## EXPANDED AGENDA

### December 3, 2014

<table>
<thead>
<tr>
<th>3:00 p.m.</th>
<th>I. Longevity Reception</th>
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<tbody>
<tr>
<td>4:00 p.m.</td>
<td>II. Longevity Award Ceremony</td>
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<td>4:30 p.m.</td>
<td>III. CONSENT ITEMS</td>
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<tr>
<td></td>
<td>A. Approval of Minutes of November 5, 2014</td>
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<tr>
<td>4:35 p.m.</td>
<td>IV. INFORMATION EXCHANGE</td>
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<tr>
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<td>A. Report of the Executive Director</td>
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<td>B. Calendar and Follow-up Action</td>
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<td>C. Correspondence and Printed Matter</td>
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<td>D. Commissioner Exchange</td>
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<td>E. Resident Advisory Board</td>
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<td>F. Community Forum</td>
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<td>G. Status Report</td>
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<td>4:45 p.m.</td>
<td>III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</td>
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<td>A. Development and Finance Committee – Com. Lindstrom, Chair</td>
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<td>1. Amendment to Prior Authorization to Bridge Contract for Playground Installation at RAD 6 Properties</td>
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<td>2. Authorization to Submit Applications under Part Two of the Rental Assistance Demonstration Program on Behalf of the Owners of Bauer Park Apartments, Stewartown Homes, Town Center Apartments, and The Willows Apartments and for Executive Director to Execute All Documents Related Thereto</td>
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<td>5:00 p.m.</td>
<td>IV. ITEMS REQUIRING DELIBERATION and/or ACTION</td>
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<td>A. Authorization for RAD 6 Development Corporation (“Corporation”), VPC One Corporation and VPC Two Corporation to Accept the Financing, Development and Relocation Plans Previously Approved by the Commission for Ken-Gar, Sandy Spring, Seneca Ridge, Towne Centre Place and Washington Square (“RAD 6 Development”) and Emory Grove (collectively, the “RAD Conversion Plan”) and Authorization for the Execution all Related Transaction Documents for the RAD Conversion Plan, including Housing Assistance Payments Contracts</td>
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<td>5:10 p.m.</td>
<td>VI. INFORMATION EXCHANGE (continued)</td>
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<td>A. Community Forum</td>
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<td>5:10 p.m.</td>
<td>VII. NEW BUSINESS</td>
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<td>A. Approval to Waive the Procurement Policy for The Commission and RAD 6 Development Corporation’s Selection of a Replacement General Contractor for the RAD 6 Rehabilitation Project</td>
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<td>5:20 p.m.</td>
<td>VIII. EXECUTIVE SESSION FINDINGS</td>
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### EXECUTIVE SESSION
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.
4. *These items are listed “For Future Action” to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.
Consent Items
The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, November 5, 2014 at 10400 Detrick Avenue, Kensington, Maryland. Prior to the meeting convening a welcome reception was held at 3:00 p.m. for HOC's newest Commissioner Margaret McFarland. Chair Piñero welcomed Ms. McFarland and he announced that Commissioner Jean Banks had been hospitalized.

HOC regular meeting was called to order at 4:13 p.m. by Chair Piñero. Those in attendance were:

**Present**
- Roberto Piñero, Chair
- Sally Roman, Vice Chair
- Pamela Lindstrom
- Jackie Simon
- Margaret McFarland

**Absent**
- Jean Banks, Chair Pro Tem
- Mynor Herrera

**Also Attending**
- Stacy Spann, Executive Director
- Fred Swan
- Gail Willison
- Jennifer Arrington
- Terri Fowler
- Ellen Goff
- Gio Kaviladze
- Christopher Donald
- Vivian Benjamin
- Ethan Cohen
- Gina Smith
- Patrick Mattingly
- Wilson Choi
- Kelly McLaughlin, Gen. Counsel
- Belle Seyoum
- Bill Anderson
- Shaina Francis
- Ken Tecler
- Marsha Smith
- Dean Tyree
- Shaina Francis
- Mary Ellen Ewing
- Maria Montero
- Saundra Boujai
- Scott Ewart
- Lynn Hayes
The Consent Calendar was discussed and a recommendation was made by Chair Piñero to move Consent Item C to Committee Reports and Recommendations for Action. Commissioner Simon motioned to amend Chair Piñero’s recommendation to keep the item as a Consent item. A vote was taken and affirmative votes were cast by Commissioners Piñero, Lindstrom and McFarland for Chair Piñero’s recommendation. Vice Chair Roman abstain from the vote. Motion was made and affirmed to move Consent Item C to Committee Reports and Recommendations for Action Item B7. A motion was made on the remaining Consent Items by Vice Chair Roman and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Piñero, Roman, Lindstrom and Simon. Commissioner McFarland abstained from the vote. Commissioners Banks and Herrera were necessarily absent and did not participate in the vote.

I. CONSENT ITEMS

A. Approval of Minutes
   Approval of Minutes of Regular Meeting of November 5, 2014 – The minutes were approved as submitted.

B. Ratification of Action Taken in Budget, Finance and Audit Committee on October 14, 2014: Approval of CY’15-16 Tax Credit Partnership Budgets – The following resolution was approved.

RESOLUTION: 14-100

WHEREAS, the Housing Opportunities Commission of Montgomery County is the General Partner who manages the business and is liable for the debts of 13 Tax Credit Partnerships; and
WHEREAS, the limited partners in these 13 Tax Credit Partnerships have contributed money and share in profits but take no part in running the business and incur no liability with respect to the partnership beyond their contributions; and

WHEREAS, the Tax Credit Partnerships are unique within the Housing Opportunities Commission’s property portfolio since they are not HOC entities but managed properties and have no separate Boards; and

WHEREAS, the Housing Opportunities Commission has a financial obligation to cover all debts, has an interest in the successful performance of these partnerships and, as such, should review their performances and approve their budgets; and

WHEREAS, as the budgets were due to the limited partners by November 1, 2014, the Budget, Finance and Audit Committee reviewed and approved the CY’15 Budgets at the October 14, 2014 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby ratifies the action taken by the Budget, Finance and Audit Committee to approve the CY’15 Operating Budgets for the 13 Tax Credit Partnerships shown on Attachment 1 of this resolution.

II. INFORMATION EXCHANGE

A. Report of the Executive Director – The Executive Director introduced a video on the National Campaign for Homelessness entitled “Consider the Person” in lieu of discussion of his written report. This video introduced a homeless Veteran. Commissioner Simon commented on the work of the Veterans Affair Supportive Housing Program (VASH) and its work on the homeless veterans. A link to the video will be available on HOC’s website. Mr. Spann mentioned that HOC will be developing similar videos.

B. Calendar and Follow-up Action
   - FSS Graduation Ceremony to be held on Thursday, November 6. Thirty-eight (38) graduates will be honored, and Commissioner Simon will be attending on behalf of the Board of Commissioners.

C. Commissioner Exchange
   - Vice Chair Roman reported on the Bauer Drive Board (236 Property) meeting. The budget was presented and there were no audit findings. There was discussion on adding this property to the RAD 6 and it was well received.
   - Commissioner Simon attended the Town Center Board meeting.
   - Commissioner Lindstrom gave a brief update on a Worksession she attended regarding the Purple Line.
D. **Resident Advisory Board** – Kathleen Flanagan, RAB Parliamentarian, discussed her concerns of the RAB regarding training needs, and the reorganization plan.

E. **Community Forum** - None

F. **Status Report** – None

### III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

1. **Authorization to Apply HOC’s New Flat Rent Amounts to New Applicants and Recertifying Households in Public Housing**

   Bobbie DaCosta, Acting Director of Property Management and Ethan Cohen, Housing Program Coordinator, gave a presentation.

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

   **RESOLUTION: 14-101**  
   **RE:** Authorization to Apply HOC’s New Flat Rent Amounts to New Applicants and Recertifying Households in Public Housing

   **WHEREAS**, HUD regulations require that the Housing Opportunities Commission of Montgomery County establish new flat rent amounts conforming to the new 80 percent of FMR floor; and

   **WHEREAS**, the establishment of these flat rent amounts follows the June 2014 flat rent policy change and must be identified by October 31, 2014.

   **NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to establish the flat rent amounts listed below.
2. **Authorization to Submit FY’16 County Operating Budget**

Gail Willison, Chief Financial Officer and Terri Fowler, Budget Officer, gave a presentation.

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

**RESOLUTION: 14-102**

**RE: Authorization to Submit FY’16 County Operating Budget**

**WHEREAS**, the Housing Opportunities Commission (HOC) of Montgomery County wishes to submit a request for County funds for FY’16; and

**WHEREAS**, the County has instructed HOC to submit a base budget or “MARC” of $6,599,390 for FY’16 by November 13, 2014.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby submits a request for FY’16 County funds in the amount of $6,599,390.

3. **Approval to Submit FFY 2015 Public Housing Operating Subsidy Calculations to HUD for the Period January 1, 2015 through December 31, 2015**

Gail Willison, Chief Financial Officer and Terri Fowler, Budget Officer, gave a presentation.

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

**Resolution: 14-103**

Re: Approval to Submit FFY 2015 Public Housing Operating Subsidy Calculations to HUD for the Period January 1, 2015 through December 31, 2015

WHEREAS, HOC is required by HUD to submit a calculation of its Public Housing Operating Subsidy for each Asset Management Project (AMP) for the period January 1, 2015 through December 31, 2015.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Chair or his designee is hereby authorized to execute Form HUD-52723 (Calculation of Operating Subsidy) and Form HUD-52722 (Calculation of Utilities Expense Level) for the purpose of submitting staff’s calculations of the Public Housing Operating Subsidy for the period January 1, 2015 through December 31, 2015.

4. **Acceptance of HOC FY’14 Audited Financial Statements, Single Audit Report (A-133), and Management Letter**

Gail Willison, Chief Financial Officer and Belle Seyoum, Controller, gave a presentation.

The following resolution was adopted upon a motion by Vice Chair Roman and seconded by Commissioner Lindstrom. Affirmative votes were cast by Commissioners Piñero, Roman, Lindstrom, McFarland and Simon. Commissioners Banks and Herrera were necessarily absent and did not participate in the vote.
RESOLUTION: 14-104  

RE: Acceptance of HOC FY’14 Audited Financial Statements, Single Audit Report (A-133), and Management Letter

WHEREAS, the independent auditors, CliftonLarsonAllen, LLP, presented their report for FY’14 to the Budget, Finance and Audit Committee; and

WHEREAS, at a meeting held on November 5, 2014, the Budget, Finance and Audit Committee reviewed the FY’14 Audited Financial Statements, Single Audit Report (A-133), and Management Letter.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission accepts the FY’14 Audited Financial Statements, Single Audit Report (A-133), and Management Letter prepared by CliftonLarsonAllen, LLP.

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

1. Approval of the Final Refinancing Plan for Paddington Square Apartments, Approval of the Assignment of a Montgomery County Loan to Paddington Square Development Corporation (PSDC), Authorization for PSDC to Enter into an FHA Insured Loan with Love Funding Corporation and to Assume and Subordinate the Montgomery County Loan, Approval of FHA-Required Amendments to the Bylaws and Property Management Agreement of PSDC, and Authorization for the Executive Director to Execute all Related Transactional Documents

Kayrine Brown, Director of Mortgage Finance/Real Estate Development, and Jennifer Arrington, Senior Multi-family Underwriter, gave a presentation.

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

RESOLUTION: 14-105  

RE: Approval of the Final Refinancing Plan for Paddington Square, Approval of the Assignment of a Montgomery County Loan to Paddington Square Development Corporation (PSDC), Authorization for PSDC to Enter into an FHA-Insured Loan with Love Funding
WHEREAS, Paddington Square (the “Property”) is a 165-unit apartment community located at 8800 Lanier Drive in Silver Spring, Maryland which was acquired by the Paddington Square Development Corporation (PSDC or the “Corporation”), an entity wholly controlled by the Housing Opportunities Commission of Montgomery County (the “Commission”), in 2004; and

WHEREAS, the Property underwent a comprehensive renovation between 2005 and 2011; and

WHEREAS, on December 7, 2011, the Commission approved the retirement of the Property’s first mortgage in an amount up to $6,667,929, using the Commission’s line of credit with PNC Bank, N.A. with a current outstanding book balance of $6,170,125; and

WHEREAS, on November 7, 2012, the Commission approved the redemption of the outstanding $5,698,800 tax-exempt bonds, which had facilitated the first phase of renovation of the Property in 2005, and the refinancing of the same amount on an interim basis utilizing the Commission’s line of credit with PNC Bank, N.A. with a current outstanding book balance of $5,200,393; and

WHEREAS, the amount necessary to make principal payments for the two obligations on the Commission’s line of credit with PNC Bank, N.A. have been deposited into the Commission’s OH Bond Fund Account; and

WHEREAS, as of November 30, 2013, the Property had an outstanding debt from various sources totaling $27,783,649; and

WHEREAS, the Property had been unable to achieve, post-renovation, sustained occupancy of 93% or better for a consecutive six-month period; and

WHEREAS, the Commission, acting on behalf of PSDC, solicited qualifications from U.S. Federal Housing Administration (FHA) Multifamily Accelerated Processing (MAP) Lenders desiring to process this transaction through FHA and selected Love Funding Corporation (the “Lender”) to act as lender for the Property; and
WHEREAS, after a variety of options for permanent financing for the Property were explored, the Commission approved on January 8, 2014, a Refinancing Plan to engage the Lender to seek and obtain a firm commitment from FHA for a permanent mortgage loan insured under the Section 223(f) program, through the issuance of Ginnie Mae Mortgage Backed Securities; and

WHEREAS, the Commission and Lender submitted the Property’s final application to FHA on June 20, 2014, requesting mortgage insurance for a permanent loan in the amount of $20,741,700 for a term of 35 years with a debt service coverage ratio (DSCR) of at least 1.176:1.00; and

WHEREAS, on October 17, 2014, the Commission received the FHA firm commitment and locked the interest rate for the transaction at 3.60% with a one-year hard lock out and a nine-year declining prepayment penalty;

NOW, THEREFORE, BE IT RESOLVED that the Commission, acting in its own capacity and for and on behalf of PSDC, approves the Final Refinancing Plan to provide permanent financing for the Property through a permanent loan in the amount of $20,741,700 from the Lender with mortgage insurance under the FHA Section 223(f) Program (the “223(f) Loan”).

BE IT FURTHER RESOLVED that the Commission is authorized to draw funds from the OH Bond Fund Account in an amount estimated to be $738,000, which together with the 223(f) loan proceeds will satisfy the outstanding principal portion of the two obligations for the Property on the Commission’s line of credit with PNC Bank, N.A.

BE IT FURTHER RESOLVED that the Commission is authorized to assign the remaining outstanding balance of the Montgomery County, Maryland HIF Loan to PSDC;

BE IT FURTHER RESOLVED that the Commission, acting in its own capacity and for and on behalf of PSDC, authorizes and directs PSDC, without further action on its part, to:

1. Enter into the 207/223(f) Loan with Lender;
2. Accept the assignment of and subordinate the remaining outstanding balance of the Montgomery County, Maryland HIF Loan at the time of the closing on the 223(f) Loan (estimated to be $5.1 million); and
3. Amend its Bylaws and Property Management Agreement to include the FHA-required provisions that will automatically terminate when the 207/223(f) Loan is no longer insured or held by HUD.

BE IT FURTHER RESOLVED that the Executive Director is hereby designated by the Commission, acting in its own capacity and for and on behalf of PSDC, as their respective authorized representative to execute all documents on their behalf and, without further action on their respective parts, is hereby authorized and directed to take any and all other actions necessary
and proper to carry out the transactions contemplated herein, including but not limited to the 
exection of any and all documents related thereto.

2. Approval of a Bond Authorizing Resolution for RAD 6 Development Corporation 
Transaction

Kayrine Brown, Director of Mortgage Finance/Real Estate and Vivian Benjamin, Assistant 
Director of Mortgage Finance, gave a presentation.

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

RESOLUTION: 14-106 Re: Adoption of a Bond Authorizing Resolution 
for the Issuance of 2014 Series A 
Multifamily Housing Development Bonds

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 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED 
$24,000,000 (THE “2014 BONDS”) FOR THE PURPOSE OF THE FINANCING 
OF A MORTGAGE LOAN INSURED UNDER THE FHA RISK-SHARING 
PROGRAM FOR THE ACQUISITION AND REHABILITATION OF THE RAD 6 
DEVELOPMENT, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR 
OCCUPANCY, IN PART, BY PERSONS OF ELIGIBLE INCOME TO BE OWNED 
BY THE RAD 6 DEVELOPMENT CORPORATION; AUTHORIZING THE 
EXECUTION AND DELIVERY OF A SERIES INDENTURE, CERTAIN TAX-
RELATED DOCUMENTS, A DISCLOSURE AGREEMENT AND ANY AND ALL 
REAL ESTATE DOCUMENTS; APPROVING THE PREPARATION, EXECUTION 
AND DISTRIBUTION OF PRELIMINARY AND FINAL OFFERING DOCUMENTS 
RELATING TO THE 2014 BONDS; AUTHORIZING THE EXECUTION OF ANY 
OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE 2014 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 2014 BONDS TO 
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED AND THE 
OTHER UNDERWRITERS OR TO ANY OTHER INITIAL PURCHASERS 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 2014 BONDS AND TO MAKE ONGOING DETERMINATIONS RELATING
THERETO; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2014 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 long-term 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 (the “Trust Indenture”), by and between the Commission and U.S. Bank National Association (formerly Sun Trust Bank), as successor trustee (the “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 (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 Multifamily Housing Development Bonds, 2014 Series A (the “2014 Bonds”) pursuant to the Trust Indenture and the Series Indenture Providing for the Issuance of Multifamily Housing Development Bonds, 2014 Series A (the “Series Indenture”) (i) to make money available for the acquisition and rehabilitation of six developments—Seneca Ridge, Parkway Woods, KenGar, Sandy Spring Meadow, Towne Centre Place and Washington Square (collectively, the “RAD 6 Development”),
owned and operated by the RAD 6 Development Corporation, an entity wholly controlled by the Commission, (ii) to reimburse the Commission for prior expenditures of Commission funds to finance the acquisition and rehabilitation of the RAD 6 Development; (iii) to make the required deposit to the Reserve Fund (as defined in the Trust Indenture) as required by the Trust Indenture and the Series Indenture; and (iv) to reimburse the Commission for prior capital expenditures (such purposes hereinafter referred to as, the “Financing Plan”); and

WHEREAS, the Mortgage Loan to be financed with the proceeds of the 2014 Bonds will be endorsed for federal insurance under the Risk-Sharing Agreement, dated September 23, 1994 (the “Risk-Sharing Agreement”), by and between the Commission and the Secretary of the U.S. Department of Housing and Urban Development (“HUD”), pursuant to which Risk-Sharing Agreement, the Commission will reimburse HUD for its losses under the Mortgage Loan in an amount not greater than 50% of the outstanding principal balance of the Mortgage Loan; and

WHEREAS, in connection with the issuance of the 2014 Bonds and the accomplishment of the Financing Plan, the Commission anticipates entering into various documents, including, but not limited to the Series Indenture and, as hereinafter defined, the Offering Documents, the Contract of Purchase, the Tax-Related Documents, the Disclosure Documents, the Real Estate Documents and certain other documents relating to the sale of the 2014 Bonds and the financing of the RAD 6 Development;

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

1. **2014 Bonds.** The 2014 Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed $24,000,000 to carry out the purposes under the Program as described above. Subject to the following sentence, the Bonds shall be separately designated “2014 Series A.” Notwithstanding the foregoing, the Executive Director is hereby authorized to approve, in consultation with the Financial Advisor and Bond Counsel to the Commission, such greater number of series of bonds to be issued in connection with the Financing Plan and to determine the designations therefor. The 2014 Bonds are to be issued pursuant to the terms of the Trust Indenture and pursuant to the terms of the Series Indenture. The 2014 Bonds shall be limited obligations of the Commission, secured by and payable solely from moneys pledged therefor under the Indenture.

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 Indenture and such other documents approved hereby.

3. **Series Indenture.** The Chairman, the Vice Chairman, or the Chairman Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver the Series Indenture in such form 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
4. **Tax-Related Documents.** The Chairman, the Vice Chairman, the Chairman Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver a Tax Regulatory Agreement and No Arbitrage Certificate and other documents (collectively, the “Tax-Related Documents”) restricting the application of the proceeds of the 2014 Bonds and the use and occupancy of the RAD 6 Development in such forms as shall be prepared by Bond Counsel and approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director, the execution of the Tax-Related Documents being conclusive evidence of such approval and of the approval of the Commission. The Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission is hereby further authorized and directed to execute and deliver on behalf of the Commission Internal Revenue Service Form 8038-G relating to the 2014 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 2014 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. **Real Estate Documents.** The Commission hereby 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 RAD 6 Development.

7. **Offering Documents.** The Commission hereby authorizes and approves the preparation and distribution of one or more preliminary offering documents of the Commission and the preparation, execution and distribution of one or more final offering documents (collectively, the “Offering Documents”), each relating to the 2014 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 2014 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 2014 Bonds to Merrill Lynch, Pierce, Fenner & Smith Incorporated and such other underwriters 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 sale to the initial purchasers of the 2014 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 2014 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, is hereby authorized, from time to time during the period the 2014 Bonds are outstanding, to make ongoing determinations, as may be required by the terms of the Series Indenture and any other financing documents relating to the 2014 Bonds, the RAD 6 Development and the 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 Mortgage Loan and the refunding and redemption of the 2014 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 issuance and sale of the 2014 Bonds and the accomplishment of the Financing Plan.


13. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the 2014 Bonds, the Series Indenture, the Contract of Purchase, the Tax-Related Documents, the Offering Documents, the Real Estate Documents, the Disclosure Agreement 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 2014 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 2014 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.

3. **Approval by HOC and RAD 6 Development Corporation of Relocation Plan for Washington Square and Emory Grove Approved for Disposition Under the Rental Assistance Demonstration program and HOC Approval of Funding Thereof**

Kayrine Brown, Director of Mortgage Finance/Real Estate, and Zachary Marks, Assistant Director of New Development, gave a presentation.

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

**RESOLUTION: 14-107**

**RE:** Approval by HOC and RAD 6 Development Corporation of Relocation Plan for Washington Square and Emory Grove Approved for Disposition Under the Rental Assistance Demonstration program and HOC Approval of Funding Thereof

**WHEREAS,** the Housing Opportunities Commission of Montgomery County (“HOC”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and
WHEREAS, on March 26, 2014, HOC received a Commitment to enter into a Housing Assistance Payment contract (“CHAP”) from the United States Department of Housing and Urban Development (“HUD”) in conjunction with HOC’s application to HUD’s Rental Assistance Demonstration (“RAD”) program for the Emory Grove and Washington Square projects; and

WHEREAS, the CHAP gives HOC contingent approval to convert the 104 units at Washington Square and Emory Grove Village, two communities owned by HOC, from Public Housing subsidy to Project-Based Section 8 rental assistance; and

WHEREAS, HOC is the sole member of RAD 6 Development Corporation (“RAD 6 Owner”), a Maryland non-stock corporation, which will acquire Washington Square, in addition to Seneca Ridge, Towne Centre Place, Ken Gar, Sandy Spring, and Parkway Woods (collectively, the “RAD 6 Development”), in connection with the conversion of those properties from public housing project to Project-Based Section 8 projects on the RAD Program; and

WHEREAS, one contingency for conversion under the RAD Program and the CHAP is that the number of units receiving rental assistance subsidy after conversion be, at least, equal to the existing number of units currently receiving public housing subsidy; and

WHEREAS, another contingency for conversion under the RAD Program and the CHAP is that all units receiving rental assistance subsidy after conversion be renovated such that all physical property needs have been met; and

WHEREAS, the RAD program allows for the transfer of assistance from existing locations to units of comparable quality in other locations throughout the County; and

WHEREAS, HOC and RAD 6 Owner wish to reduce the concentration of poverty at Washington Square and Emory Grove Village and provide their residents with opportunities to live in more diversified communities; and

WHEREAS, of the 104 units, HOC will be transferring rental assistance for 84 units to HOC-owned, newly renovated town homes, condominiums, and single-family detached homes throughout the County; and

WHEREAS, 70 of these 84 units are currently occupied by households who will also relocate to newly renovated units; and

WHEREAS, HOC and RAD 6 Owner must provide and fund reasonably necessary logistical resources associated with resident relocation.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of RAD 6 Development Corporation, approves the relocation plan for Washington Square.
BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County:

1. Approves the relocation plan for Emory Grove;

2. Approves the funding for relocation plan for Washington Square and Emory Grove Village in the amount of $132,500.

3. Approves, as the source of the funding, HOC’s capital expenses reimbursement proceeds from the senior mortgage for the rehabilitation of the RAD 6 Development.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of RAD 6 Development Corporation, that the Executive Director is hereby authorized and directed, 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. **Approval to Increase General Partner Loan to Tanglewood and Sligo, LP and the Acceptance of such Funds by the Partnership to Fund Additional Project Costs**

Kayrine Brown, Director of Mortgage Finance/Real Estate, and Richard Hanks, Housing Acquisitions Manager, gave a presentation.

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

**RESOLUTION: 14-108 RE: Approval to Increase the General Partner Loan to Tanglewood and Sligo LP (“Partnership”) and the Acceptance Of such Funds by the Partnership to Fund Additional Project Costs**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”), is the sole member of HOCMC, LLC (the “General Partner”), the general partner in a limited partnership known as Tanglewood and Sligo LP (the “Partnership”); and

WHEREAS, the Partnership was established to provide the benefit of low income housing tax credits to a certain property known as Tanglewood and Sligo Apartments located in Silver Spring (the “property”) pursuant to Section 42 of the Internal Revenue Code of 1986;
WHEREAS, on January 2, 2013, construction began on the renovation of the Property with a planned completion date of late March 2014; and

WHEREAS, the project’s general contractor contract did not include the requirement for the general contractor and its sub-contractors to pay prevailing wages under the Davis Bacon and Related Acts (the “Davis Bacon Wages”), as required by the use of certain federal funds for the Property’s renovation, and which Davis Bacon Wages, when added to the construction costs, created a funding deficit; and

WHEREAS, in addition, the planned renovation work on the project experienced other significant and unanticipated expenses relating to changes in the scope of work due to conditions on the Property that were not reflected on plans and drawings; and

WHEREAS, the previous estimate for the total impact of construction/hard cost adjustments in excess of the budgeted contingency was approximately $1.8 million – based in part on an undocumented estimate of the Davis Bacon Wages liability of $728,516 – of which a portion can be paid for from savings in other categories; and

WHEREAS, after receiving the documentation for 67% of the total relevant contracts the Davis Bacon Wages liability is currently estimated to be $767,161, which, when combined with other shortfalls, increases the unfunded liability by approximately $353,756; and

WHEREAS, The Commission, as the guarantor of all of the General Partner’s obligations to the Partnership and as the sole member of the General Partner, has obligations to assure the lien-free completion of the rehabilitation, the conversion of the construction financing to permanent financing, and the timely delivery of the tax credits (collectively, the “Obligations”); and

WHEREAS, on October 3, 2013 the Commission authorized a loan to the Partnership of up to $1.2 million (the “General Partner Loan”) from the Opportunity Housing Reserve Fund (the “OHRF”), which was utilized to pay additional project costs beyond the amount provided in the budget; and

WHEREAS, given the circumstances, it is appropriate for the Commission to identify sources of funding to cover project costs beyond the current and revised budgeted amount to complete the work on the Property.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of HOCMC, LLC, authorizes an increase in the amount of the General Partner Loan to the Partnership of up to $400,000 from the OHRF to be utilized to pay project costs beyond the amount provided for in the current and revised budget in order to satisfy the Obligations, with repayment on the General Partner Loan anticipated to be made by March 31, 2015 with funds from the permanent financing of the Property and/or from equity funds that would otherwise have been paid to the Commission as developer fee.
BE IT FURTHER RESOLVED by the Commission, acting for and on behalf of the General Partner, acting for an on behalf of the Partnership, that the Partnership is authorized and directed to accept the advance of the additional General Partner Loan funds and apply such funds toward additional project costs.

BE IT FURTHER RESOLVED by the Commission, acting in its own capacity and for and on behalf of the General Partner, acting in its own capacity and for an on behalf of the Partnership, that the Executive Director is, without further action on their respective parts, authorized and directed to execute the taking of 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.

5. Consent to the Transfer of Ownership Interest in the Borrower/Owner of Charter House

Kayrine Brown, Director of Mortgage Finance/Real Estate, Vivian Benjamin, Assistant Director of Mortgage Finance, and Mary Ellen Ewing, Portfolio Manager, gave a presentation.

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

RESOLUTION: 14-109

Re: To Authorize the Consent of the Commission to the Transfer by the Sole Member of 100% of its Membership Interests in the Borrower under the Mortgage Loan relating to the Commission’s Multifamily Housing Development Bonds, 2004 Series A

AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS NECESSARY TO THE CONSENT OF THE COMMISSION TO THE TRANSFER OF THE MEMBERSHIP INTEREST IN THE BORROWER; APPOINTING THE BOND COUNSEL; 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 empowers the Commission to make mortgage loans to qualified sponsors to provide for the construction, rehabilitation and long-term 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, in furtherance of the Act and the Program, and at the request of Homes for Silver Spring, LLC, a Maryland limited liability company (the “Borrower”), the Commission issued its Multifamily Housing Development Bonds, 2004 Series A (the “Bonds”) in the aggregate principal amount of $13,700,000 pursuant to the Trust Indenture dated as of November 1, 1996 (the “1996 Indenture”) and the Series Indenture dated as of November 1, 2004 Providing for the Sale and Issuance of $13,700,000 Principal Amount of Multifamily Housing Development Bonds 2004 Series A, each by and between the Commission and the Trustee (the “2004 Series A Indenture,” and together with the 1996 Indenture, the “Indenture”); and

WHEREAS, the Commission made a loan (the “Mortgage Loan”) to the Borrower from the proceeds of the Bonds pursuant to that certain Loan Agreement dated as of November 1, 2004 (the “Loan Agreement”), by and between the Commission and the Borrower, for the purpose of financing the acquisition, rehabilitation and equipping by the Borrower of a 212-unit multifamily residential rental development for independent, elderly persons over the age of 55 years located in Montgomery County, Maryland, known as Charter House Apartments (the “Development”), and

WHEREAS, credit enhancement for the Mortgage Loans was provided by Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. §1716 et seq. (“Fannie Mae”); and

WHEREAS, Homes for America, Inc., the sole member of the Borrower (the “Sole Member”) has informed the Commission that it desires to transfer 100% of its membership interest in the Borrower (the “Transfer”) to AHC, Inc. (the “Transferee”); and
WHEREAS, the Loan Agreement and certain other of the documents executed in connection with the issuance of the Bonds (collectively, the “Transaction Documents”) contain requirements which must be satisfied prior to the transfer of the Development and the transfer of ownership interests in the Borrower, including, but not limited to, (i) the prior written consent of the Commission and Fannie Mae and (ii) the assumption by the Transferee of the obligations of the Homes for America, Inc., the transferor entity (hereinafter, the “Transferor”) under the Transaction Documents; and

WHEREAS, the Commission has been provided a letter (the “Letter”) written by Bellwether Enterprise Real Estate Capital, LLC, the servicer of the Mortgage Loan, informing the Sole Member that Fannie Mae has agreed in concept to the Transfer, subject to certain conditions set forth in the Letter; and

WHEREAS, the Borrower has requested the Commission’s written consent to the Transfer;

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

Section 1. Incorporation of Recitals. The Recitals contained in this Resolution are true and correct and are incorporated in this Resolution by this reference.

Section 2. Consent to Transfer. Subject to the determination of the Executive Director of the Commission, in the sole discretion of the Executive Director, that the conditions stated herein below have been satisfied, the Commission hereby authorizes the Executive Director to consent to the Transfer in accordance with the information provided by the Borrower to the Commission setting forth the details of such Transfer.

The consent of the Commission provided by this Resolution is conditioned upon the following:

a. receipt by the Commission of written confirmation that all conditions to the consent of Fannie Mae to the Transfer as set forth in the Letter have been satisfied;

b. receipt by the Commission of all organizational documents of the Transferee and certificates of good standing of the Transferee within the State of Maryland;

c. receipt by the Commission of all financial information requested by HOC relating to the Transferee and all financial information requested by HOC relating to the Transferor;

d. an executed assumption agreement or similar agreement acceptable to HOC (the “Assumption Agreement”) by and between the Transferee and the Transferor whereby the Transferee agrees to assume all of the obligations of the Transferor under the Transaction Documents, as applicable;
the written agreement of the Borrower to pay all fees and expenses of the Commission, including but not limited to, the fees and expenses of its Bond Counsel and any fees due and owing to the Commission under the documents executed in connection with the Transfer;

delivery to the Commission of the opinion of Bond Counsel to the Commission that the actions taken in connection with the Transfer will not adversely affect the tax-exempt status of the Bonds;

delivery to the Commission of the opinion of counsel to the Transferee relating to the enforceability of the Assumption Agreement against the Transferee; and

delivery to the Commission of such other documents or opinions not specifically mentioned herein, as may be required by the Transaction Documents, as identified by Bond Counsel.

The consent of the Commission provided by this Resolution is limited to the matters specifically referenced herein, and any subsequent sale, transfer or encumbrance of all or any portion of the Project or of any interest in the Borrower is subject to the additional written consent of the Commission.

Section 3. **Execution of Consent Documents.** Upon satisfaction of the above-stated conditions, the Chairman, Vice Chairman, Chairman Pro tem or Executive Director of the Commission is hereby authorized and directed to execute and deliver the Assumption Agreement and any further documents evidencing or relating to the consent of the Commission to the Transfer (collectively, the “Consent Documents”), in such forms as may be approved by the Chairman, Vice Chairman, Chairman Pro tem or Executive Director of the Commission, and the execution of such Consent Documents by the Chairman, Vice Chairman, Chairman Pro tem or Executive Director of the Commission shall be conclusive evidence of approval thereof by the Commission, and the Secretary-Treasurer of the Commission or any other authorized officer (an “Authorized Officer”) is hereby authorized and directed to affix the seal of the Commission to the Consent Documents and to attest the same.

Section 4. **Appointment of Bond Counsel.** Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the matters herein described relating to the Transfer.

Section 5. **Other Action.** The Chairman, Vice Chairman, Chairman Pro tem or Executive Director of the Commission or any Authorized Officer is hereby authorized and directed to execute and deliver any and all additional documents and instruments necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution or the Consent Documents or otherwise in connection with the Transfer.

Section 6. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the Consent Documents 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 in any respect in connection with the Consent Documents or be subject to personal liability or accountability by reason of the execution thereof.

Section 7. **Action Ratified, 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 the furtherance of the execution and delivery of the Consent Documents and the Transfer are in all respects ratified, approved and confirmed.

Section 8. **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 or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

Section 9. **Effective Date.** This Resolution shall take effect immediately.

6. **Approval of Contracts for HVAC Replacement and Repair Services at Scattered Site Properties**

Kayrine Brown, Director of Mortgage Finance/Real Estate, Vivian Benjamin, Assistant Director of Mortgage Finance, and Mary Ellen Ewing, Portfolio Manager, gave a presentation.

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

**RESOLUTION: 14-110**

**RE:** Approval of Contracts for HVAC Replacement and Repair Services at Scattered Site Properties

**WHEREAS,** the Housing Opportunities Commission of Montgomery County (HOC) issued an Invitation for Bids (IFB) for HVAC Replacement and Repair Services at Scattered Site Properties; and

**WHEREAS,** six (6) companies submitted bids in response to the IFB; and

**WHEREAS,** staff determined that the first and second lowest responsive and responsible bidders that submitted the most fair and reasonable bid prices are Fresh Air Concepts, Inc. and Complete Mechanical and Electrical Solutions, LLC.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director or his designee is hereby authorized and
directed to execute a contract with Fresh Air Concepts, Inc. in the amount of up to $350,000 and a contract with Complete Mechanical and Electrical Solutions, LLC in the amount of up to $350,000, which amounts will be payable from the respective scattered site property budgets.

7. **Authorization for the Executive Director to Execute a Contract with Foulger Pratt for the Rehabilitation of the RAB 6 Developments Approved for Disposition Under the Rental Assistance Demonstration Program**

Kayrine Brown, Director of Mortgage Finance/Real Estate, and Zachary Marks, Assistant Director of New Developments, gave a presentation.

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

**RESOLUTION: 14-111 RE: Approval to Authorize the Executive Director to Enter into Contracts for General Contracting Services for the Renovation of the RAD 6 Development**

**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 authorize 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,** on December 18, 2013 and March 26, 2014, HOC received a Commitment to enter into a Housing Assistance Payment contract (“CHAP”) for four Asset Management Projects, which includes seven HOC-owned communities – Emory Grove, Ken Gar, Seneca Ridge (also known as Middlebrook Square), Parkway Woods, Sandy Spring Meadow, Towne Centre Place, and Washington Square – from the United States Department of Housing and Urban Development (“HUD”) in conjunction with HOC’s application to HUD’s Rental Assistance Demonstration (“RAD”) program; and

**WHEREAS,** HOC determined that the Emory Grove property could not be reasonably and cost-effectively renovated and that Washington Square, Seneca Ridge, Towne Centre Place, Ken Gar, Sandy Spring, and Parkway Woods (collectively, the “RAD 6 Development”), comprising 268 multifamily units, could be reasonable and cost-effectively renovated; and
WHEREAS, HOC is the sole member of RAD 6 Development Corporation ("RAD 6 Owner")< a Maryland non-stock corporation, which will acquire the RAD 6 Development in connection with the conversion of those properties from Public Housing subsidy to Project-Based Section 8 subsidy via the RAD program; and

WHEREAS, on May 7, 2014, HOC approved both the Preliminary Development Plan for the RAD 6 Development and the selection of a pool of four prequalified general contractors from which HOC would select one or more general contractors to perform the rehabilitation work proposed; and

WHEREAS, on August 6, 2014, HOC approved both the Final Development Plan for the RAD 6 Development and the selection of two contractors to perform the rehabilitation work outlined in the Final Development Plan; and

WHEREAS, upon further consideration, HOC wishes to engage Foulger-Pratt Contracting, LLC, as the general contractor for the rehabilitation of the RAD 6 Development; and

WHEREAS, the Final Development Plan included an estimated cost for the rehabilitation based on August 2014 pricing and, based on current negotiations with Foulger-Pratt Contracting, LLC, final pricing is anticipated to be higher due in part to increased market constraints; and

WHEREAS, HOC anticipates that the increased cost for the rehabilitation will not cause the aggregate cost of the rehabilitation to exceed Thirteen Million dollars ($13,000,000) and will continue to negotiate for the lowest and most advantageous construction contract amount possible; and

WHEREAS, the aggregate amount of the construction contracts for the rehabilitation of the RAD 6 Development will be funded by the proceeds from the senior loan made to the RAD 6 Owner as described by the Final Development Plan (Senior Loan”); and

WHEREAS, to approve funding for the Senior Loan, the lender must be presented with executed construction contracts for the total scheduled rehabilitation work in the aggregate amount.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of RAD 6 Development Corporation, authorizes the Executive Director, without further action on their respective parts, to execute on behalf of the RAD 6 Development Corporation any and all contracts with Foulger-Pratt Contracting, LLC (or an affiliate thereof), in an aggregate amount not to exceed Thirteen Million Dollars ($13,000,000), to perform the rehabilitation work outlined in the Final Development Plan and funded from the Senior Loan.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of RAD 6 Development Corporation,
that the Executive Director is hereby authorized and directed, 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 other documents related thereto.

IV. **ITEMS REQUIRING DELIBERATION AND/OR ACTION**
   No Reports

V. **FUTURE ACTION ITEMS**
   A. None

VI. **INFORMATION EXCHANGE (CONT’D)**
   - Community Forum

VII. **NEW BUSINESS**
   None

VIII. **Executive Session Findings**
   None

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

The meeting adjourned at 6:04 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb
Information Exchange
Housing and Resources Expo

On Saturday, November 22, 2014, staff from around the agency participated in the first HOC Housing and Resources Expo. More than 850 invitations were sent to existing clients on the unit transfer list as well as those waiting for Opportunity Housing.

More than 300 clients attended; an overwhelming response rate. It was very sobering to see the extent of the need in Montgomery County first hand and it underscores the urgency of our work. Even though the event did not begin until 10:00 a.m., clients arrived on buses and were waiting for the doors to open as early as 7:30 a.m. Staff opened the doors so guests could wait in warmth.

Overall, the event was a success in that 146 applicants received certification packets to fill the 96 available recently renovated disposition units. Those that are unable to secure a unit immediately will have additional opportunities as new renovated units become available.

Ideas for a larger Housing Expo in the spring are being discussed and I will share the date as soon as it is scheduled.

Resident Services

Thanksgiving Baskets Distributed

On November 24, 2014, staff from every division participated in the preparation and moving of 107 Thanksgiving Food baskets at the Bullis School in Potomac. Resident Services partnered with Bullis, the Institute of Real Estate Management, and the Holiday Giving Coalition to fill and prepare the baskets. Ninety-seven of the baskets were then distributed to clients from Washington Square the same evening. The remaining 10 were delivered to those unable to pick up their baskets.

Rent Supplement Program Receives NACo Achievement Award

HOC’s work in administering the successful Rent Supplement Program has been selected for a 2014 National Association of Counties (NACo) Achievement Award. The Rent Supplement Program was nominated by County Executive Isiah Leggett and recognizes the program as a national example of best practices.

The award will be presented at a ceremony to be held at the Executive Office Building in Rockville on Wednesday, December 17, 2014 at 2:30 p.m.
Finance

HOC Receives GFOA Award

Once again, the Budget team has been honored by the Government Finance Officers Association (GFOA) with the Distinguished Budget Presentation Award. The honor is even more special this year because it recognizes the first two-year budget that HOC has attempted.

The Award represents the highest form of recognition in governmental budgeting and represents a significant achievement for the agency. In particular, I'd like to highlight the work of Terri Fowler, Budget Officer, and Maria Montero, Assistant Budget Officer for leading such a successful budget effort.

Legislative & Public Affairs

Purple Line Corridor Coalition Workshop

On November 17, 2014, Commissioner Lindstrom and Scott Ellinwood attended a workshop hosted by the Purple Line Corridor Coalition (PLCC) to refine a community compact which will inform the advocacy goals for the Coalition moving forward.

One of the shortcomings in the previous compact draft is that it fails to explicitly call for increasing the number of housing units along the planned corridor. Both Commissioner Lindstrom and Scott submitted revisions to improve this language and also clarify potential uses of a trust fund, which could be used to assist displaced families.

After feedback is incorporated into the next draft, a smaller, advisory committee will begin the process of planning, prioritizing and capitalizing the effort next spring.

Housing Resources

Domestic Violence Training

On November 4, 2014, Fred Swan arranged for Housing Resources staff to be trained on identifying and intervening in cases of domestic violence. Resident Services employees underwent the training on October 21st.

The training was delivered by Vivian Levi, Clinical Director of the Betty Ann Krahneke Center and provided important information to staff on key indicators of domestic violence and emotional abuse and its impact on the entire family.

Staff was also instructed on how to report or escalate concerns on behalf of clients affected by domestic violence and emotional abuse.
FSS Graduation

On November 6, 2014, HOC held the 21st annual graduation ceremony of the Family Self-Sufficiency (FSS) program. Thirty-eight individuals successfully completed the five-to-seven year program and five of them are already home owners!

Congratulations to Nancy Scull and her entire team of FSS case workers who make the program a national model.
December 2014

3 Longevity Awards Reception (All)  3:00 p.m.
3 Longevity Awards Presentation (All)  4:00 p.m.
3 HOC Regular Meeting (All)  4:30 p.m.
4 Worksession – re: Annual Evaluation of the HUBs (TD 14-04) (All) [Rescheduled for 12/11/14]  10:00 a.m.
9 Legislative and Regulatory Committee (Banks, Roman, Simon)  2:00 p.m.
11 Budget, Finance & Audit Committee (1st Quarter) (Roman, Piñero)  10:00 a.m.
11 Worksession – re: Annual Evaluation of the HUBs (TD 14-04) & Status of HOC Reorganization (TD 14-03) (All)  12:00 noon
11 Information and Communication Committee (Banks, Simon)  4:00 p.m.
15 Resident Advisory Board (Banks)  7:00 p.m.
17 Executive Session (All)  10:00 a.m.
18 Development and Finance Committee (Lindstrom, Simon, Herrera)  11:30 a.m.
25 Christmas Holiday (HOC Closed)

January 2015

1 New Year’s Day Holiday (HOC Closed)
5 Agenda Formulation (Piñero, Banks)  1:00 p.m.
14 HOC Regular Meeting (All)  4:00 p.m.
15 Joint Meeting with Planning Board (All) (M-NCPCC, 8787 Georgia Ave., Silver Spring, MD)  6:00 p.m.
19 Martin Luther King, Jr. Holiday (HOC Closed)
20 Legislative and Regulatory Committee (Banks, Roman, Simon)  2:00 p.m.
21 Executive Session (All)  10:00 a.m.
22 Development and Finance Committee (Lindstrom, McFarland, Simon)  11:30 a.m.
26 Agenda Formulation (Piñero, Banks)  1:00 p.m.
26 Resident Advisory Board (Banks)  7:00 p.m.

February 2015

4 HOC Annual Meeting (All)  4:00 p.m.
(HOC Annual Meeting Reception, 3:00 p.m. – Atrium)
10 Planning Committee Meeting (Roman, Lindstrom)  2:00 p.m.
11 Executive Session (All)  10:00 a.m.
16 Presidents’ Day (HOC Closed)
19 Development and Finance Committee Meeting (Lindstrom, McFarland, Simon)  11:30 a.m.
23 Agenda Formulation (Piñero, Roman)  1:00 p.m.

March 2015

4 HOC Regular Meeting (All)  4:00 p.m.
11 Executive Session (All)  10:00 a.m.
19 Development and Finance Committee Meeting (Lindstrom, McFarland, Simon)  11:30 a.m.
23 Agenda Formulation (Piñero, Roman)  1:00 p.m.
April 2015

1  HOC Regular Meeting (All)  4:00 p.m.
8  Executive Session (All)  10:00 a.m.
16 Development and Finance Committee Meeting (Lindstrom, McFarland, Simon)  11:30 a.m.
27 Agenda Formulation (Piñero, Lindstrom)  1:00 p.m.

May 2015

6  HOC Regular Meeting (All)  4:00 p.m.
13 Executive Session (All)  10:00 a.m.
14 Development and Finance Committee Meeting (Lindstrom, McFarland, Simon)  11:30 a.m.
18 Agenda Formulation (Piñero, Lindstrom)  1:00 p.m.

Activities of Interest

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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</thead>
<tbody>
<tr>
<td>TBD</td>
<td>Joint Meeting with Commission on People with Disabilities</td>
</tr>
<tr>
<td>01/15/2015</td>
<td>Joint Meeting with the Planning Board</td>
</tr>
<tr>
<td>TBD</td>
<td>Property Tour III</td>
</tr>
</tbody>
</table>

**changes/additions in red

December 3, 2014
## TO DO / ACTION

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>DUE DATE</th>
<th>ACTION</th>
<th>STAFF</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TD-14-03</td>
<td>Dec. 11, 2014</td>
<td>Status of HOC Reorganization Property Assessment Tool</td>
<td>SS</td>
<td>Worksession</td>
</tr>
<tr>
<td></td>
<td>TD-14-06</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TD-14-04</td>
<td>Dec. 4, 2014</td>
<td>Annual Evaluation of the HUBs – what things are working and what needs improvement</td>
<td>GS/BD</td>
<td>Worksession</td>
</tr>
<tr>
<td>TD-14-05</td>
<td>Jan. 2015</td>
<td>HOC Academy</td>
<td>GS</td>
<td></td>
</tr>
<tr>
<td>TD-14-07</td>
<td>Dec. 2014</td>
<td>Procurement Policy</td>
<td>KM</td>
<td>Worksession</td>
</tr>
</tbody>
</table>
Committee Reports and Recommendations for Action
Development and Finance Committee
AMENDMENT TO PRIOR AUTHORIZATION TO BRIDGE CONTRACT FOR PLAYGROUND INSTALLATION AT RAD 6 PROPERTIES

FAMILY PUBLIC HOUSING

STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN
ZACHARY MARKS
JAY SHEPHERD

December 3, 2014
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>Bridge Existing National Joint Power Alliance (NJPA) Contract</td>
<td>4</td>
</tr>
<tr>
<td>Pricing</td>
<td>5</td>
</tr>
<tr>
<td>Summary &amp; Recommendation</td>
<td>6</td>
</tr>
</tbody>
</table>
Executive Summary

- On August 6, 2014 the Commission gave its approval to bridge an existing Montgomery County contract with Triple J Construction for the Installation of Playground equipment at Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, and Washington Square Developments.

- Upon closer review of the contract, staff determined that the Agency’s needs were not adequately met and subsequently began pursuing other options.

- Staff has identified a contract vehicle that is more suitable for installing the playgrounds at the RAD 6 properties and reduces the overall cost of the project by $62,446.

- The National Joint Powers Alliance® (NJPA) is a national public service agency which serves municipalities and non-profits nationally by providing master contract vehicles that entities can bridge as they strive for efficient public service.

- Under the NJPA program, HOC can bridge a national contract with PlayPower LT Farmington, Inc., the manufacturer of Little Tykes playground and recreation related equipment.

- Staff seeks authorization to enter into a contract for the removal and installation of playgrounds at the RAD 6 properties with PlayPower LT Farmington, Inc. under the NJPA contract authority. The funding source is County CIP appropriation.
National Joint Powers Alliance® (NJPA) is a national public service agency committed to serving its members nationally and locally through a variety of valued programs. NJPA provides contract mechanisms to assist government and education entities as they strive for efficient public service.

PlayPower LT Farmington, Inc. is the US-based manufacturer of Little Tikes Commercial and Iron Mountain Forge brands. One of the largest domestic manufacturers of recreational products in the U.S., the company has been dedicated to providing the highest levels of quality, safety and customer service for over 30 years.

The Procurement Office has confirmed that HOC may utilize this contract vehicle for this project and bridge the NJPA Contract with PlayPower LT Farmington, Inc.
Pricing

The NJPA contract in comparison to the original contract is $62,446 less. This reflects an approximate 10.6% decrease in total cost to the Commission.

Additional benefits from the NJPA contract include:
1. Procurement access to the full-spectrum of Little Tykes playground equipment, to tailor the equipment to its intended location.
2. Contract expires in 2017, providing a significant amount of time to finish the work.
3. Meets Davis-Bacon requirements to satisfy the funding restrictions enforced under the County’s Capital Improvements Program ("CIP").

<table>
<thead>
<tr>
<th>Property</th>
<th>No. of Playgrounds</th>
<th>Original Contract</th>
<th>New Contract</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Towne Centre Place</td>
<td>3</td>
<td>$195,325</td>
<td>$211,849</td>
<td>($16,524)</td>
</tr>
<tr>
<td>KenGar</td>
<td>1</td>
<td>$43,770</td>
<td>$20,788</td>
<td>$22,982</td>
</tr>
<tr>
<td>Sandy Spring Meadow</td>
<td>2</td>
<td>$142,265</td>
<td>$123,308</td>
<td>$18,957</td>
</tr>
<tr>
<td>Parkway Woods</td>
<td>1</td>
<td>$70,330</td>
<td>$91,594</td>
<td>($21,264)</td>
</tr>
<tr>
<td>Washington Square</td>
<td>1</td>
<td>$136,940</td>
<td>$78,645</td>
<td>$58,295</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8 (1)</strong></td>
<td><strong>$588,630</strong></td>
<td><strong>$526,184</strong></td>
<td><strong>$62,446</strong></td>
</tr>
</tbody>
</table>

(1) Installation of Playgrounds will occur at Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, and Washington Square. Seneca Ridge is not included because of recent (2009) playground equipment upgrades.
Summary and Recommendations

Issues for Consideration

Does the Commission wish to accept the recommendation of the Development and Finance Committee to amend prior authorization to bridge contract for playground installation at RAD 6 properties?

- The contract will be with PlayPower LT Farmington, Inc.;
- The funding source is County CIP appropriation; and
- The Commission will realize a savings of $62,446 when compared to the prior contract.

Time Frame

Action at the December 3, 2014 meeting of the Commission.

Staff Recommendation and Commission Action Needed

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and authorize staff to bridge the NJPA Contract with PlayPower LT Farmington, Inc. for the Installation of Playgrounds at Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, and Washington Square Developments.

The funding is from the Capital Improvement Program FY13 & FY14 funds allocated to HOC for use at its Public Housing and deeply subsidized properties. Work will be scheduled immediately upon Commission approval. Staff will work closely with PlayPower LT Farmington, Inc. to plan, design and build fully accessible playgrounds that allow all children, regardless of their abilities, to play together.
RESOLUTION: RE: Approval to Amend Prior Authorization to Bridge Contract for Playground Installation at RAD 6 Properties.

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”), receives funding from the Montgomery County Capital Improvements Program (“CIP”) as funds allocated to HOC for use at its public housing and deeply subsidized properties; and

WHEREAS, on August 6, 2014 the Commission authorized to execute a contract with Triple J Construction for $588,630 for the removal of existing and installation of new playgrounds at Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, and Washington Square (“Playground Sites”); and

WHEREAS, HOC has identified an alternate contract under the National Joint Powers Alliance (“NJPA”) authority that is more suitable and cost effective for installing the playgrounds at the RAD 6 properties; and

WHEREAS, PlayPower LT Farmington, Inc. is an equipment manufacturer and general contractor under the National Joint Powers Alliance program providing HOC with a full suite of equipment options that are cost effective and compliant with County funding guidelines; and

WHEREAS, the Commission desires to amend the prior authorization to execute a contract with Triple J Construction and instead bridge the NJPA contract with PlayPower LT Farmington, Inc. for the removal of existing and installation of new playgrounds at the Playground Sites; and

WHEREAS, the Commission solicited and received a bid priced at $526,184, in the aggregate, for the removal and installation of eight (8) playgrounds at the Playground Sites from PlayPower LT Farmington, Inc.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to execute a contract with PlayPower LT Farmington, Inc. for $526,184, for the removal of existing and installation of new playgrounds at Towne Centre Place, KenGar, Sandy Spring Meadow, Parkway Woods, and Washington Square.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on December 3, 2014.

S
E
A
L
Patrice M. Birdsong
Special Assistant to the Commission
CONVERSION OF FOUR 236 PROPERTIES

RAD PROGRAM (PART TWO) PARTICIPATION

STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE BROWN
ZACHARY MARKS

December 3, 2014
Executive Summary

HOC is the 1% owner of two properties (Willows and Stewartown) and manages two others (Bauer Park and Town Center upon whose boards HOC commissioners sit), originally funded by several forms of subsidy that are due to expire within the next few years. None of the subsidy can be extended or renewed in its present form. The only currently available opportunity to replace that subsidy is via Part Two of the Rental Assistance Demonstration (“RAD”) program.

Bauer Park
- Built: 1977
- Subsidy Expiry: 2018

Stewartown Homes
- Built: 1971
- Subsidy Expiry: 2017

Town Center (Rockville)
- Built: 1977
- Subsidy Expiry: 2019

Willows
- Built: 1975
- Subsidy Expiry: 2017

Given the age, proximity of subsidy expiration, and probable capital need for each of these properties; staff recommends pursuit of conversion and recapitalization via Part Two of the RAD program.
Executive Summary

Part Two of the RAD program is set to end on December 31, 2014; as Congress has not taken steps to extend the program. However, any applications submitted prior to the program end date will be honored. The application is non-binding and is identical to the application HOC initially submitted for each of its 11 multifamily Public Housing communities. Likewise, the result of a successful application is a Commitment to enter into a Housing Assistance Payment contract (“CHAP”) and contingent eligibility to convert to Project-Based Section 8 rental assistance.

<table>
<thead>
<tr>
<th>RAD for Public Housing</th>
<th>RAD for “Orphan Programs” (Part Two)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidy converts at existing level of funding.</td>
<td>Subsidy is funded to full HOC voucher payment standard.</td>
</tr>
<tr>
<td>HOC is sole owner in properties.</td>
<td>HOC is GP* in two properties; no ownership in the others.</td>
</tr>
<tr>
<td>100% of residents qualify for continued assistance</td>
<td>Over-income residents do not receive continued assistance.</td>
</tr>
</tbody>
</table>

*General partner

There are several key differences in HOC’s proposed participation in Part Two of the RAD program from its participation in the part of RAD program designed for conversion from Public Housing. First, the subsidy received by these four deals post-conversion will dramatically increase. This will make for much greater likelihood of the financial viability of required renovations or redevelopment. Second, as HOC is only the general partner in Stewartown Homes and Willows, it will ultimately require some approvals from the limited partner tax-credit investor. At Bauer Park and Town Center Apartments, HOC has no current ownership and will require approvals from the ownership board for each property (boards recently voted approval to submit application). Lastly, over-income residents earning greater than 80% of Area Median Income (“AMI”) will not receive continued rental assistance. Depending on the construction financing funding the delivery of the new or renovated housing, those residents may ultimately be required to move.
The Future of Subsidization (Example)

**Section 236 Loan**
- Not Renewable
- Loan made in support of original construction of the property.
- Expires 2018.
- No existing replacement program other than RAD.

**IRP Supplement**
- Not Renewable
- HUD subsidy extended to property in support of senior loan.
- Expires 2018.
- No existing replacement program other than RAD.

**RAP Contract**
- Not Renewable
- Project-based rental assistance for 40% of existing units.
- Contract can be replaced by Project-based Section 8 assistance.

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**Bauer Park - Existing Subsidy**

- Supports a loan of less than $500,000.

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**Rental Assistance Demonstration (Part Two)**
- Twenty-year HAP contract
- Federally subsidized rental assistance
- Project-based subsidy stays with the property
- Issued for all qualifying households
- Renewal of contract mandatory

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**Bauer Park - Potential Subsidy**

- Supports a more-than-$7MM new loan.
Likely Recapitalization Structures

**PRE-CONVERSION**

- **Owner**: Banor Housing, Inc. (100%)
- **Bauer Park**: HOC is property manager.
- **HOC has two seats on five-member board.**

**POST-CONVERSION**

- **General Partner**: HOC, Banor Housing, Inc. (1%)
- **Limited Partner**: TBD (LIHTC Investor) (99%)
- **Bauer Park**: LIKELY CONSTRUCTION: Renovation
- **LIKELY RECAPITALIZATION**: 4% LIHTC equity, HOC TE* Bonds
  
  *Tax-exempt

**TOTAL UNITS**: 142

**BOARD CONSENT TO SUBMIT?**: Yes.
Likely Recapitalization Structures

**Pre-conversion**

- **Owner**: 100%
- **Town Center Apartments, Inc.**

**Post-conversion**

- **General Partner**: 1%
  - **HOC**
  - **Town Center Apartments, Inc.**
- **Limited Partner**: 99%
  - **TBD (LIHTC Investor)**

**HOC** has two seats on five-member board.

- **TOTAL UNITS**: 112
- **Board Consent to Submit?**: Yes, contingent on viewing final application.

**Likely Construction**: New Construction (Off site)

**Likely Recapitalization**: 4% LIHTC equity, HOC TE* Bonds

*Tax-exempt
Likely Recapitalization Structures

**PRE-CONVERSION**

<table>
<thead>
<tr>
<th>General Partner</th>
<th>Limited Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>• HOC</td>
<td>• Zurich (LIHTC Investor)</td>
</tr>
</tbody>
</table>

MV Affordable Housing Associates LP

**POST-CONVERSION**

<table>
<thead>
<tr>
<th>General Partner</th>
<th>Limited Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>• HOC</td>
<td>• TBD (LIHTC Investor)</td>
</tr>
</tbody>
</table>

S’town Homes

- **TOTAL UNITS**: 94
- **LIHTC EXPIRATION**: 2016
- **HOC to close out partnership in the coming year.**
- **LIKELY CONSTRUCTION**: Renovation
- **LIKELY RECAPITALIZATION**: 4% LIHTC equity, HOC TE* Bonds

*Tax-exempt*
Likely Recapitalization Structures

**PRE-CONVERSION**

- **General Partner**
  - HOC

- **Limited Partner**
  - Zurich (LIHTC Investor)

**POST-CONVERSION**

- **General Partner**
  - HOC

- **Limited Partner**
  - TBD (LIHTC Investor)

Willows of Gaithersburg LP

**TOTAL UNITS**: 195

**LIHTC EXPIRATION**: 2014

HOC to close out partnership in coming months.

**LIKELY CONSTRUCTION**: New Construction (Off site)

**LIKELY RECAPITALIZATION**: 4% LIHTC equity, HOC TE* Bonds

*Tax-exempt
Applications & Typical Renovation Timing

- RAD Application (12/2014)
- LIHTC Application (3/2015)
- Loan Application (8/2015)

- Begin Transfer of Physical Assets (12/2014)
- Transfer Complete (10/2015)
- HOC Assumes Guarantee of Debt and Operations.

- Begin Construction (11/2015)
- Construction Complete (11/2016)
- HOC Guarantees Construction Debt and Ongoing Operations.
Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to accept the recommendation of the Development and Finance Committee and authorize staff to submit applications for participation in Part Two of the RAD program on behalf of Banor Housing, Inc.; MV Affordable Housing Associates, LP; Town Center Apartments, Inc.; and The Willows of Gaithersburg Associates LP?

BUDGET IMPACT

There is no impact on HOC’s current operating budget.

TIME FRAME

Action at the December 3, 2014 meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends approval to submit non-binding applications for participation in Part Two of the RAD program on behalf of Banor Housing, Inc.; MV Affordable Housing Associates, LP; Town Center Apartments, Inc.; and The Willows of Gaithersburg Associates Limited Partnership.
RESOLUTION: RE: Authorization to Submit Applications under Part Two of the Rental Assistance Demonstration Program on Behalf of the Owners of Bauer Park Apartments, Stewartown Homes, Town Center Apartments, and The Willows Apartments and for Executive Director to Execute All Documents Related Thereto

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

WHEREAS, Bauer Park Apartments, Stewartown Homes, Town Center Apartments, and The Willows Apartments (together, the “RAP 4”) are affordable rental housing communities in Montgomery County, Maryland; and

WHEREAS, HOC is the sole general partner in both MV Affordable Housing Associates Limited Partnership (the “Stewartown Owner”) and The Willows of Gaithersburg Associates Limited Partnership (the “Willows Owner”), the ownership entities for Stewartown Homes and The Willows Apartments, respectively; and

WHEREAS, HOC is the property manager for Bauer Park Apartments and Town Center Apartments, which are owned by Banor Housing, Inc. (the “Bauer Owner”) and Town Center Apartments, Inc. (“Town Center Owner”), respectively; and

WHEREAS, the original construction of the RAP 4 was funded by and operations of the RAP 4 continues to be subsidized by low-interest loans, interest reduction payments, and rental assistance contracts (together, the “Original Subsidy”) that will mature and expire within the next few years; and

WHEREAS, the Original Subsidy cannot be renewed; and

WHEREAS, the RAP 4 have significant physical plant needs for which, upon expiration of the Original Subsidy, they will not have sufficient net operating income to raise the necessary capital to fund the required renovation; and
WHEREAS, Part Two of the Rental Assistance Demonstration ("RAD") program offered by the United States Department of Housing and Urban Development ("HUD") allows for the conversion of properties originally funded with HUD-issued Section 236 loans and Rental Assistance Payment ("RAP") contracts to Project-Based Section 8 rental assistance; and

WHEREAS, the RAP 4 qualify to participate in Part Two of the RAD program, and through successful conversion could secure new subsidy sufficient to raise the necessary capital to fund the required renovation of these communities; and

WHEREAS, to participate in Part Two of the RAD program, applications to HUD must be submitted on behalf of the individual RAP 4 owners prior to January 1, 2015; and

WHEREAS, HOC has great familiarity with these properties, experience participating in the RAD program, and the resources necessary to pursue conversion of the RAP 4 via Part Two of the RAD program; and

WHEREAS, on November 3, 2014, Bauer Owner and Town Center Owner each voted to authorize HOC to submit an application to HUD under Part Two of the RAD program on their respective behalves.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its capacity as general partner for and on behalf of Stewartown Owner and Willows Owner, authorizes the Executive Director to submit applications under Part Two of the Rental Assistance Demonstration program on behalf of Bauer Park Owner, Stewartown Owner, Town Center Owner, and Willows Owner.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and as property manager of Bauer Park Apartments and Town Center Apartments, authorizes the Executive Director to submit applications under Part Two of the Rental Assistance Demonstration program on behalf of Bauer Owner and Town Center Owner.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of Bauer Owner, Town Center Owner, Stewartown Owner and Willows Owner, authorizes and directs the Executive Director, without further action on their respective parts, to execute and 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.
I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on December 3, 2014.

S  _______________________________

E  Patrice M. Birdsong

A  Special Assistant to the Commission

L
Deliberation
and/or
Action
Authorization for RAD 6 Development Corporation ("Corporation"), VPC One Corporation and VPC Two Corporation to Accept the Financing, Development and Relocation Plans Previously Approved by the Commission for Ken-Gar, Sandy Spring, Seneca Ridge, Towne Centre Place and Washington Square ("RAD 6 Development") and Emory Grove (collectively, the "RAD Conversion Plan") and Authorization for the Execution all Related Transaction Documents for the RAD Conversion Plan, including Housing Assistance Payments Contracts

December 3, 2014

- On July 30, 2013, the Commission approved participation in the RAD Program and authorized evaluation of a portfolio disposition of its entire public housing program in multifamily and senior developments.

- On December 18, 2013 and March 26, 2014, HUD awarded Commitments for a Housing Assistance Payment contracts (each a "CHAP") for Seneca Ridge, Parkway Woods & Ken Gar, Sandy Spring Meadow & Towne Centre Place Olney, and Washington Square (collectively, the "RAD 6 Development").

- On March 26, 2014, HUD awarded a CHAP for Emory Grove Village (together with the RAD 6 Development, the "RAD Properties").

- On August 6, the Commission approved a final development plan and a final financing plan for the RAD 6 Development (together, the "RAD Development and Financing Plan").

- On November 5, 2014, the Commission approved a plan for the relocation of tenants and the disposition or transfer of rental assistance for Washington Square and Emory Grove Village pursuant to the RAD program, as well as the related funding (together with the RAD Development and Financing Plan, the "RAD Conversion Plan").
• On November [26], 2014, HUD awarded three (3) RAD Conversion Commitments covering the conversion of the HOC RAD Properties under the RAD program and projecting a December 2014 conversion closing date.

• In anticipation of the RAD conversion closing in December, Staff requests that the Commission approve the previously approved RAD Conversion Plan on behalf of the Commission’s instrumentalities – RAD 6 Development Corporation, VPC One Corporation and VPC Two Corporation. Further, Staff requests that the Commission authorize the Executive Director, or his designee, to execute all documents required for the closing and consummation of the RAD Conversion Plan, including but not limited to the Section 8 Housing Assistance Payments Contracts, loan documents, disposition documents and other closing documents.
MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann, Executive Director

FROM: Division: Legal Staff: Kelly McLaughlin Ext. 9567

RE: Authorization for RAD 6 Development Corporation (“Corporation”), VPC One Corporation and VPC Two Corporation to Accept the Financing, Development and Relocation Plans Previously Approved by the Commission for Ken-Gar, Sandy Spring, Seneca Ridge, Towne Centre Place and Washington Square (“RAD 6 Development”) and Emory Grove (collectively, the “RAD Conversion Plan”) and Authorization for the Execution of all Related Transaction Documents for the RAD Conversion Plan, including Housing Assistance Payments Contracts.

DATE: December 3, 2014

STATUS: Committee Report: Deliberation ___X__

OVERALL GOAL & OBJECTIVE:
To authorize the Executive Director to execute all the closing documents required to consummate the conversion of the public housing subsidy currently benefitting Ken-Gar, Parkway Woods, Seneca Ridge, Sandy Spring Meadow, Towne Centre Place, Washington Square and Emory Grove Village into Section 8 rental assistance under the US Department of Housing and Urban Development’s (HUD’s) Rental Assistance Demonstration program (the “RAD Program”).

BACKGROUND:
The Commission approved participation in the RAD Program in July 2013 and Staff submitted applications to HUD. Thereafter, on December 18, 2013 and March 26, 2014, HUD awarded HOC Commitments for a Housing Assistance Payment contracts (each a “CHAP”) for Ken-Gar, Parkway Woods, Seneca Ridge, Sandy Spring Meadow, Towne Centre Place, Washington Square and Emory Grove Village (collectively, the “HOC RAD Property”).

The Commission approved a final development plan and a final financing plan for Ken-Gar, Parkway Woods, Seneca Ridge, Sandy Spring Meadow, Towne Centre Place, Washington Square (the “RAD 6 Development”) on August 6, 2014. Among other things, these plans called for the selection of architects and construction contractors, the approval of financing sources for the acquisition and rehabilitation of the RAD 6 Development, and the authorization for the Executive Director to execute all related documents on behalf of HOC. The Commission also approved a plan for the relocation of tenants and the disposition or transfer of rental assistance for Washington Square and Emory Grove Village pursuant to the RAD program, as well as the related funding on November 5, 2014.

The plans previously approved by the Commission were approved for and on behalf of the agency itself and not on behalf of its instrumentalities. Staff now seeks the Commission’s
approval of these plans on behalf of the HOC’s instrumentalities that will be the recipients of the real property, loan funding, relocation funds, Section 8 rental assistance and other resources, as the case may be. Therefore, Staff requests that the Commission approve the previously approved plans on behalf of RAD 6 Development Corporation, VPC One Corporation and VPC Two Corporation.

On November [26], 2014, HUD awarded HOC three (3) RAD Conversion Commitments (“RCCs”) covering the conversion of the RAD 6 Development and Emory Grove Village under the RAD program. The RCCs project a date in December 2014 on which the conversion of the RAD 6 Development and Emory Grove Village will take place. In anticipation of that closing date, Staff seeks Commission approval to execute all the necessary documents to consummate the closing and conversion of public housing operating subsidy at the HOC RAD Properties to Section 8 rental assistance, such as the a PBRA Housing Assistance Payments Contract on the RAD 6 Development; two PBV Housing Assistance Payments Contracts on the HOC RAD Property owned by VPC One Corporation and VPC Two Corporation, respectively; the FHA-Risk Share loan documents; a Deed from HOC to RAD 6 Development Corporation; Releases of Declarations of Trusts; RAD Use Agreements; and such other related documents.

**PRINCIPALS:**
- HOC
- RAD 6 Development Corporation
- VPC One Corporation
- VPC Two Corporation
- HUD

**BUDGET IMPACT:**
None. The budget impact of these plans has previously been approved by the Commission.

**TIME FRAME:**
Need deliberation and decision at December 3, 2014 meeting in anticipation of a December 2014 RAD conversion closing.

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**
Staff recommends that the Commission authorize the Executive Director or his designee to execute any and all documents connected, related or necessary to the consummation of the conversion of the public housing subsidy currently benefitting Ken-Gar, Parkway Woods, Seneca Ridge, Sandy Spring Meadow, Towne Centre Place, Washington Square and Emory Grove Village into Section 8 rental assistance under the RAD Program.
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 or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, the US Department of Housing and Urban Development’s (HUD’s) Rental Assistance Demonstration program (the “RAD Program”) presents the Commission with an opportunity to convert its multifamily public housing assets to projects that will receive Project-based Section 8 rental subsidies, which will allow HOC to provide for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of these public housing projects; and

WHEREAS, on July 30, 2013, the Commission approved participation in the RAD Program and authorized evaluation of a portfolio disposition of its entire public housing program in multifamily and senior developments; and

WHEREAS, on December 18, 2013 and March 26, 2014, HUD awarded Commitments for a Housing Assistance Payment contracts (each a “CHAP”) for Seneca Ridge, Parkway Woods & Ken-Gar, Sandy Spring Meadow & Towne Centre Place Olney, and Washington Square (collectively, the “RAD 6 Development”); and
WHEREAS, on March 26, 2014, HUD awarded a CHAP for Emory Grove Village (together with the RAD 6 Development, the “RAD Properties”); and

WHEREAS, on August 6, the Commission approved a final development plan and a final financing plan for the RAD 6 Development (together, the “RAD Development and Financing Plan”); and

WHEREAS, on November 5, 2014, the Commission approved a plan for the relocation of tenants and the disposition or transfer of rental assistance for Washington Square and Emory Grove Village pursuant to the RAD program, as well as the related funding (together, the “RAD Relocation and Disposition Plan”, and together with the RAD Development and Financing Plan, the “RAD Conversion Plan”); and

WHEREAS, on November 26, 2014, HUD awarded three (3) RAD Conversion Commitments (“RCCs”) covering the conversion of the HOC RAD Properties under the RAD program; and

WHEREAS, the RAD Conversion Plan and the RCCs provide for the conversion of public housing operating subsidy at the HOC RAD Properties to Section 8 rental assistance and will require the execution of a PBRA Housing Assistance Payments Contract on the RAD 6 Development and two PBV Housing Assistance Payments Contracts on the HOC RAD Property owned by VPC One Corporation and VPC Two Corporation, respectively (collectively, the “HAP Contracts”); and

WHEREAS, the Commission is the sole member of each of RAD 6 Development Corporation, VPC One Corporation and VPC Two Corporation; and

WHEREAS, RAD 6 Development Corporation, VPC One Corporation and VPC Two Corporation wish to accept and approve of the RAD Conversion Plan, including the respective HAP Contracts, in order to consummate the conversion and disposition of the HOC RAD Properties under the RAD program.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of RAD 6 Development Corporation, approves the RAD Conversion Plan for the HOC RAD Properties and authorizes the Executive Director to execute all documents required for the consummation of the RAD Conversion Plan, including but not limited to the HAP Contracts, loan documents, disposition documents and other closing documents.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of VPC One Corporation and VPC Two Corporation, approves the RAD Conversion Plan for the HOC RAD Properties and authorizes the Executive Director to execute all documents required.
for the consummation of the RAD Conversion Plan, including but not limited to the HAP Contracts, disposition documents and other closing documents.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of RAD 6 Development Corporation, VPC One Corporation and VPC Two Corporation, that the Executive Director is, without further action on their respective parts, authorized and directed to execute the 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.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County, RAD 6 Development Corporation, VPC One Corporation and VPC Two Corporation at a regular meeting conducted on December 3, 2014.

______________________________
Patrice M. Birdsong
Special Assistant to the Commission
Future Action
Information Exchange
New Business
APPROVAL TO WAIVE THE PROCUREMENT POLICY FOR THE COMMISSION AND RAD 6 DEVELOPMENT CORPORATION’S SELECTION OF A REPLACEMENT GENERAL CONTRACTOR FOR THE RAD 6 REHABILITATION PROJECT

December 3, 2014

- On August 6, 2014, the Commission approved the final development and financing plans, which described the development of, financing of, and projected operations after the conversion and renovation of Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Centre Place, and Washington Square.

- As part of that approval, Foulger-Pratt Contracting, Inc. was selected to provide general contracting services associated with the comprehensive scope of rehabilitation outlined in the Final Development and Financing Plans.

- On November 5, 2014, the Commission authorized the Executive Director to execute construction contracts with Foulger-Pratt Contracting, Inc. on behalf of RAD 6 Development Corporation in preparation for the December 18, 2014 projected closing on the financing and the conversion of the RAD 6 under the RAD program.

- On November 21, 2014, the Chief Executive Officer of Foulger-Pratt Contracting, Inc. informed HOC that it would be rethinking movement forward as the general contractor for the rehabilitation of the RAD 6 due to its strategic shift away from providing third party general contracting services for organizations in which FPC had no other development partnerships.

- Among others, some requirements of the development and financial closing for the conversion and renovation of the RAD 6 include completed, executed contracts with a HUD-approved general contractor.

- The Commission has, from time to time, waived its standard procurement procedures where the duration of such procedures would have resulted in significant negative financial risk to the Commission and the pursuit of its mission.

- Hamel Builders, Inc. is well known to the Commission, has been recently qualified as a general contractor for a similar HOC renovation project, and has the capacity to enter into general contracting agreements with the necessary speed to meet HOC’s projected closing date of December 18, 2014, but at an aggregate value of approximately $838,000 higher than that approved by the Commission on November 5, 2014.
• With only 15 days remaining to closing to meet the above criteria, HOC staff recommends to the Commission that it waive procurement policy in selecting Hamel Builders, Inc. as the replacement general contractor for the RAD 6 rehabilitation project.
TO: Housing Opportunities Commission

VIA: Stacy Spann, Executive Director

FROM: Kayrine Brown, Director of Mortgage Finance Ext. 9589
Zachary Marks, Assistant Director of New Construction Ext. 9613

RE: Approval to Waive the Procurement Policy for the Commission and RAD 6 Development Corporation’s Selection of a Replacement General Contractor for the RAD 6 Rehabilitation Project

DATE: December 3, 2014

STATUS: New Business Deliberation

OVERALL GOAL & OBJECTIVE:
To convert 268 units of Public Housing to Project-Based Section 8 rental subsidy via the Rental Assistance Demonstration (“RAD”) program and comprehensively renovate those units.

BACKGROUND:
On August 6, 2014, the Housing Opportunities Commission of Montgomery County (both “HOC” and the “Commission”) approved the Final Development Plan, which described the development of, financing of, and projected operations after renovations of the six Public Housing properties: Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge (also known as Middlebrook Square), Towne Centre Place, and Washington Square (together, the “RAD 6”). As part of that approval, Foulger-Pratt Contracting, Inc. was selected to provide general contracting services associated with the comprehensive scope of rehabilitation outlined in the Final Development Plan.

On November 5, 2014, the Commission authorized HOC’s Executive Director to execute construction contracts with Foulger-Pratt Contracting, Inc. (“FPC”) in preparation for the projected close of financing on December 18, 2014. Between the August and November approvals, HOC staff had been working with FPC on drafting the contracts. As of the week of November 17, 2014, those contracts were in nearly final form.

On November 21, 2014, the Chief Executive Officer of FPC informed HOC that it would be rethinking movement forward as the general contractor for the rehabilitation of the RAD 6. The CEO shared that, with his recent accession to CEO, he was implementing some strategic
changes that included ending third-party general contracting relationships with organizations with which FPC had no other development partnerships.

With the financial closing for the RAD 6 scheduled for December 18, 2014: 1) HOC must have a general contractor selected; 2) the general contractor must have 2530 (prior participation) clearance from HUD; and 3) the general contractor must be able to price the delivery of scope of work submitted in HOC’s RAD Finance Plan and ultimately approved by HUD.

**ACTION:**

With only 23 days remaining to closing to meet the above criteria, HOC staff recommends to the Commission that it waive procurement in selecting Hamel Builders, Inc. (“Hamel”) as the replacement general contractor for the RAD 6 rehabilitation project. HOC staff bases its recommendation on several premises:

1. With its extensive resume of work in affordable housing, Hamel has previous 2530 approval including on several recently completed projects. This previous approval makes it possible for Hamel to obtain 2530 approval as the general contractor for the RAD 6 in the short time frame remaining prior to closing.
2. As Hamel has performed general contracting services for HOC in the past, HOC has meaningful familiarity with the firm and its performance.
3. Hamel was recently pre-qualified as an eligible general contractor for the renovation of HOC’s 669 former-Public Housing scattered site units (“The 669”). They were the highest scoring general contractor responding to that request for qualifications. As such, HOC has a recent assessment of the firm’s record and qualifications.
4. As part of HOC’s process of selection of general contractors for the renovation of The 669, Hamel assessed and priced renovation of these units. Given the great similarity of the RAD 6 units in unit type and prospective construction scope, Hamel will be able to gain quick comfort with the prospective scope of work for the RAD 6 renovations.
5. Hamel has confirmed that it has both the capacity and strong interest in working with the Commission to solve this unexpected problem to meet the projected closing timeline for the RAD 6.

Hamel has indicated it can deliver the prospective scope of work for a price not to exceed $60,000 per unit. This would increase the construction budget by approximately $838,000 from the projected construction budget with FPC as the general contractor, as approved by the Commission on November 5, 2014:

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<tbody>
<tr>
<td>Status per Commission</td>
<td>Approved</td>
<td>Approved</td>
<td>Proposed</td>
</tr>
<tr>
<td>Total Contact Amount</td>
<td>$13,822,100</td>
<td>$15,242,232</td>
<td>$16,080,000</td>
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<tr>
<td>TCA (per unit)</td>
<td>$51,575</td>
<td>$56,874</td>
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<td>Change in Cost</td>
<td>$0</td>
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Failure to have all general contracting contracts executed with a general contractor with 2530 approval from HUD by the date of closing would prevent HOC from being able to close the transaction by year end. Should closing not occur by year end, HOC may suffer a significant negative financial event and be at risk of losing its commitments from HUD to participate in the RAD program.

ISSUES FOR CONSIDERATION:
Does the Commission wish to waive the procurement policy and select Hamel Builders, Inc. as the replacement general contractor for the rehabilitation of the RAD 6 rehabilitation project?

Does the Commission wish to approve a revised contract price for the renovation of the 268 units comprising the RAD 6 development for an amount not to exceed $16,080,000 or $60,000 per unit?

Does the Commission authorize HOC's Executive Director to execute all necessary documents related to and including general contracting contracts with Hamel Builders, Inc. on behalf of RAD 6 Development Corporation?

PRINCIPALS:
HOC
RAD 6 Development Corporation
Hamel Builders, Inc.

BUDGET IMPACT:
There is no impact to the FY15 and FY16 operating budgets. There are ample proceeds available from senior mortgage proceeds to cover this increase to the aggregate construction amount.

TIME FRAME:
For Commission action at its December 3, 2014, open meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
Staff recommends that the Commission waive the procurement policy in selecting Hamel Builders, Inc. as the replacement general contractor for the comprehensive renovation of the RAD 6 project as part of its conversion of Public Housing via the Rental Assistance Demonstration program.

Staff also recommends that the Commission, for itself and on behalf of RAD 6 Development Corporation, approve a revised contract price for the renovation of the 268 units comprising the RAD 6 development for an amount not to exceed $16,080,000 or $60,000 per unit.
Staff further recommends that the Commission authorize the Executive Director to execute all necessary documents related to and including general contracting contracts with Hamel Builders, Inc. on behalf of RAD 6 Development Corporation.
RESOLUTION:  RE: Approval to Waive the Procurement Policy for the Commission and RAD 6 Development Corporation’s Selection of a Replacement General Contractor for the RAD 6 Rehabilitation Project

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

WHEREAS, on August 6, 2014, the Commission approved the Final Development and Financing Plans, which described the development of, financing of, and projected operations after the conversion and renovation of the six Public Housing properties: Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge (also known as Middlebrook Square), Towne Centre Place, and Washington Square (together, the “RAD 6”); and

WHEREAS, as part of that approval, Foulger-Pratt Contracting, Inc., was selected to provide general contracting services associated with the comprehensive scope of rehabilitation outlined in the Final Development and Financing Plans; and

WHEREAS, the Commission is the sole member of RAD 6 Development Corporation, a Maryland non-stock corporation created for the purpose of acquiring, owning, rehabilitating and operating the RAD 6; and

WHEREAS, on November 5, 2014, the Commission authorized HOC’s Executive Director to execute construction contracts with Foulger-Pratt Contracting, Inc. (“FPC”) on behalf of RAD 6 Development Corporation in preparation for the December 18, 2014 projected closing on the financing and the conversion of the RAD 6 under the Rental Assistance Demonstration (RAD) program; and

WHEREAS, on November 21, 2014, the Chief Executive Officer of FPC informed HOC that it would be rethinking movement forward as the general contractor for the rehabilitation of the RAD 6 due to its strategic shift away from providing third party general contracting services for organizations in which FPC had no other development partnerships; and

WHEREAS, HOC has a projected development and financial closing date for the conversion and renovation of the RAD 6 of December 18, 2014; and
WHEREAS, among others, some requirements of the development and financial closing for the conversion and renovation of the RAD 6 include completed, executed contracts with a HUD-approved general contractor; and

WHEREAS, HOC may suffer a significant, negative financial event should the development and financial closing not occur on or shortly after the projected date of December 18, 2014; and

WHEREAS, procuring a new general contractor in accordance with HOC’s existing procurement procedures would result in a delay of closing well past the projected date of December 18, 2014; and

WHEREAS, the Commission has, from time to time, waived its standard procurement procedures where the duration of such procedures would have resulted in significant negative financial risk to the Commission and the pursuit of its mission; and

WHEREAS, Hamel Builders, Inc. is well known to the Commission, has been recently qualified as a general contractor for a similar HOC renovation project, and has the capacity to enter into general contracting agreements with the necessary speed to meet HOC’s projected closing date of December 18, 2014, but at an aggregate value of approximately $838,000 higher than that approved by the Commission on November 5, 2014.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of RAD 6 Development Corporation:

1. Waives its standard procurement procedures in selecting Hamel Builders, Inc., as the general contractor for the renovation of the RAD 6 properties as part of the conversion of those properties via the Rental Assistance Demonstration program.

2. Approves a revised contract price for the renovation of the 268 units comprising the RAD 6 development in an amount not to exceed $16,080,000 or $60,000 per unit.

3. Authorizes and directs HOC’s Executive Director, without further action on their respective parts, to execute general contracting contracts with Hamel Builders, Inc., for a contract amount not to exceed $16,080,000 or $60,000 per unit for the renovation of the RAD 6 properties.

4. Authorizes and directs HOC’s Executive Director, 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 other documents related thereto.
I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of RAD 6 Development Corporation, at a regular meeting conducted on December 3, 2014.

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Patrice M. Birdsong
Special Assistant to the Commission
Executive Session
Findings
Adjourn