



HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

March 4, 2015

15-03

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, March 4, 2015 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:16 p.m. Those in attendance were:

Present

Sally Roman, Chair
Jackie Simon, Vice Chair
Margaret McFarland
Pamela Lindstrom

Not Present

Jean Banks, Chair Pro Tem
Rick Nelson
Roberto Piñero

Also Attending

Stacy Spann, Executive Director
Gail Willison
Kayrine Brown
Vivian Benjamin
Bobbie DaCosta
Gina Smith
Belle Seyoum
Lynn Hayes
Fred Swan
Ugonna Ibebuchi

Kelly McLaughlin, General Counsel
Scott Ewart
Terri Fowler
Zachary Marks
Rita Harris
Richard Hanks
Ethan Cohen
Patrick Mattingly
Jim Atwell

Guest

Christopher Hatcher
Jorge Trejo, Resident

Commission Support

Patrice Birdsong, Spec. Asst. to Commission

IT Support

Dominique Laws
Nick Monaco

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

I. CONSENT ITEMS

- A. Approval of Minutes of Regular Meeting of February 4, 2015** – The minutes were approved as submitted.
- B. Ratification of Approval to Issue Commitment to Rosaria Communities, Inc. to Provide Funding in an Amount not to exceed \$800,568 for the Acquisition and Renovation of a Single Family Property for the Use and Operation by Jubilee Association of Maryland** - The following resolution was approved.

RESOLUTION: 15-16R

RE: Ratification of Approval to Issue Commitment to Rosaria Communities, Inc. to Provide Funding in an Amount not to exceed \$800,568 for the Acquisition and Renovation of a Single Family Property for the Use and Operation by Jubilee Association of Maryland

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

WHEREAS, at an Executive Session duly called and held on February 20, 2015, with a quorum being present, the Commission duly adopted Resolution 15-16ES (“Approval Resolution”), which authorized the Executive Director to issue a commitment letter to Rosaria Communities, Inc. to provide funding in an amount not to exceed \$800,568 for the acquisition and renovation of a single-family property to be used and operated by Jubilee Association of Maryland; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission in adopting the Approval.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Approval Resolution is hereby ratified and affirmed.

- C. **Authorization to Submit the FFY 2015 Capital Fund Program Grant Annual Contributions Contract Amendment and Support Documentation** - The following resolution was approved.

RESOLUTION: 15-18

**RE: Authorization to Submit the
FFY 2015 Capital Fund Program
Grant Annual Contributions
Contract Amendment and
Supporting Documentation**

WHEREAS, the Housing Opportunities Commission of Montgomery County ("Commission") will receive \$1,788,963 in FFY 2015 Capital Fund Program grant funds from the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, staff has identified \$1,788,963 in needs based upon the Commission's Five Year Capital Fund Program Plan; and

WHEREAS, by submitting the FFY 2015 CFP Annual Statement, the CFP Five-Year Action Plan, and the signed FFY 2015 ACC Amendment, the Commission is agreeing that capital and management activities will be carried out in accordance with all HUD regulations.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director or his designee is hereby authorized to submit to the U.S. Department of Housing and Urban Development the FFY 2015 Annual Statement outlining how the Capital Fund Program grant funds will be expended to make improvements to public housing units during FFY 2015; HOC's CFP Five-Year Action Plan outlining the Agency's expectations for Capital Fund expenditures from FFY 2014-FFY 2018; the signed FFY 2015 Annual Contributions Contract Amendment in the amount of \$1,788,963; and the supporting Commission Resolution.

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

II. INFORMATION EXCHANGE

- A. **Report of the Executive Director** – No additional updates to the Executive Director's written report. The Executive Director provided an update on properties experiencing weather-related issues that may cause adjustments to the budget.

- B. **Commissioner Exchange** – Commissioner McFarland extended an invitation to the University of Maryland Innovation and Real Estate Development Award Ceremony to be held March 31st from 6:00 p.m. – 9:00 p.m. Commissioner McFarland also shared that she participated on the Purple Line Coalition.
- C. **Resident Advisory Board** – None
- D. **Community Forum** – Jorge Trejo addressed the Board concerning his housing issue. Fred Swan and Jim Atwell were asked to assist Mr. Trejo and his wife.
- E. **Status Report** – None

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

A. **Budget, Finance and Audit Committee – Commissioner Roman, Chair**

1. **Acceptance of Second Quarter FY'15 Budget to Actual Statements**

Gail Willison, Chief Financial Officer, and Terri Fowler, Budget Officer, gave a presentation requesting acceptance of the Second Quarter FY '15 Budget to Actual Statements.

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

Resolution: 15-19

**Re: Acceptance of Second Quarter
FY'15 Budget to Actual Statements**

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

WHEREAS, the Commission reviewed the Second Quarter FY'15 Budget to Actual Statements during its March 4, 2015 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Second Quarter FY'15 Budget to Actual Statements

2. **Approval of FY '15 Second Quarter Budget Amendment**

Gail Willison, Chief Financial Officer, and Terri Fowler, Budget Officer, gave a presentation requesting approval of FY '15 Second Quarter Budget Amendment.

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

Resolution: 15-20

**Re: Approval of FY'15 Second
Quarter Budget Amendment**

WHEREAS, the Housing Opportunities Commission adopted a budget for FY'15 on June 4, 2014; and

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

WHEREAS, the Commission has reviewed several proposed budget amendments to the FY'15 Budget; and

WHEREAS, the net effect of the FY'15 Second Quarter Budget Amendment is a balanced budget.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'15 Operating Budget by increasing total revenues and expenses for the Agency from \$247.0 million to \$247.6 million.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY'15 Capital Budget by increasing revenues and expenses for the Agency from \$94.1 million to \$94.4 million.

3. Approval of CY '15 First Quarter Budget Amendment

Gail Willison, Chief Financial Officer, and Terri Fowler, Budget Officer, gave a presentation requesting approval of CY '15 First Quarter Budget Amendment.

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

Resolution: 15-21

**Re: Approval of CY'15 First
Quarter Budget Amendment**

WHEREAS, the Housing Opportunities Commission ratified the CY'15 Budgets for Manchester Manor Apartments LP, The Metropolitan LP, and Strathmore Court LP on November 5, 2014; and

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

WHEREAS, the Commission has reviewed the proposed budget amendments to the CY'15 Capital Budgets for Manchester Manor Apartments LP, The Metropolitan LP, and Strathmore Court LP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the CY'15 Capital Budgets for Manchester Manor Apartments LP, The Metropolitan LP, and Strathmore Court LP by increasing revenues and expenses for the partnerships as follows:

- Manchester Manor - \$114,000
- The Metropolitan - \$17,946
- Strathmore Court - \$48,886.

B. Development and Finance Committee – Commissioner Lindstrom, Chair

1. Adoption of an Inducement Resolution for the Acquisition and Renovation of Lakeview House Apartments

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

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

RESOLUTION: 15-22

Re: Adoption of an Inducement Resolution for the Acquisition and Renovation of Lakeview House Apartments

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

permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, one of the public purposes of the Commission is to promote the construction and acquisition of multifamily rental housing developments in Montgomery County to be occupied by eligible persons and families; and

WHEREAS, the Commission is authorized to issue tax-exempt bonds to provide for the acquisition, construction and permanent financing for such developments; and

WHEREAS, the Commission has been asked by Standard Property Company, Inc. to consider the issuance of tax-exempt bonds to finance a loan to acquire and renovate a multifamily rental housing development known as Lakeview House Apartments (a 152-unit development located at 10250 Westlake Drive, Bethesda, Montgomery County, Maryland 20817), which is intended for occupancy by independent elderly residents (the "Project"); and

WHEREAS, in the opinion of the Commission, this financing arrangement will serve as an opportunity to further its goals in meeting its public purposes.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes the staff to proceed with the review and processing of the necessary financing application.

BE IT FURTHER RESOLVED that it is the intention of the Commission to issue tax-exempt bonds in the maximum principal amount of \$39,000,000 to provide financing for the acquisition and renovation of the Project.

BE IT FURTHER RESOLVED that the foregoing represents an expression of intent in order to satisfy the provision of Section 1.150-2 of the United States Income Tax Regulations and is not a commitment by the Commission to issue said bonds, and the issuance of said bonds shall: 1) be at the discretion of the Commission; 2) be subject to the final satisfactory underwriting and approval of all documents, provisions, covenants, and all other provisions as may be required by the Commission; and 3) be subject to final acceptance of the same by the owner of the Project.

2. Authorization for the Executive Director to Negotiate and Execute Master Leases for Rental MPDUs in Bethesda and Germantown

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

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

RESOLUTION: 15-23

RE: Authorization for the Executive Director to Negotiate and Execute Master Leases for Rental MPDUs in Bethesda and Germantown

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

WHEREAS, the newly constructed multifamily rental property at 7001 Arlington Road in Bethesda, Maryland, (“7001 Arlington”) owned by AERC 7001 Arlington Road, LLC has reserved 15% of its units as Moderately Priced Dwelling Units as defined by Montgomery County law (“MPDUs”) as part of the development’s Preliminary Plan approval; and

WHEREAS, the newly constructed multifamily rental property at 19520 Waters Road in Germantown, Maryland, (“Alta Liberty Mill”) owned by WDF-3 Liberty Mill Owner, LLC has reserved 12.5% of its units as MPDUs required by Montgomery County law; and

WHEREAS, HOC, as outlined by Montgomery County law, may reserve and control up to a third of MPDUs at a new property upon initial construction delivery of units; and

WHEREAS, HOC’s desire to control its allowable share of MPDUs at 7001 Arlington and Alta Liberty Mill (“HOC’s MPDUs”) is based on its need for relocation housing units to which residents, Project-Based Section 8 subsidy, or both, may be transferred from its existing Public Housing properties upon conversion from Public Housing via the US Department of Housing and Urban Development’s Rental Assistance Demonstration (“RAD”) program; and

WHEREAS, HOC’s MPDUs will be available for lease prior to the conversion of HOC’s existing Public Housing properties; and

WHEREAS, HOC must confirm its intent to control HOC’s MPDUs by March 6, 2015.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to sign all documents related to the creation of master leases for HOC’s MPDUs with owners or the owners designated operators of 7001 Arlington and Alta Liberty Mill.

BE IT FURTHER RESOLVED that:

1. The Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein; and
2. HOC authorizes interim funding in the amount of \$22,000 to pay the monthly rent on the MPDUs prior to the close of renovation financing for its Arcola Towers and Waverly House properties – with the source of the interim funding the Opportunity Housing Reserve Fund (“OHRF”) and the reimbursement of that interim funding to be paid from proceeds from the close of renovation financing for Arcola Towers and Waverly House.
3. **Approval to Establish and Fund a Revolving Working Capital Facility to Support HOC’s Real Estate Acquisition and Development Activities**

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

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

RESOLUTION: 15-24

RE: Approval to Establish and Fund a Revolving Working Capital Facility to Support HOC’s Real Estate Acquisition and Development Activities

WHEREAS, in December 2004, the Housing Opportunities Commission of Montgomery County (“HOC”) entered into two interest rate swap agreements with Merrill Lynch Capital Services (now Bank of America Merrill Lynch and hereinafter referred to as “BAML”) which were structured such that HOC had the unilateral right to terminate the agreements at par, beginning on January 1, 2015; and

WHEREAS, in December 2014, HOC agreed to sell back to BAML five years of optionality on these swap agreements so that the two affected swap agreements may now be terminated at par on January 1, 2019 instead of January 1, 2015 and, as a result, BAML paid the Commission \$1,958,000 as consideration; and

WHEREAS, the net proceeds in the amount of \$1,913,000 are available to HOC to use at its discretion and staff has identified three areas where a portion of these funds (\$1.4 million) may be directed to fund, on an interim basis, certain costs associated with real estate

acquisition and development activities including legal services, due diligence expenditures and other payments to facilitate real estate closings; and

WHEREAS, on May 7, 2014, the Commission created a pool of law firms to provide ongoing legal services in support of its real estate activities and allocated \$350,000 from the Opportunity Housing Reserve Fund (OHRF) which may now be released by allocating the equivalent amount from the payment received from BAML; and

WHEREAS, to cover feasibility studies prior to the approval of a development budget, it is requested that the Commission allocate \$300,000 from the BAML payment as working capital for preliminary studies such as: appraisals, physical needs assessments, surveys, and other related items; and

WHEREAS, as transactions approach closing and prior to the ability to spend mortgage proceeds, it is often necessary to wire funds to the title company to pay for various closing items for which staff is requesting that \$750,000 of the BAML payment be set aside.

NOW THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves establishing a revolving working capital fund for interim expenditures for legal fees and costs in the amount of \$350,000, due diligence costs in the amount of \$300,000, and closing expenses in the amount of \$750,000.

BE IT FURTHER RESOLVED that no single expenditure for due diligence cost shall exceed \$25,000 without prior Commission approval of a pre-development or other plan.

BE IT FURTHER RESOLVED that by establishing this working capital fund, the prior OHRF obligation in support of the real estate legal pool is hereby released.

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized and directed to take such other actions necessary and proper to accomplish the transaction contemplated herein, including, but not limited to, establishing a fund in HOC's name to be called the Real Estate Working Capital Fund, and depositing and crediting such Real Estate Working Capital Fund with \$1,400,000 from the BAML payment.

4. Approval to Select a Real Estate Development and Financing Consultant Pool Pursuant to RFQ #1938

Kayrine Brown, Chief Investment & Real Estate Officer, and Zachary Marks, Asst. Director of New Developments gave a presentation.

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

RESOLUTION: 15-25

**RE: Approval to Select a Real Estate
Development and Financing
Consultant Pool Pursuant to RFQ
#1938**

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

WHEREAS, the Commission continues to review its real estate portfolio as well as pursue acquisition and development opportunities to expand and preserve the Montgomery County housing stock that is affordable to households of eligible income; and

WHEREAS, on September 16, 2014, the Commission solicited proposals from qualified firms or individuals to form a pool of professionals which would provide Development and Financing Consultant services to supplement the current staff of the Commission's Real Estate Division and obviate the need to add full time staff; and

WHEREAS, nine firms responded to the solicitation, and after review by members of the review panel comprised of representatives from various Commission divisions, one firm was disqualified due to the dissolution of the partnership since it submitted its proposal, one was determined to lack the depth and staffing needed for Development Services for which it applied, and seven were deemed to meet the requirements of the solicitation; and

WHEREAS, of the seven firms qualified for the pool, three firms applied as Financing Consultants only and four applied to serve as both Development and Financing; and

WHEREAS, Development Consultants will perform all the work necessary for acquisition, preservation, rehabilitation, or construction opportunities as well as provide accompanying Financing Consultant services and Financing Consultants will advise, source, and structure debt and equity to enhance the Commission's existing debt products, all under the direction of the Commission's real estate staff; and

WHEREAS, each Consultant will be selected as needed from the pool after it submits its proposal to the Commission in response to the requested scope of work and would be compensated accordingly from the respective Commission-approved project development budget, such approved project budget having gone through the normal Development and Finance Committee and Commission approval processes for a development.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes and directs the Executive Director, without further action on their respective parts, to execute seven individual contracts with Audubon Enterprises, The Concourse Group, Mission First, Morrison Avenue Capital, Municipal Resources Advisors, TAG Associates, and Walker & Dunlop, for an aggregate amount of \$1 Million for an initial contract term of two years each with two optional one-year renewals for a maximum contract term of four years.

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to assign and approve individual tasks of up to \$225,000 without further Commission approval or action.

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized and directed to take all actions necessary and proper to carry out the transactions as contemplated.

IV. ITEMS REQUIRING DELIBERATION and/or ACTION

A. Approval to Issue a Commitment Letter for a Cash-flow Contingent Loan in the Amount of \$1,250,000 to Fund the Construction of Park View at Aspen Hill

Kayrine Brown, Chief Investment & Real Estate Officer, and Zachary Marks, Asst. Director of New Developments gave a presentation.

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

RESOLUTION: 15-26

RE: Approval to Issue a Commitment Letter for a Cash-flow Contingent Loan in the Amount of \$1,250,000 to Fund the Construction of Park View at Aspen Hill

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

WHEREAS, Shelter Development (“Developer”) has control, via an executed purchase and sale agreement, of a six-acre parcel – to be carved out of excess land owned by Wheaton Seventh Day Adventist Church – located in Aspen Hill, Maryland, along Bel Pre Drive; and

WHEREAS, the Developer proposes to construct a new, 120-unit independent senior living affordable rental apartment community called Park View at Aspen Hill ("PVAH") for which it plans to submit an application to the Maryland Department of Housing and Community Development ("DHCD") for an allocation of 4% Low Income Housing Tax Credits ("LIHTC"); and

WHEREAS, the total sources of funds already committed and otherwise projected are insufficient to fully finance the total development costs for PVAH and the shortfall in funds is projected to be as much as \$1,250,000; and

WHEREAS, HOC's participation in the proposed development is based on its need of 40 units at PVAH as relocation housing to which residents and/or Project-Based Section 8 subsidy will be transferred from Holly Hall Apartments upon its conversion from Public Housing via the US Department of Housing and Urban Development's Rental Assistance Demonstration ("RAD") program; and

WHEREAS, a commitment for a cash-flow contingent loan of \$1,250,000 from HOC will enable the Developer to submit the LIHTC application to DHCD; and

WHEREAS, the funding of the loan shall be funded simultaneously with the closing and funding of the PVAH project's LIHTC equity financing and other construction financing; and

WHEREAS, in the event that equity generated by the sale of the LIHTC, proceeds generated by the senior mortgage, or both equity and loan proceeds generated for the financing of the construction of PVAH exceed the amounts included in the LIHTC application submitted by the Developer to DHCD for funding for PVAH, less any increases in total development costs for PVAH over those included in the LIHTC application, the \$1,250,000 commitment would be reduced by the net amount of proceeds increase less cost increase; and

WHEREAS, the Developer has offered HOC a substantial interest of 9.9% in the general partner of the project in return for HOC's financial support.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to issue a commitment letter to the Developer and its affiliate assignee for a cash-flow contingent loan for the Park View at Aspen Hill project in the amount of \$1,250,000, bearing interest at the long-term annual Applicable Federal Rate as of the time of the construction loan closing, which loan will be funded from the Opportunity Housing Reserve Fund and shall be funded simultaneously with the closing and/or funding of the project's LIHTC equity and other construction financing.

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

V. FUTURE ACTION ITEMS

None

VI. INFORMATION EXCHANGE (CONT'D)

None

VII. NEW BUSINESS

None

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

The meeting adjourned at 5:30 p.m.

Respectfully submitted,



Stacy L. Spann
Secretary-Treasurer

/pmb