

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

January 10, 2018

18-01

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, January 10, 2018 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:10 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Margaret McFarland
Linda Croom
Pamela Byrd
Edgar Rodriguez

Absent

Richard Y. Nelson, Chair Pro Tem

Also Attending

Stacy L. Spann, Executive Director
Gail Willison
Arthur Tirsky
Clarence Landers
Ethan Cohen
Melody Stanford
Fred Swan
Hyunsuk Choi
Jim Atwell
Ali Khademian
Jennifer Hamm
Francisco Vega
Natalie Craver
Darcel Cox
Charnita Jackson
Carol April
Jay Shepherd
Kathryn Hollister

Nowelle Ghahhari, General Counsel
Patrick Mattingly
Sherraine Rawlins
Shauna Sorrells
Kayrine Brown
Ellen Goff
Lynn Hayes
Bonnie Hodge
Garrett Jackson
Joan McGuire
Nilou Razeghi
Angelia McIntosh-Davis
Eugenia Pascual
Ian Williams
Jennifer Arrington
Vivian Benjamin
Douglas Brooks

Resident Advisory Board

Yvonne Caughman, Vice President

Commission Support

Patrice Birdsong

Guest

Jessica Hernandez-Berrellez

IT Support

Irma Rodriguez

Gabriel Taube

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

I. CONSENT ITEMS

- A. Approval of Minutes of November 1, 2017 regular meeting** - The minutes were approved as submitted.
- B. Approval of Minutes of November 17, 2017 Administrative Session** – The minutes were approved as submitted.
- C. Approval of Minutes of December 6, 2017 regular meeting** – The minutes were approved as submitted.
- D. Approval of Minutes of December 6, 2017 Administrative Session** – The minutes were approved as submitted.
- E. Approval of Minutes of December 15, 2017 Administrative Session** – The minutes were approved as submitted.

II. INFORMATION EXCHANGE

A. Executive Director Report

- Executive Director Spann reported that there was nothing additional to add to his written report. Mr. Spann added that it has been a busy holiday season. He also added that the Agency has experienced minimal disruptions as a consequence of the cold weather. However, Town Center Apartment has had its challenges with heat and hot water failures. Their issues have been corrected and staff will continue to monitor the situation.

B. Commissioner Exchange

- Commissioner Croom informed the Board that she will be interviewed by the County Council on January 16, 2018 for her reappointment.

C. Resident Advisory Board

- Ms. Caughman reported Resident Advisory Board activities. The Presentations from HOC Divisions are still in process. Legislative and Public Affairs is scheduled to present on January 22, 2018, followed by Mortgage Finance on February 26, 2018.

D. Community Forum

- Jessica Hernandez-Berrellez, Homeowner, addressed the Board with her concerns of HOC switching to a non-local mortgage servicer.

III. ADMINISTRATIVE AND SPECIAL SESSION RATIFICATIONS

**A. Ratification of Action Taken in Administrative Session on December 6, 2017:
Approval to Acquire and Finance the Acquisition of Westwood Towers Apartment**

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

RESOLUTION NO.: 17-89R

RE: Ratification of Action Taken in Administrative Session on December 6, 2017: Approval to Acquire and Finance the Acquisition of Westwood Towers Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“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 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 Administrative Session duly called and held on December 6, 2017, with a quorum present, the Commission duly adopted Resolution 17-89AS authorizing the acquisition of Westwood Towers Apartment for Twenty Million and 00/100 Dollars (\$20,000,000), and approving the financing of the acquisition through either loan proceeds from United Bank in amount up to \$20,500,000, or a draw on the PNC, N.A. Real Estate Line of Credit; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 17-89R and any action taken since December 6, 2017 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 17-89R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

**B. Ratification of Action Taken in Administrative Session on December 6, 2017:
Approval to Draw up to \$20,500,000 on the Existing Real Estate Line of Credit with
PNC Bank, N.A. for the Acquisition of Westwood Towers Apartment**

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

RESOLUTION NO.: 17-90R

**RE: Ratification of Action Taken in Administrative
Session on December 6, 2017: Approval to
Draw up to \$20,500,000 on the Existing Real
Estate Line of Credit with PNC Bank, N.A. for
the Acquisition of Westwood Towers
Apartments**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“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 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 Administrative Session duly called and held on December 6, 2017, with a quorum present, the Commission duly adopted Resolution 17-90AS authorizing a draw on the Real Estate Line of Credit from PNC Bank, N.A. in an amount not to exceed \$20,500,000 for the acquisition of the Westwood Towers Apartments; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 17-90R and any action taken since December 6, 2017 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 17-90R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

**C. Ratification of Action Taken in Administrative Session on December 6, 2017:
Approval of an Authorizing Resolution for the Issuance of Convertible Option Bond**

The following resolution was pulled from the agenda. No action taken.

RESOLUTION NO.: 17-90R

**RE: Ratification of Action Taken in Administrative
Session on December 6, 2017: Approval to
Draw up to \$20,500,000 on the Existing Real**

**Estate Line of Credit with PNC Bank, N.A. for
the Acquisition of Westwood Towers
Apartments**

**D. Ratification of Action Taken in Administrative Session on December 15, 2017:
Approval of Tax-Exempt Loans to VPC One Corporation and VPC Two Corporation
(together, the “Corporations”)**

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

RESOLUTION NO.: 17-93R

**RE: Ratification of Action Taken in Administrative
Session on December 15, 2017: Approval of
Tax-Exempt Loans to VPC One Corporation
and VPC Two Corporation (together, the
“Corporations”)**

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 Administrative Session duly called and held on December 15, 2017, with a quorum present, the Commission duly adopted Resolution 17-93AS which approved a tax-exempt loan to HOC, for the purpose of lending those funds to the Corporation; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 17-93R and any action taken since December 15, 2017 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 17-93R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

IV. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

1. Acceptance of First Quarter FY 18 Budget to Actual Statements

Gail Willison, Chief Financial Officer, and Terri Fowler, Budget Officer, were presenters.

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

RESOLUTION NO.: 18-01 **RE: Acceptance of First Quarter FY'18 Budget to Actual Statements**

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

WHEREAS, the Commission reviewed the First Quarter FY'18 Budget to Actual Statements during its January 10, 2018 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the First Quarter FY'18 Budget to Actual Statements.

2. Approval of FY'18 First Quarter Budget Amendment

Terri Fowler, Budget Officer, and Gail Willison, Chief Financial Officer, were presenters.

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

RESOLUTION NO.: 18-02 **RE: Approval of FY'18 First Quarter Budget Amendment**

WHEREAS, the Housing Opportunities Commission amended a budget for FY'18 on June 7, 2017; and

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

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

WHEREAS, the net effect of the FY'18 First Quarter Budget Amendment is a shortfall of (\$11,250) which will be covered by decreasing the anticipated contribution to the General Fund

Operating Reserve (GFOR) of \$884,963 by \$11,250 to \$873,713 in order to maintain a balanced budget.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'18 Operating Budget by increasing total revenues and expenses for the Agency from \$237.7 million to \$238.1 million.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY'18 Capital Budget by increasing revenues and expenses for the Agency from \$205.8 million to \$206.2 million.

3. Approval to Submit FFY 18 Public Housing Operating Subsidy Calculations to HUD for the Period January 1, 2018 through December 31, 2018

Terri Fowler, Budget Officer, and Gail Willison, Chief Financial Officer, were presenters.

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

RESOLUTION NO.: 18-03

RE: Approval to Submit FFY 2018 Public Housing Operating Subsidy Calculations to HUD for the Period January 1, 2018 through December 31, 2018

WHEREAS, HOC is required by HUD to submit a calculation of its Public Housing Operating Subsidy for each Asset Management Project (AMP) for the period January 1, 2018 through December 31, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Chair or his designee is hereby authorized to execute Form HUD-52723 (Calculation of Operating Subsidy) and Form HUD-52722 (Calculation of Utilities Expense Level) for the purpose of submitting staff's calculations of the Public Housing Operating Subsidy for the period January 1, 2018 through December 31, 2018.

4. Approval to Submit Additional Target Reductions for the FY'19 County Operating Budget

Terri Fowler, Budget Officer, and Gail Willison, Chief Financial Officer, were presenters.

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

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

RESOLUTION NO.: 18-04

RE: Approval to Submit Additional Target Reductions for the FY'19 County Operating Budget

WHEREAS, the Housing Opportunities Commission of Montgomery County wishes to submit a request for County funds for FY'19; and

WHEREAS, the original FY'19 base budget of \$6,508,067, which included a three percent Maximum Agency Request Ceiling (MARC) reduction, was submitted to the County on November 9, 2017; and

WHEREAS, the County has instructed HOC to submit an additional proposed MARC reduction of one percent or \$67,093 resulting in a base budget or "MARC" of \$6,440,974 for FY'19.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes staff to submit a revised request for FY'19 County funds in the amount of \$6,440,974.

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

- 1. Approval to Draw Second Installment of Previously Approved Predevelopment Funding for Completing Architectural Drawings for Elizabeth House III, Elizabeth House IV, and the South County Regional Recreation and Aquatic Center ("SCRRAC") and Authorization to Increase Predevelopment Budget and Funding to Commence Underground Utilities Prior to the Closing of the Construction Loan**

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 Byrd and seconded by Commissioner Rodriguez. Affirmative votes were cast by Commissioners Simon, McFarland, Croom, Byrd, and Rodriguez. Commissioner Nelson was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 18-05

RE: Approval to Draw Second Installment of Previously Approved Predevelopment Funding for Completing Architectural Drawings for Elizabeth House III, Elizabeth House IV, and the South County Regional Recreation and Aquatic Center ("SCRRAC") and Authorization to Increase Predevelopment Budget and Funding to Commence Underground Utilities Prior to the Closing of the Construction Loan

WHEREAS, Elizabeth Square is a 136,032 sq. ft. parcel located in downtown Silver Spring, bounded by Fenwick Street to the north, Second Avenue to the east, WMATA Rail Lines to the west and Apple Street to the south and consists of three discrete properties: Alexander House, owned by Alexander House Development Corporation and Alexander House Limited Partnership (combined as "Alexander House"); Elizabeth House, owned by the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission"), and Fenwick Professional Park owned by Acorn Storage No. 1, LLC a subsidiary of Lee Development Group (LDG) subject to a Master Lease to Elizabeth House III Limited Partnership, Elizabeth House III LLC and EH III Recreational Center, LLC; and

WHEREAS, the Elizabeth House III ("EH III") development includes 267 residential units, of which 120 units will be set aside as affordable units in conformance with the Rental Assistance Demonstration and the Low Income Housing Tax Credit programs, a South County Regional Recreation and Aquatic Center ("SCRRAC") totaling 120,000 square feet to be operated by Montgomery County Department of Recreation, and a 7,500 square feet Senior Resource Center/Primary Care Facility to be operated by Holy Cross Hospital (collectively the "Development"); and

WHEREAS, on October 4, 2017, the Commission approved the selection of Whiting-Turner as General Contractor for the construction of Elizabeth House III and the SCRRAC included an increase in predevelopment funding of \$160,000 as a loan to the EH III from the Opportunity Housing Reserve Fund to cover pre-construction services by Whiting Turner, which will be repaid from proceeds of the construction financing; and

WHEREAS, on December 7, 2017, The Maryland-National Capital Park and Planning Commission ("MNCPP") unanimously approved the Preliminary Plan, Sketch Plan and Site Plan for the Elizabeth Square Development with the certified site plan expected to be approved by the end of February 2018; and

WHEREAS, the building permit drawings have been submitted to the Department of Permitting Services ("DPS") and are currently under review with the building permit anticipated to be issued by early March 2018; and

WHEREAS, on June 7, 2017, the first installment of \$4,693,267 was approved to complete the revised site plan to incorporate SCRRAC and revised Elizabeth House IV ("EH IV") building to incorporate the Right of Way to add additional 30,000 square feet of density into the Elizabeth Square Development, complete the permit set and construction drawings for EH III, and complete the permit set and construction documents for SCRRAC; and

WHEREAS, staff seeks approval of an increase to the overall predevelopment budget of up to \$13,627,638 for this preparation, the predevelopment expenditures through closing for both EH III and SCRRAC and for predevelopment expenditures to incorporate revised EH IV building; and

WHEREAS, staff is requesting the approval of a second installment of \$5,976,569 ("Second Installment") to complete the certified site plan, obtain the building permit, and develop 100% construction documents for EH III and SCRRAC; and

WHEREAS, staff is requesting that \$2,761,631 of the Second Installment be funded from proceeds approved from the recapitalization of Arcola Towers, Waverly House, and Alexander House for these preparation and predevelopment expenditures through closing for EH III; and

WHEREAS, staff is requesting that \$579,098 of the Second Installment be funded from the OHRF for predevelopment expenditures to incorporate the revisions to the EH IV building; and

WHEREAS, staff is requesting that \$2,635,840 of the Second Installment fund costs related to SCRRAC, of which all expenses related to SCRRAC will be funded by the County; and

WHEREAS, staff is also requesting an additional \$2,957,802 to expedite the overall construction schedule by commencing early, the work related to underground utilities which will save approximately three months from the construction schedule to be funded by equity from Alexander House refinancing proceeds.

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

1. An increase in the predevelopment budget for the Elizabeth Square Development to \$13,627,638 for preparation and predevelopment expenditures through closing for both Elizabeth House III (“EH III”) and the South County Regional Recreational and Aquatic Center (“SCRRAC”), and for predevelopment expenditures to incorporate revised Elizabeth House IV (“EH IV”) building; and
2. The funding of the Second Installment of predevelopment funds of up to \$5,976,569 to complete the certified site plan, obtain the building permit, and develop 100% construction documents of both EH III and SCRRAC, and pay relevant entitlement process costs to all consultants for EH IV; and authorizes funding from the following sources:
 - a. Up to \$2,761,631 from proceeds approved from the recapitalization of Arcola Towers, Waverly House, and Alexander House for the predevelopment expenditures through closing for EHIII,
 - b. Up to \$579,098 for EH IV building from the Opportunity Housing Reserve Fund for paying relevant entitlement process costs to all consultants for EH IV building,
 - c. Up to \$2,635,840 for the SCRRAC from the Montgomery County Capital Improvements Program (“CIP”); and
3. The funding of up to \$2,957,802 to expedite the overall construction schedule by commencing work early related to underground utilities which will save approximately three months from the construction schedule to be funded by equity from Alexander House refinancing proceeds.

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

V. ITEMS REQUIRING DELIBERATION and/or ACTION

1. **Approval of Actions Related to 900 Thayer (the “Property”): 1) Sale of the Property to 900 Thayer Development Corporation, 2) Issuance of a Seller Note for**

\$9,249, 111. 11 to Complete the Sale of the Property, 3) Assignment of all Contracts, 4) Creation of Two Low Income Tax Credit Entities to Facilitate the Permanent Financing and the Purchase of Portions of the Property

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 Commissioner Rodriguez. Affirmative votes were cast by Commissioners Simon, McFarland, Croom, Byrd, and Rodriguez. Commissioner Nelson was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 18-06

RE: Approval of Actions Related to 900 Thayer (the "Property"): 1) Sale of the Property to 900 Thayer Development Corporation, 2) Issuance of a Seller Note for \$9,249,111.11 to Complete the Sale of the Property, 3) Assignment of all Contracts, 4) Creation of Two General Partner Entities, 5) Creation of Two Low Income Tax Credit Entities to Facilitate the Permanent Financing and Purchase of Portions of the Property

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, on March 16, 2016, the Commission acquired 900 Thayer ("900 Thayer" or the "Property") located on approximately 0.65 acres (28,526 square feet) of land at 8240 Fenton Street, Silver Spring, MD; and

WHEREAS, on April 6, 2016, the Commission approved 900 Thayer as a 124-unit, mixed-income, new construction, family community containing 73 one-bedroom and 51 two-bedroom units ("Development Plan"); and

WHEREAS, as part of the Development Plan revised on March 1, 2017, 900 Thayer would contain 84 Project Based Rental Assistance ("PBRA") units through conversion of these Public Housing units at Holly Hall via the Rental Assistance Demonstration ("RAD") program and 40 market rate units; and

WHEREAS, on September 7, 2016, the Commission approved the selection of CBG Building Company ("CBG") as general contractor for the construction of 900 Thayer and

authorized the Executive Director to enter into contract negotiations with CBG for general contracting services for the construction of 900 Thayer; and

WHEREAS, on June 15, 2017, staff submitted the RAD Financing Plan to the United States Department of Housing and Urban Development (“HUD”) and received a RAD Conversion Commitment (“RCC”) from HUD in November of 2017, which permits HOC to convert the 84 Public Housing units at Holly Hall to PBRA units at 900 Thayer; and

WHEREAS, on September 6, 2017, the Commission approved the Financing Plan for the Construction of 900 Thayer and Approval to Fund up to \$35 million from various HOC sources, precedent to which on August 9, 2017, it approved the execution of a general contract with CBG Building Company for the construction of the Property; and

WHEREAS, on November 20, 2017, HOC entered into early start agreements for development of the Property; and

WHEREAS, upon authorizing the acquisition, the Commission also authorized the creation of a single-purpose entity, 900 Thayer Development Corporation (“Corporation”), to purchase and manage construction of the Property; and

WHEREAS, the sales and transfers of ownership and contract rights are being undertaken in order to prepare the Property for 4% and 9% tax credit financing, which requires that HOC first sell the Property and assign the Construction Contract to the Corporation; and

WHEREAS, the purchase price for the Property shall be Nine Million Two Hundred Forty-Nine Thousand One Hundred Eleven Dollars and 11/100 (\$9,249,111.11), the cost of the land and all expenditures incurred by HOC to date, to be paid at settlement in full; and

WHEREAS, the Corporation will finance the acquisition through a Seller Note provided by HOC; and

WHEREAS, after acquiring the Property, the Corporation will then sell a portion of the Property to the 900 Thayer Limited Partnership, and another portion of the Property to the 900 Thayer Nine Limited Partnership, which partnership entities will then also assume portions of the development costs; and

WHEREAS, HOC will serve as the sole member of the General Partner of the partnership entities; and

WHEREAS, the sale of portions of the property to 900 Thayer Limited Partnership and to 900 Thayer Nine Limited Partnership will be financed through Seller Notes to HOC.

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

1. Approves the sale of the property at Nine Million Two Hundred Forty-Nine Thousand One Hundred Eleven Dollars and 11/100 (“\$9,249,111.11” or “Purchase Price”) to the 900 Thayer Development Corporation.
2. Approves the issuance of a Seller Note to 900 Thayer Development Corporation for the Purchase Price.
3. Approves the assignment of all contracts, including any construction contracts, to the 900 Thayer Development Corporation.
4. Approves the creation of tax credit partnerships 900 Thayer Limited Partnership and 900 Thayer Nine Limited Partnership for the purposes of taking on part-ownership for the property and sharing in the development costs and expenses.
5. Approves the creation of the 900 Thayer GP LLC and 900 Thayer Nine GP LLC for the purpose of serving as the General Partner of the 900 Thayer Limited Partnership and 900 Thayer Nine Limited Partnership, respectively.
6. Authorizes the Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of the 900 Thayer Limited Partnership, as its General Partner, that it hereby:

1. Approves the purchase of its portion of the Property.
2. Approves the formula for creating the purchase price for its portion of the Property to be based on its share of construction costs and expenses.
3. Approves taking assignment of all contracts as a co-signatory with the 900 Thayer Development Corporation and the 900 Thayer Nine Limited Partnership.
4. Approves financing the purchase of its portion of the Property by taking assignment of its proportional share of the HOC Seller Note.
5. Approves admission of 900 Thayer GP LLC as the General Partner.
6. Approves execution of a Limited Partnership Agreement.
7. Authorizes the Commission’s 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.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of the 900 Thayer Nine Limited Partnership, as its General Partner, that it hereby:

1. Approves the purchase of its portion of the Property.
2. Approves the formula for creating the purchase price for its portion of the Property to be based on its share of construction costs and expenses.
3. Approves taking assignment of all contracts as a co-signatory with the 900 Thayer Development Corporation and the 900 Thayer Limited Partnership.
4. Approves financing the purchase of its portion of the Property by taking assignment of its proportional share of the HOC Seller Note.

5. Approves admission of 900 Thayer Nine GP LLC as the General Partner.
6. Approves execution of a Limited Partnership Agreement.
7. Authorizes the Commission's 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.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of the 900 Thayer GP LLC, as its Sole Member, that it hereby:

1. Approves execution of an Operating Agreement.
2. Approves admission to the 900 Thayer Limited Partnership as its General Partner.
3. Approves execution of the Limited Partnership Agreement.
4. Authorizes the Commission's 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.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of the 900 Thayer Nine GP LLC, as its Sole Member, that it hereby:

5. Approves execution of an Operating Agreement.
6. Approves admission to the 900 Thayer Nine Limited Partnership as its General Partner.
7. Approves execution of the Limited Partnership Agreement.
8. Authorizes the Commission's 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.

VI. FUTURE ACTION ITEMS

None

VII. NEW BUSINESS

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 open session adjourned at 4:53 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: February 7, 2018