

Revised: April 19, 2021



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

**EXPANDED AGENDA**  
**SPECIAL SESSION – April 20, 2021**

Livestream Link: <https://youtu.be/z0xHAmbfM8s>

			Res #
2:30 p.m.	<b><u>SPECIAL SESSION MEETING</u></b>		
Page 03	I. <b><u>ITEMS REQUIRING DELIBERATION and/or ACTION</u></b> A. <b>Bradley Boulevard:</b> Approval to Complete the Acquisition of the Bradley Boulevard Portfolio and Approval of the Finance Plan for the Acquisition		21-42A (pg. 13) 21-42B (pg. 16)
3:30 p.m.	<b><u>ADJOURN</u></b>		

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NOTES:

1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. *Times are approximate and may vary depending on length of discussion.*

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email [commissioners@hocmc.org](mailto:commissioners@hocmc.org).

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Date Posted: April 19, 2021

# Deliberation and/or Action

**ACQUISITION OPPORTUNITY**

**ALDON MANAGEMENT CORP BRADLEY BOULEVARD PROPERTIES:  
APPROVAL TO COMPLETE THE ACQUISITION OF THE BRADLEY BOULEVARD PORTFOLIO; APPROVAL OF THE FINANCE PLAN FOR THE ACQUISITION; AUTHORIZATION TO ACCEPT TWO LOANS FROM EAGLEBANK TO FUND THE ACQUISITION; AUTHORIZATION TO DRAW FROM THE OPPORTUNITY HOUSING RESERVE FUND TO FUND THE ACQUISITION; AUTHORIZATION TO DRAW FROM THE MPDU/PROPERTY ACQUISITION FUND TO FUND THE ACQUISITION; AUTHORIZATION TO DRAW FROM THE PNC BANK, N.A. REAL ESTATE LINE OF CREDIT TO FUND THE ACQUISITION; APPROVAL OF ALDON MANAGEMENT CORPORATION AS INITIAL MANAGEMENT COMPANY FOR THE BRADLEY BOULEVARD PORTFOLIO; AND APPROVAL TO REIMBURSE THE OPPORTUNITY HOUSING RESERVE FUND FOR ADVANCES OF RELATED ACQUISITION EXPENDITURES.**

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**STACY L. SPANN, EXECUTIVE DIRECTOR**

**KAYRINE BROWN  
ZACHARY MARKS  
GIO KAVILADZE**

**April 20, 2021**

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# Executive Summary

On August 27, 2020, the Commission approved a \$94,000,000 bid for the purchase of 401 units at multiple addresses in South Bethesda (“Bradley Boulevard Properties” or “Properties”) owned by various ownership entities, but generally controlled by Aldon Management Corp. (“Aldon”).

Prior to listing the Bradley Boulevard Properties, HOC and Aldon had been working toward a joint venture to redevelop 4730 Bradley Boulevard, 4740 Bradley Boulevard, 4757 Chevy Chase Drive, and HOC’s Barclay Apartments in several phases – in aggregate, 370 existing units. Over the course of approximately three years, designs and other due diligence for the

redevelopment supported an 850-to-925 unit new community with an assumed affordability component of 25%. The Commission approved several actions related to this effort, including approval of the venture letter of intent between HOC and Aldon, and predevelopment funding.

With future redevelopment in mind, HOC would acquire the Properties, institute rent and income limits on a portion of the units, and hold the Properties for phased redevelopment. All of the 401 units composing the Bradley Boulevard Properties are naturally occurring affordable housing (“NOAH”) with no legal or regulatory restrictions on rents or household incomes. Upon acquisition, HOC would immediately implement an **80% area median income (“AMI”) limit on 30% of the units**. Upon turnover, another **20% of units would be restricted to 50% of the AMI**.

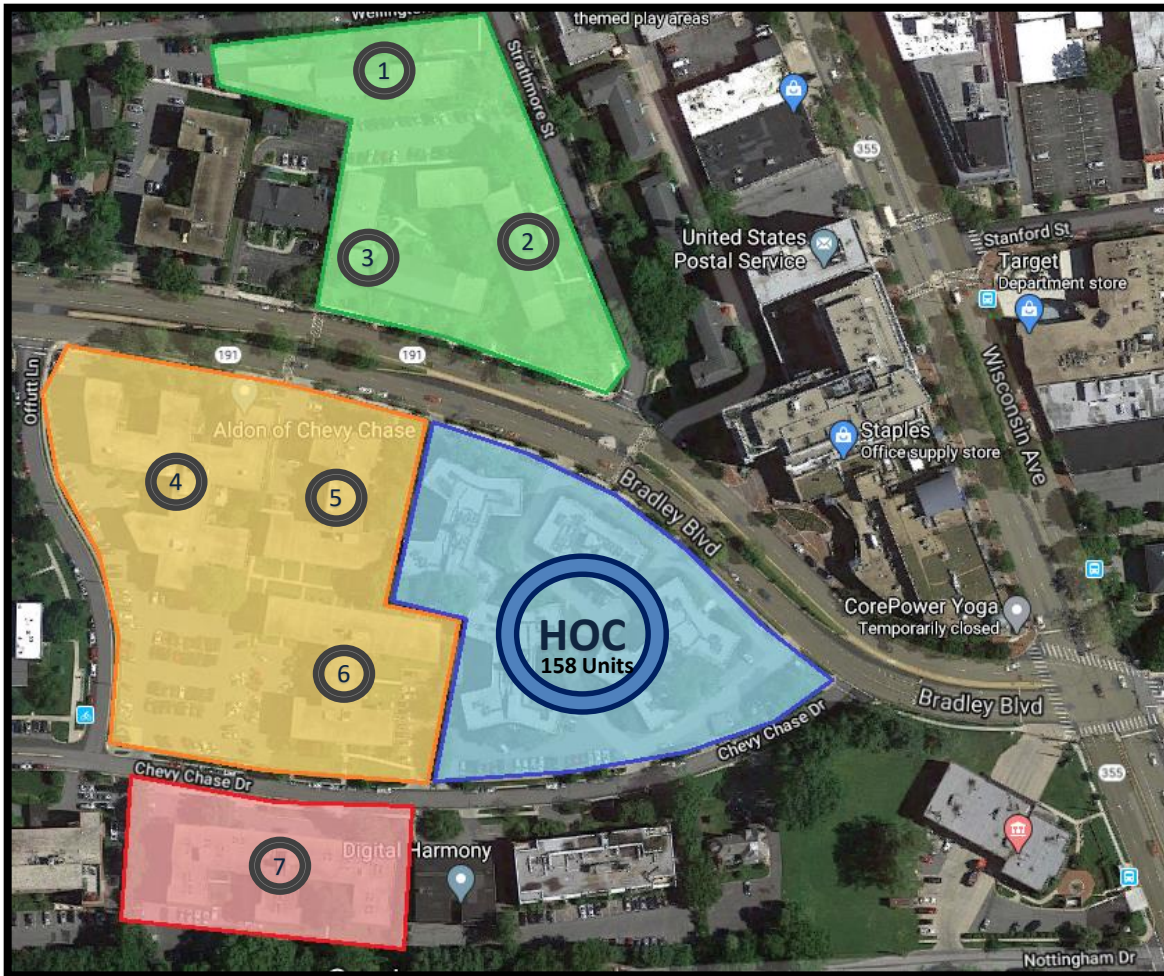
A Purchase and Sale Agreement (“PSA”) between HOC and Aldon was originally signed on December 21, 2020. The PSA provided 45 days for the Due Diligence period, which would end on February 4, 2021, and an additional 45 days for the closing, originally scheduled to occur on March 22, 2021. However, the PSA has since been revised and with an updated timeline of February 22, 2021 and April 23, 2021, for the due diligence period and closing, respectively. On February 19, 2021, the Commission approved staff’s recommendation to proceed with the acquisition. HOC’s \$1.8 million earnest money deposit became **non-refundable on February 22, 2021**.

HOC has been discussing various potential acquisition and permanent financing options with various third parties. These potential options under consideration included permanent Fannie Mae debt, common and preferred equity partnerships, short- or longer-term mezzanine loans, a HIF loan, and short-term bridge financing options. Because of the timing of the acquisition, staff considers short-term bridge financing to be the most viable option. This option will also allow HOC to implement rent restrictions in well-planned and carefully phased fashion to minimize the impact of the restrictions on both the property’s underwriting NOI and future redevelopment plans.

Staff believes that EagleBank’s acquisition loan terms offer significant advantages over the other offers and proposes to finance 81% of the acquisition costs with a 3-year interest-only loan from EagleBank. EagleBank’s \$81.2 million acquisition loan will be in place for the acquisition closing on April 23, 2021.

Purchase Price	\$94,000,000
Price Per Unit	\$234,414
NOI	\$4,666,955
Cap Rate	4.96%
<b>Number of Units</b>	<b>401</b>
NSF	285,094
SF/Unit	711

# Aldon's Bradley Boulevard Properties



## North Bradley (126 Units):

- 1 4800, 4804, 4808 Wellington Drive
- 2 6900, 6904, 6908 Strathmore Street
- 3 4701, 4705, 4709 Bradley Blvd

## South Bradley (213 Units):

- 4 4740 Bradley Blvd
- 5 4730 Bradley Blvd
- 6 4757 Chevy Chase Drive

## Kentwood (62 Units):

- 7 4750 Chevy Chase Drive

# Due Diligence Results

## Appraisals

1. Gill Group: \$95,445,000 Market Value “As Is”.\*
2. Newmark Knight Frank: \$94,100,000 Market Value “As Is”.

*\*The appraised value reflects and is based on the properties’ real estate tax exemption status.*

## Phase 1 Environmental

No Controlled Recognized Environmental Conditions (CREC) were identified. Some Recognized Environmental Conditions (REC) associated with underground storage tanks were identified but do not represent any concerns or environmental issues that would need to be addressed in the foreseeable future.

## Property Condition Assessment

No conditions or items requiring emergency repairs were found. A retaining wall on North Bradley was found to need some mild reinforcement (at an approximate cost of \$35,000). Staff will seek a credit against the purchase price in that among. Aside from that, the property found to be in generally good condition for the continued existing use. Planned initial and annual replacement reserve contributions over the next 5 years fully meet the estimated \$697,491 5-year funding needs identified in the PNA.

## Title

Title reports and commitments have been received and review by staff and are currently being finalized for the closing. All substantive title issues have been resolved but a remaining administrative issue related to the receipt of a document from another state may delay the closing date by a few days.

## ALTA Survey

ALTA Survey has been completed.

## Zoning Reports

Zoning reports and reviews have been completed. No issues affecting the acquisition have been found.

# Operating Proforma

	ACQUISITION NORTH BRADLEY	ACQUISITION SOUTH BRADLEY	ACQUISITION KENTWOOD	ACQUISITION TOTAL	PERMANENT FINANCING TOTAL
<b>RENTAL INCOME</b>					
Rental Income	\$2,537,158	\$3,940,258	\$1,343,584	\$7,821,000	\$8,429,474
20%@50% RP Reduction	\$0	\$0	\$0	\$0	(\$396,882)
Other Income	\$32,225	\$38,115	\$14,545	\$84,886	\$91,490
Vacancy / Concessions	(\$128,469)	(\$198,919)	(\$67,906)	(\$395,294)	(\$426,048)
<b>NET RENTAL INCOME</b>	<b>\$2,440,914</b>	<b>\$3,779,455</b>	<b>\$1,290,223</b>	<b>\$7,510,591</b>	<b>\$7,698,033</b>
<b>OPERATING EXPENSES</b>					
Administrative Expenses	\$49,690	\$87,029	\$33,510	\$170,228	\$186,239
Contracts	\$116,850	\$212,391	\$48,281	\$377,521	\$413,027
Payroll	\$277,267	\$475,077	\$136,018	\$888,362	\$971,914
Repairs & Maintenance	\$43,564	\$69,778	\$34,324	\$147,665	\$161,554
Unit Turnover Work	\$34,419	\$67,402	\$20,992	\$122,813	\$134,364
Utilities	\$144,620	\$250,472	\$41,169	\$436,261	\$477,292
Management Fees	\$85,432	\$132,281	\$45,158	\$262,871	\$283,322
Other	\$92,594	\$158,229	\$43,911	\$294,734	\$322,454
<b>TOTAL OPERATING EXPENSES</b>	<b>\$844,436</b>	<b>\$1,452,658</b>	<b>\$403,361</b>	<b>\$2,700,455</b>	<b>\$2,950,165</b>
R&R Reserve	\$44,878	\$76,221	\$22,083	\$143,181	\$156,647
<b>NET OPERATING INCOME</b>	<b>\$1,551,600</b>	<b>\$2,250,576</b>	<b>\$864,779</b>	<b>\$4,666,955</b>	<b>\$4,591,221</b>

- To maintain operating continuity and to allow sufficient time for HOC procurement process, staff proposes to retain the current property manager, Aldon Management Corporation, for the near term. Staff has negotiated a management fee of 3.5% of effective gross income and a one (1) year term commencing at closing, with two options to extend the term for one (1) year each subject to mutual agreement.
- Planned RFR contribution levels fully address potential capital needs over the next five years identified in the Physical Needs Assessment reports. However, staff plans to fund additional \$3 million reserves at the time of the acquisition to address any potential immediate capital improvement needs and the issues identified in the environmental assessments.

- 80% AMI rent restrictions would not have any impact on the NOI because many existing unit rents are at or below 80% AMI levels.
- Staff estimates that 50% AMI rent restrictions on 20% of the units will result in the NOI reduction of \$100K to \$400K, depending on how and over what period of time the restrictions are phased in.
- Staff estimates that there may be sufficient potential operating expense savings to almost entirely offset the impact of the restrictions and maintain the Property's NOI at the current level.
- Staff proposes to implement rent restrictions for 30% of the units at 80% AMI level in the near term. Staff believes that majority of these restrictions can be implemented with the existing residents in place.
- Staff proposes to implement additional restrictions at 50% AMI levels for 20% of the units. Staff proposes to implement these restrictions gradually, mostly upon unit turnovers, both to avoid displacing the existing residents and minimize the impact of the restrictions on the properties' net operating proceeds. Staff estimates that these restrictions can be fully implemented in time for the permanent refinancing of the transaction in 2-3 years.



# Short-Term Financing Plan (2-3 Years)

## Acquisition Closing

	<u>Acquisition (3-6 Months)</u>
Acquisition Costs	\$94,000,000
Financing & Transaction Costs	\$3,070,000
Reserves	\$3,000,000
<b>USES OF FUNDS</b>	<b>\$100,070,000</b>
EagleBank Loan	\$81,200,000
HOC Equity	\$5,200,000
HOC RELOC	\$13,670,000
<b>SOURCES OF FUNDS</b>	<b>\$100,070,000</b>

- Staff proposes to finance 81% of the acquisition costs with a 3-year interest-only loan from EagleBank. Staff received several loan terms sheets for acquisition financing and determined that EagleBank's terms offer significant advantages over the other offers. EagleBank's \$81.2 million acquisition loan will be in place for the acquisition closing on April 23, 2021.
- EagleBank loan interest rate is fixed, which eliminates the interest rate risk and avoids the additional hedging cost that would be incurred with a variable rate financing.
- Part of EagleBank's loan (\$20.3 million) requires full repayment guaranty from HOC. Staff have been advised by HOC financial advisor, Caine Mitter & Associates, that because of the high overall debt service coverage ratio, the guarantee is not likely to negatively impact HOC's GO capacity or bond rating. Should the DSC fall below 1.40, there could potentially be a reduction to the HOC GO borrowing capacity.
- Staff is also requesting a \$10 million HIF acquisition loan from the County DHCA. However, the acquisition timeline would not allow for the HIF loan to be negotiated and placed in time for the acquisition closing.

## Short / Medium Term Financing

	<u>Short-Term (3-4 Yrs)</u>
Acquisition Cost	\$94,000,000
Financing & Transaction Costs	\$3,070,000
Reserves	\$3,000,000
<b>TOTAL USES</b>	<b>\$100,070,000</b>
EagleBank Loan	\$81,200,000
HOC Equity	\$5,200,000
County HIF Loan	\$10,000,000
HOC RELOC	\$3,670,000
<b>TOTAL SOURCES</b>	<b>\$100,070,000</b>

- Therefore, staff proposes to use a combination of HOC OHRF, OHDF, and MPDU/PAF (for HOC equity contribution) and RELOC (for temporary gap funding) resources to close the acquisition in April 2021.
- Out of the total \$5.2 million HOC planned equity contribution, the initial \$1.88 million earnest money deposit has been funded from HOC OHDF. This contribution was to be repaid to OHDF and funded from OHRF at closing. Staff proposes to keep this draw outstanding at OHDF for 90 days after closing, at which time it will be repaid from OHRF as planned.
- Staff proposes to fund the net remaining \$3.32 equity contribution from OHRF (\$1 million) and MPDU/PAF (\$2.32 million). Staff proposes to keep the 2.32 million MPDU/PAF contribution outstanding for 90 days after closing, at which time it will be repaid from OHRF.
- Staff proposes to fund the remaining financing gap of \$13.67 million with a combination of a

tax-exempt draw and tax-exempt authorization to draw from PNC Bank N.A. Real Estate Line of Credit. Staff proposes to obligate but not yet draw \$2.5 million of the planned \$3 million replacement reserve. The obligated amount can be drawn if and when it is needed but will not incur interest costs if or until it is needed.

- Following the acquisition, staff will work to place the HIF loan and repay part of the RELOC draw. Staff expects to submit a formal application within days and estimates that the HIF loan underwriting process will be concluded in the following 3-6 months.

# Permanent Financing Plan (2023-2024)

	<b>PERMANENT FINANCING</b>
Acquisition Costs	\$94,000,000
Financing & Transaction Costs	\$6,132,195
Guarantees and Reserves	\$1,996,183
<b>USES OF FUNDS</b>	<b>\$102,128,378</b>
Senior Debt	\$81,686,789
HOC's Initial Equity	\$5,200,000
County HIF Loan	\$10,000,000
Mezz Loan / Other Source *	\$5,241,589
<b>SOURCES OF FUNDS</b>	<b>\$102,128,378</b>
<b>Estimated Interest Rates</b>	
Senior Debt	4.25%
HIF Loan	2.00%
Gap (Mezz or Preferred Equity)**	4.00%
<b>Net Operating Income</b>	<b>\$4,888,104</b>
Senior Debt Service	\$4,250,525
County HIF Debt Service	\$200,000
Mezz Loan or Pref Equity Interest.	\$209,664
<b>Net Cash Flow</b>	<b>\$227,915</b>

\* Other source can be either partner equity, accumulated interim cash flows, additional HOC contribution at permanent financing, or a combination of the above.

\*\* Mezz rates are estimates and include only the current portion of the interest rate. Total gap rate may be up to 10-12%, and the interest above the current rate would accrue and be due at refinancing.

Staff expects that the two-to-three year interim financing period will allow for the evaluation of property operations and yield more efficient operating expense numbers. The interim period will also provide HOC the opportunity to build in the 20% at 50% AMI component and understand the cost of doing so. Staff estimates that well-managed and phased implementation of the rent restrictions, combined with potential offsetting operating expense savings, will result in the financial impact of the restrictions of estimated \$100K per year.

Once Section 42 compliance is achieved, via the 20% at 50% AMI set aside units, HOC can access its full complement of financing tools such as FHA Risk Share financing. Permanent financing assumes a standard tax-exempt, bond-financed, FHA insured mortgage.

Staff estimates that projected \$81.7 million permanent debt will fully take out EagleBank's acquisition loan. Staff estimates that at the time of conversion to permanent financing there will be a need for estimated additional \$5.3 million gap financing. This additional gap financing can be funded from additional HOC equity contribution (including accumulated interim cash flow balance), partner equity contribution, or a third-party mezzanine loan. Although a mezzanine loan would be the most expensive option, projected operating results suggest that such gap financing, if needed, would be fully supported by the Property operations.

Projected 2023 NOI at Current Rents	\$4,988,104
Net NOI Reduction due to Rent Restrictions	(\$100,000)
<b>Net NOI at Permanent Financing</b>	<b>\$4,888,104</b>
Perm Debt Maximum LTV	90.00%
Perm Debt Minimum DSCR	1.15
Perm Debt Term (Years)	40
Perm Debt All-in Interest Rate	4.25%
<b>Perm Debt Amount</b>	<b>\$81,686,789</b>
Perm Debt Yr1 Debt Service	\$4,250,525
Perm Debt Yr1 Debt Service Coverage	1.15

# Summary and Recommendations

## ISSUES FOR CONSIDERATION

Will the Commission accept:

1. Staff's recommendation to authorize the Executive Director to complete the acquisition of Aldon Management Corporation's Bradley Boulevard Properties?
2. Staff's proposed Financing Plan for the acquisition?
3. Staff's recommendation to authorize the Executive Director to accept two loans in Aggregate amount of up to \$81,200,000 from EagleBank to fund the acquisition?
4. Staff's request to extend the term of the initial \$1,880,000 earnest money deposit draw from the Opportunity Housing Development Fund ("OHDF") for 90 days after closing?
5. Staff's request to authorize a \$1,000,000 draw from the Opportunity Housing Reserve Fund ("OHRF") to fund the acquisition?
6. Staff's request to authorize a \$2,320,000 draw from the MPDU/Property Acquisition Fund ("MPDU/PAF") to fund the acquisition?
7. Staff's request to authorize an up to \$14,000,000 draw from the PNC Bank, N.A. Real Estate Line of Credit ("PNC RELOC") to Fund the acquisition?
8. Staff's recommendation to retain Aldon Management Corporation as initial management company for Bradley Boulevard Properties?
9. Staff's request to authorize reimbursement to the Opportunity Housing Reserve Fund ("OHRF") for advances of related acquisition expenditures?

## FINANCIAL/FISCAL IMPACT

There is no adverse impact for the Agency's FY2021 or FY2022 budgets.

The Opportunity Housing Reserve Fund has a current unobligated balance of \$2,970,878. The MPDU/Property Acquisition Fund has a current unobligated balance of \$3,041,740. The PNC Bank, N.A. Real Estate Line of Credit has a current unobligated balance of \$54,516,665.

# Summary and Recommendations

## TIME FRAME

For formal action at the April 20, 2021, Special Session of the Commission.

## STAFF RECOMMENDATION

Staff recommends that the Commission approve:

1. Staff's recommendation to authorize the Executive Director to complete the acquisition of Aldon Management Corporation's Bradley Boulevard Properties.
2. Staff's proposed Financing Plan for the acquisition.
3. Staff's recommendation to authorize the Executive Director to accept two loans in Aggregate amount of up to \$81,200,000 from EagleBank to fund the acquisition.
4. Staff's request to extend the term of the initial \$1,880,000 earnest money deposit draw from the Opportunity Housing Development Fund ("OHDF") for 90 days after closing.
5. Staff's request to authorize a \$1,000,000 draw from the Opportunity Housing Reserve Fund ("OHRF") to fund the acquisition.
6. Staff's request to authorize a \$2,320,000 draw from the MPDU/Property Acquisition Fund ("MPDU/PAF") to fund the acquisition.
7. Staff's request to authorize an up to \$14,000,000 draw from the PNC Bank, N.A. Real Estate Line of Credit ("PNC RELOC") to Fund the acquisition.
8. Staff's recommendation to retain Aldon Management Corporation as initial management company for Bradley Boulevard Properties.
9. Staff's request to authorize reimbursement to the Opportunity Housing Reserve Fund ("OHRF") for advances of related acquisition expenditures.

**RESOLUTION No.: 21- 42A**

**RE:** Approval to Complete the Acquisition of the Bradley Boulevard Portfolio and Approval of the Finance Plan for the Acquisition

**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 of rental housing properties which provide a public purpose; and

**WHEREAS**, HOC has reached terms at which to buy existing rental housing (“Bradley Boulevard Properties”) located at 4740, 4730, 4701, 4705, and 4709 Bradley Blvd; 6900, 6904 and 6908 Strathmore Street; 4750 and 4757 Chevy Chase Drive; and 4800, 4804 and 4808 Wellington Drive – all in Chevy Chase, Maryland 20815; and

**WHEREAS**, the 401 units of the Bradley Boulevard Properties are unrestricted rental units that currently serve a significant number of households earning below 80% of the Area Median Income within the Washington-Metropolitan Statistical Area (“AMI”); and

**WHEREAS**, acquiring the Bradley Boulevard Properties supports HOC’s mission by preserving the availability of affordable housing in Montgomery County; and

**WHEREAS**, upon its acquisition of the Bradley Boulevard Properties, HOC will record a covenant on the property restricting 30% of units to 80% of AMI and an additional 20% of units to 50% AMI; and

**WHEREAS**, in December 2020, the Commission made a \$1,880,000 earnest money deposit, which is applicable to the purchase price. The deposit was funded from HOC’s Opportunity Housing Development Fund (“OHDF”); and

**WHEREAS**, staff has completed its review of the property and has found no adverse conditions that would prevent completing the acquisition; and

**WHEREAS**, HOC received financing proposals from several banks to fund the acquisition of Bradley Boulevard Properties and EagleBank submitted the most favorable proposal for a three-year \$81,200,000 loan; and

**WHEREAS**, staff proposes to fund the remaining approximately \$16,990,000 required to complete the acquisition with draws of \$1,000,000 from HOC’s Opportunity Housing Reserve Fund (“OHRF”), \$2,320,000 from the MPDU/Property Acquisition Fund (“MPDU/PAF”), and up to \$14 million from the PNC N.A. Real Estate Line of Credit (“RELOC”) (the “Remaining Acquisition Funds”). Staff proposes to keep the \$1,880,000 earnest money deposit draw from OHDF and the \$2,320,000 draw from the MPDU/PAF outstanding for 90 days after closing, at which time both balances will be repaid to OHDF and MPDU/PAF from OHRF; and

**WHEREAS**, staff will request a \$10 million HIF acquisition loan from the County DHCA. If approved, this loan will partially repay the acquisition draw from RELOC; and

**WHEREAS,** Bradley Boulevard Properties are currently managed by Aldon Management Corporation (“Aldon Management”). Staff proposes to retain Aldon Management as the initial management company for Bradley Boulevard Properties for a management fee of 3.5% of effective gross income and a one (1) year term commencing at closing, with two options to extend the term for one (1) year each subject to mutual agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, that it authorizes the Executive Director to complete the acquisition of the Bradley Boulevard Properties.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, approves acceptance of a \$81,200,000 loan from EagleBank to fund the acquisition of Bradley Boulevard Properties, with the expectation that the EagleBank loan would be refinanced using the proceeds of tax-exempt bonds to be issued by the Commission to fund a mortgage that would be insured under the FHA Risk Share program.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the use of the \$1,880,000 earnest money deposit to fund HOC’s equity contribution toward the acquisition of the Bradley Boulevard Properties. The Commission authorizes an extension of the term of the OHDF draw to 90 days after closing, with the expectation that at the expiration of the 90-day term the draw will be repaid from OHRF.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes a draw of \$1,000,000 from the OHRF to be used to fund HOC’s equity contribution toward the acquisition of the Bradley Boulevard Properties.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes a draw of \$2,320,000 from the MPDU/PAF to be used to fund HOC’s equity contribution toward the acquisition of the Bradley Boulevard Properties, with the expectation that the draw will remain outstanding for 90 days after closing and will be repaid from OHRF at the expiration of this term.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes a draw on the RELOC not to exceed \$14,000,000 to complete the funding of the acquisition of Bradley Boulevard Properties, with the expectation that the draw will be partially repaid with the proceeds of the requested \$10,000,000 County HIF loan, if approved.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, accepts the Remaining Acquisition Funds.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, approves the selection of Aldon Management as the initial management company for Bradley Boulevard Properties.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes repayment of a loan of up to \$210,000 that was extended from the OHRF for due diligence and pursuit activities related to the acquisition of the Bradley Boulevard Properties.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County, on behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, authorizes the Executive Director of HOC, or his authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open Special Session of the Commission on April 20, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission

**RESOLUTION No.: 21-42B**

**RE:** Approval to Draw up to \$14,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Acquire Bradley Boulevard Properties

**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 of rental housing properties which provide a public purpose; and

**WHEREAS**, HOC has reached terms at which to buy existing rental housing (“Bradley Boulevard Properties”) located at 4740, 4730, 4701, 4705, and 4709 Bradley Blvd; 6900, 6904 and 6908 Strathmore Street; 4750 and 4757 Chevy Chase Drive; and 4800, 4804 and 4808 Wellington Drive – all in Chevy Chase, Maryland 20815; and

**WHEREAS**, HOC intends to finance the acquisition with a \$81,200,000 loan from EagleBank and a \$5,200,000 equity contribution from HOC resources; and

**WHEREAS**, HOC wishes to complete the acquisition funding with a tax-exempt PNC N.A. Real Estate Line of Credit (“RELOC”) draw of up to \$14,000,000.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes a tax-exempt draw on the PNC RELOC in an amount not to exceed \$14,000,000 for the acquisition of Bradley Boulevard Properties for a term of 48 months.

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

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open Special Session of the Commission on April 20, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission