substantial and compelling reasons wishes to retain the services of Caine Mitter & Associates Incorporated but given the length of time that CMA has served as sole Financial Advisor to the Commission and that it employs a system when developing cash flows and other advisory services, which is proprietary and thus not readily comparable or subject to staff analysis, the Financial Advisor Evaluation Committee has instructed staff to procure the services of a third party Consultant to advise it on the efficacy of the Caine Mitter cash flow software system.

NOW THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Caine Mitter & Associates Incorporated is approved to serve the Commission as Financial Advisor for a new two-year term with three one-year renewals by the Commission, with any renewals contingent upon staff's review of a consultant's evaluation of CMA's software system used to prepare cash flows and other analytical services used in its delivery of municipal financial advice to the Commission.

BE IT FURTHER RESOLVED that the Executive Director is authorized to enter into an initial two-year contract with Caine Mitter & Associates Incorporated, with three one-year renewals by the Commission, on the terms and conditions outlined in the submitted proposal and in an approximate amount of \$500,000 for each of the initial two years but not exceeding \$1,000,000 in aggregate, to be effective on July 1, 2017.

BE IT FURTHER RESOLVED that the contract provides for access to the CMA financial system for the Consultant to complete its review and affirms that HOC has access to all the data held by CMA.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes and directs the Executive Director, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein.

VI. FUTURE ACTION ITEMS

1. Approval of Renovation Budget and Scope of Work for Seven (7) Public Housing Units at Tobytown and Authorization to Select General Contractor for Renovation of Tobytown in Accordance with IFB #2066

VII. NEW BUSINESS

None

VIII. ADMINISTRATIVE SESSION FINDINGS and/or ACTION

None

Based upon this report and there being no further business to come before this open session of the Commission, pursuant to Section 3-305 of the General Provisions Article of the Maryland Annotated Code, a motion was made by Commissioner Byrd to adjourn the open session and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Simon, Hatcher, Nelson, Croom, Byrd, and Rodriguez. Commissioner McFarland was necessarily absent and did not participate in the vote.

The open session adjourned at 6:46 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Administrative Session Minutes

June 7, 2017

An Administrative Session of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, June 7, 2017 at 10400 Detrick Avenue, Kensington, Maryland beginning at 3:52 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Christopher Hatcher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Linda Croom
Pamela Byrd
Edgar Rodriguez

Absent

Margaret McFarland

Also Attending

Stacy Spann, Executive Director
Gail Willison
Shauna Sorrells

Nowelle Ghahhari, Acting General Counsel
Zachary Marks

Commission Support

Patrice Birdsong

Pursuant to Section 3-305(b)(5) of the State Government Article of the Annotated Code of the State of Maryland, this Administrative Session was called to order to consider the investments of public funds.

A. Approval to Renew and Modify Certain Covenants of the Two Existing Revolving Lines of Credit with PNC Bank, N.A.

Gail Willison, Chief Financial Officer, was the presenter.

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

RESOLUTION NO.: 17-32AS

RE: Approval to Renew and Modify Certain Covenants of the Two Existing Revolving Lines of Credit with PNC Bank, N.A.

WHEREAS, HOC currently maintains with PNC Bank, N.A. a Line of Credit with an authorized amount of \$60 million and a Real Estate Line of Credit (RELOC) with an authorized amount of \$90 million (RELOC); and

WHEREAS, PNC Bank, N.A. has agreed to renew the two Lines of Credit for an additional three years through June 30, 2020; and

WHEREAS, PNC Bank, N.A. has agreed to maintain the current pricing under the \$60 Million Line of Credit at the taxable borrowing rate of LIBOR plus 90 basis points or the tax exempt rate of 68.5% of LIBOR plus 59 basis points; and the \$90 Million RELOC at the taxable rate of LIBOR plus 58 basis points or the tax exempt rate of 68.5% of LIBOR plus 38 basis points, through June 30, 2020; and

WHEREAS, PNC Bank, N.A. has agreed to modify certain covenants as described in the Revised PNC Bank Term sheet dated May 9, 2017 and hereby attached.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to renew the two Line of Credit Agreements at the pricing level and revised terms as stated in this resolution for an additional three years through June 30, 2020.

Based upon this report and there being no further business to come before this Administrative Session of the Commission, the meeting adjourned at 3:56 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Administrative Session Minutes

June 23, 2017

A Special Administrative Session of the Housing Opportunities Commission of Montgomery County was conducted on Friday, June 23, 2017 at 10400 Detrick Avenue, Kensington, Maryland beginning at 12:12 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Christopher Hatcher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Margaret McFarland
Linda Croom
Edgar Rodriguez

Absent

Pamela Byrd

Also Attending

Stacy Spann, Executive Director
Kayrine Brown
Gail Willison
Jim Atwell
Paula Vinciguerra

Nowelle Ghahhari, Acting General Counsel
Zachary Marks
Jennifer Arrington
Jay Shepherd
Gio Kaviladze

Commission Support

Patrice Birdsong

Pursuant to Section 3-305(b)(3) of the General Articles of the Annotated Code of the State of Maryland, this Administrative Session was called to order to consider the acquisition of real property.

A. Discussion of the Results of Lindsay Ford Due Diligence and Approval to Proceed with Terms of the Purchase and Sale Agreement

Kayrine Brown, Chief Investment and Real Estate Officer, and Zachary Marks, Assistant Director of New Development, were presenters.

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

RESOLUTION No: 17-46SS

RE: Approval to Proceed to Closing as Defined by the Purchase Agreement for the Acquisition of Eleven Properties Generally Located at 11250 Veirs Mill Road; Approval to Deposit an Additional \$250,000 in Earnest Money; and Approval of a Loan of \$250,000 from the Opportunities Housing Reserve Fund (“OHRF”) for Earnest Money Deposit

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

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

WHEREAS, the Lindsay Automotive Group, or its affiliates (“LAG”), owns property adjacent to The Ambassador Apartments commonly known as 11250 Veirs Mill Road, Silver Spring (tax identification number 13-00966988), as well as two smaller parcels catty-corner thereto on East Avenue (tax identification numbers 13- 01027015 and 13– 01027026), and parcels across Veirs Mill Road from 11250 Veirs Mill Road (tax identification numbers 13-01187621, 13-01187610, 13-01027004, and 13-03293197), for a total of approximately 498,087 square feet (“Property”); and

WHEREAS, the Property presents the Commission with the opportunity for a more economical redevelopment of The Ambassador Apartments, as well as the opportunity to replace and expand affordable housing in Wheaton; and

WHEREAS, the Commission and LAG have agreed to a \$11,500,000.00 purchase price for the Property, which has been confirmed by two licensed appraisers reflecting the approved zoning for the site; and

WHEREAS, on February 1, 2017, at an Executive Session, the Commission adopted Resolution 17-10ES, which authorized the creation of a New Ownership Entity, a to-be-formed Limited Liability Company, with the sole member being the Commission (“New Owner”) to enter into a Purchase and Sales Agreement to acquire the Property for \$11,500,000.00 and authorized the New Owner to acquire the Property for \$11,500,000.00; and

WHEREAS, a Purchase and Sales Agreement (“PSA”) was formulated before the New Owner was created; and

WHEREAS, the Commission therefore entered into a Purchase and Sales Agreement (“PSA”) with LAG that is fully assignable to the New Owner upon creation and that provides a 90-day due diligence period, and required the Commission to post an earnest money deposit of \$50,000, which earnest money is fully refundable if the Commission elects to terminate the contract during the due diligence period; and

WHEREAS, if the Commission is satisfied with the results of the due diligence, the terms of the PSA require the posting of an additional \$250,000 in deposits, the combined \$300,000 in Earnest Money Deposits would become non-refundable but applicable to the purchase price, and the Commission or New Owner would proceed to closing under the terms of the PSA.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery, acting on its own behalf and as the sole member of the New Ownership Entity, a to-be-formed Limited Liability Company, with the sole member being the Commission (“New Owner”), approves the assignment of the Purchase and Sales Agreement (“PSA”) to the New Owner.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on its own behalf and as the sole member of the New Owner, approves proceeding to closing under the terms of the PSA.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County acting on its own behalf and as the sole member of the New Owner, approves the deposit of an additional \$250,000 in earnest money.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on its own behalf and as the sole member of the New Owner, approves a Loan of \$250,000 from the Opportunity Housing Reserve Fund to the New Owner to fund the earnest money deposit.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on its own behalf and as the sole member of the New Owner, authorizes the Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein.

Based upon this report and there being no further business to come before this Administrative Session of the Commission, the meeting adjourned at 12:47 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

June 23, 2017

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted on Friday, June 23, 2017 at 10400 Detrick Avenue, Kensington, Maryland beginning at 12:47 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Christopher Hatcher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Margaret McFarland
Linda Croom
Edgar Rodriguez

Absent

Pamela Byrd

Also Attending

Stacy Spann, Executive Director
Kayrine Brown
Gail Willison
Jim Atwell
Paula Vinciguerra

Nowelle Ghahhari, Acting General Counsel
Zachary Marks
Jennifer Arrington
Jay Shepherd

Commission Support

Patrice Birdsong

- 1. Approval to Select Dovenmuehle Mortgage, Inc. as Single Family Whole Loan Subservicer Pursuant to Request for Proposals (RFP) #2071 and Authorization for the Executive Director to Negotiate and Execute a Contract**

Kayrine Brown, Chief Investment and Real Estate Officer, and Jennifer Arrington, Assistant Director of Bond Management, were presenters.

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

RESOLUTION No.: 17-47SS

RE: Approval to Select Dovenmuehle Mortgage, Inc. as Whole Loan Subservicer Pursuant to Request for Proposals (RFP) #2071 and Authorization for the Executive Director to Negotiate and Execute a Contract

WHEREAS, Bogman Inc. (Bogman) is the largest single family whole loan mortgage subservicer within the Single Family Mortgage Purchase Program (the "Program") for the Housing Opportunities Commission of Montgomery County ("Commission"), and is currently servicing 554 whole loans for the Commission that were funded from various series of Single Family Mortgage Revenue Bonds ("MRB") under the 1979 Indenture, Single Family Housing Revenue Bonds ("HRB") under the 2009 Indenture, and 448 secondary closing cost loans funded from the Montgomery County Revolving Closing Cost Assistance Program (RCCAP);

WHEREAS, Bogman submitted to the Commission on July 18, 2016, a cancellation notice due to its desire to exit the mortgage servicing business; and

WHEREAS, on October 24, 2016, RFP #2030 was issued to solicit proposals for a replacement Single Family mortgage loan subservicer with responses due November 17, 2016 and no responses were received; and

WHEREAS, on January 25, 2017, RFP #2042 was issued with responses due February 10, 2017 and of the two (2) responses received, one did not meet the minimum qualifications and the second was disqualified, as it would not agree to accept all loans (as per the RFP's Sections 2.8 and 4.17.B.1) without its qualified review and in any event would not accept loans in foreclosure status; and

WHEREAS, having failed to receive viable responses from two (2) RFPs, staff researched the necessary requirements to bring servicing in house and determined that to do so would require significant planning and coordination among several departments within the Commission, along with but not limited to: the hiring of five (5) to six (6) additional staff; obtaining mortgage loan servicing software or configuring Yardi for mortgage loan servicing; an online web portal for borrowers to access account information and remit payments; establishing a tax service contract; engaging new legal counsel for loan servicing activities; obtaining proper licensing from the National Mortgage Licensing System (NMLS), State of Maryland Department of Labor, Licensing and Regulation (DLLR), and Mortgage Bankers Association (MBA); and, implementing new policies and procedures, which all together is estimated to take approximately nine (9) to 12 months versus three (3) to four (4) months, if loans were transferred to an established subservicer; and

WHEREAS, on May 10, 2017, Bogman advised staff that DLLR requested that Bogman wind-down its operations by August 2017; and

WHEREAS, on May 26, 2017, RFP #2071 was issued with responses due June 16, 2017; and

WHEREAS, staff received three (3) responses that were evaluated by a Selection Committee and only one (1) was determined to be a viable replacement, as the remaining respondents either did not meet the minimum qualifications or were disqualified due to its unwillingness to comply with accepting all loans, regardless of loan status, as per Sections 2.8 and 4.17.B.1 of the RFP; and

WHEREAS, time is of the essence to complete the transfer of loans from Bogman within 90 days or by the end of September 2017 with time extension granted, if needed, and with notification to DLLR.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes and directs the Executive Director, without further action on its part, to execute one (1) contract for whole loan subservicing, as described by RFP #2071, with Dovenmuehle Mortgage, Inc. for an initial contract term of no more than two (2) years with an option to extend at least three (3) additional one (1) year terms, as permitted under HOC's procurement policy.

BE IT FURTHER RESOLVED that the costs related to the contract are approved to be paid from revenues in the Program pursuant to provisions of the respective Bond Resolutions.

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized and directed to take all actions necessary and proper to carry out the transactions and activities contemplated herein.

2. Approval of Renovation Budget and Scope of Work for Seven (7) Public Housing Units at Tobytown and Authorization to Select General Contractor for Renovation of Tobytown in accordance with IFB#2072

Jay Shepherd, Senior Financial Analyst, and Paul Vinciguerra, Construction Manager, were presenters.

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

RESOLUTION No.: 17-48SS

RE: Approval of Renovation Budget and Scope of Work for Seven (7) Public Housing Units at Tobytown and Authorization to Select General Contractor for Renovation of Tobytown in Accordance with IFB #2072

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) receives funding from the Department of Housing and Urban Development (“HUD”) under its Capital Funds Program (“CFP”) for use by HOC at its Public Housing properties; and

WHEREAS, Tobytown is a 26-unit residential townhouse development located at 12600 Tobytown Drive in Potomac (“Tobytown”) and was developed by HOC around 1972 under the former HUD Turnkey III Public Housing Homeownership program; and

WHEREAS, the HUD Turnkey III program was designed to encourage self-sufficiency through homeownership; and

WHEREAS, HUD began phasing out the Turnkey III program in 1999 and by May 31, 2017, ownership had transferred from HOC to the respective families in 19 of the 26 units at Tobytown, or 73% of the units; and

WHEREAS, with the exception of the remaining seven Public Housing units (“Remaining Units”), HOC has already converted nearly all of its former Public Housing units to a Section 8 project-based contract under HUD’s Rental Assistance Demonstration (RAD); and

WHEREAS, the Remaining Units must be sold in order for the removal of the Public Housing program restrictions from the Tobytown development, which in turn will enable the transfer of all remaining Public Housing funds to already converted properties; and

WHEREAS, in the CFP Year 23 (2014) Federal Capital Funds Program (CFP), HUD authorized \$1,762,821, of which \$475,000 is available for use at Tobytown to renovate the Remaining Units in anticipation of disposition to the tenant/buyers; and

WHEREAS, the Remaining Units require interior like-kind replacements of HVAC (from oil to electric heat pumps), kitchens & baths, flooring, lighting, and doors/windows. Exterior improvements include new roofing, cleaning gutters and downspouts, and concrete patios where required; and

WHEREAS, staff has solicited competitive Invitation-to-Bid (IFB) procurement (IFB #2072 RENOVATION OF SEVEN TOWNHOUSE UNITS IN TOBYTOWN) targeted at small-businesses in Montgomery County and received four bids, only one of which was qualified, that of CBP Constructors, LLC for \$465,565.50; and

WHEREAS, staff recommends proceeding with the selection of CBP Constructors, LLC to complete the renovation and fund the contract from residual dedicated CFP funds.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to award a contract to CBP Constructors, LLC for an amount not to exceed \$475,000 for the renovations contemplated under IFB #2072 and related repairs, including furniture relocation of occupied units and other miscellaneous work as defined by the Housing Opportunities Commission, with funding from the HUD Capital Fund Program for HOC Public Housing properties.

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

Based upon this report and there being no further business to come before this Special Session of the Commission, the meeting adjourned at 1:15 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

APPROVAL OF 2017 TONY DAVIS SCHOLARSHIP AWARD WINNERS

July 12, 2017

- The Selection Committee for the Tony Davis Scholarship Awards met in June 2017 to consider qualified applicants for the Tony Davis Scholarship. All candidates are residents in an HOC Housing program.
- From a pool of applicants, the Committee is recommending one candidate for a \$5,000 award and two candidates for \$2,500 awards.
- All recommended award candidates have demonstrated high academic achievements, significant contributions to their schools and the community, have received outstanding references and have been accepted to a major college or university in the fall.

MEMORANDUM

TO: Housing Opportunities Commission
VIA: Stacy L. Spann, Executive Director
FROM: Shauna Sorrells **Division:** LPA
RE: Approval of 2017 Tony Davis Scholarship Award Winners
DATE: July 12, 2017

STATUS: Consent Deliberation Status Report Future Action

OVERALL OBJECTIVE:

To approve three Tony Davis Scholarship award winners. All nominees for scholarship funds are deserving high school seniors and are residing on an HOC property.

BACKGROUND:

HOC established the Tony Davis Scholarship Award to honor the memory of Tony Davis, a dedicated HOC employee who was tragically killed in 2000. Mr. Davis was well-known and recognized for his extensive volunteer work in the Seneca Ridge community (formerly Middlebrook Square) as a coach and counselor to many children. The Scholarships provide high school seniors who demonstrate excellent academic achievement, active participation in extra-curricular activities, and an exemplary record of good school attendance. Candidates are also required to submit a 500 word essay, references, and a letter of acceptance to a college or university.

The Selection Committee met on June 16, 2017 and considered many applicants. From this pool, Rose Makor was selected to receive a \$5,000 scholarship; Matthew Sulio and Joshua Santandrea were both selected to receive \$2,500 awards.

A summary statement about each of these deserving awardees is attached.

ISSUES:

Does the Commission wish to approve the selection of one \$5,000 Tony Davis Scholarship and two \$2,500 scholarships?

BUDGET IMPACT:

The 2017 Agency budget incorporates \$10,000 for the Scholarship Awards Program.

TIME FRAME:

Action at the July 12, 2017 Commission meeting

RECOMMENDATION:

Staff recommends that the Commission affirm the recommendation of the Selection Committee for Rose Makor to receive a \$5,000 Tony Davis Scholarship award and two finalists, Matthew Sulio and Joshua Santandrea, each to receive \$2,500 awards.

2017 TONY S. DAVIS MEMORIAL SCHOLARSHIP AWARDEES

Rose Makor

Rose is a June graduate of Sherwood High School in Olney, Maryland. She has overcome many obstacles as a young woman from a traditional Liberian family that moved to the United States in 2006. Rose has participated in several extracurricular activities including "Give to Live" Club President, Math Honor Society, Black Student Union Treasurer, and Doctors of Tomorrow Treasurer. In addition to participating in extracurricular activities and working part time, Rose also completed a remarkable 551 hours of community service and is the recipient of the Versatility Achievement Award from the Alpha Phi Alpha Fraternity, Inc. She has a 3.64 GPA and plans to attend Penn State University in the fall. Rose is receiving The Tony Davis Memorial Scholarship award in the amount of \$5,000.

Matthew Sulio

Matthew is a June graduate of John F. Kennedy High School in Silver Spring, Maryland. Matthew maintained a 3.15 GPA and was on the honor roll every quarter throughout his four years of high school. He also participated in several extracurricular activities including Varsity Football, Wrestling, Robotics Club, ROTC, and National Society for High School Scholars. In addition to participating in extracurricular activities, Matthew also completed 325 hours of community service and is the recipient of the African American Achievement Award. He has a 3.15 GPA and plans to attend Shenandoah University in the fall. Matthew is receiving The Tony Davis Memorial Scholarship award in the amount of \$2,500.

Joshua Santandrea

Joshua is a June graduate of Gaithersburg High School in Gaithersburg, Maryland. Despite many personal struggles, Joshua was able to maintain a 3.2 GPA while taking all advanced and honors level courses. He also participated in several extracurricular activities including Varsity Football, Bible Group, Homework Club, Robotics Club, Tech & Computer Coding, Architecture and CAD. In addition to participating in extracurricular activities, Joshua traveled daily to the Thomas Edison School of Technology for specialized study in Architectural and Computer Assisted Drafting. He also participated in designing a house that must meet the established standards of the Montgomery County Department of Permitting Services. He plans to attend Merrimack College in the fall. Joshua is receiving The Tony Davis Memorial Scholarship award in the amount of \$2,500.

WHEREAS, in recognition of the many accomplishments and extensive community volunteer work performed by former HOC employee Tony Davis who was tragically killed in 2000, HOC established the Tony Davis Scholarship Awards Program in his memory; and

WHEREAS, since its inception, the Tony Davis Scholarship Awards Program has annually provided scholarship awards to high school seniors who are residents of either Public Housing or participate in the Housing Choice Voucher Program and who also demonstrate excellent academic achievement and school attendance, participate in extra-curricular and community activities, and have been accepted by a college or university; and

WHEREAS, a Selection Committee, composed of two Commissioners, the Executive Director, and Legislative and Public Affairs Division staff was convened on June 16, 2017 to review the highly qualified applications; and

WHEREAS, the Selection Committee considered academic records, attendance records, recommendations from school personnel and HOC staff, 500 word essays written by the applicants, SAT or ACT scores, school and community activities, and college acceptance information; and

WHEREAS, the Selection Committee recommends one outstanding candidate, Rose Makor, for the \$5,000 Tony Davis Scholarship Award; and

WHEREAS, the Selection Committee was extremely impressed by the pool of deserving candidates and is recommending \$2,500 cash awards to both Matthew Sulio and Joshua Santandrea.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County affirms the recommendation of the Tony Davis Scholarship Awards Selection Committee for Rose Makor to receive a \$5,000 Scholarship Award and for Matthew Sulio and Joshua Santandrea to each receive \$2,500 cash awards.

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**Patrice Birdsong
Special Assistant to the Commission**

INFORMATION EXCHANGE

HOC Partners with MAHRA for the First State Wide Day of Service

On Thursday, June 8, 2017, the Housing Opportunities Commission of Montgomery County (HOC) held its third annual Day of Service, allowing staff to volunteer directly with organizations that serve HOC customers and the broader community. The day also marked the first annual Maryland Association of Housing and Redevelopment Agencies (MAHRA) Day of Service. Over 400 volunteers from public housing authorities across the state joined HOC in providing more than 1,600 hours of service to community organizations throughout Maryland. HOC began its Day of Service in 2015.



This year, over 300 HOC staff members volunteered at 17 sites throughout Montgomery County. Volunteers lent their time and talent to community organizations such as A Wider Circle, Interfaith



Works, Montgomery County Department of Parks, Montgomery County Public Schools, Montgomery County Public Libraries, Montgomery College, the National Center for Children and Families, Stepping Stones Shelter, and YMCA Silver Spring. Volunteers from HOC sorted donations, cleaned and painted interiors and exteriors, provided gardening and landscaping services, organized books and classroom materials, and performed other supportive activities that enable local nonprofit organizations to serve county residents.

Public housing authorities throughout Maryland joined HOC in providing service to their communities, including Housing Commission of Anne Arundel County, Baltimore County Regional Housing, Housing Authority of Baltimore City, Prince George's County Department of Housing and Community Development, Housing Authority of Prince George's County, and Elkton Housing Authority.



HOC Families Attend Washington Nationals Baseball Game



Courtesy of the Washington Nationals and former HOC Commissioner Norman Dreyfuss, 75 HOC children and chaperones watched the Washington Nationals take on the Cincinnati Reds at Nationals Stadium on Sunday, June 25, 2017. Participants from HOC’s Fatherhood Initiative, HOC Academy, and children enjoyed a sunny day at the ballgame—a first for many.

Each participant enjoyed food and beverages and children under 12 received a souvenir wiffle bat and ball. The seats were located along the right field line, close enough for two kids to catch a ball tossed into the stands by the Nationals’ star outfielder Bryce Harper! The game is the first in a series of four that HOC property and program participants will attend throughout the summer season.



HOC Academy Kicks Off STEM Summer Camps

HOC Academy hosted the first of seven STEM camps for HOC youth this season from Monday, June 26 – Friday, June 30, 2017. The Engineering Camp at Seneca Ridge in Germantown was the first of two to be held over the course of the summer. HOC Academy received over \$50,000 worth of grant funding from Montgomery County and HOC for the camps, which will serve over 120 HOC youth this year. The second Engineering Camp will be held at Manchester Apartments in Silver Spring at the end of July, while five additional Robotics Camps will be held at properties in Germantown, Silver Spring, Olney, and Gaithersburg throughout the month of July and early August.

Fatherhood Initiative Hosts “Movie on the Lawn”

HOC’s Fatherhood Initiative hosted their first “Movie on the Lawn” at East Deer Park on Friday, June 16, 2017. HOC staff and 60 participants—including Commissioner Simon—braved the rainy weather to attend the pre-Father’s Day event, filled with fun family activities. The event included a screening of Disney’s "Moana," Father’s Day art projects, dinner and snacks. The Fatherhood Initiative teamed up with HOC Academy, HOC IT, and HOC Maintenance to make the evening possible.

HOC Customers Find Employment Through Training Program

Last month, three HOC Academy participants attended and graduated from DC Central Kitchen's Culinary Job Training program. Upon their completion of the 14-week course, all three participants received job offers based on the culinary skills they acquired during their training. One graduate, Ms. Tashonda Payne, interned and now serves as a culinary host for event space and culinary incubator, Mess Hall, in Washington, D.C. Though Ms. Payne came from a different career background than her classmates, she did not let that stop her from completing her training to put her on the path toward her dream of opening her own restaurant someday.



The goal of DC Central Kitchen's Culinary Job Training program is to prepare adults facing high barriers to employment for careers in the food service industry. The program's intensive coursework includes culinary arts education, ServSafe Food Handler's Certification, career readiness training, self-empowerment sessions, and real-world internships. In addition, DC Central Kitchen provides guidance and support during the post-graduation job search. Partnering with employment training programs like DC Central Kitchen is just one of the many ways that HOC Academy helps its customers grow personally and professionally through training and enrichment programs that bolster their confidence and skill sets.

HOC Celebrates Staff and Raises Money for HOC

This year's Staff Appreciation Day was held on Friday, June 9, 2017 at High Point Farms in Clarksburg, Maryland. HOC celebrated all full and part-time staff with a barbeque lunch, carnival games, hayrides, and more. This year, we celebrated staff milestones with longevity awards presented to staff who have given 5, 10, 20, 25, and 30 years of service to HOC.

The afternoon ended with the highly anticipated raffle drawing to raise money for HOC's non-profit, Housing Opportunities Community Partners. Divisions donated raffle baskets to the drawing, with prizes



ranging from Wizards tickets to gift cards, an iPad, Microsoft Surface, prime parking spots, a week of prepared meals, DJ services and even a variety of "spirits". The over \$2,800 raised goes directly toward helping HOC's families, seniors and persons with disabilities move closer toward their vision of success. At Community Partners and HOC, that means helping families transition out of homelessness and into stable housing, Workforce/Adult Education programming and innovative STEM activities for HOC youth.

Resident Services Holds “Fun Day” for HOC Youth

HOC Resident Services hosted a “Fun Day” for HOC youth participating in the After School Program on Saturday, June 10, 2017. The After School Program serves youth at HOC properties by providing homework help and coordinating educational and other activities for students after the school day has ended. The event, held at the Ross Boddy Community Center in Sandy Spring, celebrated the close of the school year with face painting, games, food, and other fun outdoor activities.



This event is yet another example of our commitment to supporting HOC customers through Community Connected Housing—by acting as a convener to connect customers with educational, employment, and other opportunities.

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

July 2017

3	Agenda Formulation (Simon, McFarland)	12:00 noon
4	Independence Day (HOC Office Closed)	
12	Tony Davis Scholarship Award Reception (All)	3:30 p.m.
12	HOC Regular Meeting (All)	4:00 p.m.
16-18	NAHRO Summer Conference (All) (Indianapolis Marriott Downtown Hotel, 350 W. Maryland St., Indianapolis, IN 46225)	
17	Resident Advisory Board (Croom)	6:00 p.m.
18	Legislative and Regulatory Committee Meeting (Byrd, Croom, Simon)	4:00 p.m.
21	Development and Finance Committee Meeting (Simon, McFarland, Nelson)	10:00 p.m.
31	Agenda Formulation (Simon, McFarland)	12:00 noon

August 2017

1	National Night Out (All)	5 - 9 p.m.
9	HOC Regular Meeting (All)	4:00 p.m.
15	Budget, Finance and Audit Committee Meeting (Nelson, Simon, Hatcher)	10:00 a.m.
18	Development and Finance Committee Meeting (Simon, McFarland, Nelson)	10:00 a.m.
18	Status/Lunch Meeting w/Executive Director (All) – Location TBD	12:00 noon
28	Agenda Formulation (Simon, Croom)	12:00 noon

September 2017

4	Labor Day Holiday (HOC Offices Closed)	
6	HOC Regular Meeting (All)	4:00 p.m.
15	Development and Finance Committee Meeting (Simon, McFarland, Nelson)	10:00 a.m.
15	Property Tour (All)	12:00 noon
18	Resident Advisory Board (Croom)	6:00 p.m.
19	Legislative and Regulatory Committee Meeting (Byrd, Croom, Simon)	4:00 p.m.
20	Budget, Finance and Audit Committee Meeting (Nelson, Simon, Hatcher)	10:00 a.m.
25	Agenda Formulation (Simon, Croom)	12:00 noon

October 2017

4	HOC Regular Meeting (All)	4:00 p.m.
16	Resident Advisory Board (Croom)	6:00 p.m.
17	Budget, Finance and Audit Committee Meeting (Nelson, Simon, Hatcher)	10:00 a.m.
20	Development and Finance Committee Meeting (Simon, McFarland, Nelson)	10:00 a.m.
20	Status/Lunch Meeting w/Executive Director (All) – Location TBD	12:00 noon
23	Agenda Formulation (Simon, Byrd)	12:00 noon

November 2017

1	Budget, Finance and Audit Committee Meeting (Nelson, Simon, Hatcher)	2:00 p.m.
1	HOC Regular Meeting (All)	4:00 p.m.
17	Development and Finance Committee Meeting (Simon, McFarland, Nelson)	10:00 a.m.
20	Resident Advisory Board (Croom)	6:00 p.m.

21	Legislative and Regulatory Committee Meeting (<i>Byrd, Croom, Simon</i>)	4:00 p.m.
23-24	Thanksgiving Holiday Observed (<i>HOC Offices Closed</i>)	

December 2017

6	HOC Regular Meeting (<i>All</i>)	4:00 p.m.
12	Budget, Finance and Audit Committee Meeting (<i>Nelson, Simon, Hatcher</i>)	10:00 a.m.
15	Development and Finance Committee Meeting (<i>Simon, McFarland, Nelson</i>)	10:00 a.m.
15	Status/Lunch Meeting w/Executive Director (<i>All</i>) – Location TBD	12:00 noon
18	Resident Advisory Board (<i>Croom</i>)	6:00 p.m.
25	Christmas Holiday (<i>HOC Offices Closed</i>)	

Activities of Interest

- 1 – Follow-up Meeting w/Housing for People with Disabilities Group
 - 2 – Property Tour
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Administrative and Special Sessions Actions

**RATIFICATION OF ACTION TAKEN IN SPECIAL ADMINISTRATIVE
SESSION ON JUNE 7, 2017:**

**APPROVAL TO RENEW AND MODIFY CERTAIN TERMS OF THE
PNC BANK, N.A. LINES OF CREDIT**

July 12, 2017

- At a Special Administrative Session on June 7, 2017, the Commission adopted Resolution 17- 32AS, which authorized the renewal for an additional three years, through June 30, 2020, and the revision of some terms of two Line of Credit Agreements with PNC Bank, N.A.
- Consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the June 7, 2017 Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.

RESOLUTION: 17- 32R

RE: Ratification of Approval to Renew and Modify Certain Terms of the PNC Bank, N.A. Lines of Credit

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

WHEREAS, at a Special Administrative Session duly called and held on June 7, 2017, with a quorum present, the Commission duly adopted Resolution 17- 32AS, which authorized the renewal for an additional three years, through June 30, 2020, and the revision of some terms of two Line of Credit Agreements with PNC Bank, N.A.; and

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commission in adopting Resolution 17- 32AS and any action taken since June 7, 2017 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 17- 32AS and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a meeting conducted on July 12, 2017.

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Patrice M. Birdsong
Special Assistant to the Commission

**RATIFICATION OF ACTION TAKEN IN SPECIAL ADMINISTRATIVE
SESSION ON JUNE 23, 2017:**

**APPROVAL TO PROCEED TO CLOSING ON THE ACQUISITION OF
CERTAIN PROPERTIES LOCATED IN WHEATON AND APPROVAL TO
FUND ADDITIONAL EARNEST MONEY DEPOSIT**

July 12, 2017

- At a Special Administrative Session on June 23, 2017, the Commission adopted Resolution 17-46AS which authorized the Commission to proceed to closing on certain Real Property in Wheaton as well as payment of an additional Earnest Money Deposit in accordance with the terms of the Purchase and Sale Agreement.
- Consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the June 23, 2017 Special Administrative Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.

RESOLUTION: 17-46R

RE: Ratification of Approval to Proceed to Closing on the Acquisition of Certain Properties Located in Wheaton and Approval to Fund Additional Earnest Money Deposit

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

WHEREAS, at a Special Administrative Session duly called and held on June 23, 2017, with a quorum present, the Commission duly adopted Resolution 17-46AS, which authorized the Commission to proceed to closing on certain Real Property in Wheaton, as well as payment of an additional Earnest Money Deposit in accordance with the terms of the Purchase and Sale Agreement; and

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commission in adopting Resolution 17-46AS and any action taken since June 23, 2017 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 17-46AS and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a meeting conducted on July 12, 2017.

Patrice M. Birdsong
Special Assistant to the Commission

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Committee Reports and Recommendations for Action

Development and Finance Committee

**APPROVAL OF A BOND AUTHORIZING RESOLUTION FOR
GREENHILLS APARTMENTS LIMITED PARTNERSHIP AND APPROVAL TO
TRANSFER THE PROPERTY'S EXISTING CASH TO THE OPPORTUNITY
HOUSING PROPERTY RESERVE ACCOUNT**

GREENHILLS APARTMENTS (DAMASCUS)



STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN

GAIL WILLISON

JENNIFER HINES ARRINGTON

VICTORIA DIXON

UGONNA IBEBUCHI

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EXECUTIVE SUMMARY

Greenhills Apartments (“Greenhills” or the “Property”) is a 78-unit development originally constructed in 1984, on 8.204 acres on the east side of Route 27 just south of downtown Damascus. Built as part of a larger condominium community, HOC purchased the 52 townhome units and 26 apartment units contained in 11 buildings in 1998.

On January 8, 2016, interim financing was closed upon using a short-term, tax-exempt, interest-only loan from BB&T Bank in the amount of \$4,320,000 which repaid funds drawn under the PNC Real Estate Line of Credit (“RELOC”) for the Property.

On September 7, 2016, the Commission approved a Preliminary Development Plan for the Property which included predevelopment funding of \$212,050. The Commission also authorized management to freeze new leasing at the Property to create 12 vacant units to facilitate rehabilitation and avoid temporary off-site relocation of residents during renovation.

On December 17, 2016, the Commission approved PNC Real Estate-Tax Credit Capital, as LIHTC Syndicator for Greenhills, and authorized the Executive Director to negotiate and execute a limited partnership agreement.

On April 5, 2017, the Commission approved a final development plan including the sale of Greenhills Apartments to Greenhills Apartments Limited Partnership. It also approved plans to renovate and refinance the Property, which is scheduled to begin in August 2017.

A 4% LIHTC application was submitted to DHCD on February 7, 2017. Staff received an award letter for 4% tax credits on May 17, 2017.

On June 7, 2017, the Commission approved the Financing Plan for the Property, which includes: the issuance of private activity, tax-exempt bonds for a permanent, fixed-rate mortgage loan (credit enhanced by FHA Risk Sharing); short-term, tax-exempt draws on the PNC RELOC for up to \$2.5 million; LIHTC equity; a seller note; deferred developer fees; and, a portion of the Property’s existing Replacement Reserve. HOC will assume 25% of the risk of the permanent financing. The Commission simultaneously approved the Property’s Feasibility and Public Purpose, an allocation of up to \$12 million in volume cap for the transaction, and appointed PNC Bank, N.A. as the Senior Manager for the tax-exempt bond issuance.



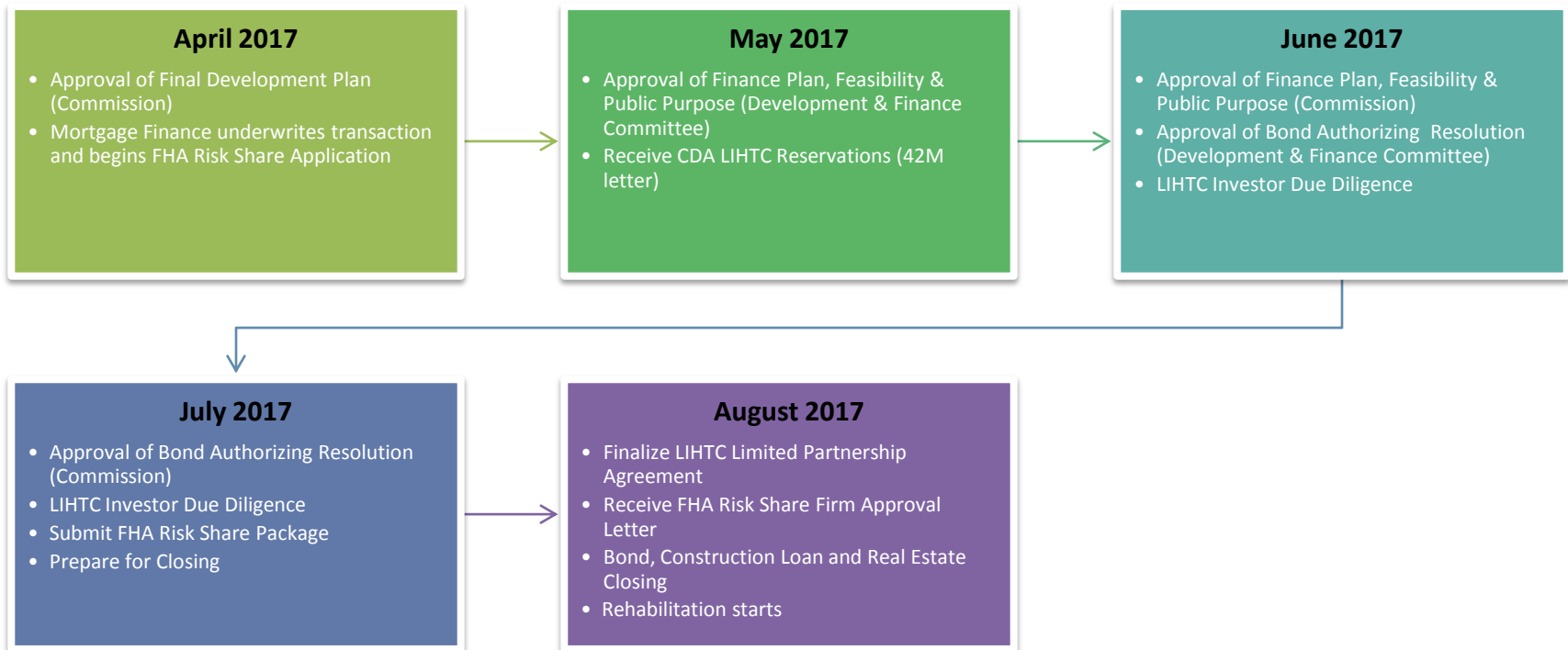
EXECUTIVE SUMMARY

	Greenhills Apartments
Units/Affordability	78 Units 71% Affordable (55 Units)
Amount of Bond Issuance (up to)	\$12,000,000
Short-term/Construction Financing (up to)	\$2,500,000 Tax-Exempt Draws on PNC RELOC
Permanent Financing (est.)	\$11,081,537 Private Activity Bonds/ Risk Share Loan
Credit Enhancement	FHA Risk Share 25% - HOC 75% - FHA
Permanent Interest Rate (est.)	4.85%
Permanent Loan Term/Amortization	35 years
Debt Service Coverage Ratio	1.15x
County Participation	Payment-in Lieu of Taxes (PILOT) Agreement Estimated Value of PILOT is \$107,312 in CY 2019


Staff recommends approval of a Bond Authorizing Resolution for the Greenhills Apartments transaction and the transfer of \$956,269 of existing cash (held in the Property’s operating cash account) to the Opportunity Housing Property Reserve (“OHPR”) account. While \$500,000 will remain in the Property’s operating cash account to fund any operating shortfalls during rehabilitation, any portion remaining after the Property reaches stabilized occupancy of 93% will also be transferred to the OHPR.

The Bond Authorizing Resolution has been drafted by the Commission’s Bond Counsel, Kutak Rock, LLP, for the issuance of tax-exempt multifamily housing development bonds and the use of the RELOC for tax-exempt draws during rehabilitation for an amount not to exceed \$12,000,000. It will further detail key approvals by the Commission to complete the financing transaction that is contemplated.

FINANCING SCHEDULE



BOND ISSUANCE SCHEDULE



Target Date	Event
June 15 – July 10	Due diligence – Bond, Moody’s rating, electronic circulation of Preliminary Official Statement, etc.
July 11	Receive Moody’s rating
July 14	Submit HUD FHA Risk-Sharing application
August 4	Pre-pricing call, distribute final draft Bond Purchase Agreement
August 7	Retail order period
August 8	Institutional order period, sign Bond Purchase Agreement, etc.
August 11	Receive FHA firm approval
August 14	Print and mail Official Statement
August 17	Comments due on Bond closing documents
August 18	Final Bond closing documents to HOC for signature
August 21	HOC executes Bond closing documents, final cash flow and yield calculations, etc.
August 22	Pre-close Bond Issue at Kutak Rock
August 23	Close Bond Issue

SUMMARY OF BOND AUTHORIZING RESOLUTION

The Bond Authorizing Resolution prepared by the Commission's Bond Counsel, Kutak Rock, LLP, outlines key elements of the transaction which the Commission must authorize to enable the financing to proceed. A summary of the main approvals is outlined below:

1. Issuance of 2017 Series A Multifamily Housing Development Bonds along with tax exempt drawings on the RELOC in an amount not to exceed \$12,000,000.
2. Execution and delivery of the Series Resolution.
3. Preparation, execution, and delivery of the preliminary and final Official Statement (OS).
4. Execution of any documents related to the sale of the bonds such as related tax documents, continuing disclosure agreements, and real estate documents.
5. Approval for Chairman, Vice Chairman, Chairman Pro Tem, and Executive Director to proceed with the sale of the bonds.
6. Execution and delivery of a contract of purchase in connection with the sale of the bonds.
7. Establishment of terms relating to the bonds and to make ongoing determinations relating thereto including dates, maturities, interest payment dates, denominations, terms of redemption, etc.
8. Selection of Financial Advisor and Bond Counsel.

RESTATEMENT OF FINANCING PLAN

The Greenhills transaction contemplates:

- a) allocation of private activity bond cap of up to \$12 million for the issuance of tax-exempt bonds: to fund bond debt service reserve and an estimated \$11.1 million, 35-year permanent mortgage loan insured by the FHA Risk Sharing Program along with short term, tax-exempt draws of approximately \$378,244 on the PNC RELOC to enable the transaction to meet the LIHTC 50% Test;
- b) bridge funding of approximately \$1.98 million for rehabilitation activities by way of draws on the PNC RELOC to bridge the equity pay-in;
- c) LIHTC equity of approximately \$5.7 million, which will mostly be contributed upon cost certification and stabilized occupancy (see additional stages outlined below);
- d) use of \$300,000 from existing replacement reserves (out of approximately \$334,000 held by the property);
- e) use of \$500,000 from the property's operating cash account to fund any operating shortfalls during rehabilitation;
- f) a deferral of up to 16% of the Developer's Fee; and
- g) and a Seller's Note.

Via issuance of tax-exempt bonds and short-term draws under the PNC RELOC of approximately \$11.5 million, Greenhills will satisfy the LIHTC 50% Test to qualify for 4% tax credits. However, should interest rates decline, the mortgage may increase sufficient to fully satisfy the LIHTC 50% test such that the available short-term draw of \$378,244 under the RELOC may be used for rehabilitation activities. The transaction is expected to generate approximately \$5.7 million in LIHTC equity, which will be contributed in stages: 1) 20% at loan closing, 2) 16.21% at construction completion, 3) 51.16% at cost certification and stabilized occupancy, and 4) 4.63% at the issuance of 8609s, the IRS certification which enables the owners of a low-income rental building to obtain an allocation of low-income housing tax credits for each building they own in a multi-building development.

The bridge loan and short-term tax-exempt draws on the PNC RELOC along with the remaining portion of the developer fee, will be repaid with equity contributions from the tax credit investor, Columbia Housing SLP Corporation, an entity of PNC Real Estate Tax Credit Capital. Amortization of the long-term, tax-exempt, risk share mortgage will commence after final FHA endorsement in August 2019.

Sources	Amount	Per Unit
Tax-Exempt Mortgage Loan	\$11,081,537	\$142,071
Short Term Tax-Exempt Funds	\$378,244	\$4,849
LIHTC Proceeds	\$5,685,760	\$72,894
Existing Replacement Reserves	\$300,000	\$3,846
Seller's Take-Back Loan	\$7,740,000	\$99,231
Operating Cash Account	\$500,000	\$6,410
Deferred Developer Fee	<u>\$348,535</u>	<u>\$4,468</u>
Total Sources	\$26,034,076	\$333,770

Uses	Amount	Per Unit
Acquisition Cost	\$12,040,000	\$154,359
Construction or Rehabilitation Cost	\$6,452,340	\$82,722
Costs Related to Construction	\$1,889,501	\$24,224
Financing & Legal Costs	\$1,388,299	\$17,799
Repayment of Short-Term Debt	\$378,244	\$4,849
Development Fees	\$2,476,690	\$31,752
Initial Reserves @ \$2,500/unit	\$195,000	\$2,500
Property Operating Shortfall (est.)	\$500,000	\$6,410
LIHTC Operating Reserves, Guarantees, & Soft Cost Contingency	<u>\$714,002</u>	<u>\$9,154</u>
Total	\$26,034,076	\$333,770

SUMMARY OF STABILIZED PRO FORMA

Current	CY 2016	Per Unit
Effective Gross Income (EGI)	\$1,109,178	\$14,220
Operating Expenses	\$477,945	\$6,128
Replacement Reserves	\$78,000	\$1,000
Net Operating Income (NOI)	\$553,233	\$7,093
DSCR	N/A	

Stabilized Proforma	CY 2019	Per Unit
Effective Gross Income (EGI)	\$1,254,939	\$16,089
Operating Expenses	\$446,064	\$5,719
Replacement Reserves	\$27,300	\$350
Net Operating Income (NOI)	\$781,575	\$10,020
Proforma Debt Service	\$679,631	\$8,713
Cash Flow Before Distributions	\$101,945	\$1,307
DSCR (35-year amortization)	1.15x	

- The proposed financing will refinance the existing interest-only loan from BB&T Bank for \$4.3 million, which is scheduled to mature on January 8, 2018.
- Rehabilitation is projected to occur over a 14-month period. Leasing at the Property will seek to maintain at least 12 vacant units in order to facilitate renovations and allow for tenants to relocate within the community.
- Post-rehabilitation in the first stabilized year (CY 2019), the Property is expected to reach 93% occupancy.
- Rent and expense growth rates are projected at 2% and 3% respectively.
- Stabilized annual replacement reserves contributions are \$350/unit.
- The Property will benefit from a continuing Payment in Lieu of Taxes (“PILOT”) agreement from Montgomery County.
- Staff anticipates that the Property will support the proposed \$11.1 million loan with a debt service coverage ratio of 1.15x at stabilization. Sizing is based on an estimated all-in rate of 5.10% (inclusive of loan management and financing fees, with a 95bps cushion as of June 9, 2017, to mitigate potential movements in interest rates).

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

Issues for Consideration

1. Does the Commission wish to accept the Development and Finance Committee recommendation and approve a Bond Authorizing Resolution for up to \$12 million in tax-exempt bond financing for Greenhills Apartments?
 - The transaction will provide Public Purpose by formally designating 55 (71%) affordable units at or below 60% of Area Median Income (AMI). The other units will remain unrestricted housing.
 - Proceeds of the bond issuance will be used to:
 - (1) permanently refinance the existing interest-only, floating rate debt which is scheduled to mature in January 2018;
 - (2) eliminate interest rate risk;
 - (3) renovate the Property to meet the needs of residents, improving their standard of living, and improving the Property's competitiveness in the market area;
 - (4) extend the life-cycle of the Property; and
 - (5) decrease operating and repair costs over time.
 - With the FHA Risk Sharing execution, the properties will generate positive cash flow (before distributions) of \$101,945 in 2019.
 - A review of the projected stabilized operations for Greenhills concludes that the transaction is feasible with debt service coverage of 1.15x.
 - Should interest rates decline sufficient to size a higher mortgage amount at 1.15x DSC at closing, the mortgage will be increased to a maximum of \$12.0 million which may eliminate the need to borrow short-term funds of \$378,244 to meet the LIHTC test, such that those proceeds can be used for rehabilitation activities instead.
2. Does the Commission wish to accept the Development & Finance Committee recommendation and grant its approval to transfer existing cash held by the Property to the Opportunity Housing Property Reserve ("OHPR") to support capital improvements at properties with insufficient replacement funds and retain \$500,000 at the Property to fund any operating shortfalls during rehabilitation?
 - The existing cash at the Property belong to the Commission and are therefore transferrable to another account. Staff recommends transferring \$956,269 to the OHPR account. However, should any portion of the \$500,000 held by the Property remain available after it reaches stabilized occupancy of 93%, these funds will also be transferred to the OHPR account.
 - At the end of the third quarter of FY 2017, the balance of the OHPR totaled \$1,857,171; however, the fiscal 2018 budget amendment obligated \$779,826 to support capital improvements at properties with insufficient replacement reserve funds. The transfer of available cash from Greenhills will provide funds to support future capital needs.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

Fiscal/Budget Impact

Budget Impact:

Although the proposed transaction will result in reduced net cash flow, this will have no impact on the Agency's FY2018 operating budget, the fiscal 2018 budget amendment obligated \$779,826 to support capital improvements at properties that did as all Property cash flow is currently excluded from the Agency's FY2018 operating budget due to the planned renovation of the Property.

The proposed transaction will also generate higher loan management fees of approximately \$27,704 annually (versus the current \$10,500 annually) which will result in a net increase of \$292,465 over the required 17-year period.

In FY2018, the Commission will also receive a 2% commitment fee and 20% of the developer fee for approximately \$221,631 and \$495,338, respectively. As is customary, 40% will flow to the General Fund and 60% to the Opportunity Housing Reserve Fund.

Fiscal Impact:

Since FY2014 through the third quarter of FY2017, Greenhills generated cashflow of approximately \$275,713/year (or \$1,033,924 cumulatively) which was not used for Agency operations as the timing to redevelop the Property was uncertain. Existing cash at the Property totaled \$1,456,269 as of May 31, 2017.

The existing cash at the Property belongs to the Commission and is therefore transferrable to another account. Staff recommends transferring approximately \$956,269 to the Opportunity Housing Property Reserve account, with the intention to leave \$500,000 of cash at the Property to fund any operating cashflow shortfalls during rehabilitation.

As of 3Q17 the balance of the OHPR totaled \$1,857,171, however not have sufficient RFR funds. The transfer of available cash from Greenhills will provide funds to support future capital needs.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

Time Frame

For action at the July 12, 2017 meeting of the Commission.

Conclusion and Recommendation

- Staff recommends the Commission accept the Development and Finance Committee recommendation and approve a Bond Authorizing Resolution for Greenhills Apartments.

The Resolutions will authorize, among other things, the issuance of up to \$12 million of tax-exempt financing for Greenhills. The long term bonds will be issued under the 1996 Indenture and the short-term financing if applicable will be funded from draws on the PNC RELOC.

- Staff also recommends the Commission accept the Development and Finance Committee recommendation and grant its approval to transfer approximately \$956,269 of cash currently held by the Property to the Opportunity Housing Property Reserve account, with the exception of \$500,000 to fund any operating shortfalls at Greenhills during rehabilitation. However, should any portion of the \$500,000 remain available after the Property reaches stabilized occupancy of 93%, these funds will also be transferred to the OHPR account.

RESOLUTION No.:17-50a

RE: Approval to Transfer Greenhills Apartments Existing Cash of Approximately \$956,269 to the Commission's Opportunity Housing Property Reserve Account

WHEREAS, Greenhills Apartments (the "Property") is a 78-unit apartment and townhome community located in Damascus, Maryland that is owned by the Housing Opportunities Commission of Montgomery County (the "Commission"); and

WHEREAS, the Commission has approved a Final Development Plan, a Financing Plan and Budget, the Feasibility and Public Purpose, and adopted an Authorizing Resolution to issue Multifamily Housing Development Bonds 2017 Series A (the "2017 Series A Bonds") for the Property, which will undergo a substantial rehabilitation, preserving it as an affordable housing development in the northern section of Montgomery County; and

WHEREAS, since Fiscal Year (FY) 2014 through the fourth quarter of FY 2017, the Property's cash flow has been restricted to the Property and not used for the Commission's operations, as the timing to redevelop the property was uncertain; and

WHEREAS, as of May 31, 2017, the Property's existing cash holdings ("Property Cash") of \$1,456,269 is held at the property in anticipation of the renovation but is expected to increase up to the closing of the financing; and

WHEREAS, the Property Cash belongs to the Commission and is therefore transferrable to another account of the Commission at its sole discretion; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves the transfer of a minimum \$956,269 of Property Cash to the Commission's Opportunity Housing Property Reserve (OHPR) account; and

BE IT FURTHER RESOLVED that \$500,000 of the Property Cash is to remain restricted to the Property in order to fund any operational expense shortfalls during construction; and

BE IT FURTHER RESOLVED that any portion of the \$500,000 remaining available upon the property reaching stabilized occupancy of 93%, will be transferred to the Opportunity Housing Property Reserve (OHPR) account; and

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

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on July 12, 2017.

Patrice M. Birdsong
Special Assistant to the Commission

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RESOLUTION: 2017-50b Re: Adoption of an Authorizing Resolution for the Issuance of 2017 Series A Multifamily Housing Development Bonds and a Tax-Exempt Drawing on the PNC Bank, National Association Real Estate Revolving Line of Credit or a Tax-Exempt Advance under the PNC Bank, National Association Amended and Restated Committed Line of Credit Note for the Financing of the Acquisition and Rehabilitation of the Greenhills Apartments Project

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY AUTHORIZING THE ISSUANCE AND SALE OF A SERIES OF THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT BONDS 2017 SERIES A (THE "2017 SERIES A BONDS") AND AUTHORIZING A TAX-EXEMPT DRAWING ON THE PNC BANK, NATIONAL ASSOCIATION REAL ESTATE REVOLVING LINE OF CREDIT (THE "PNC RELOC TAX-EXEMPT DRAWING") OR A TAX-EXEMPT ADVANCE UNDER THE PNC BANK, NATIONAL ASSOCIATION AMENDED AND RESTATED COMMITTED LINE OF CREDIT NOTE (THE "PNC LOC TAX-EXEMPT ADVANCE," AND COLLECTIVELY WITH THE 2017 SERIES A BONDS AND THE PNC RELOC TAX-EXEMPT DRAWING, THE "2017 OBLIGATIONS"), IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000 FOR THE PURPOSE OF THE FINANCING OF (1) A MORTGAGE LOAN INSURED UNDER THE FHA RISK-SHARING PROGRAM FOR THE ACQUISITION, REHABILITATION AND EQUIPPING OF GREENHILLS APARTMENTS, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY GREENHILLS APARTMENTS LIMITED PARTNERSHIP, (2) A SHORT-TERM SECURED LOAN MADE UNDER THE BELOW-DEFINED PNC REVOLVING LOAN AGREEMENT OR THE BELOW-DEFINED LOAN DOCUMENTS RELATING TO THE PNC LOC TAX-EXEMPT ADVANCE OR SUCH ADDITIONAL SHORT-TERM SECURED LOAN FINANCED WITH THE PROCEEDS OF SHORT-TERM BONDS ISSUED UNDER THE BELOW-DEFINED TRUST INDENTURE, ALL AS SHALL BE NECESSARY FOR THE FINANCING OF THE ABOVE-DESCRIBED DEVELOPMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES INDENTURE, CERTAIN TAX-RELATED DOCUMENTS, A DISCLOSURE AGREEMENT AND ANY AND ALL REAL ESTATE DOCUMENTS; APPROVING THE PREPARATION, EXECUTION AND DISTRIBUTION OF PRELIMINARY AND FINAL OFFERING DOCUMENTS RELATING TO THE FINANCING; AUTHORIZING THE EXECUTION OF ANY OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE 2017 OBLIGATIONS AND THE ACCOMPLISHMENT OF THE TOTAL FINANCING PLAN DESCRIBED HEREIN; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO PROCEED WITH THE SALE OF THE 2017 SERIES A BONDS TO PNC CAPITAL MARKETS LLC, AS

UNDERWRITER OR TO SUCH OTHER APPROVED UNDERWRITER OR INITIAL PURCHASER AND TO EXECUTE AND DELIVER A CONTRACT OF PURCHASE IN CONNECTION WITH SUCH SALE; AUTHORIZING THE EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO ESTABLISH THE TERMS RELATING TO THE 2017 OBLIGATIONS AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2017 OBLIGATIONS; AND PROVIDING AN EFFECTIVE DATE.

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

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

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

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

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

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

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

WHEREAS, the Commission has determined to issue its Multifamily Housing Development Bonds, 2017 Series A pursuant to the Trust Indenture and the Series Indenture Providing for the Issuance of Multifamily Housing Development Bonds, 2017 Series A (the "Series Indenture") and to make a tax-exempt drawing on its PNC Bank, National Association Real Estate Revolving Line of Credit pursuant to the provisions of the PNC Revolving Loan Agreement (hereinafter defined) or to request a tax-exempt advance under its Amended and Restated Committed Line of Credit Note, dated as of June 30, 2014, as amended on June 1, 2017 (the "PNC Line of Credit Note"), pursuant to the Loan Documents (as defined therein) or, alternatively, to issue tax-exempt short-term Bonds, in either case, for the funding of a short-term secured loan (i) to make moneys available for the acquisition, rehabilitation and equipping of a development (the "Development"), to be owned and operated by Greenhills Apartments Limited Partnership, the general partner of whom is wholly-controlled by the Commission, (ii) to reimburse the Commission for prior expenditures of Commission funds to finance the acquisition and rehabilitation of the Development; (iii) to make the required deposit to the Reserve Fund (as defined in the Trust Indenture) as required by the Trust Indenture and the Series Indenture; and (iv) to reimburse the Commission for prior capital expenditures, all in accordance with the financing plans approved by the Commission in connection with the Development under the separate resolutions adopted by the Commission on June 13, 2017 and June 23, 2017 and in accordance with the additional financing plans set forth in this Resolution (together, the "Total Financing Plan"); and

WHEREAS, the Mortgage Loan to be financed with the proceeds of a portion of the 2017 Obligations will be endorsed for federal insurance under the Risk-Sharing Agreement, dated September 23, 1994 (the "Risk-Sharing Agreement"), by and between the Commission and the Secretary of the U.S. Department of Housing and Urban Development ("HUD"), pursuant to which Risk-Sharing Agreement, the Commission will reimburse HUD for its losses under the Mortgage Loan in an amount not greater than 25% of the outstanding principal balance of the Mortgage Loan; and

WHEREAS, in connection with the issuance of the 2017 Obligations and the accomplishment of the Total Financing Plan, the Commission anticipates entering into various documents, including, but not limited to the Series Indenture and, as hereinafter defined, the Offering Documents, the Contract of Purchase, the Tax-Related Documents, the Disclosure Agreement, the Real Estate Documents and certain other documents relating to the PNC RELOC Tax-Exempt Drawing, the PNC LOC Tax-Exempt Advance, the Mortgage Loan, the short-term secured loan, the sale of the 2017 Series A Bonds, and the financing of the Development;

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

1. **2017 Obligations.** The 2017 Obligations are hereby authorized to be issued in an aggregate principal amount not to exceed \$12,000,000 to carry out the purposes under the Program as described above. Subject to the following sentence, a portion of the 2017 Obligations shall be separately designated "2017 Series A Bonds" and a portion of the 2017 Obligations will be separately designated "PNC RELOC Tax-Exempt Drawing" and/or "PNC LOC Tax-Exempt Advance." Notwithstanding the foregoing, the Executive Director is hereby authorized to approve, in consultation with the Financial Advisor and

Bond Counsel to the Commission, such greater number or amount of 2017 Obligations to be issued in connection with the Total Financing Plan and to determine the designations therefor. The 2017 Series A Bonds are to be issued pursuant to the terms of the Trust Indenture and pursuant to the terms of the Series Indenture. The 2017 Series A Bonds shall be limited obligations of the Commission, secured by and payable solely from moneys pledged therefor under the Indenture. The PNC RELOC Tax-Exempt Drawing will be made in accordance with the provisions of the Revolving Loan Agreement, dated as of July 1, 2014, by and between the Commission and PNC Bank, National Association, as amended on June 1, 2017 (the "PNC Revolving Loan Agreement"). The PNC LOC Tax-Exempt Advance will be made in accordance with the provisions of the PNC Line of Credit Note and the related Loan Documents.

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

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

4. ***Tax-Related Documents.*** The Chairman, the Vice Chairman, the Chairman Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver a Tax Regulatory Agreement and No Arbitrage Certificate and other documents (collectively, the "Tax-Related Documents") restricting the application of the proceeds of the 2017 Obligations and the use and occupancy of the Development in such forms as shall be prepared by Bond Counsel and approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director, the execution of the Tax-Related Documents being conclusive evidence of such approval and of the approval of the Commission. The Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission is hereby further authorized and directed to execute and deliver on behalf of the Commission Internal Revenue Service Form 8038-G relating to the 2017 Obligations as prepared by Bond Counsel.

5. ***Disclosure Agreement.*** The Commission hereby authorizes and approves the execution and delivery of a continuing disclosure agreement (the "Disclosure Agreement") related to the Series 2017 A Bonds, in such form as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Disclosure Agreement constituting conclusive evidence of such officer's approval of the Disclosure Agreement and the approval of the Commission.

6. Mortgage Loan; Real Estate Documents. The Commission hereby authorizes and approves the financing of the Mortgage Loan with the proceeds of a portion of the 2017 Obligations which will be endorsed for federal insurance under the Risk-Sharing Agreement, pursuant to which the Commission will reimburse HUD for its losses under the Mortgage Loan in an amount not greater than 25% of the outstanding principal balance of the Mortgage Loan. The Commission hereby authorizes and approves the financing of the short-term loan to be financed with the PNC RELOC Tax-Exempt Drawing, the PNC LOC Tax-Exempt Advance and/or the short-term tax-exempt Bonds. The Commission hereby further authorizes and approves the preparation, execution and delivery of any and all real estate documents (the “Real Estate Documents”) relating to the acquisition and rehabilitation of the Development, in its capacity as issuer of the 2017 Obligations and in its capacity as general partner of the limited partnership owner of the Development.

7. Offering Documents. The Commission hereby authorizes and approves the preparation and distribution of a preliminary offering document of the Commission and the preparation, execution and distribution of a final offering document (collectively, the “Offering Documents”), each relating to the 2017 Series A Bonds, in such forms as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Offering Documents constituting conclusive evidence of such officer’s approval of the Offering Documents and the approval of the Commission.

8. Sale of 2017 Series A Bonds. The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to proceed with the sale of the 2017 Series A Bonds to PNC Capital Markets LLC or such other underwriter or to any other entity as shall be in the best interest of the Commission as determined by the Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission.

9. Contract of Purchase. The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to execute a contract of purchase and/or any other form of purchase agreement (the “Contract of Purchase”) in connection with the issuance, purchase and sale of the 2017 Series A Bonds.

10. Terms; Ongoing Determinations. The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners to establish the dates, maturities, interest payment dates, denominations, terms of redemption, registration privileges, security and other terms, and to approve the interest rates on (a) the 2017 Series A Bonds, (b) the PNC RELOC Tax-Exempt Drawing, and (c) the PNC LOC Tax-Exempt Advance, all of the foregoing to be specified, as applicable, in the Series Indenture, the PNC Revolving Loan Agreement and/or the PNC Line of Credit Note and the related Loan Documents. The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without

further action of or authority from the Board of Commissioners, to perform any act, to execute any documents, and is hereby authorized, from time to time during the period the 2017 Obligations are outstanding, to make ongoing determinations, as may be required by the terms of the Series Indenture, the PNC Revolving Loan Agreement, the PNC Line of Credit Note and the related Loan Documents and any other financing documents relating to the 2017 Obligations, the Development, the Mortgage Loan, the short-term secured loan and any additional loans, including, but not limited to, the giving and withholding of consents, the selection of certain providers, the determination to permit the prepayment of the Mortgage Loan or the short-term secured loan and the refunding and redemption of the 2017 Obligations and/or other Bonds, and the Executive Director or other Authorized Representative of the Commission, as the case may be, is further authorized to execute any and all documents evidencing such determinations as may be deemed necessary and proper.

11. ***Other Action.*** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is hereby authorized and directed to execute and deliver any and all additional documents and instruments necessary or proper to be executed and delivered and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution relating to the 2017 Obligations and the accomplishment of the Total Financing Plan.

12. ***Appointment of Financial Advisor and Bond Counsel.*** Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2017 Obligations.

13. ***No Personal Liability.*** No stipulation, obligation or agreement herein contained or contained in the 2017 Obligations, the Series Indenture, the Contract of Purchase, the Tax-Related Documents, the Offering Documents, the Real Estate Documents, the Disclosure Agreement, the PNC Revolving Loan Agreement, the PNC Line of Credit Note and the related Loan Documents, the Mortgage Loan, the short-term secured loan or in any other agreement or document executed on behalf of the Commission in its capacity as issuer of the 2017 Obligations or in its capacity as general partner the limited partnership owner of the Development, 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 2017 Obligations or be subject to personal liability or accountability by reason of the issuance thereof.

14. ***Action Approved and Confirmed.*** All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the 2017 Obligations and the accomplishment of the Total Financing Plan are hereby approved, and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

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

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

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The foregoing Resolution was adopted upon a motion by

_____.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on July____, 2017.

Patrice Birdsong
Special Assistant to the Commission

Deliberation and/or Action

Future Action

INFORMATION EXCHANGE

New Business

Administrative Session Findings

Adjourn