

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

January 13, 2021

21-01

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, January 13, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:00 p.m. Those in attendance were:

Present

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

Also Attending

Stacy L. Spann, Executive Director
Aisha Memon, General Counsel
Zachary Marks
Charnita Jackson
Victoria Dixon
Jay Berkowitz
Hyunsuk Choi
Terri Fowler
Marcus Ervin
Olutomi Adebo
Ian Hawkins

Kayrine Brown, Deputy Executive Director
Eamon Lorincz, Deputy General Counsel
Cornelia Kent
Fred Swan
Eugenia Pascual
Jennifer Arrington
Nicolas Deandreis
Kristyn Greco
Gio Kaviladze
Jay Shepherd
Frederick Colas

Resident Advisory Board

Shawntel Reddix

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

Guest

Karen Lundregan
Marsha Coleman-Adebayo

Chair Priest opened the meeting with a welcome and roll call of Commissioners.

I. **Information Exchange**

- **Resident Advisory Board** - Shawntel Reddix provided an update of the RAB's December 14, 2020 meeting. Fred Swan, Director of Resident Services, provided a power point presentation of the Resident Services Division to include the different programs offered through the Division such as the HOC Academy, Family Self-Sufficiency Program, Seniors Program, Food and Nutrients Program, and the Fatherhood Initiative Program. The RAB was reminded that HOC is the only Montgomery County Agency that offers the Fatherhood Initiative Program. He also informed of other Programs such as the assistance for people with disabilities, youth aging out of foster care, and a moving up program for the homeless.

Ms. Reddix informed that the RAB continues to work with the Legislative and Public Affairs (LPA) Division on creating its webpage. Informal elections will be postponed until in person meeting resumes, and the current officers will remain until such time. The RAB continues to recruit new Board members.

Chair Priest thanked Ms. Reddix for the work she and the RAB does for the residence and expressed to continue the good work.

- **Community Forum** – Karen Lundregan addressed the Board regarding issues with HOC. Marsha Adebayo addressed the Board regarding the Moses African American Cemetery.

Chair Priest thanked Ms. Adebayo for her continued advocacy on behalf of the descendants and mentioned that the Board is looking forward to meeting to discuss finding a way to recognize and memorialize the descents.

Executive Director's Report

- Executive Director Spann highlighted on the COVID Relief Package signed into law on December 22, 2020. He highlighted on the different Programs the Department of Housing and Urban Development will be funding. Mr. Spann clarified that the funding is national and would be received at the state or local levels for distribution.

Commissioner Exchange

None.

- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Chair Pro Tem Nelson and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

A. Approval of Minutes of December 9, 2020

B. Approval of Minutes of December 9, 2020 Closed Session

III. **CONSENT**

- A. Housing Opportunities Commission:** Approval of the Nomination of Varun Dhawan and Lexan McDowell to the Board of Directors of the Housing Opportunities Community Partners, Inc.

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, Merkwowitz, and Simon.

RESOLUTION NO.: 21-01

RE: Approval of the Nominations of Varun Dhawan and Lexan McDowell to the Board of Directors of the Housing Opportunities Community Partners, Inc.

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission”) approved the creation of the non-profit, Housing Opportunities Community Partners, Inc. (“Community Partners”), in 1999 to support the residents and programs of the Commission; and

WHEREAS, the Board of Community Partners unanimously has nominated Varun Dhawan and Lexan McDowell to fill vacancies on the Community Partners’ Board; and

WHEREAS, the Commission is required, by the Community Partners’ bylaws, to approve nominees to the Board of Directors of Community Partners.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Varun Dhawan and Lexan McDowell are hereby approved and appointed to serve on the Board of Directors of Housing Opportunities Community Partners, Inc.

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

IV. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

1. Acceptance of the First Quarter Fiscal Year 2021 (FY’21) 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 Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwowitz, and Simon.

RESOLUTION NO.: 21-02

RE: Acceptance of the First Quarter FY’21 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 First Quarter FY’21 Budget to Actual Statements during its January 13, 2021 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the First Quarter FY'21 Budget to Actual Statements.

2. Approval of Fiscal Year 2021 First 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, Merkowicz, and Simon.

RESOLUTION NO: 21-03

**RE: Approval of FY'21 First Quarter
Budget Amendment**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted a budget for FY'21 on June 3, 2020;

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

WHEREAS, the net effect of the FY'21 First Quarter Budget Amendment is a surplus of \$130,840 which will decrease the anticipated draw from the General Fund Operating Reserve (GFOR) of \$359,631 by \$130,840 to \$228,791 in order to maintain a balanced budget;

WHEREAS, the total FY'21 Operating Budget increased from \$278,680,288 to \$280,052,393;

WHEREAS, the total FY'21 Capital Budget increased from \$236,842,049 to \$237,867,792;
and

WHEREAS, approval of the budget amendments to revise the FY'21 budget will reflect an accurate plan for the use of the Commission's resources for the remainder of FY'21.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'21 Operating Budget by increasing total revenues and expenses for the Commission from \$278,680,288 to \$280,052,393.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY'21 Capital Budget by increasing revenues and expenses for the Commission from \$236,842,049 to \$237,867,792.

3. Approval of Calendar 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, Merkowicz, and Simon.

RESOLUTION NO.: 21-04

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

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) refinanced Bauer Park Apartments using tax credit equity on September 1, 2020 and is the managing member of Bauer Park Apartments, LLC, the general partner of Bauer Park Apartments LP (the “Partnership”); and

WHEREAS, HOC’s budget policy requires a budget be prepared and adopted for the Partnership; and

WHEREAS, a CY’21 budget for the Partnership was prepared and approved by the Commission on November 4, 2020; and

WHEREAS, the CY’20 Third Quarter Budget Amendment will incorporate a budget for the period of September 1 through December 31 2020.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Bauer Park Apartments, LLC, as its managing member, acting for itself and on behalf of Bauer Park Apartments LP, as its general partner, hereby approves the CY’20 Third Quarter Budget Amendment for the Partnership.

4. Authorization to Write-off Uncollectible Tenant Accounts Receivables

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 Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwitz, and Simon.

RESOLUTION NO.: 21-05

**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;

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 of July 1, 2020 – September 30, 2020 is \$77,605, consisting of \$40,603 from Opportunity Housing properties, \$20,825 from Supportive Housing, \$15,807 from RAD Properties, and \$370 from Public Housing.

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 \$77,605 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. Approval to Extend the Use of the PNC Bank, N.A. Line of Credit to Finance Commission Approved Actions Related to the Lindsay Ford Holdings Site (Wheaton Gateway)

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 Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwitz, and Simon.

RESOLUTION NO.: 21-06

RE: Approval to Extend the Use of the PNC Bank, N. A. Line of Credit to Finance Commission Approved Actions related to the Lindsay Ford Holdings Site (Wheaton Gateway)

WHEREAS, on January 9, 2019, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) authorized a taxable draw of up to \$11,635,000 from the PNC Bank, N.A. Line of Credit (“LOC”) to fund the acquisition of the “Lindsay Ford Holding Site,” composed of eleven parcels adjacent to The Ambassador Apartments approximating 498,087 square feet, costs related to the acquisition of the Lindsay Ford Holding Site, and reimbursement of costs incurred by the Commission related to title and earnest money deposits;

WHEREAS, as of September 30, 2020, the actual draw on the LOC was \$11,530,881 and the unobligated amount was \$104,119;

WHEREAS, staff recommends extending the maturity date of the draw through September 30, 2021 at the taxable rate of LIBOR plus 90 basis points; and

WHEREAS, the estimated cost, as of December 9, 2020, under the LOC is expected to be approximately \$120,830.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves extending through September 30, 2021, the use of the PNC Bank Line of Credit to finance the Commission approved actions related to the Lindsay Ford Holdings Site.

6. Approval to Renew the Property Management Contract at Tanglewood Cluster

Jay Berkowitz, Asset Manager, was the presenter.

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

RESOLUTION NO.: 21-07

RE: Approval to Renew Property Management Contract for Tanglewood and Sligo Hills

**Apartments, Dale Drive, Southbridge
Apartments, and Manchester Manor**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the sole member of HOCMC, LLC, the general partner of Tanglewood and Sligo LP (“Tanglewood LP”), and Tanglewood LP owns the development known as Tanglewood and Sligo Hills Apartments located in Silver Spring, Maryland (“Tanglewood and Sligo”);

WHEREAS, HOC owns the development known as Dale Drive located in Silver Spring, Maryland (“Dale Drive”);

WHEREAS, HOC owns the development known as Southbridge Apartments located in Takoma Park, Maryland (“Southbridge”);

WHEREAS, HOC is the general partner of Manchester Manor Apartments Limited Partnership (“Manchester LP”), and Manchester LP owns the development known as Manchester Manor located in Silver Spring, Maryland (“Manchester”); and

WHEREAS, staff desires to renew the current property management contract at Tanglewood and Sligo, Dale Drive, Southbridge, and Manchester for one year with Residential One Management.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOCMC, LLC, as its sole member, acting for itself and on behalf of Tanglewood LP, as its general partner, that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Tanglewood and Sligo.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Dale Drive.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Southbridge.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Manchester LP, as its general partner, that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Manchester.

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 transactions contemplated herein, including the execution of any documents related thereto.

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

- 1. Sandy Spring Missing Middle Initiative:** Predevelopment Budget Increase and Approval of the Executive Director to Execute Task Order to Engage Selzer, Gurvitch, Rabin, Wertheimer & Polott, P.C. for Legal Services

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 Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwowitz, and Simon.

RESOLUTION NO.: 21-08

**RE: Sandy Spring Missing Middle Initiative:
Predevelopment Budget Increase and Approval of
the Executive Director to Execute Task Order to
Engage Selzer, Gurvitch, Rabin, Wertheimer &
Polott, P.C. for Legal Services**

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

WHEREAS, “Missing Middle” housing is a range of multi-unit or clustered housing types—compatible in scale with detached single-family homes—that help meet the growing demand for walkable urban living; and

WHEREAS, on January 14, 2015, the Commission approved the purchase of a single family house and lot located at 617 Olney Sandy Spring Road (“617 O-SS”), immediately adjacent to Sandy Spring Meadow Apartments, a property that is owned by an HOC affiliate; and

WHEREAS, the acquisition of 617 O-SS with HOC’s ownership interest in Sandy Spring Meadow Apartments, created a larger property aggregation that staff believes is a strong candidate for a Missing Middle development (the “Pilot Missing Middle Initiative”); and

WHEREAS, On March 4, 2020, the Commission approved \$75,000 in feasibility funding from the Opportunity Housing Reserve Fund to explore a joint venture between the Maryland-National Capital Park and Planning Commission and HOC on the Pilot Missing Middle Initiative; and

WHEREAS, On July 1, 2020, the Commission approved an additional \$330,000 in predevelopment funding from the Opportunity Housing Reserve Fund to continue predevelopment activities at the Pilot Missing Middle Initiative, to be funded by a draw on the Opportunity Housing Reserve Fund; and

WHEREAS, on November 16, 2020 staff solicited four (4) firms from its pool of legal counsel established by the Commission on April 3, 2019 with the applicable expertise to provide legal counsel for land use work on the Pilot Missing Middle Initiative; and

WHEREAS, one of the four firms, Selzer, Gurvitch, Rabin, Wertheimer & Polott, P.C. (“Selzer Gurvitch”) provided the most responsive and responsible bid for a not to exceed cost of \$251,381.25; and

WHEREAS, staff is requesting that the Commission approve an amount up to \$280,000, which includes the Task Order of \$251,381.25 plus a, 11.38% (\$28,618.75) contingency to account for any unforeseen issues that could arise before the project is approved; and

WHEREAS, to fully fund the task order, the predevelopment budget authorization for legal work requires an increase from \$100,000 to \$280,000.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes an increase to the predevelopment budget for the Sandy Spring Pilot Missing Middle Initiative of \$180,000 to be funded by a draw on the Opportunity Housing Reserve Fund.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the Executive Director, or his designee, to execute a Task Order under the current pool contract with Selzer, Gurvitch, Rabin, Wertheimer & Polott, P.C. for \$251,381.25.

BE IT FURTHER 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 other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

2. Bond Counsel Contracts: Renewal with Kutak Rock, LLP and Ballard Spahr, LLP in Accordance with the Current Contracts, Prior Approvals, and the Procurement Policy

Kayrine Brown, Deputy Executive Director, was the presenter.

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, Merkowicz, and Simon.

RESOLUTION NO.: 21-09

RE: Bond Counsel Contracts: Renewal with Kutak, Rock LLP and Ballard Spahr, LLP in Accordance with the Current Contracts, Prior Approvals, and the Procurement Policy

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and, as further provided in that certain Memorandum of Understanding by and between the Commission and Montgomery County, Maryland, dated June 29, 2018, the Commission is authorized to issue its notes and bonds from time to time to fulfill its corporate purposes; and

WHEREAS, the ability to issue notes and bonds to the capital markets is subject to the issuance of an opinion from nationally recognized bond counsel concerning (1) the validity of the bonds, and (2) the

excludability of interest on the bonds from gross income for federal income tax purposes, without which the bonds are not normally marketable; and

WHEREAS, on April 5, 2017, the Commission appointed Kutak Rock LLP (“Kutak”) and Ballard Spahr LLP (“Ballard”) as bond counsel for its financing programs for a three-year term, with two optional one year renewals that must be approved by the Commission; and

WHEREAS, the first renewal term which was approved by the Commission on January 8, 2020 will end on April 9, 2021 and staff wishes to avail itself of one final renewal from April 10, 2021 through April 9, 2022; and

WHEREAS, the Commission is satisfied with the services that are provided by bond counsel and wishes to renew the contracts for one year in accordance with provisions of the existing contracts and the Procurement Policy.

NOW, THEREFORE BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the renewal of the existing contracts with Kutak and Ballard as its bond counsel for one year in accordance with all prior approvals, including the fees schedules submitted with the initial proposal that provide for a 3% annual increase for Ballard after the first three years.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the maximum aggregate contract amount of \$600,000 annually.

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

- 3. Metropolitan:** Approval to Select Miner Feinstein Architects, Authorization for the Executive Director to Negotiate and Execute a Contract for the Renovation of The Metropolitan Apartments and Authorization to Make Loans to Metropolitan Bethesda Limited Partnership and Metropolitan Development Corporation

Kayrine Brown, Deputy Executive Director, and Hyunsuk Choi, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO: 21-10

RE: Approval to Select Miner Feinstein Architects, Authorization for the Executive Director to Negotiate and Execute a Contract for the Renovation of The Metropolitan Apartments and Authorization to Make Loans to Metropolitan Bethesda Limited Partnership and Metropolitan Development Corporation

WHEREAS, The Metropolitan Apartments (“the “Property”) was constructed in 1997 with a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units; and

WHEREAS, the Property is owned by The Metropolitan of Bethesda Limited Partnership (the “Metropolitan LP”), which is wholly owned by the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”), and The Metropolitan Development Corporation (the “Metropolitan Corporation”), which is wholly controlled by HOC; and

WHEREAS, the 216 market rate units benefitted from minor renovations completed in 2013, but are in need of more significant renovations to remain competitive with other market rate units as well as to address aging systems; and

WHEREAS, the 92 affordable units have not had any renovations since they were placed in service; and

WHEREAS, on September 9, 2020, the Commission approved funding in an amount up to \$120,000 to cover the due diligence and feasibility costs for renovations to the Property; and

WHEREAS, on October 28, 2020, staff issued a solicitation for Architectural Services for the renovation of the Property from the Architecture and Accessibility Consultant Pool (established under Request for Qualifications #2080); and

WHEREAS, staff received five proposals from Hord Coplan Macht, Kishimoto Gordon Dalaya, KTG Architecture + Planning, Miner Feinstein Architects (“MFA”), and Zavos Architecture + Design; and

WHEREAS, the evaluation team completed its review of the proposals and, based on the established criteria, MFA scored the highest with an average score of 82.3%; and

WHEREAS, staff requests \$699,622 for the predevelopment budget for the Property to be funded with a loan from the Opportunity Housing Reserve Fund (“OHRF”) for MFA to perform services to move the design development from concept through construction drawings, for preparation for a Low Income Housing Tax Credit application for submission to the Department of Housing and Community Development, and other related services; and

WHEREAS, staff requests an additional \$100,000 for the predevelopment budget to be funded with a loan from the OHRF for interior design services to cover concept through construction drawings; and

WHEREAS, staff recommends that the Commission approve the selection of Miner Feinstein Architects as architect for renovations at the Property and approve a total of \$799,622 of Predevelopment Funds for design services for the rehabilitation of the Property to be funded from the OHRF, which shall take the form of a loan to the Metropolitan LP in the amount of \$239,887 and a loan to the Metropolitan Corporation in the amount of \$559,735, to be repaid upon closing of renovation financing; 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 \$100,000,000, *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 the project is placed in service (but in no event more than three years after the date of the original expenditure of such moneys); and

WHEREAS, HOC will continue to evaluate its options for construction and permanent financing, which may include the issuance of tax-exempt governmental bonds or such other tax-exempt bonds that are permissible under provisions of the Internal Revenue Code, the proceeds of which would fund a permanent mortgage that would be insured by FHA in accordance with the Risk Share mortgage program; 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 that the Housing Opportunities Commission of Montgomery County approves the selection of Miner Feinstein Architects as architect for renovations of the Property and authorizes the Executive Director, or his designee, to negotiate and execute a contract.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves a loan to the Metropolitan LP in an amount up to \$239,887 and a loan to the Metropolitan Corporation in an amount up to \$559,735 (total of \$799,622) to be funded from the OHRF for the Predevelopment Funds for design services for the financing and renovation of the Property, which will be repaid from the proceeds of the renovation financing at closing.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, as the general partner of the Metropolitan LP, accepts a loan from HOC in an amount up to \$239,887.

BE IT FURTHER RESOLVED THAT:

Section 1. Declaration of Official Intent. The Commission presently intends and reasonably expects to finance costs related to the predevelopment, development, and equipping of the Metropolitan, with moneys currently contained in its Opportunity Housing Reserve Fund, and General Fund Property Reserve Account, County Revolving Fund accounts, and any other funds of the Commission so designated for use by the Commission.

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, will be incurred not earlier than 60 days prior to the date of this Resolution except preliminary expenditures 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 \$100,000,000 will be applied to reimburse the Commission for its expenditures in connection with the project.

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 Property, 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 related to the Property which are 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.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, on behalf of itself and as the general partner of the Metropolitan LP, authorizes and directs the Executive Director, or his designee, without further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

- 4. Stewartown Homes:** Financing Plan, Feasibility, and Public Purpose for Stewartown Homes; Issuance of a Commitment, and Loan to HOC at Stewartown Homes, LLC for Acquisition, Construction, and Permanent Financing; and Borrower Acceptance of Loan in Accordance with the Finance Plan

Kayrine Brown, Deputy Executive Director, and Victoria Dixon, Senior Multi-Family Underwriter, were the presenters.

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

RESOLUTION NO.: 21-11

RE: Approval of the Financing Plan, Feasibility and Public Purpose for Stewartown Homes; Authorization to Issue Loans to HOC at Stewartown Homes, LLC for Acquisition and Construction Financing; Authorization to Issue a Commitment for up to \$16 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, as further provided in that certain Memorandum of Understanding by and between the Commission and Montgomery County, Maryland, dated June 29, 2018, the Commission is authorized to issue its notes and bonds from time to time to fulfill its corporate purposes, including providing for the acquisition,

construction, rehabilitation and/or permanent financing or refinancing of multifamily rental housing properties which provide a public purpose; and

WHEREAS, Stewartown Homes (the “Property”) is an existing 94-unit income-restricted residential community located at 9310 Merust Lane, Gaithersburg, Maryland owned by MV Affordable Housing Associates Limited Partnership (“Seller”); and

WHEREAS, the Property will be acquired by in a single purpose entity known as HOC at Stewartown Homes, LLC (“Borrower”), which will be controlled by HOC MM Stewartown Homes, LLC (“Managing Member”) an entity controlled by HOC; and

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

WHEREAS, on April 1, 2020, the Commission approved the selection of Boston Capital as the Low Income Housing Tax Credit (“LIHTC”) syndicator and authorized the Executive Director to begin negotiating an Operating Agreement to admit an associated LIHTC investor as a non-managing member of the Borrower, with HOC remaining in control of the Borrower as the sole member of the Managing Member entity; and

WHEREAS, on December 9, 2020, the Commission approved the final development plan totaling \$38.5 million for the Property as a 94-unit, income-restricted community, which included (1) predevelopment funding of up to \$700,000 from the Operating Housing Reserve Fund, which will be subject to repayment upon closing of the transaction, (2) authorization to negotiate and execute an Operating Agreement with the new LIHTC investor, (3) authorization to execute a contract with Harkins Builders as General Contractor for the renovations, (4) authorization to negotiate with the Montgomery County Department of Housing and Community Affairs (“DHCA”) for assignment of the existing \$2.1 million loan from the Seller to the Borrower (“County Loan”), and (5) Seller’s acceptance of all or some of the purchase price for sale of the Property to be provided in the form of a subordinate note (“Seller Note”); and

WHEREAS, the Commission has provided a loan of up to \$1,817,646 to the Seller to prepay the previous fixed rate mortgage on the Property, funded from proceeds of the PNC Bank N.A. Real Estate Line of Credit (“RELOC”), which is to be repaid from sale proceeds of the Property; and

WHEREAS, staff explored a variety of options for the estimated \$38.1 million acquisition, rehabilitation and permanent financing for the Property, and determined to use a number of sources including (1) the issuance of private activity, short and long-term, tax-exempt bonds in an amount up to \$16 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 \$10.1 million; (3) a subordinate County Loan of approximately \$2.1 million from the DHCA, funded from previously contributed sources to the Property; and (4) a subordinate Seller Note of approximately \$10.3 million (collectively, the “Financing Plan”); and

WHEREAS, Commission and the Borrower have applied for a Letter of Reservation for 4% LIHTC from the Maryland Department of Housing and Community Development, which will enable the Borrower to raise approximately \$10.1 million in equity to pay part of its acquisition and development costs; and

WHEREAS, the Property will require an allocation of a portion of the Commission's tax-exempt volume cap in an amount not to exceed \$16 million; and

WHEREAS, a review of the transaction has been completed and it has been determined that given the financial commitments to the Property and its operating projections, this transaction is believed to be feasible, and that by providing 94 units at or below 60% of the AMI, the Property will provide significant public purpose supporting an allocation of tax-exempt volume cap ("Feasibility and Public Purpose").

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Financing Plan and Feasibility and Public Purpose, is hereby approved and that the staff is hereby authorized to proceed with the review and processing of the necessary financing applications and other documentation.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the allocation of tax-exempt volume cap in an amount not to exceed \$16,000,000 for the issuance of short and 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 42 years to fund development of the Property, which will be subject to conversion to a Permanent Loan phase.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the issuance of a commitment for the Mortgage Loan in an amount up to \$16,000,000, 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.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of Seller, as its general partner, that the Seller is authorized to provide the Seller Note to Borrower.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the Managing Member, acting for itself and on behalf of Borrower accepts the Mortgage Loan, Permanent Loan, County Loan, and Seller Note for the financing closing, which may occur separate and apart from the LIHTC equity closing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the Managing Member, acting for itself and on behalf of Borrower, that the Executive Director, or a duly appointed designee of the Executive Director of HOC, is hereby 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.

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 2021 SERIES A (THE "2021 A BONDS"), IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000 FOR THE PURPOSE OF FINANCING A MORTGAGE LOAN TO BE INSURED UNDER THE FHA RISK-SHARING PROGRAM FOR THE ACQUISITION, REHABILITATION AND EQUIPPING OF STEWARTOWN HOMES, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY HOC AT STEWARTOWN HOMES, LLC; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES INDENTURE, CERTAIN TAX 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 2021 A 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 2021 A 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 2021 A BONDS AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2021 A BONDS; 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, 2021 Series A (the “2021 A Bonds”) pursuant to the Trust Indenture and the Series Indenture Providing for the Issuance of Multifamily Housing Development Bonds, 2021 Series A (the “2021 A Series Indenture”), (i) to make moneys available for the acquisition, rehabilitation and equipping of Stewartown Homes (the “Development”), to be owned and operated by HOC at Stewartown Homes, LLC (the “Borrower”), the managing member 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 2021 A Series Indenture, and (iii) to fund the costs of issuance of the 2021 A Bonds in the amount set forth in the 2021 A Series Indenture and the Tax Documents (as defined herein), all in accordance with the financing plans approved by the Commission in connection with the Development on January 13, 2021 (the “Financing Plan”); and

WHEREAS, in connection with the issuance of the 2021 A 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 Documents, the Disclosure Agreement and certain other documents relating to the sale of the 2021 A Bonds, and the financing of the Development;

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

1. 2021 A Bonds. *The 2021 A Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$16,000,000 to carry out the purposes under the Program as described above. The 2021 A 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 2021 A 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 2021 A Mortgage Loan.*

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 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 Documents") restricting the application of the proceeds of the 2021 A 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 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 2021 A 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 2021 A Bonds, in such form as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Disclosure Agreement constituting conclusive evidence of such officer's approval of the Disclosure Agreement and the approval of the Commission.*

6. 2021 A Mortgage Loan; Real Estate Documents. *The Commission hereby authorizes and approves the financing of the 2021 A Mortgage Loan with the proceeds of the 2021 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 2021 A Mortgage Loan in an amount not greater than 25% of the outstanding principal balance of the 2021 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 2021 A Bonds and in its capacity as the owner of a membership interest in the managing member 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 2021 A Bonds, in such forms as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Offering Documents constituting conclusive evidence of such officer's approval of the Offering Documents and the approval of the Commission.*

8. Sale of 2021 A Bonds. *The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to proceed with the sale of the 2021 A 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 2021 A Bonds.

10. Terms; Ongoing Determinations. The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners to establish the dates, maturities, interest payment dates, denominations, terms of redemption, registration privileges, security and other terms, and to approve the interest rates on the 2021 A 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 2021 A 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 2021 A Bonds and the 2021 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 2021 A Mortgage Loan and the refunding and redemption of the 2021 A 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 2021 A 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 2021 A Bonds.*

13. No Personal Liability. *No stipulation, obligation or agreement herein contained or contained in the 2021 A Bonds, the Series Indenture, the Contract of Purchase, the Tax 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 2021 A 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 2021 A 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. Effective Date. *This Resolution shall take effect immediately*

5. Westside Shady Grove: Approval to Authorize the Executive Director to Execute a Guaranteed Maximum Price (“GMP”) Contract with Bozzuto Construction Company

Kayrine Brown, Deputy Executive Director, and Marcus Ervin, Housing Acquisition Manager, 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, Merkwowitz, and Simon.

RESOLUTION NO.: 20-12

RE: Approval to Authorize the Executive Director to Execute a Guaranteed Maximum Price (GMP) Contract with Bozzuto Construction Company

WHEREAS, on December 18, 2019, the Housing Opportunities Commission (“HOC” or the “Commission”) completed the acquisition of the development parcel generally located on the west side of Crabbs Branch Way, south of Shady Grove Road and the Metro Access Road (the “Westside Property”) that will serve as the location for the proposed 268-unit mixed-income and mixed-use development currently known as Building D; and

WHEREAS, the Westside Property is subjected to certain regulatory approvals, including an approval for the development of a stick-over-podium, mixed-use multifamily building on that portion of the Westside Property known as the “Multifamily Building D Property” or “Phase II Shady Grove,” which is intended to include (i) a mix of residential dwelling units comprised of approximately 268 units, including 188 market-rate units (the “Market Rate Units”), and 80 affordable units, which include 13 units restricted to households earning at or below 65% of Area Median Income (“AMI”) and 67 units restricted to households earning at or below 50% of AMI, (ii) approximately 22,000 square feet of retail space (of which 9,731 square feet is pre-leased to a national pharmacy chain), approximately 9,200 square feet of common amenity space, a courtyard with recreational facilities, and potentially a space to accommodate the relocation of HOC’s Up-County Service Center, and (iii) a precast parking garage; and

WHEREAS, HOC is the sole member of the ownership entity known as HOC at West Side Shady Grove, LLC (the “Owner”); and

WHEREAS, on December 9, 2020 under Resolution 20-86, the Commission approved the Final Development Plan and related activities including: Authorization for the Executive Director to Accept Assignment of Third-Party Contracts for the Development, Ratification of Formation of Additional Legal Entities, Authorization to Accept a Montgomery County Housing Initiative Fund Short-Term Bridge Loan of up

to \$15M, and Authorization to Advance Funds in an Amount Up to \$1.6M for the Payment to Secure Building Permits and Bind the Builder's Risk Insurance; and

WHEREAS, on December 9, 2020 under Resolution 20-87, the Commission approved the Financing Plan and related activities including; Feasibility, Public Purpose and the Bond Authorizing Resolution for West Side Shady Grove Apartments; Approval to Issue a Commitment and Loan to HOC at Westside Shady Grove, LLC for Development and Permanent Financing; and, Approval for the Borrower to Accept a Loan in Accordance with the Finance Plan.

WHEREAS, staff recommends approval to authorize the Executive Director to execute a Guaranteed Maximum Price (GMP) Contract with Bozzuto Construction Company not to exceed \$76,417,405; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, on its behalf and on behalf of the Owner as its ultimate managing member, that it approves the authorization for the Executive Director to execute on behalf of Owner a Guaranteed Maximum Price (GMP) Contract with Bozzuto Construction Company not to exceed \$76,417,405.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County, acting on behalf of itself and on behalf of the Owner, the JV Entity, and the HOC Managing Entity, as the ultimate managing member of each, authorizes the Executive Director of HOC, or his designee, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

V. ITEMS REQUIRING DELIBERATION and/or ACTION

1. Wheaton Gateway: Approval of the Concept Plan for the Wheaton Gateway Development

Kayrine Brown, Deputy Executive Director, and Marcus Ervin, Housing Acquisition Manager, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, and Merkwitz. Commissioner Simon temporarily stepped away and did not participate in the vote.

RESOLUTION NO.: 21-13

RE: Approval of the Sketch Plan and Submission for the Wheaton Gateway Development

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") is a majority owner in the aggregate redevelopment of the eight parcels acquired by HOC two years ago generally located at 11250 Veirs Mill Road, the former Mattress Firm site located at 11200 Veirs Mill Road, and the neighboring site of the former Ambassador Apartments ("Wheaton Gateway"); and

WHEREAS, on February 5, 2020, the Commission approved and authorized the submission of a concept plan, as defined by the Montgomery County Planning Department ("Planning"), to Planning to advance the predevelopment efforts of Wheaton Gateway; and

WHEREAS, the concept plan approved by the Commission on February 5, 2020, included three buildings to be delivered in three construction phases (“Concept Plan”) – with the first phase identified as a 322-unit, 12-story multifamily building on top of approximately 22,500 square feet of retail; the second phase identified as a 308-unit, 12-story multifamily building on top of approximately 6,000 square feet of retail; and the third phase identified as a 210-unit, six-story age-restricted building on top of approximately 6,000 square feet of retail; and

WHEREAS, the design and development team for Wheaton Gateway has further refined and advanced the development concept for Wheaton Gateway such that an application for sketch plan, as defined by Planning, can be made to Planning for approval by the Montgomery County Planning Board (“Planning Board”); and

WHEREAS, the proposed sketch plan for Wheaton Gateway includes three buildings to be delivered in three construction phases (“Sketch Plan”) – with the first phase identified as a 350-unit, 12-story multifamily building on top of approximately 25,000 square feet of commercial space; the second phase identified as a 340-unit, 12-story multifamily building on top of approximately 25,000 square feet of commercial space; and the third phase identified as a 110-unit, six-story age-restricted building with no proposed commercial space; and

WHEREAS, the proposed affordability for Wheaton Gateway continues to be no less than 30% of all units set aside at or below Montgomery County’s rent and income limits for moderately priced dwelling units as defined by Montgomery County; and

WHEREAS, the design and development of Wheaton Gateway is seeking to meet Passive House standards; and

WHEREAS, to further advance predevelopment of Wheaton Gateway, the approval of the Sketch Plan the Planning Board is necessary.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the Sketch Plan for Wheaton Gateway and authorizes the submission of the Sketch Plan for Wheaton Gateway to the Planning Board.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the ultimate controlling member of the Wheaton Gateway owner entity, that the Executive Director of HOC, or his designee, is authorized to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein.

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 6:06 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: February 3, 2021