



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

EXPANDED AGENDA

YouTube Link: <https://youtube.com/live/B3-mCBimZOO?feature=share>

February 7, 2024

The public is invited to attend HOC’s February 7, 2024 Monthly Commission meeting in-person. HOC’s Board of Commissioners and staff will continue to participate through a hybrid model (a combination of in-person online participation).

		Resolution #
4:00 p.m. pg.5	I. <u>INFORMATION EXCHANGE</u> A. Community Forum B. Report of the Resident Advisory Board C. Report of the President D. Housing Production Fund Update E. Commissioner Exchange	
pg.16 pg.21	II. <u>APPROVAL OF MINUTES</u> A. Approval of Minutes of January 10, 2024 B. Approval of Minutes of January 10, 2024 Closed Session	
	III. <u>COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION</u>	
	A. Budget, Finance and Audit Committee- Com. Priest, Chair	
pg.25	1. Procurement of Property Management Services: Approval to Select Bozzuto as Property Management Agent for Hillandale Gateway	24-09 (pg.29)
	B. Development & Finance Committee, Com. Merkowitz, Chair	
pg.32	1. Hillandale Gateway: Approval of Additional Funding for Legal Services Provided by Gallagher, Evelius and Jones LLP for Hillandale Gateway	24-10 (pg.35)

pg.37	2. Hillandale Gateway: Approval for HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to Enter into Ground Leases Directly with Hillandale Pad II, LLC	24-11 (pg.41)
pg.43	3. Hillandale Gateway: Approval of Bond Authorizing Resolutions for the Issuance of Tax-Exempt Indebtedness to Finance Hillandale Gateway	24-12a (pg.48) 24-12b (pg.50) 24-12c (pg.58)
pg.64	4. Scattered Sites: Authorization to Enter into a Letter of Intent for the Disposition of up to Ten Units in Montgomery Village to Habitat for Humanity Metro Maryland	24-13 (pg.73)
pg.75	5. Scattered Sites: Approval to Select and Execute a Contract with Innovative Technology, Design & Construction as General Contractor for Scattered Site Properties Pursuant to Invitation for Bid #2435	24-14 (pg.83)
	<u>IV. ITEMS REQUIRING DELIBERATION AND/OR ACTION</u>	
pg.86	1. Non Profit Preservation Fund: Approval to Enter into a Memorandum of Understanding with Montgomery County Department of Housing and Community Affairs to Provide Underwriting and Administration Services for the Non-Profit Preservation Fund	24-15 (pg.91)
	RECESS	
	<u>DEVELOPMENT CORPORATIONS</u>	
pg.96	<u>RAD 6 Development Corporation</u> <ul style="list-style-type: none"> Sandy Spring Meadows: Authorization to Execute a Utility Easement at Sandy Spring Meadow and Receive an Emergency Egress and Pedestrian Easement to Bentley Road 	24-002 ^{RAD6} (pg.101)
	<u>ADJOURN</u>	
pg.105	<u>Scattered Site One Development Corporation</u> <ul style="list-style-type: none"> Approval to Select and Execute a Contract with Innovative Technology, Design & Construction as General Contractor for Scattered Site Properties Pursuant to Invitation for Bid #2435 	24-001 ^{SS1} (pg.108)
	<u>ADJOURN</u>	
pg.112	<u>TPM Development Corporation</u> <ul style="list-style-type: none"> Approval to Select and Execute a Contract with Innovative Technology, Design & Construction as General Contractor for Scattered Site Properties Pursuant to Invitation for Bid #2435 	24-001 ^{TPM} (pg.115)

	<u>ADJOURN</u>	
	<u>RECONVENE HOC MONTHLY MEETING</u>	
	<u>IV. ITEMS REQUIRING DELIBERATION AND/OR ACTION- CONTINUED</u>	
	<p>2. Election of Officers</p> <ul style="list-style-type: none"> • Chair • Vice Chair • Chair Pro Tem 	
6:00 p.m.	<u>ADJOURN</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) 627-9421 or email Jocelyn.Koon@hocmc.org.

Information Exchange



HOC AT-A-GLANCE: January 2024

During the month of January, HOC continued to engage in its core activities providing support and enrichment programming to our clients, fulfilling our HUD required obligations and enhancing our clients' experience.

Quite significantly, this month we recognized the invaluable, selfless contributions of dozens of HOC colleagues who worked tirelessly during our week-long response to the Westwood Tower Apartments incident. Their efforts to relocate hundreds of residents, perform repair work and then assist residents in re-occupying the building reflect the core values that define HOC: people first, with dignity and respect for our customers; being innovative and entrepreneurial; equity in everything we do, and; the power of partnerships. As I said to our staff at the breakfast appreciation event, "You showed up for the residents, you showed up for yourselves (because that's just who you are) and you showed up for each other. I couldn't be more proud."

In addition, we also spotlight HOC in the news, most notably a feature in Citybiz highlighting HOC's 2023 accomplishments, and a podcast focused on our Housing Production Fund which aired on the "I Hate Politics" podcast.

We also highlight developments with the Resident Services, Housing Resources, Maintenance and Mortgage Finance divisions.

HOC IN THE NEWS

Citybiz Covers HOC 2023 Accomplishments

The widely-read online outlet citybiz.com included an extensive recap of HOC's 2023 accomplishments in its Jan. 12 Baltimore/Washington, D.C. edition, providing valuable earned media exposure for HOC among business and thought leaders throughout the region.

Can Government Alone Create Affordable Housing?

Senior Vice President of Real Estate Zachary Marks again well-represented HOC during a lively discussion Jan. 19 with Sunil Dasgupta, a political scientist with the University of Maryland Baltimore Campus and host of the "I Hate Politics" podcast. Their conversation centered around how HOC and the Housing Production Fund (HPF) are addressing the affordable housing crisis in Montgomery County and how public housing agencies across the country are seeking to replicate the HPF model.



RESIDENT SERVICES UPDATE

Service Coordination and Programming

The Service Coordination and Programming Units provide assessment, counseling, information, referrals and program services to HOC customers. During the month of January 2024, staff continued to provide services virtually and in-person. Resident Counselors continued to engage with HOC customers to determine their needs. Customers were referred to our partners to receive food and other assistance. Resident Counselors continued to perform wellness checks with customers to ensure their safety and assess their needs. Customers with delinquent rent were referred/connected to the COVID Rental Assistance Program, the Emergency Rental Assistance Program, and the Housing Stabilization Program.

HOC's customers also continued to receive referrals to unemployment assistance, Temporary Cash Assistance, Supplemental Nutrition Assistance Program, Maryland Energy Assistance Program, and other benefit programs. The Housing Stabilization staff continued to process applications for rental assistance. Resident Counselors have also attended the Housing Resources Division's virtual briefings for new voucher recipients to provide information on the services that Resident Services offers. Additionally, the Resource Services team continues to assist persons with disabilities to meet their service needs.

Highlights for January activities of Resident Counselors include the following:

1. Resident Well Being

Activities for Youth

After-School/Out-of-School Programs:

- **Safe Zones program at Cider Mill:** The Montgomery County Department of Health and Human Services' Street Outreach Network (SON) continued to facilitate the Safe Zones program at Cider Mill in January. This month SON worked with 30 young people. SON staff reported that three youth obtained employment and that mentorship continues throughout the sessions. On Fridays, SON ran the "Friday Girl Program," which is designed to assist girls facing behavioral challenges in school and the community. On Saturdays, SON hosts the "Boys and Girls Program," providing a safe space for youth involved in gangs.
- **Stewartown's Tutoring/Life Skills:** Every Tuesday the youth and teens at Stewartown participate in the tutoring and life skills after school program. Snacks and/or light meals are served and volunteers from Gaithersburg Church of the Nazarene provide the tutoring and enrichment opportunities.
- **Tanglewood Apartments Piano Pals:** Piano Pals is facilitated by the Tacy Foundation volunteers on Saturday mornings and offered free piano lessons to elementary-aged youth on **Jan. 13 and 27**.



Activities for Youth and Families

- **Recreation:** In addition to the activities specifically designed for youth that do not require parental participation, Resident Counselors provided social and recreational activities for youth and families, including:
 - **Meet & Greets:** HOC's Resident Counselor hosted a Meet & Greet at Strathmore Court on **Jan. 26**, providing information on Resident Services Division programs and services.
 - **Chromebook Computer Distributions:** HOC staff, with sponsorship by the Montgomery County Office of Broadband Programs, held computer distribution events at Magruder's Discovery on **Jan. 12 and 29** and at Seneca Ridge on **Jan. 22**.

Activities for Seniors

- **Waverly Chocolate Bingo:** Waverly House residents enjoyed bingo with chocolate as prizes at a **Jan. 17** event.
- **Forest Oak Towers Community Engagement Bingo:** Bingo also brought together Forest Oak Towers residents on **Jan. 18**, as they enjoyed the multicultural event and competed for prizes.
- **Residences on The Lane & Forest Oak Towers Arts for the Aging:** "Under the Same Winter Sky" was hosted at Residences on The Lane on **Jan. 22** and at Forest Oak Towers on **Jan. 23**. Residents experienced a variety of winter and holiday songs from many different cultures and traditions. World-class tenor Peter Joshua Burroughs, in collaboration with concert pianist and maestro Carlos César Rodríguez, engaged participants with the magic of operatic theater and song through an improvisational workshop.
- **Forest Oak Towers Welcome Back Meet & Greet:** Residents participated in the annual meet and greet with new residents on **Jan. 26**. The gathering provided a forum for attendees to express their desires for the programming and community engagement activities they would like to see in their community.
- **Arcola Towers Grow w/ Google:** This **Jan. 27** event was an informative workshop for residents to learn how to protect themselves from online scams.

Health and Wellness Activities

- Resident Services hosted "Meet the Nurses" events at Willow Manor at Fair Hill Farm on **Jan. 29** and Residences on The Lane on **Jan. 31**.

2. Relocation and Re-Certification Assistance

- Resident Counselors assisted customers on an ongoing basis with relocations and other needs for RAD and renovation projects at Residences on the Lane, Stewartown Homes, Shady Grove Apartments, Willow Manor Apartments, Bauer Park, Town Center Olney, Sandy Spring, Willow Manor and Georgian Court.
- HOC also provided continuing outreach and assistance to customers who have failed to submit all required documents for re-certification by the required deadline.



3. Rental Assistance

- Our Resident Counselors provided face-to-face and electronic outreach and assistance to customers with applications for rental assistance programs.
- The Housing Stabilization staff continued to process applications under the Emergency Assistance Program. Residents have received assistance for security deposits, rent, utilities, moving and storage. In addition, staff are processing cases identified as urgent. Twenty (20) residents received assistance from the Services to End & Prevent Homelessness, 34 residents completed intakes, 20 were approved for assistance and 14 cases are pending.

4. Food Assistance

- The Resident Services Division provided food resources and other support with the help of Manna Food Center, Emmanuel Brinklow Seventh Day Adventist Church, Capital Area Food Bank's Senior Brown Bag, Nourish Bethesda, and My Groceries To Go Programs. The Resident Services staff also continues to facilitate the Senior Nutrition Program, which provides meals and nutrition education for seniors to socialize in a congregate setting. Below are highlights of programming activities for January 2024:
 - Forest Oak Towers-Manna January Distribution (This service includes a monthly food distribution where residents receive food boxes to address food insecurity. A monthly referral is submitted to Manna by the Resident Counselor)
 - Tanglewood Manna distribution on **Jan. 5.**
 - Stewartown Homes & Scattered Sites door-to-door food delivery on **Jan. 7.**
 - Forest Oak Towers Emmanuel Brinklow Food distribution on **Jan. 7 and 21.**
 - Arcola Capital Area Food Bank My Groceries on the Go distributed bags of groceries to residents on **Jan. 11.**
 - Residences on the Lane-Manna distribution on **Jan. 12.**
 - Residences on the Lane Senior Brown Bag on **Jan. 18.**
 - Forest Oak Towers Senior Connection on **Jan. 21** (Residents who are not able to participate in Manna are referred to the Senior Connection program for food assistance on a monthly basis. Thirty four [34] residents received food assistance).

HOC Academy

The HOC Academy is an Agency initiative developed by HOC to help its customers reach their fullest potential by providing educational, enrichment, job training and job placement opportunities to youth and adults. The program specifically focuses on education and enrichment for youth education and workforce development for adults. Listed below are highlights for the month of January 2024.



Youth Education/Enrichment

1. Elementary Initiatives

- **Youth Enrichment Series (YES) After School Clubs:** YES clubs were active throughout January offering a range of activities including a robotics session hosted by Mad Science at Tanglewood Apartments, as well as Carpe Diem Arts hosted events such as Health & Wellness Club at TCP-Olney, Cultural Arts at Georgian Court, and Life Skills Club at Washington Square.

2. Middle/High School Initiatives

- HOCA enrolled a new STEAM Forward member who also registered for two Montgomery County Youth Summer 2024 courses, which HOCA will sponsor with a STEAM Forward scholarship.

Adult Education and Workforce Development (AEWD)

Small Business Strategy Course (SBSC) alumni continue to report their progress and new business ventures as they are achieved. Below are the SBSC alumni updates, Tuition Assistance Program recipient highlights/milestones, and other programmatic highlights:

- Thirteen SBSC alumni began the legalization process for their businesses in January.
- AEWD referred 55 customers to participate in the Montgomery College TechMap Foundation's two-day boot camp which provided introductory lessons and skills building in high demand IT fields. They also learn about various career pathways, including positions, certifications, salaries, and training required to advance in the IT field. After completing the course, participants worked with a Career Navigator to assist them in selecting and enrolling in their preferred career pathway. Sponsored by Montgomery College and Partners, HOC participates via the U.S. Department of Labor Employment and Training Administration's Strengthening Community Colleges Training Grant Program.
- AEWD is sponsoring Cohort #2 of the Microsoft 365 Training Series to include an introduction to Microsoft 365, six hours of Word and PowerPoint fundamentals, 12 hours of Excel 1 training and an introduction to Google Suite. The course began **Feb. 1**.

Other Updates/Upcoming Events

HOC Academy Youth Enrichment is sponsoring a field trip on **March 6** to the Aerospace Aviation Summit at Joint Base Andrews, Maryland. The summit, hosted by the Patriots and Northrop Grumman, will include competitions in air traffic control, drone, flight simulation, and ship building, as well as workshops on a range of topics (i.e., aviation medical, aircraft maintenance, engineering, etc.).

- HOC Academy Youth Enrichment, in partnership with facilitators at Escape Velocity Academy, will be hosting another drone special event on **March 23** for families with middle and high school students.
- In collaboration with HOC contractors, the Academy will host several information sessions this program year for Section 3/HOC Works employment opportunities.



Financial Literacy

The Financial Literacy Coach continued to work with HOC's customers and individuals on the Housing Path Wait List on creating a financial foundation. During January, the Financial Literacy Coach provided one-on-one financial literacy coaching to 21 HOC customers and seven individuals from the Housing Path Wait List.

The coaching sessions covered topics such as creating a working budget, identifying disposable income, reading one's credit report and creating and accomplishing monthly financial goals. During January, the Financial Literacy Coach also facilitated six financial literacy workshops.

Supportive Housing

The Supportive Housing Program provides housing assistance and case management services to participants with disabilities who are formerly homeless. The program services some of the most vulnerable residents of the county. In January, the program served 347 participants. Throughout the month program staff continued to conduct home visits with program participants, provide case management services, and pay rent and utilities. Additionally, program staff also continued to help Emergency Voucher recipients secure housing by providing housing location services, as well as financial assistance for application fees, security deposits, moving expenses and household items.

Program staff also continued to implement the Rent Supplement Program (RSP), which provides a shallow rental subsidy (up to \$600 monthly) to county residents who struggle to pay their full rent with their current income. The program serves a large number of seniors on fixed incomes. Program turnover has created a challenge in achieving full program utilization, however, participation in January 2024 stood at 275, only 25 shy of the target of 300 for the program. Staff will continue to monitor program expenditures to determine if additional participants can be served.

Fatherhood Initiative Program

The Fatherhood Initiative is a national program funded by the U.S. Department of Health and Human Services. HOC is the first and only housing agency to be awarded a grant under the Fatherhood Initiative. HOC completed its first five-year grant as a "best practice" model. HOC was awarded an additional grant and is currently in year four of the new grant period. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives.

Cohort 28 Graduation

The Fatherhood Initiative Program completed its graduation of Cohort 28 on **Jan. 26**. Most graduates attended the virtual event featuring an alumnus of program Cohort 24 as the guest speaker. The speaker recounted their journey prior to the program, what they received from the program and allowed time for Q&A.



Fatherhood TIES

The Fatherhood Initiative Program (FIP) continues to solidify its involvement with the Testing Identified Elements for Success in Fatherhood Programs Study. FIP participated in the Fatherhood TIES kickoff meeting on **Jan. 18**. The meeting provided an in-depth explanation of the study and identified key program elements for the participants. Implementation of the study is scheduled to begin in March 2024.

Mid-Point Check-In

A Mid-Point Check-In luncheon was held **Jan. 10** to assess the progress and engagement of fathers who are participating in the program. The event served as a casual and supportive setting for fathers to gather, share experiences, and discuss their journey towards becoming more involved and responsible fathers.

HOUSING RESOURCES UPDATE

Housing Choice Voucher (HCV) Program

Monthly, HOC selects applicants from the Housing Path Wait List to achieve a 95% program utilization rate. The utilization rate has increased to 98%. Currently, 96 families with issued vouchers are searching for suitable units to rent and 183 contracts are pending execution. We did not select any families from the HCV waitlist last month.

During January the Housing Resources Division received seven requests for a voucher extension beyond the initial 90-day period. The requests included a search record reflecting the efforts made to secure housing during the voucher term and the landlords who were contacted. One extension request warranted a referral to the Human Rights Commission the Commission on Civil Rights for possible discrimination.

RENTCafé Used to Support Online Annual Recertifications

HOC continues to accept annual recertifications electronically via *RENTCafé*, as well as through additional paper submissions. Overall, 372 out of 600 customers with certifications that were effective Jan. 1, 2024, submitted their paperwork electronically. We will continue to accept mailed submissions from customers who do not have email or who prefer to submit information by mail. We anticipate that more families will utilize the online portal as they become more comfortable with the technology.

Fifty-two (52) customers were recommended for program termination effective Jan. 1, 2024. The Resident Services Division worked in collaboration with the Housing Resources Division to assess client needs and to determine why recertifications were not being completed.

The Resident Services Counselors conducted outreach to every customer in the termination window to ascertain why the annual requirement was not completed and to provide assistance. They were able to



assist 26 families with the recertification requirement and overturn the termination. Termination proceedings will continue for 26 families for the following reasons:

- 22 – Failed to respond to counselor outreach
- 1 – Deceased
- 1 – Skip/Vacated without notice
- 2 – Voluntary withdrawals

The Housing Resources Division will continue to work collaboratively with the Resident Services Division to assist those customers facing termination.

Emergency Housing Vouchers (EHVs)

HOC has an allocation of 118 Emergency Housing Vouchers. Our cumulative total is 109, as nine EHV families have leased units and exited the program. We can only lease to our cumulative total subsequent to the program sunset date of September 30, 2023. Currently 104 families have successfully leased units. Five families with issued vouchers are searching for suitable units to rent. Staff currently has no certification packets for review to determine program eligibility. HOC requested no additional referrals from HHS for the EHV Program.

Family Self Sufficiency (FSS) Update

FSS staff continued its recruitment efforts and grew the program size to 368 participants. Three (3) families graduated from the FSS program in January. The average income increase for program graduates was \$23,500. The graduates maintained employment with Montgomery County Public Schools and in the Au Pair Services and Barbering industries.

Staff conducted an engaging vision board workshop with FSS program participants. Most completed it within two hours. Upon request, each person was provided with additional clip art and supplies to amend the existing vision board or create another. At the completion of the vision board session participants completed a survey to solicit feedback. That data is still being collected and will be used to aid the FSS team in identifying the types of activities that customers enjoy and benefit from.

Staff currently is working on the next workshop for the FSS customers, Income Tax Preparation. We are partnering with The Volunteer Income Tax Assistance (VITA) program to conduct the workshop in February. VITA offers free tax help to people who generally make \$60,000 or less, persons with disabilities, the elderly, and limited English speaking taxpayers who need assistance in preparing their returns. IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals.

FSS participants remain committed to the alliances formed with the FSS Case Managers and they continue to work with customers on their long- and short-term self-sufficiency goals. During monthly remote meetings, Case Managers offer integrated strategies for self-care, personal goal fulfillment and emotional support. Community partnerships continue to be a capstone of the program. In conjunction



with person-centered planning efforts, Case Managers solicit feedback from customers to determine the effectiveness of previously provided resources. Maintaining continuous feedback ensures that referrals to external partners continue to meet individual goals and exceed expectations.

MAINTENANCE UPDATE

Preventive Maintenance

HOC's Maintenance Division will be rolling out a new Preventive Maintenance Program. This will be a bi-annual Preventive Maintenance and Unit Inspection program that will focus on scattered sites and HOC-managed properties. The goal of this preventive maintenance program is to establish consistent practices designed to improve the performance and increase the lifespan and safety of the equipment at each property.

The Maintenance Division as of February 2024 also will begin 100% utilization of YARDI Maintenance Mobile for all service requests.

- This program will allow all maintenance technicians to create and complete work orders in real time. This will increase residents' satisfaction and reduce the time needed to complete service requests.
- YARDI Maintenance Mobile also will enable HOC to create custom Preventive Maintenance inspections for each unique asset. Each inspection will produce a detailed report, create work orders and allow for inspection tracking. These inspections will also aid in identifying future budget costs.
- These initiatives are intended to increase resident satisfaction and retention. They will also assist in equipment maintenance, help ensure that equipment is operating efficiently, increase resident and employee safety and cut down on large and costly future repairs.

MORTGAGE FINANCE UPDATE

Single Family Mortgage Purchase Program (MPP)

The Single Family Mortgage Program (MPP) continues to have a positive impact on our first-time homebuyers. Our financing options with competitive interest rates and the secondary Montgomery County Home Ownership Assistance Fund (McHAF) Closing Cost Assistance program are attracting loan officers to use HOC's MPP program as a financing alternative.

Report of the President

Chelsea J. Andrews



We received the following words of appreciation following two of our recent settlements:

“He is a young person and buying his first home really meant a lot to him! He is extremely grateful to all of you! Thank you for making it happen!!” – Prime Lending Mortgage

“Just wanted you all to know how much this new homeowner appreciated your partnership in her successful closing on her new home.” – Embrace Home Loans

The Commission’s mortgage backed security servicer and its whole loan third-party subservicer continue to communicate various relief and loss mitigation options to borrowers, who may still be experiencing hardship as a result of the COVID-19 pandemic. There are some borrowers coming out of the COVID, however, who have not fulfilled their payment obligations. The majority have resumed their mortgage payments, though some still struggle to return to normal.

On the servicing side of our Single Family Program, a foreclosure was averted by a borrower who came up with all funds an hour before the foreclosure auction to cure the delinquency. Contrary to the mortgage banking industry where auction dates are set and not subject to change, the single family staff are in constant contact with our servicer, which allowed this borrower the last minute option of not losing their home to come up with the funds to avoid a foreclosure. The authorization and engagement by the Single Family Program when possible, are a relief to our borrowers, do not add to the foreclosure statistics, and avoid deleterious effects on the household and families.

REAL ESTATE DEVELOPMENT UPDATE

January saw HOC’s Real Estate Development division achieve three significant accomplishments:

- Application for the Site Plan Amendment for Building B at Westside Shady Grove was accepted on **Jan. 24**.
- The Georgian Court Apartments complex achieved full construction completion.
- Shady Grove Apartments has reached substantial completion with only minor service work left to attain full completion. Shady Grove has already fully leased back up to stabilization.

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

January 10, 2024

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform (with some participating in-person and some participating online/via teleconference) on Wednesday, January 10, 2024 with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:07 p.m. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Jeffrey Merkowitz, Chair Pro Tem
Pamela Byrd, Commissioner
Linda Croom, Commissioner
Robin Salomon, Commissioner

Also Attending

Chelsea Andrews, President/Executive Director	Aisha Memon, Senior VP, Legal Affairs/ General Counsel
Kayrine Brown, Senior Executive Vice President	Paige Gentry, Deputy General Counsel
DaVida Rowley-Blackman	Tim Goetzinger
Richard Congo	John Brouillre
Lynn Hayes	Zachary Marks
Tia Bloung	Ken Silverman
Meta Lim	Alex Laurens
Rita Harris	Sean Asberry
Bonnie Hodge	

Also attending via Zoom

Darcel Cox	Jocelyn Koon
Kai Hsieh	Monte Stanford

IT Support

Irma Rodriguez
Aries "AJ" Cruz

Commission Support

Morgan Tucker, Assistant
Contessa Webster, Assistant

Chair Priest opened the meeting with the introduction of the Commission and Chelsea Andrews, President/ Executive Director.

I. Information Exchange

Community Forum

- There were no speakers to address the Board.

Status Report from the Resident Advisory Board

- President, Irma Washington provided a status report to the Commission and HOC Staff.

Report of the President/Executive Director

- Chelsea Andrews, President/Executive Director, provided a presentation of the written report.
- Ms. Andrews also shared updates regarding the Westwood Towers Emergency Response incident and thanked the entire HOC team who provided support to the residents who were affected.
- Ms. Andrews also shared updates regarding HOC activities and spotlights for the month of December which included HOC's media recognition highlights.

Commissioner Exchange

- Commissioner Croom provided an update on the RAB meeting and inquired if previous Commissioners Richard Y. Nelson and Jackie Simon were able to participate in an upcoming meeting with the RAB Board. President Andrews mentioned she will work with the RAB Liaison to coordinate.
- Chair Priest acknowledged the passing of a good friend, colleague and developer Joe Hornet passed away. Chair Priest highlighted that Mr. Hornet was very involved in housing development for over 60 years in the Washington, DC area. Mr. Hornet was a great leader as well as a great philanthropist

- II. Approval of Minutes** – The minutes were approved as submitted with a motion by Commissioner Croom and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Merkowicz, Kelleher, Byrd, Croom, and Salomon.

A. Approval of Minutes of December 11, 2023 - Special Session

B. Approval of Minutes of December 13, 2023

III. Committee Reports and Recommendation for Action

A. Budget, Finance and Audit Committee- Com. Priest, Chair

- 1. Fiscal Year 2024 (FY'24) First Quarter Budget to Actual Statements: Acceptance of First Quarter FY'24 Budget to Actual Statements**

Commissioner Priest provided an overview of the item and introduced President Andrews who introduced Tim Goetzinger, Chief Financial Officer, and Terri Fowler, Budget Officer. Staff requested that the Commission formally accept the First Quarter FY'24 Budget to Actual Statements. A motion was made by Commissioner Kelleher to adopt Resolution 24-01. Commissioner Merkowicz seconded the motion. Affirmative votes were cast by Commissioner Priest, Byrd, Croom, Kelleher, Merkowicz, and Salomon.

- 2. Fiscal Year 2024 (FY'24) First Quarter Budget Amendment: Approval of the First Quarter Budget Amendment**

Commissioner Priest provided an overview of the item and introduced President Andrews who introduced Tim Goetzinger, Chief Financial Officer, and Terri Fowler, Budget Officer. Ms. Fowler provided the presentation and opened the floor to questions from the Commission. Staff recommended that the Commission approve the proposed FY'24 First Quarter Budget Amendment. A motion was made by Commissioner Kelleher to adopt Resolution 24-02. Commissioner Merkowitz seconded the motion. Affirmative votes were cast by Commissioner Priest, Merkowitz, Croom, Byrd, Salomon, and Kelleher.

3. Uncollectible Tenant Accounts Receivable: Authorization to Request to Write-Off Uncollectible Tenant Accounts Receivable (July 1, 2023- September 30, 2023)

Commissioner Priest provided an overview of the item and introduced President Andrews who introduced Tim Goetzinger, Chief Financial Officer, and Terri Fowler, Budget Officer. Ms. Fowler provided the presentation and opened the floor to questions from the Commission. Staff requested that the Commission authorize the write-off of uncollectible tenant accounts receivable of \$132,684 for the period covering July 1, 2023 to September 30, 2023. A motion was made by Commissioner Merkowitz to adopt Resolution 23-03. Commissioner Kelleher seconded the motion. Affirmative votes were cast by Commissioner Priest, Merkowitz, Croom, Byrd, Salomon, and Kelleher.

4. Renewal of Primary Auditor Contract: Approval to Renew the Primary Audit Contract with CliftonLarsonAllen LLP for One Additional Year

Commissioner Priest provided an overview of the item and introduced President Andrews who introduced Tim Goetzinger, Chief Financial Officer, and Eugenia Pascual, Controller. Staff recommended that the Commission extend the primary audit contract with CliftonLarsonAllen LLP for a one-year term. A motion was made by Commissioner Merkowitz to adopt Resolution 23-04. Commissioner Kelleher seconded the motion. Affirmative votes were cast by Commissioner Priest, Merkowitz, Croom, Byrd, Salomon, and Kelleher.

5. Extension of Property Management Contracts: Approval to Extend Property Management Agreements Expiring in First Quarter Calendar Year 2024 (The Barclay, Fairfax Court, Fenton, Silver Spring, Pooks Hill Court, Residences on the Lane, Camp Hill Square, Shady Grove Apartments, Dale Drive, Manchester Manor, Southbridge, Tanglewood & Sligo, Spring Garden Apartments, The Willows, and Timberlawn Crescent)

Commissioner Priest provided an overview of the item and introduced President Andrews who introduced Ali Ozair, Vice President of Property Management, to provide the presentation. Staff recommended that the Commission authorize the President/Executive Director to execute extension of the property management services contracts with the respective management companies. A motion was made by Commissioner Byrd to adopt Resolution 23-05. Commissioner Croom seconded the motion. Affirmative votes were cast by Commissioner Priest, Merkowitz, Croom, Byrd, Salomon, and Kelleher.

6. Audit Presentation Protocol

Commissioner Kelleher provided a detailed presentation on the Audit Presentation Protocol to formalize the best practice of the auditors providing a presentation of their findings to the Commission. After deliberation amongst the Commission, Chair Priest highlighted that he did not believe a resolution was needed to address an internal administrative matter. Chair Priest voted nay to the resolution. Commissioner Merkowitz also agreed that the audit protocol was an administrative protocol and it should be addressed internally. A motion was made by Commissioner Kelleher to adopt resolution 24-06. The motion died due to failure to second.

1. Westside Shady Grove Building B: Approval of a Preliminary Development Plan; Authorization for the President/Executive Director to Execute a Predevelopment Agreement; Approval of the Formation of Ownership Entities and the Assignment of Contracts from EYA to HOC; Approval of the Predevelopment Budget and Initial Funding; Approval of the Funding Source

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Zachary Marks, Senior Vice President of Real Estate, and Alex Laurens, Housing Acquisitions Manager, who provided the presentation. Staff recommended that the Commission:

1. Approve a Preliminary Development Plan that allows for further exploration of the proposed development opportunity, including design and entitlement, and financing of the vertical construction;
2. Approve the predevelopment budget of \$6,406,454 of which an estimated \$292,956 will reimburse EYA for predevelopment expenditures prior to execution of the Predevelopment Agreement and the remaining \$6,113,498 to fund expenditures up to the closing of the construction loan.
3. Approve funding of the predevelopment expenditures as a loan by drawing on the PNC Bank, N.A. RELOC at rate and terms based on the existing terms of the facility.
4. Authorize the President/Executive Director to execute all related documents in forming a development venture with EYA for the design, permitting, construction, and lease-up of the multifamily building, and the assignment of contracts from EYA to HOC.
5. Authorize the President/Executive Director to execute a Predevelopment Services Agreement with EYA or an EYA affiliate for the development known as Building B pursuant to the LOI approved by Commission on September 13, 2023.

A motion was made by Commissioner Merkowitz to adopt resolution 24-07a and 24-07b. Commissioner Byrd seconded. Affirmative votes were cast by Commissioner Priest, Merkowitz, Croom, Byrd, Salomon, and Kelleher.

2. Westside Shady Grove Building B: Authorization for the Developer to Submit for Site Plan Approval

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Alex Laurens, Housing Acquisitions Manager, and Zachary Marks, Senior Vice President of Real Estate, who provided the presentation. Staff recommended that the Commission authorize the Developer, at HOC's direction, to submit to M-NCPPC, a site plan amendment for Westside shady Grove Building B.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Commissioner Kelleher seconded the motion, with Commissioners Priest, Kelleher, Merkowitz, Salomon, Byrd and Croom voting in approval.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 6:05 p.m., and reconvened in closed session at 6:17 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 January 10, 2024 at approximately 6:17 p.m. in-person at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(7), 3-305(b)(8), 3-305(b)(9),

305(b)(13) to discuss the status of ongoing negotiations with the union (pursuant to Section 3-305(b)(9)), and potential litigation impacting the agency (pursuant to Sections 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13)).

The meeting was closed and the closing statement dated January 10, 2024 was adopted on a motion made by Chair Priest, seconded by Commissioner Kelleher, with Commissioners Priest, Kelleher, Merkowitz, Salomon, and Croom voting in favor of the motion. The following persons were present: Roy Priest, Frances Kelleher, Jeffery Merkowitz, Robin Salomon, Linda Croom, Aisha Memon, Chelsea Andrews, Kayrine Brown, Zachary Marks, Timothy Goetzinger, Terri Fowler Patrick Mattingly, Elaine Cole, Craig Ballew and Morgan Tucker.

In closed session, the Commission discussed the below topics and took the following actions:

1. **Topic:** The status of ongoing negotiations with the union (pursuant to Section 3-305(b)(9)).
 - a. **Action Taken:** The Commission received an update about the negotiations. No formal action taken.

2. **Topic:** Potential litigation impacting the agency (pursuant to Sections 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13)).
 - a. **Action Taken:** The Commission received an update about the potential litigation. No formal action taken.

The closed session adjourned at 6:54pm

Respectfully submitted,

Chelsea Andrews,
Secretary-Treasurer

/jlk

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Closed Session Minutes

January 10, 2024

A closed session of the Housing Opportunities Commission of Montgomery County was conducted in person on Wednesday, January 10, 2024 beginning at 6:17 p.m. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Jeffrey Merkowitz, Chair Pro Tem
Pamela Byrd
Linda Croom
Robin Salomon

Also Present

Chelsea Andrews, President/Executive Director
Kayrine Brown, Senior Vice President
Aisha Memon, Senior Vice President, Legal Affairs
Craig Ballew, Legal Counsel
Tim Goetzinger, Chief Financial Officer
Terri Fowler
Elaine Cole
Patrick Mattingly
Morgan Tucker

Pursuant to Section 3-305(b) of the General Provisions Article of the Annotated Code of the State of Maryland, the closed session was called to order pursuant to Sections 3-307(b)(7) to consult with counsel to obtain legal advice; 3-305(b)(8) to consult with staff, consultants, or other individuals about pending or potential litigation; 3-305(b)(13) to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; and 3-305(b)(9) to conduct collective bargaining negotiations or consider matters that relate to the negotiations.

President, Chelsea Andrews, opened the meeting with an overview of HOC's labor union matters. Chair Priest inquired about the cost of living adjustments. Terri Fowler, Budget Officer, provided a detailed explanation. Commissioner Merkowitz inquired about HOC's 2023 cost of living adjustment numbers as provided in the presentation. President Andrews deferred to Craig Ballew, legal counsel, who provided a detailed explanation of the mediation process. Craig Ballew explained what the mediation process entailed, and provided anecdotal context about past mediations he has participated in, and their outcomes. He advised on the strength of HOC 's negotiation priorities and potential concerns. He explained that in mediation every item in the bundle of considerations should be carefully chosen as one item in the bundle could impact the mediation outcome for the entire bundle and the possibility of a trial.

President Andrews, Commissioner Merkowitz, and Commissioner Kelleher had brief discussion about live-on maintenance staff.

No formal action was taken by the Commission (no vote occurred). Once the presentation was complete and Commissioners had no further questions, Chelsea Andrews ended the presentation.

There being no further business to come before this Closed Session of the Commission, the meeting adjourned at 6:54 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

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Committee Reports and Recommendations for Action

Budget, Finance & Audit Committee

**PROCUREMENT OF PROPERTY MANAGEMENT SERVICES: APPROVAL
TO SELECT BOZZUTO AS PROPERTY MANAGEMENT AGENT FOR
HILLANDALE GATEWAY**

February 7, 2024

- On August 30, 2023, HOC issued a Request for Proposal #2421 soliciting responses from firms to provide property management services for Hillandale Gateway.
- Four (4) proposals were received from Edgewood Management, Bozzuto, CAPREIT, and Habitat, and Bozzuto scored highest among respondents.
- Staff is requesting the Commission's approval to select Bozzuto as Property Management Agent for Hillandale Gateway, authorize the President/Executive Director to negotiate and execute a contract with Bozzuto, initially for a two-year term, with two optional one-year renewals.
- The Budget, Finance and Audit Committee reviewed this request at its meeting on December 20, 2023, and joins staff's recommendation that the Commission accept the recommendation to select Bozzuto as Property Management Agent for Hillandale Gateway.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea Andrews, President/Executive Director

FROM: Staff: Ali Ozair, VP of Property Management Division: Property Management

RE: **Procurement of Property Management Services: Approval to Select Bozzuto as Property Management Agent for Hillandale Gateway**

DATE: February 7, 2024

STATUS: Committee Report Deliberation X

BACKGROUND:

Hillandale Gateway (the “Property”) is a visionary new all-electric, mixed-use, mixed-income, intergenerational community that is redefining how large projects can target the highest levels of sustainability while delivering affordability and resiliency to its residents and the surrounding community. The entire Hillandale Gateway community features two primary residential buildings totaling 463 apartments, including a 155-unit, 100% affordable, age-restricted (62 years and older) building (“AR Building”) and a 308-unit mixed-income “Non-Age Restricted” building (“NAR Building”). The campus will also feature community-serving retail buildings, ancillary parking, an outdoor amphitheater, and a new transit center to connect Hillandale Gateway to the broader DC metro area.

On August 30, 2023, HOC issued a Request for Proposal #2421 (“RFP #2421”) soliciting responses from firms to provide property management services for Hillandale Gateway.

Specifically, RFP #2421 requested the following services in relation to Hillandale Gateway:

- **Construction Advisory Services:** During the construction phase of the Property, the management agent will provide advisory services to ensure that the Property is positioned to resonate with prospective residents and will continue to deliver sustained value in the future. Management agent will provide ongoing analysis on current market conditions and insight on future trends, as well as prepare financial projections and underwriting assistance to guide design and development decisions. The management agent will continuously collaborate with the ownership and the development team to provide operational expertise to design and development decisions. These services would apply to both the retail and residential components of the Property.
- **Lease-Up Services:** The lease-up phase begins approximately two to three months prior to the delivery of the first unit, and is when the management agent will have on-site staff employed and working to prepare the building for opening. This transition period from construction to stabilized operations (95% stabilized occupancy) is critical for the success of the initial property lease-up, and includes, but is not limited to, the following activities: property marketing and outreach, meeting with and touring customers to lease units and scheduling move-ins, hosting leasing events, and setting up the back of house operations. These services would apply to the

residential components of the Property (retail lease-up will be performed by a third party broker; ongoing management services, as described below, will be performed by the property manager).

- **Stabilized Management Services:** Ongoing management services once the Property reaches stabilized operations (95% occupancy). Management agent will ensure that the Property performs effectively, efficiently and according to the Property’s goals and budget, including new leases, renewals, and achievement of net operating income (“NOI”) targets. These services would apply to both the retail and residential components of the Property.

During the Construction Advisory Services phase, Bozzuto will provide advisory services to the development at no additional cost. During the Lease-Up Services phase, Bozzuto will charge a fixed fee of \$18,000 per month (“Base Lease-Up Fee”). After the first six (6) months of leasing, this fee will be converted to a performance-based fee—meaning that if Bozzuto fails to meet agreed-upon leasing schedule, the monthly fee will be reduced accordingly, to a floor of 70% of the Base Lease-Up Fee. During the Stabilized Management Services phase, a per leased unit per month (“PUPM”) residential management fee of \$58.33 and a retail management fee of \$1,000 per month will commence.

Bozzuto offers valued experience in management services for market rate and affordable multifamily apartment communities. Bozzuto is committed to providing the highest standard of service in every aspect of property operations, including lease-up and stabilization, accounting, marketing, and compliance. The management firm has more than 35 years of Mid-Atlantic experience in property management services.

Staff requests that the Commission authorize the President/Executive Director to negotiate and execute a contract with Bozzuto.

Staff further requests that the Commission authorize the President/Executive to execute a contract with Bozzuto, initially for a two-year term, with two optional one-year renewals.

Bozzuto Management - The Company has a national presence of 320 properties with more than 99,000 apartments and 3.2 million square feet of retail space under its management. Bozzuto is experienced in managing mixed-income communities with various affordable housing programs. The company has also been HOC’s development partner at new properties and completed multiple lease-ups and marketing for new HOC properties. Bozzuto is currently managing five (5) stabilized HOC properties, which are listed below. Bozzuto is also managing one (1) new construction property (The Laureate), which has nearly completed its lease-up.

ISSUES FOR CONSIDERATION:

Does the Commission accept staff’s recommendation, which is supported by the Budget Finance and Audit Committee, to authorize the President/Executive Director to negotiate and execute a two-year property management contract with two one-year renewal options for Hillandale Gateway with Bozzuto?

BUDGET IMPACT:

No impact to the FY24 operating budget. Lease-Up Services outlined herein will be paid for by the Hillandale Gateway development budget. Once the Property is stabilized, the Stabilized Management Services will be paid for by Property operations.

TIME FRAME:

For formal action at the February 7, 2024 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission authorize the Executive Director to negotiate and execute a two-year property management contract with two one-year renewal options for Hillandale Gateway with Bozzuto.

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is (i) the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC (“HG Owner”), (ii) the sole member of HOC Hillandale MM AR, LLC, which is a member of HOC at Hillandale AR, LLC (“AR Owner”), and (iii) the sole member of HOC Hillandale MM NAR, LLC, which is a member of HOC at Hillandale NAR, LLC (“NAR Owner”);

WHEREAS, HG Owner is leasing approximately 4.3 acres of land at 10110 New Hampshire Avenue, Silver Spring, MD 20903 (the “Property”);

WHEREAS, HG Owner is developing a visionary mixed-use, mixed-income, intergenerational community on the Property, which includes (i) a 155-unit age-restricted (age 62+) senior building (“AR LIHTC Unit”) with retail on the first floor (“AR Retail Unit”, collectively with AR LIHTC Unit, the “AR Building”), (ii) a 308-unit non-age restricted general occupancy multifamily building with 93 units subject to a low income housing tax credit covenant (“NAR LIHTC Unit”) and the remaining units with market rate rents (“NAR Market Unit”, collectively with NAR LIHTC Unit, the “NAR Building”), (iii) approximately 10,000 square feet of commercial space (the “Retail Units”), (iv) a parking garage (the “Garage”), and (v) additional outdoor spaces (collectively, “Hillandale Gateway”); and

WHEREAS, HG Owner will maintain and operate the AR Retail Unit, the NAR Market Unit, the Retail Units, the Garage, and any outdoor spaces at Hillandale Gateway;

WHEREAS, HG Owner is subleasing the AR LIHTC Unit to AR Owner and is subleasing the NAR LIHTC Unit to NAR Owner; and

WHEREAS, the Commission issued a request for proposals (“RFP #2421”) for advisory, retail, leasing, and property management services for Hillandale Gateway; and

WHEREAS, Bozzuto Management Company (“Bozzuto”) proposal scored the highest among respondents; and

WHEREAS, in accordance with HOC’s Procurement Policy, the Commission desires either to have HG Owner enter into a two-year property management contract with two one-year renewal options for advisory, retail, leasing, and property management services for its portion of Hillandale Gateway with Bozzuto and partially assign such agreement to each of AR Owner and NAR Owner for their portion of Hillandale Gateway or to have each of HG Owner, AR Owner and NAR Owner enter into a two-year property management contract with two one-year renewal options for advisory, retail, leasing, and property management services for its portion of Hillandale Gateway with Bozzuto.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery, acting (i) on behalf of itself, (ii) on behalf HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, (iii) on behalf of HOC Hillandale MM AR,

LLC, acting for itself and on behalf of HOC at Hillandale AR, LLC, and (iv) on behalf of HOC Hillandale MM NAR, LLC, acting for itself and on behalf of HOC at Hillandale NAR, LLC, that the President/Executive Director of HOC, or her designee, is hereby authorized and directed to either execute a two-year property management contract with two one-year renewal options with Bozzuto for HG Owner, which agreement HG Owner shall partially assign to each of AR Owner and NAR Owner or execute a two-year property management contract with two one-year renewal options with Bozzuto for each of HG Owner, AR Owner and NAR Owner.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting (i) on behalf of itself, (ii) on behalf HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, (iii) on behalf of HOC Hillandale MM AR, LLC, acting for itself and on behalf of HOC at Hillandale AR, LLC, and (iv) on behalf of HOC Hillandale MM NAR, LLC, acting for itself and on behalf of HOC at Hillandale NAR, LLC, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to take any other actions necessary and proper to effectuate the transaction herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2024.

Chelsea J. Andrews
President/Executive Director

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Development & Finance Committee

HILLANDALE GATEWAY: APPROVAL OF ADDITIONAL FUNDING FOR LEGAL SERVICES PROVIDED BY GALLAGHER EVELIUS AND JONES LLP FOR HILLANDALE GATEWAY

February 7, 2024

- In October 2021, HOC obtained quotes from three (3) firms within its Legal Pool for legal services and transactional work for Hillandale Gateway.
- Gallagher Evelius and Jones LLP (“GEJ”) provided the lowest bid, and HOC engaged GEJ for an amount not to exceed \$200,000 (“Initial Engagement”).
- Since that Initial Engagement with GEJ, the Hillandale Gateway project has evolved, requiring additional legal services in the following areas: Low Income Housing Tax Credit (“LIHTC”) transactional work, construction related easements and agreements, and lender counsel.
- GEJ has provided an estimate for these additional services in an amount not to exceed \$160,000, which when combined with the Initial Engagement of \$200,000, would bring the total legal engagement to an amount that exceeds the President/Executive Director’s awarding authority and requires Commission approval.
- Staff recommends with the support of the Development and Finance Committee, that the Commission approve funding for additional services in the amount of \$160,000, plus a \$32,000 contingency (20%), for a total of \$192,000.
- The Hillandale Gateway development budget has sufficient funding to pay for these additional services.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County
Development & Finance Committee

VIA: Chelsea J. Andrews, President/Executive Director

FROM: Staff: Zachary Marks, Senior Vice President, Real Estate
Kathryn Hollister, Housing Acquisition Manager

RE: **Hillandale Gateway:** Approval of Additional Funding for Legal Services Provided by Gallagher, Evelius and Jones LLP

DATE: February 7, 2024

STATUS: Committee Report Deliberation X

OVERALL GOAL & OBJECTIVE:

To authorize additional funding for legal services provided by Gallagher Evelius and Jones LLP for Hillandale Gateway.

BACKGROUND:

In October 2021, HOC obtained quotes from three (3) firms within its Commission’s established Legal Pool for legal services and transactional work for Hillandale Gateway (“Legal Solicitation”). At the time of the solicitation, it was envisioned that Hillandale Gateway would require two financing transactions: the first, a 4% low income housing tax credit (“LIHTC”) transaction for the 155-unit Age-Restricted Building (the “AR Building”); and the second, a market-rate transaction for the 308-unit non-age restricted building (the “NAR Building”) and retail components of the site. The scope of work (“Original Scope of Work”) of the Legal Solicitation included: tax credit structuring advice and all facets of the AR Building’s LIHTC closing, drafting of condominium (and related easement) documents, transactional work for the NAR Building’s market rate closing, drafting and negotiation of the construction contract, and general legal advice about the transaction and overall development of the site (including land use). Gallagher Evelius and Jones LLP (“GEJ”) provided the lowest bid, and demonstrated extensive experience with land use and transactional work involving condominiums in Maryland. The other bids were higher than GEJ’s, and did not include the full Original Scope of Work. In October 2021, HOC engaged GEJ for the Original Scope of Work in an amount not to exceed \$200,000 (“Initial Engagement”).

Since GEJ’s Initial Engagement, the Hillandale Gateway transaction has evolved requiring additional legal services beyond those contemplated in the Original Scope of Work:

- **NAR LIHTC Transaction:** At the March 2022 meeting, the Commission approved a preliminary development plan for the NAR Building (“NAR PDP”) that increased the affordability within the NAR Building beyond the affordability levels required by Hillandale Gateway’s site plan, so that 20% of the units (62 units) would be affordable to households at 30%, 40% and 50% of area median income (“AMI”), and 10% of the units (31 units) would be affordable to households earning at or below 80% of the AMI. In order to finance the increased affordability, the NAR PDP

proposed to create another (third) financing transaction; specifically, a 4% LIHTC transaction for these 93 affordable units in the NAR Building.

- **Construction Easement Agreements:** Additionally, the Original Scope of Work did not include drafting and negotiating agreements, easements and hold harmless agreements with jurisdictional authorities (e.g. Montgomery County, Washington Sewer and Sanitation Commission (“WSSC”), etc.) and neighboring properties required for the site’s development (together, “Construction Easement Agreements”). Given the extent of Construction Easement Agreements required due to the size and scope of the development, outside counsel is needed to support HOC’s internal legal team.
- **Lender Counsel:** On November 11, 2023, the Commission approved HOC as the permanent lender for the NAR Building. The Original Scope of Work did not include lender counsel for the transaction, and additional scope is required to complete documenting the NAR Building’s permanent loan under the FHA Risk Share program.

GEJ has provided an estimate for the additional services described above in an amount not to exceed \$160,000, which when combined with the Initial Engagement or \$200,000, would bring the total legal engagement to an amount that exceeds the President/Executive Director’s awarding authority and requires Commission approval.

Staff proposes that the additional services in the amount of \$160,000, plus a \$32,000 contingency (20%), for a total of \$192,000, be approved. The cost of these additional services will be paid for by the Hillandale Gateway development and included in the overall development budget.

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff’s recommendation, which is supported by the Development and Financing Committee, that it approve additional funding for legal services provided by GEJ in the amount of \$160,000, plus a \$32,000 contingency (20%), for a total of \$192,000?

BUDGET IMPACT:

There is no adverse impact on the agency’s FY2024 operating budget. The cost of the additional services will be paid for by the Hillandale Gateway development. The development budget has sufficient funding for these additional services within its Real Estate Legal, Lender Legal and Syndication Legal line items.

TIME FRAME:

For formal action at the February 7, 2024 meeting of the Commission.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve additional funding for legal services provided by GEJ in the amount of \$160,000, plus a \$32,000 contingency (20%), for a total of \$192,000.

RESOLUTION No.: 24-10

RE: Approval of Additional Funding for Legal Services Provided by Gallagher, Evelius and Jones LLP for Hillandale Gateway

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC (“HG Owner”), the entity that will redevelop approximately 5.15 acres of land at 10110 and 10140 New Hampshire Avenue, Silver Spring, MD 20903 (such site formerly known as “Holly Hall” and to be known during and after development as “Hillandale Gateway”); and

WHEREAS, Hillandale Gateway will be a visionary mixed-use, mixed-income, intergenerational community and include a total of 463 residential units within two residential buildings – a 155-unit age-restricted (age 62+) senior building (“AR Building”), and a 308-unit non-age restricted general occupancy multifamily building (“NAR Building”); and

WHEREAS, HOC is the sole member of HOC Hillandale MM AR, LLC, which is the managing member of HOC at Hillandale AR, LLC (“AR Owner”), the entity that will develop 155 Low Income Housing Tax Credit (“LIHTC”) units within the AR Building; and

WHEREAS, HOC is the sole member of HOC Hillandale MM NAR, LLC, which is the managing member of HOC at Hillandale NAR, LLC (“NAR Owner”), the entity that will develop 93 LIHTC units within the NAR Building; and

WHEREAS, in October 2021, HOC obtained quotes from three firms within its Legal Pool for legal services and transactional work for Hillandale Gateway; and

WHEREAS, Gallagher Evelius and Jones LLP (“GEJ”) provided the lowest bid, and HOC engaged GEJ for an amount not to exceed \$200,000 (“Initial Engagement”); and

WHEREAS, since the Initial Engagement with GEJ, the Hillandale Gateway project has evolved, requiring additional legal services in following areas: Low Income Housing Tax Credit transactional work, construction related easements and agreements, and lender counsel, which legal services will be for the benefit of HG Owner, AR Owner and NAR Owner; and

WHEREAS, the Commission wishes to approve additional legal services provided by GEJ in the amount of \$160,000, plus a \$32,000 contingency (20%), for a total of \$192,000.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting (i) on behalf of itself, (ii) on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, (iii) on behalf of HOC Hillandale MM AR, LLC, acting for itself and on behalf of HOC at Hillandale AR, LLC, and (iv) on behalf of HOC Hillandale MM NAR, LLC, acting for itself and on behalf of HOC at Hillandale NAR,

LLC, authorizes additional funding for legal services provided by GEJ in the amount of \$160,000, plus a \$32,000 contingency (20%), for a total of \$192,000.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County, (i) on behalf of itself, (ii) on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, (iii) on behalf of HOC Hillandale MM AR, LLC, acting for itself and on behalf of HOC at Hillandale AR, LLC, and (iv) on behalf of HOC Hillandale MM NAR, LLC, acting for itself and on behalf of HOC at Hillandale NAR, LLC, authorizes the President/Executive Director of HOC, or her designee, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2024.

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Chelsea J. Andrews
President/Executive Director

HILLANDALE GATEWAY: APPROVAL FOR HOC AT HILLANDALE AR, LLC AND HOC AT HILLANDALE NAR, LLC TO ENTER INTO GROUND LEASES DIRECTLY WITH HILLANDALE PAD II, LLC

February 7, 2024

- Hillandale Gateway will be a visionary mixed-use, mixed-income, multigenerational community located at the intersection of New Hampshire Avenue of Interstate 495 in Silver Spring, MD.
- HOC is developing Hillandale Gateway as part of a joint venture (“Hillandale Gateway, LLC”) with The Duffie Companies (“Duffie”), which is majority owned and controlled by HOC.
- Hillandale Gateway, LLC controls the Hillandale Gateway site through a 99-year ground lease with Hillandale Pad II, LLC, a Duffie-affiliated entity (“Landlord”).
- In September 2023, the Commission approved a final development plan for Hillandale Gateway, which authorized the creation of a condominium regime on the property, and for Hillandale Gateway, LLC to enter into subleases with the ultimate owners of the various condominium units.
- Hillandale Gateway’s capital partners have expressed some initial concerns with the sublease structure, specifically regarding cross-defaults, real estate tax exemptions, and the termination of the subleases in the event of a termination of the Ground Lease.
- If these concerns cannot be resolved under the sublease structure, our financing partners may require that the two Low Income Housing Tax Credit (“LIHTC”) condominiums—HOC at Hillandale AR, LLC (the owner of 155 affordable units in the age-restricted (“AR”) building) and HOC at Hillandale NAR, LLC (the owner of 93 affordable units in the non age-restricted (“NAR”) building)—enter into direct ground leases with Hillandale Pad II, LLC.

- In the event it is required by Hillandale Gateway's capital partners, staff is requesting Commission approval for HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to enter into ground leases directly with Hillandale Pad II, LLC.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County
Development & Finance Committee

VIA: Chelsea J. Andrews, President/Executive Director

FROM: Staff: Zachary Marks, Senior Vice President, Real Estate
Kathryn Hollister, Housing Acquisition Manager

RE: **Hillandale Gateway:** Approval for HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to Enter into Ground Leases Directly with Hillandale Pad II, LLC

DATE: February 7, 2024

STATUS: Committee Report Deliberation X

OVERALL GOAL & OBJECTIVE:

To authorize HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to enter into ground leases directly with Hillandale Pad II, LLC, in the event it is required by Hillandale Gateway’s capital partners.

BACKGROUND:

Hillandale Gateway will be a visionary mixed-use, mixed-income, multigenerational community located at the intersection of New Hampshire Avenue of Interstate 495 in Silver Spring, MD. Hillandale Gateway will be the first major multifamily investment in the East County in decades and will create its first destination mixed-use community in the submarket. Hillandale Gateway will also set the bar for innovation and energy efficiency in residential development in the mid-Atlantic.

HOC is developing Hillandale Gateway as part of a joint venture (“Hillandale Gateway, LLC”) with The Duffie Companies (“Duffie”), which is majority owned and controlled by HOC. Hillandale Gateway will include 463 residential units. The development will comprise two residential buildings – one, a 155-unit Net Zero Energy, age-restricted (age 62+) senior building (“AR Building”); the other, a 308-unit Passive House, non-age restricted general occupancy multifamily building (“NAR Building”). In addition to residential units, the site will have an above-ground parking garage, commercial/retail/restaurant space, and public and private green space.

Currently, HOC controls the Hillandale Gateway development site through a 99-year ground lease (“Ground Lease”) between a Duffie-affiliated LLC (“Hillandale Pad II, LLC” or “Landowner”) and Hillandale Gateway, LLC (“Tenant”). The Ground Lease contemplates that the Landowner, on behalf of Tenant, will create separate land condominium units for the property. Furthermore, the AR Building and NAR Building would be subject to vertical condominiums distinguishing the AR Building’s affordable units (“AR LIHTC”) from the AR Building’s ground floor retail space, and the NAR Building’s affordable units (“NAR LIHTC”) from the NAR Building’s market units.

Under the Ground Lease, each individual condominium unit can be subleased to the ultimate owner/operator of each unit. On September 13, 2023, the Commission approved subleases from

Hillandale Gateway, LLC to the owners of the AR LIHTC condominium and NAR LIHTC condominium (“HOC at Hillandale AR, LLC” and “HOC at Hillandale NAR, LLC”, respectively).

In January 2024, Hillandale Gateway’s lenders and investor have expressed their requirement for the AR LIHTC and NAR LIHTC condominiums to be ground leased directly from the Landlord pursuant to new ground leases. The stated reasons for this are to avoid cross-defaults with other project components governed by the Ground Lease, to avoid a termination of the sublease in the event of a termination of the Ground Lease and to protect the tax abatements available to the LIHTC projects in the event that the Ground Lease is terminated.

While staff believes these issues can be adequately addressed and resolved within the current sublease structure, staff is requesting Commission approval for HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to enter into ground leases directly with Hillandale Pad II, LLC, in the event it is required by Hillandale Gateway’s capital partners.

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff’s recommendation, which is supported by the Development and Financing Committee, to authorize HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to enter into ground leases directly with Hillandale Pad II, LLC, in the event it is required by Hillandale Gateway’s capital partners?

BUDGET IMPACT:

There is no adverse impact on the agency’s FY2024 operating budget.

TIME FRAME:

For formal action at the February 7, 2024 meeting of the Commission.

STAFF RECOMMENDATION:

Staff recommends that the Commission authorize HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to enter into ground leases directly with Hillandale Pad II, LLC, in the event it is required by Hillandale Gateway’s capital partners.

RESOLUTION No.: 24-11

RE: Approval for HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to Enter into Ground Leases Directly with Hillandale Pad II, LLC

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC, the entity that will redevelop approximately 5.15 acres of land at 10110 and 10140 New Hampshire Avenue, Silver Spring, MD 20903 (such site formerly known as “Holly Hall” and to be known during and after development as “Hillandale Gateway”); and

WHEREAS, Hillandale Gateway will be a visionary mixed-use, mixed-income, multigenerational community and include a total of 463 residential units within two residential buildings – a 155-unit age-restricted (age 62+) senior building (“AR Building”), and a 308-unit non-age restricted general occupancy multifamily building (“NAR Building”); and

WHEREAS, the HOC is the sole member of HOC Hillandale MM AR, LLC, which is the managing member of HOC at Hillandale AR, LLC, the entity that will develop 155 Low Income Housing Tax Credit (“LIHTC”) units within the AR Building; and

WHEREAS, the HOC is the sole member of HOC Hillandale MM NAR, LLC, which is the managing member of HOC at Hillandale NAR, LLC, the entity that will develop 93 LIHTC units within the NAR Building; and

WHEREAS, Hillandale Gateway, LLC controls the Hillandale Gateway site through a 99-year ground lease with Hillandale Pad II, LLC, a Duffie-affiliated entity; and

WHEREAS, in September 2023, the Commission approved a final development plan for Hillandale Gateway, which authorized the creation of a condominium regime on the property, and for Hillandale Gateway, LLC to enter into subleases with the ultimate owners of the various condominium units; and

WHEREAS, in the event it is required by Hillandale Gateway’s capital partners, the Commission wishes that HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC enter into ground leases directly with Hillandale Pad II, LLC, in lieu of subleases with Hillandale Gateway, LLC.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, (i) on behalf of itself, (ii) on behalf of HOC Hillandale MM AR, LLC, acting for itself and on behalf of HOC at Hillandale AR, LLC, and (iii) on behalf of HOC Hillandale MM NAR, LLC, acting for itself and on behalf of HOC at Hillandale NAR, LLC, authorizes HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to enter into ground leases on substantially the same terms as the original ground lease directly with Hillandale Pad II, LLC, in lieu of subleases with Hillandale Gateway, LLC.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County, (i) on behalf of itself, (ii) on behalf of HOC Hillandale MM AR, LLC, acting for itself and on behalf of HOC at Hillandale AR, LLC, and (iii) on behalf of HOC Hillandale MM NAR, LLC, acting for itself and on behalf of HOC at Hillandale NAR, LLC, authorizes the President/Executive Director of HOC, or her designee, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2024.

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Chelsea J. Andrews
President/Executive Director

HILLANDALE GATEWAY: APPROVAL OF BOND AUTHORIZING RESOLUTIONS FOR THE ISSUANCE OF TAX-EXEMPT INDEBTEDNESS TO FINANCE HILLANDALE GATEWAY

February 7, 2024

- On September 13, 2023, the Commission approved the Final Development Plan, estimated at \$302.2 million to construct and equip the Hillandale Gateway development, which will comprise a 308-unit, non-age restricted multifamily building (“NAR Building”) and 155-unit age restricted (62+) building (“AR Building”), and approved Wells Fargo Community Investment Holdings, LLCs as LIHTC investor and an affiliate of Citibank as construction lender, and a subordinate bridge loan of up to \$43 million (“Bridge Loan”) of taxable draws from the PNC Bank, N.A. Real Estate Line of Credit (“RELOC”).
- Following on November 15, 2023, for the NAR Building, which comprises a 93 unit income restricted component (“NAR LIHTC”) and 215 unrestricted units (“NAR Market”), the Commission approved the Financing Plan of approximately \$214.5 million, as well as Feasibility and Public Purpose with adoption of Resolution 21-75A, to include allocation of up to \$30 million of volume cap towards the NAR LIHTC, entering into a variable rate taxable and tax exempt construction loan of up to \$150 million, with HOC as conduit lender during construction, and issuance of a forward commitment to provide a permanent loan insured by FHA Risk Share Mortgage Insurance in the respective amounts of up to \$30 million and \$105 million to the NAR LIHTC and NAR Market components, to be funded from proceeds of private activity bonds and variable rate governmental bonds.
- On the same day, the Commission approved the Financing Plan of approximately \$109.3 million, Feasibility and Public Purpose for the AR Building, with adoption of Resolution 21-75B to include allocation of up to \$47 million of volume cap, approval to enter into a construction loan with Wells Fargo to be purchased with proceeds of a permanent loan with Citibank, and for HOC to act as conduit lender.
- To meet the 50% test and utilize the volume cap allocation for the NAR LIHTC component, staff proposes the issuance of private activity bonds in the form of long-term tax-exempt bonds issued under the 1996 Indenture with short-term tax-exempt draws on the RELOC.
- Staff recommends with the support of the Development and Finance Committee to approve Bond Authorizing Resolutions for the NAR Building and AR Building, as well as tax-exempt usage of the RELOC of up to \$7 million, in order to complete the transaction as contemplated.

M E M O R A N D U M

TO: Housing Opportunities Commission of Montgomery County,

VIA: Chelsea Andrews, President/Executive Director

FROM: Staff: Victoria Dixon, Sr. Multifamily Underwriter

RE: Approval of Bond Authorizing Resolutions for the Issuance of Tax-Exempt Indebtedness to Finance Hillandale Gateway

DATE: February 7, 2024

STATUS: Committee Report _____ Deliberation X

OVERALL GOAL & OBJECTIVE:

To obtain approval of Bond Authorizing Resolutions for the issuance of tax-exempt indebtedness under the Multifamily Housing Development Bonds Resolution (the “1996 Indenture” or “Indenture”) and through tax-exempt loans from Citibank, N.A. and Wells Fargo Bank, National Association for the acquisition, construction, equipping, and permanent financing of the Hillandale Gateway development.

BACKGROUND:

On September 13, 2023, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) approved the Final Development Plan, estimated at \$302.2 million to construct and equip Hillandale Gateway (the “Development”), which will comprise a 308-unit, non-age restricted multifamily building, including retail and a parking garage (“NAR Building”), and a 155-unit age restricted (62+) building (“AR Building”). The Commission also approved Wells Fargo Community Investment Holdings, LLCs as the Low Income Housing Tax Credit (“LIHTC”) investor in the ownership structures and an entity of Citibank as construction lender. Finally, the approval included a subordinate bridge loan of up to \$43 million (“Bridge Loan”) of taxable draws from the PNC Bank, N.A. Real Estate Line of Credit (“RELOC”).

The NAR Building will be split into two condominium units (a) a condominium unit with 215 unrestricted market rate units (“NAR Market”), and (b) a condominium unit with 93 units restricted under the LIHTC program (“NAR LIHTC”) to be owned by HOC at Hillandale NAR, LLC, an entity controlled by HOC. The AR Building will be split into two condominiums, the residential condominium unit with 155 age restricted units will be owned by HOC at Hillandale AR, LLC, an entity controlled by HOC, and the retail condominium unit will be owned by Hillandale Gateway, LLC, an entity controlled by HOC. Hillandale Gateway, LLC will also own additional retail units and the garage located at the Development.

On November 15, 2023, the Commission approved the Financing Plan and Feasibility and Public Purpose for the NAR Building. The Financing Plan of approximately \$214.5 million contemplates both tax-exempt and taxable financing pursuant to Resolution 21-75A, to include: (a) allocation of up to \$30,000,000 of volume cap towards the NAR LIHTC; (b) funding by Citibank of variable rate taxable and tax exempt construction loans of up to \$150,000,000, with HOC to act as conduit lender during construction, as

applicable. The resolution also authorized issuance of a forward commitment by HOC, to provide permanent loans insured by the FHA Risk Share program in amount of up to \$30,000,000 to HOC at Hillandale NAR, LLC and \$105,000,000 to Hillandale Gateway, LLC for the NAR Building, to be funded from proceeds of tax-exempt private activity bonds and future variable rate governmental bonds under the 1996 Indenture. On November 15, 2023, the Commission also approved the Financing Plan of approximately \$109.3 million, and Feasibility and Public Purpose for the AR Building, with adoption of Resolution 21-75B. The resolution included (a) allocation of up to \$47,000,000 of volume cap; (b) approval to execute and deliver a tax-exempt note to Wells Fargo Bank, National Association for construction financing, which note will be purchased by Citibank, N.A. for permanent financing (back-to-back structure); and (c) HOC to act as conduit lender in such back-to-back structures.

To meet the 50% test and utilize the volume cap allocation of up to \$30,000,000 for the NAR LIHTC component, staff proposes the issuance of private activity bonds (“PABs”) in the form of long-term tax-exempt bonds issued under the 1996 Indenture and short-term tax-exempt draws on the RELOC. Determination of the final amounts is subject to interest rate movements, but is currently estimated to be up to \$23 million of 1996 Indenture bonds and approximately \$7,000,000 on the RELOC. In order to accommodate the short-term tax-exempt need for the transaction, staff requests the Commission’s approval of tax-exempt draws on the RELOC in an amount not to exceed \$7,000,000 to fund a bridge loan to HOC at Hillandale NAR, LLC (“the Tax-Exempt Bridge Loan”), which will increase expected usage of the RELOC from up to \$43 million to \$50 million.

In order to execute the Financing Plans for the NAR Building and AR Buildings, staff also requests the Commission’s approval of Bond Authorizing Resolutions for the issuance of the tax-exempt indebtedness and taxable loans to acquire, construct, equip, and permanently finance the Development.

Borrower	Hillandale Gateway, LLC	HOC at Hillandale NAR, LLC	HOC at Hillandale AR, LLC
Units/Affordability	215 Units, Unrestricted	93 Units 100% Affordable, Income Averaging	155 Units 100% Affordable, Income Averaging
	20% of households at or below 50% of AMI		40% at or below 60% of AMI
Stabilized Net Operating Income (est. FY2028)	\$6,191,129	\$1,446,672	\$2,372,995
Taxable Construction Loan (up to)		\$30,000,000 ⁽¹⁾	
Tax-Exempt Issuance (up to)	\$120,000,000	\$30,000,000 ⁽¹⁾	\$47,000,000
Volume Cap (up to)	N/A	\$30,000,000	\$47,000,000
Permanent / FHA Risk Share Mortgage (up to)	\$105,000,000	\$30,000,000 ⁽¹⁾	N/A – Citi Bank permanent loan
Permanent Mortgage Interest Rate (estimated)	5.36%	6.14%	6.945%
Mortgage Insurance	50% HOC / 50% FHA		N/A
Permanent Loan Amortization / Term (up to)	40 Years / 25 Years (balloon)		40 Years / 45 Years
Debt Service Coverage Ratio	1.15	1.15	1.15
(1) Note, these debt amounts are not additive.			

Target Bond Issuance Schedule

Target Date	Event
February 15	Submit FHA Risk Share Application
February 17	Complete Bond due diligence, receive Moody's rating
February 19	Electronic Distribution of Preliminary Official Statement
March 3	Pre-pricing call, distribute final draft Bond Purchase Agreement
March 7	Retail Order Period
March 7	Receive FHA Firm Approval
March 8	HOC executes Bond closing documents, final cashflow and yield calculations, etc.
March 12	Sign Bond Purchase Agreement, Print and mail Official Statement
March 13	Pre-closing
March 14	Close Bond Issue

Summary of Bond Authorizing Resolutions

The Bond Authorizing Resolutions prepared by the Commission's Bond Counsel, Kutak Rock LLP, outline key elements of the transaction, which the Commission must authorize to enable the financing to proceed. A summary of the main provisions of the resolution are outlined below:

1. Issuance of tax-exempt indebtedness for the NAR Building in an amount not to exceed \$150,000,000, in one or more series as applicable ("NAR Indebtedness"), comprised of
 - (i) private activity bonds and/or other tax-exempt indebtedness of up to \$30,000,000, including, without limitation, one or more tax-exempt draws on the RELOC not to exceed \$7,000,000 ("Bonds"); and
 - (ii) a \$120,000,000 of back-to-back tax-exempt proceeds under the construction loan, the proceeds of which will be loaned to Hillandale Gateway, LLC, which together will be converted, through the issuance of future tax-exempt refunding indebtedness of the Commission, to a permanent loan to be insured under the FHA Risk Sharing Program, in each case to fund the acquisition, construction, equipping, and permanent financing of the NAR Building and the required 1996 Indenture bond reserves.
2. Execution and delivery of tax-exempt indebtedness for the AR Building ("AR Indebtedness") in an amount not to exceed \$47,000,000, which will be a back-to-back construction loan from Wells Fargo Bank, National Association through HOC as conduit, the proceeds of which will be loaned to HOC at Hillandale, LLC, and will be purchased by Citibank, N.A., in each case to fund the acquisition, construction, equipping, and permanent financing of the AR Building.
3. Execution and delivery of a series indenture, funding loan agreements, borrower loan agreements, certain real estate financing documents, regulatory agreements, tax-related documents, bond purchase documents, a disclosure agreement, as applicable, bridge loan documents and any and all related documents.
4. Approving the preparation, execution and distribution of preliminary and final offering documents relating to the financings, as applicable.
5. Authorizing the execution of any other documents necessary for the issuance of the NAR Indebtedness and the AR Indebtedness and the accomplishment of the Financing Plan described herein, including the execution and delivery of a guaranteed investment contract or other eligible investment in which proceeds will be invested.

6. Authorizing the Chairman, Vice Chairman or Chairman Pro Tem and Executive Director or other authorized representative to proceed with the issuance, execution and delivery, as applicable.
7. Delegation of authority to the Executive Director or other authorized representative to establish the terms relating to the NAR Indebtedness and AR Indebtedness, and to make ongoing determinations relating thereto.
8. Selection of the Underwriters and Lenders, as applicable, for the NAR Indebtedness and the AR Indebtedness, the Trustee, the Fiscal Agent, the Financial Advisor and Bond Counsel.

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff's recommendation, which is supported by the Development and Finance Committee, to:

- a) Approve Bond Authorizing Resolution(s) for issuance of tax-exempt indebtedness for the NAR Building in an amount not to exceed \$150,000,000, in one or more series as applicable ("NAR Indebtedness"), comprised of (i) private activity bonds (including tax-exempt draws on the RELOC) of up to \$30,000,000 and (ii) \$120,000,000 other tax indebtedness with Citibank; and
- b) Permit tax-exempt draws on the RELOC of up to \$7,000,000 to be used to fund the Tax-Exempt Bridge Loan; and
- c) Approve a Bond Authorizing Resolution for the execution and delivery of tax-exempt indebtedness for the AR Building ("AR Indebtedness") in an amount not to exceed \$47,000,000?

PRINCIPALS:

Housing Opportunities Commission of Montgomery County
Kutak Rock, Bond Counsel
Caine Mitter & Associates Incorporated, Financial Advisor
Bank of America, Managing Underwriter
US Bank, Fiscal Agent

FISCAL/BUDGET IMPACT:

There is no impact on the Commission's operating budget. Proceeds generated from the construction loans or other financing sources will support the cost of issuance.

TIMEFRAME:

For formal action at the February 7, 2024 monthly meeting of the Commission.

STAFF RECOMMENDATION:

Staff recommends the Commission:

- a) Approve Bond Authorizing Resolution(s) for issuance of tax-exempt indebtedness for the NAR Building in an amount not to exceed \$150,000,000, in one or more series as applicable ("NAR Indebtedness"), comprised of (i) private activity bonds of up to \$30,000,000 and (ii) a \$150,000,000 back-to-back construction loan from Citibank, N.A. to HOC; and
- b) Permit tax-exempt draws on the RELOC of up to \$7,000,000 to fund the Tax-Exempt Bridge Loan; and
- c) Approve a Bond Authorizing Resolution for execution and delivery of tax-exempt indebtedness for the AR Building in an amount not to exceed \$47,000,000.

RESOLUTION No.: 24-12a

RE: Approval to Draw up to \$7,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Provide Tax-Exempt Bridge Financing for Hillandale Gateway

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 for the rehabilitation of rental housing properties which provide a public purpose; and

WHEREAS, HOC is preparing to construct the “Hillandale Gateway Development” in Silver Spring, MD, which will be a visionary mixed-use, mixed-income, intergenerational community that includes 463 residential units within two residential buildings – one, a 155-unit age-restricted (age 62+) senior building (“AR Building”); the other, a 308-unit non-age restricted multifamily building (“NAR Building”), comprised of both 215 unrestricted market rate units (“NAR Market”) and 93 income-restricted units (“NAR LIHTC”); and

WHEREAS, on September, 13, 2023, HOC approved the Final Development Plan, estimated at \$302.2 million, to construct and equip Hillandale Gateway, and included approval of a subordinate bridge loan of up to \$43 million to be funded from taxable draws from the PNC Bank, N.A. Real Estate Line of Credit (“RELOC”) for a period up to 45 months; and

WHEREAS, on November 15, 2023, the Commission approved the Financing Plan and Feasibility and Public Purpose Plans for Hillandale Gateway of approximately \$323.8 million combined, with an allocation of volume cap of up to \$30 million to be used for the NAR LIHTC component; and

WHEREAS, in a separate Bond Authorizing Resolutions dated as of the date hereof, HOC staff are requesting that the Commission approve the issuance of tax-exempt indebtedness to acquire, construct, equip, and permanently finance the Hillandale Gateway Development, which such resolutions authorize the Commission to issue tax-exempt Multifamily Housing Development Bonds or other obligations in an amount not to exceed \$30 million; and

WHEREAS, to meet the 50% test for the NAR LIHTC and utilize the volume cap allocation, staff proposes the issuance of private activity bonds (“PABs”) in the form of long-term tax exempt bonds issued under the 1996 Indenture and short-term tax-exempt draws on the RELOC by way a Bridge Loan, with determination of final amounts subject to interest rate movements, but estimated to be up to \$23 million of 1996 Indenture bonds and up to \$7 million on the RELOC, which draws will be used to finance a tax-exempt bridge loan to HOC at Hillandale NAR, LLC (the “Tax-Exempt Bridge Loan”).

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes tax-exempt draws on the RELOC in an amount not to exceed \$7,000,000 for a term of up to 60 months to be used to fund the Tax Exempt Bridge Loan.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Executive Director, or her authorized 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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities

Commission of Montgomery County at an open meeting conducted on February 7, 2024.

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Chelsea J. Andrews
President / Executive Director

RESOLUTION: 24-12b

Re: Approval of the Issuance, Execution and Delivery of Tax-Exempt Indebtedness to Provide Financing for the Non-Age Restricted Building in the Hillandale Gateway Development

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY AUTHORIZING (A) THE ISSUANCE AND SALE OR DELIVERY, AS APPLICABLE, OF ONE OR MORE SERIES OR SUBSERIES OF THE COMMISSION'S TAX-EXEMPT, PRIVATE ACTIVITY OBLIGATIONS (THE "2024 NAR BONDS"), IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000, AND (B) THE EXECUTION AND DELIVERY OF A TAX EXEMPT NOTE EVIDENCING A TAX EXEMPT LOAN (THE "NAR TAX EXEMPT LOAN," AND TOGETHER WITH THE 2024 NAR BONDS, THE "2024 NAR OBLIGATIONS") IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$120,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE NON-AGE RESTRICTED BUILDING WITHIN THE HILLANDALE GATEWAY DEVELOPMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF 2024 NAR BOND DOCUMENTS, NAR TAX EXEMPT LOAN DOCUMENTS, BORROWER LOAN DOCUMENTS, TAX DOCUMENTS, A DISCLOSURE AGREEMENT AND ANY AND ALL OTHER DOCUMENTS NECESSARY FOR THE DELIVERY OF THE 2024 NAR OBLIGATIONS AND THE ACCOMPLISHMENT OF THE NAR FINANCING PLAN DESCRIBED HEREIN; APPROVING THE PREPARATION, EXECUTION AND DISTRIBUTION OF PRELIMINARY AND FINAL OFFERING DOCUMENTS RELATING TO CERTAIN 2024 NAR BONDS; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO PROCEED WITH THE SALE AND/OR DELIVERY OF THE 2024 NAR OBLIGATIONS, AND TO EXECUTE AND DELIVER ONE OR MORE CONTRACTS OF PURCHASE, AS APPLICABLE, IN CONNECTION WITH SUCH SALE; AUTHORIZING THE EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO ESTABLISH THE TERMS RELATING TO THE 2024 NAR OBLIGATIONS AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING A FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2024 NAR OBLIGATIONS; AUTHORIZING THE STAFF OF THE COMMISSION TO SELECT A FISCAL AGENT FOR CERTAIN 2024 NAR OBLIGATIONS AND THE APPOINTMENT BY THE EXECUTIVE DIRECTOR OF SUCH FISCAL AGENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law (the “Act”), and authorized by the Act and pursuant to the Memorandum of Understanding between the Commission and Montgomery County, Maryland, effective as of June 29, 2018, to issue and deliver 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 and permanent 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 obligations; and

WHEREAS, pursuant to the Act and the Program, the Commission entered into the Trust Indenture, dated as of November 1, 1996, supplemented and as amended, (the “Trust Indenture”), by and between the Commission and U.S. Bank Trust Company, National Association, 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 the Bonds under the Trust Indenture are used to make, purchase or finance mortgage loans (the “Mortgage Loans”) or finance mortgage loans through the purchase of Guaranteed Mortgage Securities (as defined in the Trust Indenture); 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, pursuant to the financing plan for the hereinafter defined NAR Building (the “NAR Financing Plan”) approved pursuant to Resolution No. 21-75A adopted on November 15, 2023 (the “NAR Financing Plan Resolution”), the Commission has determined to finance the acquisition, construction and equipping of (a) a 93-unit non-age restricted condominium (the “NAR LIHTC Unit”) within the Hillandale Gateway development located in Silver Spring, Maryland (the “Hillandale Gateway Development”), and owned and operated by HOC at Hillandale NAR, LLC (the “NAR LIHTC Borrower”), the managing member of which is wholly owned or controlled by the Commission, and (b) a 215-unit, non-age restricted condominium (the “NAR Market Unit,” and together with the NAR LIHTC Unit, the “NAR Building”), within the Hillandale Gateway Development and owned and operated by Hillandale Gateway, LLC (the

“NAR Market Borrower,” and together with the NAR LIHTC Borrower, the “NAR Borrower”), a portion of the managing member of which is wholly owned or controlled by the Commission; and

WHEREAS, to accomplish a portion of the NAR Financing Plan for the NAR LIHTC Unit, the Commission has determined to issue its tax-exempt and/or taxable Multifamily Housing Development Bonds or other obligations, in such series as shall be designated by an Authorized Representative (as defined herein), in an amount not to exceed \$30,000,000 (the “2024 NAR Bonds”), pursuant to the Trust Indenture and one or more series indentures executed and delivered in connection therewith (the “Series Indenture”) or agreements between the Commission and PNC Bank, N.A. (“PNC”) governing the Commission’s real estate line of credit from PNC (the “RELOC”); and

WHEREAS, during the construction phase of the NAR LIHTC Unit, 2024 NAR Bonds issued under the Trust Indenture will be secured by (i) the proceeds of the 2024 NAR Bonds and (ii) the proceeds of a construction loan from Citibank, N.A. to the NAR LIHTC Borrower or other eligible funds to be periodically deposited into a collateral fund under the Series Indenture (the “Collateral Fund”) as proceeds of the 2024 NAR Bonds issued under the Trust Indenture are requisitioned for costs of the Development, all pursuant to the Series Indenture; and

WHEREAS, amounts deposited into the Collateral Fund will be invested in a guaranteed investment contract or other eligible investment authorized under the Trust Indenture (the “Eligible Investment”); and

WHEREAS, to accomplish a portion of the NAR Financing Plan for the NAR Market Unit, the Commission has determined (a) to execute and deliver a governmental note (the “NAR Market Tax Exempt Note,” and together with the 2024 NAR Bonds, the “2024 NAR Obligations”) to Citibank, N.A., or such other lender acceptable to the Commission (the “Funding Lender”) in exchange for a loan (the “NAR Market Tax Exempt Loan”) from the Funding Lender pursuant to a funding loan agreement (the “Funding Loan Agreement”), among the Commission, the Funding Lender and a fiscal agent to be selected by the Commission (the “Fiscal Agent”), and (b) to apply the proceeds of the NAR Market Tax Exempt Loan to fund a borrower loan (the “NAR Market Borrower Loan”) to the NAR Market Borrower pursuant to a borrower loan agreement (the “Borrower Loan Agreement”), among the Commission, the NAR Market Borrower and the Fiscal Agent; and

WHEREAS, the NAR Market Borrower Loan will be evidenced by a promissory note from the NAR Market Borrower (the “NAR Market Borrower Note”) and secured by a deed of trust (the “NAR Market Mortgage,” and collectively with the NAR Market Tax Exempt Note, the NAR Market Borrower Note, the Funding Loan Agreement, the Borrower Loan Agreement, and any and all other documents executed and delivered by the Commission in connection with the NAR Market Tax Exempt Loan and the NAR Market Borrower Loan, the “NAR Market Tax Exempt Loan Documents”); the NAR Market Borrower Note and the NAR Market Mortgage will be assigned by the Commission to the Funding Lender as security for the 2024 NAR Market Tax Exempt Loan; and

WHEREAS, following completion of the NAR Building and upon satisfaction of the conditions to conversion to the permanent phase, the Commission expects to fund a portion of a mortgage loan (the “NAR Mortgage Loan”) to the NAR Borrower, which is expected to be (a) credit-enhanced with FHA Risk-Sharing Insurance or such other source of credit enhancement as shall be available to the Commission and economically advantageous at the time of conversion, and (b) used to repay (i) a taxable construction

bridge loan for the NAR LIHTC Building made to the NAR Borrower by Citibank, N.A., and (ii) the 2024 NAR Market Mortgage for pass-through to the Fiscal Agent for repayment of the NAR Market Tax Exempt Loan, all as more particularly described in the NAR Financing Plan; and

WHEREAS, the Commission expects to fund NAR Mortgage Loan from available amounts remaining under the Eligible Investment and the proceeds of tax-exempt or taxable, variable rate refunding bonds or other indebtedness to be issued by the Commission pursuant to the terms of the Trust Indenture together with such other sources as shall be available to the Commission and economically advantageous at that time; and

WHEREAS, the Commission has determined that execution and delivery of the 2024 NAR Obligations and the application of the proceeds of the 2024 Market Borrower Loan and the 2024 NAR Mortgage as described in and approved by this Resolution and the NAR Financing Plan Resolution will accomplish a valid public purpose for the Commission; and

WHEREAS, any obligation of the Commission constituting a “private activity bond” as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended (the “Code”), must be allocated volume cap pursuant to Section 146 of the Code and applicable provisions of Maryland law, subject to exceptions set forth in the Code; and

WHEREAS, in connection with the 2024 NAR Obligations and the accomplishment of the NAR Financing Plan, the Commission anticipates issuing or entering into various documents, including, but not limited to, the Series Indenture, the Offering Documents (as defined herein), the Contracts of Purchase (as defined herein), the Disclosure Agreement (as defined herein) and a promissory note evidencing the draw on the RELOC (collectively, the “2024 NAR Bond Documents”), the NAR Market Tax Exempt Loan Documents, a Land Use Restriction Agreement, a Regulatory Agreement and one or more Tax Regulatory Agreements and No Arbitrage Certificates restricting the application of the proceeds of any tax-exempt 2024 NAR Obligations (collectively with all other certificates, forms, agreements and other documents to be executed by the Commission in connection with the execution and delivery of the 2024 NAR Obligations, the “Commission Documents”); and

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

1. ***The 2024 NAR Obligations; Volume Cap*** The Commission hereby approves the issuance of the 2024 NAR Obligations in an aggregate principal amount not to exceed \$150,000,000 to carry out the purposes under the Program as described herein. The 2024 NAR Obligations shall be designated in such series or subseries, as applicable, as shall be approved by the Executive Director in consultation with the Financial Advisor and Bond Counsel to the Commission. The 2024 NAR Obligations shall be issued and/or executed and delivered, as applicable, pursuant to the terms of the Commission Documents, as applicable, and shall be limited obligations of the Commission, secured by and payable solely from moneys and other assets pledged therefor under the Series Indenture, the Funding Loan Agreement and the other Commission Documents, as applicable. Notwithstanding anything to the contrary contained herein, the issuance of the 2024 NAR Bonds for the NAR LIHTC Unit shall be conditioned upon receipt by the Commission of a sufficient allocation of private activity volume cap or carryforward for the NAR LIHTC Unit as required under the Internal Revenue Code.

2. ***Approval of NAR Financing Plan.*** The Commission hereby approves the Financing Plan pursuant to the terms and conditions set forth in the NAR Financing Plan Resolution, the Indenture, the Funding Loan Agreement and such other documents approved hereby.

3. ***The Series Indenture, Funding Loan Agreement and the Other Commission Documents.*** The Commission hereby authorizes and directs the Chairman, the Vice Chairman, or the Chairman Pro Tern, and the Executive Director of the Commission, or any authorized designee of the Executive Director (each, an Authorized Representative”), to execute and deliver the Series Indenture, the Funding Loan Agreement and the other Commission Documents in such form or forms as shall be approved by such Authorized Representative, the execution and delivery of the Series Indenture, the Funding Loan Agreement and the other Commission Documents being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any Authorized Representative is hereby authorized and directed to affix the seal of the Commission to the Series Indenture and the Funding Loan Agreement, and to attest the same, as applicable.

4. ***The NAR Mortgage Loan; Real Estate Documents.*** The Commission hereby authorizes and approves the financing of the NAR Mortgage Loan with the proceeds of the 2024 NAR Obligations. The NAR Mortgage Loan will be endorsed for federal insurance under the Risk-Sharing Agreement between the Commission and the United States Department of Housing and Urban Development (“HUD”) pursuant to which the Commission will reimburse HUD for any of its losses under the NAR Mortgage Loan in an amount not greater than 50% of the outstanding principal balance of the NAR Mortgage Loan. 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 NAR Building in its capacity as issuer of or governmental lender under the 2024 NAR Obligations and in its capacity as the owner of a portion of the membership interest in the managing member of the NAR Borrowers.

5. ***Offering Documents.*** The Commission hereby authorizes and approves the preparation and distribution of a preliminary offering document and the preparation, execution and distribution of a final offering document (together, the “Offering Documents”), each relating to the 2024 NAR Bonds, as applicable, in such forms as may be approved by an Authorized Representative, the execution and delivery of the Offering Documents constituting conclusive evidence of such Authorized Representative’s approval of the Offering Documents and the approval of the Commission.

6. ***Issuance and Sale of certain 2024 NAR Bonds; Delivery of the NAR Tax Exempt Loan.*** The Commission hereby authorizes and directs an Authorized Representative to proceed with the sale of the 2024 NAR Bonds issued under the Trust Indenture to BofA Securities Inc., and/or such other underwriter or entity as shall be in the best interest of the Commission as determined by an Authorized Representative. The Commission hereby authorizes and directs an Authorized Representative to proceed with the delivery of the NAR Tax Exempt Loan to the Funding Lender or such other entity as shall be in the best interest of the Commission as determined by an Authorized Representative.

7. **Terms; Ongoing Determinations.** The Commission hereby authorizes the Executive Director or other Authorized Representative, without further action of or authority from the Board of Commissioners, (a) to establish the dates, maturities, interest payment dates, denominations, terms of redemption, registration privileges, security, series designations and other terms, and to approve the interest rates on the 2024 NAR Obligations, all of the foregoing to be specified in the 2024 NAR Bond Documents or the NAR Tax Exempt Loan Documents, (b) to perform any act and to execute any additional documents, (c) to make ongoing determinations, as may be required by the terms of the Commission Documents and any other documents relating to the 2024 NAR Obligations, including, but not limited to, the giving and withholding of consents, the selection of certain credit enhancement and liquidity providers, the determination to permit the prepayment of the 2024 NAR Obligations, the NAR Market Borrower Loan, the NAR Mortgage Loan and the refunding and redemption of other bonds and indebtedness in connection with the redemption or prepayment of the 2024 NAR Obligations, if applicable, and (d) to execute any and all documents evidencing such determinations as may be deemed necessary and proper.

8. **Other Action.** The Commission hereby authorizes the Executive Director or other Authorized Representative 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 2024 NAR Obligations and the accomplishment of the NAR Financing Plan.

9. **Appointment of Financial Advisor and Bond Counsel.** The Commission hereby appoints Caine Mitter & Associates Incorporated as Financial Advisor and Kutak Rock LLP, Washington, D.C., as Bond Counsel in connection with the issuance and/or execution and delivery, as applicable, of the 2024 NAR Obligations.

10. **No Personal Liability.** The Commission hereby resolves that no stipulation, obligation or agreement herein contained or contained in the 2024 NAR Obligations, the Commission Documents, or in any other agreement or document executed on behalf of the Commission shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Commission in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the 2024 NAR Obligations or be subject to personal liability or accountability by reason of the issuance thereof.

11. **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 2024 NAR Obligations and the accomplishment of the NAR 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.

12. **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.

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

The foregoing resolution was adopted upon a motion by _____ and seconded by _____ . Affirmative votes were cast by Commissioners _____ . Commissioners _____ were necessarily absent and did not participate in the vote.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on February 7, 2024.

Chelsea J. Andrews
Secretary-Treasurer
and President/Executive Director

[SEAL]

RESOLUTION: 24-12c

Re: Approval of the Delivery of a Tax Exempt Loan to Provide Financing for the Age-Restricted Building in the Hillandale Gateway Development

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY AUTHORIZING THE DELIVERY OF A TAX EXEMPT NOTE EVIDENCING A TAX EXEMPT LOAN (THE "AR TAX EXEMPT LOAN") IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$47,000,000, FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE AGE-RESTRICTED BUILDING WITHIN THE HILLANDALE GATEWAY DEVELOPMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF AR TAX EXEMPT LOAN DOCUMENTS, BORROWER LOAN DOCUMENTS, TAX DOCUMENTS AND ANY AND ALL OTHER DOCUMENTS NECESSARY FOR THE DELIVERY OF THE AR TAX EXEMPT LOAN AND THE ACCOMPLISHMENT OF THE AR FINANCING PLAN DESCRIBED HEREIN; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO PROCEED WITH THE DELIVERY OF THE AR TAX EXEMPT LOAN; AUTHORIZING THE EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO ESTABLISH THE TERMS RELATING TO THE AR TAX EXEMPT LOAN AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING A FINANCIAL ADVISOR AND BOND COUNSEL FOR THE AR TAX EXEMPT LOAN; AUTHORIZING THE STAFF OF THE COMMISSION TO SELECT A FISCAL AGENT FOR THE AR TAX EXEMPT LOAN AND THE APPOINTMENT BY THE EXECUTIVE DIRECTOR OF SUCH FISCAL AGENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law (the “Act”), and authorized by the Act and pursuant to the Memorandum of Understanding between the Commission and Montgomery County, Maryland, effective as of June 29, 2018, to issue and deliver 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 and permanent 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 obligations; and

WHEREAS, pursuant to the financing plan for the hereinafter defined AR LIHTC Building (the “AR Financing Plan”), approved pursuant to Resolution No. 21-75B adopted on November 15, 2023 (the “AR Financing Plan Resolution”), the Commission has determined to finance the acquisition, construction and equipping of a 155-unit age-restricted condominium (the “AR LIHTC Building”) within the Hillandale Gateway development located in Silver Spring, Maryland (the “Hillandale Gateway Development”), and owned and operated by HOC at Hillandale AR, LLC (the “AR Borrower”), the managing member of which is wholly owned or controlled by the Commission; and

WHEREAS, to accomplish a portion of the AR Financing Plan, the Commission has determined (a) to execute and deliver a governmental note (the “AR Tax Exempt Note”) to Wells Fargo Bank, National Association, or such other lender acceptable to the Commission (the “Initial Funding Lender”) in exchange for a loan (the “AR Tax Exempt Loan”) from the Initial Funding Lender pursuant to a funding loan agreement (the “Funding Loan Agreement”), among the Commission, the Initial Funding Lender and a fiscal agent to be selected by the Commission (the “Fiscal Agent”), and (b) to apply the proceeds of the AR Tax Exempt Loan to fund a borrower loan (the “AR Borrower Loan”) to the AR Borrower pursuant to a borrower loan agreement (the “Borrower Loan Agreement”), among the Commission, the AR Borrower and the Fiscal Agent); and

WHEREAS, the AR Borrower Loan will be evidenced by a promissory note from the AR Borrower (the “AR Borrower Note”) and secured by a deed of trust (the “AR Mortgage,” and collectively with the AR Tax Exempt Note, the AR Borrower Note, the Funding Loan Agreement, the Borrower Loan Agreement, and any and all other documents executed and delivered by the Commission in connection with the AR Tax Exempt Loan and the AR Borrower Loan, the “AR Tax Exempt Loan Documents”), and the AR Borrower Note and the AR Mortgage will be assigned by the Commission to the Initial Funding Lender as security for the AR Tax Exempt Loan; and

WHEREAS, following completion of the AR LIHTC Building and upon satisfaction of the

conditions to conversion to the permanent phase, the Commission expects Citibank, N.A. (the “Funding Lender”) to purchase the AR Tax Exempt Loan from the Initial Funding Lender pursuant to a commitment from the Funding Lender to be executed and delivered prior to the date of delivery of the AR Tax Exempt Loan, all as more particularly described in the AR Financing Plan; and

WHEREAS, the Commission has determined that execution and delivery of the AR Tax Exempt Loan and the application of the proceeds of the AR Borrower Loan as described in and approved by this Resolution and the AR Financing Plan Resolution will accomplish a valid public purpose for the Commission; and

WHEREAS, any obligation of the Commission constituting a “private activity bond” as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended (the “Code”), must be allocated volume cap pursuant to Section 146 of the Code and applicable provisions of Maryland law, subject to exceptions set forth in the Code; and

WHEREAS, in connection with the AR Tax Exempt Loan and the accomplishment of the AR Financing Plan, the Commission anticipates entering into various documents including, but not limited to, the AR Tax Exempt Loan Documents, a Land Use Restriction Agreement, a Regulatory Agreement, and a Tax Regulatory Agreement and No Arbitrage Certificate restricting the application of the proceeds of the AR Tax Exempt Loan (collectively with all other certificates, forms, agreements and other documents to be executed by the Commission in connection with the execution and delivery of the AR Tax Exempt Loan, the “Commission Documents”); and

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

1. ***The AR Tax Exempt Loan; Volume Cap.*** The Commission hereby approves the issuance of the AR Tax Exempt Loan in an aggregate principal amount not to exceed \$47,000,000 to carry out the purposes under the Program as described herein. The AR Tax Exempt Loan shall be designated in such series or subseries, as applicable, as shall be approved by the Executive Director in consultation with the Financial Advisor and Bond Counsel to the Commission. The AR Tax Exempt Loan shall be issued and/or executed and delivered, as applicable, pursuant to the terms of the Commission Documents, as applicable, and shall be limited obligations of the Commission, secured by and payable solely from moneys and other assets pledged therefor under the Funding Loan Agreement and the other Commission Documents, as applicable. Notwithstanding anything to the contrary contained herein, the issuance of the AR Tax Exempt Note for the AR LIHTC Building shall be conditioned upon receipt by the Commission of a sufficient allocation of private activity volume cap or carryforward for the AR LIHTC Building as required under the Internal Revenue Code.

2. ***Approval of AR Financing Plan.*** The Commission hereby approves the AR Financing Plan pursuant to the terms and conditions set forth in the AR Financing Plan Resolution, the Funding Loan Agreement and such other documents approved hereby.

3. ***The Funding Loan Agreement and the Other Commission Documents.*** The Commission hereby authorizes and directs the Chairman, the Vice Chairman, or the Chairman Pro Tern, and the Executive Director of the Commission, or any authorized designee of the

Executive Director (each, an Authorized Representative”), to execute and deliver the Funding Loan Agreement and the other Commission Documents in such form or forms as shall be approved by such Authorized Representative, the execution and delivery of the Funding Loan Agreement and the other Commission Documents being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any Authorized Representative is hereby authorized and directed to affix the seal of the Commission to the Funding Loan Agreement, and to attest the same, as applicable.

4. ***The AR Borrower Loan; Real Estate Documents.*** The Commission hereby authorizes and approves the financing of the AR Borrower Loan with the proceeds of the AR Tax Exempt Loan. 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 AR LIHTC Building in its capacity as governmental lender under the AR Tax Exempt Loan and in its capacity as the owner of a portion of the membership interest in the managing member of the AR Borrower.

5. ***Delivery of the AR Tax Exempt Loan.*** The Commission hereby authorizes and directs an Authorized Representative to proceed with the delivery of the AR Tax Exempt Loan to the Initial Funding Lender, the Funding Lender or such other entity as shall be in the best interest of the Commission as determined by an Authorized Representative.

6. ***Terms; Ongoing Determinations.*** The Commission hereby authorizes the Executive Director or other Authorized Representative, without further action of or authority from the Board of Commissioners, (a) to establish the dates, maturities, interest payment dates, denominations, terms of prepayment, security, series designations (as applicable), and other terms, and to approve the interest rates on the AR Tax Exempt Loan, all of the foregoing to be specified in the AR Tax Exempt Loan Documents, (b) to perform any act and to execute any additional documents, (c) to make ongoing determinations as may be required by the terms of the Commission Documents and any other documents relating to the AR Tax Exempt Loan, including, but not limited to, the giving and withholding of consents, the selection of certain credit enhancement and liquidity providers, the determination to permit the prepayment of the AR Tax Exempt Loan, the AR Borrower Loan or other indebtedness in connection with the prepayment of the AR Tax Exempt Loan, if applicable, and (d) to execute any and all documents evidencing such determinations as may be deemed necessary and proper.

7. ***Other Action.*** The Commission hereby authorizes the Executive Director or other Authorized Representative 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 AR Tax Exempt Loan and the accomplishment of the AR Financing Plan.

8. ***Appointment of Financial Advisor and Bond Counsel.*** The Commission hereby appoints Caine Mitter & Associates Incorporated as Financial Advisor and Kutak Rock LLP, Washington, D.C., as Bond Counsel in connection with the issuance and/or execution and delivery, as applicable, of the AR Tax Exempt Loan.

9. **No Personal Liability.** The Commission hereby resolves that no stipulation, obligation or agreement herein contained or contained in the AR Tax Exempt Loan, the Commission Documents, or in any other agreement or document executed on behalf of the Commission shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Commission in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the AR Tax Exempt Loan or be subject to personal liability or accountability by reason of the issuance thereof.

10. **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 AR Tax Exempt Loan and the accomplishment of the AR 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.

11. **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.

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

The foregoing resolution was adopted upon a motion by _____ and seconded by _____ . Affirmative votes were cast by Commissioners _____ . Commissioners _____ were necessarily absent and did not participate in the vote.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on February 7, 2024.

Chelsea J. Andrews
Secretary-Treasurer
and President/Executive Director

[SEAL]

**SCATTERED SITES: AUTHORIZATION TO ENTER INTO A LETTER OF INTENT FOR THE
DISPOSITION OF UP TO TEN UNITS IN MONTGOMERY VILLAGE TO HABITAT FOR
HUMANITY OF METRO MARYLAND**

Disposition of Scattered Sites



CHELSEA J. ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR

**ZACHARY MARKS, SENIOR VICE PRESIDENT
JAY SHEPHERD, HOUSING ACQUISITION MANAGER**

February 7, 2024

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Executive Summary

The Housing Opportunities Commission of Montgomery County (“HOC”) desires to sell up to 10 vacant in the Scattered Site portfolio, pursuant to the Scattered Site Portfolio Strategic Update, which was presented to the Development and Finance Committee on December 1, 2023 and shared with the full Commission thereafter. The units are unencumbered, functionally obsolete and with significant capital needs, single-family townhouse properties in an over-concentrated HOC ownership area of Montgomery Village (zip code 20886). These 10 units are also without regulatory restrictions and are held in HOC’s MPDU I (“MPDU 64”) ownership entity. MPDU 64 is an HOC-owned and controlled entity, consisting of 64 scattered-site, townhouse and single-family detached units primarily in Montgomery Village. In 2021, the outstanding first mortgage debt of \$895,819.45 was retired (March 29, 2021) and thereby released the collateral on 64 homes from debt obligations. To retire the first mortgage, the Commission drew on the \$60 million PNC Bank, N.A. Line of Credit (“LOC”), and the entire balance remains outstanding with the obligation to pay interest only, which is between \$50,000-\$60,000 annually.

Habitat for Humanity Metro Maryland (“HFHMM”) is proposing to purchase the 10 HOC owned, vacant townhomes located at 9241, 9277, 9323, 9409, 9473, and 9489 Chadburn Place, 8725, 8847 and 8867 Welbeck Way, and 9805 Brookridge Court, Montgomery Village. HOC welcomes and is engaging with other offers from additional non-profits for homeownership opportunities. These units are all vacant and have been vacant for almost four (4) years in most cases. Each has an HOC estimated cost of over \$110,000 to renovate, possibly as high as \$150,000.

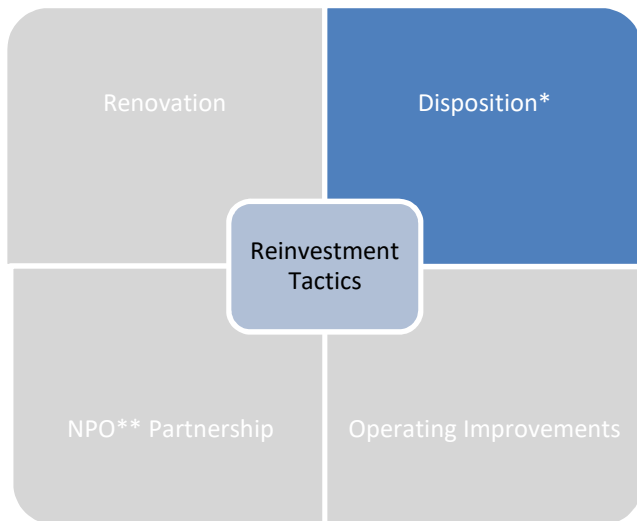
Three (3) of the Chadburn units were appraised in 2020 (as illustrated in the chart to the right) and costs to renovate were obtained from three general contractors. The units consist of three (3) and four (4) bedrooms with 1 ½ bathrooms and a large percent of the cost to renovate is driven by the need to create a secondary full bathroom.

2020 Costs	Valuation "as-is"	Min. Renovation Cost Required	SF	Year Built
9241 Chadburn Place	\$202,900.00	\$120,000.00	1,083	1981
9277 Chadburn Place	\$202,300.00	\$115,000.00	1,083	1980
9409 Chadburn Place	\$204,100.00	\$120,000.00	1,083	1979
Totals	\$609,300.00	\$355,000.00		

HOC owns 105 scattered site units in Montgomery Village (zip code 20886). This concentration of units is high relative to other zip codes in the County. Therefore, HOC proposes to sell the 10 homes at a price that will retire the outstanding balance on the LOC. HFHMM proposes to comprehensively renovate the townhomes and sell them to qualified homebuyers with household incomes in the 35% - 63% of the area median income (“AMI”) range at zero percent interest financing provided by HFHMM. HFHMM retains legal and financial mechanisms to ensure there is a disincentive for the new homebuyers to turn a quick sale.

Both HOC and HFHMM are hopeful that these initial 10 homes can serve as a model for future dispositions from HOC. HFHMM is interested in additional acquisitions of vacant HOC houses at the rate of potentially 10-20 per year depending on HOC availability.

Executive Summary



* Should the Commission wish to maintain the existing portfolio size, staff would pair an acquisition framework with this tactic.

**Non-profit Organization.

***Or increased contributions to capital reserves.

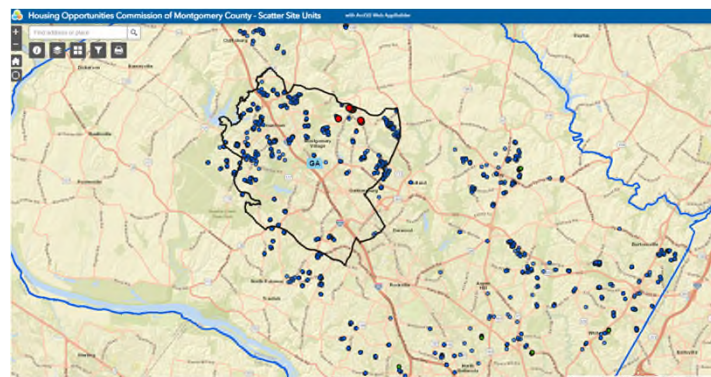
Staff identified these 10 units for disposition based on the following factors:

- 1) least impact to operations as each home has been vacant for an average four years with no income to the agency,
- 2) each house has an anticipated cost in excess of \$125,000 to renovate before any income could be achieved,
- 3) HOC has an over concentration of ownership in Montgomery Village and selling these assets would help deconcentrate ownership,
- 4) the sale still achieves preservation of affordability as HFHMM has strict legal and financial mechanisms in place to pass affordability to new homeowners.

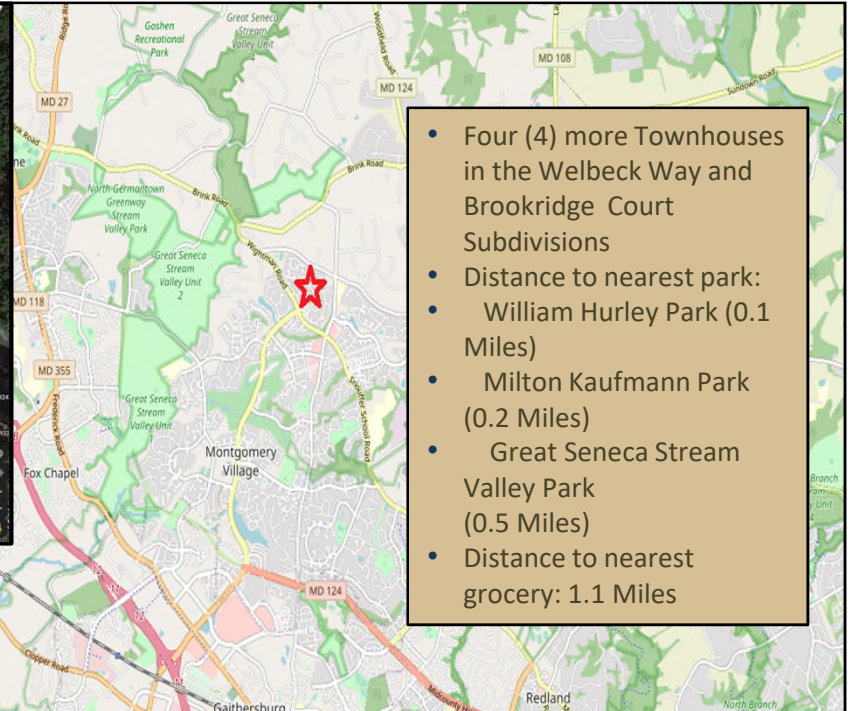
To meet the reinvestment needs of the Scattered Sites as presented in December 2023, staff has recommended a four-pronged strategy, including Dispositions, as detailed below:

- **Renovation:** Priority on younger units with lower capital needs in desirable locations (e.g., areas of high opportunity, neighborhoods with limited HOC inventory), and desirable family or accessible units.
- **Disposition:** Priority on older units with high capital needs in areas where either HOC has an abundance of inventory or has ample opportunity to acquire new MPDUs. While this disposition does not yield proceeds for acquisition of new MPDUs, it creates homeownership opportunities for low- and moderate-income households at one end of the affordable housing continuum.
- **NPO Partnership:** Direct a portion of units for renovation, disposition, or both through NPO partners; which will augment annual capacity for portfolio renovation and utilize grants and other capital available to those NPOs.
- **Operating Improvements:** Staff is placing a renewed focus on increasing occupancy, improving revenue, and reducing operating expenses. Increased net operating income would allow for the generation of some debt proceeds. ***

MV Concentration



Location



- Four (4) more Townhouses in the Welbeck Way and Brookridge Court Subdivisions
- Distance to nearest park:
 - William Hurley Park (0.1 Miles)
 - Milton Kaufmann Park (0.2 Miles)
 - Great Seneca Stream Valley Park (0.5 Miles)
- Distance to nearest grocery: 1.1 Miles

- Six (6) Townhouses in the Chadburn Place Subdivision, Montgomery Village, Gaithersburg



Habitat For Humanity of Metro Maryland



Habitat for Humanity of Metro Maryland is a nonprofit corporation that was formed under the laws of the State of Maryland on November 3, 1982, for the purpose of creating decent and affordable homeownership opportunities in Montgomery and Prince George's County, MD.

Vision

A community in which everyone has a decent place to live. While Montgomery and Prince George's County are part of the most affluent, fastest growing communities in the nation, thousands of its residents are living at or below the poverty line. Housing costs have sky-rocketed, while income growth in many jobs has remained the same. Habitat's unique homeownership model provides a solution to this problem by breaking down barriers through community partnerships, increasing access to homeownership opportunities through the rehab of vacant, distressed properties, new construction, home repair programs, and advocacy for additional housing units.

Mission

To build strength, stability and self-reliance through affordable housing. HFHMM supports the notion that good, stable housing matters for neighborhoods. Better quality of living leads to stronger citizens and families. Habitat for Humanity is about changing lives, one home at a time.

Our Impact in FY23

Projects Completed: 94
Individuals Served: 198
Families Impacted: 78

Our Impact since 1982

New Construction: 63
Rehabilitation: 39
Weatherization: 376
Major & Minor Repair: 350

Our Economic Impact

- Over \$23 million spent in local construction
- Over \$16 million in zero-interest loans extended to families
- Over \$1 million in property taxes paid by Habitat homeowners since 1982

Sale of Assets

Costs for the comprehensive renovation of the 10 townhomes is projected as follows:

<u>Per Home</u>	
\$117,250	Comprehensive Renovation Costs (permits, material, labor)
\$17,500	Homebuyer Marketing, Education, Loan Underwriting & Origination, Tax, Fees
\$11,750	Construction Management, Insurance, Tools, Administration, Warranty
\$18,500	Acquisition and Construction Finance Expenses, Taxes, Fees, HOA
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-	
\$165,000	Total Per Home Expenses (Projected Average)

Revenues from the sale of the 10 townhomes is projected as follows:

<u>Per Home</u>	
\$325,000	Typical Projected Sales Price
(\$60,000)	Subsidy to Provide Zero Interest Mortgage (discount charged to mortgage)
(\$10,000)	Closing Costs
-----	-----
-	
\$255,000	Total Per Home Revenues (Projected Average)

Funds remaining for Property Acquisition (in break-even budget) is projected as follows:

<u>Per Home</u>	
\$255,000	Typical Projected Sales Revenues Per Home
(\$165,000)	Typical Projected Renovation and Sales Costs Per Home
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-	
\$90,000	Projected Amount Available for Property Acquisition (Per Home)
\$00,000	Assistance from DHCA (TBD)

Based on the projections listed above, we are respectfully requesting an **Acquisition Price** of **\$90,000** per home for the 10 homes (**total acquisition price of \$900,000**) and pays off 100% of the outstanding balance on the LOC for the MPDU 64 Debt Retirement.

SALE OF MONTGOMERY VILLAGE HOMES	
Disposition	Amount
9241 Chadburn Place	\$90,000
9277 Chadburn Place	\$90,000
9409 Chadburn Place	\$90,000
9473 Chadburn Place	\$90,000
9323 Chadburn Place	\$90,000
9489 Chadburn Place	\$90,000
8725 Welbeck Way	\$90,000
8847 Welbeck Way	\$90,000
8867 Welbeck Way	\$90,000
9805 Brookridge Court	\$90,000
Total Disposition (Acquisition Price)	\$900,000
HOC Closing Related Costs	
Projected Closing Costs @3.5%	(\$31,500)
Estimated Portion paid by HFHMM	\$27,400
Total Projected Net Closing Costs	(\$4,100)
Total Net Proceeds	\$895,900

Affordability Reached

Habitat Model for creating affordable homeownership feasibility.

HFHMM purchases ten townhouses from HOC for \$90,000

Estimated Renovation Costs (permits, material, labor) per townhouse is \$117,250

Preventing Quick-Flips:

HFHMM employs three mechanisms to prevent quick sales from occurring after new homebuyers take possession, that include:

1. HFHMM includes a right of first refusal in the deed. If a homeowner wants to sell their property, they return to Habitat and Habitat has 30 days to exercise the right to repurchase the home.
2. HFHMM have a shared appreciation policy, which promotes long-term wealth generation. For the first five (5) years, any appreciation in the value of the home goes wholly to Habitat in the event that a family wants to sell the property and Habitat does not exercise its right to repurchase the home. After the first five (5) years, the homeowner's share of any appreciation increases by 3% per year until it reaches 75% of any appreciation with the remaining 25% going to Habitat.
3. Lastly, if there is a difference between the value of the first mortgage and the sales price of the house, a "silent" second mortgage is placed on the property. That second mortgage is only due in the event that the family goes to sell the property, otherwise it simply sits on the property and does not need to be repaid during the time the family lives in the home.

Additional Acquisition and Renovation related expenses: \$47,750

Projected Sales Price to Homebuyer (end-user): \$325,000

Mortgage: \$902 (based on \$325,000 sales price @ 0% interest for 30 years)

Property Tax: \$295

Insurance: \$78

HOA: \$110

Total of PITI and HOA = \$1,385

Estimated monthly payments of \$1,385 will provide affordable, sustainable homeownership opportunities to households with annual incomes as low as \$55,400. We expect that typical homebuyer households will be in the 35% to 63% AMI range.

Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to accept staff's recommendation, which is supported by the Development & Finance Committee, to approve the disposition of 10 townhouses located in Montgomery Village at 9241, 9277, 9323, 9409, 9473, and 9489 Chadburn Place, 8725, 8847 and 8867 Welbeck Way, and 9805 Brookridge Court, to HFHMM, a nonprofit corporation, and authorize the President/Executive Director, or their designee, to negotiate and execute a Letter of Intent with HFHMM to purchase the 10 Disposition Units for \$90,000 each, in a condition of "as-is, where-is," where HFHMM covers related closing costs, for use in their program in accordance with their program restrictions?

BUDGET FISCAL/IMPACT

If approved and when closed, the transaction is estimated to net approximately \$895,900 to pay back the outstanding balance on the \$60 million PNC Bank, N.A. Line of Credit ("LOC") for the MPDU I Debt Retirement. The Budget impacts are three-fold: 1) as the units are vacant there is no loss of current rents but there is a loss of future potential gross rents post-disposition, 2) extinguish 100% of the LOC principal and corresponding annual interest-only payments (repayment also increases General Obligation capacity), and 3) the burden to renovate, plus on-going annual HOA Fees for each unit would also be eliminated. Fiscal impacts are two-fold: 1) for the Assets, there is a projected gain on sale of \$726,630 and 2) for the Cash Flow, the cash received pays the LOC principal amount and any amounts remaining after closing cost or accrued interest.

TIME FRAME

For formal action at the February 7, 2024, meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff is recommending that the Commission approve the disposition of 10 townhouses located in Montgomery Village at 9241, 9277, 9323, 9409, 9473, and 9489 Chadburn Place, 8725, 8847 and 8867 Welbeck Way, and 9805 Brookridge Court, to HFHMM, a nonprofit corporation and authorize the President/Executive Director, or their designee, to negotiate and execute a Letter of Intent with HFHMM to purchase the 10 Disposition Units for \$90,000 each, in a condition of "as-is, where-is," where HFHMM covers related closing costs, for use in their program in accordance with their program restrictions.

Resolution: 24-13

Re: Authorization to Enter Into a Letter Of Intent for the Disposition of Up to Ten Units in Montgomery Village to Habitat for Humanity of Metro Maryland

WHEREAS, as part of a four-prong approach to successfully meet the reinvestment needs of the Housing Opportunities Commission of Montgomery County's ("HOC" or Commission") scattered site units ("Scattered Sites"), the Commission may elect to sell older units with high capital needs in areas where either HOC has an abundance of inventory or has ample opportunity to acquire new units; and

WHEREAS, there are 105 Scattered Sites, owned by HOC or an HOC-affiliate, in Montgomery Village, which is a high concentration relative to other zip codes in the County; and

WHEREAS, the Commission has identified an initial batch of 10 units in Montgomery Village owned by HOC (located at 9241, 9277, 9323, 9409, 9473, and 9489 Chadburn Place; 8725, 8847 and 8867 Welbeck Way; and 9805 Brookridge Court) (the "10 Disposition Units") for disposition that meet HOC's mission for responsibly divesting assets and reinvesting proceeds into other assets for long-term affordability; and

WHEREAS, Habitat for Humanity Metro Maryland ("HFHMM"), a Maryland nonprofit corporation, is proposing to purchase the 10 Disposition Units; and

WHEREAS, staff recommends that the Commission authorize the President/Executive Director to negotiate and execute a Letter of Intent with HFHMM to purchase the 10 Disposition Units (the "Letter of Intent"); and

WHEREAS, the Letter of Intent will include the following terms: (1) each unit will be sold for \$90,000, (2) HFHMM will accept the units "as-is, where-is", including subject to any encumbrances on title, (3) HFHMM will cover 100% of closing costs, (4) HFHMM will use the 10 Disposition Units in accordance with the standard HFHMM program restrictions regarding affordability and homeownership, and (4) any standard real estate or legal terms customarily included in a letter of intent and applicable to this transaction; and

WHEREAS, the Commission will use all or a portion of the proceeds of the sale of the 10 Disposition Units to repay the outstanding draw on the \$60 million PNC Bank, N.A. Line of Credit ("LOC") in an amount up to \$895,900 and any unused portions to assist with closing costs or applied to accrued interest on the LOC draw.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves the disposition of the 10 Disposition Units to HFHMM.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the President/Executive Director, or their designee, to negotiate and execute the Letter of Intent as described herein and any documents related thereto.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves repayment of the LOC in an amount up to \$895,900 and directs any additional proceeds to be used to assist with related closing costs or applied to accrued interest on the LOC draw.

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

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2024.

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Chelsea J. Andrews
President / Executive Director

APPROVAL TO SELECT AND EXECUTE A CONTRACT WITH INNOVATIVE
TECHNOLOGY DESIGN & CONSTRUCTION AS GENERAL CONTRACTOR FOR
SCATTERED SITE PROPERTIES PURSUANT TO INVITATION FOR BID #2435

HOC SCATTERED SITE PROPERTIES

CHELSEA ANDREWS, President/ Executive Director

Zachary Marks, Senior Vice President Real Estate

Paul Vinciguerra, Construction Manager

Kimberly King, Project Manager

February 7, 2024



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Executive Summary

- HOC owns and manages over 1,600 scattered site units located throughout the County within:
 - 24 different Opportunity Housing and Low Income Housing Tax Credit (“LIHTC”) ownership entities
 - Over 240 Homeowner Associations (“HOA”)
 - Consisting of mostly townhomes, condominiums and some single-family homes, purchased over the years under the County’s Moderately Priced Dwelling Unit (“MPDU”) program.
- A majority of these units are in need of renovation in order to continue to serve eligible households.
 - The 10 units selected for this solicitation have not had significant updates or undergone renovation since acquisition.
 - All units are currently vacant and will be vacant during the renovation period.
- In accordance with HOC’s current Procurement Policy, on November 16 , 2023, Invitation for Bid (“IFB”) #2435 was issued for Scattered Site Unit Renovations at HOC Properties within Montgomery County, MD, with responses due on December 14, 2023.
- Upon receipt of the nine (9) responses to the IFB, staff reviewed the proposals and determined that six (6) firms met the minimum qualifications, and reviewed the qualified bids to make a recommendation for the selection of a general contractor for the scattered site renovations based on the lowest qualified responsible and responsive bid.

Executive Summary

- HOC receives \$1,250,000 annually from the County's Capital Improvements Program ("CIP") as Supplemental Funds for Deeply Subsidized HOC and Affiliate Owned Unit Improvements.
- CIP funds are used to focus on renovation and major repairs for those units where renovations are required and the properties cannot support additional debt.
- In addition to the \$1.25M received for FY24, HOC has funding carried over from prior fiscal years that is available for the renovation of the scattered site units.
- The Commission has approved the FY24 CIP funding including the funding for the deeply subsidized unit renovations.

Current Staff Requests:

- Staff is requesting the approval to select the lowest qualified responsible and responsive bidder for the renovation of ten scattered site units. The contractor's bid of \$1,238,535.64 was the lowest qualified bid.
- Staff is requesting that the Commission authorize the Executive Director to negotiate and execute a contract with Innovative Technology Design & Construction for \$1,238,535.64.

Scope of Work

In general, the scope of work will consist primarily of like-kind replacements (and/or repairs) to the interiors, exteriors, yards, sidewalks and landscape areas of these properties.

- HOC has determined a scope of work for each individual unit based on the unit type, age of systems and overall conditions.

The scope of work for each unit may include (but is not limited to):

Interior Renovations

- Full kitchen remodel including new cabinetry, countertops, and energy-efficient appliances
- Full bathroom remodel including tile tub/shower surround, new vanity, toilet and fixtures as well as mold remediation as needed
- Updated flooring to include luxury vinyl tile throughout the home, ceramic tile in bathrooms and carpeting in bedrooms and staircases
- Drywall and carpentry repairs and new paint throughout the entire unit
- Replacement of HVAC, water heaters, sump pumps, washers and dryers
- Updated electrical, mechanical and plumbing to meet code requirements

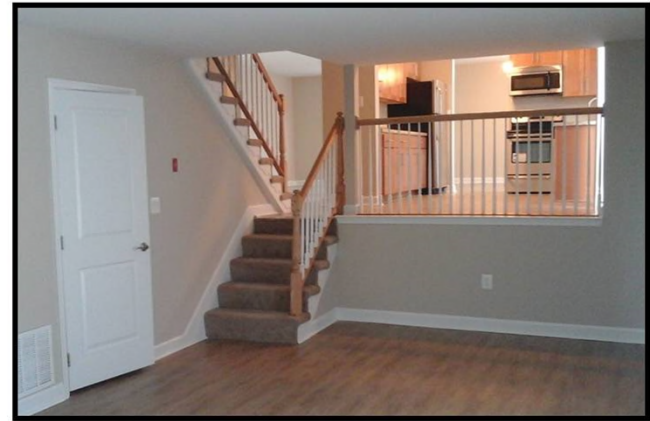
Exterior Renovations

- Replacement of windows, doors, siding, roofs, gutters, exterior carpentry and painting
- Concrete steps, sidewalks, driveways, decks and fencing
- Landscaping, tree removal and site grading

Some work may require obtaining permits by the Contractor/Subcontractor.

Scope of Work

Since 2013, HOC has renovated almost 700 scattered site units starting with the VPC One and VPC Two units that converted from Public Housing. The scope of work has remained generally the same to keep the finishes consistent throughout the portfolio; however, prices have increased substantially. Below are graphic examples of VPC One / VPC Two units that are indicative of the completed renovations.



Selection Criteria

The HOC Procurement Policy states that staff must select the lowest qualified responsible and responsive bid for an Invitation for Bid. The minimum qualifications included:

- Minimum of five (5) years of experience with completing renovations similar in scope of work, size and scale;
- Properly licensed in the State of Maryland;
- Insurance coverage that meets or exceeds the required coverage and agrees to list HOC as an additional insured;
- Payment and performance bonding capacity to cover 100% of the renovation cost.

• Six (6) qualified bids were received from the following firms:

1. Innovative Technology design & Construction	\$1,235,535.64
2. Earn Contracting	\$1,358,593.03
3. Atoms Solutions, Inc.	\$1,380,823,44
4. Nastos Construction, Inc.	\$1,414,730.00
5. Atlantida Builders, Inc.	\$1,458,979.32
6. Colossal Contracting, Inc.	\$1,996,929.50

Staff proposes the selection of Innovative Technology Design & Construction to award the contract for renovation of the 10 scattered site units Innovative Technology Design & Construction submitted the lowest qualified bid and is a certified Minority Business Enterprise (“MBE”) contractor.

Summary and Recommendations

ISSUES FOR CONSIDERATION

Will the Commission accept the staff's recommendation, which is supported by the Development & Finance Committee to:

1. Approve the selection of Innovative Technology Design & Construction. as the general contractor for the renovation of 10 scattered site units pursuant to IFB #2435;
2. Authorize the President/Executive Director to negotiate and execute a contract with Innovative Technology Design & Construction for \$1,238,535.64?

BUDGET/FISCAL IMPACT

There is no direct impact on HOC's operating budget. The funding will come from the County Capital Improvement Project funding for deeply subsidized units which has already been approved by the Commission.

TIMEFRAME

For formal action at the Commission meeting on February 07, 2024.

STAFF RECOMMENDATIONS

Staff recommends that the Commission approve to:

1. Select Innovative Technology Design & Construction as the general contractor for the renovation of 10 scattered site units pursuant to IFB #2435;
2. Authorize the President/Executive Director to negotiate and execute a contract with Innovative Technology Design & Construction. for \$1,238,535.64.

RESOLUTION No: 24-14

RE: Approval to Select and Execute a Contract With Innovative Technology Design & Construction as General Contractor for Scattered Site Properties Pursuant to Invitation for Bid #2435

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, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) has begun a renovation program for its scattered site units (“Scattered Sites”); and

WHEREAS, collectively HOC, HOC subsidiaries, and development corporations controlled by HOC own and operate approximately 1,600 Scattered Sites throughout Montgomery County, of which a majority of these units have not had significant updates nor undergone renovation since acquisition and now require differing level of rehabilitation, including full unit renovation (“Unit Renovations”); and

WHEREAS, to meet the comprehensive Unit Renovations needs of the Scattered Sites, staff proposed renovating ten units that have not undergone significant renovation since acquisition (the “Units”), and issued Invitation for Bid No. 2435 (the “IFB”) on November 16, 2023, soliciting bids from general contractors interested in providing these services; and

WHEREAS, six of the Units are owned by HOC, Montgomery Homes Limited Partnership VII (“MHLP VII”), and Montgomery Homes Limited Partnership IX (“MHLP IX”);

WHEREAS, proposals were timely received from six firms and evaluated based on the minimum qualifications and the lowest qualified responsible and responsive bid, and the most responsible bidder was Innovative Technology Design & Construction (“Innovative GC”); and

WHEREAS, HOC receives \$1,250,000 annually from the Montgomery County Capital Improvement Program (“CIP”) for Deeply Subsidized Units, and HOC has additional funding from the CIP that is carried over from prior fiscal years that is available for the ten Unit Renovations (the “CIP Funds”); and

WHEREAS, the ten Unit Renovations will be funded by the CIP Funds; and

WHEREAS, HOC wishes to enter into a construction contract with Innovative GC and any related documents to provide the Unit Renovations for the Units owned by HOC, MHLP VII, and MHLP IX; and

WHEREAS, on November 15, 2023, the Commission approved the renovation of ten scattered sites (owned by HOC, MHLP VII, Montgomery Homes Limited Partnership VIII (“MHLP VIII”), and MHLP IX) by Community Investment and Remodelers, Inc. (“Community GC”) pursuant to Resolution 23-73; and

WHEREAS, HOC desires to enter into a construction contract with Community GC and any related documents for the properties owned by HOC, MHL P VII, MHL P VIII, and MHL P IX; and

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of MHL P VII and MHL P IX, authorizes the President/Executive Director of HOC to negotiate and execute a contract with Innovative Technology Design & Construction for General Contracting Services to provide the Unit Renovations services for the Units owned by HOC, MHL P VII, and MHL P IX in an amount not to exceed \$1,238,535.64 for all ten Units, to be funded by the CIP Funds.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of MHL P VII, MHL P VIII, and MHL P IX, authorizes the President/Executive Director of HOC, or their designee, to enter into a construction contract with Community GC and any related documents for the properties owned by HOC, MHL P VII, MHL P VIII, and MHL P IX as described in Resolution 23-73.

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

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at the regular commission meeting conducted on February 7, 2024.

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Chelsea J. Andrews
President / Executive Director

Deliberation *and/or* *Action*

**APPROVAL TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH
MONTGOMERY COUNTY DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
TO PROVIDE UNDERWRITING AND ADMINISTRATION SERVICES FOR THE NON-
PROFIT PRESERVATION FUND**

February 7, 2024

- On July 18, 2023 the Montgomery County Council approved an amendment to the County's Capital Improvement Plan to create a Non-profit Preservation Fund (NPPF). The NPPF is intended to be a permanent revolving fund providing low-cost capital for the acquisition and preservation of naturally occurring affordable housing by Non-profit housing providers.
- The Council designated \$20 million of funding for the NPPF and the County Executive has proposed to add an additional \$30 million in the coming budget.
- HOC is entitled to apply for up to 25% of that funding.
- The Montgomery County Department of Housing and Community Affairs is designated to manage the Fund and approve and manage the loans, and HOC was designated to provide underwriting and administrative support to process loan applications. In return for these services, HOC will receive a 1% origination fee (except on loans where HOC itself is the applicant).
- Through conversations with DHCA, HOC staff has developed a draft Memorandum of Understanding that memorializes this agreement.
- Staff requests the Commission's authorization to execute this MOU with DHCA.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, President/Executive Director

FROM: Zachary Marks, Senior Vice President, Real Estate
Ken Silverman, Vice President, Government Affairs

RE: Approval to Enter into a Memorandum of Understanding with Montgomery County Department of Housing and Community Affairs to Provide Underwriting and Administration Services for the Non-profit Preservation Fund

DATE: February 7, 2024

OVERALL GOAL & OBJECTIVE:

Commission approval for HOC's President/Executive Director to execute a Memorandum of Understanding with the Department of Housing and Community Affairs ("DHCA") for HOC to provide underwriting and administration of Montgomery County's Non-profit Preservation Fund ("NPPF").

BACKGROUND:

On July 18, 2023, the Montgomery County Council approved an amendment to the County's Capital Improvement Program ("CIP"), creating a new Non-profit Preservation Fund. Loans from the Fund are to be approved and administered by DHCA, with HOC performing underwriting and providing recommendations to DHCA's Loan Committee. HOC's President/Executive Director seeks approval to enter into a Memorandum of Agreement formalizing this arrangement.

DISCUSSION:

Council Approval of the Non-profit Preservation Fund

On July 18, 2023 the Montgomery County Council approved a CIP Amendment (https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2023/20230718/20230718_2B.pdf), creating a new Non-profit Preservation Fund. Inspired by the success of the Housing Production Fund's provision of simple, easy to use capital to support new construction of mixed-income housing, the NPPF is designed to be a revolving fund to provide low-cost, easy-to-use capital for the acquisition and preservation of naturally occurring affordable housing by non-profit housing providers. The NPPF is intended to revolve, with loan terms of 7-10 years, providing a bridge between the purchase and stabilization of at-risk, unrestricted multifamily buildings and the execution of a permanent financing strategy - whether through Low Income Housing Tax Credits, redevelopment, or other permanent financing tools.

Per the Council's approved CIP Amendment, to qualify for funding, proposed acquisitions must:

- have been constructed at least 20 years ago;
- have other necessary capital identified for the acquisition, unless this requirement is conditionally waived for 90 days;
- restrict rental increases on the affordable units to no more than the County Executive’s Voluntary Rent Guidelines (“VRG”) issued by the Department of Housing & Community Affairs (“DHCA”);
- agree to a minimum 30-year agreement on the affordability for the restricted units; and
- achieve restriction for at least 20% of units at or below 50% of Area Median Income (“AMI”) and 10% of units at or below MPDU level within three (3) years of acquisition.

That action contemplated that DHCA would hold and administer the funds, and approve, execute and manage the loans, as well as deciding whether to grant any waivers from established underwriting guidelines and program rules. HOC would provide underwriting and administrative support, taking applications and preparing recommendations and reports for the DHCA Loan Committee’s consideration. To cover the cost of these services, HOC is to receive a 1% origination fee, except where HOC itself is applying for funding for an HOC project. HOC is entitled to apply for up to 25% of the funding that has been appropriated to the NPPF.

The Council’s July action programmed \$20 million for the NPPF, to be made available pending repayments of loans made from the County’s preexisting Naturally Occurring Affordable Housing Fund. Those funds have been repaid and are now available for reuse in the NPPF. Additionally, the County Executive’s proposed FY25-30 Capital Improvement Program includes an additional \$15 million for the NPPF, subject to Council approval. The Executive also announced that he intends to include an additional \$15 million for the NPPF when he releases his FY25 Operating Budget in March.

If approved by the Council, this would bring the total funding in the NPPF to \$50 million. HOC would be entitled to apply for up to \$12.5 million of this funding directly, and would receive \$375,000 in origination fees if it fully utilized its 25% allotment.

Summary of the proposed MOU

Based on conversations with DHCA, HOC staff proposes that the MOU include terms and exhibits that establish clear roles and responsibilities for each party, and a clear process for processing loan applications.

Specifically, DHCA would be responsible for working HOC to develop and approve key documents, promote the program to non-profit developers, provide clear priorities for HOC to evaluate loans against, approve loan applications, and prepare loan documents, close loans, hold and disburse funds and administer the loans.

HOC would be responsible for underwriting NPPF loan applications, assisting in developing key application documents and promoting and explaining the program, reviewing applications for completion, and delivering timely underwriting packets and recommendations to DHCA for their review and consideration. HOC’s underwriting would include a review of the financial viability of the proposed acquisition,

confirmation of the availability of other proposed financing sources, compliance with program requirements, and an evaluation of whether or not the proposed acquisition meets priorities established by DHCA.

These priorities would be:

1. Affordability – Priority will be given to projects that provide more units at deeper affordability. Units that are affordable down to 50% of AMI and below will be given priority to those above 50% of AMI.
2. Proximity to Transit – Priority will be given to projects within ½ mile of a Metrorail station; within ½ mile of a Purple Line station, or within a ¼ mile of an existing Bus Rapid Transit Station or a Bus Rapid Transit station that has been funded for construction in the 6-year CIP at the time of application.
3. Properties At Risk of Losing Affordability – Properties where one of the following factors is applicable:
 - a. has no affordable restrictions or has affordable restrictions expiring within the next two (2) years and has trailing 12-month rents more than 20% lower than rents at other properties in the submarket; or
 - b. is within five (5) years of LIHTC year 15 or year 30 expiration; or
 - c. has more than 50% of mapped density unbuilt; or
 - d. is being considered for rezoning for greater density; or
 - e. is at risk due to other factors.

Where multiple projects score equally under these priority criteria, HOC is to offer a recommendation for prioritization based on application timing, per unit cost, or the geographical location of the units.

To support adequate staff capacity for HOC to carry out this work, the MOU confirms that HOC is to receive a 1% commitment fee on each loan, except where HOC itself is the applicant. To ensure that HOC can add staff in a timely way, the origination fee on the first \$15 million of NPPF funding (\$150,000) would be provided in a bulk initial payment upon execution of an MOU or appropriation of funds, whichever is later. Additional origination fees would be paid upon closing.

ISSUES FOR CONSIDERATION:

Does the Commission wish to authorize HOC's President/Executive Director to execute a Memorandum of Understanding for HOC to provide underwriting and administration of the NPPF?

BUDGET IMPACT:

In consideration of HOC's staff time required to process and underwrite loan applications, the Council approved documents specify that HOC is to receive a 1% origination fee on all loans, unless HOC itself is the applicant for an HOC project. The proposed MOU provides that the 1% fee on \$15 million of the NPPF is to be initially paid upon initial appropriation of funding into the NPPF (\$150,000), in order to allow HOC to adequately hire staff to carry out its responsibilities. Once loans are repaid and funding begins to revolve or more funding is appropriated to the NPPF, origination fees would be paid to HOC upon closing.

TIMEFRAME:

For formal Commission action at the February 7, 2024 meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Commission grant formal approval for HOC's President/Executive Director to execute a Memorandum of Understanding with the Montgomery County Department of Housing and Community Affairs for HOC to provide underwriting and administration of the County's Non-profit Preservation Fund.

Resolution: 24-15

RE: Authorization to Enter Into a Memorandum of Understanding with Montgomery County Department of Housing and Community Affairs for Underwriting and Administration Services for the Non-profit Preservation Fund

WHEREAS, Montgomery County has created a Non-Profit Preservation Fund available to the Housing Opportunities Commission of Montgomery County (“HOC” or Commission”) and qualified non-profit organizations for the acquisition and preservation of unrestricted affordable rental housing (the “NPPF”); and

WHEREAS, HOC and qualified non-profit organizations may apply to the NPPF for low-cost, subordinate capital to use in conjunction with other typical sources of acquisition capital; and

WHEREAS, applications to the NPPF must be evaluated for completeness and priority according to categories provided by the Montgomery County Department of Housing and Community Affairs (“DHCA”); and

WHEREAS, evaluated NPPF applications must be prepared for presentation to DHCA for evaluation by DHCA’s loan committee; and

WHEREAS, DHCA desires to enter into a Memorandum of Understanding (“MOU”) with HOC to assist in the (i) creation, receipt, processing, reviewing and presentation to DHCA of applications from qualified non-profit organizations, (ii) underwriting and evaluation of NPPF applications, (iii) promoting the NPPF program, (iv) meeting DHCA’s reporting requirements, (v) making recommendations to DHCA on NPPF applicants, and (vi) other similar functions; and

WHEREAS, HOC has staff experienced at underwriting, evaluating, and financing existing unrestricted affordable housing and may recruit to supplement the current complement; and

WHEREAS, HOC shall earn an underwriting fee and shall be able to participate in the NPPF program itself.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the President/Executive Director to enter into a MOU with DHCA for assistance in the administration of the NPPF.

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

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2024.

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Chelsea J. Andrews
President/Executive Director

Recess

Development Corporation Meeting

RAD 6

Development Corporation

RAD6 DEVELOPMENT CORPORATION MEETING

SANDY SPRING MEADOW: AUTHORIZATION TO EXECUTE A UTILITY EASEMENT AT SANDY SPRING MEADOW AND RECEIVE AN EMERGENCY EGRESS AND PEDESTRIAN EASEMENT TO BENTLEY ROAD.

Cross-Access Easement



CHELSEA J. ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR

**ZACHARY MARKS, SENIOR VICE PRESIDENT
JAY SHEPHERD, HOUSING ACQUISITION MANAGER**

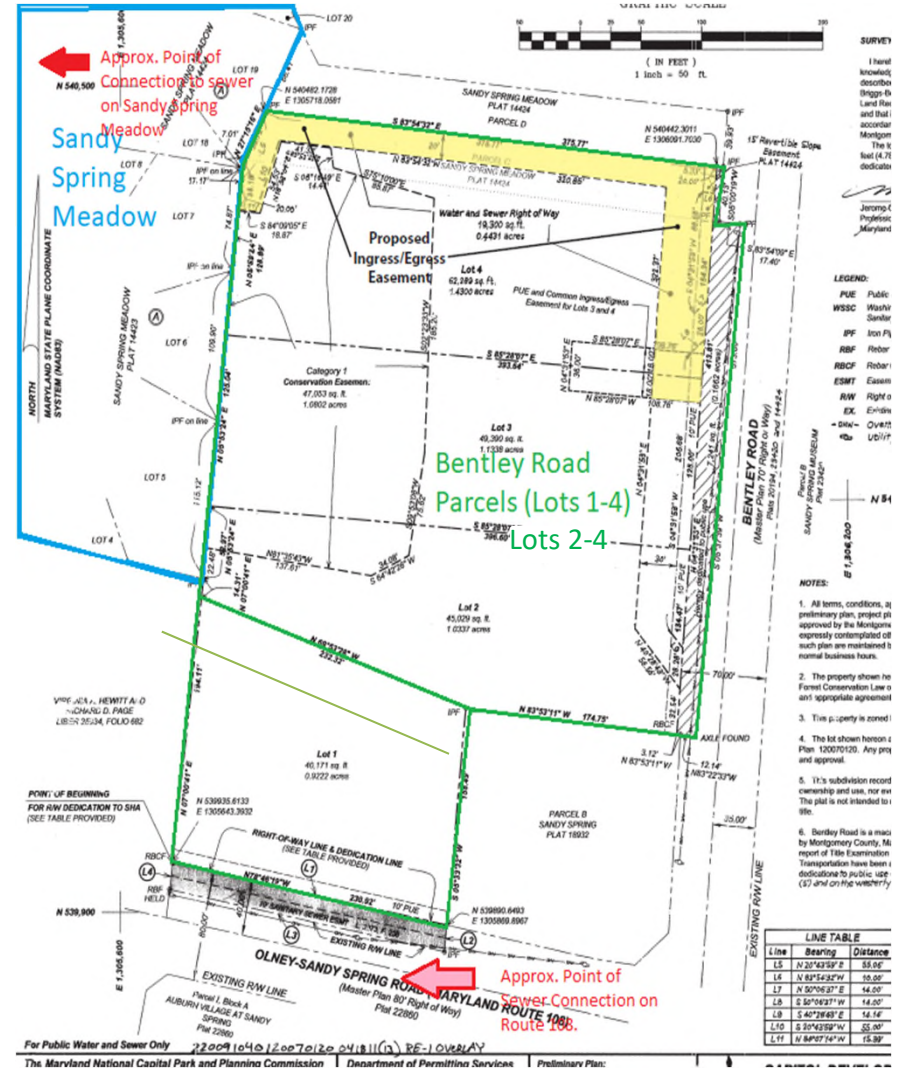
February 7, 2024

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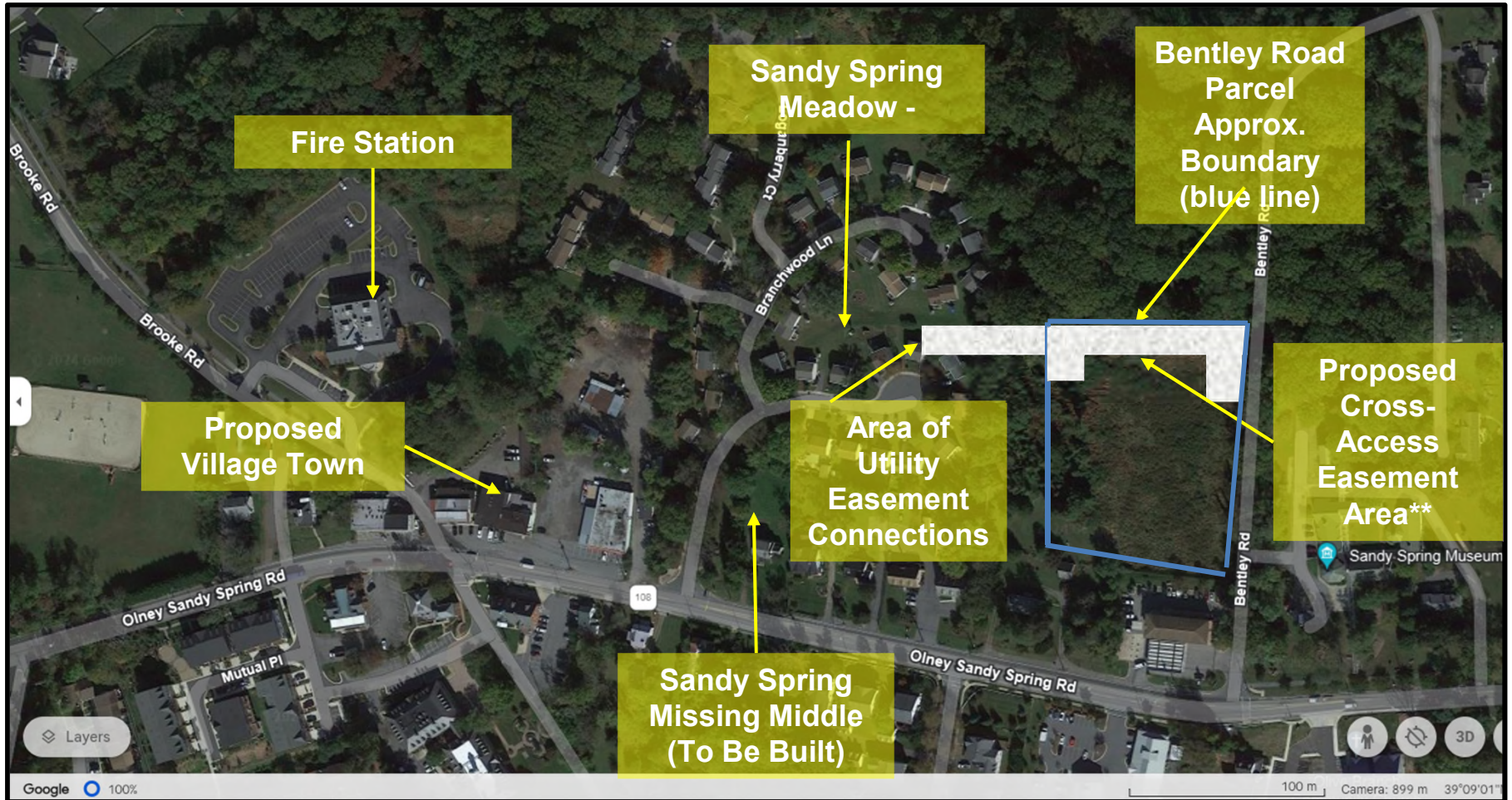
Executive Summary

- The Housing Opportunities Commission of Montgomery County (“HOC”) was approached by the new owner, Mr. Banarsi Dass, of the Bentley Road parcel, immediately east of Sandy Spring Meadow, seeking a more direct route for access to Sandy Spring Meadow (“SSM”), via easement for a sanitary sewer connection. The neighbor, in conjunction with other family members, plans to construct three (3) single-family detached homes each on its own lot. By accessing directly to the sewer connections on SSM, it lowers the connection cost for their development by shortening the path. Their only other option is to connect to Route 108, which is a farther connection point.
- SSM, owned by the RAD 6 Development Corporation, needs access to Bentley Road for three reasons: 1) improves **pedestrian access** to Bentley Road, 2) serves as an alternate means of egress/ingress for emergency vehicles to SSM, and 3) it will improve the long-term **viability of redevelopment** plans in the future for SSM as a minimum of two points of egress are required for new developments.
- To accomplish both parties’ goals, a Cross-Access Easement is hereby proposed allowing the Commission to negotiate and execute a utility easement at Sandy Spring Meadow and receive an emergency and pedestrian easement to Bentley Road.
- The timing of this easement to HOC is important because the sewer easement access is only valuable to the Bentley Road parcel before it is developed and sewer infrastructure is installed. Should that occur, no further access would be required by the Bentley Road parcel.
- The Easements are also consistent with the approved Montgomery County Planning Department (“Planning”) Sandy Spring Rural Village Plan (“Plan”). From the outset of the plan formulation, HOC staff was an active participant in the revision process with the goal of producing integrated connectivity for pedestrians throughout the community and viable redevelopment capacity for Sandy Spring Meadow itself while realigning the town center intersection of Brooke Road and Route 108, to accommodate the creation of a more formal town square.
- Approval of the easement does not obligate HOC to make the improvements for the road or pedestrian access, only secures the right to do so. Staff will approach the County or Parks on HOC’s behalf to determine their interest to construct and maintain the improvements needed.



Site Plan - Existing

The easement connecting to Bentley Road is approximately 20' wide and 325' long, runs parallel to the northern parcel boundary, and is exclusively within the building restriction area providing setbacks from the adjacent parcels. The easement would be improved with a road that would be suitable for both pedestrians and emergency vehicles, if needed. Comparable to a new sidewalk, which allows all pedestrian public access, Staff will approach the County or Parks on HOCs behalf to determine their interest to construct and maintain the improvements needed within the Cross-Access Easement area on the Bentley Road parcel.



Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to accept staff's recommendation, which is supported by the Development & Finance Committee, to authorize the RAD 6 Development Corporation, an HOC wholly-owned entity, to execute a utility easement at Sandy Spring Meadow, including modification of any existing HOC/WSSC easements related thereto, and receive an emergency egress and pedestrian easement to Bentley Road?

BUDGET FISCAL/IMPACT

None. Legal document will be prepared by HOC's internal legal staff.

TIME FRAME

For formal action at the February 7, 2024, meeting of the Commission

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff is recommending that the Commission authorize the RAD 6 Development Corporation, an HOC wholly-owned entity, to execute a utility easement at Sandy Spring Meadow, including modification of any existing HOC/WSSC easements related thereto, and receive an emergency egress and pedestrian easement to Bentley Road.

RESOLUTION: 24-002_{RAD6}

**RE: AUTHORIZATION TO EXECUTE A UTILITY
EASEMENT AT SANDY SPRING MEADOW AND
RECEIVE AN EMERGENCY EGRESS AND
PEDESTRIAN EASEMENT TO BENTLEY ROAD**

WHEREAS, the RAD 6 Development Corporation (“Corporation”) is the owner of Sandy Spring Meadow, a 55 unit single family detached and townhome community located in Sandy Spring, Maryland with a sole point of access from Skymeadow Drive on Route 108 (Olney Sandy Spring Road) (the “Property”); and

WHEREAS, the Corporation has received a request from Mr. Barnasi Dass and his family, its neighbor and new owner of three adjacent vacant lots – lots 2, 3 and 4 located at 17910, 17814 and 17918 Bentley Road, Sandy Spring, Maryland (“Bentley Road Parcels”) – to access the sanitary sewer line on Sandy Spring Meadow via an easement; and

WHEREAS, the Corporation desires to grant to the owners of the Bentley Road Parcels (i) a temporary construction easement to build the access to the sanitary sewer line, and (ii) a perpetual non-exclusive access easement to maintain their access to the sanitary sewer line and maintain the line itself, in addition to any other easements necessary for the construction and ongoing operation of the sewer line (collectively, the “Sewer Line Easement”); and

WHEREAS, in connection with the Sewer Line Easement, the Washington Suburban Sanitary Commission (“WSSC”) may require that the Corporation amend existing agreements with WSSC or may require that the Corporation enter into new agreements with WSSC regarding the Property (collectively, the “WSSC Documents”); and

WHEREAS, the owners of the Bentley Road Parcels desire to grant the Corporation (i) a temporary construction easement to build a road for emergency and pedestrian access to Sandy Spring Meadow, and (ii) a permanent non-exclusive access agreement that permits emergency and pedestrian access to Bentley Road, in addition to any other easements necessary for the construction and ongoing operation and maintenance of such access (collectively, the “Access Easement”).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the RAD 6 Development Corporation that the Corporation may enter into the Sewer Line Easement, the Access Easement, and any WSSC Documents as WSSC may require.

BE IT FURTHER RESOLVED that the Corporation, acting on behalf of itself, authorizes the President/Executive Director of the Housing Opportunities Commission of Montgomery County, acting as Authorized Signatory of the Corporation, or their designee, without any further action in its part, to take any and all other actions necessary and property to carry out the transaction and actions contemplated herein, including the execution of the Sewer Line Easement, the Access Easement, any WSSC Documents and any documents related thereto.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Board of Directors of the RAD 6 Development Corporation at an open meeting conducted on February 7, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

Scattered
Site One
Development
Corporation

Scattered Site One Development Corp. One Meeting

APPROVAL TO SELECT AND EXECUTE A CONTRACT WITH INNOVATIVE TECHNOLOGY DESIGN & CONSTRUCTION AS GENERAL CONTRACTOR FOR THE RENOVATION SCATTERED SITE PROPERTIES PURSUANT TO INVITATION FOR BID #2435

February 7, 2024

- Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") has begun a renovation program for its scattered site units ("Scattered Sites").
- To meet the comprehensive Unit Renovations needs of the Scattered Sites, staff proposed renovating ten units that have not undergone significant renovation since acquisition, and issued Invitation for Bid No. 2435 (the "IFB") on November 16, 2023, soliciting bids from General Contractors interested in providing these services.
- All units are currently vacant and will be vacant during the renovation period.
- The Development and Finance Committee considered this item at its meeting on January 26, 2024, and supports staff recommendation that the Commission approve the selection of Innovative Technology Design & Construction as general contractor to complete the renovation of the units.

MEMORANDUM

TO: Board of Directors of Scattered Site One Development Corporation

VIA: Chelsea J. Andrews, President/Executive Director

FROM: Staff: Zachary Marks, Senior Vice President, Real Estate
Paul Vinciguerra, Construction Manager
Kimberly King, Project Manager

RE: Approval to Select and Execute a Contract with Innovative Technology, Design & Construction as General Contractor AS General Contractor for the Renovation of Scattered Site Properties Pursuant to Invitation for Bid #2435

DATE: February 7, 2024

STATUS: Committee Report Deliberation X

OVERALL GOAL & OBJECTIVE: To select and execute a contract with Innovative Technology, Design & Construction as general contractor for select Scattered Site units.

BACKGROUND:

Housing Opportunities Commission of Montgomery County (“HOC”) owns and manages over 1,600 scattered site units located throughout Montgomery County, consisting of mostly townhomes, condominiums and some single-family homes. These homes were purchased over the years under the County’s Moderately Priced Dwelling Unit (“MPDU”) program with 24 different Opportunity Housing and Low Income Housing Tax Credit (“LIHTC”) ownership entities, in over 240 Homeowner Associations (“HOAs”). A majority of these units are in need of renovation in order to continue to serve eligible households. All units are currently vacant and will be vacant during the renovation period.

Of the nine firm that responded to the IFB, the following six were determined to be responsive and responsible, meeting the minimum qualification to be considered for selection:

Six (6) qualified bids were received from the following firms:

- | | |
|--|----------------|
| 1. Innovative Technology design & Construction | \$1,235,535.64 |
| 2. Earn Contracting | \$1,358,593.03 |
| 3. Atoms Solutions, Inc. | \$1,380,823.44 |
| 4. Nastos Construction, Inc. | \$1,414,730.00 |
| 5. Atlantida Builders, Inc. | \$1,458,979.32 |
| 6. Colossal Contracting, Inc. | \$1,996,929.50 |

Staff proposes the selection of Innovative Technology Design & Construction as general contractor to complete the renovation.

ISSUES FOR CONSIDERATION:

Will the Board of Directors of Scattered Site Once Development Corporation accept the staff's recommendation, which is supported by the Development & Finance Committee to approve the selection of Innovative Technology, Design & Construction as the general contractor for Scattered Site Properties Pursuant to Invitation for Bid #2435; and authorize the President/Executive Director of HOC to negotiate and execute a contract on its behalf with Innovative Technology Design & Construction for General Contracting Services to provide the Unit Renovations services for Units owned by Scattered Site One Development Corporation in an amount not to exceed \$1,238,535.64 for all ten Units, to be funded by the CIP Funds?

BUDGET IMPACT:

The funding will come from the County Capital Improvement Project funding for deeply subsidized units; therefore, there is no operating budget impact.

TIME FRAME:

For formal action at the February 7, 2024 meeting of the Commission.

STAFF RECOMMENDATION:

Staff recommends that the Board of Directors of Scattered Site One Development Corporation accept its recommendation to select Innovative Technology Design & Construction as the general contractor for the renovation of Scattered Site Properties and authorize the President/Executive Director of HOC to negotiate and execute a contract on its behalf with Innovative Technology Design & Construction for General Contracting Services to provide the Unit Renovations services for Units owned by Scattered Site One Development Corporation in an amount not to exceed \$1,238,535.64 for all ten Units, to be funded by the CIP Funds.

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, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) has begun a renovation program for its scattered site units (“Scattered Sites”); and

WHEREAS, collectively HOC, HOC subsidiaries, and development corporations controlled by HOC, including Scattered Site Development Corporation, own and operate approximately 1,600 Scattered Sites throughout Montgomery County, of which a majority of these units have not had significant updates nor undergone renovation since acquisition and now require differing level of rehabilitation, including full unit renovation (“Unit Renovations”); and

WHEREAS, to meet the comprehensive Unit Renovations needs of the Scattered Sites, staff proposed renovating ten units that have not undergone significant renovation since acquisition (the “Units”), and issued Invitation for Bid No. 2435 (the “IFB”) on November 16, 2023, soliciting bids from general contractors interested in providing these services; and

WHEREAS, two of the Units are owned by Scattered Site One Development Corporation; and

WHEREAS, proposals were timely received from six firms and evaluated based on the minimum qualifications and the lowest qualified responsible and responsive bid, and the most responsible bidder was Innovative Technology Design & Construction (“Innovative GC”); and

WHEREAS, HOC receives \$1,250,000 annually from the Montgomery County Capital Improvement Program (“CIP”) for Deeply Subsidized Units, and HOC has additional funding from the CIP that is carried over from prior fiscal years that is available for the ten Unit Renovations (the “CIP Funds”); and

WHEREAS, the ten Unit Renovations will be funded by the CIP Funds; and

WHEREAS, Scattered Site One Development Corporation wishes to authorize HOC to enter into a construction contract on its behalf with Innovative GC and any related documents to provide the Unit Renovations, including for those Units owned by Scattered Site One Development Corporation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Scattered Site One Development Corporation authorizes the President/Executive Director of HOC to negotiate and execute a contract on its behalf with Innovative Technology Design & Construction for General Contracting Services to provide the Unit Renovations services for Units owned by Scattered Site One Development Corporation in an amount not to exceed \$1,238,535.64 for all ten Units, to be funded by the CIP Funds.

BE IT FURTHER RESOLVED that the Board of Directors of the Scattered Site One Development Corporation authorizes and directs the President/Executive Director of HOC, or their designee, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Board of Directors of the Scattered Site One Development Corporation at a meeting conducted on February 7, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

TPM Development Corporation

TPM Development Corporation Meeting

APPROVAL TO SELECT AND EXECUTE A CONTRACT WITH INNOVATIVE TECHNOLOGY DESIGN & CONSTRUCTION AS GENERAL CONTRACTOR FOR THE RENOVATION OF SCATTERED SITE PROPERTIES PURSUANT TO INVITATION FOR BID #2435

February 7, 2024

- Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") has begun a renovation program for its scattered site units ("Scattered Sites").
- To meet the comprehensive Unit Renovations needs of the Scattered Sites, staff proposed renovating ten units that have not undergone significant renovation since acquisition, and issued Invitation for Bid No. 2435 (the "IFB") on November 16, 2023, soliciting bids from General Contractors interested in providing these services.
- All units are currently vacant and will be vacant during the renovation period.
- The Development and Finance Committee considered this item at its meeting on January 26, 2024, and supports staff recommendation that the Commission approve the selection of Innovative Technology Design & Construction as general contractor to complete the renovation of the units.

MEMORANDUM

TO: Board of Directors of TPM Development Corporation

VIA: Chelsea J. Andrews, President/Executive Director

FROM: Staff: Zachary Marks, Senior Vice President, Real Estate
Paul Vinciguerra, Construction Manager
Kimberly King, Project Manager

RE: **Approval to Select and Execute a Contract with Innovative Technology Design & Construction as General Contractor for Renovation of Scattered Site Properties Pursuant to Invitation for Bid #2435**

DATE: February 7, 2024

STATUS: Committee Report Deliberation X

OVERALL GOAL & OBJECTIVE: To select and execute a contract with Innovative Technology Design & Construction as general contractor for select scattered site units.

BACKGROUND:

Housing Opportunities Commission of Montgomery County (“HOC”) owns and manages over 1,600 scattered site units located throughout Montgomery County, consisting of mostly townhomes, condominiums and some single-family homes. These homes were purchased over the years under the County’s Moderately Priced Dwelling Unit (“MPDU”) program with 24 different Opportunity Housing and Low Income Housing Tax Credit (“LIHTC”) ownership entities, in over 240 Homeowner Associations (“HOAs”).—A majority of these units are in need of renovation in order to continue to serve eligible households. All units are currently vacant and will be vacant during the renovation period.

Of the nine firm that responded to the IFB, the following six were determined to be responsive and responsible, meeting the minimum qualification to be considered for selection:

Six (6) qualified bids were received from the following firms:

- | | |
|---|-----------------------|
| 1. <i>Innovative Technology design & Construction</i> | <i>\$1,235,535.64</i> |
| 2. <i>Earn Contracting</i> | <i>\$1,358,593.03</i> |
| 3. <i>Atoms Solutions, Inc.</i> | <i>\$1,380,823.44</i> |
| 4. <i>Nastos Construction, Inc.</i> | <i>\$1,414,730.00</i> |
| 5. <i>Atlantida Builders, Inc.</i> | <i>\$1,458,979.32</i> |
| 6. <i>Colossal Contracting, Inc.</i> | <i>\$1,996,929.50</i> |

Staff proposes the selection of Innovative Technology Design & Construction as general contractor to complete the renovation.

ISSUES FOR CONSIDERATION:

Will the Board of Directors of TPM Development Corporation accept the staff's recommendation, which is supported by the Development & Finance Committee to approve the selection of Innovative Technology Design & Construction as the general contractor for the renovation of Scattered Site Properties pursuant to IFB #2435; and authorize the President/Executive Director of HOC to negotiate and execute a contract on its behalf with Innovative Technology Design & Construction for General Contracting Services to provide the Unit Renovations services for Units owned by TPM Development Corporation in an amount not to exceed \$1,238,535.64 for all ten Units, to be funded by the CIP Funds?

BUDGET IMPACT:

The funding will come from the County Capital Improvement Project funding for deeply subsidized units; therefore, there is no operating budget impact.

TIME FRAME:

For formal action at the February 7, 2024 meeting of the Board of Director of TPM Development Corporation.

STAFF RECOMMENDATION:

Staff recommends that the Board of Directors of TPM Development Corporation accept its recommendation to select Innovative Technology Design & Construction as the general contractor for the renovation of Scattered Site Properties and authorize the President/Executive Director of HOC to negotiate and execute a contract on its behalf with Innovative Technology Design & Construction for General Contracting Services to provide the Unit Renovations services for Units owned by TPM Development Corporation in an amount not to exceed \$1,238,535.64 for all ten Units, to be funded by the CIP Funds.

Resolution No.: 24-001^{TPM}

RE: Approval to Select and Execute a Contract with Innovative Technology Design & Construction as General Contractor for Scattered Site Properties Pursuant to Invitation for Bid #2425

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, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) has begun a renovation program for its scattered site units (“Scattered Sites”); and

WHEREAS, collectively HOC, HOC subsidiaries, and development corporations controlled by HOC, including TPM Development Corporation, own and operate approximately 1,600 Scattered Sites throughout Montgomery County, of which a majority of these units have not had significant updates nor undergone renovation since acquisition and now require differing level of rehabilitation, including full unit renovation (“Unit Renovations”); and

WHEREAS, to meet the comprehensive Unit Renovations needs of the Scattered Sites, staff proposed renovating ten units that have not undergone significant renovation since acquisition (the “Units”), and issued Invitation for Bid No. 2435 (the “IFB”) on November 16, 2023, soliciting bids from general contractors interested in providing these services; and

WHEREAS, two of the Units are owned by TPM Development Corporation; and

WHEREAS, proposals were timely received from six firms and evaluated based on the minimum qualifications and the lowest qualified responsible and responsive bid, and the most responsible bidder was Innovative Technology Design & Construction (“Innovative GC”); and

WHEREAS, HOC receives \$1,250,000 annually from the Montgomery County Capital Improvement Program (“CIP”) for Deeply Subsidized Units, and HOC has additional funding from the CIP that is carried over from prior fiscal years that is available for the ten Unit Renovations (the “CIP Funds”); and

WHEREAS, the ten Unit Renovations will be funded by the CIP Funds; and

WHEREAS, TPM Development Corporation wishes to authorize HOC to enter into a construction contract on its behalf with Innovative GC and any related documents to provide the Unit Renovations, including for those Units owned by TPM Development Corporation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the TPM Development Corporation authorizes the President/Executive Director of HOC to negotiate and execute a contract on its behalf with Innovative Technology Design & Construction for General Contracting Services to provide the Unit Renovations services for Units owned by TPM Development Corporation in an amount not to exceed \$1,238,535.64 for all ten Units, to be funded by the CIP Funds.

BE IT FURTHER RESOLVED that the Board of Directors of the TPM Development Corporation authorizes and directs the President/Executive Director of HOC, or their designee, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Board of Directors of the TPM Development Corporation at a meeting conducted on February 7, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

Reconvene

Adjourn