

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

May 8, 2019

19-05

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, May 8, 2019 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Richard Y. Nelson, Vice Chair
Roy Priest, Chair Pro Tem
Linda Croom
Pamela Byrd
Frances Kelleher

Also Attending

Stacy L. Spann, Executive Director
Bonnie Hodge
Christina Autin
Cornelia Kent
Darcel Cox
Derrick Thompson
Eamon Lorincz
Ellen Goff
Ethan Cohen
Fred Swan
Gio Kaviladze
Ian Williams
Ian-Terrell Hawkins

Aisha Memon, Acting General Council
Jennifer Arrington
Kathryn Hollister
Kayrine Brown
Lynn Hayes
Marcus Ervin
Patrick Mattingly
Renee Harris
Rita Harris
Shauna Sorrells
Sheryl Hammond
Victoria Dixon
Zachary Marks

Resident Advisory Board

Yvenne Caughman, Vice Chair

IT Support

Irma Rodriguez
Gabriel Taube

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

Guest

Savitri Taneja
Carol Ehrlich
Harvey Matthews
Chris Rigaux
Rev. Segun Adebayo

I. **Information Exchange**

Resident Advisory Board

- Yvonne Caughman, Vice Chair reported on the current activities of the Resident Advisory Board.

Community Forum

- Supporters of the Macedonia Baptist Church/Moses African-American Cemetery addressed the Board.
- Savitri Taneja addressed the Board with her concerns as a landlord. Lynn Hayes was designated to assist.

II. **Approval of Minutes**

- A. **Approval of Minutes of April 3, 2019** - The minutes were approved as submitted with a motion by Chair Pro Tem Priest and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.
- B. **Approval of Minutes of April 3, 2019 Administrative Session** – The minutes were approved as submitted with a motion by Chair Pro Tem Priest and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.
- C. **Approval of Minutes of April 19, 2019 Special Session** – The minutes were approved as submitted with a motion by Chair Pro Tem Priest and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher.

III. **Consent Items**

- A. None

IV. **Information Exchange Continued**

Report of the Executive Director

- Nothing additional to add to written report

Commissioner Exchanger

- None

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

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

1. **Revisions of HOC's Administrative Plan for the Housing Choice Voucher Program to Update Formatting, Correct Typographical Errors, and Add Clarity to Chapter 2 and 10 of the Plan**

Ethan Cohen, Housing Programs Coordinator, and Lynn Hayes, Director of Housing Resources, were the presenters.

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

Byrd, and Kelleher. (Copy of referenced Exhibit will be provided upon request and are filed in Commission Support Office)

RESOLUTION: 19-49

RE: Revisions to HOC's Administrative Plan for the Housing Choice Voucher Program to Update Formatting, Correct Typographical Errors, and Add Clarity to Chapters 2 and 10 of the Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County ("Commission") desires to revise its Administrative Plan for the Housing Choice Voucher Program (the "Plan") to update formatting, correct typographical errors, and add clarity to Chapters 2 and 10 of the Plan (the "Revisions"), as identified in the revised Plan attached hereto as Exhibit A; and

WHEREAS, a public comment period for the Revisions began on April 1, 2019 and concluded on May 8, 2019 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County adopts the Revisions, as identified in the revised Plan attached hereto as Exhibit A;

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

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

- 1. Approval of the Financing Plan for 900 Thayer (the "Property"); Authorization to Issue Loans to 900 Thayer Limited Partnership (the "Borrower") for the Acquisition and Construction Financing; Approval of Bond Authorizing Resolution for the Financing and to Fund the Bond Issuance by way of Tax-Exempt Draws on the PNC Bank N.A. Real Estate Line of Credit to Substitute Previously Authorized Taxable Draws; Authorization to Issue Commitments for Permanent Financing; Including Authorization to Hedge Interest Rate Risk; and, Authorization for the Borrower to Accept Construction and Permanent Loans**

Kayrine Brown, Chief Investment and Real Estate Officer, and Victoria Dixon, Senior Multifamily Underwriter, were the presenters.

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

RESOLUTION NO.: 19-50

**RE: Approval of the Financing Plan for 900 Thayer;
Authorization to Issue Loans to 900 Thayer Limited
Partnership for Acquisition and Construction
Financing; Authorization to Issue Commitments for
up to \$16.6 Million in Permanent Financing,
Including Authorization to Hedge Interest Rate Risk;
and, Authorization for the Borrower to Accept
Acquisition and Construction Loans**

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

WHEREAS, 900 Thayer is a development under construction in Silver Spring to deliver 5,098 square feet of ground floor retail and up to 124 apartments (the "Property"), which is currently owned by HOC subsidiaries under a condominium regime and, prior to closing of the financing described herein, shall be owned and will be operated by a single purpose entity known as 900 Thayer Limited Partnership ("Borrower"); and

WHEREAS, HOC is currently the sole member of 900 Thayer GP LLC (the "Managing Member"), which in turn is the sole member of the Borrower; and

WHEREAS, the Property will serve families across a wide income range through the implementation of the new income averaging component of the Low Income Housing Tax Credit ("LIHTC") program, which will allow households with income from 30% up to 80% of the Washington DC Area Median Income ("AMI") or less, provided that the low income set-asides for the tax-exempt financing will be observed; and

WHEREAS, on August 9, 2017, the Commission approved the development plan for the Property as a new construction, community containing 124 income and rent restricted units (the "LIHTC Units"), of which 84 will be Project Based Rental Assistance (PBRA) units through the conversion and transfer of assistance of 84 Public Housing units at Holly Hall via the Rental Assistance Demonstration ("RAD") program, and 5,098 square feet of retail space (the "Final Development Plan"); and

WHEREAS, on September 15, 2017, the Commission approved loans of \$5,000,000 from the Opportunity Housing Bond Fund, \$5,000,000 from the Moderately Priced Dwelling Unit and Property Acquisition Fund ("MPDU/PAF"), and \$25,000,000 by way of short-term, taxable draws from the Commission's \$90,000,000 Real Estate Line of Credit with PNC Bank, N.A. ("RELOC") to be used for construction of the Property; and

WHEREAS, on May 2, 2018, the Commission authorized a loan of \$4,500,000 from the Opportunity Housing Development Fund to replace the \$5,000,000 loan from the MPDU/PAF; and

WHEREAS, on December 5, 2018, the Commission approved the selection of Wells Fargo Community Lending and Investment (“Wells Fargo”) as low income tax credit investor and authorized the Executive Director to negotiate a Limited Partnership Agreement to modify the ownership structure and admit Wells Fargo as a non-managing member of the Borrower, with HOC remaining in control of the Borrower as the managing member of the Managing Member entity; and

WHEREAS, on January 9, 2019, the Commission approved an initial construction financing plan for the Property, which is proposed to be replaced by the below financing plan; and

WHEREAS, to replace and repay prior sources of financing, staff explored a variety of options for the estimated \$55.1 million acquisition, construction and permanent financing for the Property, and determined to use a number of sources including: a) short-term, tax-exempt draws on the Commission’s RELOC, the proceeds of which will be loaned to the Borrower to fund construction costs (“Construction Loan”), which will be repaid by a FHA Risk Share permanent loan; b) bridge funding during acquisition/construction by way of draws on the Commission’s PNC Bank, N.A. Real Estate Line of Credit (“Bridge Loan”); c) LIHTC equity; d) a subordinate loan from Montgomery County, Maryland (“County Loan”); e) a sponsor loan from the Commission that consolidates the previous financing provided by the Commission to HOC subsidiaries that currently own the condominium units at the Property (“HOC Loan”); f) deferred developer fees; and, g) interim operating income (collectively, the “Financing Plan”); and

WHEREAS, the Commission and Borrower wish to secure a permanent takeout loan for the Property in the form of a forward commitment to insure and finance the permanent loan in an amount of up to \$16,600,000, based on a projected interest rate of 3.768%, using financing from the Federal Financing Bank, which proceeds will fund a mortgage loan insured by the FHA Risk Share Program (“Permanent Loan”); and

WHEREAS, to protect the transaction from potential Permanent Loan interest rate increases, the Commission wishes to purchase an interest rate hedge (the “Swap”) in the form of an interest rate swap to mitigate the risk of a potential rise in interest rates prior to the time the rate can be fixed for the Permanent Loan, the Swap to be evidenced by such agreements, certifications, and other documents as shall be deemed necessary and as shall be agreed upon by the Commission and the provider of the Swap (the “Swap Documents”); and

WHEREAS, the Swap will permit the Commission to pay a fixed interest rate to the Swap provider and will obligate the Swap provider to pay a variable interest rate to the Commission, in each case, based on a specified notional amount not to exceed the estimated Permanent Loan amount (taking into account the amortization schedule); and

WHEREAS, Commission and the Partnership expect to receive a Letter of Reservation/Determination for LIHTC from the Maryland Department of Housing and Community Development, which will enable the Borrower to raise approximately \$16.2 million in equity to pay part of its acquisition and development costs; and

WHEREAS, the retail space is expected to generate net revenues of approximately \$130,509 annually to the Borrower and the LIHTC investor has requested the Commission to enter into a master lease for the retail space to protect against leasing risk in underwriting the transaction ("Master Lease").

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of the Managing Member and the Borrower, that the Financing Plan as described herein, is hereby approved and that the staff is hereby authorized to proceed with the review and processing of the necessary financing applications and other documentation.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the following:

1. Issuance of a tax-exempt, Construction Loan to the Borrower for up to \$24,000,000 funded by way of draws on the RELOC, which shall be drawn for acquisition and construction costs as needed and shall be outstanding for no more than 18 months from the closing date; and
2. Issuance of an HOC Loan to the Borrower for up to \$13,650,000 for up to 42 years to pay acquisition and construction costs and to be funded from the Commission's Opportunity Housing Reserve Fund (OHRF), with principal repayment intended to be payable from available property cash flow; and
3. The funding a Bridge Loan at closing, of up to \$5 million by way of short-term, taxable draws on the RELOC, which shall be drawn when needed to bridge the receipt of LIHTC equity and shall be outstanding for no more than 18 months from the closing date.
4. Acceptance of prepayment of 17 years' worth of loan management fees (Net Present Value discounted at 3%, estimated at \$543,267) to the OHRF, thereafter the annual 0.25% loan management fee will commence in FY2037, payable monthly from available cash flow.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the issuance of a forward commitment for a Permanent Loan in an amount up to \$16.6 million, which will be credit enhanced by FHA Risk Share Mortgage Insurance, pursuant to the Risk Sharing Agreement between the Commission and the U.S. Department of Housing and Urban Development ("HUD"), of which the Commission shall assume 50% of the risk while HUD shall assume 50% for the transaction.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of the Managing Member and the Borrower, approves negotiation and execution of a Master Lease for the retail space in an annual amount not to exceed \$130,509, subject to 2% annual escalation, and for a term up to 18.5 years.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of the Managing Member and the Borrower, approves the Borrower's acceptance of the Construction Loan, County Loan, Bridge Loan, LIHTC equity, HOC Loan, Permanent Loan, and Master Lease for the financing closing, which may occur separate and apart from the LIHTC equity closing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the execution and delivery of the Swap and Swap Documents with a qualified counterparty to mitigate against a rise in interest rates.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of the Managing Member and the Borrower, that the Executive Director, or a duly appointed designee of the Executive Director, is hereby authorized, without any further action on their respective parts, to negotiate the terms of the Swap and complete the blanks therein as necessary to complete the transaction contemplated herein.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of the Managing Member and the Borrower, that the Executive Director, or a duly appointed designee of the Executive Director, is hereby authorized, without any further action on their respective parts, to execute such other documents and to take any and all other actions, in each case as necessary and proper, in the Executive Director's judgment, to carry out the Financing Plan and the transaction and action contemplated herein.

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

RESOLUTION NO.: 19-50^A

RE: Approval to Draw from the PNC Bank, N.A. Real Estate Line of Credit to Fund a Construction and Bridge Loan for 900 Thayer in Accordance with the Approved Financing Plan

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

WHEREAS, 900 Thayer is a development under construction in Silver Spring to deliver 5,098 square feet of ground floor retail and up to 124 apartments (the "Property"), which is owned and will be operated by a single purpose entity known as 900 Thayer Limited Partnership ("Borrower"); and

WHEREAS, HOC is currently the sole member of 900 Thayer GP, LLC (the "Managing Member"), which in turn is the sole member of the Borrower; and

WHEREAS, the Property will serve families across a wide income range through the implementation of the new income averaging component of the Low Income Housing Tax Credit ("LIHTC") program, which will allow households with income from 30% up to 80% of the Washington DC

Area Median Income (“AMI”) or less, provided that the low income set-asides for the tax-exempt financing will be observed; and

WHEREAS, as part of the development plan, 900 Thayer will contain 84 Project Based Rental Assistance (“PBRA”) units through conversion and transfer of assistance of 84 Public Housing units at Holly Hall via the Rental Assistance Demonstration (“RAD”) program; and

WHEREAS, on August 9, 2017, the Commission approved the development plan for the Property as a new construction, community containing 124 income and rent restricted units (the “LIHTC Units”) and 5,098 square feet of retail space (the “Final Development Plan”); and

WHEREAS, on December 5, 2018 the Commission approved the selection of Wells Fargo Community Lending and Investment as LIHTC investor and authorized the Executive Director to negotiate and execute a Limited Partnership Agreement to modify the ownership structure and admit Wells Fargo as a non-managing member of the Borrower, with HOC remaining in control of the Borrower as the managing member of the Managing Member entity; and

WHEREAS, on April 19, 2019, staff proposed a Financing Plan totaling approximately \$55.1 million, which includes approximately \$31.1 million in construction costs; and

WHEREAS, HOC is pursuing a 4% LIHTC allocation for the Property, which will generate approximately \$16.2 million in LIHTC equity to be contributed according to an agreed upon pay-in schedule (“LIHTC Equity”); and

WHEREAS, the Commission has approved funding of up to \$13,650,000 from its own cash resources, using available funds from the Opportunity Housing Reserve Fund (“OHRF”) (“Local Funds”), to fund the acquisition and construction of the Property; and

WHEREAS, the Commission wishes to make tax-exempt and taxable draws on the \$90 million PNC Bank, N.A. Real Estate Line of Credit (“PNC RELOC”) to complete the capital stack needed to close on the acquisition and construction financing for Property until receipt of LIHTC Equity proceeds and permanent financing; and

WHEREAS, the Commission may make draws on the PNC RELOC at either a taxable rate equal to an interest rate at an optional London Interbank Offered Rate (“LIBOR”) (1-month, 3-month, 6-month, or 12-month) plus 58 basis points, or a tax-exempt rate of 68.5% of LIBOR plus 38 basis points; and

WHEREAS, the PNC RELOC is scheduled to mature June 30, 2020 unless extended or refinanced.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes tax-exempt draws on the PNC RELOC totaling up to \$24,000,000 (as further authorized under Commission Resolution 19-50^A adopted on the date hereof), which shall be drawn for acquisition and construction costs as needed until repaid from permanent financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission that it authorizes reduction of the taxable draws permitted on the PNC RELOC according to Commission Resolution 17-62a from \$25,000,000 to \$5,000,000 to bridge the receipt of LIHTC Equity proceeds for financing of the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of the Managing Member and the Borrower, that it authorizes the funds be loaned to the Borrower with interest to accrue and be paid at a rate sufficient to pay the interest cost of the PNC RELOC, herein estimated to be 2% annually and shall remain outstanding for a term of up to 18 months from the Property's first draw and repaid from proceeds of LIHTC Equity and permanent financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the Executive Director, or his duly appointed designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

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

RESOLUTION: 19-50^B

Re: Adoption of an Authorizing Resolution for One or More Tax-Exempt Drawings on the PNC Bank, National Association Real Estate Revolving Line of Credit to Finance the Acquisition, Construction and Equipping of the 900 Thayer Project

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY AUTHORIZING ONE OR MORE TAX-EXEMPT DRAWINGS ON THE PNC BANK, NATIONAL ASSOCIATION REAL ESTATE REVOLVING LINE OF CREDIT (COLLECTIVELY, THE "2019 TAX-EXEMPT OBLIGATIONS") IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000 FOR THE PURPOSE OF FINANCING A CONSTRUCTION LOAN TO FUND THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF 900 THAYER (THE "PROJECT"), A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY 900 THAYER LIMITED PARTNERSHIP, ALL AS SHALL BE NECESSARY FOR THE FINANCING OF THE ABOVE-DESCRIBED PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION LOAN AGREEMENT, A LAND USE RESTRICTION AGREEMENT, A REGULATORY AGREEMENT, A TAX REGULATORY AGREEMENT AND NO ARBITRAGE CERTIFICATE, AND ANY OTHER DOCUMENTS NECESSARY FOR THE 2019 TAX-EXEMPT OBLIGATIONS AND/OR NECESSARY TO ACCOMPLISH THE FINANCING PLAN DESCRIBED HEREIN; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO PROCEED WITH THE INITIAL DRAWING ON THE 2019 TAX-EXEMPT OBLIGATIONS AND TO ESTABLISH THE TERMS RELATING THERETO AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2019 TAX-EXEMPT OBLIGATIONS; AUTHORIZING THE EXECUTIVE

DIRECTOR TO APPOINT A FISCAL AGENT OR TRUSTEE, IF NECESSARY; 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 Project 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, construction, 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, the Commission has determined to make one or more tax-exempt drawings on its PNC Bank, National Association Real Estate Revolving Line of Credit (the “PNC RELOC”) pursuant to 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”), for the funding of a short-term construction loan (i) to make moneys available for the acquisition, construction and equipping of a development known as 900 Thayer (the “Project”), to be owned and operated by 900 Thayer Limited Partnership (the “Borrower”), the general partner of whom is wholly-controlled by the Commission and (ii) if necessary, to reimburse the Commission for prior expenditures of Commission funds to finance the acquisition, construction and equipping of the Project, all in accordance with the financing plans approved by the Commission in connection with the Project under the separate resolutions adopted by the Commission on September 15, 2017, as amended by this Resolution, and in accordance with the additional financing plans set forth in this Resolution and other resolutions adopted by the Commission on the date hereof (collectively, the “Financing Plan”); and

WHEREAS, in connection with draws on the PNC RELOC under the Revolving Loan Agreement, such draws to be evidenced by one or more promissory notes in the form attached to the Revolving Loan Agreement (collectively, the “2019 Tax-Exempt Obligations”), and the accomplishment of the Financing Plan, the Commission anticipates entering into various documents, including, but not limited to a construction loan agreement between the Commission and the Borrower, a Land Use Restriction Agreement, a Regulatory Agreement, a Tax Regulatory Agreement and No Arbitrage Certificate, and any other documents necessary for the 2019 Tax-Exempt Obligations and/or to accomplish the Financing Plan (collectively, the “Financing Documents”); and

WHEREAS, the Commission hereby acknowledges that the development plan for the Project contemplates the refinancing of the 2019 Tax-Exempt Obligations following completion of construction of the Project with a FHA Risk-Share insured mortgage loan (or such other source of refinancing as shall be available to the Commission and economically advantageous at that time) which will be purchased by the Federal Financing Bank and that such refinancing will be presented to the Commission for approval at such time as the construction of the Project is complete and the Construction Loan converts to a permanent, FHA Risk-Share insured mortgage loan.

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

1. Approval of Financing Plan. The Commission hereby approves the Financing Plan as described above pursuant to the terms and conditions to be set forth in the Financing Documents approved hereby.

2. 2019 Tax-Exempt Obligations. The 2019 Tax-Exempt Obligations are hereby authorized to be executed and delivered in an aggregate principal amount not to exceed \$24,000,000 to carry out the purposes under the Program as described above. 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 2019 Tax-Exempt Obligations required to accomplish the Financing Plan and to determine and establish the terms thereof. The 2019 Tax-Exempt Obligations will be executed and delivered in accordance with the provisions of the Revolving Loan Agreement and the Financing Documents.

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

4. Internal Revenue Service Form 8038; Private Activity Volume Cap. Each Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the Commission Internal Revenue Service Form 8038-G relating to the 2019 Tax-Exempt Obligations as prepared by Bond Counsel. Private activity bond volume cap in the amount of the final principal amount of the 2019 Tax-Exempt Obligations will be allocated to the draw and delivery of the 2019 Tax-Exempt Obligations.

5. 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 or prepayment, registration privileges, security and other terms, and to approve the interest rates the 2019 Tax-Exempt Obligations and the Construction Loan, all of the foregoing to be specified, as applicable, in the Financing 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 2019 Tax-Exempt Obligations are outstanding, to make ongoing determinations, as may be required by the terms of the Financing Documents and any other documents relating to the 2019 Tax-Exempt Obligations, the Project, the Construction Loan and any additional related 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 Construction Loan and the refinancing and repayment or prepayment of the 2019 Tax-Exempt Obligations and/or other related obligations of the Commission, and the Executive Director or other Authorized Representative, as the case may be, is further authorized to execute any and all documents evidencing such determinations as may be deemed necessary and proper.

6. Other Action. Each Authorized Officer 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 2019 Tax-Exempt Obligations and the accomplishment of the Financing Plan.

7. Appointment of Financial Advisor and Bond Counsel; Trustee or Fiscal Agent. Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor to the Commission, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2019 Tax-Exempt Obligations. The Executive Director is hereby authorized to designate a trustee or fiscal agent for the 2019 Tax-Exempt Obligations upon a determination that the services of a trustee or fiscal agent shall be necessary to effectuate the transactions contemplated by the Financing Plan.

8. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in or contemplated by the 2019 Tax-Exempt Obligations, the Construction Loan or the Financing Documents or in any other agreement or document executed on behalf of the Commission in connection with the 2019 Tax-Exempt Obligations or in its capacity as general partner the limited partnership owner of the Project, 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 2019 Tax-Exempt Obligations or be subject to personal liability or accountability by reason of the issuance thereof.

9. 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 2019 Tax-Exempt Obligations and the accomplishment of the 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.

10. 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.

11. Effective Date. This Resolution shall take effect immediately.

2. Approval to Extend the Financial Advisor Contract with Caine-Mitter and Associates Incorporated (“CMA”) and Response to the Commission Regarding the Use of CMA’s Cash Flow Preparation Software

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

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

RESOLUTION NO.: 19-51

Re: Approval to Extend the Financial Advisor Contract with Caine Mitter and Associates Incorporated (“CMA”) and Respond to the Commission Regarding the Use of CMA’s Cash Flow Preparation Software

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) 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 Memorandum of Understanding by and between the Housing Opportunities Commission of Montgomery County and Montgomery County, Maryland (the “County”), dated June 20, 2018, 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 a financial advisor; and

WHEREAS, Caine Mitter & Associates Incorporated (“CMA”) has successfully served the Commission since 1979 and was selected on June 7, 2017, to continue to serve the Commission as its financial advisor for a new contract term after completion of a new procurement, initially for two years with three optional one year renewals for a maximum term of five years; and

WHEREAS, CMA continues to provide satisfactory financial advisory services to the Commission and the Commission wishes to renew the contract for one year in accordance with the current Procurement Policy; and

WHEREAS, the Commission had substantial and compelling reasons 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 the use of its proprietary software for preparation of bond cash flows, the Commission directed staff to evaluate the system it uses against a market product; and

WHEREAS, in response to the Commission’s directive, staff concludes that, 1) the data used as inputs for cash flow preparation are generated by HOC staff and reconciled with the indenture trustee and the financial advisor for accuracy, 2) the rating agency reviews the cash flows to confirm that its methodologies are correctly reflected in the cash flow, 3) bond counsel reviews the cash flows for tax law and arbitrage yield

compliance, and 4) there have been no irregularities or issues with the bond cash flows, all pointing to the integrity of the data and methodologies employed by the CMA cash flow preparation software.

NOW THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the renewal of current contract with Caine Mitter & Associates Incorporated to continue to serve the Commission as Financial Advisor for one-year in accordance with terms provided in the current contract in accordance with the Procurement Policy and that no further evaluation of CMA or its software system is needed at this time.

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.

3. Authorization to Select General Contractor for Renovation of Brooke Park Apartments in Accordance with RFP #2149 and Authorization for the Executive Director to Negotiate and Execute a Contract to Complete the Planned Renovations at the Property

Zachary Marks, Director of Development, and Gio Kaviladze, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO: 19-52

RE: AUTHORIZATION TO SELECT GENERAL CONTRACTOR FOR RENOVATION OF BROOKE PARK APARTMENTS IN ACCORDANCE WITH RFP # 2149 AND AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A CONTRACT TO COMPLETE THE PLANNED RENOVATIONS

WHEREAS, in 2013 the Montgomery County Department of Housing and Community Affairs (“DHCA”) exercised its right of first refusal and assigned the right to the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) to purchase Brooke Park Apartments (“the Property”) to preserve affordability; and

WHEREAS, DHCA provided an acquisition and development loan of \$5,200,000 at the time of the acquisition and committed to provide additional funding as needed to complete the renovation; and

WHEREAS, prior to the acquisition by HOC, the Property was planned for demolition, to be replaced with 10 townhomes.

WHEREAS, HOC underwent a lengthy entitlement process to amend the Preliminary Plan to preserve 17 apartment units; and

WHEREAS, the Planning Board approved the Preliminary Plan amendment in July 2018, and the renovation entitlement process and construction permits are expected to be finalized in the near future; and

WHEREAS, on February 12, 2019, HOC issued RFP #2149 for general contracting services for the renovation of the Property and received three (3) qualified bids from Winmar, Inc. (\$5,595,332), Hooten Construction (formerly CBP Constructors LLC) (\$3,190,300), and D&A Contractors, Inc. (\$2,898,000); and

WHEREAS, staff evaluated the bids based on five (5) selection criteria: experience with government agencies and housing authorities (10% of the score), demonstrated ability for on-time completion (5% of the score), financial strength (15% of the score), contractor qualifications (40% of the score) and price proposal (30% of the score); and

WHEREAS, based on its evaluation, staff recommends proceeding with the selection of Hooten Construction to complete the renovation.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to select Hooten Construction as the general contractor pursuant to RFP #2149 and to negotiate and execute a contract with Hooten Construction for an amount not to exceed \$3,190,300 for the renovation of the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized and directed, without further action on its part, 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.

- 4. Approval to Select Demolition Services, Inc. (DSI) as the Demolition Contractor for Ambassador Apartments and Neuber Environmental Services, Inc. as the Demolition Contractor for Emory Grove Apartment Pursuant to IFB #2154; Authorization for the Executive Director to Execute Contracts, and Approval for Staff to Complete the Demolition of the Properties**

Zachary Marks, Director of Development, and Sheryl Hammond, Planner, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Priest and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. This resolution has been adopted with the notion that further planning and steps are required prior to the demolition of Emory Grove.

RESOLUTION NO.: 19-53

RE: Approval to Select Demolition Services, Inc. as the Demolition Contractor for Ambassador Apartments and Neuber Environmental Services, Inc. as the Demolition Contractor for Emory Grove Apartments Pursuant to IFB #2154; Authorization for the Executive Director to Execute Contracts; and Approval for Staff to Complete the Demolition of the Properties

WHEREAS, in furtherance of its mission to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland and to ensure that no one in Montgomery County is living in substandard housing, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) has begun the demolition process of Ambassador Apartments and Emory Grove Apartments; and

WHEREAS, Ambassador Apartments is a 162 unit multifamily residential apartment building built around 1960 and located at 2715 University Blvd. W. Silver Spring, MD (“Ambassador Apartments”) that has been vacated due to numerous physical and structural concerns and must now be demolished to make way for the redevelopment of the site; and

WHEREAS, Emory Grove Village Apartments is a 54 unit multifamily two story townhome apartment community located at 8107 Morning View Dr. Gaithersburg, MD (“Emory Grove Apartments,” together with Ambassador Apartments, the “Properties”) that was built in 1970 as a public housing community and was later converted to Rental Assistance Demonstration program units, but due to its physical condition, it has been vacated and must also be demolished to make way for the redevelopment of the site; and

WHEREAS, Montgomery County, via its Capital Improvement Program (“CIP”) has appropriated \$1,900,000 in funding to HOC for the demolition of Ambassador Apartments and Emory Grove Apartments, of which \$65,000 has been spent on pre-demolition expenses, leaving \$1,835,000 available for use by HOC to fund the demolition of the Properties; and

WHEREAS, HOC issued Invitation to Bid (“IFB”) # 2154 to solicit bids from qualified demolition contractors interested in providing demolition services for the Properties; and

WHEREAS, bids were timely received from nine (9) firms that were all determined to be responsive; and

WHEREAS, Demolition Services, Inc., a demolition, abatement and HAZMAT contractor located in Virginia, was determined to have submitted the lowest bid for the demolition of Ambassador Apartments for a total cost of \$ 747,766; and

WHEREAS, Neuber Environmental Services, Inc., a demolition and environmental contractor located in Pennsylvania, was determined to have submitted the lowest bid for the demolition of Emory Grove Apartments for a total cost of \$ 550,000.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of Demolition Services, Inc. as the contractor to complete the demolition of Ambassador Apartments and the selection of Neuber Environmental Services, Inc. to complete the demolition of Emory Grove Apartments, both to be funded with the remaining CIP appropriation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to execute a contract with Demolition Services, Inc. in the amount of \$747,766 for the demolition of Ambassador Apartments, and a contract with Neuber Environmental Services, Inc. in the amount of \$550,000 for the demolition of Emory Grove Apartments, for an aggregate amount not to exceed \$1,297,766 (including a 10% contingency).

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that staff is hereby authorized to proceed with taking all necessary actions and obtaining any necessary approvals from related parties, including the Montgomery County Department of Permitting Services, to complete the demolition of Ambassador Apartments and Emory Grove Apartments.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized, without any further action on its part, 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.

5. Approval of the Acceptance of a Refinancing Loan from Sandy Spring Bank to Partially Repay a Draw on the PNC Bank, N.A. Real Estate Line of Credit ("RELOC") for the Acquisition of 9845 Lost Knife and Approval to draw from HOC Debt Reserve Fund to Repay the Balance of the RELOC Draw

Gio Kaviladze, Senior Financial Analyst, was the presenter.

The following resolution was adopted upon a motion by Chair Pro Tem Priest and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Priest, Croom, and Kelleher. Vice Chair Nelson voted against. Commissioner Byrd abstained.

RESOLUTION NO.: 19-54

RE: Approval of the Acceptance of a Refinancing Loan from Sandy Spring Bank to Partially Repay a Draw on the PNC Bank, N.A. Real Estate Line of Credit ("RELOC") for the Acquisition of 9845 Lost Knife Road and Approval to Draw from the HOC Debt Reserve Fund to Repay the Balance of the RELOC Draw

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") recently acquired 9845 Lost Knife Road, Gaithersburg, Maryland 20866 (the "Property") for Three Million Five Hundred Thousand Dollars (\$3,500,000.00); and

WHEREAS, the Property is zoned CR 1.5 and is currently improved with a 7,952-square foot commercial building and related premises that is leased to Hope Grows Child Development Center, LLC, a Maryland limited liability company ("Day Care Center"); and

WHEREAS, the Day Care Center serves households within Cider Mill Apartments and the Property presents the Commission with a long-term development opportunity, which may add to Montgomery County's inventory of affordable housing; and

WHEREAS, the Commission drew \$3,581,907 from the \$90MM PNC Bank, N.A. Real Estate Line of Credit ("PNC RELOC") to fund the acquisition of the Property, costs related to the acquisition of the Property, and reimbursement of costs incurred by the Commission related to due diligence for the Property; and

WHEREAS, the Commission, at the time of the acquisition, agreed with the staff's intention to obtain permanent financing from a local community bank and to use the proceeds from such financing,

together with a draw from HOC Debt Service Reserve Fund, to refinance the acquisition draw from PNC RELOC; and

WHEREAS, staff solicited and received a loan term sheet from Sandy Spring Bank that will allow the property to obtain a permanent loan of up to \$2,000,000.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the staff to obtain permanent loan of up to \$2,000,000 from Sandy Spring Bank to partially repay the PNC RELOC draw used for the acquisition of the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the staff to draw up to \$1,800,000 from the HOC Debt Service Reserve Fund to repay the balance of the PNC RELOC draw used for the acquisition of the Property that remains after the partial repayment from the proceeds of permanent loan from Sandy Spring Bank.

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

6. Approval to Create a Pool of Contractors to Provide Moving, Packing, and Storage Services Pursuant to IFB #2152

Ellen Goff, Real Estate Operations Manager, was the presenter.

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

RESOLUTION NO.: 19-55

RE: Approval to Create a Pool of Contractors to Provide Moving, Packing and Storage Services Pursuant to IFB #2152

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) continues to review its entire real estate portfolio and anticipates that it will continue to undertake rehabilitation and redevelopment of a significant portion of the properties it owns or will acquire and this will require operational support as well as assistance with resident relocation; and

WHEREAS, tenant in-place renovations require providing residents with packing supplies and the moving of items to offsite storage, and the return of those items upon completion of renovations; and

WHEREAS, due to the extensive renovation required at some properties, tenant in-place renovation is not always feasible, requiring permanent or temporary tenant relocation; and

WHEREAS, packing assistance is provided on an as-needed-basis for elderly and disabled residents upon request; and

WHEREAS, there is or will be sufficient funding for resident relocation in each project's approved development budget; and

WHEREAS, resident relocation is also needed for the Resident Supportive Housing Program and Property Management, and there is sufficient funding in their operating budgets; and

WHEREAS, to ensure the availability of adequate moving services and to facilitate timely and cost-effective resident relocation, on March 8, 2019, the Commission issued an Invitation for Bid (IFB) #2152 to solicit bids from qualified moving and storage companies to form a pool of moving companies to provide moving, packing and storage services (the "Moving Pool") for resident relocation; and

WHEREAS, six companies submitted bids and selection for the pool was made based on established minimum qualification criteria, including experience with similar residential relocation, qualification of staff, and size and scope of all operations; and

WHEREAS, all companies who submitted bids met the minimum qualifications described above and the six moving and storage companies selected for the Moving Pool are: Allen & Sons Moving & Storage, Blake & Sons Moving & Storage, Johnson's Moving & Storage, Moving Unlimited, R & A Movers, and Walters Relocation; and

WHEREAS, each moving company will be selected as needed from the Moving Pool and will be held to their bid pricing for the services to be provided.

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

1. Authorizes the creation of a pool of moving companies to include Allen & Sons Moving & Storage, Blake & Sons Moving & Storage, Johnson's Moving & Storage, Moving Unlimited, R & A Movers, and Walters Relocation to provide moving, packing and storage services.
2. Authorizes and directs the Executive Director, without further action on its part, to execute six individual contracts for moving, packing and storage services, as described by IFB #2152, with Allen & Sons Moving & Storage, Blake & Sons Moving & Storage, Johnson's Moving & Storage, Moving Unlimited, R & A Movers, and Walters Relocation, for an aggregate amount of \$1,000,000.00, and an initial contract term of one year each with an option to extend for three additional one-year terms as permitted under HOC's procurement policy.

7. Approval of Affordability Mix and Site Design and Authorization to Submit Site Plan for Hillendale Gateway

Zachary Marks, Director of Development, and Kathryn Hollister, Senior Financial Analyst, were the presenters.

The following resolution was adopted, with revisions, upon a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, and Kelleher. Commissioner Byrd abstained.

RESOLUTION NO.: 19-56

**RE: Approval of Affordability Mix and Site Design and
Authorization to Submit Site and Subdivision Plan
for Hillandale Gateway**

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

WHEREAS, HOC is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC, the entity that will redevelop the Holly Hall site; and

WHEREAS, on July 11, 2014, HOC purchased a 43,671 square foot parcel of land located at the southwest corner of Powder Mill Road and New Hampshire Avenue (the “CONA Site”) from Capital One Bank, N.A.; and

WHEREAS, on July 8, 2015, the Commission authorized the creation of a joint venture between The Duffie Companies (“Duffie”) and HOC (together, the “Development Team”) to redevelop Holly Hall and the CONA Site (together, the “Redevelopment Properties”), where HOC contributed the Redevelopment Properties and Duffie contributed cash, both purchasing respective ownership interests (70% to HOC and 30% to Duffie) in the venture; and

WHEREAS, on January 3, 2017 and on August 14, 2017 the Development Team submitted Concept Plan and Sketch Plan applications, respectively, to the Montgomery County Planning Board (“Planning Board”) for the Redevelopment Properties; and

WHEREAS, on November 16, 2017, the Planning Board approved the Sketch Plan application for the Redevelopment Properties; and

WHEREAS, on February 14, 2019, the Commission sold its seventy percent (70%) interest in the CONA Site to Duffie, contingent on the CONA Site remaining a part of the combined development approval for the Redevelopment Properties; and

WHEREAS, the Commission desires that thirty percent (30%) of the Redevelopment Properties’ residential units be affordable (“Affordable Units”); specifically, that at least twenty-five percent (25%) of the Redevelopment Properties’ units are affordable to households earning sixty percent (60%) or less of the area median income for the Washington-Arlington-Alexandria Metropolitan Statistical Area (“AMI”) and the remainder of the Affordable Units are affordable to households earning eighty percent (80%) or less of AMI; and

WHEREAS, the Commission wishes to secure financing or pursue other strategies to offset the cost of restricting the remainder of the Affordable Units to households earning eighty percent (80%) or less of AMI, but in no event will dilute Duffie’s ownership interest in the venture; and

WHEREAS, the Commission desires to approve the site design (the “Site Design”) for the Redevelopment Properties, which is comprised of one age-restricted apartment building, one non-age-restricted apartment building, one parking garage, one free standing retail building with drive-through (together, “Phase One”), and one commercial building (“Phase Two”), totaling no more than 582,682

square feet of residential floor area and 71,936 square feet of commercial floor area (the maximum density allowed for the site); and

WHEREAS, Staff will return to the Commission in advance of commencing any development of Phase Two to obtain Commission's approval to 1) develop Phase Two as commercial, 2) develop Phase Two as residential (additional density and Site Plan amendment would be required), or 3) leave Phase Two undeveloped as open green space; and

WHEREAS, the Commission is aware of the Maryland Department of Transportation State Highway Administration's proposal to potentially widen Interstate-495, including portions adjacent to the Redevelopment Properties; and

WHEREAS, the Commission desires to authorize the Development Team to submit an application to the Planning Board for Site and Subdivision Plan approval for the Redevelopment Properties.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that it approves that thirty percent (30%) of the Redevelopment Properties' units are affordable; specifically, at least twenty five percent (25%) of the Redevelopment Properties' units are affordable to households earning 60% or less of AMI and the remainder of the Affordable Units are affordable to households earning eighty percent (80%) or less of AMI.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that it approves securing financing or pursuing other strategies to offset the cost of restricting the remainder of the Affordable Units to households earning eighty percent (80%) or less of AMI, but in no event will dilute Duffie's ownership interest in the venture.

BE IT FURTHER RESOLVED, by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that it approves the Site Design for the Redevelopment Properties and authorizes the Development Team to submit an application to the Planning Board for Site and Subdivision Plan approval for the Redevelopment Properties.

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

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

1. **None**

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 5:26 p.m. and reconvened in closed session at approximately 5:37 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County's closed session held on May 8, 2019 at approximately 5:37 p.m. at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section(s) 3-305(b)(3) to consider the acquisition of real property for a public purpose and matters directly related thereto.

The meeting was closed on a motion by Vice Chair Nelson, seconded by Commissioner Croom, with Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher unanimously voting in approval. The following persons were present during the closed session: Jackie Simon, Richard Y. Nelson, Jr., Roy Priest, Linda Croom, Pamela Byrd, Frances Kelleher, Aisha Memon, Eamon Lorincz, Kayrine Brown, Christina Autin, Kathryn Hollister, Zachary Marks, Marcus Ervin, Cornelia Kent, Charnita Jackson, and Patrice Birdsong.

In closed session, the Commission discussed the acquisition of real property. The Commission approved entering into a non-binding letter of intent to further explore the potential acquisition. No resolution was passed.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: June 5, 2019