



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

**EXPANDED AGENDA**

**September 2, 2015**

3:30 p.m.	I. Public Hearing	
4:00 p.m.	II. <b><u>CONSENT ITEMS</u></b>	
<p>Page 4</p> <p>46</p> <p>54</p> <p>56</p>	<p>A. Approval of Minutes of August 5, 2015</p> <ul style="list-style-type: none"> <li>• Executive Session Minutes – August 5, 2015</li> <li>• Executive Session Minutes – July 8, 2015</li> <li>• Executive Session Minutes – April 1, 2015</li> </ul> <p>B. Authorization to Revise HOC’s Administrative Plan to Replace a Preference for Chronically Homeless and Medically Vulnerable Persons with a Preference for Homeless Veterans and Their Families with Respect to 10 Housing Choice Vouchers</p> <p>C. Ratification of Action Taken in Executive Session on August 5, 2015: Approval of Pursuit of Relocation Options for Elizabeth House Residents, Including the Execution of a Purchase and Sale Contract for the Acquisition of 900 Thayer Avenue and Other Related Due Diligence, and Approval for Site Plan Approval Funding in the Amount of \$600,000 for Elizabeth Square</p> <p>D. Ratification of Action Taken in Executive Session on August 5, 2015: Authorization for the Executive Director to Enter Into a Grant Agreement with Victory Housing, Inc. (VHI) to Place 39 RAD Units at Victory Crossing; Admit HOC as a Member in the Victory Crossing Owner’s General Partner; Negotiate a Letter of Intent (LOI) with VHI for the Development of Bauer Park Apartments as Incentive Fee for Holly Hall RAD Relocation Housing at Victory Crossing; and Negotiate a LOI with VHI for the Development of an Investment Exchange Site in Lieu of the Investment Grant Payable to VHI for the Holly Hall RAD Relocation Housing at Victory Crossing</p>	
4:05 p.m.	III. <b><u>INFORMATION EXCHANGE</u></b>	
<p>Page 59</p> <p>61</p>	<p>A. Report of the Executive Director</p> <p>B. Calendar and Follow-up Action</p> <p>C. Correspondence and Printed Matter</p> <p>D. Commissioner Exchange</p> <p>E. Resident Advisory Board</p> <p>F. Community Forum</p> <p>G. Status Report</p>	
4:15 p.m.	IV. <b><u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u></b>	
<p>Page 66</p> <p>77</p> <p>98</p> <p>114</p>	<p>A. Budget, Finance and Audit Committee – <i>Com. Piñero, Chair</i></p> <ol style="list-style-type: none"> <li>1. Authorization to Submit County FY’17-22 Capital Improvements Program (CIP) Budget</li> </ol> <p>B. Development and Finance Committee – <i>Com. Simon, Chair</i></p> <ol style="list-style-type: none"> <li>1. Approval of a Bond Authorizing Resolution for the Financing of Arcola Towers RAD LP and Waverly House RAD LP</li> <li>2. Approval of Interim Financing Plans and Authorization to Accept Loans from BB&amp;T Bank for Alexander House Development Corporation and Greenhills Apartments to Repay the PNC Bank, N.A. Real Estate Line of Credit (RELOC)</li> <li>3. Authorization to Grant United Therapeutics Corporation a Right to Operate a Crane Swing Over the Montgomery Arms Property and to Execute a Crane Overswing Agreement and other Documents Relating Thereto</li> </ol>	

4:45 p.m.	<b>V. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u></b>	
	A.	
	<b>VI. <u>*FUTURE ACTION ITEMS</u></b>	
	<b>VII. <u>INFORMATION EXCHANGE (continued)</u></b> A. Community Forum	
	<b>VIII. <u>NEW BUSINESS</u></b>	
	<b>IX. <u>EXECUTIVE SESSION FINDINGS</u></b>	
5:00 p.m.	<b><u>ADJOURN</u></b>	
5:05 p.m.	<b><u>EXECUTIVE SESSION</u></b>	

---

NOTES:

1. This Agenda is subject to change without notice.
  2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
  3. Times are approximate and may vary depending on length of discussion.
  4. \*These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.
  5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.  
*If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email [Patrice.birdsong@hocmc.org](mailto:Patrice.birdsong@hocmc.org).*
-

# Consent Items

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

August 5, 2015

15-08

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, August 5, 2015 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:21 p.m. Those in attendance were:

**Present**

Sally Roman, Chair  
Jackie Simon, Vice Chair  
Margaret McFarland  
Richard Y. Nelson, Jr.  
Roberto Piñero

**Not Present**

Christopher Hatcher

**Also Attending**

Stacy Spann, Executive Director  
Gina Smith  
Kayrine Brown  
Fred Swan  
Scott Ellinwood  
Louis Chaney  
Rita Harris  
Bonnie Hodge  
Clarence Landers  
Belle Seyoum  
Richard Hanks  
Deirdre Harris  
Ugonna Ibebuchi  
Hyunsuk (Wilson) Choi  
Sheryl Hammond

Kelly McLaughlin, General Counsel  
Jim Atwell  
Gail Willison  
Elsie Weinstein  
Ellen Goff  
Diana Bird  
Jay Shepherd  
Bill Anderson  
Bobbie DaCosta  
Lynn Hayes  
Tehanny Pica  
Eugene Spencer  
Paulette Dudley  
Angela McIntosh  
Vivian Benjamin

**RAB**

LaKeiya Thompson

**Guest**

Jamila Coleman, Tony Davis Scholarship Winner



**Guest Cont'd**

Dede Gaba, Tony Davis Scholarship Winner  
Raniely Candelario, Tony Davis Scholarship Winner

**Commission Support**

Patrice Birdsong, Spec. Asst. to Commission

**IT Support**

Irma Rodriguez

Prior to the meeting convening, Fred Swan, Director of Resident Services, and Vice Chair Jackie Simon introduced and presented the winners of this year's Tony S. Davis Scholarship award. Jamila M. Coleman was named this year's winner and was awarded a \$7,500 scholarship. Two finalists, Dede J. Gaba and Raniely Candelario, were named and each awarded \$3,750 scholarships. Chair Sally Roman also expressed her congratulations to the winners. All recipients are high school graduates and reside in subsidized housing.

The Board went into a brief recess and reconvened with a moment of silence in honor of Jean Banks, Chair Pro Tem, who passed away on July 26, 2015. Vice Chair Roman acknowledged Ms. Banks' devotion and hard work to the community while serving on the HOC Board. Commissioners Piñero and Simon shared remarks.

The Consent Calendar was adopted upon a motion by Commissioner Simon and seconded by Commissioner Nelson. Affirmative votes were cast by Commissioners Roman, Simon, McFarland, Nelson and Piñero. Commissioner Hatcher was necessarily absent and did not participate in the vote.

**I. CONSENT ITEMS**

**A. Approval of 2015 Tony S. Davis Memorial Scholarship Award Winners**

**RESOLUTION: 15-59**

**RE: Approval of 2015 Tony Davis  
Memorial Scholarship Award Winners**

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

**WHEREAS**, since its inception, the Tony Davis Scholarship Awards Program has annually provided scholarship awards to high school seniors who are residents of HOC's affordable housing programs and who also demonstrate excellent academic achievement and school attendance, participate in extra-curricular and community activities, and have been accepted by a college or university; and

**WHEREAS**, a Selection Committee, composed of one Commissioner, the Executive Director, and Resident Services Division staff was convened on June 19, 2015 to review the highly qualified applications; and

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

**WHEREAS**, the Selection Committee recommends one outstanding candidate, Jamila Coleman, for a \$7,500 Tony Davis Scholarship Award; and

**WHEREAS**, the Selection Committee was impressed by the pool of deserving candidates and is recommending the award of two second place \$3,750 cash awards to Dede Gaba and Raniely Candelario.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County affirms the recommendation of the Tony Davis Scholarship Awards Selection Committee for Jamila Coleman to receive a \$7,500 Scholarship Award, and for Dede Gaba and Raniely Candelario to each receive \$3,750 cash awards.

- B. **Approval of Minutes of Regular Meeting of July 8, 2015** – The minutes were approved as submitted.
- C. **Ratification of Approval of Multiple Strategies to Convert Remaining Multifamily Public Housing Properties Approved for Disposition under Rental Assistance Demonstration Program**

**RESOLUTION: 15-56a(R)**

**RE: Ratification of Approval to Acquire up to Nine Condominium Units at Grosvenor Park and Up to Two Condominium Units at Meadow Ridge Villas and Authorization of the Executive Director to Execute all Documents Related Thereto**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“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 acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, at an Executive Session duly called and held on July 8, 2015, with a quorum being present, the Commission duly adopted Resolution 15-56a titled: “Acquisition of up to

Nine Condominium Units at Grosvenor Park and also the Acquisition of up to Two Condominium Units at Meadow Ridge Villas” (the “Acquisition Approval Resolution”) for the purpose of acquiring units to which Project-Based Section 8 subsidy may be transferred from its existing Public Housing properties upon conversion of the Public Housing via the U.S. Department of Housing and Urban Development’s Rental Assistance Demonstration (“RAD”) program; and

**WHEREAS**, the Commission executed two (2) purchase and sale agreements for condominium units at Meadow Ridge Villas dated July 15, 2015 (the “Purchase Agreements”) and wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission in approving the Acquisition Approval Resolution and in executing the Purchase Agreements.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Acquisition Approval Resolution, the Purchase Agreements, and such other subsequent actions taken by the Commission in furtherance of the transactions contemplated in the Acquisition Approval Resolution are hereby ratified and affirmed.

---

**RESOLUTION: 15-56b(R)**

**RE: Ratification of Approval to Transfer the Rental Assistance from up to 53 Public Housing Units to The Metropolitan, Pooks Hill Tower and Other Similar HOC-Owned Units, upon Conversion of those Public Housing Units via the Rental Assistance Demonstration Program**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“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 acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, at an Executive Session duly called and held on July 8, 2015, with a quorum being present, the Commission duly adopted Resolution 15-56b titled: “Approval to Transfer the Rental Assistance from up to 53 Public Housing Units to The Metropolitan, Pooks Hill Tower and Other Similar HOC-Owned Units, upon Conversion of those Public Housing Units via the Rental Assistance Demonstration Program” (the “RAD Transfer Approval Resolution”) for the purpose of allowing for the transfer of rental assistance under the Rental Assistance Demonstration (RAD) program; and

**WHEREAS**, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission in adopting the RAD Transfer Approval Resolution and any subsequent action taken in connection therewith.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the RAD Transfer Approval Resolution and any subsequent actions taken by the Executive Director to carry out the transaction contemplated therein, are hereby ratified and affirmed.

**D. Ratification of Approval to Enter into Joint Venture Agreement with Duffie Companies for the Redevelopment of Holly Hall and Authorization to form a Special Purpose Entity and Contribute the Capital One Site to the Venture**

**RESOLUTION: 15-57(R)**

**RE: Ratification of Approval to Enter into Joint Venture Agreement with Duffie Companies for the Redevelopment of Holly Hall and Authorization to form a Special Purpose Entity and Contribute the Capital One Site to the Venture**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“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 acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, at an Executive Session duly called and held on July 8, 2015, with a quorum being present, the Commission duly adopted Resolution 15-57 titled: “Approval to Enter into Joint Venture Agreement with Duffie Companies for the Redevelopment of Holly Hall and Authorization to form a Special Purpose Entity and Contribute the Capital One Site to the Venture” (the “MOU Approval Resolution”) for the purpose of redeveloping Holly Hall; and

**WHEREAS**, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission in adopting the MOU Approval Resolution and any action taken since July 8, 2015 to effectuate the transaction contemplated therein.

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

**E. Ratification of Approval to Enter into a Memorandum of Understanding (MOU) with Montgomery County and to Engage an Architect for the Development of the White Flint Fire Station Site, to Pursue the Acquisition of Adjacent Land, and Advance up to \$150,000 for Predevelopment Work**

**RESOLUTION: 15-58(R)**                      **RE:    Ratification of Approval to Enter Into a Memorandum of Understanding with Montgomery County and to Engage an Architect for the Development of the White Flint Fire Station Site, to Pursue the Acquisition of Adjacent Land, and Advance up to \$150,000 for Predevelopment Work**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“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 acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, at an Executive Session duly called and held on July 8, 2015, with a quorum being present, the Commission duly adopted Resolution 15-58 titled: “Approval to Enter into a Memorandum of Understanding with Montgomery County and to Engage an Architect for the Development of the White Flint Fire Station Site, to Pursue the Acquisition of Adjacent Land, and Advance up to \$150,000 from the Real Estate Working Capital Operating Fund for Predevelopment Work Resolution” (the “Approval Resolution”); and

**WHEREAS**, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission in adopting the Approval Resolution and any other action taken since July 8, 2015 to effectuate the transactions contemplated therein.

**NOW THEREFORE, BE IT RESOLVED**, by the Housing Opportunities Commission of Montgomery County that the Approval Resolution and any subsequent action taken in relation thereto, are hereby ratified and affirmed.

**F. Authorization to Submit FY 2015 Section Eight Management Assessment Program (SEMAP) Certification to HUD**

**RESOLUTION: 15-60**    **RE:    Authorization to Submit FY 2015 Section Eight Management Assessment Program (SEMAP) Certification to HUD**

**WHEREAS**, HUD regulations require that the Housing Opportunities Commission of Montgomery County submit the Section Eight Management Assessment Program (SEMAP) certification annually; and

**WHEREAS**, the SEMAP certification, which measures the status of HOC's administration of the Section Eight Program for Fiscal Year 2015, must be submitted to HUD within 60 days of the end of the fiscal year.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to submit the Fiscal Year 2015 SEMAP Certification to HUD.

**BE IT FURTHER RESOLVED** that the Executive Director is hereby authorized and directed to take all actions necessary and proper to accomplish the activity contemplated herein.

**G. Approval of the FY'16 Reopener Agreement for Represented Employees**

**RESOLUTION: 15-61**

**RE: Approval of Collective Bargaining Agreement Wage Reopener between the Housing Opportunities Commission and the Municipal County Government Employees Organization Including Wage Adjustments for Fiscal Year 2016**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County is required by law to enter into a collective bargaining agreement for those employees of the Commission who are covered under the Collective Bargaining Law that went into effect as of October 1, 1999; and

**WHEREAS**, the Commission and the Municipal County Government Employees Organization (MCGEO), who is the exclusive union representative for those employees in the bargaining units of Service, Labor, and Trades (SLT) and Office, Professional, and Technical (OPT), have successfully negotiated the Collective Bargaining Agreement through the period of June 30, 2016; and

**WHEREAS**, the Collect Bargaining Agreement stipulates that there will be wage reopener negotiations for year four (Fiscal Year 2016) of the Agreement to address wage adjustments; and

**WHEREAS**, the wage reopener negotiations began on April 16, 2015 and were completed on July 22, 2015.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County approves the Fiscal Year 2016 Wage Reopener Agreement and that the Agreement will become effective July 1, 2015. Effective the first pay period after July 1, 2015, each bargaining unit employee shall receive a 2.175 % general wage adjustment.

**BE IT FURTHER RESOLVED** that each bargaining unit employee who receives a fully satisfactory FY 2015 performance evaluation shall receive a 3% service increment effective the first pay date in September 2015.

**BE IT FURTHER RESOLVED** that effective September 1, 2015, HOC shall increase the top of the grades of bargaining unit employees by 3%.

**H. Approval of FY'16 Compensation for Non-Represented Employees**

**RESOLUTION: 15-62**

**RE: APPROVAL OF FY 2016  
COMPENSATION FOR NON-  
REPRESENTED MERIT SYSTEM  
STAFF FOR THE PERIOD OF JULY 1,  
2015 THROUGH JUNE 30, 2016**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County approved the Collective Bargaining Agreement Wage Reopener at a regular meeting on August 5, 2015; and

**WHEREAS**, the Commission wishes to award a compensation package for non-represented staff for FY 2016 that is consistent with that of represented employees.

**NOW, THEREFORE, BE IT RESOLVED** that effective the first pay period after July 1, 2015, each non-represented merit system staff member shall receive a 2.175% general wage adjustment.

**BE IT FURTHER RESOLVED** that non-represented merit system staff who receive a fully satisfactory FY 2015 performance evaluation shall receive a 3% service increment effective the first pay date in September 2015.

**BE IT FURTHER RESOLVED** that effective September 1, 2015, HOC shall increase the top of the grades for non-represented merit system employees.

**II. INFORMATION EXCHANGE**

**A. Report of the Executive Director** – The Executive Director acknowledged and thanked staff for all their hard work and dedication. The initial opening of the Wait List for seniors and persons with disabilities went well. He thanked the County Executive's staff and Parker Hamilton, Director, Montgomery County Libraries, for their assistance in making the opening successful.

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

- C. **Commissioner Exchange** – Vice Chair Simon thanked Scott Ellinwood and the Legislative and Public Affairs staff on the “Communique” publication and expanding the communications that we have with outside Agencies.

Chair Roman thanked staff for the daily Legislative updates that have been received. Additionally, she expressed former Commissioner Lindstrom’s thanks for the farewell gift she received from the Agency.

- D. **Resident Advisory Board (RAB)** – LaKeiya Thompson, Interim President, thanked Fred Swann, Director of Resident Services and Rita Harris, Special Assistant to the Director of Resident Services, for their work on the restructuring of the RAB. She also expressed that the RAB will miss Commissioner Banks.

- E. **Community Forum** – Residents from Alexander House regarding the new Elizabeth Square Project: Roger Hall, Sandra DeMornaes, and Deloris Smith.

Steve Wasser, landlord, addressed the Board regarding his concerns of the inspection process.

Eleanor Ambush, resident, addressed the Board concerning her voucher.

- F. **Status Report** – None

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

- A. **Approval to Expand Single Family Mortgage Purchase Program (MPP) Products and to Increase the Sales Price and Income Limits for the Program**

Kayrine Brown, Chief Investment & Real Estate Officer, Jennifer Arrington, Sr. Multifamily Underwriter, and Paulette Dudley, Program Specialist, were presenters.

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

**RESOLUTION: 15-63**

**RE: Approval to Expand Single Family Mortgage Purchase Program (MPP) Products and Increase the Sales Price and Income Limits for the Program**



**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) has operated the Single Family Mortgage Purchase Program (MPP) since 1979, issuing approximately \$1.4 billion of taxable and tax-exempt Mortgage Revenue Bonds (MRB) to purchase and retain more than 11,000 single family whole mortgage loans for its own portfolio; and

**WHEREAS**, the financial crisis of 2008 altered the traditional financial market relationships, negatively affecting the Commission’s ability to issue single family tax-exempt mortgage bonds to produce mortgage interest rates which can be competitive with the commercial mortgage market; and

**WHEREAS**, this condition is expected to continue for the foreseeable future and impede the MPP’s ability to remain in the mortgage market and provide favorable mortgage financing until the financial markets recover; and

**WHEREAS**, the Commission desires to keep the MPP active in the mortgage market; and

**WHEREAS**, on May 2, 2012, the Commission adopted a resolution approving the implementation of a Mortgage Backed Securities (MBS) program for the MPP, that sells MBS in the secondary market, including the To-Be-Announced (TBA) market; and

**WHEREAS**, between 2013 and 2015, the MPP has created approximately 300 loans from \$51.7 million of MBS funded from bond proceeds and secondary market activities and now operates in the secondary TBA market without the use of bond funds; and

**WHEREAS**, the MPP currently offers first time homebuyers government and conventional loans, down payment assistance, closing cost assistance, and operates the HOC Homeownership Program (HOC/HOP) that offers programs for HOC residents to help with becoming homeowners; and

**WHEREAS**, the TBA forward trading market allows for more flexibility with less restrictions as it relates to loan products and non-first time homebuyer participation; and

**WHEREAS**, the Commission continues to approve income and sales price limits which apply to the MPP, subject to rules and regulations governing MRBs, even though the MPP is not currently issuing bonds to fund the program; and

**WHEREAS**, the Development and Finance Committee, at its July 24, 2015 meeting, considered and recommended approval of expansion of single family loan products and increasing the sales price and income limits for the MPP.

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

1. The MPP shall add U.S. Department of Veterans Affairs (VA) loans, along with interest rate reduction of 25-50 basis points over TBA pricing loans, for first time home buyers.
2. The MPP shall offer all new and current loan products to non-first time homebuyers, including governmental and conventional refinance products.
3. The maximum allowed sales price for MPP is increased to \$596,000.
4. The maximum income limits for the MPP are revised as follows.

Household Size	Maximum Income
1	\$91,728
2	\$131,040
3+	\$152,880

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, without further action on its part, to take any and all other actions necessary and proper to carry out the revisions to the Single Family Mortgage Purchase Program contemplated herein, including but not limited to the execution of any and all documents related thereto.

**B. Approval to Participate in the Federal Financing Bank – U.S. Department of Housing and Urban Development (FFB-HUD) Risk Sharing Financing Program and Authorization to Execute Program Documents Related Thereto**

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

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

**RESOLUTION: 15-64**

**RE: Approval to Participate in the Federal Financing Bank-U.S. Department of Housing and Urban Development (FFB-HUD) Risk-Sharing Financing Program and Authorization to Execute Program Documents Related Thereto**

**WHEREAS**, one of the public purposes of the Housing Opportunities Commission of Montgomery County (the "Commission") is to finance rental housing developments in Montgomery County to be occupied by persons and families of eligible income; and

**WHEREAS**, in 1994, the Commission applied for and was accepted as a Housing Finance Agency (HFA) participant in the Department of Housing and Urban Development's (HUD) Risk Sharing Program authorized under Section 542 (c) of the Housing and Community Development Act of 1992; and

**WHEREAS**, participation in the program has allowed the Commission to meet its public purpose goals by issuing bonds for mortgages which are credit enhanced by HUD via Federal Housing Administration (FHA) insurance, and has allowed the Commission to obtain favorable interest rates on the bonds it issued to finance housing developments; and

**WHEREAS**, the traditional HUD Risk Sharing Program prohibits the securitization by the Government National Mortgage Association (GNMA) of loans insured under the Risk Sharing Program; and

**WHEREAS**, due to an inversion in the relationship between tax-exempt and taxable GNMA rates, transactions with such GNMA securitization have traded at a better interest rate than municipal tax-exempt housing bonds in the market recently; and

**WHEREAS**, the U.S. Treasury has developed a program to provide a credit comparable to the GNMA credit using a facility of the Federal Financing Bank (FFB), and has agreed to make this facility available to State and Local HFAs that meet certain threshold criteria and are willing to enter into a FFB-HUD Risk Sharing Agreement; and

**WHEREAS**, the Commission sees participation in the FFB-HUD Risk Sharing Program as a means to acquire credit support for its financing at a lower, favorable interest rate; and

**WHEREAS**, the Development and Finance Committee at its July 24, 2015 meeting voted to recommend approval of the Commission's participation in the FFB-HUD Risk-Sharing Financing Program.

**NOW THEREFORE BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby approves the Commission's participation in the FFB-HUD Risk Sharing Program and authorizes and directs the Executive Director to enter into an FFB-HUD Risk Sharing Agreement with HUD.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes and directs the Executive Director, without any further action on its part, to take any and all actions necessary and proper to carry out and consummate the transactions contemplated herein including, without limitation, executing all documents related thereto.

**C. Authorization for the Executive Director to Enter into an Interim Contract of up to \$1.5 million with Harkins Builders, Inc. for the Rehabilitation of Arcola Towers**

Kayrine Brown, Chief Investment & Real Estate Officer, and Jay Shepherd, Sr. Financial Analyst, were presenters.

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

**RESOLUTION: 15-65**

**RE: Authorization for the Executive Director to Enter into an Interim Contract of up to \$1.5 Million with Harkins Builders, Inc. for the Rehabilitation of Arcola Towers**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) receives funding from the Public Housing Capital Fund Program (“CFP”) for use by HOC at its Public Housing and deeply subsidized affordable housing properties; and

**WHEREAS**, Arcola Towers is a Public Housing-assisted, age-restricted development approved for participation in the Rental Assistance Demonstration (“RAD”) program, which converts Public Housing rental assistance to Project-Based Section 8 rental assistance; and

**WHEREAS**, on August 6, 2014, the Commission approved the selection of Harkins Builders, Inc. as the general contractor for the rehabilitation of Arcola Towers and on January 7, 2015, the Commission approved the Arcola Towers Final Development Plan which described the development, finance, and projected operations of the renovated asset; and

**WHEREAS**, a subset interim scope of related repairs and other miscellaneous rehabilitation work was developed from the Final Development Plan (“Interim Scope”) to spend unobligated CFP monies at Arcola Towers prior to the RAD conversion.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to award a contract to Harkins Builders, Inc. for the Interim Scope at Arcola Towers in an amount not to exceed \$1,500,000.

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

**D. Approval of the Financing Plan, Feasibility and Public Purpose for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership**

Kayrine Brown, Chief Investment & Real Estate Officer, Jennifer Arrington, Sr. Multifamily Underwriter, and Ugonna Ibebuchi, Financial Analyst, were presenters.

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

**RESOLUTION: 15-66a**

**RE: Approval of the Financing Plan, Feasibility & Public Purpose for Arcola Towers and Authorization for Commission to Make Loans and for Arcola Towers RAD Limited Partnership to Accept Loans in Accordance with the Financing Plan**

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

**WHEREAS**, on July 30, 2013, the Commission approved participation in the U.S. Department of Housing and Urban Development (HUD) Rental Assistance Demonstration (RAD) Program, and authorized evaluation of a portfolio disposition of its remaining Public Housing assets; and

**WHEREAS**, participation in the RAD program will convert Public Housing assistance to long-term Project Based Rental Assistance (PBRA); and

**WHEREAS**, Arcola Towers (the "Property"), constructed in 1972, is a 141-unit, age restricted, Public Housing community, located in Silver Spring, Maryland, that is participating in RAD; and

**WHEREAS**, on December 18, 2013, HUD awarded a Commitment to Enter a Housing Assistance Payment ("CHAP") contract for the Property; and

**WHEREAS**, the Property will continue to provide 141 (100%) age-restricted, affordable units with 91% of the units covered under a PBRA contract upon RAD conversion, and the remaining units to be occupied by households with incomes that are at or below 60% of the Washington, DC-MD-VA Area Median Income (AMI); and

**WHEREAS**, on January 14, 2015, the Commission approved a Revised Development Plan (“Development Plan”) that proposed a transfer of the Property to Arcola Towers RAD Limited Partnership (“Partnership”) and tenant-in-place renovation financed through Commission-issued tax-exempt bonds, equity from the sale of 4% Low Income Housing Tax Credits (LIHTC), a seller take-back loan, and a deferred Developer Fee; and

**WHEREAS**, the Commission controls Arcola Towers RAD GP LLC, an affiliate entity that serves as the general partner of the Partnership; and

**WHEREAS**, staff explored a variety of options for construction and permanent financing for the Property, including a combination of short-term debt (i.e. Short-term Notes and draws from the Commission’s PNC Bank, N.A. Real Estate Line of Credit (“PNC RELOC”)), and long-term debt (i.e. loans funded from the proceeds of the Commission’s Private Activity Bonds and/or the U.S. Treasury’s Federal Financing Bank (FFB)), credit-enhanced by HUD’s mortgage insurance pursuant to a Risk Sharing Agreement between the Commission and HUD; and

**WHEREAS**, after review of the options for debt financing and receiving indications by FFB that it currently has no financing mechanism for substantial rehabilitation, the transaction, as proposed, will be financed using a number of sources including LIHTC equity; the PNC RELOC for construction financing; the issuance of tax-exempt, Private Activity Bonds to fund a permanent mortgage loan insured through the Federal Housing Administration (FHA) Risk Sharing Program; acquisition financing in the form of a seller take-back loan; and a deferred Developer Fee (collectively, the “Financing Plan”); and

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

**WHEREAS**, the Property will require an allocation of a portion of the Commission’s tax-exempt volume cap in an amount not to exceed \$14.5 million; and

**WHEREAS**, a review of the transaction has been completed and it has been determined that given the financial commitments to the Property and its operating projections, this transaction is believed to be feasible and, by providing 141 units at or below 60% of the AMI, the public purpose to be provided by the Property is deemed appropriate; and

**WHEREAS**, the Development and Finance Committee at its July 24, 2015 meeting considered and recommended approval of the Financing Plan, Feasibility and Public Purpose for the Property.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Arcola Towers RAD GP, LLC, acting in its capacity as the general partner of Arcola Towers RAD Limited Partnership, that the Financing Plan, Feasibility and Public Purpose, as recommended by the Development and

Finance Committee, are hereby approved and that the staff is hereby authorized to proceed with the review and processing of the necessary financing applications and other documentation.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves the allocation of tax-exempt volume cap in an amount not to exceed \$14.5 million for the transaction and authorizes the Commission to make tax-exempt loans to the Partnership as follows:

1. For short-term construction financing (no more than 24 months), up to \$7.5 million will be loaned to the Partnership by way of tax-exempt draws made on the Commission's PNC RELOC (or, alternatively, through the issuance of tax-exempt short-term bonds) (the "Short-Term Loan"); and
2. For long-term permanent financing, a mortgage loan of up to \$7 million, funded by the proceeds from the issuance of tax-exempt, Private Activity Bonds, with credit enhancement by FHA Risk Sharing (the "Permanent Loan").

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves assuming 25 percent of the risk for the Permanent Loan in accordance with the Risk Sharing agreement between the Commission and HUD.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes acquisition financing to Partnership in an amount not to exceed \$13.2 million for the acquisition of the Property (the "Acquisition Loan").

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Arcola Towers RAD GP, LLC, acting in its capacity as the general partner of Arcola Towers RAD Limited Partnership, approves Arcola Towers RAD Limited Partnership's acceptance of the Short-Term Loan, Permanent Loan and Acquisition Loan.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Arcola Towers RAD GP, LLC, acting in its capacity as the general partner of Arcola Towers RAD Limited Partnership, authorizes and directs the Executive Director, without further action on their respective parts, to take any and all other actions necessary and proper to carry out the consummation of the Arcola Towers Financing Plan and the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

---

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



**RESOLUTION: 15-66b**

**RE: Approval of Tax-Exempt Draws not to exceed \$7,500,000 by HOC on the PNC Bank Real Estate Revolving Line of Credit (\$90 million) to Pay for Rehabilitation Costs for Arcola Towers**

**WHEREAS**, Arcola Towers (“Property”) is a 141-unit apartment building located in Silver Spring, Maryland that is owned by the Housing Opportunities Commission of Montgomery County (“HOC”); and

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

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

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

**WHEREAS**, HOC desires to fund a portion of the construction costs with the RELOC as part of the approved Financing Plan for the rehabilitation of the Property and desires to make a series of draws beginning on or about October 2015.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that a series of tax-exempt draws on the PNC Bank, National Association Real Estate Revolving Line of Credit for an aggregate amount not to exceed \$ 7,500,000 is approved for a maximum term of 24 months.

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

---

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



**RESOLUTION: 15-66c**

**RE: Approval of the Financing Plan, Feasibility & Public Purpose for Waverly House and Authorization for Commission to Make Loans and for Waverly House RAD Limited Partnership to Accept Loans in Accordance with the Financing Plan**

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

**WHEREAS**, on July 30, 2013, the Commission approved participation in the U.S. Department of Housing and Urban Development (HUD) Rental Assistance Demonstration (RAD) Program, and authorized evaluation of a portfolio disposition of its remaining Public Housing assets; and

**WHEREAS**, participation in the RAD program will convert Public Housing assistance to long-term Project Based Rental Assistance (PBRA); and

**WHEREAS**, Waverly House (the "Property"), constructed in 1978, is a 158-unit, age restricted, Public Housing community, located in Bethesda, Maryland, that is participating in RAD; and

**WHEREAS**, on December 18, 2013, HUD awarded a Commitment to Enter a Housing Assistance Payment ("CHAP") contract for the Property; and

**WHEREAS**, the Property will continue to provide 158 (100%) age-restricted, affordable units with 95% of the units covered under a PBRA contract upon RAD conversion and the remaining units to be occupied by households with incomes that are at or below 60% of the Washington, DC-MD-VA Area Median Income (AMI); and

**WHEREAS**, on January 14, 2015, the Commission approved a Revised Development Plan ("Development Plan") that proposed a transfer of the Property to Waverly House RAD Limited Partnership ("Partnership") and tenant-in-place renovation financed through Commission-issued tax-exempt bonds, equity from the sale of 4% Low Income Housing Tax Credits (LIHTC), a seller take-back loan, and a deferred Developer Fee; and

**WHEREAS**, the Commission controls Waverly House RAD GP LLC, an affiliate entity that serves as the general partner of the Partnership; and

**WHEREAS**, staff explored a variety of options for construction and permanent financing for the Property, including a combination of short-term debt (i.e. Short-term Notes and draws from the Commission's PNC Bank, N.A. Real Estate Line of Credit ("PNC RELOC")), and long-term debt (i.e. loans funded from the proceeds of the Commission's Private Activity Bonds and/or the U.S. Treasury's Federal Financing Bank (FFB)), credit-enhanced by HUD's mortgage insurance pursuant to a Risk Sharing Agreement between the Commission and HUD; and

**WHEREAS**, after review of the options for debt financing and receiving indications by FFB that it currently has no financing mechanism for substantial rehabilitation, the transaction, as proposed, will be financed using a number of sources including LIHTC equity; the PNC RELOC for construction financing; the issuance of tax-exempt, Private Activity Bonds to fund a permanent mortgage loan insured through the Federal Housing Administration (FHA) Risk Sharing Program; acquisition financing in the form of a seller take-back loan; and a deferred Developer Fee (collectively, the "Financing Plan"); and

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

**WHEREAS**, the Property will require an allocation of a portion of the Commission's tax-exempt volume cap in an amount not to exceed \$25.4 million; and

**WHEREAS**, a review of the transaction has been completed and it has been determined that given the financial commitments to the Property and its operating projections, this transaction is believed to be feasible and, by providing 158 units at or below 60% of the AMI, the public purpose to be provided by the Property is deemed appropriate; and

**WHEREAS**, the Development and Finance Committee at its July 24, 2015 meeting considered and recommended approval of the Financing Plan, Feasibility and Public Purpose for the Property.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Waverly House RAD GP LLC, acting in its capacity as the general partner of Waverly House Limited Partnership, that the Financing Plan, Feasibility and Public Purpose, as recommended by the Development and Finance Committee, are hereby approved and that the staff is hereby authorized to proceed with the review and processing of the necessary financing applications and other documentation.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves the allocation of tax-exempt volume cap in an amount not to exceed \$25.4 million for the transaction and authorizes the Commission to make tax-exempt loans to the Partnership as follows:

1. For short-term construction financing (no more than 24 months), up to \$15 million will be loaned to the Partnership by way of tax-exempt draws made on the Commission's PNC RELOC (or, alternatively, through the issuance of tax-exempt short-term bonds) (the "Short-Term Loan"); and
2. For long-term permanent financing, a mortgage loan of up to \$10.4 million, funded by the proceeds from the issuance of tax-exempt, Private Activity Bonds, with credit enhancement by FHA Risk Sharing (the "Permanent Loan").

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves assuming 25 percent of the risk for the Permanent Loan in accordance with the Risk Sharing agreement between the Commission and HUD.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes acquisition financing to Partnership in an amount not to exceed \$32.3 million for the acquisition of the Property (the "Acquisition Loan").

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Waverly House RAD GP LLC, acting in its capacity as the general partner of Waverly House RAD Limited Partnership, approves Waverly House RAD Limited Partnership's acceptance of the Short-Term Loan, Permanent Loan and Acquisition Loan.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Waverly House RAD GP LLC, acting in its capacity as the general partner of Waverly House RAD Limited Partnership, authorizes and directs the Executive Director, without further action on their respective parts, to take any and all other actions necessary and proper to carry out the consummation of the Waverly House Financing Plan and the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

---

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

**RESOLUTION: 15-66d**

**RE: Approval of Tax-Exempt Draws not to exceed \$15,000,000 by HOC on the PNC Bank Real Estate Revolving Line of Credit (\$90 million) to Pay for Rehabilitation Costs for Waverly House**

**WHEREAS**, Waverly House ("Property") is a 158-unit apartment building located in Bethesda, Maryland that is owned by the Housing Opportunities Commission of Montgomery County ("HOC"); and

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

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

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

**WHEREAS**, HOC desires to fund a portion of the construction costs with the RELOC as part of the approved Financing Plan for the rehabilitation of the Property and desires to make a series of draws beginning on or about October 2015.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that a series of tax-exempt draws on the PNC Bank, National Association Real Estate Revolving Line of Credit for an aggregate amount not to exceed \$15,000,000 is approved for a maximum term of 24 months.

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

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

##### **A. Approval to Apply for and Accept Energy Efficiency Improvement Assistance through Maryland Department of Housing and Community Development’s EmPOWER Low Income Energy Efficiency Program and the Department of Energy’s Weatherization Assistance Program**

Kayrine Brown, Chief Investment & Real Estate Officer, Jay Shepherd, Sr. Financial Analyst, were presenters.

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

**RESOLUTION: 15-67**

**RE: Approval to Apply for and Accept Energy Efficiency Improvement Assistance through Maryland Department of Housing and Community Development's EmPOWER Low Income Energy Efficiency Program and the Department of Energy's Weatherization Assistance Program**

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

**WHEREAS**, various federal and state programs exist to provide funding for energy efficient improvements in residential applications; and

**WHEREAS**, housing units located in Montgomery County are eligible for at least three (3) programs administered by the Maryland Department of Housing and Community Development (DHCD) which provides for the installation of energy conservation materials and equipments in homes occupied by low-income households at no charge to the owner or occupant of the housing; and

**WHEREAS**, two (2) notable programs are the Maryland Department of Energy's (DOE) Weatherization Assistance Program (WAP) and DHCD's EmPOWER Low Income Energy Efficiency Program (LIEEP); and

**WHEREAS**, as of July 2015, the LIEEP has over \$877,000 in available funds and the WAP has over \$50 Million in available funds and will begin accepting applications by year-end 2015; and

**WHEREAS**, DHCD administers the funds for the LIEEP [and DOE administers the funds for the WAP] and both DHCD and DOE contract with reputable energy service firms to perform the required audits, install the equipment, and ensure completion of the work; and

**WHEREAS**, these improvements will reduce a household's energy use, lower the monthly utility bills, and make occupants more comfortable, and may also improve the air quality and overall health of the occupants; and

**WHEREAS**, the improvements paid for by the Weatherization Programs would offset Commission expenditures on weatherization and energy improvement work planned for eligible units; and

**WHEREAS**, staff proposes to apply to DHCD’s LIEEP and DOE’s WAP (together, the “Weatherization Programs”) for energy efficiency improvement assistance at various scattered single family and townhome sites that serve households of low income, qualifying these units for participation in the Weatherization Programs, and such other, similarly-situated Commission-owned properties that would benefit equally from these programs (each a “Benefitting Property” and together, the “Benefitting Properties”); and

**WHEREAS**, HOC owns or controls affiliate entities which own developments that contain one or more Benefitting Properties (the “Affiliate Benefitting Owners”).

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and acting for and on behalf of the Affiliate Benefitting Owners, that the Executive Director is authorized to apply to the Weatherization Programs for energy efficiency improvement assistance for the benefit of the Benefitting Properties.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and acting for and on behalf of the Affiliate Benefitting Owners, that the Commission and the Affiliate Benefitting Owners are each authorized to accept the benefit of the energy efficiency improvement assistance and weatherization services from energy service firms for their respective Benefitting Property(ies).

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and acting for and on behalf of the Affiliate Benefitting Owners, that the Executive Director is authorized and directed, without further action on the part of the Commission or any of the Affiliate Benefitting Owners, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, without limitation, the negotiation and execution of all documents related thereto.

V. **FUTURE ACTION ITEMS**  
None

VI. **INFORMATION EXCHANGE (CONT’D)**  
None

VII. **NEW BUSINESS**  
None

VIII. **EXECUTIVE SESSION FINDINGS**  
None

Based upon this report and there being no further business to come before this session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

The meeting adjourned at 6:15 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Executive Session Minutes**

August 5, 2015

An Executive Session of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, August 5, 2015 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:58 p.m. Those in attendance were:

**Present**

Sally Roman, Chair  
Jackie Simon, Vice Chair  
Margaret McFarland  
Richard Y. Nelson, Jr.  
Roberto Piñero

**Not Present**

Christopher Hatcher

**Also Attending**

Stacy Spann, Executive Director  
Kayrine Brown  
Gail Willison  
Jim Atwell

Kelly McLaughlin, General Counsel  
Gina Smith  
Richard Hanks

**Commission Support**

Patrice Birdsong, Spec. Asst. to Comm.

This Executive Session meeting of the Commission was called to order for the purpose of considering matters related to property acquisition for a public purpose, and the investment of public funds.

**DELIBERATION ITEMS**

- 1. Authorization for the Executive Director to Execute a Purchase and Sale Agreement (PSA) for the Acquisition of 900 Thayer**

Kayrine Brown, Chief Investment & Real Estate Officer, was the presenters.



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

**RESOLUTION: 15-68(ES)**

**RE: Approval of Pursuit of Relocation Options for Elizabeth House Residents, Including the Execution of a Purchase and Sale Contract for the Acquisition of 900 Thayer Avenue and Other Related Due Diligence, and Approval for Site Plan Approval Funding in the Amount of \$600,000 for Elizabeth Square**

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

**WHEREAS**, a 28,526 square foot lot at 900 Thayer Avenue in Silver Spring (the "Property") has received Project Plan approval, Preliminary Plan approval, and Site Plan approval for the construction of 124 rental units (the "Project"); and

**WHEREAS**, the Commission wishes to provide timely and attractive relocation options in downtown Silver Spring for the residents of Elizabeth House in concert with the conversion of the property and transfer of subsidy via the Rental Assistance Demonstration (RAD) program; and

**WHEREAS**, the Commission and the owner of the Property, 900 Thayer Avenue LLC (the "Seller"), have agreed to a \$6.5MM purchase price for the land, design documents, design consulting contracts, and all other related due diligence; and

**WHEREAS**, the Commission wishes to enter into a contract to purchase the Property and related materials (the "Purchase and Sale Agreement"); and

**WHEREAS**, upon execution of the Purchase and Sale Agreement, the Commission will deposit with the title company \$50,000 in earnest money (the "Initial Deposit"), which will be refundable during the 60 days following the execution of the Purchase and Sale Agreement (the "Study Period"); and

**WHEREAS**, upon the expiration of the Study Period, should the Commission wish to proceed with the purchase of the Property, the Commission will incur a note payable to the Seller in the amount of \$250,000 in earnest money (the "Note Payable"), at which time (i) both the Initial Deposit and the Note Payable will become non-refundable and non-recallable respectively, but will be applicable to the \$6.5MM purchase price, and (ii) the 150 day period

within which to complete the purchase of the Property (the "Closing Period") shall commence; and

**WHEREAS**, the Preliminary and Project Plan for Elizabeth Square development, another relocation option in downtown Silver Spring for the residents of Elizabeth House, was unanimously approved by the Maryland-National Capital Park and Planning Commission (the "Planning Commission") and the Commission plans to build on this strong approval to pursue the Site Plan approval and seek additional funding of approximately \$600,000 from the Opportunity Housing Reserve Fund ("OHRF") to fund site plan submission costs for Elizabeth Square simultaneously with the pursuit of the Property; and

**WHEREAS**, funds from the OHRF are also available on an interim basis to fund the Initial Deposit, which is to be repaid at the closing of the construction financing for the Project.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery authorizes the Executive Director, without further action on its part, to execute the Purchase and Sale Agreement and all related documents to the purchase the Property, including, but not limited to, an assignment of design consulting contracts.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County approves a loan of \$50,000 from the OHRF to fund the Initial Deposit, which is to be repaid at the closing of construction financing for the construction of the Project.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County approves additional funding of \$600,000 from the OHRF as the third installment of funds for the development phase of the Elizabeth Square project.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County that the Executive Director 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.

**2. Authorization for the Executive Director to Enter Into a Grant Agreement for a Make Whole Payment to Place 39 RAD Units at Victory Crossing and Authorization to Negotiate a Letter of Intent with Victory Housing, Inc. for Bauer Park Apartments**

Kayrine Brown, Chief Investment & Real Estate Officer, presented.

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

**RESOLUTION: 15-69(ES)**

**RE: Authorization for the Executive Director to Enter Into a Grant Agreement with Victory Housing, Inc. (VHI) to Place 39 RAD Units at Victory Crossing; Admit HOC as a Member in the Victory Crossing Owner's General Partner; Negotiate a Letter of Intent (LOI) with VHI for the Development of Bauer Park Apartments as Incentive Fee for Holly Hall RAD Relocation Housing at Victory Crossing; and Negotiate a LOI with VHI for the Development of an Investment Exchange Site in lieu of the Investment Grant Payable to VHI for the Holly Hall RAD Relocation Housing at Victory Crossing**

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

**WHEREAS**, Holly Hall Apartments is an existing Public Housing development that serves elderly and non-elderly disabled households and has been approved for participation in the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program, which allows for conversion from Public Housing to Project Based Section 8 subsidy (the "Conversion"); and

**WHEREAS**, the Conversion may be satisfied at the current site or in suitable housing offsite so that no current resident is disadvantaged; and

**WHEREAS**, congruent with this requirement, several new construction properties that are highly amenitized, strategically located, and designed to meet the needs of the elderly have been identified to which Holly Hall residents may be relocated; and

**WHEREAS**, consistent with Montgomery County's policy, the District 3 police station site in White Oak (the "Site") was circulated to Montgomery County's Department of Housing and Community Affairs (DHCA) and HOC for review as to whether housing opportunities may be provided on surplus land at the site; and as a result of that study, Victory Housing, Inc. (VHI) was afforded the opportunity to develop 105 new apartments to be known as Victory Crossing (the "Development") that will house seniors at varying levels of affordability; and

**WHEREAS**, VHI has completed the entitlement of the Site via a special exception submitted for building permits, secured gap financing from DHCA, awarded an allocation of 4%

Low Income Housing Tax Credits (LIHTC) as well as State Rental Housing Works (RHW) funds, and will obtain debt financing from the proceeds of State of Maryland issued bonds; and

**WHEREAS**, HOC previously authorized the Executive Director to execute a non-binding letter of intent with VHI to use the Development as a permanent site to which current residents and Project-Based Section 8 subsidy (the "RAD Subsidy") for 39 units will be transferred from Holly Hall pursuant to HOC's approved disposition of Holly Hall under the RAD program; and

**WHEREAS**, negotiations with VHI for the use of the Development as replacement units for the 39 Holly Hall units have previously focused on two main elements: 1) a payment of \$1,761,100, reflecting the difference between the underwriting of LIHTC rents and the RAD Subsidy (the "Investment Grant"), which Investment Grant is payable to VHI and will be loaned by VHI to the Development, and 2) an incentive fee (approximately \$330,000) equivalent to 15% of the underwritten development fee.

**WHEREAS**, HOC previously considered an exchange scenario with VHI in which VHI would serve as a development partner to HOC in another of its developments (Bauer Park Apartments) in lieu of HOC's payment of the incentive fee; and

**WHEREAS**, HOC wishes to explore an exchange scenario with VHI in which VHI would serve as a development partner to HOC for the development of another of HOC's developments (the "Investment Exchange Site") as an alternative to making the Investment Grant or in exchange for VHI's agreement to repay the Investment Grant; and

**WHEREAS**, in order to complete the financing structure and resolve related party-tax issues for the use of LIHTC equity that result from the plan to transfer Holly Hall households and RAD Subsidy to the Development a second member must be admitted into the general partner of the Development's owner entity (the "General Partner") and as a consequence, VHI has offered HOC an interest of 21% in the General Partner.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to enter into a grant agreement with VHI and its affiliate assignee for the Investment Grant to VHI to be used at the Victory Crossing Development in an amount not to exceed \$1,800,000, representing the reduced debt proceeds to the Development as a result of accepting 39 units as RAD units relocated from Holly Hall, which Investment Grant shall be funded from HOC's Opportunity Housing Reserve Fund simultaneously with the closing and/or funding of the project's LIHTC equity and other construction financing.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the admittance of HOC as a minority 21% member of the General Partner.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the negotiation of core terms for a Letter of Intent pursuant to which VHI

would provide development services related to the renovation of Bauer Park Apartments which terms would be presented to the Commission for consideration as an alternative to paying the incentive fee.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the negotiation of core terms for a Letter of Intent pursuant to which VHI would provide development services related to the development of the Investment Exchange Site, which terms would be presented to the Commission for consideration as an alternative to making the Investment Grant or in exchange for VHI's repayment of the Investment Grant.

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

Based upon this report and there being no further business to come before this executive session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

The meeting adjourned at 6:50 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Executive Session Minutes**

July 8, 2015

An Executive Session of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, July 8, 2015 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:58 p.m. Those in attendance were:

**Present**

Sally Roman, Chair  
Christopher Hatcher  
Margaret McFarland  
Richard Y. Nelson, Jr.  
Roberto Piñero

**Not Present**

Jackie Simon, Vice Chair  
Jean Banks, Chair Pro Tem

**Also Attending**

Stacy Spann, Executive Director  
Kayrine Brown  
Gail Willison  
Jim Atwell

Kelly McLaughlin, General Counsel  
Zachary Marks  
Richard Hanks

**Commission Support**

Patrice Birdsong, Spec. Asst. to Comm.

This Executive Session meeting of the Commission was called to order for the purpose of considering matters related to property acquisition for a public purpose, the investment of public funds, contract negotiation strategy, and a personnel matter.

**DELIBERATION ITEMS**

1. **Approval of Multiple Strategies to Convert the Remaining Multifamily Public Housing Properties Approved for Disposition under the Rental Assistance Demonstration Program**

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

The following resolutions, with edits, were approved upon a motion for ratification at the Housing Opportunities Commission August 5, 2015 open meeting.

**RESOLUTION: 15-56a**

**RE: Ratification of Approval to Acquire up to Nine Condominium Units at Grosvenor Park and Up to Two Condominium Units at Meadow Ridge Villas and Authorization of the Executive Director to Execute all Documents Related Thereto**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“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 acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, at an Executive Session duly called and held on July 8, 2015, with a quorum being present, the Commission duly adopted Resolution 15-56a titled: “Acquisition of up to Nine Condominium Units at Grosvenor Park and also the Acquisition of up to Two Condominium Units at Meadow Ridge Villas” (the “Acquisition Approval Resolution”) for the purpose of acquiring units to which Project-Based Section 8 subsidy may be transferred from its existing Public Housing properties upon conversion of the Public Housing via the U.S. Department of Housing and Urban Development’s Rental Assistance Demonstration (“RAD”) program; and

**WHEREAS**, the Commission executed two (2) purchase and sale agreements for condominium units at Meadow Ridge Villas dated July 15, 2015 (the “Purchase Agreements”) and wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission in approving the Acquisition Approval Resolution and in executing the Purchase Agreements.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Acquisition Approval Resolution, the Purchase Agreements, and such other subsequent actions taken by the Commission in furtherance of the transactions contemplated in the Acquisition Approval Resolution are hereby ratified and affirmed.

---

**RESOLUTION: 15-56b**

**RE: Ratification of Approval to Transfer the Rental Assistance from up to 53**

**Public Housing Units to The Metropolitan, Pooks Hill Tower and Other Similar HOC-Owned Units, upon Conversion of those Public Housing Units via the Rental Assistance Demonstration Program**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“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 acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, at an Executive Session duly called and held on July 8, 2015, with a quorum being present, the Commission duly adopted Resolution 15-56b titled: “Approval to Transfer the Rental Assistance from up to 53 Public Housing Units to The Metropolitan, Pooks Hill Tower and Other Similar HOC-Owned Units, upon Conversion of those Public Housing Units via the Rental Assistance Demonstration Program” (the “RAD Transfer Approval Resolution”) for the purpose of allowing for the transfer of rental assistance under the Rental Assistance Demonstration (RAD) program; and

**WHEREAS**, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission in adopting the RAD Transfer Approval Resolution and any subsequent action taken in connection therewith.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the RAD Transfer Approval Resolution and any subsequent actions taken by the Executive Director to carry out the transaction contemplated therein, are hereby ratified and affirmed.

The Board went into a brief recess at 6:23 p.m. and reconvened at 6:27 p.m. continuing with the Deliberation Item discussions.

**2. Approval to Enter into Joint Venture Agreement with Duffie Companies for the Redevelopment of Holly Hall and Authorization to form a Special Purpose Entity and Contribute the Capital One Site to the Venture**

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

The following resolutions, was approved upon a motion by Commissioner McFarland and seconded by Commissioner Piñero. Affirmative votes were cast by Commissioners Roman,



McFarland, Nelson and Piñero. Commissioner Hatcher recused himself from the discussion and vote. Commissioners Banks and Simon were necessarily absent and did not participate in the vote.

**RESOLUTION: 15-57(ES)      RE:      Approval to Enter into Joint Venture Agreement with Duffie Companies for the Redevelopment of Holly Hall and Authorization to form a Special Purpose Entity and Contribute the Capital One Site to the Venture**

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

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

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

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

**WHEREAS**, the Duffie Companies are headquartered in Hillandale, have a long history and strong reputation within Hillandale and White Oak, and have significant experience in the development, construction, and operation of multifamily residential properties; and

**WHEREAS**, the Duffie Companies and HOC wish to form a venture to redevelop Holly Hall and the CONA Site where HOC contributes The Redevelopment Properties and the Duffie Companies contribute cash, both purchasing respective ownership interests in the venture; and

**WHEREAS**, on October 22, 2014, the Commission authorized the Executive Director to sign a letter of intent (“LOI”) with the Duffie Companies to form a venture to redevelop Holly Hall, the CONA Site, as well as any other properties to be acquired as part of the venture as new mixed-use, mixed-income properties; and

**WHEREAS**, on March 19, 2015, the final LOI was signed by Duffie and countersigned by HOC, and the terms in the LOI were substantially the same as those presented to the

Commission on October 22, 2014 and, subsequent to the execution of the LOI, the operating agreement that is now being finalized also uses substantially the same business terms.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to enter into an agreement with the Duffie Companies to co-own and develop The Redevelopment Properties on terms substantially and materially the same as those outlined to the Commission on the date hereof.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that that the Executive Director is authorized to establish a special purpose legal entity (“SPE”) with the Duffie Companies to own and operate The Redevelopment Properties as well as any other properties to be acquired by the SPE.

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

**3. Approval to Enter into a Memorandum of Understanding with Montgomery County and to Engage an Architect for the Development of the White Flint Fire Station Site, to Pursue the Acquisition of Feasibility of Adjacent Lane, and Advance up to \$150,000 for Predevelopment Work**

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

The following resolutions, with suggested revisions, was approved by a motion by Commissioner McFarland and seconded by Commissioner Piñero. Affirmative votes were cast by Commissioners Roman, Hatcher, McFarland, and Piñero. Commissioner Nelson abstained. Commissioners Banks and Simon were necessarily absent and did not participate in the vote.

**RESOLUTION: 15-58(ES)**

**RE: Approval to Enter into a Memorandum of Understanding with Montgomery County and to Engage an Architect for the Development of the White Flint Fire Station Site, to Pursue the Acquisition of Adjacent Land, and Advance up to \$150,000 for Predevelopment Work**

**WHEREAS**, pursuant to that certain Purchase and Sale Agreement dated January 7, 2015 (the “Purchase Agreement”) between the State of Maryland (acting by and through the Maryland Department of Transportation and the State Highway Administration) and the County, the County acquired approximately 2.8 acres of land generally located at the intersection of Randolph Road and MD 355 from the State of Maryland (the “Site”); and

**WHEREAS**, the Purchase Agreement conditioned the sale of the land on the County's agreement to develop the Site with certain public uses, including a new White Flint Fire Station #23 ("Fire Station") and a residential development featuring a mix of senior market rate and senior affordable housing ("Housing"), (collectively, the "Project"); and

**WHEREAS**, the County is required to partner with another county agency or non-profit to develop the Senior Housing, the County has requested the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") to partner with it on the development of the Site; and

**WHEREAS**, the County and Commission wish to enter into a partnership for the development of the Site and wish to enter into a Memorandum of Understanding to outline their respective rights and obligations relating to the pre-development phase of the Project; and

**WHEREAS**, the Commission's mission is to provide high-quality affordable housing to low- to moderate-income families in Montgomery County; and

**WHEREAS**, adjacent land may be available with which the Commission could provide family housing as well; and

**WHEREAS**, as part of this development, the Commission would be allowed to use mandatory referral in order to expedite the entitlement and predevelopment process; and

**WHEREAS**, the mandatory referral process as well as the entitlement and site development processes will require significant coordination and would be best served by the Commission engaging the architects already procured by the County; and

**WHEREAS**, the architectural firm of Grimm + Parker has been procured by the County for architectural services in connection with the development of public safety facilities as well as by the Commission for housing related feasibility services; and

**WHEREAS**, on March 4, 2015, the Commission authorized a Real Estate Working Capital Operating Fund (REWCOF) of \$1.4 million of which \$300,000 was allocated to cover certain costs of due diligence activities, all of which is currently available.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to enter into a Memorandum of Understanding with Montgomery County to begin the pre-development process for the Project.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to investigate the possibility of acquiring adjacent land with the goal of providing family housing on the additional site that would be incorporated into the overall Project.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to engage and enter into an agreement with the architectural firm of Grimm + Parker to begin the feasibility and authorizes the expenditure of up to One Hundred Fifty Thousand Dollars (\$150,000) from the Real Estate Working Capital Operating Fund to fund feasibility phase of the Project.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County waives its procurement process and authorizes the selection of Grimm + Parker to complete full design work for the housing element of the Project on terms that would be negotiated and presented to the Commission for approval.

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

Based upon this report and there being no further business to come before this executive session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

The meeting adjourned at 7:24 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Executive Session Minutes**

**April 1, 2015**

An Executive Session of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, April 1, 2015 at 10400 Detrick Avenue, Kensington, Maryland beginning at 5:16 p.m. Those in attendance were:

**Present**

Sally Roman, Chair  
Jackie Simon, Vice Chair  
Christopher Hatcher  
Richard Y. Nelson, Jr.  
Roberto Piñero

**Absent**

Jean Banks, Chair Pro Tem  
Margaret McFarland

**Also Attending**

Stacy Spann, Executive Director  
Ken Tecler, Staff Counsel  
Kayrine Brown  
Gail Willison  
Kayrine Brown  
Jim Atwell  
Zachary Marks

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Comm

Chair Roman reported that this Executive Session meeting of the Commission was called pursuant to the County's Right of First Refusal Law with Funding from the PNC Bank, N.A. Real Estate Line of Credit and Authorization of Other Related Actions.

Kayrine Brown, Chief Investment and Real Estate Officer, and Christopher Donald, Housing Acquisitions Manager, were presenters.

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

**RESOLUTION: 15-32ES**

**RE: Approval to Complete Acquisition of the Avondale Street Properties Pursuant to the County's Right of First Refusal Law with Funding from the PNC Bank, N.A. Real Estate Line of Credit and Authorization of Other Related Actions**

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

**WHEREAS**, the Commission received a copy of a purchase and sale contract (the "Contract") on October 24, 2014 pursuant to Article 53A of the Montgomery County Code for the sale of 25 units located at 4500-02, 4504-06, 4508-10, and 4527 Avondale Street in Bethesda (the "Property"); and

**WHEREAS**, rents at these properties range from \$700 to \$1,700 per month, making the units exceedingly affordable for the area and making the preservation of these units critical, particularly given the Property's adjacency to the Bethesda Central Business District; and

**WHEREAS**, as required under article 53A of the Montgomery County Code, the Commission's exercise of its right of first refusal requires its purchase of the Property under substantially the same terms and conditions contained in the Contract; and

**WHEREAS**, on December 22, 2014 ("Contract Date"), the Commission exercised its rights under Article 53A of the Montgomery County Code to match the Contract price of \$6.9 million and, within two (2) business day following the Contract Date, deposited into escrow with a title company \$345,000 (the "Deposit"), representing 5% of the contract price; and

**WHEREAS**, on December 22, 2014, upon exercising its rights under Article 53A of the Montgomery County Code to match the Contract price of \$6.9 million, the seller of the Property, J. Saah Holdings LLC, and the Commission entered into a purchase agreement ("New Contract") that replaced the Contract; and

**WHEREAS**, the Commission, having (a) performed due diligence on the Property within 45 days of the Contract Date and (b) obtained all financing for the acquisition of the Property, now wishes to acquire the Property within 120 days of the Contract Date (the "Outside Closing Date"); and

**WHEREAS**, the Commission negotiated a Real Estate Revolving Line of Credit with PNC Bank, N. A. ("RELOC") and may use the line of credit to provide short-term financing for the pre-development, rehabilitation, and acquisition of multifamily properties in Montgomery County; and

**WHEREAS**, the Commission has the option to draw funds from the RELOC on a taxable basis with an interest rate at an optional London Interbank Offered Rate (LIBOR) (30-day, 60-day, or 90-day) plus 58 basis points or on a tax-exempt basis at 68.5% of an optional LIBOR plus 38 basis points; and

**WHEREAS**, on December 17, 2014, funds from the Opportunity Housing Reserve Fund (the "OHRF") were made available on an interim basis to fund approximately \$20,000 of due diligence costs and the Deposit, all of which are now to be repaid at closing from the draw on the RELOC.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby authorizes the acquisition of the Property pursuant to the New Contract, which replaced the Contract, for the purchase of the Property as is the Commission's right under Chapter 53A of the Montgomery County Code.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County:

1. Authorizes the repayment of the loan from the OHRF to fund approximately \$20,000 in anticipated predevelopment expenses and \$345,000 (5% of the purchase price) to be repaid at the acquisition closing.
2. Approves the draw on the RELOC not to exceed \$7.25MM at a tax-exempt interest rate of 68.5% of LIBOR plus 38 basis points, which is projected to be outstanding for a maximum term of 36 months. This approval replaces the prior approval given on December 17, 2014 to draw \$6,900,000 on the RELOC for the purpose of acquiring the Property.

**BE IT FURTHER RESOLVED** that the Executive Director is hereby authorized and directed, without further action on its part, to take all necessary and proper actions in connection with the transaction contemplated herein including, but not limited to, the execution of all related documents.

---

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

**RESOLUTION: 15-33ES**

**RE: Approval of a Tax-Exempt Draw of up to \$7.25MM by HOC from the PNC Bank, N.A. Real Estate Revolving Line of Credit (\$90 million) to Acquire 4500-02, 4504-06, 4508-10, and 4527 Avondale Street**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("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 acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, at an Executive Session duly called and held on December 17, 2014, with a quorum being present, the Commission duly adopted Resolution 14-16R (“Approval Resolution”), which authorized the Executive Director to (a) exercise the Commission’s right of first refusal under Chapter 53A of the Montgomery County Code and execute a Purchase and Sale Agreement (“Purchase Agreement”) for the acquisition of 25 units located at 4500-02, 4504-06, 4508-10, and 4527 Avondale Street in Bethesda (the “Property”), (b) finance the acquisition of the Property and related costs, and (c) create an affiliate entity to acquire and operate the Property; and

**WHEREAS**, on December 22, 2014, the Commission entered into the Purchase Agreement with J. Saah Holdings LLC; and

**WHEREAS**, on January 14, 2015, the Commission ratified the Approval Resolution; and

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

**WHEREAS**, HOC has the option to draw funds on a taxable basis with an interest rate at an optional LIBOR (30-day, 60-day, or 90-day) plus 58 basis points or on a tax-exempt basis at 68.5% of an optional LIBOR plus 38 basis points; and

**WHEREAS**, the Commission desires to acquire the Property as outlined in the Purchase Agreement; and

**WHEREAS**, HOC will repay the Loan through refinancing or redevelopment of the Project.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that a tax-exempt draw on the PNC Bank, National Association Real Estate Revolving Line of Credit not to exceed \$7.25MM (the “Loan”) for the purpose of acquiring the Property is hereby approved for a maximum term of 36 months.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Commission will repay the Loan at such time as the Property is refinanced under a final development plan.

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



Based upon this report and there being no further business to come before this Executive Session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

The meeting adjourned at 5:28 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

**AUTHORIZATION TO REVISE  
HOC'S ADMINISTRATIVE PLAN  
TO REPLACE A PREFERENCE FOR  
CHRONICALLY HOMELESS AND MEDICALLY VULNERABLE PERSONS  
WITH A PREFERENCE FOR HOMELESS VETERANS AND THEIR FAMILIES  
WITH RESPECT TO 10 HOUSING CHOICE VOUCHERS**

**September 2, 2015**

- The Code of Federal Regulations (CFR) requires that Public Housing Agencies (PHAs) such as the Housing Opportunities Commission of Montgomery County (HOC) adopt written plans and policies that describe the federal regulations and establish the local policies for administration of the voucher program of the given PHA. For the Housing Choice Voucher program, this governing document is termed the Administrative Plan.
  
- The CFR also requires that PHAs such as HOC revise their Administrative Plan as needed in order to comply with federal requirements. Optional changes unique to a specific PHA may also be added, provided that they do not conflict with the federal regulations.
  
- At this time, HOC has developed a proposed revision to its Administrative Plan as is consistent with the processes and procedures outlined in the CFR. The proposed revision would eliminate 10 vouchers that were previously set-aside for a chronically homeless and medically vulnerable persons preference, and reallocate those vouchers for a preference for homeless veterans and their families.
  
- A 30-day public comment period for this proposed revision began on August 3, 2015 and will conclude on September 2, 2015 with a public hearing at HOC's Kensington office.
  
- Staff is requesting authorization to make this proposed revision to HOC's Administrative Plan formally a part of this governing document.

**MEMORANDUM**

**TO:** Housing Opportunities Commission of Montgomery County

**VIA:** Stacy L. Spann, Executive Director

**FROM:** Staff: Fred Swan      Division: Resident Services      Ext. 9732  
Rita Harris                  Resident Services      Ext. 9735  
Lynn Hayes                  Housing Resources      Ext: 9622  
Bonnie Hodge                Housing Resources      Ext: 9525  
Ethan Cohen                 Executive                 Ext. 9764

**RE:** Authorization to Revise HOC’s Administrative Plan to Replace a Preference for Chronically Homeless and Medically Vulnerable Persons with a Preference for Homeless Veterans and Their Families with Respect to 10 Housing Choice Vouchers

**DATE:** September 2, 2015

---

**STATUS:**      Consent  Deliberation  Status Report  Future Action

---

**OVERALL GOAL & OBJECTIVE:**

To authorize the Executive Director, or his designee, to revise HOC’s Administrative Plan to replace the preference for up to 10 Housing Choice Vouchers that are currently allocated for chronically homeless and medically vulnerable persons, with a preference for homeless veterans and their families.

---

**BACKGROUND:**

On February 4, 2014, the Housing Opportunities Commission of Montgomery County approved Resolution 14-12: Adoption of Authorization to Revise Housing Choice Voucher Administrative Plan Providing a Preference for Persons Both Chronically Homeless and Medically Vulnerable. This addition to HOC’s Administrative Plan provided a preference for the allocation of up to 10 Housing Choice Vouchers for chronically homeless and medically vulnerable persons in conjunction with the “100,000 Homes Campaign” and in partnership with Montgomery County and the Montgomery County Coalition for the Homeless.

At the time these 10 Housing Choice Vouchers were set aside for this purpose, they became available through attrition within HOC’s existing voucher allocation. However, to date, there are not any persons meeting the criteria outlined in the Resolution (both chronically homeless and medically vulnerable), therefore these 10 vouchers have not been utilized. The reason for this lack of persons in Montgomery County meeting these criteria is precisely due to the success of the 100,000 Homes Campaign in Montgomery County. The many organizations that partnered with the County on this effort very successfully met their objectives, ultimately not requiring

the assistance of HOC's 10 vouchers set aside for the chronically homeless and medically vulnerable population.

Presently, the next phase of this larger federal initiative to end homelessness is the "Zero: 2016 Campaign". The Zero: 2016 Campaign is a similar initiative to end homelessness, but departs from the 100,000 Homes Campaign in that it specifically targets homeless military veterans throughout the United States. The Montgomery County Government is again seeking to assist with this initiative and is working with its partners to end veteran homelessness in Montgomery County by the close of 2015 and end chronic homelessness overall by the end of 2016. To assist with this effort, Montgomery County has requested that HOC revise the criteria for the current allocation of up to 10 vouchers for the chronically homeless and medically vulnerable, to instead target homeless veterans and their families who are in need of supportive services with these 10 vouchers. This revision to HOC's Administrative Plan will support Montgomery County's efforts to achieve the goal of ending veteran homelessness in the County prior to December 31, 2015.

The U.S. Department of Housing and Urban Development (HUD) provides the outline of basic policy and procedures for the administration of the Housing Choice Voucher (HCV) program in the Code of Federal Regulations (CFR) at 24 CFR Part 982, Subpart E. These sections of the CFR provide an initial outline for HCV program operations including topics such as eligibility for admission, application for admission, operation of the waiting list, establishment of preferences, subsidy standards, calculation of tenant payments, verification procedures, voucher issuance, contract execution, Housing Quality Standards, unit inspections, rent reasonableness, voucher payment standards, recertification processes, voucher portability, terminations, complaints, appeals, and all other major program policies and procedures for the voucher program.

Beyond the policies outlined in the CFR, Public Housing Authorities (PHA) are required to develop Agency-specific policies and procedures to flesh out the outlines provided in the CFR. These Agency-specific policies are to be written in the PHA's Administrative Plan as well. Importantly, at all times, Agency-specific policies must conform to the established rules and regulations in the CFR, fair housing and civil rights laws and regulations, and must result in consistent, non-discriminatory determinations on applicant eligibility, placement of applicants on the waiting list, and selection of applicants from the waiting list.

As part of the process for making revisions or additions to a PHA's Administrative Plan, public comment must be sought. Accordingly, HOC has provided a 30-day public comment period which was concluded with a public hearing on the Administrative Plan revisions. During the comment period, HOC made the draft of the proposed revision to the Administrative Plan available on HOC's website as well as in hard copy form at all four of the Agency's offices. Also during the comment period, HOC staff met and discussed this proposed revision with the HOC Resident Advisory Board (RAB), seeking the RAB's comments on these proposed changes. Notice of the comment period and public hearing were advertised in a local newspaper in Montgomery County.

**ISSUES FOR CONSIDERATION:**

Does the Housing Opportunities Commission of Montgomery County wish to authorize the Executive Director, or his designee, to revise HOC's Administrative Plan to replace the preference for up to 10 Housing Choice Vouchers that are currently allocated for chronically homeless and medically vulnerable persons, with a preference for homeless veterans and their families?

---

**PRINCIPALS:**

Executive Division  
Resident Services Division  
Housing Resources Division

---

**BUDGET IMPACT:**

None.

---

**TIME FRAME:**

The Legislative and Regulatory Committee reviewed this item at its meeting on July 21, 2015 and recommended it for Commission action on September 2, 2015.

---

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Housing Opportunities Commission of Montgomery County authorize the Executive Director, or his designee, to revise HOC's Administrative Plan to replace the preference with respect to 10 Housing Choice Vouchers for chronically homeless and medically vulnerable persons with a preference for homeless veterans and their families.

**RESOLUTION: 15-70**

**RE: Authorization to Revise HOC's Administrative Plan to Replace a Preference for Chronically Homeless and Medically Vulnerable Persons with a Preference for Homeless Veterans and Their Families with Respect to 10 Housing Choice Vouchers**

**WHEREAS**, Montgomery County seeks the assistance of the Housing Opportunities Commission of Montgomery County (HOC) with its "Zero: 2016" Campaign to end veteran homelessness in Montgomery County by the close of 2015 and end chronic homelessness overall by the end of 2016; and

**WHEREAS**, HOC wishes to assist Montgomery County with this campaign by re-allocating up to 10 Housing Choice Vouchers for the chronically homeless and medically vulnerable, which are currently unused, to homeless veterans and their families who are in need of supportive services; and

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (HOC) desires to revise its Administrative Plan for the Housing Choice Voucher Program by replacing the existing preference for up to 10 Housing Choice Vouchers to be allocated for chronically homeless and medically vulnerable persons, and instead provide this preference for up to 10 Housing Choice Vouchers to be allocated for homeless veterans and their families; and

**WHEREAS**, a 30-day public comment period for this proposed revision began on August 3, 2015 and concluded on September 2, 2015 with a public hearing.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves and authorizes a revision to its Administrative Plan to replace the existing preference for chronically homeless and medically vulnerable persons with a preference for homeless veterans and their families, with respect to 10 Housing Choice Vouchers.

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

I **HEREBY CERTIFY** that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on September 2, 2015.

S  
E  
A  
L

---

**Patrice Birdsong**  
**Special Assistant to the Commission**

Proposed Revisions to  
HOC's Administrative Plan for the Housing Choice Voucher Program

---

Please note: Existing language is in **BLACK**, proposed changes are in **RED**, and proposed deletions are shown with ~~strikethrough~~.

Chapter 4: Establishing Preferences and Maintaining the Waiting List

**F. LOCAL PREFERENCES** [24 CFR 5.410]

The PHA will offer public notice when changing its preference system and the notice will be publicized using the same guidelines as those for opening and closing the waiting list.

The PHA uses the following Local Preference system:

**First Local Preference** – Displacement: Families who are displaced as a result of a State or County redevelopment project, or a change in the nature of a project that is part of the County plan for maintaining affordable housing, and who are referred by the County Executive's Office. A signed certification from the County Executive's office is required for the family to qualify for this preference. [Two Points]

**Second Local Preference** – Residency preference for families who live, work, or have a bona fide offer to work in Montgomery County. To qualify for this preference, evidence is required either at the time of application or at the time of selection from the waiting list. HOC will treat graduates of, or active participants in, education or training programs in Montgomery County as residents of Montgomery County if the education or training program is designed to prepare individuals for the job market. To qualify and satisfy this preference, graduates must have graduated after the initial application for housing. [One Point]

**Third Local Preference** – HUD funded 2006 Main Stream Disabled (MSD) program; 15 units. [Two Points]

**Fourth Local Preference** – ~~Chronically Homeless/Medically Vulnerable~~ **Veterans**: Preference is given for ten (10) ~~individuals who are chronically homeless and medically vulnerable~~ **veterans and their families**. ~~Chronically homeless is defined as being continually homeless for a year or more or having at least four (4) episodes of homelessness within the past three years.~~ The applicant must be at least ~~55~~**18** years old and ~~have one or more of the following conditions to be considered medically vulnerable a~~ **veteran**.:

- ~~1. HIV/AIDS~~
- ~~2. Liver/Kidney Disease/End Stage Renal Disease or Dialysis~~
- ~~3. Emphysema~~
- ~~4. Cancer~~



5. ~~History of severe cold or wet weather Injury~~
6. ~~Heart Disease~~
7. ~~Tuberculosis~~
8. ~~Epilepsy~~
9. ~~Amputation or physical disability that limits mobility and/or cognitive functioning~~
10. ~~Tri Morbidity (substance abuse, mental illness and chronic medical)~~

HOC will verify the preference with a list of ~~chronically homeless and medically vulnerable~~ **veterans and their families** individuals provided by **the Montgomery County Department of Health and Human Services (DHHS)**. [Three Points]

### **Treatment of Single Applicants**

Single applicants will be treated as any other eligible family on the waiting list for the tenant-based and project-based voucher waiting lists.

**RATIFICATION OF ACTION TAKEN IN EXECUTIVE SESSION  
ON AUGUST 5, 2015:**

**APPROVAL OF PURSUIT OF RELOCATION OPTIONS FOR ELIZABETH  
HOUSE RESIDENTS, INCLUDING THE EXECUTION OF A PURCHASE AND  
SALE CONTRACT FOR THE ACQUISITION OF 900 THAYER AVENUE AND  
OTHER RELATED DUE DILIGENCE, AND APPROVAL FOR SITE PLAN  
APPROVAL FUNDING IN THE AMOUNT OF \$600,000 FOR ELIZABETH  
SQUARE**

**SEPTEMBER 2, 2015**

- At a closed Executive Session on August 5, 2015, the Commission adopted Resolution 15-68(ES) which approved the execution of a purchase and sale contract for the acquisition of 900 Thayer Avenue, Silver Spring, Maryland 20910 as a relocation option for the residents of Elizabeth House.
- The Commission also approved site plan approval funding in the amount of \$600,000 for Elizabeth Square.
- The Commission wishes to ratify and affirm, in an open meeting, the action undertaken at the August 5, 2015 closed Executive Session and any action taken since then with respect to the approved transaction.

**RESOLUTION: 15-68(ES)-R**

**RE: Ratification of Approval of Pursuit of Relocation Options for Elizabeth House Residents, Including the Execution of a Purchase and Sale Contract for the Acquisition of 900 Thayer Avenue and other Related Due Diligence, and Approval for Site Plan Approval Funding in the Amount of \$600,000 for Elizabeth Square**

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

**WHEREAS**, at a closed Executive Session duly called and held on August 5, 2015, with a quorum being present, the Commission duly adopted Resolution 15-68(ES) titled: “Approval of Pursuit of Relocation Options for Elizabeth House Residents, including the Execution of a Purchase and Sale Contract for the Acquisition of 900 Thayer Avenue and other Related Due Diligence, and Approval for Site Plan Approval Funding in the amount of \$600,000 for Elizabeth Square; and

**WHEREAS**, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 15-68(ES) and any action taken since August 5, 2015 to effectuate the transaction contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County hereby ratifies Resolution 15-68(ES) and any action taken since August 5, 2015 to effectuate the transaction contemplated therein.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on September 2, 2015.

S  
E  
A  
L

\_\_\_\_\_  
Patrice M. Birdsong  
Special Assistant to the Commission

**RATIFICATION OF ACTION TAKEN IN EXECUTIVE SESSION  
ON AUGUST 5, 2015:**

**AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO ENTER INTO A GRANT AGREEMENT WITH VICTORY HOUSING, INC. (VHI) TO PLACE 39 RAD UNITS AT VICTORY CROSSING; ADMIT HOC AS A MEMBER IN THE VICTORY CROSSING OWNER'S GENERAL PARTNER; NEGOTIATE A LETTER OF INTENT (LOI) WITH VHI FOR THE DEVELOPMENT OF BAUER PARK APARTMENTS AS INCENTIVE FEE FOR HOLLY HALL RAD RELOCATION HOUSING AT VICTORY CROSSING; AND NEGOTIATE A LOI WITH VHI FOR THE DEVELOPMENT OF AN INVESTMENT EXCHANGE SITE IN LIEU OF THE INVESTMENT GRANT PAYABLE TO VHI FOR THE HOLLY HALL RAD RELOCATION HOUSING AT VICTORY CROSSING**

**SEPTEMBER 2, 2015**

- At a closed Executive Session on August 5, 2015, the Commission adopted Resolution 15-69(ES) which authorized the Executive Director to (a) enter into an agreement to place 39 RAD units at Victory Crossing and provide Victory Housing, Inc. (VHI) with an investment grant, (b) admit HOC as a 21% member in the general partner of the Victory Crossing owner entity, and (c) negotiate a letter of intent with VHI to co-develop Bauer Park apartments in lieu of the incentive fee otherwise payable to VHI for the Holly Hall RAD relocation housing at Victory Crossing.
- Further, the Commission authorized the Executive Director and staff to negotiate with VHI to co-develop another Commission-owned property and receive a development fee therefrom in lieu of the investment grant or in exchange for a repayment of the investment grant.
- The Commission wishes to ratify and affirm, in an open meeting, the action undertaken at the August 5, 2015 Executive Session and any action taken since then with respect to the approved transaction.

**RESOLUTION: 15-69(ES)-R**

**RE: Ratification of Authorization for the Executive Director to Enter Into a Grant Agreement with Victory Housing, Inc. (VHI) to Place 39 RAD Units at Victory Crossing; Admit HOC as a Member in the Victory Crossing Owner’s General Partner; Negotiate a Letter of Intent (LOI) with VHI for the Development of Bauer Park Apartments as Incentive Fee for Holly Hall RAD Relocation Housing at Victory Crossing; and Negotiate a LOI with VHI for the Development of an Investment Exchange Site in lieu of the Investment Grant Payable to VHI for the Holly Hall RAD Relocation Housing at Victory Crossing**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“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 acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

**WHEREAS**, at a closed Executive Session duly called and held on August 5, 2015, with a quorum being present, the Commission duly adopted Resolution 15-69(ES) titled: “Authorization for the Executive Director to Enter Into a Grant Agreement with Victory Housing, Inc. (VHI) to Place 39 RAD Units at Victory Crossing; Admit HOC as a Member in the Victory Crossing Owner’s General Partner; Negotiate a Letter of Intent (LOI) with VHI for the Development of Bauer Park Apartments as Incentive Fee for Holly Hall RAD Relocation Housing at Victory Crossing; and Negotiate a LOI with VHI for the Development of an Investment Exchange Site in lieu of the Investment Grant Payable to VHI for the Holly Hall RAD Relocation Housing at Victory Crossing” for the purpose of relocating some of the Holly Hall residents to Victory Crossing and authorizing the negotiation of transactions in exchange for payments to VHI; and

**WHEREAS**, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission in adopting the Resolution 15-69(ES) and any action taken since August 5, 2015 to effectuate the transaction contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Resolution 15-69(ES) and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting of the Commission on September 2, 2015.

S  
E  
A  
L

---

Patrice M. Birdsong  
Special Assistant to the Commission

# Information Exchange



## Report of the Executive Director

Stacy L. Spann

September 2, 2015

### HOC Housing Path Launch



The Housing Opportunities Commission of Montgomery County (HOC) has launched a new online wait list portal for affordable rental housing programs: HOC Housing Path. The new portal makes it easier for those seeking affordable housing and yields improved administrative efficiencies for HOC.

HOC Housing Path has seen a tremendous amount of traffic since it opened and demand for assistance remains high. HOC held a limited advance opening for senior citizens and persons with disabilities on July 30, 2015 and opened the wait list to the general public on Monday, August 24, 2015. As of 9:00 a.m. Tuesday, August 25, 2015, 12,462 applications have been submitted and the numbers continue to climb.

HOC Housing Path uses groundbreaking technology to match people to affordable housing programs based on household size, income, age and other factors. Potential clients will no longer need to know what programs to apply for; only that they need housing assistance. HOC Housing Path eliminates the guesswork. People who apply are matched for opportunities in a variety of programs including Housing Choice Vouchers and low-income tax credits. HOC plans to expand the number of opportunities in the future to include homeownership assistance.

The new wait list is all-electronic and allows people to manage and update their applications at anytime from anywhere. The online application walks people through a simple step-by-step process and takes about 30 minutes to complete. HOC Housing Path is currently available in two languages: English and Spanish. HOC plans to add two more languages in the next year and continue expanding to better serve the community.

HOC Housing Path will remain open indefinitely providing a real-time snapshot of housing needs in the community. For the first time, HOC will know exactly who needs assistance, where and how much. This current, valuable data will allow us to forge new partnerships, assess emerging patterns and tailor future development activity to better meet the evolving needs of the community.

The demand for affordable housing continues to grow. According to a 2014 report by the National Low Income Housing Coalition, the average rent for a 2-bedroom apartment in Montgomery County is \$1,469. In order to afford a 2-bedroom apartment at Fair Market Value, a person would have to earn at least \$28.25/ hour. HOC's housing programs provide low-income families much-needed assistance in tough economic times and HOC Housing Path gives them a new road to help them achieve success.

## **HOC Academy**

### *STEAM Grant*

This week, the National Center for Women & Information Technology awarded HOC Academy a grant to fund its new "Girls Got It" STEAM Program. The program starts this October and will target girls in middle and high school. The funding will be used for field trips, group meetings and engineering projects. The goal is to teach and inspire young women about computer and technology-driven interests, products and careers.

### *First Transit Partnership*

In the previous Action Alert, I told you about HOC Academy's new partnership with First Transit which was seeking new Metro Access drivers. I am pleased to tell you that three HOC residents who attended the open house have been officially offered jobs. It's great news for the residents and their families. HOC Academy plans to host at least one information session per month to help First Transit fill 150 driver positions and provide residents with career opportunities.

### *Back to School Celebration*

On Friday, August 14, 2015, HOC Academy held a Back-to-School event at Emory Grove Village in Gaithersburg. Dozens of residents and students enjoyed food, games and free backpacks.

Students from Richard Montgomery High School's Robotics Team held a demonstration to show off their creations and encourage younger children to get involved in STEAM projects.

### *Lego Robotics Camp*

HOC Academy's final Lego Robotics camp concluded two weeks ago. This was the first time HOC held a summer camp on robotics and it made a big impression on participants. HOC Academy asked students to complete a survey after the camp ended. Nearly all of them reported that they would like additional robotic camps because they had fun and learned more about computer programming.

## **Property Management**

The Willows' "Best Summer Ever" program has been a big hit with parents and students. Twenty-five children have participated in weekly spelling contests, fitness classes, crafts and other fun and educational activities.

Student Lauryn Otoa told staff: "I am very proud of myself. I am learning new words.". That's the kind of attitude and success HOC hopes to inspire in all of our residents and their families. The Willows' team is doing a great job on behalf of HOC.



# HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

## September 2015

---

2	Public Hearing – re: Changes to the HOC Administrative Plan ( <i>Roman</i> )	3:30 p.m.
2	HOC Regular Meeting ( <i>All</i> )	4:00 p.m.
2	Executive Session ( <i>All</i> )	5:00 p.m.
7	Labor Day ( <i>HOC Offices Closed</i> )	
9	<b>Memorial Event – re: Honoring Commissioner Jean Banks</b> ( <i>HOC Hearing Room, Reception – Atrium @ 5:00 p.m.</i> )	<b>5:00 p.m.</b>
14	Town Hall Meeting ( <i>John F. Kennedy High School Cafeteria, 1901 Randolph Rd., Silver Spring, MD 20906</i> )	6:30 p.m.
15	Legislative and Regulatory Committee Meeting ( <i>Hatcher, Simon, Vacant</i> )	2:00 p.m.
18	Development and Finance Committee Meeting ( <i>McFarland, Nelson, Simon</i> )	9:30 a.m.
21	Resident Advisory Board ( <i>Vacant</i> )	7:00 p.m.
22	Budget, Finance and Audit Committee Meeting ( <i>Roman, Piñero, Nelson</i> )	10:00 a.m.
28	Agenda Formulation ( <i>Roman, Nelson</i> )	12:00 p.m.

## October 2015

---

7	HOC Regular Meeting ( <i>All</i> )	4:00 p.m.
7	Executive Session ( <i>All</i> )	5:00 p.m.
9	Status/Lunch Meeting w/Executive Director ( <i>All</i> ) – ( <i>Potomac Grill, The Talbot Center, 1093 Rockville Pike, Rockville, MD 20852</i> )	12:00 noon
13	<del>Budget, Finance and Audit Committee Meeting (<i>Roman, Piñero, Nelson</i>)</del>	<del>10:00 a.m.</del>
15-17	<b>NAHRO National Conference</b> ( <i>Los Angeles, CA</i> )	
19	Resident Advisory Board ( <i>Vacant</i> )	7:00 p.m.
20	<b>Budget, Finance and Audit Committee Meeting (<i>Roman, Piñero, Nelson</i>)</b>	<b>10:00 a.m.</b>
21	Town Center Board Meeting ( <i>Simon</i> )	2:30 p.m.
23	Development and Finance Committee Meeting ( <i>McFarland, Nelson, Simon</i> )	9:30 a.m.
26	Agenda Formulation ( <i>Roman, Hatcher</i> )	12:00 noon

## November 2015

---

2	Town Hall Meeting ( <i>All</i> ) ( <i>Takoma Park Middle School, 7611 Piney Branch Rd., Silver Spring, MD 20910</i> )	6:00 p.m.
4	Budget, Finance and Audit Committee Meeting ( <i>Roman, Piñero, Nelson</i> )	2:00 p.m.
4	HOC Regular Meeting ( <i>All</i> )	4:00 p.m.
4	Executive Session ( <i>All</i> ) ( <i>if needed</i> )	5:00 p.m.
13	Development and Finance Committee Meeting ( <i>McFarland, Nelson, Simon</i> )	9:30 a.m.
16	Agenda Formulation ( <i>Roman, Hatcher</i> )	12:00 noon
16	Resident Advisory Board ( <i>Vacant</i> )	7:00 p.m.
17	Legislative and Regulatory Committee Meeting ( <i>Vacant, Hatcher, Simon</i> )	2:00 p.m.
26-27	Thanksgiving Holiday ( <i>HOC Offices Closed</i> )	

## December 2015

---

2	Longevity Awards Reception	3:00 p.m.
2	Longevity Awards Presentation	4:00 p.m.
2	HOC Regular Meeting ( <i>All</i> )	4:30 p.m.
8	Budget, Finance and Audit Committee Meeting ( <i>Roman, Piñero, Nelson</i> )	10:00 a.m.
11	Status/Lunch Meeting w/Executive Director ( <i>All</i> ) – <i>Location TBD</i>	12:00 noon

18 Development and Finance Committee Meeting (*McFarland, Nelson, Simon*) 9:30 a.m.  
25 Christmas Holiday (*HOC Offices Closed*)

---

Activities of Interest

Hearing Board

TBD Joint Meeting with Commission on People with Disabilities  
TBD Property Tour III

---

# TO DO / ACTION

<b>Ref. #</b>	<b>DUE DATE</b>	<b>ACTION</b>	<b>STAFF</b>	<b>STATUS</b>
TD-14-07	Spring/Summer 2015	Procurement Policy & Personnel Policy	KM-BA/PM	
TD-15-01	Fall 2015	Property Tour – 669 Properties (Renovated Units)	KB/PB	

# Committee Reports and Recommendations for Action

# Budget, Finance & Audit Committee

## **AUTHORIZATION TO SUBMIT COUNTY FY'17-22 CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET**

**September 2, 2015**

- The County Capital Improvements Program (CIP) submission was originally due to the County Office of Management and Budget (OMB) no later than September 3, 2015.
- Staff requested and received an extension of the deadline to accommodate approval of the submission at the September Commission meeting. The revised submission deadline is September 9, 2015.
- The FY'17-22 CIP submission asks the County to:
  - Continue funding our current projects in the amount of \$79,057,000, to
  - Add \$1,250,000 annually for FY'21 and FY'22 for Deeply Subsidized HOC Owned Unit Improvements, and to
  - Add \$9,000,000 in additional funding for:
    - Preservation & Expansion of Affordable Housing at Elizabeth Square: \$7,000,000.
    - Demolition Fund: \$2,000,000.
- The total FY'17-22 CIP funding request is \$90,557,000.

**MEMORANDUM**

**TO:** Housing Opportunities Commission

**VIA:** Stacy L. Spann, Executive Director

**FROM:** Staff: Gail Willison Division: Finance Ext. 9480  
Terri Fowler Ext. 9507  
Gio Kaviladze Ext. 9667

**RE:** Authorization to Submit County FY'17-22 Capital Improvements Program (CIP) Budget

**DATE:** September 2, 2015

---

**STATUS:** Committee Report: Deliberation [X]

---

**OVERALL GOAL & OBJECTIVE:**

Authorization to Submit County FY'17-22 Capital Improvements Program (CIP) Budget.

---

**BACKGROUND:**

This year, the Office of Management and Budget (OMB) will prepare the biannual Capital Improvements Program (CIP) Budget for presentation to the County Executive and County Council. The County Capital Improvements Program (CIP) submission was originally due to the County Office of Management and Budget (OMB) no later than September 3, 2015. Staff requested and received an extension of the deadline to accommodate approval of the submission at the September Commission meeting. The revised submission deadline is September 9, 2015.

The County operates its capital program with a six-year Capital Improvements Program (CIP) which is reviewed annually but subject to significant modification on a biannual basis. If HOC wishes to continue to receive CIP funding for its ongoing CIP projects, it must submit requests at this time.

As in prior years, HOC must submit a CIP request to renew its current level of funding in the two revolving loan funds and the bond guarantee projects. HOC's current County CIP includes six projects:

1. **MPDU/Property Acquisition Fund:** a revolving loan fund of \$12.5 million available to HOC or its designees for interim financing for the acquisition of MPDUs, existing buildings and land;
2. **Opportunity Housing Development Fund (OHDF):** a revolving loan fund of \$4.5 million available to HOC or its designees for interim financing for certain housing development costs;
3. **County Guaranteed Bond Projects:** General Obligation Bond guarantees authority in the amount of \$50 million;
4. **Supplemental Funds for Deeply Subsidized HOC Owned Unit Improvements:** \$1,250,000 for FY'17 and \$1,250,000 for each year FY'18 through FY'22 to provide funds for capital improvements.
  - Historically, this project was used to supplement the funds received from the Department of Housing and Urban Development (HUD) for improvements to our Public Housing stock. In 2014, HOC requested that the original project title, "Supplemental Funds for Public Housing Improvements", be expanded to allow these funds to be used for "Deeply Subsidized HOC Owned Unit Improvements" to allow the funds to be used on the Public Housing units both pre- and post-conversion.
  - At this time, staff is requesting that the project be expanded to allow the funds to be used on other HOC Owned income-restricted scattered site units.
  - The Commission's portfolio includes hundreds of income-restricted scattered site units throughout the County, most approximately 30 years of age. Many of these units were acquired into a Low Income Housing Tax Credit ("LIHTC") limited partnership more than 15 years ago and are subject to continued affordability restrictions under the LIHTC program. In addition, there are limited partnerships that are expected to contribute units to HOC and, upon doing so, HOC becomes the sole owner of these units. Finally, others units are simply older Moderately Priced Dwelling Units (MPDUs) that continue to be restricted to households of low- and moderate-income.
  - These units are in need of renovation in order to continue to serve eligible households. With significant debt remaining on these units, the net operating income from the affordably priced units cannot support both the repayment of that debt and the additional proceeds needed to complete a comprehensive scope of renovation which includes new windows, roof replacement, installation of energy-efficient heating and air conditioning systems, electrical and plumbing



repairs, new flooring, new lighting, new cabinetry, installation of energy-efficient appliances, and new bathrooms.

5. **Sprinkler Systems for HOC Public & Low Income Elderly Properties:** \$8,820,000 to complete installation of sprinkler systems at Holly Hall, Elizabeth House, Arcola Towers, Bauer Park Apartments and Town Center Apartments.
- At this time, sprinkler installation projects have been completed for Holly Hall and Elizabeth House. The fire alarm project at Town Center Apartments has also been completed.
  - The sprinkler and fire alarm installation at Arcola Towers is ready to begin, pending issuance of building permits from Montgomery County's Department of Permitting Services. The contract with Advanced Fire Protection Inc. for \$2,293,000 has been executed and the work is projected to be completed in 13 months.
  - The Bauer Park Apartments sprinkler and fire alarm installation project has experienced delays to address the installation of a new water main to resolve low water pressure at Bauer Park Apartments that would have rendered the new system ineffective. A civil engineer was brought in to design the location of the new water main and that portion of the work is currently in the design phase. Further, HOC has been exploring a comprehensive renovation and financing plan for the development and whether the entire sprinkler installation should be included in the plan. While ongoing, Bauer Park Apartments qualified for conversion under Component 2 of the Rental Assistance Demonstration (RAD) program which would allow Bauer Park Apartments to receive increased subsidy in the form of Project Based Section 8 rental assistance. Exploratory work is well underway and a path is now clear for proceeding with the conversion strategy.
  - The design drawings for Bauer Park Apartments sprinkler system are in progress. Once the design is complete and a contractor is selected and approved by the Commission, the work is estimated to commence in January 2016 for a one-year duration and to be complete by January 2017. The total projected installation cost is approximately \$1,600,000, including work related to the water main.
  - The original budget was \$1,326,000 leaving an anticipated shortfall of \$274,000 when compared to the current projected cost of \$1.6 million. Funding for this shortfall will be identified as the comprehensive renovation is developed and funding from debt and/or equity proceeds.

- It was also anticipated that three emergency generators would be required to support the sprinkler and fire alarm system. Staff's due diligence has determined that only one high powered emergency generator (\$360,000) is now needed. Funding for the generator is included in Capital Needs for 236 Funded Elderly Properties project (see below).
6. **Capital Needs for 236 Funded Elderly Properties:** \$730,000 for capital improvements at Town Center Apartments and Bauer Park Apartments.
- Funding for Bauer Park Apartments included the installation of hall convector/pumps, upgrades to the HVAC system for the addition of convection units to each building common area and the installation of an emergency generator creating an area of refuge in the community room in case the property loses power. The convector/pumps were installed in 2013.
    - Staff is proposing that the emergency generator be upgraded to a high powered generator that will power all three buildings, allowing for support of the new sprinkler system, and keep the heat or the air conditioning running in the area of refuge. Available CIP funding from the two items is approximately \$360,000. The plan is to repurpose the CIP funds for the HVAC system upgrade towards the more robust generator and complete the HVAC upgrade as part of the comprehensive renovation via funding from debt and/or equity proceeds.
  - Funding for Town Center Apartments included the replacements of the windows, the Community Room air handler, the water heater, and shower pans in select units. The windows and water heater were replaced in 2013.
    - Staff is proposing that the installation of the shower pans and HVAC system work be performed as part of the comprehensive renovation. The remaining CIP funding of approximately \$71,500 will be used towards these improvements and supplemented at that time.

There are two new capital projects that staff requests the Commission consider for CIP submission:

1. **Preservation & Expansion of Affordable Housing at Elizabeth Square:** \$7,000,000. The inventory of affordable housing located on the Silver Spring CBD city block bounded by Second Avenue, Apple Avenue, Fenwick Lane, and the Capital Crescent Trail (future alignment):

<b>CURRENT</b>	<i>Age</i>	<i>80% AMI</i>	<i>60% AMI</i>	<i>50% AMI</i>	<i>40% AMI</i>	
Alexander House	23	31	93	0	0	
Elizabeth House	49	160*	0	0	0	
Fenwick Professional Park	63	0	0	0	0	
<b>Average/Totals</b>	<b>38</b>	<b>191</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>284</b>
*These units are subsidized and thus available to persons of any income below 80% AMI.						

All of the subsidized housing is concentrated in Elizabeth House, a single building, which is certainly antithetical to the County’s goal of community diversity. Elizabeth House is nearly fifty years old; and, given that these units are age-restricted, the issue of the building’s age is all the more significant. As such, HOC is approaching the redevelopment of this city block (including the comprehensive renovation of Alexander House) based on three themes:

1. Reduction in the age of the affordable housing stock.
2. Deconcentration of subsidized units.
3. Net gain of affordable units within downtown Silver Spring.

The Elizabeth Square redevelopment recently received Project and Preliminary Plan approval, and HOC is engaged in the submission of its Site Plan application. While the eventual unit mix for all properties at Elizabeth Square remains subject to modification as design progresses, HOC does have a projected mix of unit types:

<b>POST RENOV./REDEV.</b>	<i>Age</i>	<i>80% AMI</i>	<i>60% AMI</i>	<i>50% AMI</i>	<i>40% AMI</i>	
Alexander House	25	16*	110	0	14	
Elizabeth House 4	0	0	0	54	0	
Elizabeth House 3	0	36*	22	32	0	
<b>Average/Totals (Elizabeth Square)</b>	<b>12</b>	<b>52</b>	<b>132</b>	<b>86</b>	<b>14</b>	<b>284</b>
Other Offsite Silver Spring	0	108*	0	0	0	
<b>Average/Totals</b>	<b>9</b>	<b>160</b>	<b>132</b>	<b>86</b>	<b>14</b>	<b>392</b>
*These units are subsidized and thus available to persons of any income below 80% AMI.						

The total number of affordable housing units at Elizabeth Square is the same as is currently present. However, a greater diversity of income restrictions will be present upon redevelopment. Additionally, the 284 units will be fairly evenly spread across the site, ensuring that no building contains an overconcentration of affordability. Elizabeth Square will also retain an age-restricted component within the redeveloped site.

None of the 877 Public Housing units in HOC’s Public Housing portfolio will be lost. As part of the conversion of all of HOC’s multifamily Public Housing units to Project Based Section 8 rental assistance via HUD’s Rental Assistance Demonstration (“RAD”) program, HOC is replacing all of the 160 subsidized units at Elizabeth House in various locations, nearly all in newly constructed, age-restricted, amenity-rich, mixed-income communities. Along with the goal of deconcentration of deep

affordability, HOC is moving these subsidized units from this single location to several to provide existing residents a higher degree of geographical choice and to give existing residents access to relocation housing that is further along in development than Elizabeth House. HOC is projecting that 52 subsidized units will remain after the completion of the Elizabeth Square redevelopment. This general number has been arrived at based on extensive conversations with and surveys of existing residents.

The post-renovation/redevelopment table must be viewed in the context of all of HOC's other RAD-related activities. Because none of the 160 existing subsidized units at Elizabeth House are being lost (108 are being replaced off site), and the number of affordable housing units at Alexander House will not change (though the depth of affordability is increased), the redeveloped Elizabeth Square will actually represent a 108-unit increase in the County's affordable housing inventory. Additionally, upon the conversion of HOC's entire Public Housing portfolio, existing age-restricted Public Housing households will have gone from having only four properties – of an average age of 36 years – to choose from to at least ten – of an average age of 10 years. HOC will be able to secure all but one of these opportunities without the assistance of the County because all but one are located at properties requiring only renovation or at to-be-built properties that are much lower in density and construction cost than the new buildings at Elizabeth Square. In those cases, HOC and its affordable housing development partners have been able to secure all necessary resources.

However, providing a comprehensive solution for existing residents of Elizabeth House is far more costly. To meet these residents' needs, to maximize the potential of the vision for Elizabeth Square as supported by the many public and community stakeholders, to make economic the redevelopment of the existing ten-floor Elizabeth House building, to manifest the opportunity to deliver substantial amenities and public space, and in pursuit of economic development in Silver Spring west of Georgia Avenue; Elizabeth Square must be built as a set of high-rise structures.

The cost attributable to delivering the 52 subsidized is approximately \$11MM:

<b>COST OF SUBSIDIZED UNITS</b>	
Projected Market Rate Rent (/unit)	\$1,875
Projected Subsidized Rent (/unit)	\$800
<b>Projected Rent Loss (/unit)</b>	<b>\$1,075</b>
Debt Constant	6.25%
<b>Lost Debt Proceeds</b>	<b>\$10,732,800</b>

HOC is able to use the market rate units that will be present in the redeveloped Elizabeth Square to offset about \$4MM of this cost (while also maintaining the same number of affordable units at Elizabeth Square as presently exist, increasing the net number of affordable housing units in the County's inventory, reducing the average age of these affordable housing units by more than two decades, and increasing the diversity of affordability at Elizabeth Square. As such, HOC requests \$7MM in CIP funding.

2. **Demolition Fund:** \$2,000,000.

In an effort to replace some of the County's least sustainable affordable housing, deliver amenities not currently present along with the return of housing to those sites, and embed the new stock of affordable housing within mixed-income communities, HOC has vacated its Emory Grove Village property and is beginning the process of vacating its Ambassador property. The entitlement and permitting process for each of the sites will take from two to four years. In the meantime, upon vacation, HOC wishes to demolish the existing buildings such that they do not become blights on the surrounding neighborhoods.

Emory Grove Village is a former 100% Public Housing property consisting of 54 units. That property was converted out of the Public Housing program upon the permanent relocation of existing residents who moved to newly renovated, HOC-owned properties of their choosing throughout the County. The subsidy that made their homes at Emory Grove Village affordable transferred along with those residents. All 54 units of subsidized housing are now located at other newly renovated HOC-owned housing. This effected a significant deconcentration of deeply affordable units in the neighborhood in which the Emory Grove Village property is located. HOC seeks to redevelop Emory Grove Village as a highly amenitized, mixed-income property that returns a similar number of affordable units embedded within new market rate rental units.

The Ambassador is an existing 100% affordable LIHTC property comprising 162 units. The building's systems and structures are currently stable but are not sustainable over the medium term. Additionally, the Montgomery County Planning Department granted the site on which The Ambassador sits significantly increased zoning to incentivize the redevelopment of the property as greatly desired by the community. The redeveloped property would yield a mixed-income, mixed-use property that would include approximately 200 units of residential housing, some ground-floor retail, and a significant office component that would bring approximately 100 full-time employees to the center of Wheaton.

Both Emory Grove Village and The Ambassador have physical capital needs that far outstrip their ability to support remediation. As both properties are 100% affordable, they have no resources to fund the demolition of improvements. Both are positioned on prominent corners and would sit vacant for considerable periods of time. HOC engaged a contractor to walk both sites and provide an estimated cost to demolish the existing buildings. The estimated cost provided for Emory Grove was between \$600,000 and \$800,000 and the estimated cost provided for Ambassador was between \$1.3 million and \$1.5 million. Therefore, staff believes a \$2 million request can be supported.

---

**ISSUES FOR CONSIDERATION:**

Does the Commission wish to approve a \$90,557,000 CIP submission for FY'17-22, which asks the County to:

- Continue funding our current projects in the amount of \$79,057,000, to
- Add \$1,250,000 annually for FY'21 and FY'22 for Deeply Subsidized HOC Owned Unit Improvements, and to
- Add \$9,000,000 in additional funding for:
  - **Preservation & Expansion of Affordable Housing at Elizabeth Square:** \$7,000,000.
  - **Demolition Fund:** \$2,000,000.

---

**BUDGET IMPACT:**

There is no budget impact on the FY'16 Adopted Budget. Funds that are appropriated by the County Council will be included in the FY'17 Adopted Budget.

---

**TIME FRAME:**

The County FY'17-22 Capital Improvements Program Budget submission was reviewed by the Budget, Finance and Audit Committee at the August 17, 2015 meeting. Action is requested at the September 2, 2015 Commission meeting. The County FY'17-22 Capital Improvements Program (CIP) Budget submission is due to the County by September 9, 2015.

---

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends the Commission authorize the submission of the County FY'17-22 Capital Improvements Program (CIP) Budget by September 9, 2015.

**RESOLUTION: 15-71**

**RE:** Authorization to Submit County  
FY'17-22 Capital Improvements  
Program (CIP) Budget

**WHEREAS**, the Housing Opportunities Commission of Montgomery County receives County CIP funding for ongoing CIP projects; and

**WHEREAS**, the Commission must submit a request for both new and renewed funding by September 9, 2015; and

**WHEREAS**, the Commission wishes to maintain current funding levels in the amount of \$79,057,000; and

**WHEREAS**, the Commission wishes to request additional funding in the amount of \$1,250,000 annually for FY'21 and FY'22 for HOC Deeply Subsidized HOC Owned Unit Improvements;

**WHEREAS**, the Commission wishes to request additional funding in the amount of \$7,000,000 for Preservation & Expansion of Affordable Housing at Elizabeth Square;

**WHEREAS**, the Commission wishes to request additional funding in the amount of \$2,000,000 for a Demolition Fund for Emory Grove Village and The Ambassador;

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Commission authorizes staff to submit the County FY'17 – FY'22 Capital Improvements Program (CIP) Budget in the total amount of \$90,557,000 by September 9, 2015.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on September 2, 2015.

S  
E  
A  
L

---

**Patrice M. Birdsong**  
**Special Assistant to the Commission**

# Development and Finance Committee



# **APPROVAL OF A BOND AUTHORIZING RESOLUTION FOR ARCOLA TOWERS RAD LIMITED PARTNERSHIP AND WAVERLY HOUSE RAD LIMITED PARTNERSHIP**

---

**ARCOLA TOWERS (SILVER SPRING) / WAVERLY HOUSE (BETHESDA)**



**STACY L. SPANN, EXECUTIVE DIRECTOR**

**KAYRINE V. BROWN  
JENNIFER HINES ARRINGTON  
UGONNA IBEBUCHI**

**September 2, 2015**

TABLE OF CONTENTS	PAGE
Executive Summary	3
Timeline to Close	5
Bond Issuance Schedule	6
Summary of Bond Authorizing Resolution	7
Arcola Towers	
Restatement of Financing Plan	8
Summary of Stabilized Operations	9
Waverly House	
Restatement of Financing Plan	10
Summary of Stabilized Operations	11
Staff Recommendation & Commission Action Needed	12

# EXECUTIVE SUMMARY

**Arcola Towers**, hereinafter “Arcola”, is a 141-unit, age-restricted public housing community located in Silver Spring, Maryland on University Boulevard between Arcola Avenue and Sligo Creek Parkway. Constructed in 1972, the property is 12 stories and is served by two elevators. The property contains 141 one-bedroom units that average 450 square feet.

**Waverly House**, hereinafter “Waverly”, is a 158-unit, age-restricted public housing community located in Bethesda, Maryland. Constructed in 1978, the property is 14 stories and is also served by two elevators. Waverly contains 156 one-bedroom units and two (2) two-bedroom units that average 560 and 750 square feet, respectively.

On January 14, 2015, the Commission approved a Revised Development Plan for both Arcola and Waverly that proposed a tenant-in-place renovation post-RAD conversion to include exterior site work, interior common area improvements, MEP and HVAC upgrades, as necessary, window replacement, and full unit upgrades.

On August 5, 2015, the Commission approved a Financing Plan that includes the combined use of LIHTC equity, tax-exempt construction draws on the PNC RELOC, a permanent, tax-exempt, fixed-rate mortgage loan (credit enhanced by FHA Risk Sharing), a seller note and, where applicable, a deferred developer fee. HOC will assume 25% of the risk of the permanent financing. The Commission simultaneously approved the Feasibility and Public Purpose for each transaction and allocated up to \$14.5 million in volume cap for Arcola Towers and up to \$25.4 million in volume cap for Waverly House.

It is staff’s intention to issue the Commission’s 2015 Series A Multifamily Housing Development Bonds to finance the transaction under the 1996 Multifamily Housing Development Bond Resolution (the “1996 Indenture”).



Arcola Towers



Waverly House

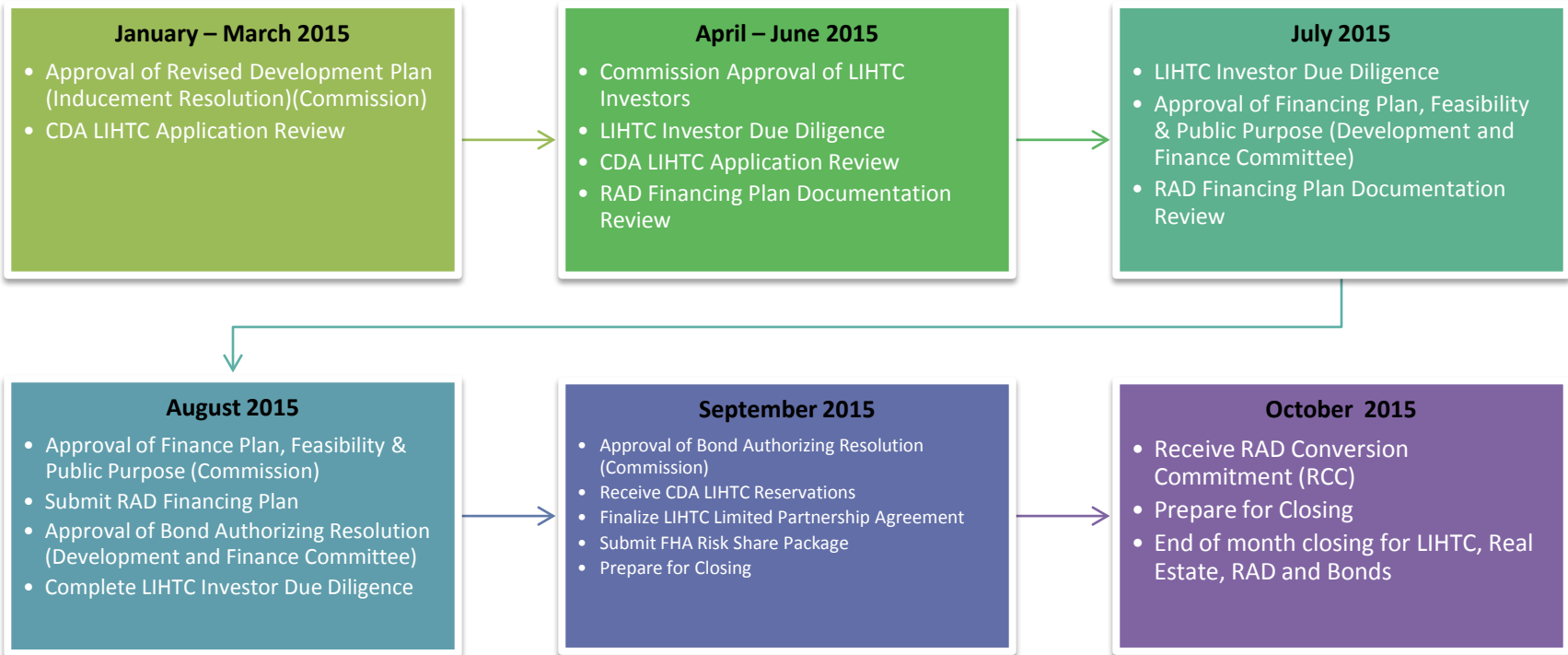
# EXECUTIVE SUMMARY

	Arcola Towers	Waverly House
Units/Affordability	141 – 100% Affordable 141 Units PBRA (Section 8)	158 – 100% Affordable 145 Units PBRA 13 Units ≤ 60% AMI
Amount of Bond Issuance (up to)	\$14,500,000	\$25,400,000
Construction Financing (up to)	\$7,500,000 Tax-Exempt Draws on PNC RELOC	\$15,000,000 Tax-Exempt Draws on PNC RELOC
Permanent Financing (up to)	\$7,000,000 Private Activity Bonds/ Risk Share Loan	\$10,400,000 Private Activity Bonds/ Risk Share Loan
Credit Enhancement	FHA Risk Share 25% - HOC 75% - FHA	FHA Risk Share 25% - HOC 75% - FHA
Permanent Interest Rate (est.)	4.80%	4.80%
Permanent Loan Term/Amortization	35 years	35 years
Debt Service Coverage Ratio Target	1.15	1.15

Staff recommends approval of a Bond Authorizing Resolution for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership.

The resolution, prepared by the Commission’s bond counsel, Kutak Rock, LLP, is for the issuance of tax-exempt financing for both development for an amount not to exceed \$40,000,000. It further details key approvals by the Commission to complete the financing transaction that is contemplated.

# TIMELINE TO CLOSE



# BOND ISSUANCE SCHEDULE



Target Date	Event
September 18	Bond Due Diligence, Moody's Rating, Electronic Distribution of Preliminary Official Statement, etc.
September 29	Pre-Pricing call, Distribute Final Draft Bond Purchase Agreement
September 30	Retail Order Period
October 1	Institutional order period, Sign Bond Purchase Agreement, etc.
October 2	Receive FHA Firm Approval
October 8	Print and Mail Official Statement
October 19	Comments due on Bond Closing Documents
October 22	Final Bond Closing Documents to HOC for Signature
October 23	HOC executes Bond Closing Documents, Final Cash Flow and Yield Calculations, etc.
October 26	Pre-close Bond Issues at Kutak Rock
<b>October 27</b>	<b>Close Bond Issue</b>

# Bond Authorizing Resolution

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

1. Issuance of 2015 Series A Multifamily Housing Development Bonds in an amount not to exceed \$40,000,000 from the sale of tax-exempt bonds and from draws on the PNC Bank, N.A. Real Estate Line of Credit.
2. Execution and delivery of the Series Resolution.
3. Preparation, execution, and delivery of the preliminary and final Official Statement (OS).
4. Execution of any documents related to the sale of the bonds such as related tax documents, continuing disclosure agreements, and real estate documents.
5. Approval for Chairman, Vice Chairman, Chairman Pro Tem and Executive Director to proceed with the sale of the 2015 Series A Bonds.
6. Execution and delivery of a contract of purchase in connection with the sale of the bonds.
7. Establishment of terms relating to the 2015 bonds and to make ongoing determinations relating thereto including dates, maturities, interest payment dates, denominations, terms of redemption, etc.
8. Appointment of Financial Advisor and Bond Counsel.

# ARCOLA TOWERS: RESTATEMENT OF FINANCING PLAN

Sources	Amount	Per Unit
Tax-Exempt Mortgage Loan	\$5,950,058	\$42,199
LIHTC Proceeds	\$8,605,520	\$61,032
Deferred Developer's Fee	\$1,250,000	\$8,865
Seller's Note	<u>\$12,439,352</u>	<u>\$88,222</u>
<b>Total Sources</b>	<b>\$28,244,930</b>	<b>\$200,319</b>

Uses	Amount	Per Unit
Acquisition Cost	\$13,154,689	\$83,258
Rehabilitation Cost	\$9,701,641	\$68,806
Due Diligence Costs	\$104,168	\$739
Design & Engineering Costs	\$348,435	\$2,471
Financing & Legal Costs	\$1,284,863	\$8,132
Transaction Costs	\$1,151,134	\$8,164
Development Fees	<u>\$2,500,000</u>	<u>\$17,730</u>
<b>Total Uses</b>	<b>\$28,244,930</b>	<b>\$200,319</b>

- Arcola requires approximately \$13 million of tax-exempt financing to qualify for 4% tax credits.
- The permanent 35-year FHA Risk Share Mortgage loan is expected to be approximately \$5.95 million.
- The transaction is expected to garner approximately \$8.6 million in tax credit equity which will be contributed in stages at 1) loan closing; 2) construction completion; 3) cost certification; 4) rental achievement; and, 5) issuance of the final 8609.
- During the rehabilitation period (18 months), approximately \$7.1 million will be funded by way of short-term tax-exempt draws on the PNC RELOC or such other facility that the Commission may approve.
- At initial closing, the majority of the bond proceeds plus a small draw on the RELOC will occur for acquisition and construction costs. This will qualify the bonds and the RELOC as a single-issuance for tax purposes.
- Private activity bond cap in the approximate amount of \$13 million will be allocated at the outset for all the bonds and expected RELOC draws.
- Upon completion of the project, approximately \$7.1 million on the RELOC will be repaid from equity payments from the tax credit investor, Arcola Towers RAD Limited Partnership.
- The amortization of the long-term tax-exempt Risk Share mortgage would commence upon FHA conversion of the loan from construction to permanent phase.



# ARCOLA TOWERS: SUMMARY OF STABILIZED OPERATIONS

## Debt Facility

<b>Tax-Exempt Mortgage Amount</b>	<b>\$5,950,058</b>
Term (in years)	35
Interest Rate (30 bps cushion incl.)	4.80%
Mortgage Insurance Premium (MIP)	0.50%
Debt Service Coverage Ratio (DSCR) Target	1.15

Stabilized Proforma	Year 2	Per Unit
Effective Gross Income (EGI)	\$1,385,167	\$9,824
Expenses	<u>\$946,965</u>	\$6,716
<b>Net Operating Income (NOI)</b>	<b>\$438,202</b>	<b>\$3,108</b>
Debt Service	<u>\$380,865</u>	\$2,701
<b>Cash Flow Before Distributions</b>	<b>\$57,337</b>	<b>\$407</b>
DSCR	1.15	

- Stabilized occupancy is underwritten at 94% and rent and expense growth rates are 2% and 3%, respectively.
- Staff plans to maintain a vacancy of at least 12 units during renovation. This will allow the development team to consolidate vacant units to one floor, close the floor to residents, and renovate vacant units.
- Management Fees are 4% of Effective Gross Income (EGI).
- The property will benefit from a Payment In Lieu of Taxes (PILOT) agreement with Montgomery County.
- Annual Replacement Reserves will be \$450 per unit or \$63,450 annually.
- The Property's NOI is anticipated to support a new 35-year permanent mortgage of \$5.95 million with an underwritten fixed interest rate of 4.80% plus 50 basis points for MIP costs pursuant to the FHA Risk Sharing Mortgage Insurance Program.

# WAVERLY HOUSE: RESTATEMENT OF FINANCING PLAN

Sources	Amount	Per Unit
Tax-Exempt Mortgage Loan	\$8,615,020	\$54,525
LIHTC Proceeds	\$15,561,892	\$98,493
Seller's Note	<u>\$24,763,049</u>	<u>\$156,728</u>
<b>Total Sources</b>	<b>\$48,939,962</b>	<b>\$309,747</b>

Uses	Amount	Per Unit
Acquisition Cost	\$32,247,925	\$204,101
Rehabilitation Cost	\$10,515,487	\$66,554
Due Diligence Costs	\$117,968	\$747
Design & Engineering Costs	\$321,000	\$2,032
Financing & Legal Costs	\$1,912,130	\$12,102
Transaction Costs	\$1,325,451	\$8,389
Development Fees	<u>\$2,500,000</u>	<u>\$15,823</u>
<b>Total Uses</b>	<b>\$48,939,962</b>	<b>\$309,747</b>

- Waverly House requires approximately \$23 million of tax-exempt financing to qualify for 4% tax credits.
- The permanent, 35-year, FHA Risk Share Mortgage loan is expected to be approximately \$8.6 million.
- The transaction is expected to garner approximately \$15.5 million in tax credit equity, which will be contributed in stages at 1) admission of limited partner to the Partnership; 2) construction completion; and, 3) rental achievement.
- During the rehabilitation period (18 months), approximately \$14.3 million will be funded by way of short-term, tax-exempt draws on the PNC RELOC or such other facility that the Commission may approve.
- At initial closing the majority of the bond proceeds, plus a small draw on the RELOC will occur for acquisition and construction costs. This will qualify the bonds and the RELOC as a single-issuance for tax purposes.
- Private activity bond cap in the approximate amount of \$23 million will be allocated at the outset for all the bonds and expected RELOC draws.
- Upon completion of the project, approximately \$14.3 million on the RELOC will be repaid from equity payments from the tax credit investor, Waverly House RAD Limited Partnership.
- The amortization of the long-term tax-exempt Risk Share mortgage would commence upon FHA conversion of the loan from construction to permanent phase.

# WAVERLY HOUSE: SUMMARY OF STABILIZED OPERATIONS

## Debt Facility

<b>Tax-Exempt Mortgage Amount</b>	<b>\$8,615,020</b>
Term (in years)	35
Interest Rate (30 bps cushion incl.)	4.80%
MIP	0.50%
Debt Service Coverage Ratio (DSCR) Target	1.15

Stabilized Proforma	Year 2	Per Unit
Effective Gross Income (EGI)	\$1,561,468	\$9,883
Expenses	<u>\$927,000</u>	\$5,867
<b>Net Operating Income (NOI)</b>	<b>\$634,467</b>	<b>\$4,016</b>
Debt Service	<u>\$551,449</u>	\$3,490
<b>Cash Flow Before Distribution</b>	<b>\$83,018</b>	<b>\$525</b>
DSCR	1.15	

- Stabilized occupancy is underwritten at 94% and income and operational expense growth rates at 2% and 3%, respectively.
- Staff is currently working to create adequate vacancy of at least 12 units. This will allow the development team to consolidate vacant units to one floor, close the floor to residents, and renovate vacant units.
- Total operating expenses include the funding of annual replacement reserves of \$450 per unit per year or \$71,100.
- Management fees are 4% of EGI.
- The Property will benefit from a PILOT agreement with Montgomery County.
- The Property's NOI is anticipated to support a new 35-year permanent mortgage of \$8.6 million with a fixed interest rate of 4.80% plus 50 basis points for MIP pursuant to the FHA Risk Sharing Mortgage Insurance Program.

# STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

## Issues for Consideration

Does the Commission wish to accept the recommendation of the Development and Finance Committee and approve a Bond Authorizing Resolution for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership?

## Fiscal/Budget Impact

There is no impact to the FY16 budgeted Commitment Fees for these transactions; however, Loan Management Fees will decrease slightly due to a closing in October (versus August, as budgeted) and an anticipated lower, permanent loan amount. The budgeted FY16 Loan Management fee for Arcola is \$14,831. This is estimated to be reduced by \$5,000. The budgeted FY16 Loan Management fee for Waverly is \$23,542. This is estimated to be reduced by \$9,200.

## Time Frame

Action at the September 2, 2015 meeting of the Commission.

# STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

## Conclusion and Recommendation

- The transactions will provide the following Public Purpose:
  - Arcola Towers will contain 141 affordable units where 100% of the units will be covered by a Project Based Rental Assistance contract (Section 8).
  - Waverly House will contain 158 affordable units where 92% (145 units) of the units will be covered by a Project Based Rental Assistance contract and the remaining 8% (13 units) restricted to residents at or below 60% of AMI.
- With the FHA Risk Sharing execution, the properties will be in a positive financial position with the second year cash flow (before distributions) of \$57,337 and \$83,018 for Arcola and Waverly, respectively. Debt service coverage for both properties will be 1.15.
- A review of the projected stabilized operations for Arcola and Waverly concludes that the transactions are feasible, as presented.
- Staff recommends that the Commission accept the recommendation of the Development and Finance Committee, which met on August 21, 2015, and approve a Bond Authorizing Resolution for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership.
- The Resolutions will authorize, among other things, the issuance of up to \$15 million and \$25 million of tax-exempt financing for Arcola and Waverly, respectively. The long term bonds will be issued under the 1996 Indenture and the short-term financing will be funded from draws on one of the Commission's lines of credit.

RESOLUTION: 15-72

Re:

Adoption of an Authorizing Resolution for the Issuance of 2015 Series A Multifamily Housing Development Bonds and Tax-Exempt Drawings on the PNC Bank, National Association Real Estate Revolving Line of Credit or Tax-Exempt Advances under the PNC Bank, National Association Amended and Restated Committed Line of Credit Note for the Financing of the Acquisition and Rehabilitation of the Arcola Towers and Waverly House Projects

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY AUTHORIZING THE ISSUANCE AND SALE OF A SERIES OF THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT 2015 SERIES A BONDS (THE "2015 SERIES A BONDS") AND AUTHORIZING TAX-EXEMPT DRAWINGS ON THE PNC BANK, NATIONAL ASSOCIATION REAL ESTATE REVOLVING LINE OF CREDIT (THE "PNC RELOC TAX-EXEMPT DRAWINGS") OR TAX-EXEMPT ADVANCES UNDER THE PNC BANK, NATIONAL ASSOCIATION AMENDED AND RESTATED COMMITTED LINE OF CREDIT NOTE (THE "PNC LOC TAX-EXEMPT ADVANCES," AND COLLECTIVELY WITH THE 2015 SERIES A BONDS AND THE PNC RELOC TAX-EXEMPT DRAWINGS, THE "2015 OBLIGATIONS"), IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 FOR THE PURPOSE OF THE FINANCING OF (1) A MORTGAGE LOAN INSURED UNDER THE FHA RISK-SHARING PROGRAM FOR THE ACQUISITION AND REHABILITATION OF ARCOLA TOWERS, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY ARCOLA TOWERS RAD LIMITED PARTNERSHIP, (2) A MORTGAGE LOAN INSURED UNDER THE FHA RISK-SHARING PROGRAM FOR THE ACQUISITION AND REHABILITATION OF WAVERLY HOUSE, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY WAVERLY HOUSE RAD LIMITED PARTNERSHIP, (3) SHORT-TERM SECURED LOANS MADE UNDER THE BELOW-DEFINED PNC REVOLVING LOAN AGREEMENT OR THE BELOW-DEFINED LOAN DOCUMENTS RELATING TO THE PNC LOC TAX-EXEMPT ADVANCES OR SUCH ADDITIONAL SHORT-TERM SECURED LOANS FINANCED WITH THE PROCEEDS OF SHORT-TERM BONDS ISSUED UNDER THE BELOW-DEFINED TRUST INDENTURE, ALL AS SHALL BE NECESSARY FOR THE FINANCING OF THE ABOVE-DESCRIBED DEVELOPMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES INDENTURE, CERTAIN TAX-RELATED DOCUMENTS, A DISCLOSURE AGREEMENT AND ANY AND ALL REAL ESTATE DOCUMENTS; APPROVING THE PREPARATION, EXECUTION AND DISTRIBUTION OF PRELIMINARY AND FINAL OFFERING DOCUMENTS RELATING TO THE FINANCING; AUTHORIZING THE EXECUTION OF ANY OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE 2015 OBLIGATIONS AND THE ACCOMPLISHMENT OF THE TOTAL FINANCING PLAN DESCRIBED HEREIN; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO PROCEED WITH THE SALE OF THE 2015 SERIES A BONDS TO MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED AND THE OTHER

UNDERWRITERS OR TO ANY OTHER INITIAL PURCHASERS AND TO EXECUTE AND DELIVER A CONTRACT OF PURCHASE IN CONNECTION WITH SUCH SALE; AUTHORIZING THE EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO ESTABLISH THE TERMS RELATING TO THE 2015 OBLIGATIONS AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2015 OBLIGATIONS; AND PROVIDING AN EFFECTIVE DATE.

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

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

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

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

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

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

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

WHEREAS, the Commission has determined to issue its Multifamily Housing Development Bonds, 2015 Series A pursuant to the Trust Indenture and the Series Indenture Providing for the Issuance of Multifamily Housing Development Bonds, 2015 Series A (the "Series Indenture") and to make tax-exempt drawings on its PNC Bank, National Association Real Estate Revolving Line of Credit pursuant to the provisions of the PNC Revolving Loan Agreement (hereinafter defined) or to request tax-exempt advances under its Amended and Restated Committed Line of Credit Note, dated as of June 30, 2014 (the "PNC Line of Credit Note"), pursuant to the Loan Documents (as defined therein) or, alternatively, to issue tax-exempt short-term Bonds, in either case, for the funding of short-term secured loans (i) to make moneys available for the acquisition and rehabilitation of two developments (together, the "RAD Developments")—Arcola Towers, to be owned and operated by Arcola Towers RAD Limited Partnership and Waverly House, to be owned and operated by Waverly House RAD Limited Partnership—each limited partnership, an entity containing a general partner wholly-controlled by the Commission, (ii) to reimburse the Commission for prior expenditures of Commission funds to finance the acquisition and rehabilitation of the RAD Developments; (iii) to make the required deposit to the Reserve Fund (as defined in the Trust Indenture) as required by the Trust Indenture and the Series Indenture; and (iv) to reimburse the Commission for prior capital expenditures, all in accordance with the financing plans approved by the Commission in connection with the RAD Developments under the separate resolutions adopted by the Commission on August 5, 2015 and in accordance with the additional financing plans set forth in this Resolution (together, the "Total Financing Plan"); and

WHEREAS, the Mortgage Loans to be financed with the proceeds of a portion of the 2015 Obligations will be endorsed for federal insurance under the Risk-Sharing Agreement, dated September 23, 1994 (the "Risk-Sharing Agreement"), by and between the Commission and the Secretary of the U.S. Department of Housing and Urban Development ("HUD"), pursuant to which Risk-Sharing Agreement, the Commission will reimburse HUD for its losses under the Mortgage Loans in an amount not greater than 25% of the outstanding principal balance of the Mortgage Loans; and

WHEREAS, in connection with the issuance of the 2015 Obligations and the accomplishment of the Total Financing Plan, the Commission anticipates entering into various documents, including, but not limited to the Series Indenture and, as hereinafter defined, the Offering Documents, the Contract of Purchase, the Tax-Related Documents, the Disclosure Agreement, the Real Estate Documents and certain other documents relating to the PNC RELOC Tax-Exempt Drawings, the PNC LOC Tax-Exempt Advances, the Mortgage Loans, the short-term secured loans, the sale of the 2015 Series A Bonds, and the financing of the RAD Developments;

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

1. **2015 Obligations.** The 2015 Obligations are hereby authorized to be issued in an aggregate principal amount not to exceed \$40,000,000 to carry out the purposes under the Program as described above. Subject to the following sentence, a portion of



the 2015 Obligations shall be separately designated “2015 Series A Bonds” and a portion of the 2015 Obligations will be separately designated “PNC RELOC Tax-Exempt Drawings” and/or “PNC LOC Tax-Exempt Advances.” Notwithstanding the foregoing, the Executive Director is hereby authorized to approve, in consultation with the Financial Advisor and Bond Counsel to the Commission, such greater number of 2015 Obligations to be issued in connection with the Total Financing Plan and to determine the designations therefor. The 2015 Series A Bonds are to be issued pursuant to the terms of the Trust Indenture and pursuant to the terms of the Series Indenture. The 2015 Series A Bonds shall be limited obligations of the Commission, secured by and payable solely from moneys pledged therefor under the Indenture. The PNC RELOC Tax-Exempt Drawings will be made in accordance with the provisions of the Revolving Loan Agreement, dated as of July 1, 2014, by and between the Commission and PNC Bank, National Association (the “PNC Revolving Loan Agreement”). The PNC LOC Tax-Exempt Advances will be made in accordance with the provisions of the PNC Line of Credit Note and the related Loan Documents.

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

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

4. **Tax-Related Documents.** The Chairman, the Vice Chairman, the Chairman Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver a Tax Regulatory Agreement and No Arbitrage Certificate and other documents (collectively, the “Tax-Related Documents”) restricting the application of the proceeds of the 2015 Obligations and the use and occupancy of the RAD Developments in such forms as shall be prepared by Bond Counsel and approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director, the execution of the Tax-Related Documents being conclusive evidence of such approval and of the approval of the Commission. The Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission is hereby further authorized and directed to execute and deliver on behalf of the Commission Internal Revenue Service Form 8038-G relating to the 2015 Obligations as prepared by Bond Counsel.

5. **Disclosure Agreement.** The Commission hereby authorizes and approves the execution and delivery of a continuing disclosure agreement (the "Disclosure Agreement") related to the Series 2015 A Bonds, in such form as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Disclosure Agreement constituting conclusive evidence of such officer's approval of the Disclosure Agreement and the approval of the Commission.

6. **Mortgage Loans; Real Estate Documents.** The Commission hereby authorizes and approves the financing of the Mortgage Loans with the proceeds of a portion of the 2015 Obligations which will be endorsed for federal insurance under the Risk-Sharing Agreement, pursuant to which the Commission will reimburse HUD for its losses under the Mortgage Loans in an amount not greater than 25% of the outstanding principal balance of the Mortgage Loans. The Commission hereby authorizes and approves the financing of the short-term loans to be financed with the PNC RELOC Tax-Exempt Drawing, the PNC LOC Tax-Exempt Advance and/or the short-term tax-exempt Bonds. The Commission hereby further authorizes and approves the preparation, execution and delivery of any and all real estate documents (the "Real Estate Documents") relating to the acquisition and rehabilitation of the RAD Developments, in its capacity as issuer of the 2015 Obligations and in its capacity as general partner of each of the limited partnership owners of the RAD Developments.

7. **Offering Documents.** The Commission hereby authorizes and approves the preparation and distribution of one or more preliminary offering documents of the Commission and the preparation, execution and distribution of one or more final offering documents (collectively, the "Offering Documents"), each relating to the 2015 Series A Bonds, in such forms as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Offering Documents constituting conclusive evidence of such officer's approval of the Offering Documents and the approval of the Commission.

8. **Sale of 2015 Series A Bonds.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to proceed with the sale of the 2015 Series A Bonds to Merrill Lynch, Pierce, Fenner & Smith Incorporated and such other underwriters or to any other entity as shall be in the best interest of the Commission as determined by the Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission.

9. **Contract of Purchase.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to execute a contract of purchase and/or any other form of purchase agreement (the "Contract of Purchase") in connection with the sale to the initial purchasers of the 2015 Series A Bonds.

**10. Terms; Ongoing Determinations.** The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners to establish the dates, maturities, interest payment dates, denominations, terms of redemption, registration privileges, security and other terms, and to approve the interest rates on (a) the 2015 Series A Bonds, (b) the PNC RELOC Tax-Exempt Drawing, and (c) the PNC LOC Tax-Exempt Advance, all of the foregoing to be specified, as applicable, in the Series Indenture, the PNC Revolving Loan Agreement and/or the PNC Line of Credit Note and the related Loan Documents. The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners, to perform any act, to execute any documents, is hereby authorized, from time to time during the period the 2015 Obligations are outstanding, to make ongoing determinations, as may be required by the terms of the Series Indenture, the PNC Revolving Loan Agreement, the PNC Line of Credit Note and the related Loan Documents and any other financing documents relating to the 2015 Obligations, the RAD Developments, the Mortgage Loans, the short-term secured loans and any additional loans, including, but not limited to, the giving and withholding of consents, the selection of certain providers, the determination to permit the prepayment of the Mortgage Loans or the short-term secured loans and the refunding and redemption of the 2015 Obligations and/or other Bonds, and the Executive Director or other Authorized Representative of the Commission, as the case may be, is further authorized to execute any and all documents evidencing such determinations as may be deemed necessary and proper.

**11. Other Action.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is hereby authorized and directed to execute and deliver any and all additional documents and instruments necessary or proper to be executed and delivered and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution relating to the 2015 Obligations and the accomplishment of the Total Financing Plan.

**12. Appointment of Financial Advisor and Bond Counsel.** Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2015 Obligations.

**13. No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the 2015 Obligations, the Series Indenture, the Contract of Purchase, the Tax-Related Documents, the Offering Documents, the Real Estate Documents, the Disclosure Agreement the PNC Revolving Loan Agreement, the PNC Line of Credit Note and the related Loan Documents, the Mortgage Loans, the short-term secured loans or in any other agreement or document executed on behalf of the Commission in its capacity as issuer of the 2015 Obligations or in its capacity as general

partner of each of the limited partnership owners of the RAD Developments, 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 2015 Obligations or be subject to personal liability or accountability by reason of the issuance thereof.

14. **Action Approved and Confirmed.** All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the 2015 Obligations and the accomplishment of the Total Financing Plan are hereby approved, and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

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

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

The foregoing Resolution was adopted upon a motion by

---

\*\*\*\*\*

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on September 2, 2015.

---

Patrice Birdsong  
Special Assistant to the Commission

**APPROVAL OF AN INTERIM FINANCING PLAN TO REPAY DRAWS ON THE PNC BANK  
REAL ESTATE REVOLVING LINE OF CREDIT FOR ALEXANDER HOUSE AND GREENHILLS  
APARTMENTS**

---

**SILVER SPRING & DAMASCUS**



**STACY L. SPANN, EXECUTIVE DIRECTOR**

**KAYRINE V. BROWN  
VIVIAN BENJAMIN  
UGONNA IBEBUCHI**

**September 2, 2015**

TABLE OF CONTENTS	PAGE
Executive Summary	3
Alexander House	
Property Overview	4
Interim Financing Plan	5
Interim Financing Plan Comparison	6
Greenhills Apartments	
Property Overview	7
Interim Financing Plan	8
Interim Financing Plan Comparison	9
PNC RELOC	
Balance	10
Staff Recommendation	11

# EXECUTIVE SUMMARY

- **Alexander House** is a 312-unit, mixed-income high-rise apartment community located in downtown Silver Spring and is an integral part of Elizabeth Square. In October 2014, the Commission approved feasibility funding for a future development plan to renovate and refinance the community which is estimated to begin within the next two years.
- **Greenhills Apartments** (“Greenhills”) was constructed in 1984 on 8.204 acres on the east side of Route 27 just south of downtown Damascus. Originally built as part of a larger condominium community, HOC purchased the residual 52 townhome units and 26 apartment units contained in 11 buildings in 1998. The Commission has approved a Preliminary Development Plan to renovate and refinance the community which is estimated to begin within the next one to two years.
- On May 28, 2014, the Commission approved obtaining a second line of credit with a limit of \$90MM with PNC Bank, N.A. for the purpose of providing short-term financing for certain costs of the pre-development, rehabilitation, and acquisition of multifamily properties. Draws on the PNC Real Estate Line of Credit (RELOC) may be taxable (with an interest rate of LIBOR + 58 basis points) or tax-exempt (with interest rate of 68.5% of LIBOR plus 38 basis points).
- On October 22, 2014, a tax-exempt draw on the RELOC was made in the amount of \$20,271,302 to retire the mortgage on Alexander House. On November 14, 2014, a tax-exempt draw on the RELOC was made in the amount of \$4,200,000 to retire the mortgage on Greenhills. Use of the RELOC to prepay these debts in advance of the planned renovations for both properties presented a highly attractive opportunity to reduce debt service costs.
- On August 5, 2015, the Commission approved the Financing Plans for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership which involved draws on the RELOC for no more than \$7.5 million and \$15 million, respectively. Part of the plan involves reducing the outstanding balance on the RELOC by the end of September 2015 prior to making the necessary RELOC draws for Arcola Towers and Waverly House in November. The reduction on the line will involve interim financings for Alexander House and Greenhills Apartments.
- The interim financing plan for Alexander House and Greenhills recommended herein, will provide a short-term tax-exempt interest-only loan from BB&T Bank for each property. For Alexander House, the loan term would be 36 months, including 24 at a fixed-interest rate based on the bank’s cost of funds, currently 1.89%, with an option to extend for 12 additional months at a floating rate, until final development plans are approved by the Commission. For Greenhills, the loan term would be 24 months, including 12 months at the same fixed rate, with an option to extend for additional 12 months at a floating interest rate, until planned renovations begin.
- Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and approve the interim financing plan for Alexander House and Greenhills Apartments.



# PROPERTY OVERVIEW – ALEXANDER HOUSE

**Location** 8560 Second Avenue, Silver Spring, MD 20910

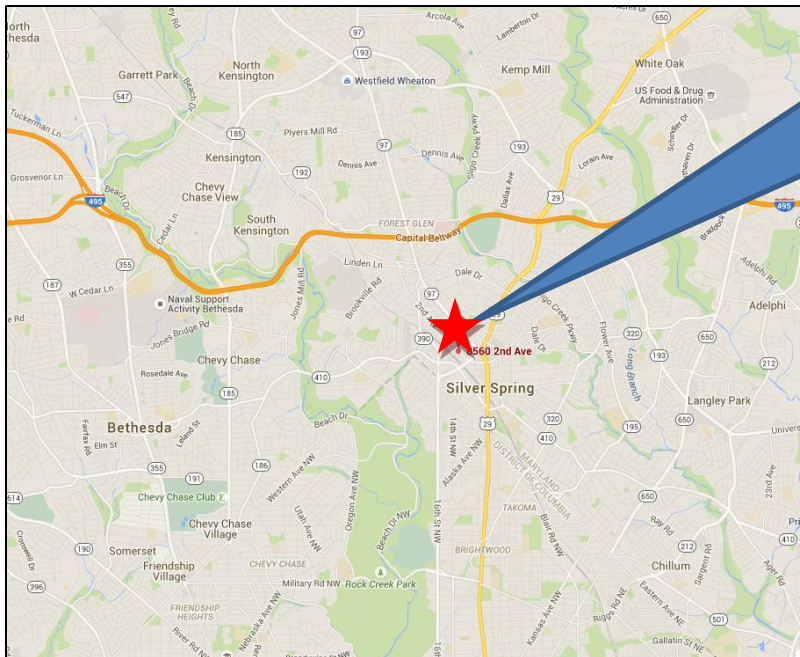
**Owner** Housing Opportunities Commission

**Property Manager** Avison Young

**Total Units** 312 (1 non-occupied, office unit)

**Unit Mix** 31 - Studios, 165 - 1BR, 115 - 2BR

**Current Occupancy** 95.2% ( July 2015)



	CURRENT (FY 2015)	PER UNIT
EFFECTIVE GROSS INCOME (EGI)	\$5,327,482	\$17,075
EXPENSES	\$1,954,133	\$6,263
NET OPERATING INCOME (NOI)	\$3,373,349	\$10,812
DEBT SERVICE*	\$375,258	\$1,203
CASH FLOW FOR DISTRIBUTION	\$2,697,706	\$8,646
DEBT SERVICE COVERAGE RATIO	8.98	

# INTERIM FINANCING PLAN

PROJECTED SOURCES & USES		
<b>SOURCES</b>		
BB&T Loan Proceeds	20,615,143	\$66,074
<b>TOTAL SOURCES:</b>	<b>20,615,143</b>	<b>\$66,074</b>
<b>USES</b>		
RELOC Payment	\$20,271,302	\$64,972
Closing Costs	343,841	\$1,102
<b>TOTAL USES:</b>	<b>\$20,615,143</b>	<b>\$66,074</b>

PROPOSED TERMS	TAX-EXEMPT	TAXABLE
Loan Amount (estimated)	\$20,615,143	\$20,607,637
Interest Rate*	1.89%	2.90%
Term (Months)	36	36
Monthly Debt Service (I/O)	\$32,469	\$49,802
Annual Debt Service	\$389,626	\$597,621
Targeted Debt Service Coverage Ratio	1.35	1.35
Estimated DSCR	8.66	5.64

\*Fixed rate for 24 months and floating rate for additional 12 months if needed.

- The previous mortgage for Alexander House was retired on October 22, 2014 in the amount of \$20,271,301 with a draw on the RELOC. Interest-only payments since then, have been approximately \$9,000 per month or \$108,000 annually.
- BB&T Bank has provided a term sheet with estimates for both a tax-exempt and taxable interim loan to retire Alexander House's debt on the RELOC. This enables Arcola Towers and Waverly House to utilize the RELOC to complete the financing structure to utilize LIHTC equity. See Proposed Terms in the chart below.
- The tax-exempt execution provides the best interest rate and the lowest total payments. See the Interim Financing Plan Comparison on page 6.
- Occupancy is expected to remain at or close to 95.2%.
- The current NOI of \$3,373,349 would comfortably support a new two-year interest-only interim mortgage loan for \$20.6 million.
- Remaining on the RELOC, while cheaper today, could be more costly as the Federal Reserve implements its monetary interest policies.
- Staff proposes the tax-exempt loan with a fixed-interest rate for 24 months based on the bank's cost of funds (currently 1.89%), with an option to extend the loan to 36 months at a floating rate. Interest payments would be approximately \$389,626 annually.

# INTERIM FINANCING PLAN COMPARISON

	BB&T Term Sheet (tax-exempt)	BB&T Term Sheet (taxable)
<b>FINANCING TERMS</b>		
Loan Amount <sup>1</sup>	<b>\$20,615,143</b>	<b>\$20,607,637</b>
Loan Term in Years	3	3
Amortization	I/O	I/O
Tax-Exempt Fixed Interest Rate	1.89%	-
Taxable Fixed Interest Rate	-	2.90%
Minimum DSC	1.35	1.35
LTV	60%	60%
Bank Fee	0.075%	0.075%
Break Funding Penalty <sup>2</sup>		
<b>Total Interest Payment<sup>3</sup></b>	779,252	1,195,243
<b>Total Financing Costs (est.)</b>	<u>343,841</u>	<u>336,335</u>
<b>TOTAL COMBINED COSTS (est.)</b>	<b>1,123,093</b>	<b>\$1,531,578</b>
Net Savings	\$408,485	

<sup>1</sup>Amount includes financing costs.

<sup>2</sup>Based on timing and prevailing rates and incurred if rates are lower at the time loan prepays.

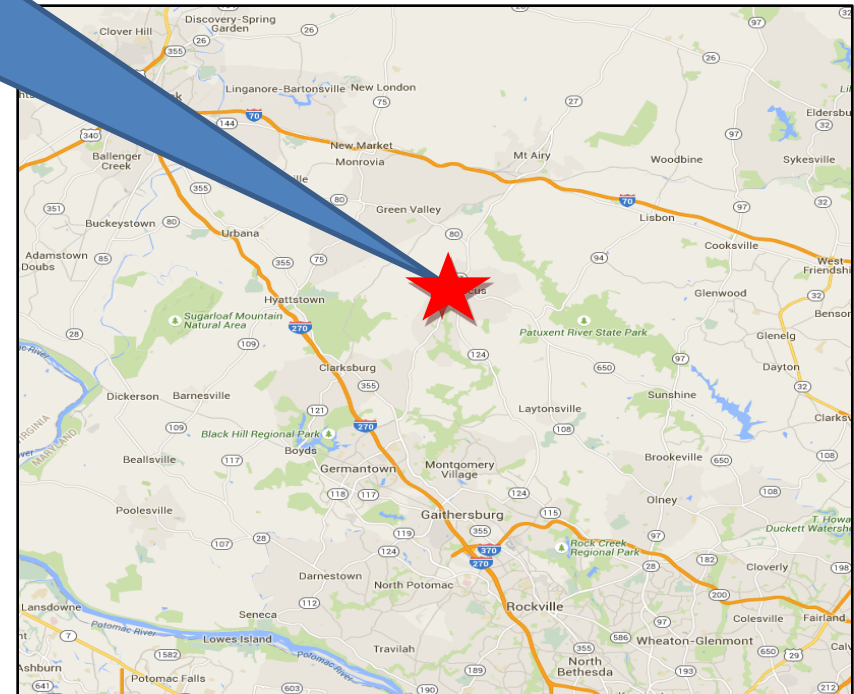
<sup>3</sup>Based on 24 months at fixed interest.

# PROPERTY OVERVIEW – GREENHILLS APARTMENTS



**Location** 10560 Tralee Terrace, Damascus, MD  
**Owner** Housing Opportunities Commission  
**Property Manager** Avison Young  
**Total Units** 78  
**Unit Mix** 26 units – 2BR/1BA (apt)  
 30 units – 2BR/2.5BA (TH)  
 22 units – 3BR/1.5BA (TH)  
**Current Occupancy** 96.2% ( July 2015)

	CURRENT (FY2015)	PER UNIT
EFFECTIVE GROSS INCOME (EGI)	\$1,140,137	\$14,617
EXPENSES	\$441,093	\$5,655
NET OPERATING INCOME (NOI)	\$699,045	\$8,962
DEBT SERVICE*	\$269,118	\$3,450
CASH FLOW FOR DISTRIBUTIONS	\$171,975	\$2,205
DEBT COVERAGE RATIO	2.59	



\*Debt Service includes 6 months of mortgage payments, prior to RELOC draw.



# INTERIM FINANCING PLAN

PROJECTED SOURCES & USES	TOTAL	PER UNIT
<b>SOURCES</b>		
BB&T Bank Loan Proceeds	4,320,000	\$55,385
<b>TOTAL SOURCES</b>	<b>4,320,000</b>	<b>\$55,385</b>
<b>USES</b>		
RELOC Payment	\$4,200,000	\$53,846
Closing Costs (estimate)	\$120,000	\$1,538
<b>TOTAL USES</b>	<b>\$4,320,000</b>	<b>\$55,385</b>

- The bond funded mortgage for Greenhills Apartments was retired on November 14, 2014 with a \$4,200,000 draw on the RELOC. Interest-only payments since then, have been approximately \$1,800 per month or \$21,600 annually.
- BB&T Bank has provided a term sheet with estimates for both a tax-exempt and taxable interim loan to retire debt associated with Greenhills on the RELOC. This enables Arcola Towers and Waverly House to complete the financing structure that utilizes LIHTC equity. See Proposed Terms in the chart below.
- When comparing the tax-exempt financing to that of a taxable transaction, the tax-exempt execution provides the best interest rate and the lowest total payments. See the Interim Financing Plan Comparison on page 6.
- Occupancy is expected to remain at or close to 96.2%.
- The current NOI of \$699,045 would comfortably support a new two-year interest-only interim mortgage loan for \$4.3 million.
- Remaining on the RELOC, while cheaper today, could be more costly as the Federal Reserve implements its monetary and interest rate policies.
- Staff proposes the tax-exempt loan with a fixed-interest rate for 12 months based on the bank's cost of funds (currently 1.89%), with an option to extend the loan to 24 months at a floating rate. Interest payments would be approximately \$81,648 annually.

PROPOSED TERMS	TAX-EXEMPT	TAXABLE
Loan Amount (estimated)	\$4,320,000	\$4,317,500
Interest Rate*	1.89%	2.90%
Term (Months)	24	24
Monthly Debt Service (I/O)	\$6,804	\$10,434
Annual Debt Service	\$81,648	\$125,208
Targeted Debt Service Coverage Ratio	1.35	1.35
Estimated DSCR	8.56	5.58

\*Fixed rate for 12 months and floating rate for additional 12 months if needed.

# INTERIM FINANCING PLAN COMPARISON

	BB&T Term Sheet (tax-exempt)	BB&T Term Sheet (taxable)
<b>FINANCING TERMS</b>		
Loan Amount <sup>1</sup>	<b>\$4,320,000</b>	<b>\$4,317,500</b>
Loan Term in Years	2	2
Amortization	I/O	I/O
Tax-Exempt Fixed Interest Rate	1.89%	-
Taxable Fixed Interest Rate	-	2.90%
Minimum DSC	1.35	1.35
LTV	65%	65%
Bank Fee	0.075%	0.075%
Break Funding Penalty <sup>2</sup>		
<b>Total Interest Payment<sup>3</sup></b>	81,648	125,208
<b>Total Financing Costs (est.)</b>	120,000	117,500
<b>TOTAL COMBINED COSTS (est.)</b>	<b>\$201,648</b>	<b>\$242,708</b>
Net Savings	\$41,060	
<b>Notes:</b>		
<sup>1</sup> Amount includes financing costs.		
<sup>2</sup> Based on timing and prevailing rates and incurred if rates are lower at the time the loan prepays.		
<sup>3</sup> Based on 12 months at fixed interest.		

# FINANCING PLAN

- The Arcola Towers and Waverly House transactions require the issuance of short-term debt to satisfy a key requirement for the allocation of low income housing tax credits. The Commission approved the use of the RELOC on August 5, 2015.
- The draws and obligations on the RELOC will total \$69,524,187, leaving \$20,475,813 of capacity to support a very active real estate development pipeline. While \$60.6 million is projected to be repaid in approximately 18 months, the line will be constrained.
- Staff has employed a strategic management approach to the Commission’s fiscal resources and proposes to secure alternative funding that still lowers the debt service payment while certain transactions prepare for permanent financing. Staff will continue to evaluate all funding sources and recommend decisions for optimizing the use of the Commission’s resources.
- Repayment of the Alexander House and Greenhills loans and use of the line to fund Arcola and Waverly:
  - Lowers the short-term borrowing costs for Arcola and Waverly and returns equity to the Commission for use in the implementation of the remaining RAD transactions,
  - Demonstrates to PNC Bank a pattern of use and repayments,
  - Delivers cash flow savings and does not materially shift the strategy of lowering borrowing cost while transactions prepare for financing,
  - Leaves a balance of \$45 million to continue to support the Commission’s real estate initiatives.

**\*PNC Bank Real Estate Line of Credit (RELOC) Draw History**

PNC Bank RELOC	Original Amount	Date	Property	Draw/ (Payment)	Available Balance
	90,000,000	10/22/2014	TPM Development	7,252,687	82,747,313
		10/22/2014	Alexander House	20,271,302	62,476,012
		10/28/2014	Ambassador	1,862,495	60,613,517
		10/31/2014	Greenhills Apts	4,200,000	56,413,517
		4/17/2015	Avondale	7,037,704	49,375,813
		FUTURE	Timberlawn Renovation	7,500,000	<b>41,875,813</b>
<i>Recommendation to retire draws on PNC RELOC as of July 11, 2015</i>					
		9/30/2015	Alexander House	(20,271,302)	62,147,115
		9/30/2015	Greenhills	(4,200,000)	<b>66,347,115</b>
<i>Approval to draw on PNC RELOC for Arcola Towers &amp; Waverly House as of August 5, 2015</i>					
		11/2015-10/2017	Arcola Towers	7,100,000	59,247,115
		11/2015-10/2017	Waverly House	14,300,000	<b>44,947,115</b>

# STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

## Issues for Consideration

Does the Commission wish to accept the recommendation of the Development and Finance Committee and approve an interim financing plan to repay the draws on the PNC Bank Real Estate Line of Credit for Alexander House and Greenhills Apartments?

- Refinancing Alexander House and Greenhills restores the available balance on the RELOC making it possible for additional properties to be developed, acquired, or rehabilitated with funds on the RELOC, in particular Arcola Towers and Waverly House.
- The current Net Operating Income (NOI) of \$3,373,349 from Alexander House will comfortably support a new two-three year interest-only interim mortgage loan for \$20.6 million and continue to provide a healthy DSCR (estimated at 8.66x) for the Property.
- The Property's current Net Operating Income (NOI) of \$699,045 from Greenhills will comfortably support a new one-two year interest-only interim mortgage loan of \$4.3 million and continue to provide a healthy DSCR (estimated at 8.59x) for the Property.
- The RELOC is backed by the full faith and credit of the Housing Opportunities Commission. The BB&T loan is a non-recourse loan, supported solely by the real estate.

## Fiscal/Budget Impact

The FY 2016 Budget contributes to a debt service reserve for both properties and assumes payments equivalent to a 30-year mortgage at 6.5% interest. The contribution is equivalent to the difference between this schedule and the actual interest paid on the RELOC. Since the interest rate on the new loans will be higher than the current RELOC rate, the actual debt payments for Alexander House and Greenhills will increase by approximately \$280,000 and \$60,000 annually, respectively. This change in interest payments will create a corresponding decrease in the debt service reserve contributions for each property.

The RELOC rate resets monthly; therefore, it is likely that the rate on the RELOC would increase to reflect Federal Reserve's monetary policy of gradual rate increases. The BB&T loan fixes interest rates while the permanent financing and renovation plans are being developed.



# STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

## Time Frame

Action at the September 2, 2015 meeting of the Commission.

## Conclusion and Recommendation

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and approve the following:

1. An interim financing plan for Alexander House that includes a tax-exempt interim mortgage loan from BB&T Bank not to exceed \$21 million for 36 months, including 24 months at a fixed-interest rate based on the bank's cost of funds, currently 1.89%, and an additional 12 months at a floating interest rate, for the purpose of repaying the Alexander House loan from PNC Bank, N.A. Real Estate Line of Credit and costs related thereto.
2. An interim financing plan for Greenhills Apartments that includes a tax-exempt interim mortgage loan from BB&T Bank not to exceed \$4.5 million for 24 months, including 12 months at a fixed-interest rate based on the bank's cost of funds, currently 1.89%, and an additional 12 months at a floating interest rate, for the purpose of repaying the Greenhills Apartments loan from PNC Bank, N.A. Real Estate Line of Credit and costs related thereto.

**RESOLUTION: 15-73a**

**RE: Approval of an Interim Financing Plan for Alexander House Development Corporation, including Authorization to Accept a Loan from BB&T in an amount not to exceed \$21,000,000 to Repay a Prior Draw on the PNC Bank, N.A. Real Estate Line of Credit and to Fund Related Costs**

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

**WHEREAS**, the Alexander House Development Corporation is a wholly controlled corporate instrumentality of the Commission which owns a 312 unit property known as Alexander House located at 8560 Second Avenue, Silver Spring, Maryland 20910 (“Property”); and

**WHEREAS**, on May 28, 2014, the Commission approved obtaining a line of credit with a limit of \$90 million, the Real Estate Line of Credit (the “RELOC”), from PNC Bank, N.A. (PNC), for the purpose of providing short-term financing for certain costs of the pre-development, rehabilitation, and acquisition of multifamily properties; and

**WHEREAS**, the Commission’s financial resources are being managed to optimize use and to ensure funding is available to support its real estate initiatives; and

**WHEREAS**, on October 22, 2014, a tax-exempt draw on the RELOC was made in the amount of \$20,271,301.57 to retire the mortgage on the Property; and

**WHEREAS**, on August 5, 2015, the Commission approved the Financing Plans for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership which involve draws on the RELOC for no more than \$7.5 million and \$15 million, respectively; and

**WHEREAS**, part of the financing strategy for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership involves reducing the outstanding balance on the RELOC by the end of September 2015 prior to making the necessary RELOC draws for Arcola Towers and Waverly House in or around November 2015; and

**WHEREAS**, the reduction on the RELOC will involve interim financings for the Property (“Interim Financing Plan”) and Greenhill Apartments, which are both slated for rehabilitation

within the next two to three years; and

**WHEREAS**, as part of the Interim Financing Plan for the Property, the Commission obtained a loan proposal from BB&T Bank for a tax-exempt loan in the amount of \$20,271,302, plus the amount of associated costs of financing bearing interest at a fixed interest rate of approximately 1.89% for 24 months and a floating interest rate for up to an additional 12 months, with a break-funding penalty based on prevailing interest rates.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House Development Corporation, hereby approves the Interim Financing Plan to accept a tax-exempt loan from BB&T Bank in an amount not to exceed \$21,000,000 to repay the prior draw on the RELOC benefitting Alexander House and fund related transaction costs.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House Development Corporation, without further action on their respective parts, hereby authorizes and directs the Executive Director to act as their authorized representative to execute all Interim Financing Plan loan documents on their behalf, and 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 other documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Alexander House Development Corporation, at a regular meeting conducted on September 2, 2015.

S  
E  
A  
L

---

**Patrice M. Birdsong**  
**Special Assistant to the Commission**

**RESOLUTION: 15-73b**

**RE: Approval of an Interim Financing Plan for Greenhills Apartments, including Authorization to Accept an Interim Loan from BB&T Bank in an amount not to exceed \$4,500,000 to Repay a Prior Draw on the PNC Bank, N.A Real Estate Line of Credit and to Fund Related Costs**

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

**WHEREAS**, Greenhills Apartments (the “Property”) is a 78-unit apartment and townhome community located at 10560 Tralee Terrace in Damascus, Maryland which was acquired by the Housing Opportunities Commission of Montgomery County (the “Commission”) in 1998; and

**WHEREAS**, on March 7, 2012, the Commission approved a Preliminary Development Plan to renovate and refinance the Property; and

**WHEREAS**, on May 28, 2014, the Commission approved obtaining a line of credit with a limit of \$90 million, the Real Estate Line of Credit (the “RELOC”) from PNC Bank, N.A. (PNC), for the purpose of providing short-term financing for certain costs of the pre-development, rehabilitation, and acquisition of multifamily properties; and

**WHEREAS**, the Commission’s financial resources are being managed to optimize use and to ensure funding is available to support its real estate initiatives; and

**WHEREAS**, on November 14, 2014, a tax-exempt draw on the RELOC was made in the amount of \$4,200,000 to retire the mortgage on the Property; and

**WHEREAS**, on August 5, 2015, the Commission approved the financing strategy for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership which involve draws on the RELOC for no more than \$7.5 million and \$15 million, respectively; and

**WHEREAS**, part of the Financing Plans for Arcola Towers RAD Limited Partnership and Waverly House RAD Limited Partnership involves reducing the outstanding balance on the RELOC by the end of September 2015 prior to making the necessary RELOC draws for Arcola

Towers and Waverly House in or around November 2015; and

**WHEREAS**, the reduction on the RELOC will involve interim financings for the Property (the “Interim Financing Plan”) and Alexander House which are both slated for rehabilitation within the next two to three years; and

**WHEREAS**, as part of the Interim Financing Plan for the Property, the Commission obtained a loan proposal from BB&T Bank for a tax-exempt loan of \$4,200,000 plus the amount of associated costs of financing that will bear interest at a fixed interest rate of approximately 1.89% for 12 months and a floating interest rate for up to an additional 12 months, with a break-funding penalty based on prevailing interest rates.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County hereby approves the Interim Financing Plan to accept a tax-exempt loan from BB&T Bank in an amount not to exceed \$4,500,000 in order to repay PNC for the prior draw on the RELOC benefitting Greenhills Apartments and fund related transaction costs.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, without further action on its part, hereby authorizes and directs the Executive Director to act as its authorized representative to execute all Interim Financing Plan loan documents on its behalf, and 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 other documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County, acting in its own capacity at a regular meeting conducted on September 2, 2015.

S  
E  
A  
L

---

**Patrice M. Birdsong**  
**Special Assistant to the Commission**

**AUTHORIZATION TO GRANT UNITED THERAPEUTICS CORPORATION A RIGHT TO OPERATE  
A CRANE SWING OVER THE MONTGOMERY ARMS PROPERTY AND TO EXECUTE A CRANE  
OVERSWING AGREEMENT AND OTHER DOCUMENTS RELATING THERETO**

---

**8615 FENTON ST, SILVER SPRING, MD 20910**



**STACY L. SPANN, EXECUTIVE DIRECTOR**

**KAYRINE V. BROWN  
ZACHARY MARKS  
RICHARD HANKS**

**September 2, 2015  
Page 114 of 126**

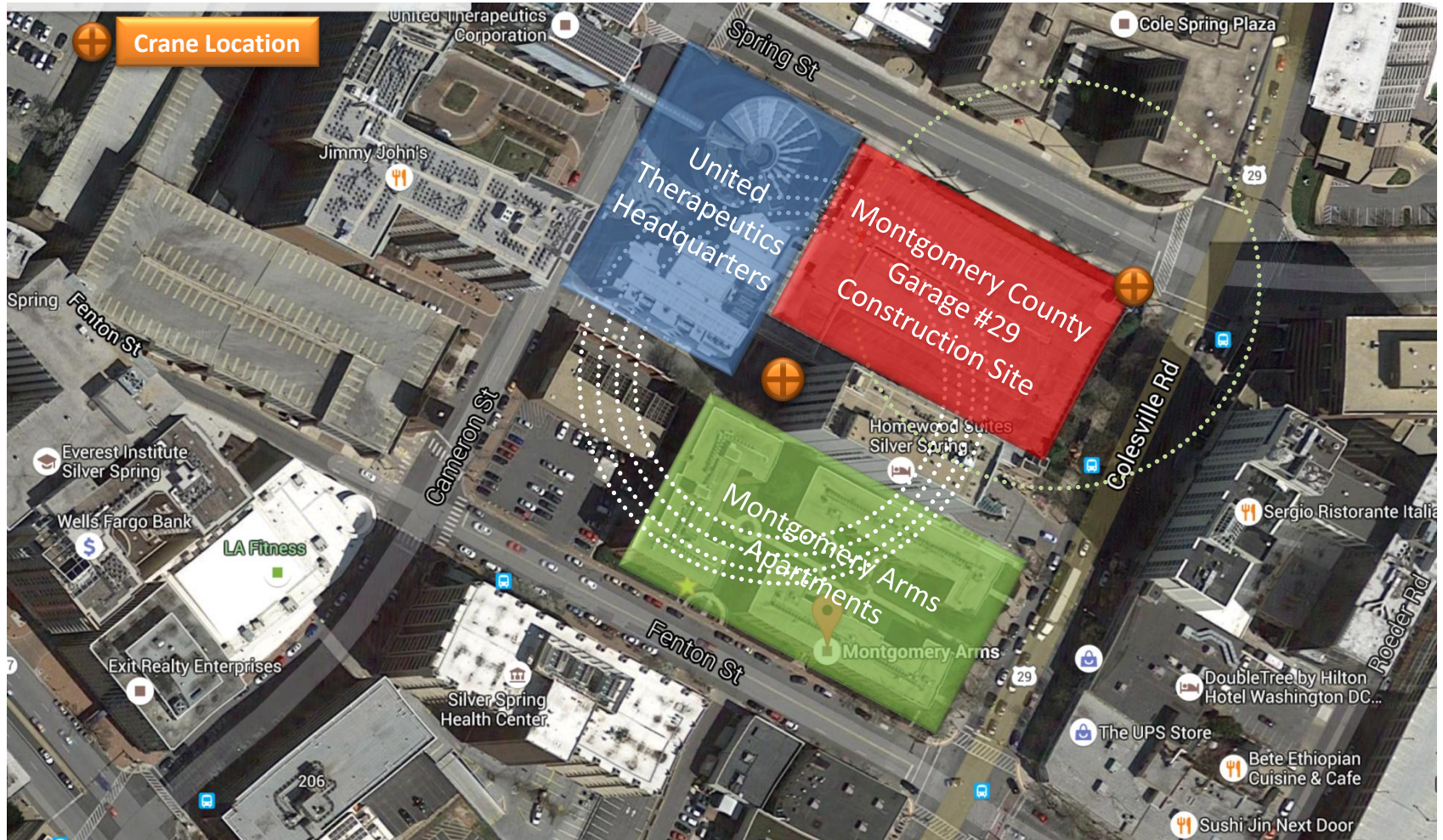
# EXECUTIVE SUMMARY

## Background

1. HOC, as the sole owner of the Montgomery Arms Development Corporation, which owns and operates 129 apartments units at Montgomery Arms Apartments in downtown Silver Spring. The property has both project based Section 8 units and opportunity housing units.
2. HOC issued governmental tax -exempt bonds for the mortgage in 2003, the proceeds of which funded a 30-year mortgage insured under the FHA Risk Sharing Program.
3. United Therapeutics (UT) plans to construct additional office and lab space for its operations on Garage 29 at the northwest corner of Colesville and Spring Roads. To complete construction of this new building, United Therapeutics will need to operate cranes to construct the building and lift equipment onto the higher floors and roof.
4. Staff was approached by UT requesting a Crane Swing Agreement for Montgomery Arms Apartments. The construction site is not directly adjacent to HOC's property, however, the alley where the crane swing circumference will include Montgomery Arms as illustrated on the next slide.
5. The Development and Finance Committee requested that staff investigate increasing the umbrella liability coverage pursuant to which UT has agreed to maintain umbrella liability insurance with a limit of \$15 million and general liability of no less than \$1 million per incident. Montgomery Arms Development Corporation will be listed as an additionally insured.
6. In consideration for Crane Swing Agreement, United Therapeutics will provide up to \$5,000 to cover legal fees for HOC's outside counsel.
7. Staff requests that the Development and Finance Committee recommends to the Commission the approval to enter into a crane swing Agreement with United Therapeutics for construction of its development adjacent to Montgomery Arms Apartments.



# AERIAL VIEW OF MONTGOMERY ARMS & UNITED THERAPEUTICS





# SUMMARY AND RECOMMENDATIONS

## SUMMARY

- Agreement would provide \$5,000 to cover legal costs associated with the approval of the agreement.
- HOC general and outside counsel have reviewed and modified the agreement in the best interest of HOC and Montgomery Arms Development Corporation.
- United Therapeutics is a reputable business with significant experience working in this type of environment. It currently has several hundred thousand feet of additional office adjacent and proximate to this site.
- Both HOC as the lender and Montgomery Arms Development Corporation as the owner must approve the agreement.
- Construction is projected to commence in twelve months for a duration of 24 – 36 months.
- UT will increase its umbrella liability insurance coverage to \$15 million.

## Issue for Consideration

Does the Commission wish to accept the recommendation of the Development and Finance Committee and approve to enter into a crane swing agreement with United Therapeutics for construction of its development adjacent to Montgomery Arms Apartments.

## BUDGET IMPACT

This action will have no impact on the Agency's operating budget.

## TIME FRAME

Action at the September 2, 2015 meeting of the Commission.

## STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

Staff recommends that the Commission accepts the recommendation of the Development and Finance Committee and authorize the Executive Director on behalf of HOC and Montgomery Arms Development Corporation to execute the Crane Swing Agreement with United Therapeutics for the construction of a property located adjacent to Montgomery Arms Apartments.

**RESOLUTION: 15-74**

**RE: Authorization to Grant United Therapeutics Corporation a Right to Operate a Crane Swing over the Montgomery Arms Property and to Execute a Crane Overswing Agreement and other Documents Relating Thereto**

**WHEREAS**, Montgomery Arms Development Corporation (the “Development Corporation”) owns and operates a 129-unit building in Silver Spring at 8627 Fenton Street known as Montgomery Arms Apartments; and

**WHEREAS**, the Housing Opportunities Commission of Montgomery County Maryland (HOC) is the sole member of the Development Corporation; and

**WHEREAS**, Montgomery Arms Apartments provides opportunity housing at or below 90% of area median income and Project-based Section 8 units for residents at or below 30% of area median income; and

**WHEREAS**, financing for Montgomery Arms Apartments is funded by a first lien priority loan from HOC which was funded by the proceeds of tax-exempt governmental bonds issued by HOC; and

**WHEREAS**, United Therapeutics Corporation proposes to build a new office building on the land immediately east of Montgomery Arms Apartments on Montgomery County Parking Garage #29 (the “Office Building”); and

**WHEREAS**, to construct this new office building, United Therapeutics Corporation would need to mobilize a crane which would swing over the Montgomery Arms Apartments; and

**WHEREAS**, United Therapeutics Corporation is requesting that the Development Corporation enter into a Crane Swing Agreement (the “Agreement”) to permit the use of the crane over the Montgomery Arms Apartment during the construction period, and HOC has reviewed and modified the Agreement ; and

**WHEREAS**, United Therapeutics Corporation has agreed to provide \$5,000 to the Development Corporation to cover legal costs associated with preparing and negotiating the Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity as a lender, and for and on behalf of Montgomery Arms Development Corporation, that the Executive Director is authorized to enter into direct negotiations with United Therapeutics Corporation and to execute the Crane Swing Agreement.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Montgomery Arms Development Corporation, authorizes and directs the Executive Director, without further action on their respective parts, to take any and all other actions necessary and proper to consummate the transactions contemplated herein,

including the execution of any other documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Montgomery Arms Development Corporation, at a regular Meeting conducted on September 2, 2015.

S  
E  
A  
L

---

Patrice M. Birdsong  
Special Assistant to the Commission

# Deliberation and/or Action

# Future Action

# Information Exchange

# New Business

# Executive Session Findings



Adjourn

# Executive Session