

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

June 3, 2020

20-06

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, June 3, 2020, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:00 p.m. Chair Priest began the meeting with a moment of silence in honor of George Floyd. Those in attendance were:

Present

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

Also Attending

Stacy L. Spann, Executive Director
Cornelia Kent
Christina Autin
Darcel Cox
Olutomi Adebo
Renee Harris
Jay Shepherd
Nicolas Deandreis
Fred Swan
Gail Willison
Nathan Bovelle
Jay Berkowitz
Marcus Ervin
Hyunsuk Choi
Victoria Dixon
Rita Harris
Len Vilicic
Jonathan Cartagena
Eugenia Pascual

Aisha Memon, General Counsel
Kayrine Brown
Terri Fowler
Gio Kaviladze
Zachary Marks
Kathryn Hollister
Lynn Hayes
Patrick Mattingly
Ian Hawkins
Charnita Jackson
Eamon Lorincz
Bonnie Hodge
Ellen Goff
Jennifer Arrington
Millicent Anglin
Karlos Taylor
Belinda Felco
Sewavi Prince
Leidi Reyes

Resident Advisory Board

Yvonne Caughman, Vice President

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

I. **Information Exchange**

Resident Advisory Board

Yvonne Caughman, Vice President, reported on activities of the Resident Advisory Board meeting held on May 18, 2020 via online platform. Jonathan Cartagena, Coordinator-Fatherhood Initiative, provided a presentation to the RAB on the activities of the Fatherhood Initiative Program. Ms. Caughman reported that the RAB has been updating the residents on services available to them during the COVID-19 Pandemic.

Chair Priest expressed his appreciation to the Resident Advisory Board and the work that they are doing with the residents on behalf of the Commission during the pandemic.

Executive Director's Report

Stacy L. Spann, Executive Director, provided an overview of a recently launched Rental Assistance Program that HOC is managing on behalf of Montgomery County and the Department of Community Affairs.

Chair Priest and Commissioner Simon expressed their appreciation to Executive Director Spann and the HOC Staff for their expedient work in getting this program up and running.

Commissioner Exchange

Vice Chair Kelleher thanked Executive Director Spann on the detailed Executive Director's Report.

- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Simon and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, and Simon.
- A. Approval of Minutes of May 6, 2020**
 - B. Approval of Minutes of May 6, 2020 Administrative Session**
 - C. Approval of Minutes of May 20, 2020 Special Session**

III. **CONSENT**

- A. Approval to Appoint Commissioners to the Board of Directors of Various Development Corporation**

Aisha Memon, General Counsel, was the presenter.

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

RESOLUTION NO.: 20-52

RE: Approval to Appoint Commissioners to the Board of Directors of Various Development Corporations

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) owns various properties through wholly-controlled corporate instrumentalities, including: Alexander House Development Corporation, Barclay Apartments Development Corporation, Brookside Glen Apartments Development Corporation, Damascus Gardens Development Corporation, Diamond Square Development Corporation, Glenmont Crossing Development Corporation, Glenmont Westerly Development Corporation, Magruder’s Discovery Development Corporation, The Metropolitan Development Corporation, Montgomery Arms Development Corporation, Oaks at Four Corners Development Corporation, Paddington Square Development Corporation, Pooks Hill Development Corporation, Rad 6 Development Corporation, Scattered Site One Development Corporation, Scattered Site Two Development Corporation, Sligo Hills Development Corporation, TPM Development Corporation, VPC One Corporation, VPC Two Corporation, and Wheaton Metro Development Corporation (together, the “Corporations”);

WHEREAS, the Bylaws of the Corporations provide that the Board of Directors of the Corporations shall be selected annually by HOC;

WHEREAS, the Commission desires to appoint Roy O. Priest, Fran Kelleher, Richard Y. Nelson, Pamela Byrd, Linda Croom, and Jackie Simon (each an “Appointee”) to the Board of Directors of the Corporations;

WHEREAS, upon the death or resignation of any Appointee, such Appointee shall be automatically removed from the Board of Directors of the Corporations; and

WHEREAS, in the event a successor Commissioner is appointed to HOC, such Commissioner shall automatically be appointed to the Board of Directors of the Corporations.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County appoints Roy O. Priest, Fran Kelleher, Richard Y. Nelson, Pamela Byrd, Linda Croom, and Jackie Simon to the Board of Directors of the Corporations.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that upon the death or resignation of any Appointee, such Appointee shall be automatically removed from the Board of Directors of the Corporations, and in the event a successor Commissioner is appointed to HOC, such Commissioner shall automatically be appointed to the Board of Directors of the Corporations.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is authorized to take any and all other actions necessary and proper to carry out the actions contemplated herein, including the execution of any documents related thereto.

RECESS: Development Corporation Annual Meetings and Approval of FY 21 Budgets

Meeting of the Housing Opportunities Commission of Montgomery County, Maryland reconvened at 4:41 p.m.

IV. ADMINISTRATIVE AND SPECIAL SESSION RATIFICATION

- A. Ratification of Action Taken in Special Session on May 20, 2020:** Approval to Increase the Predevelopment Budget and a Final Installment of Predevelopment Funding from the Opportunity Housing Reserve Fund to Fund Closing and Development Related Expenses;

Approval to Complete Acquisition & LIHTC Closing; and Approval to Increase the Number of Vacant Units to Complete the Renovations

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

RESOLUTION NO.: 20-39R

RE: Approval to Increase the Predevelopment Budget and a Final Installment of Predevelopment Funding from the Opportunity Housing Reserve Fund to Fund Closing and Development Related Expenses; Approval to Complete Acquisition & LIHTC Closing; and Approval to Increase the Number of Vacant Units to Complete the Renovations

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) seeks to preserve Montgomery County’s existing affordable housing, including those subsidized by Rental Assistance Payment (“RAP”) contracts and Section 236 financing; and

WHEREAS, Bauer Park Apartments (the “Property”), located at 14635/39/43 Bauer Drive, consists of 142 units in three (3) buildings on 3.88 acres of land on the southeast corner of the intersection of Bauer Drive and Norbeck Road in Rockville, MD; and

WHEREAS, the Property was originally built in 1977 under the Section 236 Program and is owned by Banor Housing, Inc., a non-profit corporation (“Banor”) that is managed by a Policy Board (the “Policy Board”); and

WHEREAS, on April 5, 2017, HOC passed Resolution 17-23 approving the advance of \$850,000 in aggregate from the Opportunity Housing Reserve Fund (“OHRF”) to reimburse Victory Housing, Inc. for predevelopment costs as they are incurred to prepare and submit tax credit applications for the Property for up to \$350,000; and

WHEREAS, on July 11, 2018, HOC passed Resolution 18-54 approving the Preliminary Development Plan for the Property and authorized an additional \$100,000 for predevelopment funding for costs as they are incurred to prepare and submit tax credit applications for the Property; and

WHEREAS, on July 10, 2019, HOC passed Resolution 19-76 approving the Final Development Plan for the Property (the “Final Development Plan”) identifying additional predevelopment costs of \$250,000 to be funded from the OHRF and a total development cost of approximately \$40 million to be funded with HOC-issued FHA-insured tax-exempt bonds, County Capital Improvements Program funds, 4% Low Income Housing Tax Credit equity, a seller note (to be assigned from Banor to HOC), and acquired replacement reserves; and

WHEREAS, additional predevelopment funding in the amount of \$400,000 is needed to fund permits fees and final obligations related to closing, which shall be funded from the OHRF; and

WHEREAS, in order to renovate more efficiently, staff recommends increasing vacancy at the Property; and

WHEREAS, in order to consummate the closing approved in the Final Development Plan, HOC desires to confirm its approval of certain elements of the transaction, including (i) causing the planned purchaser of the property, Bauer Park Apartments, LP (“Bauer LP”) to (a) amend the Purchase and Sale Agreement for the Property dated August 8, 2019, (the “Purchase Agreement”) to increase the purchase price to the “as-is unrestricted value” set forth in the planned updated appraisal for the Property and to transfer all reserves for the Property to Bauer LP (the “Purchase Agreement Amendment”), (b) accept a deed to the Property from Banor pursuant to the Purchase Agreement (the “Deed”) and (c) accept an assignment of the construction contract with Hooten Construction, LLC and the architect agreement with Architecture by Design, Inc. (the “Contract Assignments”) from a subsidiary of HOC’s development partner, Victory Housing, Inc. (“VHI”) and (ii) executing a (a) Guaranty Agreement from HOC in favor of Bauer LP’s tax credit investor limited partner (the “Guaranty Agreement”) and (b) a Grant Agreement between HOC and the Maryland Energy Administration (the “MEA Grant Agreement”), the proceeds of which, if received, will be used to reimburse HOC for expenditures for certain energy efficiency improvements paid for with the proceeds of HOC’s subordinate loan to Bauer LP and will be deposited into the OHRF upon receipt; and

WHEREAS, in order to satisfy certain Low Income Housing Tax Credit requirements for acquisition and rehabilitation transactions, HOC desires for its development partner, VHI, to have up to a 45% non-managing member interest in Bauer Park Apartments, LLC (“Bauer LLC”), the managing member of Bauer LP.

WHEREAS, at a Special Session duly called and held on May 20, 2020, with a quorum participating, the Commission duly adopted Resolution 20-39, with Commissioners Priest, Kelleher, Nelson, and Simon voting in approval, and Commissioners Byrd and Croom being necessarily absent and not participating in the vote;

WHEREAS, by adopting resolution 20-39, the Commission approved the following actions:

1. Incurring up to Four Hundred Thousand Dollars (\$400,000) in additional predevelopment costs, which shall be funded from the OHRF and reimbursed at closing with any excess sales proceeds;
2. Increasing vacancy at the Property to 35 units to facilitate the rehabilitation of the Property;
3. The execution of the Guaranty Agreement and the MEA Grant Agreement; and
4. Acting on behalf of itself and of Bauer LLC, as its managing member, approved the execution of an Operating Agreement with a subsidiary of VHI granting such subsidiary up to a 45% non-managing member interest in Bauer LLC; and
5. Acting on behalf of itself and of Bauer LLC, as its managing member, and Bauer LP, as its ultimate managing general partner, approved the execution of the Purchase Agreement Amendment, the Deed, the Contract Assignments and all related documents necessary to consummate the closing of the acquisition of the Property from Banor and the admission of an affiliate of Enterprise Community Partners as a tax credit investor limited partner in Bauer LP in accordance with the Development Plan set forth in Resolution 19-76 and with this resolution.

WHEREAS, consistent with the Commission’s Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 20-39 and any actions taken since May 20, 2020 to effectuate the actions contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 20-39 and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

- B. Ratification of Action Taken in Special Session on May 20, 2020:** Approval of the Financing Plan, Feasibility and Public Purpose for Bauer Park Apartments; Authorization to Issue Loans to Bauer Park Apartments LP for Acquisition and Construction Financing; Authorization to Issue a Commitment for up to \$25.8 Million in Permanent Financing; and Authorization for the Borrower to Accept Loans in Accordance with the Finance Plan

The foregoing Resolution was adopted upon a motion by Commissioner Simon and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, and Simon.

RESOLUTION NO.: 20-40R

RE: Approval of the Financing Plan, Feasibility and Public Purpose for Bauer Park Apartments; Authorization to Issue Loans to Bauer Park Apartments LP for Acquisition and Construction Financing; Authorization to Issue a Commitment for up to \$25.8 Million in Permanent Financing; and Authorization for the Borrower to Accept Loans in Accordance with the Finance Plan

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

WHEREAS, Bauer Park Apartments (the “Property”) is an existing 142-unit age-restricted residential community located at 14635, 14639 and 14643 Bauer Drive, Rockville, Maryland owned by Banor Housing, Inc. (“Banor”);

WHEREAS, the Property will be acquired by in a single purpose entity known as Bauer Park Apartments LP (“Borrower”), which will be controlled by Bauer Park Apartments LLC (“General Partner”) an entity controlled by HOC;

WHEREAS, HOC will enter into a partnership with Victory Housing, Inc. which will provide Victory Housing, Inc. with up to a non-managing 45% ownership interest in the General Partner;

WHEREAS, the Borrower proposes for the Property to serve seniors with household incomes at 60% of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area Median Income (“AMI”) or less, provided that the low income set-asides for the tax-exempt financing will be observed;

WHEREAS, on July 10, 2019, the Commission approved the selection of Enterprise Community Investment, Inc. (“Enterprise”) as the Low Income Housing Tax Credit (“LIHTC”) syndicator and authorized the Executive Director to negotiate and execute a Limited Partnership Agreement to admit an affiliate of Enterprise as a non-managing member of the Borrower, with HOC remaining in control of the Borrower as the managing member of the General Partner entity;

WHEREAS, on July 10, 2019, the Commission approved the final development plan totaling \$40 million for the Property as a 142-unit, income and age-restricted community, which included predevelopment and renovation funding in a cumulative amount up to \$3.4 million from various sources available to HOC including \$1,348,897 from the Operating Housing Reserve Fund, which will be subject to repayment upon closing of the transaction;

WHEREAS, the Commission has provided a loan to Banor to support operations of the Property, totaling approximately \$812,000 from the Commission's General Fund as of March 31, 2020, which is to be repaid from sale proceeds of the Property;

WHEREAS, as of March 31, 2020, the Property held approximately \$564,000 of unrestricted cash in residual receipts, replacement reserve, and mortgage escrow accounts ("Property Cash");

WHEREAS, staff explored a variety of options for the estimated \$42.9 million acquisition, rehabilitation and permanent financing for the Property, and determined to use a number of sources including (1) the issuance of private activity, long-term, tax-exempt bonds in an amount up to \$25.8 million to fund a loan for costs of acquisition, rehabilitation, and equipping the Property, enhanced by FHA Risk Sharing ("Mortgage Loan" or "Permanent Loan"); (2) LIHTC equity estimated at \$10.4 million; (3) a subordinate loan of approximately \$2.1 million from HOC, funded from previously contributed sources available to HOC ("HOC Loan"); (4) a subordinate loan of approximately \$6.2 million from Banor Housing Inc. representing contributed land equity which will be assigned to HOC ("Seller Loan"); and (5) available Property Cash (collectively, the "Financing Plan");

WHEREAS, Commission and the Borrower has applied for a Letter of Reservation/Determination for 4% LIHTC from the Maryland Department of Housing and Community Development, which will enable the Borrower to raise approximately \$10.4 million in equity to pay part of its acquisition and development costs;

WHEREAS, the Property will require an allocation of a portion of the Commission's tax-exempt volume cap in an amount not to exceed \$25.8 million;

WHEREAS, a review of the transaction has been completed and it has been determined that given the financial commitments to the Property and its operating projections, this transaction is believed to be feasible, and that by providing 142 units at or below 60% of the AMI to seniors aged 62 years old or higher, the Property will provide significant public purpose supporting an allocation of tax-exempt volume cap;

WHEREAS, at a Special Session duly called and held on May 20, 2020, with a quorum participating, the Commission duly adopted Resolution 20-40, with Commissioners Priest, Kelleher, Nelson, and Simon voting in approval, and Commissioners Byrd and Croom being necessarily absent and not participating in the vote;

WHEREAS, by adopting resolution 20-40, the Commission took the following actions:

1. Approved the Financing Plan, Feasibility and Public Purpose, as recommended by the Development and Finance Committee and as described herein, and the staff is authorized to proceed with the review and processing of the necessary financing applications and other documentation;
2. Authorized the allocation of tax-exempt volume cap in an amount not to exceed \$25,790,000 for the issuance of long-term bonds to finance the transaction and for the Commission, as conduit

lender, to use those bond proceeds to make a tax-exempt Mortgage Loan to Borrower with a maximum term of up to 516 months (43 years) to fund development of the Property, which will be subject to conversion to a Permanent Loan phase;

3. Authorized the issuance of a subordinate HOC Loan of approximately \$2.1 million to the Borrower for up to 43 years representing previously contributed funds by the Commission from available sources;
4. Approved using existing Property Cash balances from residual receipts, replacement reserves, and mortgage escrow accounts for the subject transaction;
5. Authorized pursuing obtaining a waiver from FHA for issuance of 40-year tax-exempt bonds with a 25-year balloon payment, if necessary to adjust for interest rate conditions to maintain economics of the transaction at the time of closing;
6. Authorized the issuance of a commitment for the Mortgage Loan in an amount up to \$25,790,000, which will be credit enhanced by FHA Risk Share Mortgage Insurance, pursuant to the Risk Sharing Agreement between the Commission and the U.S. Department of Housing and Urban Development (“HUD”), of which the Commission shall assume 25% of the risk while HUD shall assume 75% for the transaction;
7. Acting on behalf of itself and on behalf of the General Partner of Borrower, acting for itself and on behalf of Borrower, accepted the Mortgage Loan, Permanent Loan, HOC Loan, and Seller Loan for the financing closing, which may occur separate and apart from the LIHTC equity closing; and
8. Acting on behalf of itself and on behalf of the General Partner, the general partner of Borrower, acting for itself and on behalf of Borrower, that the Executive Director, or a duly appointed designee of the Executive Director, is authorized, without any further action on their respective parts, to execute such other documents, including without limitation guarantees from HOC required by Borrower’s lenders, and to take any and all other actions, in each case as necessary and proper, in the Executive Director’s judgment, to carry out the Financing Plan and the transaction and actions contemplated herein.

WHEREAS, consistent with the Commission’s Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 20-40 and any actions taken since May 20, 2020 to effectuate the actions contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 20-40 and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

V. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

A. Budget, Finance and Audit Committee – *Com. Nelson, Chair*

1. Acceptance of Third Quarter Fiscal Year 2020 Budget to Actual Statements

Cornelia Kent, Chief Financial Officer, and Olutomi Adebo, Assistant Budget Officer, were the presenters.

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

RESOLUTION NO.: 20-41

**RE: Acceptance of Third Quarter FY'20 Budget
to Actual Statements**

WHEREAS, the Budget Policy for the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission") states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the Third Quarter FY'20 Budget to Actual Statements during its June 3, 2020 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Third Quarter FY'20 Budget to Actual Statements.

2. Approval of Fiscal Year 2020 Third Quarter Budget Amendment

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

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

RESOLUTION NO.: 20-42

**RE: Approval of FY'20 Third Quarter Budget
Amendment**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted a budget for FY'20 on June 5, 2019;

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

WHEREAS, the net effect of the FY'20 Third Quarter Budget Amendment is a balanced budget;

WHEREAS, the total FY'20 Operating Budget increased from \$279,683,636 to \$279,996,215;

WHEREAS, the total FY'20 Capital Budget remained unchanged at \$155,388,946; and

WHEREAS, approval of the budget amendments to revise the FY'20 budget will reflect an accurate plan for the use of the Commission's resources for the remainder of FY'20.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'20 Operating Budget by increasing total revenues and expenses for the Commission from \$279,683,636 to \$279,996,215.

3. Authorization to Accept \$1,000,000 from The Metropolitan Development Corporation Operating Account to the Commissions' General Fund Operating Reserve (GFOR)

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

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

RESOLUTION NO.: 20- 43

**RE: Authorization to Accept \$1,000,000 from
The Metropolitan Development Corporation
Operating Account to the Agency General Fund
Operating Reserve (GFOR)**

WHEREAS, The Metropolitan Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County (the "Commission"); and

WHEREAS, the Agency is projecting a shortfall for FY'21 operating budget due to anticipated impacts from the COVID 19 Pandemic; and

WHEREAS, impacts over the next several months may necessitate draws from the General Fund Operating Reserve (GFOR) to cover Agency expenses.

WHEREAS, the Corporation's property has excess unrestricted cash in its operating account that was generated by cash flow from operations from prior years; and

WHEREAS, the Corporation desires to transfer \$1,000,000 of unrestricted cash from its operating account to the Commission's GFOR to address the anticipated operating shortfall for FY'21;

WHEREAS, the Commission desires to accept \$1,000,000 of unrestricted cash from the Corporation to deposit in its GFOR;

WHEREAS, the transfer of \$1,000,000 from the Corporation's property excess cash will leave a cash balance in excess of 2.5 times the property's monthly disbursements which is above the minimum threshold of 1.5 times established for minimum cash balances.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission authorizes staff to accept \$1,000,000 from the Metropolitan Development Corporation's operating account to the Agency General Fund Operating Reserve.

4. Authorization to Write-off Bad Debt Related to Tenant Accounts Receivable (January 1, 2020 – March 31, 2020)

Cornelia Kent, Chief Financial Officer, and Eugenia Pascual, Controller, were the presenters.

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

RESOLUTION NO.: 20-44

**RE: Authorization to Write-off Uncollectible
Tenant Accounts Receivable**

WHEREAS, the current policy of the Housing Opportunities Commission of Montgomery County (“HOC”) is (i) to provide for an allowance for tenant accounts receivable balances that are delinquent for more than ninety (90) days; and (ii) to propose the write-off of former tenant balances; and

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

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period January 1, 2020 – March 30, 2020 is \$106,513, consisting of \$99,656 from Opportunity Housing properties, \$6,850 from RAD Properties, and \$7 from Rental Assistance Sec8 Repays.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all actions necessary and proper to write off \$106,513 in uncollectible accounts receivable related to (i) tenant balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

5. Acceptance of Calendar Year 2019 Low Income Tax Credit Partnership and Limited Liability Company Audits

Cornelia Kent, Chief Financial Officer, and Eugenia Pascual, Controller, were the presenters.

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

RESOLUTION NO.: 20-45

**RE: Acceptance of CY 2019 Tax Credit Partnerships and
CCL Multifamily LLC Audits**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission”), or its wholly-owned and controlled affiliate, is the managing general partner in ten (10) tax credit partnerships, including: 4913 Hampden Lane Limited Partnership, Alexander House Limited Partnership, Arcola Towers RAD Limited Partnership, Forest Oak Towers Limited Partnership, Greenhills Limited Partnership, MV Affordable Housing Associates Limited Partnership, Spring Garden One Associates Limited Partnership, Tanglewood and Sligo Limited Partnership, Waverly House RAD Limited Partnership, and Wheaton Metro Limited Partnership (together, the “Tax Credit Partnerships”);

WHEREAS, the Commission is the managing member and fifty percent (50%) owner of CCL Multifamily LLC (“CCL Multifamily”), which owns The Lindley;

WHEREAS, the calendar year annual audits for 10 of the Tax Credit Partnerships and CCL Multifamily have been completed;

WHEREAS, a standard unqualified audit opinion was received from the respective independent certified public accounting firms performing the audits for all 10 of the Tax Credit Partnerships; and

WHEREAS, a standard unqualified audit opinion was received from the respective independent certified public accounting firm performing the audit for CCL Multifamily.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County accepts the CY 2019 audits for the Tax Credit Partnerships and CCL Multifamily.

6. Approval to Procure Property Management Services Pursuant to RFP #2200 for The Lindley

Millicent Anglin, Property Management Asset Manager, was the presenter.

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

RESOLUTION NO.: 20-46

RE: Approval to Award Property Management Contract for The Lindley

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the managing member of CCL Multifamily LLC, which owns the development known as The Lindley located in Chevy Chase, Maryland (the “Property”);

WHEREAS, on March 17, 2020, staff issued Request for Proposal #2200 (the “RFP”) to provide property management services for the Property in accordance with HOC’s Procurement Policy;

WHEREAS, staff received seven qualified proposals in response to the RFP from which staff selected Bozzuto Management, the highest scoring firm based on the established selection criteria in the RFP; and

WHEREAS, staff desires to award a two-year property management contract with two one-year optional extensions to Bozzuto Management for the Property.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of CCL Multifamily LLC, as its managing member, that the Executive Director is hereby authorized and directed to execute a two-year property management contract with two one-year optional extensions with Bozzuto Management for the Property.

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

7. Approval to Extend the use of the PNC Bank Line of Credit and the Real Estate Line of Credit to Finance Commission Approved Actions Related to: Montgomery Homes Limited Partnership (MHLP) VII, Fairfax Court Apartments, HOC Fenwick & Second Headquarters, Ambassador Apartments, Avondale Apartments and Year 15 LIHTC Properties

Cornelia Kent, Chief Financial Officer, and Eugenia Pascual, Controller, were the presenters.

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

RESOLUTION NO.: 20-47

RE: Approval to Extend the Use of PNC Bank N.A. Line of Credit (LOC) and the Real Estate Line of Credit (RELOC) to Finance Commission Approved Actions related to: Montgomery Homes Limited Partnership (MHLP) VII, Fairfax Court Apartments, HOC Fenwick & Second Headquarters, Ambassador Apartments, Avondale Apartments, and Year 15 LIHTC properties

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) has approved various actions related to Montgomery Homes Limited Partnership (MHLP) VII, Fairfax Court Apartments, HOC Fenwick & Second Headquarters, Ambassador Apartments, Avondale Apartments, and Year 15 LIHTC properties (together, the “Properties”), which are currently financed through the PNC Bank N.A. Line of Credit (the “LOC”) and the PNC Bank N.A. Real Estate Line of Credit (the “RELOC”);

WHEREAS, staff recommends extending, through June 30, 2021, the use of the LOC at the taxable borrowing rate of LIBOR plus 90 basis points or the tax exempt rate of 68.5% of LIBOR plus 59 basis points, and the use of the RELOC at the taxable rate of LIBOR plus 58 basis points or the tax exempt rate of 68.5% of LIBOR plus 38 basis points to continue to finance Commission approved actions related to the Properties; and

WHEREAS, the estimated cost, as of April 1, 2020, under the LOC and RELOC is expected to be approximately \$214,888.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves extending, through June 30, 2021, the use of the PNC Bank N.A. Line of Credit and the PNC Bank N.A. Real Estate Line of Credit to finance various Commission actions related to: Montgomery Homes Limited Partnership (MHLP) VII, Fairfax Court Apartments, HOC Fenwick & Second Headquarters, Ambassador Apartments, Avondale Apartments and Year 15 LIHTC properties.

8. Adoption of the Fiscal Year 2021 Budget

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

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

RESOLUTION NO.: 20-48a

**RE: Adoption of the FY'21 Budget,
Bond Draw Downs and Transfers**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission" or "Agency") is required to adopt a budget based on the current chart of accounts in use before July 1, 2020; and

WHEREAS, the Commission is required to approve the transfer of equity between Agency funds.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby adopts a total Operating Budget for FY'21 of \$278.7 million by fund as attached.

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

- \$ 1,762,866 from the 1996 Multifamily Housing Development Bond (MHDB); and Indenture
- \$ 1,123,805 from the 1979 Single Family Mortgage Revenue Bond (MRB) Indenture.

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

- Up to \$2,620,096 for FY'21 from the combined cash flow from the Opportunity Housing properties in the Opportunity Housing Fund to the General Fund.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby adopts a Capital Budget for FY'21 of \$236.8 million as attached.

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

RESOLUTION NO.: 20-48b

RE: Reimbursement Resolution

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

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

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

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures in an amount not to exceed \$240,000,000, *all or a portion of which may reimburse* the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission’s expenditures within 18 months of the later of the date of such capital expenditures or the date that *each of* the Projects (as hereinafter defined) is placed in service (but in no event more than three years after the date of the original expenditure of such moneys); and

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

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

Section 1. Declaration of Official Intent. The Commission presently intends and reasonably expects to finance certain Commission facilities and property improvements to the properties as described in the Commission’s FY 21 Capital Budget attached, including **900 Thayer Avenue (dba Fenton Silver Spring), Alexander House, Avondale Apartments, The Barclay Apartments, Bauer Park Apartments, Brooke Park Apartments, Brookside Glen, Camp Hill Square Apartments, CDBG-NSP-NCI, Chelsea Towers, Cider Mill Apartments, Dale Drive, Deeply Affordable Unit Renovation, Diamond Square Apartments, Elizabeth House III, Fairfax Court, Georgian Court Apartments, Glenmont Crossing, Glenmont Westerly, Holiday Park, Jubilee Hermitage, Jubilee Woodedge, King Farm Village Center, Magruder’s Discovery, Manchester Manor, Manor at Clopper’s Mill, Manor at Colesville, Manor at Fair Hill Farm, McHome, McKendree, MetroPointe, The Metropolitan, Montgomery Arms, MHLP VII, MHLP VIII, MHLP IX-Pond Ridge, MHLP IX-Scattered, MHLP X, MPDU 2007 Phase II, MPDU I, MPDU II (TPM), MPDU III, The Oaks at Four Corners, Paddington Square, Paint Branch, Pomander Court, Pooks Hill High-Rise, Pooks Hill Mid-Rise, RAD 6 Properties (Ken Gar, Parkway Wood, Sandy Spring Meadow, Seneca Ridge, Towne Centre Place, and Washington Square), Scattered Site One, Scattered Site Two, Shady Grove Apartments, Southbridge, State Rental Combined, Strathmore Court, Stewartown Homes, Timberlawn Crescent Upton II, VPC One, VPC Two, West Side Shady Grove, Westwood Tower, and The Willows** and capital improvements to the Commission’s administrative offices and information technology (collectively, the “Projects”) with moneys currently contained in its Operating Reserve Account, Replacement Reserve Account and General Fund Property Reserve Account for these Projects and from its operating cash.

Section 2. Dates of Capital Expenditures. All of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings were made not earlier than 60 days

prior to the date of this Resolution except preliminary expenditures related to the Projects as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).

Section 3. Issuance of Bonds or Notes. The Commission presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$240,000,000 **will be applied** to reimburse the Commission for its expenditures in connection with the Projects.

Section 4. Confirmation of Prior Acts. All prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Projects, shall be and the same hereby are in all respects ratified, approved and confirmed.

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

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

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

- 1. Bond Issuance: Approval of a Bond Authorizing Resolution for the Issuance of one or more Series of Multifamily Housing Development Bonds to Finance the Acquisition and Rehabilitation of Bauer Park Apartments and to Refund the Multifamily Housing Development Bonds, 2007 Series A, 2007 Series C-1, and 2010 Series A; and the Multiple Purpose Bonds, 2002 Series A**

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

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

RESOLUTION: 20-49

Re: Adoption of an Authorizing Resolution for the Issuance of 2020 Series A Multifamily Housing Development Bonds for the Financing of the Acquisition and Rehabilitation of the Bauer Park Apartments Development, for the Issuance of 2020 Series B and 2020 Series C Multifamily Housing Development Bonds for the Refunding and Redemption of Certain Prior Bonds of the Commission and for Approval of Certain Actions relating to Strathmore Apartments

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY AUTHORIZING THE ISSUANCE AND SALE OF A SERIES OF THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT BONDS 2020 SERIES A (THE "2020 A BONDS"), IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,790,000 FOR THE PURPOSE OF THE FINANCING A MORTGAGE LOAN TO BE

INSURED UNDER THE FHA RISK-SHARING PROGRAM FOR THE ACQUISITION, REHABILITATION AND EQUIPPING OF BAUER PARK APARTMENTS, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY BAUER PARK APARTMENTS LP; AUTHORIZING THE ISSUANCE AND SALE OF A SERIES OF THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT BONDS 2020 SERIES B (THE "2020 B BONDS"), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,500,000 FOR THE PURPOSE OF REFUNDING AND REDEEMING THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT BONDS 2010 SERIES A AND ITS MULTIPLE PURPOSE BONDS SERIES 2002 SERIES A; AUTHORIZING THE ISSUANCE AND SALE OF A SERIES OF THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT BONDS 2020 SERIES C (THE "2020 C BONDS," AND COLLECTIVELY WITH THE 2020 A BONDS AND THE 2020 B BONDS, THE "2020 ABC BONDS"), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,500,000 FOR THE PURPOSE OF REFUNDING AND REDEEMING THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT BONDS 2007 SERIES A AND THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT BONDS 2007 SERIES C-1; AUTHORIZING THE EXECUTION AND DELIVERY OF SERIES INDENTURES, CERTAIN TAX-RELATED DOCUMENTS, A DISCLOSURE AGREEMENT AND ANY AND ALL RELATED 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 2020 ABC BONDS AND THE ACCOMPLISHMENT OF THE FINANCING PLAN DESCRIBED HEREIN; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO PROCEED WITH THE SALE OF THE 2020 ABC BONDS TO BOFA SECURITIES, INC. AND PNC CAPITAL MARKETS LLC, AS CO-SENIOR MANAGERS, 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 2020 ABC BONDS AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2020 ABC BONDS; AUTHORIZING CERTAIN ACTIONS RELATING TO THE STRATHMORE APARTMENTS, A MULTIFAMILY RESIDENTIAL RENTAL FACILITY FINANCED, IN PART, WITH THE PROCEEDS OF THE COMMISSION'S MULTIPLE PURPOSE BONDS, 2002 SERIES A; 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 and 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, as supplemented and amended (the "Trust Indenture"), by and

between the Commission and U.S. Bank National Association, as successor trustee, providing for the issuance of bonds (the "Bonds") from time to time in accordance with the provisions thereof and of any series indenture specifically relating to any such series of Bonds issued thereunder; and

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

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

WHEREAS, the Commission has determined to issue its tax-exempt Multifamily Housing Development Bonds, 2020 Series A (the "2020 A Bonds") pursuant to the Trust Indenture and the Series Indenture Providing for the Issuance of Multifamily Housing Development Bonds, 2020 Series A (the "2020 A Series Indenture"), (i) to make moneys available for the acquisition, rehabilitation and equipping of Bauer Park Apartments (the "Development"), to be owned and operated by Bauer Park Apartments LP (the "Borrower"), the general partner of which is controlled by the Commission, (ii) if necessary, to make a deposit to the Reserve Fund pursuant to the Trust Indenture and the 2020 A Series Indenture and (iii) to fund the costs of issuance of the 2020 A Bonds in the amount set forth in the 2020 A Series Indenture and the Tax-Related Documents, all in accordance with the financing plans approved by the Commission in connection with the Development on June 3, 2020 (the "2020 A Financing Plan"); and

WHEREAS, the Mortgage Loan financed with the proceeds of the 2020 A Bonds (the "2020 A Mortgage Loan") 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 2020 A Mortgage Loan in an amount not greater than 25% of the outstanding principal balance of the 2020 A Mortgage Loan; and

WHEREAS, the Commission, in furtherance of the Program, issued its Multifamily Housing Development Bonds 2010 Series A (the "2010 Series A Bonds"), Multifamily Housing Development Bonds 2007 Series A (the "2007 Series A Bonds"), Multifamily Housing Development Bonds 2007 Series C-1 (the "2007 Series C-1 Bonds"), and Multiple Purpose Bonds, 2002 Series A (the "2002 Series A Bonds," and collectively with the 2010 Series A Bonds, the 2007 Series A Bonds and the 2007 Series C-1 Bonds, the "Prior Bonds") pursuant to the Trust Indenture and other resolutions, series indentures and/or series resolutions, as applicable, for the purpose, in part, of providing funds to provide permanent financing for various multifamily residential rental developments located in the County; and

WHEREAS, the Commission has determined to issue its tax-exempt Multifamily Housing Development Bonds 2020 Series B (the "2020 B Bonds") pursuant to the Trust Indenture and one or more series indentures (each, a "2020 B Series Indenture") relating thereto for the purpose of (i) financing the refunding and redemption of the 2010 Series A Bonds and the 2002 Series A Bonds and (ii) achieving net present value savings of a projected \$4,736,478 over the term of the 2020 B Bonds (the "2020 B Financing Plan"); and

WHEREAS, the Commission has determined to issue its taxable Multifamily Housing Development Bonds 2020 Series C (the “2020 C Bonds,” and collectively with the 2020 A Bonds and the 2020 B Bonds, the “2020 ABC Bonds”) pursuant to the Trust Indenture and one or more series indentures (each, a “2020 C Series Indenture,” and collectively with the 2020 A Series Indenture and the 2020 B Series Indenture, the “Series Indenture”) relating thereto for the purpose of (i) financing the refunding and redemption of the 2007 Series A Bonds and the 2007 Series C-1 Bonds, and (ii) achieving net present value savings of a projected \$2,422,278 over the term of the 2020 B Bonds (the “2020 C Financing Plan,” and collectively with the 2020 A Financing Plan and the 2020 Series B Financing Plan, the “Financing Plan”); and

WHEREAS, the costs of issuance of the 2020 B Bonds and 2020 C Bonds will be paid from the Commission’s own funds; and

WHEREAS, in connection with the issuance of the 2020 ABC Bonds and the accomplishment of the 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 and certain other documents relating to the sale of the 2020 A Bonds, and the financing of the Development.

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

1. 2020 ABC Bonds. The 2020 ABC Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$67,790,000 to carry out the purposes under the Program as described above. The 2020 ABC Bonds shall be designated as set forth in the recitals hereto, or such additional series or subseries designations as approved by the Executive Director, in consultation with the Financial Advisor and Bond Counsel to the Commission. The 2020 ABC Bonds are to be issued pursuant to the terms of the Trust Indenture and the Series Indenture and shall be limited obligations of the Commission, secured by and payable solely from moneys and other assets pledged therefor under the Indenture and the Series Indenture, including, without limitation, the 2020 A Mortgage Loan and the assets securing the Prior Bonds.

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

3. Series Indenture. The Chairman, the Vice Chairman, or the Chairman Pro Tem, and the Executive Director of the Commission or any authorized designee of the Executive Director are hereby authorized and directed to execute and deliver the Series Indenture in such form or forms 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 2020 A Bonds and the 2020 B Bonds and the use and occupancy of the Development in such forms as shall be prepared by Bond Counsel and approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director, the execution of the Tax-Related Documents being conclusive evidence of such approval and of the approval of the Commission. The Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission is hereby further authorized and directed to execute and deliver on behalf of the Commission Internal

Revenue Service Form 8038 relating to the 2020 A Bonds and the 2020 B Bonds 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 2020 ABC 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. 2020 A Mortgage Loan; Real Estate Documents. The Commission hereby authorizes and approves the financing of the 2020 A Mortgage Loan with the proceeds of the 2020 A Bonds 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 2020 A Mortgage Loan in an amount not greater than 25% of the outstanding principal balance of the 2020 A Mortgage Loan. The Commission hereby further authorizes and approves the preparation, execution and delivery of any and all real estate documents (the "Real Estate Documents") relating to the acquisition and rehabilitation of the Development, in its capacity as issuer of the 2020 A Bonds and in its capacity as a member of the managing member of the general partner of the Borrower.

7. Offering Documents. The Commission hereby authorizes and approves the preparation and distribution of a preliminary offering document of the Commission and the preparation, execution and distribution of a final offering document (collectively, the "Offering Documents"), each relating to the 2020 ABC 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 2020 ABC 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 2020 ABC Bonds to BofA Securities, Inc. and PNC Capital Markets LLC or such other underwriter or to any other entity as shall be in the best interest of the Commission as determined by the Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission.

9. Contract of Purchase. The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to execute a contract of purchase and/or any other form of purchase agreement (the "Contract of Purchase") in connection with the issuance, purchase and sale of the 2020 ABC 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 the 2020 ABC Bonds, all of the foregoing to be specified in the Series Indenture. The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners, to perform any act, to execute any documents, and is hereby authorized, from time to time during the period the 2020 ABC Bonds are

outstanding, to make ongoing determinations, as may be required by the terms of the Series Indenture and any other documents relating to the 2020 ABC Bonds and the 2020 A Mortgage Loan, including, but not limited to, the giving and withholding of consents, the selection of certain providers, the determination to permit the prepayment of the 2020 ABC Mortgage Loan and the refunding and redemption of the 2020 ABC Bonds 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 2020 ABC Bonds and the accomplishment of the 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 2020 ABC Bonds.

13. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the 2020 ABC Bonds, the Series Indenture, the Contract of Purchase, the Tax-Related Documents, the Offering Documents, the Disclosure Agreement, the Real Estate Documents, or in any other agreement or document executed on behalf of the Commission shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Commission in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the 2020 ABC Bonds 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 2020 ABC Bonds and the accomplishment of the Financing Plan are hereby approved, and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

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. Additional Approvals Relating the Development Financed with the 2002 Series A Bonds. The Commission acknowledges that the 2002 Series A Bonds were issued to finance a portion of the costs of the Strathmore Court Apartments ("Strathmore Apartments"). In connection with the issuance of the 2020 B Bonds, the Commission hereby authorizes the Executive Director to direct, in his discretion, the transfer to the Trust Indenture of any and/or all assets securing the Strathmore Apartments, including amounts pledged under the Multiple Purpose Bonds indenture and any project-level reserves benefiting Strathmore Apartments. The Commission hereby further authorizes the staff of the Commission, at the direction of the Executive Director, to proceed with the refinancing of the mortgage securing Strathmore Apartments, including without limitation, by filing an application for federal insurance for such mortgage under the Risk-Sharing Agreement.

2. **EH III/SCRRAC: Approval to Select Hillis-Carnes Engineering Associates, Inc. as Construction Materials Testing and Third Party Inspector and Authorization for the Executive Director to Execute a Contract for Request for Proposal #2205**

Kayrine Brown, Chief Investment and Real Estate Officer, and Hyunsuk Choi, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO.: 20-50

RE: Approval to Select Hillis-Carnes Engineering Associates, Inc. as Construction Materials Testing and Third-Party Inspector and Authorization for the Executive Director to Execute a Contract for Request for Proposal #2205

WHEREAS, Elizabeth House III (“EH III”) is currently under construction and will be a 267-unit development for seniors and will include the South County Regional Recreation and Aquatic Center, totaling approximately 120,000 square feet, and a 7,500 square feet Senior Resource Center/Primary Care Facility that will be operated by Holy Cross Hospital; and

WHEREAS, EH III is owned by Elizabeth House III Limited Partnership, a Maryland limited partnership (the “Partnership”), which is ultimately controlled by the Housing Opportunities Commission of Montgomery County (“Commission”) as the sole member of the Partnership’s general partner; and

WHEREAS, on November 7, 2018, the Commission approved the EH III final development budget, which included construction materials testing and third-party inspection fees; and

WHEREAS, third-party testing of construction materials is integral to quality assurance and control for new construction, and testing of building materials (such as concrete) is required both by the Montgomery County Department of Permitting Services and the Montgomery County building code; and

WHEREAS, staff issued a Request for Proposal #2205 (the “RFP”) for construction materials testing and third-party inspections for EH III on March 12, 2020 in accordance with HOC’s Procurement Policy; and

WHEREAS, staff received five proposals in response to the RFP (ECS Mid-Atlantic, LLC; FMC & Associates, LLC; Hillis-Carnes Engineering Associates, Inc.; Soil and Land Use Technology, Inc.; and Universal Engineering Sciences) from which staff selected Hillis-Carnes Engineering Associates, Inc. (“HCEA”), the highest scoring firm based on the established selection criteria in the RFP; and

WHEREAS, the Commission wishes to approve the selection of HCEA as the construction materials testing and third-party inspector for EH III.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County, on behalf of itself and, with respect to the Partnership, additionally in its capacity as the sole member of the general partner of the Partnership, hereby approves the selection of Hillis-

Carnes Engineering Associates, Inc. as the construction materials testing and third-party inspector for EH III.

BE IT FURTHER RESOLVED, that the Housing Opportunities Commission of Montgomery County, on behalf of itself and, with respect to the Partnership, additionally in its capacity as the sole member of the general partner of the Partnership, hereby authorizes the Executive Director of the Commission, or his designee, to execute a contract with Hillis-Carnes Engineering Associates, Inc. for \$349,270.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is authorized to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein including the execution of any documents related thereto.

3. **Westwood Tower Apartments: Approval of Feasibility Funding for the Refinancing of Westwood Tower Apartments**

Kayrine Brown, Chief Investment and Real Estate Officer, and Kathryn Hollister, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO.: 20-51

RE: Approval of Feasibility Funding for the Refinancing of Westwood Tower Apartments

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

WHEREAS, HOC is the owner of a multifamily building located at 5401 Westbard Avenue, Bethesda known as Westwood Tower Apartments ("Westwood Tower" or the "Property"); and

WHEREAS, HOC acquired Westwood Tower on December 14, 2017 by drawing on its line of credit and refinanced the draw with short-term acquisition financing ("Acquisition Financing") on March 26, 2018; and

WHEREAS, the Acquisition Financing matures on March 26, 2021; and

WHEREAS, HOC intends to close on long-term financing for the Property ("Permanent Financing") in advance of the maturity of the Acquisition Financing; and

WHEREAS, HOC wishes to leverage the low-interest rate environment to maximize Permanent Financing proceeds which can be used to repay the outstanding Acquisition Loan, fund the Property's

immediate capital needs, establish reserves for replacement to address future Property needs, and fund other eligible uses; and

WHEREAS, the Commission desires to approve funding in an amount up to \$300,000 to cover due diligence and feasibility activities related to the Property's Permanent Financing ("Feasibility Funding") and fund the Feasibility Funding from the Opportunity Housing Reserve Fund ("OHRF"), which will be repaid upon closing of Permanent Financing; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to refinance the acquisition cost, finance certain property improvements, and fund other eligible uses in an amount not to exceed \$60,000,000, all or a portion of which may reimburse the Commission for the portion of such expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission's expenditures within 18 months of the later of the date of such expenditures or the date that the Property is placed in service as part of the Permanent Financing (but in no event more than three years after the date of the original expenditure of such moneys); and

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

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity, approves a Feasibility Funding in an amount up to \$300,000 to cover feasibility and due diligence costs related to the Permanent Financing of the Westwood Tower, and to fund the Feasibility Funding from the OHRF, which will be repaid upon closing of Permanent Financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds, in an amount not to exceed \$60,000,000, will be applied to reimburse the Commission for its expenditures in connection with Westwood Tower and other eligible uses as may be described in other reimbursement resolutions of the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to refinance the acquisition cost, finance certain property improvements, and fund other eligible uses from the proceeds of a tax-exempt bond issuance and that all of the acquisition and financing expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings were made not earlier than 60 days prior to the date of this Resolution, except preliminary expenditures related to the project as defined in Treasury Regulation Section 1.150-2(f)(2).

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

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 5:36 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: July 1, 2020