# EXPANDED AGENDA

February 7, 2018

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<th>Time</th>
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| 4:00 p.m. | I. Election of Officers  
  - Chair  
  - Vice Chair  
  - Chair Pro Tem |                  |
| 4:15 p.m. | II. CONSENT ITEMS  
  A. Approval of Minutes of January 10, 2018 |                  |
| 4:25 p.m. | III. INFORMATION EXCHANGE  
  A. Community Forum  
  B. Report of the Executive Director  
  C. Calendar  
  D. Commissioner Exchange  
  E. Resident Advisory Board |                  |
| 4:40 p.m. | IV. ADMINISTRATIVE AND SPECIAL SESSIONS ACTIONS  
  A. Ratification of Action Taken in Administrative Session on January 10, 2018: Authorization to Form a New Entity for The Acquisition of an Existing Multifamily Development | 18-07R (pg. 26)  
  B. Ratification of Action Taken in Administrative Session on January 10, 2018: Approval to Add Ten (10) Additional Rental Assistance Demonstration (“RAD”) Vouchers to a New Multifamily Development; and Approval for Conditional Investment in a New Multifamily Development | 18-08R (pg. 28)  
  18-09R (pg. 30)  
  C. Ratification of Action Taken in Administrative Session on January 31, 2018 – Approval to Temporarily Increase the PNC Lines of Credit to Fund The Acquisition of an Existing Multifamily Development | 18-10R (pg. 32)  
  D. Ratification of Action Taken in Administrative Session on January 31, 2018 – Approval to a) Complete the Acquisition of an Existing Multifamily Development; b) to Fund the Acquisition, and c) to Select a Management Company for the Development; and Approval to Draw on the PNC Lines of Credit to Fund the Acquisition of an Existing Multifamily Development | 18-11R (pg. 34)  
  18-12R (pg. 36)  
  E. Ratification of Action Taken in Administrative Special Session on February 6, 2018: Approval to Advance Funds from Various Commission Sources on an Interim Basis, Prior to the Availability of Increased Funding on the PNC Bank, N.A. Lines of Credit, to Enable the Acquisition of an Existing Multifamily Development | 18-14R (pg. 38) |
| 4:50 p.m. | V. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION  
  A. Development and Finance Committee – Com. Simon, Chair  
    1. Approval of Public Purpose, Feasibility, and Issuance of a Bond Authorizing Resolution for the Hillside Senior Living Transaction | 18-13 (pg. 56) |
| 5:15 p.m. | VI. ITEMS REQUIRING DELIBERATION and/or ACTION  
  1. None |                  |
|          | VII. *FUTURE ACTION ITEMS  
  None |                  |
VIII. NEW BUSINESS
None

5:20 p.m. ADJOURN

ADMINISTRATIVE SESSION
This Administrative Session will be called to order pursuant to Section 3-305(b)(3)(Real Estate), and (13)(comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter) of the Open Meetings Act (OMA)

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, January 10, 2018 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:10 p.m. Those in attendance were:

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

**Absent**
- Richard Y. Nelson, Chair Pro Tem

**Also Attending**
- Stacy L. Spann, Executive Director
- Gail Willison
- Arthur Tirsky
- Clarence Landers
- Ethan Cohen
- Melody Stanford
- Fred Swan
- Hyunsuk Choi
- Jim Atwell
- Ali Khademian
- Jennifer Hamm
- Francisco Vega
- Natalie Craver
- Darcel Cox
- Charnita Jackson
- Carol April
- Jay Shepherd
- Kathryn Hollister
- Nowelle Ghahhari, General Counsel
- Patrick Mattingly
- Sherraine Rawlins
- Shauna Sorrells
- Kayrine Brown
- Ellen Goff
- Lynn Hayes
- Bonnie Hodge
- Garrett Jackson
- Joan McGuire
- Nilou Razeghi
- Angelia McIntosh-Davis
- Eugenia Pascual
- Ian Williams
- Jennifer Arrington
- Vivian Benjamin
- Douglas Brooks
I. CONSENT ITEMS
   A. Approval of Minutes of November 1, 2017 regular meeting - The minutes were approved as submitted.
   B. Approval of Minutes of November 17, 2017 Administrative Session – The minutes were approved as submitted.
   C. Approval of Minutes of December 6, 2017 regular meeting – The minutes were approved as submitted.
   D. Approval of Minutes of December 6, 2017 Administrative Session – The minutes were approved as submitted.
   E. Approval of Minutes of December 15, 2017 Administrative Session – The minutes were approved as submitted.

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

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

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

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

III. ADMINISTRATIVE AND SPECIAL SESSION RATIFICATIONS

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

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

RESOLUTION NO.: 17-89R  
RE: Ratification of Action Taken in Administrative Session on December 6, 2017: Approval to Acquire and Finance the Acquisition of Westwood Towers Apartments

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

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

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

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 17-89R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.
B. Ratification of Action Taken in Administrative Session on December 6, 2017:
Approval to Draw up to $20,500,000 on the Existing Real Estate Line of Credit with PNC Bank, N.A. for the Acquisition of Westwood Towers Apartment

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

RESOLUTION NO.: 17-90R

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

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

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

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

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

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

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

RESOLUTION NO.: 17-90R

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

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

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

RESOLUTION NO.: 17-93R

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

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

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

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

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

IV. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

A. Budget, Finance and Audit Committee – Com. Nelson, Chair
   1. Acceptance of First Quarter FY 18 Budget to Actual Statements
Gail Willison, Chief Financial Officer, and Terri Fowler, Budget Officer, were presenters.

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

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

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

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

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

2. Approval of FY’18 First Quarter Budget Amendment

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

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

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

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

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

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

**WHEREAS**, the net effect of the FY’18 First Quarter Budget Amendment is a shortfall of ($11,250) which will be covered by decreasing the anticipated contribution to the General Fund.
Operating Reserve (GFOR) of $884,963 by $11,250 to $873,713 in order to maintain a balanced budget.

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

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

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

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

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

RESOLUTION NO.: 18-03 RE: Approval to Submit FFY 2018 Public Housing Operating Subsidy Calculations to HUD for the Period January 1, 2018 through December 31, 2018

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

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

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

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

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

RESOLUTION NO.: 18-04  RE: Approval to Submit Additional Target Reductions for the FY’19 County Operating Budget

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

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

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

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

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

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

Kayrine Brown, Chief Investment and Real Estate Officer, and Hyunsuk Choi, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO.: 18-05  RE: Approval to Draw Second Installment of Previously Approved Predevelopment Funding for Completing Architectural Drawings for Elizabeth House III, Elizabeth House IV, and the South County Regional Recreation and Aquatic Center (“SCRRAC”) and Authorization to Increase Predevelopment Budget and Funding to Commence Underground Utilities Prior to the Closing of the Construction Loan
WHEREAS, Elizabeth Square is a 136,032 sq. ft. parcel located in downtown Silver Spring, bounded by Fenwick Street to the north, Second Avenue to the east, WMATA Rail Lines to the west and Apple Street to the south and consists of three discrete properties: Alexander House, owned by Alexander House Development Corporation and Alexander House Limited Partnership (combined as “Alexander House”); Elizabeth House, owned by the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), and Fenwick Professional Park owned by Acorn Storage No. 1, LLC a subsidiary of Lee Development Group (LDG) subject to a Master Lease to Elizabeth House III Limited Partnership, Elizabeth House III LLC and EH III Recreational Center, LLC; and

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

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

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

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

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

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

WHEREAS, staff is requesting the approval of a second installment of $5,976,569 (“Second Installment”) to complete the certified site plan, obtain the building permit, and develop 100% construction documents for EH III and SCRRAC; and
WHEREAS, staff is requesting that $2,761,631 of the Second Installment be funded from proceeds approved from the recapitalization of Arcola Towers, Waverly House, and Alexander House for these preparation and predevelopment expenditures through closing for EH III; and

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

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

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

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

1. An increase in the predevelopment budget for the Elizabeth Square Development to $13,627,638 for preparation and predevelopment expenditures through closing for both Elizabeth House III (“EH III”) and the South County Regional Recreational and Aquatic Center (“SCRRAC”), and for predevelopment expenditures to incorporate revised Elizabeth House IV (“EH IV”) building; and

2. The funding of the Second Installment of predevelopment funds of up to $5,976,569 to complete the certified site plan, obtain the building permit, and develop 100% construction documents of both EH III and SCRRAC, and pay relevant entitlement process costs to all consultants for EH IV; and authorizes funding from the following sources:
   a. Up to $2,761,631 from proceeds approved from the recapitalization of Arcola Towers, Waverly House, and Alexander House for the predevelopment expenditures through closing for EH III,
   b. Up to $579,098 for EH IV building from the Opportunity Housing Reserve Fund for paying relevant entitlement process costs to all consultants for EH IV building,
   c. Up to $2,635,840 for the SCRRAC from the Montgomery County Capital Improvements Program (“CIP”); and

3. The funding of up to $2,957,802 to expedite the overall construction schedule by commencing work early related to underground utilities which will save approximately three months from the construction schedule to be funded by equity from Alexander House refinancing proceeds.

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

V. ITEMS REQUIRING DELIBERATION and/or ACTION

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

Kayrine Brown, Chief Investment and Real Estate Officer, and Hyunsuk Choi, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO.: 18-06 RE: Approval of Actions Related to 900 Thayer (the “Property”): 1) Sale of the Property to 900 Thayer Development Corporation, 2) Issuance of a Seller Note for $9,249,111.11 to Complete the Sale of the Property, 3) Assignment of all Contracts, 4) Creation of Two General Partner Entities, 5) Creation of Two Low Income Tax Credit Entities to Facilitate the Permanent Financing and Purchase of Portions of the Property

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

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

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

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

WHEREAS, on September 7, 2016, the Commission approved the selection of CBG Building Company (“CBG”) as general contractor for the construction of 900 Thayer and
authorized the Executive Director to enter into contract negotiations with CBG for general contracting services for the construction of 900 Thayer; and

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself, that it hereby:
1. Approves the sale of the property at Nine Million Two Hundred Forty-Nine Thousand One Hundred Eleven Dollars and 11/100 (“$9,249,111.11” or “Purchase Price”) to the 900 Thayer Development Corporation.

2. Approves the issuance of a Seller Note to 900 Thayer Development Corporation for the Purchase Price.

3. Approves the assignment of all contracts, including any construction contracts, to the 900 Thayer Development Corporation.

4. Approves the creation of tax credit partnerships 900 Thayer Limited Partnership and 900 Thayer Nine Limited Partnership for the purposes of taking on part-ownership for the property and sharing in the development costs and expenses.

5. Approves the creation of the 900 Thayer GP LLC and 900 Thayer Nine GP LLC for the purpose of serving as the General Partner of the 900 Thayer Limited Partnership and 900 Thayer Nine Limited Partnership, respectively.

6. Authorizes the Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

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

1. Approves the purchase of its portion of the Property.

2. Approves the formula for creating the purchase price for its portion of the Property to be based on its share of construction costs and expenses.

3. Approves taking assignment of all contracts as a co-signatory with the 900 Thayer Development Corporation and the 900 Thayer Nine Limited Partnership.

4. Approves financing the purchase of its portion of the Property by taking assignment of its proportional share of the HOC Seller Note.

5. Approves admission of 900 Thayer GP LLC as the General Partner.

6. Approves execution of a Limited Partnership Agreement.

7. Authorizes the Commission’s Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

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

1. Approves the purchase of its portion of the Property.

2. Approves the formula for creating the purchase price for its portion of the Property to be based on its share of construction costs and expenses.

3. Approves taking assignment of all contracts as a co-signatory with the 900 Thayer Development Corporation and the 900 Thayer Limited Partnership.

4. Approves financing the purchase of its portion of the Property by taking assignment of its proportional share of the HOC Seller Note.
5. Approves admission of 900 Thayer Nine GP LLC as the General Partner.
6. Approves execution of a Limited Partnership Agreement.
7. Authorizes the Commission’s Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of the 900 Thayer GP LLC, as its Sole Member, that it hereby:
1. Approves execution of an Operating Agreement.
2. Approves admission to the 900 Thayer Limited Partnership as its General Partner.
3. Approves execution of the Limited Partnership Agreement.
4. Authorizes the Commission’s Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of the 900 Thayer Nine GP LLC, as its Sole Member, that it hereby:
5. Approves execution of an Operating Agreement.
6. Approves admission to the 900 Thayer Nine Limited Partnership as its General Partner.
7. Approves execution of the Limited Partnership Agreement.
8. Authorizes the Commission’s Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

VI. FUTURE ACTION ITEMS
   None

VII. NEW BUSINESS
   None

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

   The open session adjourned at 4:53 p.m.

   Respectfully submitted,

   Stacy L. Spann
   Secretary-Treasurer

/pmb
INFORMATION EXCHANGE
Students Learn to Build Robots at the Willows

On Monday, January 29, 2018, HOC students participated in HOC Academy’s Robotics Club at The Willows in Gaithersburg. As part of HOC Academy’s Science, Technology, Engineering and Math (STEM) initiative, children in first through eighth grades meet after school to learn how to code, design, and build functioning robots. This program is made possible through the County’s allocation of federal Community Development Block Grant (CDBG) funds.

HOC Academy has partnered with Matthew Reichley, a First Lego League mentor, to develop a curriculum and offer instruction to the students. Matthew is a junior at George Mason University majoring in Mechanical Engineering. The Robotics Club is a perfect example of how HOC helps customers reach their fullest potential—providing students with engaging programming to enhance and expand their education in STEM.

HOC Hosts Landlord Forum

HOC held a Landlord Forum on Wednesday, January 24, 2018 at its Kensington office. The forum provided past, present and prospective landlords with HOC’s policies and procedures for becoming a landlord and for maintaining landlord status. During the briefing, attendees learned the functions of the HOC divisions that handle landlord/tenant processes and common issues.

The event included a question and answer portion which allowed attendees to speak directly to HOC staff regarding their distinct concerns as landlords. The discussion also included best practices for engaging and retaining HOC customers and how to identify common housing program violations. The January Landlord Forum was the first in what will be a series of events throughout the year aimed at arming Montgomery County landlords with the proper tools and information to best serve Housing Choice Voucher holders and HOC customers.
Staff Promotes Readiness at Emergency Preparedness Workshop

On Wednesday, January 24, 2018, HOC hosted an Emergency Preparedness workshop for HOC customers. The workshop encourages customers to start a conversation and develop a plan with their families about what they would do in the case of an emergency. The presentation offered a general overview about emergency preparedness and provided an interactive opportunity for residents to share their experiences and future plans.

Customers Explore Financial Readiness in the New Year

At HOC, we believe achieving personal financial health and awareness are key milestones on the road to success. In support of this principle, HOC offers monthly Financial Literacy workshops to past, present and prospective HOC customers. On Wednesday, January 17, 2018, HOC held its January Financial Wellness workshop at the Aspen Hill Library. During the workshop, participants learned how to create monthly spending plans, establish a savings account and best practices to prepare for tax season.

Seniors Enjoy Social Bingo at Forest Oak Towers

Older adults who are socially active handle stress better and maintain a stronger sense of self-worth. To enhance neighbor relationships and engage residents in a fun social activity, HOC hosted a Bingo event for seniors at Forest Oak Towers in Gaithersburg. On Friday, January 26, 2018 residents at Forest Oak Towers gathered to mingle with neighbors and try their hand at Bingo.

Four times a month, HOC Resident Counselors work with customers to coordinate an activity where neighbors can socialize and receive resident services counseling from HOC staff. Volunteers from Derwood Bible Church help coordinate and run the activities for residents. These social activities have become a weekly highlight for residents at Forest Oak Towers, and provide an opportunity to build community.
Fatherhood Initiative Attends Montgomery College Career Exploration Boot Camp

On Friday, January 25, 2018, participants in the Fatherhood Initiative’s Iota cohort visited Montgomery College for their career exploration boot camp. This boot camp is designed to help participants think about their career aspirations and plan for the future. The event took place in the vocational training section of the college, which specializes in adult education and workforce development. During the boot camp, participants were encouraged to consider careers in the technology, medical and vocational fields. Fifteen Fatherhood Initiative participants attended the boot camp, 12 of whom will celebrate their completion of the Fatherhood Initiative program on Friday, February 2, 2018.
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<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
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<td>February 2018</td>
<td></td>
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<tr>
<td>7</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
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<tr>
<td>15</td>
<td>Maryland Affordable Housing Coalition – 2018 Housing Day, 6 Bladen St., Rm. 170—180, Annapolis, MD</td>
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<tr>
<td>19</td>
<td>President’s Day <em>(HOC Offices Closed)</em></td>
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<tr>
<td>20</td>
<td>Budget, Finance and Audit Committee Meeting – 2nd Quarter <em>(Nelson, Simon)</em></td>
<td>10:00 a.m.</td>
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<tr>
<td>23</td>
<td>Development and Finance Committee Meeting <em>(Simon, McFarland, Nelson)</em></td>
<td>10:00 a.m.</td>
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<tr>
<td>23</td>
<td>Status/Lunch Meeting w/Executive Director <em>(All)</em> – Location TBD</td>
<td>12:00 noon</td>
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<tr>
<td>26</td>
<td>Agenda Formulation <em>(Simon, Nelson)</em></td>
<td>12:00 noon</td>
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<tr>
<td>26</td>
<td>Resident Advisory Board <em>(Croom)</em></td>
<td>6:00 p.m.</td>
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<tr>
<td>March 2018</td>
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<tr>
<td>7</td>
<td>Annual Meeting Reception / Farewell Reception Com. Hatcher <em>(All)</em></td>
<td>3:00 p.m.</td>
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<tr>
<td>7</td>
<td>HOC Annual Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
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<tr>
<td>19</td>
<td>Resident Advisory Board <em>(Croom)</em></td>
<td>6:00 p.m.</td>
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<tr>
<td>20</td>
<td>Budget, Finance and Audit Committee Meeting – re: Rents <em>(Nelson, Simon)</em></td>
<td>10:00 a.m.</td>
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<tr>
<td>20</td>
<td>Legislative and Regulatory Committee Meeting <em>(Byrd, Croom, Rodriguez)</em></td>
<td>4:00 p.m.</td>
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<tr>
<td>23</td>
<td>Development and Finance Committee Meeting <em>(Simon, McFarland, Nelson)</em></td>
<td>10:00 a.m.</td>
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<tr>
<td>26</td>
<td>Agenda Formulation <em>(Simon, Nelson)</em></td>
<td>12:00 noon</td>
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<tr>
<td>April 2018</td>
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<tr>
<td>4</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
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<tr>
<td>18</td>
<td>Budget, Finance and Audit Committee Meeting – re: Budget <em>(Nelson, Simon)</em></td>
<td>10:00 a.m.</td>
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<tr>
<td>20</td>
<td>Development and Finance Committee Meeting <em>(Simon, McFarland, Nelson)</em></td>
<td>10:00 a.m.</td>
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<tr>
<td>20</td>
<td>Status/Lunch Meeting w/Executive Director <em>(All)</em> – Location TBD</td>
<td>12:00 noon</td>
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<tr>
<td>22-24</td>
<td>NAHRO Washington Conference <em>(All)</em> – Crystal Gateway Marriott Hotel, Arlington, VA</td>
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<tr>
<td>23</td>
<td>Agenda Formulation <em>(Simon, Nelson)</em></td>
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<tr>
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<td>Budget, Finance and Audit Committee Meeting – re: Budget <em>(Nelson, Simon)</em></td>
<td>10:00 a.m.</td>
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<td>30</td>
<td>Budget, Finance and Audit Committee Meeting – re: Budget <em>(Nelson, Simon)</em></td>
<td>10:00 a.m.</td>
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<td>May 2018</td>
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<td>2</td>
<td>HOC Regular Meeting <em>(All)</em></td>
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<td>8</td>
<td>Budget, Finance and Audit Committee Meeting – re: Budget <em>(Nelson, Simon)</em></td>
<td>10:00 a.m.</td>
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<td>Budget, Finance and Audit Committee Meeting – re: Budget <em>(Nelson, Simon)</em></td>
<td>10:00 a.m.</td>
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<td>28</td>
<td>Memorial Day Holiday <em>(HOC Offices Closed)</em></td>
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<td>June 2018</td>
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<tr>
<td>6</td>
<td>HOC Regular Meeting <em>(All)</em></td>
<td>4:00 p.m.</td>
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<td>Status/Lunch Meeting w/Executive Director <em>(All)</em> — Location TBD</td>
<td>12:00 noon</td>
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<tr>
<td>24-27</td>
<td>MARC-NAHRO Joint 2018 Spring Conference &amp; Expo <em>(All)</em> — Hershey Lodge, Hershey, PA</td>
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<tr>
<td>25</td>
<td>Agenda Formulation <em>(Simon, McFarland)</em></td>
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</table>

**Activities of Interest**

1 – Follow-up Meeting w/Housing for People with Disabilities Group
2 – Property Tour
Administrative and Special Sessions Actions
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON JANUARY 10, 2018:

AUTHORIZATION TO FORM A NEW ENTITY FOR THE ACQUISITION OF AN EXISTING MULTIFAMILY DEVELOPMENT

FEBRUARY 7, 2018

- At a closed Administrative Session on January 10, 2018, the Commission adopted Resolution 18-07AS, which authorized entering in a contract of sale, and the funding of earnest money deposit, for the acquisition of a multifamily development.

- The Commission wishes to ratify and affirm, in an open meeting, the action undertaken at the January 10, 2018 closed Administrative Session and any action taken since then with respect to the approved transaction.
RESOLUTION No.: 18-07R

RE: Approval to Form a New Entity for the Acquisition of an Existing Multifamily 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 authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Administrative Session duly called and held on January 10, 2018, with a quorum present, the Commission duly adopted Resolution 18-07AS authorizing the formation of a new entity for the acquisition of an existing multifamily development; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 18-07AS and any action taken since January 10, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-07R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2018.

____________________________
Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON JANUARY 10, 2018:

RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON JANUARY 10, 2018 TO PLACE TEN ADDITIONAL RENTAL ASSISTANCE DEMONSTRATION (“RAD”) VOUCHERS AT A NEW MULTIFAMILY DEVELOPMENT

FEBRUARY 7, 2018

- At a closed Administrative Session on January 10, 2018, the Commission adopted Resolution 18-08AS, which authorized the placement of ten additional Rental Assistance Demonstration (“RAD”) vouchers at a new multifamily development.

- The Commission wishes to ratify and affirm, in an open meeting, the action undertaken at the January 10, 2018 closed Administrative Session any action taken since then with respect to the approved transaction.
RESOLUTION No.: 18-08R

RE: Approval to Add Ten Additional Rental Assistance Demonstration Vouchers to a New Multifamily 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 authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Administrative Session duly called and held on January 10, 2018, with a quorum present, the Commission duly adopted Resolution 18-08AS authorizing the placement of ten additional Rental Assistance Demonstration (“RAD”) Vouchers at a new multifamily development; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 18-08AS and any action taken since January 10, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-08R and subsequent actions taken in relation thereto, are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2018.

Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON JANUARY 10, 2018:

RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON JANUARY 10, 2018 AUTHORIZING CONDITIONAL INVESTMENT COMMITMENT FOR NEW MULTIFAMILY DEVELOPMENT

FEBRUARY 7, 2018

- At a closed Administrative Session on January 10, 2018, the Commission adopted Resolution 18-09AS, which authorized a conditional investment for a new multifamily development.

- The Commission wishes to ratify and affirm, in an open meeting, the action undertaken at the January 10, 2018 closed Administrative Session any action taken since then with respect to the approved transaction.
RESOLUTION No: 18-09R RE: Approval for Conditional Investment in a New Multifamily 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 authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Administrative Session duly called and held on January 10, 2018, with a quorum present, the Commission duly adopted Resolution 18-09AS authorizing conditional investment in a new multifamily development; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 18-09AS and any action taken since January 10, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-09R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SPECIAL SESSION ON JANUARY 31, 2018:

AUTHORIZATION TO TEMPORARILY INCREASE THE LIMITS ON THE PNC LINES OF CREDIT TO FUND ACQUISITION OF EXISTING MULTIFAMILY DEVELOPMENT

FEBRUARY 7, 2018

- At a closed Administrative Special Session on January 31, 2018, the Commission adopted Resolution 18-10AS, which authorized the temporary increase of the PNC Lines of Credit to fund the acquisition of a multifamily development.

- The Commission wishes to ratify and affirm, in an open meeting, the action undertaken at the January 31, 2018 closed Administrative Special Session any action taken since then with respect to the approved transaction.
WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC"), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Administrative Special Session duly called and held on January 31, 2018, with a quorum present, the Commission duly adopted Resolution 18-10AS authorizing the temporary increase of the PNC Lines of Credit in order to fund the acquisition of a multifamily development; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 18-10AS and any action taken since January 31, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-10AS Resolution and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2018.

____________________________
Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SPECIAL SESSION ON JANUARY 31, 2018:

AUTHORIZATION TO A) COMPLETE THE ACQUISITION OF AN EXISTING MULTIFAMILY DEVELOPMENT, B) TO FUND THE ACQUISITION, AND C) TO SELECT A MANAGEMENT COMPANY

FEBRUARY 7, 2018

- At a closed Administrative Special Session on January 31, 2018, the Commission adopted Resolution 18-11AS, which authorized completing the acquisition of a multifamily development, funding the acquisition, and selecting a management company for the development.

- The Commission wishes to ratify and affirm, in an open meeting, the action undertaken at the January 31, 2018 closed Administrative Special Session and any action taken since then with respect to the approved transaction.
RESOLUTION No.: 18-11R

RE: Approval to a) Complete the Acquisition of an Existing Multifamily Development, b) to Fund the Acquisition, and c) to Select a Management Company for the 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 authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Administrative Special Session duly called and held on January 31, 2018, with a quorum present, the Commission duly adopted Resolution 18-11AS authorizing the completion of the acquisition of a multifamily development, funding the acquisition, and selecting a management company for the development; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 18-11AS and any action taken since January 31, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-11R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SPECIAL SESSION ON JANUARY 31, 2018:

AUTHORIZATION TO DRAW ON THE PNC LINES OF CREDIT TO FUND ACQUISITION OF AN EXISTING MULTIFAMILY DEVELOPMENT

FEBRUARY 7, 2018

- At a closed Administrative Special Session on January 31, 2018, the Commission adopted Resolution 18-12AS, which authorized drawing on the PNC Lines of Credit to fund the acquisition of a multifamily development.

- The Commission wishes to ratify and affirm, in an open meeting, the action undertaken at the January 31, 2018 closed Administrative Special Session any action taken since then with respect to the approved transaction.
RESOLUTION No.: 18-12R

RE: Approval to draw on the PNC Lines of Credit to fund the acquisition of an existing multifamily 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 authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Administrative Special Session duly called and held on January 31, 2018, with a quorum present, the Commission duly adopted Resolution 18-12AS authorizing draws on the PNC Lines of Credit in order to fund the acquisition of a multifamily development; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 18-12AS and any action taken since January 31, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-12R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SPECIAL SESSION ON FEBRUARY 6, 2018:

AUTHORIZATION TO TEMPORARILY USE VARIOUS HOC SOURCES TO ENABLE ACQUISITION OF EXISTING MULTIFAMILY DEVELOPMENT PRIOR TO THE AVAILABILITY OF INCREASE FUNDING ON THE PNC LINES OF CREDIT

FEBRUARY 7, 2018

- At a closed Administrative Special Session on February 6, 2018, the Commission adopted Resolution 18-14AS, which authorized the use of various HOC sources on an interim bases to enable the acquisition of a multifamily development prior to the availability of increased funding on the PNC Lines of Credit.

- The Commission wishes to ratify and affirm, in an open meeting, the action undertaken at the February 6, 2018 closed Administrative Special Session any action taken since then with respect to the approved transaction.
RESOLUTION No.: 18-14R

RE: Approval to Advance Funds from Various Commission Sources on an Interim Basis, Prior to the Availability of Increased Funding on the LPNC Bank, N.A. Lines of Credit, to Enable the Acquisition of an Existing Multifamily 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 authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Administrative Special Session duly called and held on February 6, 2018, with a quorum present, the Commission duly adopted Resolution 18-14AS authorizing the advance of funds from various Commission sources on an interim bases prior to the availability of increased funding on the PNC Lines of Credit to enable the acquisition of a multifamily development; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 18-14AS and any action taken since February 6, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-14R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on February 7, 2018.

[Signature]
Patrice M. Birdsong
Special Assistant to the Commission
Committee Reports and Recommendations for Action
Development and Finance Committee
Approval of Public Purpose, Feasibility and the Issuance of a Bond Authorizing Resolution for the Hillside Senior Living Transaction

Gaithersburg, MD

STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN
VIVIAN BENJAMIN
UGONNA IBEBUCHI
ERIK SMITH

February 7, 2018
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<td>Staff Recommendations &amp; Commission Action Needed</td>
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Executive Summary

• HOC has been asked to allocate State Ceiling Bond Cap in an amount that is sufficient to finance the conversion of an existing hotel into an affordable, age-restricted rental community, known as Hillside Senior Living. R4 Capital Funding will serve as lender ("R4CF" or the "Lender") for the transaction. R4CF has underwritten the senior mortgage. The Lender or a capital partner will purchase the tax-exempt bonds that have been requested to be issued by HOC.

• Hillside Senior Living (the "Development" or "Hillside"), is a 238,036 sq. ft. hotel, formerly known as Hyatt House, proposed for conversion to a 140-unit affordable, age-restricted rental community. The Development is located at 200 Skidmore Boulevard, Gaithersburg, MD, just north of Interstate 370, proximate to the Inter-County Connector (ICC/Route 200), and just east of Maryland Route 355. On the site sits two three-story and four two-story buildings. It is surrounded by commercial and residential real estate and offers quick transportation access to Montgomery County’s public bus service as well as to major state and local highways.

• Redevelopment is proposed by MRK Partners Inc ("MRK" or, the "Developer"), a California based real estate investment firm. The Developer submitted an application for 4% Low Income Housing Tax Credits ("LIHTC") to the Maryland Department of Housing and Community Development ("DHCD") in August 2017. This first application was not approved as the proposal did not meet minimum scoring threshold. Therefore, the Developer submitted a new application in November 2017 and is awaiting an allocation from DHCD. A decision is expected in February 2018.

• A market study completed by VSI Appraisal Group concludes that there is need for affordable senior housing in the Gaithersburg market area. This is evidenced by very low vacancy (less than 1%) at affordable senior communities, which supports the recommendation for approval of the Hillside Senior Living development.

• The Inducement Resolution for the Commission to allocate up to $28,897,000 of bond cap to Hillside was approved by the Commission on November 1, 2017.

• The Development and Finance Committee reviewed the current request and voted to recommend the transaction for approval by the full Commission.
FINANCING SCHEDULE

October 2017
- Finance Committee - Inducement
- TEFRA Hearing
- Development & Finance Committee - Inducement

November 2017
- Commission - Inducement Resolution
- Developer’s 4% LIHTC Application removed from processing by DHCD.
- Developer submits a new 4% LIHTC application.

January 2018
- Development & Finance Committee - Financing Plan, Public Purpose & Feasibility, Bond Authorizing Resolution

February 2018
- Commission Approval of Financing Plan, Public Purpose & Feasibility, Bond Authorizing Resolution
- Developer receives LIHTC allocation from DHCD (expected)
- Closing
- Construction/Renovation starts (12-24 months)
## PROPERTY OVERVIEW

<table>
<thead>
<tr>
<th>Location</th>
<th>200 Skidmore Blvd, Gaithersburg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Units</td>
<td>140</td>
</tr>
<tr>
<td>Unit Mix</td>
<td>82 – 1BR/1BA</td>
</tr>
<tr>
<td></td>
<td>58 – 2BR/2BA</td>
</tr>
<tr>
<td>Public Purpose</td>
<td>Hillside will be a rental housing community for seniors aged 62 and older, with 140 (100%) units reserved for households earning 60% of AMI or less, including 21 units designated as MPDUs.</td>
</tr>
<tr>
<td>Planned Amenities</td>
<td></td>
</tr>
<tr>
<td>• Property amenities will include: swimming pool, spa, community room with kitchen, grilling area with outdoor seating, fitness center, and central laundry room. Onsite health care will include: once per quarter health screenings, flu shots and vision/hearing tests to be provided by medical professionals.</td>
<td></td>
</tr>
<tr>
<td>• Transportation options close to the Development include:</td>
<td></td>
</tr>
<tr>
<td>• Connect-A-Ride along with Ride On buses 55 and 59 on S. Frederick Avenue will provide residents with free transportation.</td>
<td></td>
</tr>
<tr>
<td>• The Shady Grove Red Line Metro station and Downtown Gaithersburg MARC station are five minutes from the Development.</td>
<td></td>
</tr>
<tr>
<td>Planned Renovations</td>
<td></td>
</tr>
<tr>
<td>• To aid accessibility, walkways will be built between buildings to provide 95% of units with elevator access as shown in yellow. Building A will be the only building without elevator access.</td>
<td></td>
</tr>
<tr>
<td>• Building A also contains the pre-existing lobby and kitchen, which will be converted into a clubroom for group activities.</td>
<td></td>
</tr>
<tr>
<td>• Interior unit renovations will include installation of Energy Star appliances such as refrigerators, dish washers and bath exhaust fans.</td>
<td></td>
</tr>
<tr>
<td>• The renovation will include a new exterior façade to be architecturally compatible with the surrounding residential area.</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\)In accordance with Gaithersburg’s approved definition of the Elderly Population, this site will be restricted to residents 62 and older with a leasing agreement prohibiting any occupants under 45 years of age.

February 7, 2018
## Transaction Summary: Sources & Uses of Funds

### Sources of Funds

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Total Amount (Construction)</th>
<th>$ Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Tax-Exempt Bonds for Construction</td>
<td>$26,270,000</td>
<td>$187,643</td>
</tr>
<tr>
<td>b) LIHTC Equity Proceeds</td>
<td>$4,435,000</td>
<td>$31,679</td>
</tr>
<tr>
<td>c) Interim Income</td>
<td>$634,608</td>
<td>$4,533</td>
</tr>
<tr>
<td>d) Deferred Developer Fee</td>
<td>$3,997,395</td>
<td>$28,553</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$35,337,003</strong></td>
<td><strong>$252,407</strong></td>
</tr>
</tbody>
</table>

**a)** Projected sources of funds include tax-exempt, construction bonds issued by HOC for approximately $26,270,000.

- During renovations throughout 2018-2019, the property will be required to make interest-only payments. The Lender will allow one 12-month extension of the interest-only period. The bonds will be subject to partial pay down at conversion to resize the permanent debt to a level supportable by project operations. Amortization of the loan is required to begin thereafter.

- No credit enhancement will be necessary, as the tax-exempt bonds will be privately placed with R4CF or a capital partner at closing.

**b)** R4 Capital LLC will provide LIHTC equity priced at $0.92 per credit.

**c)** Approximately 28% of interim income throughout the lease-up period in the amount of $634,608 is included as a source of funds.

**d)** The Developer has requested a waiver of the $2.5 million, maximum Developer Fee and is instead requesting a $4,298,891 Developer Fee with $3,997,395 (92%) deferred. The waiver request was approved by DHCD.

### Uses of Funds

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Total Amount</th>
<th>$ Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition Costs</td>
<td>$19,000,000</td>
<td>$135,714</td>
</tr>
<tr>
<td>Total Construction/Hard Costs</td>
<td>$6,938,752</td>
<td>$49,563</td>
</tr>
<tr>
<td>Owner Soft Costs (Consultants, Due Diligence, other)</td>
<td>$1,057,996</td>
<td>$7,557</td>
</tr>
<tr>
<td>Financing Expenses (Including $2.2M Construction Interest)</td>
<td>$3,492,347</td>
<td>$24,945</td>
</tr>
<tr>
<td>e) Developer’s Fee</td>
<td>$4,298,891</td>
<td>$30,706</td>
</tr>
<tr>
<td>Syndication Related Costs</td>
<td>$50,000</td>
<td>$357</td>
</tr>
<tr>
<td>Operating Reserve</td>
<td>$499,017</td>
<td>$3,564</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$35,337,003</strong></td>
<td><strong>$252,407</strong></td>
</tr>
</tbody>
</table>

February 7, 2018
### Transaction Summary: Sources & Uses of Funds (Cont.)

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Total Amount (At Construction)</th>
<th>Total Amount (At Stabilization)</th>
<th>$ Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Tax-Exempt Bonds</td>
<td>$26,270,000</td>
<td>$21,290,000</td>
<td>$152,071</td>
</tr>
<tr>
<td>b) LIHTC Equity Proceeds</td>
<td>$4,435,000</td>
<td>$9,415,000</td>
<td>$67,250</td>
</tr>
<tr>
<td>c) “Earn Out Bonds” Proceeds</td>
<td>$0.00</td>
<td>$710,824</td>
<td>$5,077</td>
</tr>
<tr>
<td>d) Interim Income</td>
<td>$634,608</td>
<td>$634,608</td>
<td>$4,533</td>
</tr>
<tr>
<td>e) Deferred Developer Fee</td>
<td>$3,997,395</td>
<td>$3,286,571</td>
<td>$23,476</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$35,337,003</td>
<td>$35,337,003</td>
<td>$252,407</td>
</tr>
</tbody>
</table>

a) At loan conversion, the Development will receive a LIHTC equity payment of $4,980,000 that will be applied to the construction loan, thereby reducing the permanent loan to $21,290,000. The permanent loan will have a term of 40 years. The interest rate will be based on the 15 year Municipal Market Data (“MMD”) index plus 200 basis points (bps) during construction, changing to plus 225 bps post-stabilization. MMD is the municipal market tax-exempt Triple A index.

b) The total amount of LIHTC equity pledged to the Development is $9,415,000. A portion of LIHTC Equity proceeds, in the estimated amount of $4,980,000, will be contributed to at conversion and used to pay down the construction loan.

c) The Lender will allow additional long-term bond proceeds, “Earn Out Bonds”, up to $710,824 in the event that 60% tax credit rents are achieved. (The lender has underwritten the rent for one-bedroom units at the Property to 98% of the 60% AMI rent limit.) If this condition is met for the “Earn Out Bonds”, the additional bond proceeds will be acknowledged by reducing the pay down of the construction bonds by the amount of the Earn Out Bonds and the deferred Developer Fee will be reduced, resulting in a final permanent loan amount of $22,000,824.

d) Interim Income in the amount of $634,608 remains a part of projected sources for the Development.

e) The deferred Developer Fee will be reduced to $3,286,571 with funds from the Earn Out Bonds. If the Earn Out Bonds are not achieved, the deferred Developer Fee will remain at $3,997,995, as previously stated.
a) In CY 2020, the Property is expected to achieve stabilized occupancy of 95% and convert to permanent financing. Effective Gross Income of $2,170,931 is projected in the first stabilized year.

b) Operating expenses in CY 2020 are projected to be $5,711 per unit, escalating 3% annually.

• The Property will benefit from a 20-year, Payment in Lieu of Taxes (“PILOT”) agreement from Montgomery County for abatement of 100% of real estate taxes, valued at $241,779 annually.

c) The Developer has requested to waive the $300/unit/year replacement reserve requirement and plans to maintain $225/unit/year instead as required by the lender. Approval of this waiver by DHCD is pending.

d) Net Operating Income is projected to be $1,339,880, or $9,571 per unit, in CY 2020.

e) Debt Service is projected to be $1,148,543, or $8,204 per unit in CY 2020.

f) Cash Flow Before Distributions is expected to be $191,337, or $1,367 per unit, in CY 2020.

g) The Property is projected to comfortably support the proposed permanent loan amount of $21,290,000 and achieve a debt service coverage ratio of 1.17:1.00.
## TRANSACTION HIGHLIGHTS

<table>
<thead>
<tr>
<th><strong>Public Purpose</strong></th>
<th>Hillside will provide 140 (100%) units of affordable, senior housing @ 60% of AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>County &amp; City of Gaithersburg Interest</strong></td>
<td>Acquisition and renovation of the Development contributes to the affordable housing supply for seniors in the County. The Developer has received a recommendation for a 20-year, Payment in Lieu of Taxes (PILOT) agreement from the county. The City of Gaithersburg has approved the Developer’s re-zoning request and final site plan to convert the existing hotel to multifamily apartments.</td>
</tr>
<tr>
<td><strong>Volume Cap Allocation</strong></td>
<td>Volume cap in the amount of $26,270,000 will be required for tax-exempt bond financing. Currently, $67,911,728 of volume cap is available for use. (See page 9.) After the Hillside bond issuance, the remaining HOC volume cap available will be $41,641,728.</td>
</tr>
<tr>
<td><strong>Bond Financing/ First Mortgage</strong></td>
<td>A $26,270,000 tax-exempt, 24-month construction loan will be issued at initial closing. At conversion, the loan will be reduced by a LIHTC equity payment of $4,980,000, resulting in a $21,290,000 long-term, tax-exempt, permanent mortgage at a projected 4.75% interest rate and 40-year amortization. The permanent loan may be increased by $710,824, considered an “Earn Out Bonds” portion, if 60% AMI LIHTC rents are achieved. (The Lender has underwritten rents to 98% of the 60% AMI limits.)</td>
</tr>
<tr>
<td><strong>Credit Enhancement</strong></td>
<td>None. The bonds will be privately placed with R4CF or a capital partner, who will resell the bonds to a qualified institutional investor.</td>
</tr>
<tr>
<td><strong>Construction Loan</strong></td>
<td>R4CF or a capital partner will also provide construction financing for planned renovations. The mortgage will be funded initially as a construction loan and converted to the permanent phase upon renovation completion, stabilized occupancy, and issuance by DHCD of the IRS 8609.</td>
</tr>
<tr>
<td><strong>LIHTC Equity</strong></td>
<td>Approximately $9,415,000 – The tax credit equity will be paid in stages: 1) loan closing; 2) 50% construction completion; 3) 85% construction completion, 4) 100% construction completion and 5) rental achievement. The LIHTC syndicator, R4 Capital LLC, has offered $0.92 per credit.</td>
</tr>
<tr>
<td><strong>Developer Fee</strong></td>
<td>The Developer’s Fee will be $4,298,891; however, $3,997,395 will be deferred. In the event that “Earn Out Bonds” are achieved, the deferred Developer Fee will be reduced to $3,286,571. Waiver of the maximum Developer Fee of $2,500,000 was requested by the Developer and approval by DHCD is pending.</td>
</tr>
</tbody>
</table>

February 7, 2018
**Available Volume Cap:** HOC had a remaining balance of $29,926,000 in volume cap, at the end of CY2017. The Commission was allocated $37.9 million in volume cap in CY2018. This amount is sufficient for the financing of Hillside, leaving a balance of $41.6 million in volume cap available for the remainder of CY2018.

The projected volume cap usage for CY2018 (for developments other than Hillside) is approximately $118 million, which exceeds estimated available bond cap for the year.

**Requests for Additional Bond Cap:** HOC meets with the Maryland Department of Housing and Community Development (“DHCD”) annually to review its annual volume cap needs. The first meeting was on April 19, 2016, the second on March 3, 2017. HOC will meet with DHCD in 2018 to request additional volume cap for anticipated CY2018 transactions.

While there is currently not a written agreement to allocate additional volume cap to HOC with each LIHTC application, HOC outlines its volume cap needs and DHCD has agreed to allocate additional volume cap to fund related transactions.

Alternatively, HOC Management will also request additional bond cap from the Maryland Department of Commerce, the state agency responsible for the allocation of bond cap.

---

### BOND CAP NEED/USES (’000)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Projected 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Carried Forward</td>
<td>$15,241</td>
<td>$28,567</td>
<td>$43,185</td>
<td>$69,813</td>
<td>$88,742</td>
<td>$29,011</td>
<td>$44,785</td>
<td>$29,926</td>
</tr>
<tr>
<td>Special Allocation¹</td>
<td></td>
<td>$20,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Bond Cap Allocation</td>
<td>$32,726</td>
<td>$32,618</td>
<td>$33,228</td>
<td>$35,429</td>
<td>$35,869</td>
<td>$36,247</td>
<td>$35,643</td>
<td>$37,986</td>
</tr>
<tr>
<td>Total Bond Cap Available</td>
<td>$47,967</td>
<td>$61,185</td>
<td>$76,413</td>
<td>$105,242</td>
<td>$124,611</td>
<td>$65,258</td>
<td>$80,428</td>
<td>$67,912</td>
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</table>

**HOC Programs**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family²</td>
<td>$19,400</td>
<td>$18,000</td>
<td>$6,600</td>
<td>$0</td>
<td>$0</td>
<td>$19,503</td>
<td>$16,363</td>
<td>$25,000</td>
</tr>
<tr>
<td>Arcola Towers³</td>
<td></td>
<td></td>
<td>$13,545</td>
<td>$970</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waverly House³</td>
<td></td>
<td></td>
<td>$22,305</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metropolitan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$12,000</td>
</tr>
<tr>
<td>Alexander House⁴</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$22,139</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Greenhills⁵</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$12,000</td>
<td>$0</td>
</tr>
<tr>
<td>Elizabeth House III⁶</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$18,800</td>
</tr>
<tr>
<td>Town Center Apartments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$9,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>900 Thayer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$15,000</td>
<td>$11,200</td>
<td></td>
</tr>
<tr>
<td>Bauer Park</td>
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<td></td>
<td></td>
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<td>$7,000</td>
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</tr>
<tr>
<td>Georgian Court</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$12,400</td>
<td></td>
</tr>
<tr>
<td>Shady Grove</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$7,500</td>
</tr>
<tr>
<td>Stewartson</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$7,500</td>
</tr>
<tr>
<td>Total HOC Programs</td>
<td>$19,400</td>
<td>$18,000</td>
<td>$6,600</td>
<td>$0</td>
<td>$35,850</td>
<td>$20,473</td>
<td>$50,502</td>
<td>$118,000</td>
</tr>
</tbody>
</table>

**PRIVATE DEVELOPERS**

<table>
<thead>
<tr>
<th>Project</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaithersburg - Olde Towne</td>
<td></td>
<td></td>
<td></td>
<td>$25,525</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germantown - Churchill II</td>
<td></td>
<td></td>
<td>$16,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bethesda – Lakeview House</td>
<td></td>
<td></td>
<td></td>
<td>$34,225</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hillside Senior Living</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$26,270</td>
<td>$0</td>
</tr>
<tr>
<td>Total Private Activity</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$16,500</td>
<td>$59,750</td>
<td>$0</td>
<td>$0</td>
<td>$26,270</td>
</tr>
</tbody>
</table>

**Total Bond Cap Remaining** $28,567  $43,185  $69,813  $88,742  $29,011  $44,785  $29,926  ($76,358)

---

February 7, 2018
BOND CAP MATRIX: OVERVIEW

The Bond Cap Matrix was developed to measure and compare qualitative and quantitative variables of all tax-exempt bond transactions of the Commission. The indices were first introduced in 2002 with the expectation that the analysis would gain relevance over time as more projects are compared.

Qualitative variables were introduced with quantitative variables to provide support for the allocation of volume cap, should the pure numbers suggest otherwise. The variables measured relate to competing developments, feasibility, and public purpose for not only Hillside Senior Living, but for the preceding 18 other properties that were evaluated for HOC financing.

Hillside scores the same as Forest Oak Tower, a similar affordable age-restricted property nearby, financed by HOC in 2007.
### BOND CAP MATRIX: QUALITATIVE VARIABLES

<table>
<thead>
<tr>
<th>Factors</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Purpose</td>
<td>+</td>
<td>100% of units (140) will be set aside for seniors (62 and older) at 60% of below of AMI.</td>
</tr>
<tr>
<td>Fees</td>
<td>+</td>
<td>$262,270 financing fee at closing and $65,675/annually of ongoing loan management fees (2 years construction/renovation +15 years compliance period) will be collected and support HOC’s mission.</td>
</tr>
<tr>
<td>Structure – Term of Affordability</td>
<td>+</td>
<td>LIHTC transaction with extended use provision for 30 years of affordability, or for long as bonds are outstanding.</td>
</tr>
<tr>
<td>Credit Enhancement – Risk to HOC</td>
<td>+</td>
<td>The long-term bonds will be privately placed with R4CF or a capital partner; no credit enhancement is required.</td>
</tr>
<tr>
<td>Readiness to Proceed</td>
<td>-</td>
<td>The Developer is awaiting approval of the 4% LIHTC application from DHCD, in order to proceed. Closing is planned for no later than February 20, 2018, in accordance with the Purchase &amp; Sale Agreement between the seller and the buyer/Developer.</td>
</tr>
<tr>
<td>Need to Use Bond Cap</td>
<td>N/A</td>
<td>Volume cap supports the development of the project and generates fees for HOC.</td>
</tr>
<tr>
<td>Geography</td>
<td>+</td>
<td>Located in Gaithersburg, surrounded by residential townhouses, near schools, retail &amp; recreation centers. High occupancy at nearby income-restricted, senior apartments demonstrates the need for affordable senior rental housing in the that market. A Jan 19th survey of 3 other senior apartment communities with affordability restrictions within 5 miles of the subject found that 99.7% of the 396 units were occupied.</td>
</tr>
<tr>
<td>Developer Experience</td>
<td>-</td>
<td>Developer has completed only 1 other LIHTC transaction in Maryland. The development team (General Contractor, Architect, Management Agent, Syndicator) is experienced.</td>
</tr>
<tr>
<td>Project Design</td>
<td>neutral</td>
<td>The Development consists of four (4) three-story and two (2) two-story buildings. Individual units are accessed through exterior walkways. Planned renovations include adding elevators to two of the buildings and third floor exterior walkways between buildings to enhance elevator access. There will be a central laundry facility in Building A, which will not have elevator access.</td>
</tr>
<tr>
<td>Apartment Type</td>
<td>neutral</td>
<td>The community is an extended stay hotel which will be repurposed to become a garden style, senior rental community. Elevators will be installed in all but one building (Building A).</td>
</tr>
<tr>
<td>Bedroom Mix</td>
<td>+</td>
<td>The bedroom mix is appropriate for a seniors: 82 units – 1 BR/1BA, 58 units – 2BR/BA (140 units total)</td>
</tr>
<tr>
<td>Cost per Unit</td>
<td>+</td>
<td>$252,407 per unit ($135,714 is acquisition cost and $44,100 is renovation cost, not including contingency.)</td>
</tr>
<tr>
<td>Delivery Date</td>
<td>+</td>
<td>Renovations to begin in February 2018 and end by or before January 2019 (12 months).</td>
</tr>
<tr>
<td>HOC Ownership</td>
<td>N/A</td>
<td>HOC will have no ownership interest; limited partner investors will have majority ownership and Developer, or affiliate, will be the managing general partner.</td>
</tr>
<tr>
<td>Community Needs</td>
<td>+</td>
<td>Moderate to High. The current supply of affordable senior housing in the subject property’s market area (which includes Gaithersburg &amp; Germantown) has very low vacancy (0.02%), indicating excess demand for affordable housing among seniors in the market area.</td>
</tr>
</tbody>
</table>

**February 7, 2018**
### BOND CAP MATRIX: QUANTITATIVE VARIABLES

<table>
<thead>
<tr>
<th>Factors</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Exempt Savings Index</td>
<td>+</td>
<td>For every dollar of savings to the developer, we achieve $1.71 of public purpose.</td>
</tr>
<tr>
<td>Cap Usage Index</td>
<td>+</td>
<td>For every dollar of bond cap allocated, we achieve $0.28 in public purpose.</td>
</tr>
<tr>
<td>Public Purpose Index</td>
<td>-</td>
<td>The percentage of the total market potential that is devoted to public purpose is 12% for this transaction.</td>
</tr>
<tr>
<td>Unit Cap Cost Index</td>
<td>+</td>
<td>For every dollar of cost per unit, $0.74 is provided in volume cap.</td>
</tr>
</tbody>
</table>

The current projections for the Property anticipate public purpose that exceeds the basic LIHTC requirement. Tax-exempt, bond financed transactions require a minimum 20% of units to be reserved for households with incomes at or below 50% of AMI or 40% of the units to be reserved for households with incomes at or below 60% of AMI. Of the 140 units planned for acquisition and renovation, 100% of the units will be restricted to senior 62 and older, with incomes at or below 60% of the Washington DC/MD/VA area AMI. The acquisition and renovation of the Property will add to the supply of affordable rental housing for seniors in the County.

The Public Purpose Index appears low (77%) primarily due to the Property’s location in the Gaithersburg area, where market rents are lower than other areas of Montgomery County such as Silver Spring, Rockville, and Bethesda. However, the property is providing substantial public purpose by delivering much needed senior housing to the area where similar age-restricted properties are exhibiting very high occupancies of over 99%. In addition, 100% of the units in Hillside will be limited to households earning 60% or less of AMI, which exceeds the minimum required for tax-exempt bond financed transactions. It also generates fees to the Commission which enable it to continue to realize its public purpose mission.

Taken together, the combined qualitative and the quantitative variables score of 77% supports an allocation of up to $26,270,000 (the inducement amount) of bond cap for this transaction. This transaction is therefore recommended due to delivery of much needed affordable, age-restricted housing to the market and sound project in terms of location and delivery schedule.
ISSUES FOR CONSIDERATION

1) Does the Commission wish to accept the recommendation of the Development & Finance Committee to approve the Financing Plan and Budget, Feasibility, and Public Purpose for the acquisition and renovation of the Hillside Senior Living transaction?

- Having reviewed the Lender’s underwriting and operating projections, this project is believed to be feasible with a Bond Cap Matrix score of 77%.
- By providing financing to renovate a combined 140 affordable rental units at or below 60% of the AMI for seniors 62 years and older, the allocation of the Commission’s volume cap up to $26,270,000 to this transaction is appropriate and supported by the discussion in the Bond Cap Matrix Summary.
- The investment provides new affordable housing for senior households in a submarket that has excess demand for affordable rental housing, and specifically for seniors aged 62 and older. The unit mix of 82 one-bedroom and 58 two-bedroom units is appropriate for a senior community.
- The investment generates fees to the Commission that will assist in furthering of its public purpose.
- Subject to the allocation of tax credits to the Development from DHCD, HOC will be prepared to close by February 20, 2018, in accordance with the Purchase & Sale Agreement between the Developer (buyer) and seller. In the event that DHCD does not allocate tax credits to the Development, HOC will not proceed to issue bonds for the Development.

2) Does the Commission wish to accept the recommendation of the Development & Finance Committee for the approval of a Bond Authorizing Resolution for issuance of up to $26,270,000 of Private Activity Bonds, tax-exempt bonds for the transaction?

FISCAL/ BUDGET IMPACT

There is no adverse impact for the Agency’s FY 2018 operating budget. The Commission will earn a 1% financing fee for the transaction ($262,700). Annual loan management fee equivalent to 0.25% of the bond amount ($65,675) will be paid to HOC while the bonds are outstanding.

TIME FRAME

For action at the February 7, 2018 meeting of the Commission.
1) The Development and Finance Committee recommends that the Commission approve:

1. The Hillside Senior Living Financing Plan, totaling $35,337,003 in acquisition and development costs, including the combined financing sources of LIHTC equity from R4 Capital LLC, long term tax-exempt bonds issued by the Commission and privately placed with R4 Capital Funding or a capital partner, interim income during lease-up and deferred developer fee.

2. The Feasibility and Public Purpose for Hillside, given that 100% of the units are both reserved for seniors aged 62 and older and affordable at or below 60% of AMI with a Bond Cap Matrix score of 77%.

3. The Bond Authorizing Resolution for the Commission to issue Private Activity, tax-exempt bonds for the acquisition and renovation of Hillside Senior Living in an amount not to exceed $26,270,000.
RESOLUTION: 2018-13  Re: Approval of the Financing Plan for, and Determination of the Feasibility and Public Purpose of, Hillside Senior Living Apartments; Adoption of an Authorizing Resolution for the Issuance of Multifamily Housing Revenue Bonds for the Financing of the Acquisition and Rehabilitation of Hillside Senior Living Apartments

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY APPROVING THE FINANCING PLAN FOR AND DETERMINING THE FEASIBILITY AND PUBLIC PURPOSE OF HILLSIDE SENIOR LIVING APARTMENTS (THE “DEVELOPMENT”); AUTHORIZING THE ISSUANCE AND SALE OF THE COMMISSION’S MULTIFAMILY HOUSING REVENUE BONDS (HILLSIDE SENIOR LIVING APARTMENTS) SERIES 2018 (THE “BONDS”) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $26,270,000 FOR THE PURPOSE OF FUNDING OF A MORTGAGE LOAN TO FINANCE THE ACQUISITION, REHABILITATION AND EQUIPPING OF THE DEVELOPMENT, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY HH VENTURE LP; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, CERTAIN TAX-RELATED DOCUMENTS, A DISCLOSURE AGREEMENT AND ANY AND ALL REAL ESTATE DOCUMENTS; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED OFFICER TO PROCEED WITH THE SALE OF THE BONDS TO FMS BONDS, INC., AS INITIAL BOND PURCHASER, OR TO SUCH OTHER INITIAL PURCHASER APPROVED AS DESCRIBED HEREIN, AND TO EXECUTE AND DELIVER A CONTRACT OF PURCHASE IN CONNECTION WITH SUCH SALE; AUTHORIZING THE EXECUTION OF ANY OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE BONDS AND THE ACCOMPLISHMENT OF THE FINANCING PLAN DESCRIBED HEREIN; APPOINTING THE TRUSTEE, THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE BONDS; AUTHORIZING THE EXECUTIVE DIRECTOR OR OTHER AUTHORIZED OFFICER TO ESTABLISH THE TERMS RELATING TO THE BONDS AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; 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, long-term and short-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, at the request of HH Venture LP (the “Borrower”) and to provide a source of funds to fulfill its purposes authorized by and pursuant to the Act, the Commission has determined to issue its Multifamily Housing Revenue Bonds (Hillside Senior Living Apartments), Series 2018 pursuant to an Indenture of Trust dated as of February 1, 2018 (the “Indenture”), by and between the Commission and Wilmington Trust, National Association, as trustee (the “Trustee”) to fund a mortgage loan (the “Mortgage Loan”) to the Borrower to finance the acquisition, rehabilitation and equipping of a 140 unit development known as Hillside Senior Living Apartments (the “Development”), to be owned and operated by the Borrower; and

WHEREAS, upon rehabilitation, the Development will reserve 140 units (100%) for households with incomes that are at or below 60% of the Washington, DC-MD-VA Area Median Income (AMI); and

WHEREAS, after reviewing options for debt financing, the transaction, as proposed, will be financed using a number of sources including, among others, low-income housing tax credit equity and the Bonds (collectively, the “Financing Plan”); and

WHEREAS, the Development will require an allocation of a portion of the Commission’s private activity bond volume cap in an amount not to exceed $26,270,000; and

WHEREAS, a review of the transaction has been completed and it has been determined that given the financial commitments to the Development and its operating projections, this transaction is believed to be feasible, and that by providing 140 units (100%) at or below 60% of the AMI, the Development will provide significant public purpose supporting an allocation of private activity bond volume cap; and

WHEREAS, the Development and Finance Committee at its January 26, 2018 meeting considered and recommended approval of the Financing Plan, Feasibility and Public Purpose for the Development; and

WHEREAS, in connection with the issuance of the Bonds and the accomplishment of the Financing Plan, the Commission anticipates entering into various documents, including, but not limited to the Trust Indenture and, as hereinafter defined, the Contract of Purchase, the Tax-Related Documents, the Disclosure Agreement, the Real Estate Documents and certain other documents relating to the Mortgage Loan, the sale of the Bonds, and the financing of the Development;
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County:

1. **Financing Plan, Feasibility and Public Purpose; Volume Cap.** The Commission hereby approves the Financing Plan for the Development pursuant to the terms and conditions of the documents approved hereby. The Commission hereby determines that the Financing Plan for the Development, as recommended by the Development and Finance Committee, is feasible and accomplishes a valid public purpose of the Commission under the Act. The Commission hereby ratifies any and all actions of Commission staff in connection with the review and processing of the financing application and other documentation related to the issuance of the Bonds, the making of the Mortgage Loan and the financing of the acquisition and rehabilitation of the Development. The Commission hereby approves allocation of private activity bond volume cap to the Bonds in amount not to exceed $26,270,000.

2. **Bonds.** The Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed $26,270,000 to carry out the purposes under the Program as described above. The Bonds are to be issued pursuant to the terms of the Trust Indenture. The Bonds shall be limited obligations of the Commission, secured by and payable solely from the trust estate pledged therefor under the Indenture.

3. **Trust Indenture.** The Chairman, the Vice Chairman, or the Chairman Pro Tem, and the Executive Director of the Commission or any authorized designee of the Executive Director are hereby authorized and directed to execute and deliver the Trust Indenture in such form as shall be approved by such officers, the execution of such Trust Indenture being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission (an “Authorized Officer”), is hereby authorized and directed to affix the seal of the Commission to the Trust Indenture and to attest the same.

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 Bonds and the use and occupancy of the Development in such forms as shall be prepared by Bond Counsel and approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director, the execution of the Tax-Related Documents being conclusive evidence of such approval and of the approval of the Commission.

5. **Disclosure Agreement.** The Commission hereby authorizes and approves the execution and delivery of a continuing disclosure agreement (the “Disclosure Agreement”) related to the 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.
RESOLUTION: 2018-13
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6. **Mortgage Loan; Real Estate Documents.** The Commission hereby authorizes and approves the financing of the Mortgage Loan with the proceeds of a portion of the Bonds and hereby further authorizes and approves the preparation, execution and delivery of any and all real estate documents (the “Real Estate Documents”) relating to the acquisition and rehabilitation of the Development.

7. **Sale of Bonds.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Officer of the Commission is authorized to proceed with the sale of the Bonds to FMS Bonds, Inc., or to any other initial purchaser 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 Officer of the Commission.

8. **Contract of Purchase.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Officer of the Commission is authorized to execute a contract of purchase and/or any other form of purchase agreement (the “Contract of Purchase”) in connection with the issuance, purchase and sale of the Bonds.

9. **Terms; Ongoing Determinations.** The Executive Director or other Authorized Officer 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 final original aggregate principal amount, dates, maturities, interest payment dates, denominations, terms of redemption, registration privileges, security and other terms, and to approve the interest rates on the Bonds, to be specified, as applicable, in the Trust Indenture and the related Bond Documents (as defined in the Trust Indenture). The Executive Director or other Authorized Officer of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners, to perform any act, to execute any documents, and is hereby authorized, from time to time during the period the Bonds are outstanding, to make ongoing determinations, as may be required by the terms of the Trust Indenture and the related Bond Documents and any other financing documents relating to the Bonds, the 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 Bonds and/or other applicable obligations of the Commission, and the Executive Director or other Authorized Officer 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.

10. **Other Action.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Officer 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 Bonds and the accomplishment of the Financing Plan.
11. **Appointment of Trustee, Financial Advisor and Bond Counsel.** Wilmington Trust, National Association, is hereby appointed as trustee for the Bonds. Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the Bonds.

12. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the Bonds, the Trust Indenture, the Contract of Purchase, the Tax-Related Documents, the Real Estate Documents, the Disclosure Agreement, and the related Bond Documents, the Mortgage Loan, or in any other agreement or document executed on behalf of the Commission in its capacity as issuer of the Bonds, 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 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

13. **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 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.

14. **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.

15. **Effective Date.** This Resolution shall take effect immediately.
The foregoing Resolution was adopted upon a motion by ________________.

*******

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on February _____, 2018.

______________________________
Patrice Birdsong
Special Assistant to the Commission
Deliberation

and/or

Action
Future Action
Adjourn