# EXPANDED AGENDA

**December 5, 2018**

<table>
<thead>
<tr>
<th>3:30 p.m.</th>
<th>Welcome Reception – Com. Frances Kelleher</th>
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<thead>
<tr>
<th>4:00 p.m.</th>
<th>I. <strong>COMMUNITY FORUM</strong></th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Page 4</th>
<th>II. <strong>CONSENT ITEMS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A. Confirmation of Maturity Date for Mezzanine Loan for Cider Mill Apartments</td>
</tr>
<tr>
<td>18-100 (pg 5)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>III.</th>
<th>Approval of Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page 8</td>
<td>A. Approval of Minutes of November 7, 2018</td>
</tr>
<tr>
<td>21</td>
<td>B. Approval of Minutes of November 7, 2018 Administrative Session</td>
</tr>
<tr>
<td></td>
<td>C. Approval of Minutes of November 16, 2018 Special Session</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4:20 p.m.</th>
<th>IV. <strong>INFORMATION EXCHANGE</strong></th>
</tr>
</thead>
</table>

| Page 24 | A. Report of the Executive Director |
| 30 | B. Calendar |
| | C. Commissioner Exchange |
| D. Resident Advisory Board |

<table>
<thead>
<tr>
<th>4:30 p.m.</th>
<th>V. <strong>ADMINISTRATIVE AND SPECIAL SESSION RATIFICATION</strong></th>
</tr>
</thead>
</table>

| Page 32 | A. Ratification of Action taken in Administrative Session on October 3, 2018: Authorization to Acquire Waterford Tower Apartments, Subject to Required Conditions, and Actions Related Thereto |
| 35 | B. Ratification of Action taken in Administrative Session on October 3, 2018: Authorization to Draw from PNC Bank, N.A. Line of Credit to Acquire Waterford Tower Apartments, Subject to Required Conditions |
| 37 | C. Ratification of Action taken in Administrative Session on November 7, 2018: Approval of the Final Development Plan and Budget for Elizabeth House III; authorization to Award and Execute the General Contractor Contract for Elizabeth House III and the South County Regional Recreation Aquatic Center; and Approval to Amend Various Documents |
| 40 | D. Ratification of Action taken in Administrative Session on November 7, 2018: Approval to Accept Assignment of Purchase Contract for Acquisition of Real Property Located in Silver Spring, MD and Approval to Draw on the PNC Bank, N.A. Line of Credit |
| 42 | E. Ratification of Action taken in Administrative Session on November 7, 2018: Approval to Draw on the PNC Bank, N.A. Line of Credit to Acquire Real Property Located in Silver Spring, MD |
| 44 | F. Ratification of Action taken in Special Session on November 16, 2018: Approval of a Unanimous Written Consent Between Wheaton-University Boulevard Limited Partnership and Wheaton Commercial Center Associates Limited Partnership as Unit Owners of The Ambassador, a |
## Condominium Regarding the Demolition of Ambassador Apartments and Retail Units

<table>
<thead>
<tr>
<th>Time</th>
<th>Section</th>
<th>Page</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>4:35 p.m.</td>
<td>VI. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</td>
<td>Page 51</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Development and Finance Committee – Com. Simon, Chair</td>
<td>63</td>
<td>18-96 [pg 61]</td>
</tr>
<tr>
<td></td>
<td>1. Authorization for the Executive Director to Execute a Site Control Agreement with Groundswell to Allow for the Application to PEPCO’s Community Solar Program</td>
<td></td>
<td>18-97 [pg 72]</td>
</tr>
<tr>
<td></td>
<td>2. Approval to Select Wells Fargo Community Lending and Investment as the Tax Credit Syndicator for 900 Thayer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5:00 p.m.</td>
<td>VII. ITEMS REQUIRING DELIBERATION and/or ACTION</td>
<td>Page 75</td>
<td>18-98 [pg 79]</td>
</tr>
<tr>
<td></td>
<td>1. Authorization to Draw from the PNC Bank, N.A. Line of Credit to Refund and Redeem Single Family Bonds</td>
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<tr>
<td>5:10 p.m.</td>
<td>Adjourn</td>
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<td>5:20 p.m.</td>
<td>IX. ADMINISTRATIVE SESSION</td>
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<td>A closed Administrative Session will be called to order pursuant to Section 3-305(b)(3) and Section 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland</td>
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## NOTES:
1. This Agenda is subject to change without notice.
2. *Public participation during the Community Forum portion of the Agenda is permitted in the same manner as if the Commission was holding a legislative-type Public Hearing. Testimony is limited to three (3) minutes.
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.
MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann, Executive Director

FROM: Division: Mortgage Finance
Staff: Kayrine V. Brown, Chief Investment & Real Estate Officer  Ext. 9589
Jennifer Hines Arrington, Asst. Dir. of Bond Management  Ext. 9760

RE: Confirmation of Maturity Date for Mezzanine Loan for Cider Mill

DATE: December 5, 2018

OVERALL GOAL & OBJECTIVE:

Confirm that the maturity date for the mezzanine loan for the Cider Mill property can be set at ten years from the date of the closing of the mezzanine loan, per the executed term sheet.

BACKGROUND:

• On July 11, 2018, in Commission Resolution 18-59AS, the Commission approved acceptance of mezzanine debt for the Cider Mill property from The Morris and Gwendolyn Cafritz Foundation or one of its affiliates (the “Cafritz Foundation”). The primary purpose of the mezzanine debt is to repay an outstanding loan from PNC Bank under one of the Commission’s lines of credit with PNC (the “PNC Loan”).

• Resolution 18-59AS contemplated a maturity date for the mezzanine debt of no later than September 30, 2028, ten years from the expected closing date of September 30, 2018.

• On September 28, 2018, in Commission Resolution 18-71AS, the Commission approved the extension of the PNC Loan until December 31, 2018, in order to provide additional time to close on the mezzanine debt.

• Staff is ready to close on the mezzanine debt and is awaiting final approval to close from The Cafritz Foundation and from Montgomery County, which is also providing a loan as contemplated in Commission Resolution 18-59AS.

• The Cafritz Foundation has requested that the Commission confirm that the maturity date of the mezzanine debt be established as ten years from the date of closing on such mezzanine debt per the executed term sheet (because a maturity date of September 30, 2018, would result in the mezzanine debt having a term of less than ten years).
WHEREAS, the Housing Opportunities Commission of Montgomery County ("Commission" or "HOC"), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing financing for the construction of rental housing properties which provide a public purpose;

WHEREAS, on November 17, 2017, pursuant to Article 53A of the Montgomery County Code and conditioned upon HOC’s obtaining adequate acquisition financing, HOC executed its Right of First Refusal to purchase Cider Mill Apartments, a community consisting of 864 units in Montgomery Village, Maryland ("Cider Mill" or the "Property");

WHEREAS, HOC thereafter created MV Gateway LLC (the "Owner") to purchase the Property;

WHEREAS, HOC is the sole member of MVG II, LLC, which is the sole member of the Owner;

WHEREAS, on April 6, 2018 the Commission the Owner, approved a permanent financing plan of (1) a Federal Financing Bank 40-year taxable loan with mortgage insurance under the FHA Risk Share program, for an amount not to exceed $125,000,000; (2) a direct loan from the Commission’s Opportunity Housing Reserve Fund for an amount of $3,000,000; and (3) a loan by HOC for approximately $21,000,000 to remain drawn on the PNC Line of Credit until paid off upon receipt of (i) a mezzanine loan (the "Mezzanine Loan") from The Morris and Gwendolyn Cafritz Foundation or one of its affiliates (the “Cafritz Foundation”) and (ii) a loan from Montgomery County’s Department of Housing and Community Affairs loan; and

WHEREAS, the Cafritz Foundation has requested that the Commission and Owner confirm that the maturity date of the Mezzanine Loan be set at ten years from date of the closing of such Mezzanine Loan, per the executed term sheet;

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County hereby confirms that the maturity date of the Mezzanine Loan be set at ten years from date of the closing of such Mezzanine Loan;

BE IT FURTHER RESOLVED, that the Housing Opportunities Commission of Montgomery County, on its own behalf and on behalf of MVG II, LLC, the sole member of MV Gateway LLC, hereby confirms that the maturity date of the Mezzanine Loan be set at ten years from date of the closing of such Mezzanine Loan;

BE IT FURTHER RESOLVED, that the Housing Opportunities Commission of Montgomery County hereby 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.
I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on December 5, 2018

_________________________________
Patrice M. Birdsong
Special Assistant to the Commission
Minutes
Minutes
November 7, 2018

18-11

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, November 7, 2018 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:08 p.m. Those in attendance were:

**Present**
Jackie Simon, Chair
Richard Y. Nelson, Jr., Vice Chair
Edgar Rodriguez, Chair Pro Tem
Linda Croom
Pamela Byrd
Roy Priest
Fran Kelleher

**Also Attending**

Stacy L. Spann, Executive Director
Ian Hawkins
Christina Autin
Claudia Wilson
Eugenia Pascual
Susan Smith
Len Vilicic
Zachary Marks
Arthur Tirsky
Shauna Sorrells
Darcel Cox
Cornelia Kent
Tisha Lockett
Hyunsuk Choi
Paulette Dudley

Aisha Memon,*Acting General Council
Fred Swan
Eugenia Pascual
Rita Harris
Terri Fowler
Vivian Benjamin
Randy Carty
Tony Johnson
John Vass
Kayrine Brown
Jennifer Arrington
Renee Harris
Charnita Jackson
Eamon Lorincz
Patrick Mattingly

**Resident Advisory Board**
Yvonne Caughman, Vice Chair

**IT Support**
Irma Rodriguez
Rony Joseph

**Guest**
County Executive Elect Marc Elrich
Gino Renne, President MCGEO
Gabriel Aceverd, MCGEO Field Rep
Macedonia Baptist Church Supporters

Karen Lundregan
Francis DeSouza
Janice Henderson
Consent Calendar was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Rodriguez, Croom, Byrd, Priest, and Kelleher.

I. **CONSENT ITEMS**
   A. **Approval of Minutes of October 3, 2018 regular meeting** - The minutes were approved as submitted.
   B. **Approval of Minutes of October 3, 2018 Administrative Session** – The minutes were approved as submitted.
   C. **Approval of Minutes of October 29, 2018 Special Session** – The minutes were approved as submitted.

II. **INFORMATION EXCHANGE**
   A. Report of the Executive Director – Nothing additional to add to the written report.
   B. Commissioner Exchange – Chair Simon introduced Commissioner Frances Kelleher. Commissioner Kelleher was appointed to the Board October 2018.
   C. Resident Advisory Board – Vice Chair Caughman reported that the Resident Advisory Board continues to process and receives the programs and departments plan site visit, and are adding additional members to the Board.
   D. Community Forum: Visit from County Executive Elect Marc Elrich. Supporters of the Macedonia Baptist Church/African-American Cemetery Site addressed the Board. Staff were designated to address the concerns of Karen Lundregan, Francis DeSouza, and Janice Henderson.

III. **ADMINISTRATIVE AND SPECIAL SESSION RATIFICATIONS**
   A. Ratification of Action Taken in Administrative Session on October 3, 2018: Approval to Complete the Purchase of Three Properties Under the County’s Right of First Refusal Ordinance and Approval of a Financing Plan and the Acceptance of a First Mortgage Loan from PNC Bank, N.A. and Subordinate Financing from Montgomery County’s Department of Housing and Community Affairs to Complete the Acquisition of the Properties

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

   **RESOLUTION: 18-78R**

   **RE: Approval to Complete the Purchase of Three Properties; Approval of a Financing Plan; and Acceptance of a First Mortgage Loan from PNC Bank, N.A. and Subordinate Financing from the County**

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

WHEREAS, at an Administrative Session duly called and held on October 3, 2018, with a quorum present, the Commission duly adopted Resolution 18-78AS, with Commissioners Simon, Nelson, Rodriguez, Byrd, and Priest voting in approval; Commissioner Croom was necessarily absent and did not participate in the vote.

WHEREAS, by adopting Resolution 18-78AS, the Commission approved the following actions:

1. Completion of the acquisition of Willow Manor at Clopper’s Mill, consisting of 102 age-restricted Low Income Housing Tax Credit (“LIHTC”) and market-rate apartments located at 18003 Mateny Road, Germantown, MD (“Willow Manor at Clopper’s Mills”); Willow Manor at Fair Hill Farm, consisting of 101 age-restricted LIHTC apartments located at 18301 Georgia Avenue, Silver Spring, MD (“Willow Manor at Fair Hill Farm”); and Willow Manor at Colesville, consisting of 83 age-restricted LIHTC apartments located at 601 Randolph Road, Silver Sping, MD (“Willow Manor at Colesville”) (collectively, the “Willow Manor Properties”);

2. Accepting the Financing Plan to purchase the Willow Manor Properties pursuant to Article 53A-4 of the Montgomery County Code, the Right of First Refusal to buy rental housing;

3. The long-term ownership of the Willow Manor Properties;

4. Funding the Debt Service Reserve Accounts for the Willow Manor Properties;

5. Acting in its own capacity and as the sole member of each The Manor at Cloppers Mill, LLC; The Manor at Fair Hill Farm, LLC; and The Manor at Colesville, LLC:
   a. The acceptance of the Purchase and Sale Agreement from the County;
   b. The acquisition of each respective property;
   c. The assumption of the Tax Credit Covenants and all obligations under the Tax Credit Covenants in effect as of the date of acquisition for each property;
   d. Acceptance of a first mortgage loan from PNC Bank, N.A.;
   
   e. Acceptance of a subordinate loan from Montgomery County’s Department of Housing and Community Affairs;
   f. Acceptance of funds for the Debt Service Reserve Account; and
   g. That the Executive Director, Stacy L. Spann, is authorized to execute any and all documents, and act as necessary, on behalf of each entity.

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 18-78R and any action taken since October 3, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-78R 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. Approval of Calendar Year 2018 and Calendar Year 2019 Chevy Chase Lake (CCL) Multifamily LLC (The Lindley) Budget

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

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

RESOLUTION NO.: 18-84 RE: Calendar Year’19 CCL Multifamily LLC (The Lindley) Budgets

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is the managing member of CCL Multifamily LLC (“CCL”), the owner of The Lindley, a newly built, 200-unit high-rise apartment building situated one-tenth of a mile from Connecticut Avenue, adjacent to the future Metro Purple Line light rail station (the “Property”);

WHEREAS, occupancies at the Property began in October 2018;

WHEREAS, the Commission’s budget policy requires a budget be prepared and adopted for the Property;

WHEREAS, the Calendar Year 2018 budget forecasts net cash flow of $(301,103) that will be covered by the established Operating Reserve in the Development Budget; and

WHEREAS, the Calendar Year 2019 budget forecasts net cash flow of $1,485,348 that will be restricted to the Property.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of CCL Multifamily LLC as its managing member, that the CY’18 and CY’19 Budgets for CCL Multifamily LLC are approved.

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

2. Approval to Extend Property Management Contracts for Six-months at Eleven (11) HOC Properties and Five (5) HOC HUBs – June 30, 2018

Cornelia Kent, Chief Financial Officer, and Charnita Jackson, Acting Director of Property Management, were the presenters.
The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Rodriquez, Croom, Byrd, Priest, and Kelleher.

**RESOLUTION NO: 18-85**

**RE: Approval to Extend Property Management Contract for Six Months**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC”) is the sole member of Alexander House GP, LLC, who is the general partner of Alexander House Apartments Limited Partnership (“Alexander House LP”), and Alexander House LP owns 122 tax credits in the development known as Alexander House (“Alexander House”);

**WHEREAS**, HOC is the general partner of Georgian Court Silver Spring Limited Partnership (“Georgian Court LP”), and Georgian Court LP owns the development known as Georgian Court Apartments (“Georgian Court”);

**WHEREAS**, HOC is the sole member of Greenhills Apartments GP, LLC, who is the general partner of Greenhills Apartments Limited Partnership (“Greenhills LP”), and Greenhills LP owns the development known as Greenhills Apartments (“Greenhills”);

**WHEREAS**, HOC is the general partner of MV Affordable Housing Associates, L.P. (“MV LP”), and MV LP owns the development known as Stewartown Homes (“Stewartown”);

**WHEREAS**, HOC owns the development known as Pooks Hill Court (“Pooks Hill”);

**WHEREAS**, HOC owns the development known as Westwood Towers (“Westwood”);

**WHEREAS**, HOC has contracted with Edgewood-Vantage Management to perform certain property assistance functions for units within five (5) HUBs, including HUB A (Arcola Towers), HUB G (Emory Grove), HUB S (Seneca Ridge), HUB T (Towne Center Place), and HUB W (Waverly House) (the “HUBs”) (together, Alexander House, Greenhills, Stewartown, Pooks Hill, Westwood, and the HUBs, the “Properties”);

**WHEREAS**, HOC desires to issue a Request for Proposal (“RFP”) for property management services at the Properties;

**WHEREAS**, the current property management contracts at the Properties will lapse prior to completing the RFP process;

**WHEREAS**, in order to ensure adequate time to review the RFP and to select a property management firm, staff is recommending a six-month extension of the property management contracts at Properties; and

**WHEREAS**, staff is also recommending to the Board of Directors for Alexander House Development Corporation, Montgomery Arms Development Corporation, Diamond Square Development Corporation, Glenmont Crossing Development Corporation, Glenmont Westerly Development Corporation, and Pooks Hill Development Corporation (the “Development Corporations”) a six month extension of the property management contracts at the Development Corporations’ respective properties.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Alexander House GP, LLC, as its sole member, the general partner of Alexander House Apartments Limited Partnership, that the Executive Director is hereby authorized and directed to execute a six-month extension of the property management contract at Alexander House.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Georgian Court Silver Spring Limited Partnership as its general partner, that the Executive Director is hereby authorized and directed to execute a six-month extension of the property management contracts at Georgian Court.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Greenhills Apartments GP, LLC, as its sole member, the general partner of Greenhills Apartments Limited Partnership, that the Executive Director is hereby authorized and directed to execute a six-month extension of the property management contracts at Greenhills.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of MV Affordable Housing Associates, L.P. as its general partner, that the Executive Director is hereby authorized and directed to execute a six-month extension of the property management contracts at Stewartown.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a six-month extension of the property management contracts at Pooks Hill, Westwood, and the HUBs.

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

3. Approval of CY’19 Tax Credit Partnership Budgets

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

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

RESOLUTION NO.: 18-86 Re: Approval of CY’19 Tax Credit Partnership Budget

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the general partner of the following entities: (1) Hampden Lane Apartments LP (Lasko Manor); (2) Arcola Towers RAD LP (Arcola Towers); (3) Waverly House RAD LP (Waverly House); (4) Wheaton Metro LP (MetroPointe); (5) Greenhills Apartments LP (Greenhills); (6) MV Affordable Housing Associates LP (Stewartown); (7) Georgian Court Silver Spring LP (Georgian Court); (8) Barclay One Associates LP (Barclay); (9) Spring Garden One Associates LP (Spring Garden); (10) Forest Oak Towers LP; (11) Tanglewood/Sligo Hills LP (Tanglewood/Sligo Hills); and (12) Alexander House LP (Alexander House) (together, the “LP Entities”);
WHEREAS, as the general partner of the LP entities, HOC manages the businesses and is liable for the debts;

WHEREAS, the limited partners in LP Entities have contributed money and share in profits, but take no part in running the businesses and incur no liability with respect to the LP Entities beyond their contributions;

WHEREAS, since HOC has a financial obligation to cover the debts of the LP Entities, HOC has an interest in the successful performance of LP Entities and, as such, should review their performances and approve their budgets; and

WHEREAS, the Budget, Finance and Audit Committee reviewed the CY’19 Budgets of the LP Entities at the October 16, 2018 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves the CY’19 Operating Budgets for the LP Entities, as shown on the attached Exhibit A.

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

4. Authorization to Submit FY’20 County Operating Budget

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

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

RESOLUTION NO.:  18-87       RE:  FY’20 County Operating Budget

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) wishes to submit a request for County funds for FY’20; and

WHEREAS, the County has instructed HOC to submit a base budget or Maximum Agency Request Ceiling (“MARC”) for FY’20 in an amount not to exceed $6,680,270 (the current FY’19 MARC) by November 8, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves submitting a request to the County for FY’20 funds in the amount of $6,680,270.

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

1. Approval to Create a New Pool of Real Estate Development and Financing Consultants in Accordance with RFQ #2125
Kayrine Brown, Chief Investments and Real Estate Officer, and Ellen Goff, Real Estate Operations Manager, were the presenters.

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

RESOLUTION NO.: 18-88

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

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

WHEREAS, on September 13, 2018, the Commission solicited proposals from qualified firms or individuals to form a pool of professionals which would provide Development and/or Financing Consultant services to supplement the current staff of the Commission’s Real Estate Division and obviate the need to add full time staff; and

WHEREAS, eleven firms responded to the solicitation, and after review by members of the review panel comprised of representatives from various Commission divisions, ten firms were deemed to meet the requirements of the solicitation; and

WHEREAS, of the ten firms qualified for the pool, one firm, Morrison Avenue Capital, applied as Financing Consultants only, and the following nine firms applied to serve as both Development and Financing Consultants: Audubon Enterprises, CDC Capital, Econometrica, Forefront Company, Fortis Advisory, Jain and Associates, JLL, The Concourse Group and Urban Focus; and

WHEREAS, Development Consultants will perform all the work necessary for the furtherance of the Commission’s acquisition, preservation, rehabilitation, or construction initiatives, and Financing Consultants will advise, source, and structure debt and equity to enhance the Commission’s existing debt and equity products, all under the direction of the Commission’s Real Estate staff; and

WHEREAS, each Consultant will be selected as needed from the pool after it submits its proposal to the Procurement Office in response to the requested scope of work or task order and would be compensated accordingly from the respective Commission-approved project development budget, with such approved project budget having gone through the Commission approval processes for a development.
by the Housing Opportunities Commission of Montgomery County that it hereby authorizes and
directs the Executive Director, without further action on their respective parts, to execute ten individual
contracts with Audubon Enterprises, CDC Capital, Econometrica, Forefront Company, Fortis Advisory, Jain and
Associates, JLL, Morrison Avenue Capital, The Concourse Group and Urban Focus.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County
that each contract shall be for zero dollars and shall be for an initial contract term of two years with two
optional one-year renewals, for a maximum contract term of four years.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County
that the Executive Director is hereby authorized to assign and approve individual tasks orders
competitively of up $250,000 from Commission approved predevelopment, capital, or other budgets,
but that the aggregate for all task orders shall not exceed $1.5 Million, and that the funding for any
award that exceeds the Executive Director’s authorization must be brought to the Commission for
approval with a funding source identified and approved.

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

2. Approval of Amendments to the Regulatory Agreement and Land Use Restriction
Agreement for Hillside Senior Living to Apply Income Averaging Provisions of the Low
Income Housing Tax Credit Program

Kayrine Brown, Chief Investment and Real Estate Officer, and Vivian Benjamin, Assistant
Director Mortgage Finance, were the presenters.

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

RESOLUTION NO.: 18-89 / RE: Approval of Income Averaging
Set-Aside for Hillside Senior Living Apartments

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 notes and bonds from time to time;

WHEREAS, at the request of HH Venture LP (the “Borrower”), and to provide a source of funds to fulfill
its purposes authorized by the Act, the Commission issued its Multifamily Housing Revenue Bonds (Hillside
Senior Living Apartments), Series 2018 (the “Bonds”) to fund a mortgage loan (the “Mortgage Loan”) to the
Borrower to finance the acquisition, rehabilitation and equipping of a 140-unit development in Gaithersburg,
Maryland, known as Hillside Senior Living Apartments (the “Development”);

WHEREAS, subsequent to the issuance of the Bonds, the Maryland Qualified Allocation Plan
(“QAP”), pursuant to the Consolidated Appropriations Act of 2018, added a new income averaging
minimum set-aside election (the “Income Averaging Set-Aside”) for purposes of low-income housing tax credits (“LIHTC”);

WHEREAS, the Income Averaging Set-Aside would require that at least 40% of the units in a project be set-aside for households with incomes at or below 80% of AMI so long as the average gross income for the restricted units does not exceed 60% of AMI;

WHEREAS, the Borrower has requested that the Commission approve and permit the Income Averaging Set-Aside for the Development and that the existing documents related to the Development, including the Land Use Restriction Agreement and Regulatory Agreement, be amended to implement the Income Averaging Set-Aside; and

WHEREAS, the Development and Finance Committee at its October 29, 2018 meeting considered and recommended approval of the Income Averaging Set-Aside for the Development.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves the Income Averaging Set-Aside for the Development pursuant to the recommendation of the Development and Finance Committee.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director of the Commission, or any authorized designee of the Executive Director, are hereby authorized and directed to execute and deliver any amendment or amendment and restatement of the existing Land Use Restriction Agreement and existing Regulatory Agreement, or any other document as necessary, to permit and implement the Income Averaging Set-Aside for the Development, and each document shall be in a form prepared by outside bond counsel to the Commission, and shall be approved by such authorized signers, the execution of such documents being conclusive evidence of such approval.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission, is hereby authorized and directed to affix the seal of the Commission to such documents and to attest the same.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that 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 Income-Averaging Set-Aside for the Development are hereby approved.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that this Resolution shall take effect immediately.

C. Legislative and Regulatory Committee – Com. Byrd, Chair
   1. Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Wait List Related Changes to the Plan and to Add a Preference for Persons with Disabilities who are Transitioning out of Institutional and other Segregated Settings, At Serious Risk of Institutionalization, Homeless, or at Risk of Becoming Homeless
Zachary Marks, Director of Development, and John Vass, Grants Coordinator, were the presenters.

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

RESOLUTION NO.: 18-90  RE: Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Wait List Related Changes and to Add A Preference for Persons with Disabilities Who Are Transitioning Out of Institutional and Other Segregated Settings, At Serious Risk of Institutionalization, Homeless, or At Risk of Becoming Homeless

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission”) desires to revise its Administrative Plan for the Housing Choice Voucher Program (the “Plan”) to add (1) wait list related changes, and (2) a preference for persons with disabilities who are transitioning out of institutional and other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless (the “Revisions”), as identified in the revised Plan attached hereto as Exhibit A; and

WHEREAS, a public comment period for the Revisions began on September 21, 2018 and concluded on November 7, 2018 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County adopts the Revisions, as identified in the revised Plan attached hereto as Exhibit A;

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

2. Significant Amendment to HOC’s Fiscal Year 2019 Public Housing Agency Plan Adding that 26 of the Units at Elizabeth House will be Disposed of using a Section 18 Disposition and a Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to add a Non-Competitive Selection Process for Project-Based Voucher Assistance at Elizabeth House III

Zachary Marks, Director of Development, and John Vass, Grants Coordinator, were the presenters.

The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Simon, Nelson, Rodriguez, Croom, Byrd, Priest, and Kelleher.
RESOLUTION NO.: 18-91  RE: Significant Amendment to HOC’s Fiscal Year 2019 Public Housing Agency Plan Adding that 26 of the Units at Elizabeth House Will Be Disposed of Using A Section 18 Disposition and A Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add a Non-Competitive Selection Process for Project-Based Voucher Assistance at Elizabeth House III.

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission”) desires to significantly amend its Fiscal Year 2019 Public Housing Agency Plan (“PHA Plan”) to add that 26 of the units at Elizabeth House will be disposed of using a Section 18 disposition (“PHA Plan Revisions”), as identified in the revised PHA Plan attached hereto as Exhibit A; and

WHEREAS, the Commission desires to revise its Administrative Plan for the Housing Choice Voucher Program (“Administrative Plan”) to add a non-competitive selection process for Project-Based Voucher assistance at Elizabeth House III (“Administrative Plan Revisions”), as identified in the revised Administrative Plan attached hereto as Exhibit B; and

WHEREAS, a public comment period for the PHA Plan Revisions and Administrative Plan Revisions began on September 21, 2018 and concluded on November 7, 2018 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County adopts the PHA Plan Revisions and Administrative Plan Revisions, as identified in the revised PHA Plan attached hereto as Exhibit A, and the revised Administrative Plan attached hereto as Exhibit B.

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

V. ITEMS REQUIRING DELIBERATION and/or ACTION
   A. Acceptance of HOC FY’18 Audited Financial Statements, Single Audit Report, and Management Letter

   Cornelia Kent, Chief Financial Officer, and Eugenia Pascual, Controller, were the presenters

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

WHEREAS, the independent auditors, CliftonLarsonAllen LLP, presented their report for FY’18, which included the FY’18 Audited Financial Statements, Single Audit Report, and Management Letter, to the Housing Opportunities Commission of Montgomery County (the “Commission”); and

WHEREAS, at a meeting held on November 7, 2018, the Commission reviewed the FY’18 Audited Financial Statements, Single Audit Report, and Management Letter.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission accepts the FY’18 Audited Financial Statements, Single Audit Report, and Management Letter prepared by CliftonLarsonAllen LLP.

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

The open session adjourned at 6:18 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb
A Special Teleconference Session of the Housing Opportunities Commission of Montgomery County was conducted on Friday, November 16, 2018 at 10400 Detrick Avenue, Kensington, Maryland beginning at 12:15 p.m. Those in attendance were:

**Present**
- Jackie Simon, Chair
- Richard Y. Nelson, Jr., Vice Chair
- Fran Kelleher

**Via Teleconference**
- Roy Priest

**Absent**
- Edgar Rodriguez, Chair Pro Tem
- Linda Croom
- Pamela Byrd

**Also Attending**
- Stacy Spann, Executive Director
- Shauna Sorrells
- Kayrine Brown
- Jay Shepherd
- Christina Autin
- Aisha Memon, Acting General Council
- Cornelia Kent
- Gail Willison
- Terri Fowler

I. **ITEMS REQUIRING DELIBERATION AND/OR ACTION**

A. **Approval of a Unanimous Written Consent Between Wheaton-University Boulevard Limited Partnership and Wheaton Commercial Center Associates Limited Partnership as Unit Owners of The Ambassador, a Condominium Regarding the Demolition of Ambassador Apartments and Retail Units**

Zachary Marks, Director of Development, was the presenter.

The foregoing resolution was approved upon a motion by Vice Chair Nelson and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, and Kelleher. Commissioners Rodriguez, Croom, and Byrd were necessarily absent and did not participate in the vote.
RESOLUTION NO.: 18-95

RE: Approval of a Unanimous Written Consent between Wheaton-University Boulevard Limited Partnership and Wheaton Commercial Center Associates Limited Partnership as Unit Owners of The Ambassador, a Condominium, Regarding the Demolition of Ambassador Apartments and Retail Units

WHEREAS, Ambassador Apartments is a mixed-use development comprised of market rate and affordable multifamily housing and a ground floor retail space (the “Ambassador”) that is owned via a condominium regime with two owners;

WHEREAS, the residential condominium (which includes the residential floors and parking deck) is owned by Wheaton Boulevard Limited Partnership, a Maryland limited partnership (the “Residential Owner”), which is ultimately wholly owned by the Housing Opportunities Commission of Montgomery County (“HOC”);

WHEREAS, the retail condominium (which includes the first-floor retail space and surface parking in front of the building) is owned by Wheaton Commercial Center Associates Limited Partnership (“Retail Owner”), an affiliate of Willco;

WHEREAS, HOC and Retail Owner desire to demolish the Ambassador in order to redevelop the land; and

WHEREAS, in order to demolish the Ambassador, HOC and Retail Owner must execute a Unanimous Written Consent of Unit Owners of The Ambassador, a Condominium;

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, in its capacity as owner of HOC Ambassador, Inc., the general partner of Residential Owner, and Ambassador I Associates Limited Partnership, the limited partner of Residential Owner, that it hereby authorizes the Executive Director to execute any and all documents, including the Unanimous Written Consent of Unit Owners of The Ambassador, a Condominium, and to take any and all other actions necessary and proper to carry out the actions contemplated herein.

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

The meeting adjourned at 12:30 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb
Information Exchange
HOC Awarded Family Unification Program Vouchers

On Wednesday, November 21, 2018, HUD awarded funding for 18 Housing Choice Vouchers to HOC under the Family Unification Program (FUP). FUP promotes family unification by providing Housing Choice Vouchers to families for whom the lack of adequate housing is the primary factor in separation of children from their families, as well as to youth transitioning out of foster care. In collaboration with the Montgomery County Department of Housing and Human Services (DHHS), HOC will provide vouchers to eligible families and youth identified by the County’s Child Welfare Service Office and the Continuum of Care Shelter Program. DHHS will provide comprehensive case management to FUP families and youth, including housing search assistance, move-in assistance and a thorough portfolio of supportive services to ensure stable and long-term housing. We are proud to be one of two public housing authorities in Maryland to receive the grant and look forward to helping families remain stably housed together in Montgomery County.

Fatherhood Initiative and HOC Academy Host Family Building Event

On Saturday, November 17, 2018, Fatherhood Initiative and HOC Academy sponsored “Let’s Build Together,” a family event and competition that created a fun outlet for parents to get engaged in their children’s STEM learning. Held at the Ross Boddy Recreation Center in Sandy Spring, Maryland, “Let’s Build Together” brought teams of HOC families together to compete in constructing the most creative LEGO® house. Twenty-five teams comprised of multiple HOC families, including 45 children, participated in the building event.
Before constructing their projects, families collaborated on design and then worked together to put the plan into action. Teams earned points for both originality and durability. At the end of the event, the families on the winning team each received a gift card rewarding their teamwork and creativity. Events like these stand out to me because they help create a sense of community and provide a fun opportunity for young people to sharpen their communication, team building and problem-solving skills.

**Commissioner Fran Kelleher Joins HOC**

On Tuesday, October 30, 2018 Ms. Fran Kelleher was sworn in as Commissioner of the Housing Opportunities Commission of Montgomery County. Commissioner Kelleher replaces former Commissioner Margaret McFarland for the remainder of her unexpired term. She has more than 30 years of proven leadership as an accomplished policy advisor, executive and consultant in health care management.

Prior to joining the Commission, Commissioner Kelleher served as President of Kelleher Consulting, LLC, providing strategic advice to organizations on state and federal health care policy issues, including health care reform. Commissioner Kelleher has been an active Montgomery County resident for many years and we look forward to having the benefit of her expertise and passion for community service on the Commission.
**HOC Students Prepare for the Future at STEM Symposium**

On Friday, November 9, 2018, 24 HOC high school students attended the Advancing Tomorrow’s Leaders in STEM (ATLAS) College and Career Readiness Symposium in Germantown, Maryland. Sponsored by the MdBio Foundation, students interested in STEM education and careers met with colleges, government, business leaders and potential employers in STEM fields to learn about pathways to math and science-related industries.

In addition to networking with STEM professionals, students learned about college and educational advancement programs and several students connected with business leaders for potential STEM internship opportunities.

Throughout the year, HOC Academy continues to be a vehicle for students of all ages to receive exposure to STEM education and activities. Helping youth take advantage of opportunities such as ATLAS is just one way that HOC Academy works to further our agency goal to help children and families reach their fullest potential, and we are excited to see the futures in STEM that await our students.

**2018 Holiday Giving**

On Monday, November 19, 2018, HOC continued its tradition of partnering with the Montgomery County Holiday Giving project to provide holiday assistance to low-income families throughout the County. HOC staff identified and referred approximately 2,000 individuals and families within our database in need of extra support during the holidays. Each referred family received food, gift cards, and other various gifts donated by agencies and businesses in Montgomery County. Approximately 150 families received baskets delivered by HOC staff and included many items just in time for Thanksgiving. HOC staff is set to serve another 150 families in December, directly impacting 300 households over the holiday season.
Thanksgiving Dinner at Forest Oak Towers

On Tuesday, November 22, 2018, more than 100 senior residents at Forest Oak Towers enjoyed a complete Thanksgiving meal courtesy of Covenant Life Church. Continuing a longstanding tradition, members Covenant Life Church served residents traditional Thanksgiving treats including roasted turkey, sweet potatoes, stuffing, and dessert. Thanksgiving Dinner is a highly anticipated event at Forest Oak Towers each year and provides residents with a sense of fellowship and community when they are unable to be with family or other loved ones during the holidays. In addition to the more than 100 seniors who joined the dinner in the Community Room at Forest Oak Towers, 12 additional meals were hand-delivered to residents to those unable to leave their homes. We at HOC are grateful for partners like Covenant Life Church, whose spirit of giving this holiday season brought joy and comfort to many seniors.

Fatherhood Initiative Graduates First Cohort of New Fiscal Year

On Friday, November 2, 2018, the Fatherhood Initiative graduated the first cohort (Pi) of the new fiscal year. Ten fathers successfully completed the program, and the graduation was held at Wheaton’s Sky Lounge. The graduating fathers received a certificate of completion and a gift bag, then shared a celebratory meal with family, friends and other supporters at the event. The second cohort (Rho) of the fiscal year is already in progress with 17 fathers enrolled. Fatherhood Initiative continues to recruit and offer programming to individuals on the HOC Housing Path wait list.

Community Health Fair Held at Forest Oak Towers

On Wednesday, November 28, 2018, a Community Health Fair was organized by University of Maryland School of Nursing (UMSON) students for residents at Forest Oak Towers. In addition to UMSON students, the fair featured representatives from Wellness and Independence for Seniors, a free program that connects seniors to community based health care and other support services to promote wellness independence at home; the Affiliated Santé Group, which offers substance abuse and behavioral health services; and fire prevention specialists. Residents, who may face financial barriers to obtaining health care services, received information and referrals to health resources and services in their community that
are available at little or no cost. Community health fairs are invaluable to those who do not have an ongoing relationship with a licensed medical professional, and are especially beneficial to those who may have trouble obtaining transportation, including many older adults. This interactive health event was well-attended and residents left with useful products from representatives and increased knowledge of available services.

**Fatherhood Initiative Receives Professional Attire Donation**

On November 16, 2018, the Fatherhood Initiative worked with The National Center for Children and Families (NCCF) to help organize their donation warehouse and received more than 200 items of brand new professional clothing for program participants. Items included men’s pea coats and two-piece suits from Jos. A. Bank. The items are now part of the Fatherhood Initiative Clothes Center, where fathers and program graduates can access new professional attire at no cost for job interviews and work. Working in concert with partners like NCCF means we are able to more directly address the needs of our shared customers to ensure they are on a path towards achieving the career and educational goals they hold for themselves.

**HOC General Staff Meeting**

On Wednesday, November 7, 2018, HOC employees gathered at the Silver Spring Civic Building for the agency-wide general staff meeting. The meeting provided an opportunity for colleagues to meet outside of the office to promote teamwork, collaboration and communication. More than 300 employees attended and enjoyed a light breakfast buffet to celebrate the many accomplishments of Team HOC during the past year. As we work to strengthen employee culture, staff participated in a team building activity, where groups were asked to generate and discuss new ideas and employee programs to improve our workplace and ability to serve customers. Many great ideas were proposed and meetings are planned to explore how we
put them into action. We also announced the return of the Technology Employment Purchase Program, which enables employees to finance qualifying technology purchases during the holiday season, and the closure of the agency December 24 through December 28 for the Christmas holiday. General staff meetings continue to be a positive way to build camaraderie and generate new ideas to propel our agency mission forward.
### December 2018

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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>5</td>
<td>HOC Regular Meeting (All)</td>
<td>4:00 p.m.</td>
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<tr>
<td>12</td>
<td>Budget, Finance and Audit Committee Meeting – re: 1st Quarter (Nelson, Priest, Kelleher)</td>
<td>10:00 a.m.</td>
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<tr>
<td>14</td>
<td>Development and Finance Committee Meeting (Simon, Nelson, Priest)</td>
<td>10:00 a.m.</td>
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<td>14</td>
<td>Status/Lunch Meeting w/Executive Director (All) – Location TBD</td>
<td>12:00 noon</td>
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<tr>
<td>17</td>
<td>Agenda Formulation (Simon, Rodriguez)</td>
<td>12:00 noon</td>
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<tr>
<td>19</td>
<td>Resident Advisory Board Meeting (Croom)</td>
<td>6:00 p.m.</td>
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<tr>
<td>19</td>
<td>Town Center Board Meeting (Simon, Rodriguez)</td>
<td>2:00 p.m.</td>
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<tr>
<td>24-28</td>
<td>Christmas Holiday Observance (HOC Offices Closed)</td>
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### January 2019

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<td>1</td>
<td>New Year’s Day Holiday (HOC Offices Closed)</td>
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<tr>
<td>9</td>
<td>HOC Regular Meeting (All)</td>
<td>4:00 p.m.</td>
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<tr>
<td>21</td>
<td>Martin Luther King, Jr. Holiday (HOC Offices Closed)</td>
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<tr>
<td>28</td>
<td>Resident Advisory Board Meeting (Croom)</td>
<td>6:00 p.m.</td>
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### February 2019

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<tr>
<td>6</td>
<td>HOC Annual Meeting Reception (All)</td>
<td>3:30 p.m.</td>
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<tr>
<td>6</td>
<td>HOC Annual Meeting (All)</td>
<td>4:00 p.m.</td>
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<tr>
<td>18</td>
<td>President’s Day (HOC Offices Closed)</td>
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<tr>
<td>19</td>
<td>Budget, Finance and Audit Committee Meeting - 2nd Quarter (Nelson, Priest, Kelleher)</td>
<td>10:00 a.m.</td>
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<tr>
<td>25</td>
<td>Resident Advisory Board Meeting (Croom)</td>
<td>6:00 p.m.</td>
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### March 2019

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<td>6</td>
<td>HOC Regular Meeting (All)</td>
<td>4:00 p.m.</td>
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<tr>
<td>19</td>
<td>Budget, Finance and Audit Committee Meeting – re: Property Workshop (Nelson, Priest, Kelleher)</td>
<td>10:00 a.m.</td>
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<tr>
<td>18</td>
<td>Resident Advisory Board Meeting (Croom)</td>
<td>6:00 p.m.</td>
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### April 2019

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<td>3</td>
<td>HOC Regular Meeting (All)</td>
<td>4:00 o.m.</td>
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<tr>
<td>9</td>
<td>Budget, Finance and Audit Committee Meeting – re: Public Fund (Nelson, Priest, Kelleher)</td>
<td>10:00 a.m.</td>
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<tr>
<td>15</td>
<td>Resident Advisory Board Meeting (Croom)</td>
<td>6:00 p.m.</td>
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<tr>
<td>23</td>
<td>Budget, Finance and Audit Committee Meeting – re: Opportunity Fund (Nelson, Priest, Kelleher)</td>
<td>10:00 a.m.</td>
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<td>30</td>
<td>Budget, Finance and Audit Committee Meeting – re: Mortgage Finance/Real Estate (Nelson, Priest, Kelleher)</td>
<td>10:00 a.m.</td>
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Activities of Interest

1. Follow-up Meeting w/Housing for People with Disabilities Group
2. Property Tour
Administrative and Special Session Ratifications
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON

OCTOBER 3, 2018:

RATIFICATION OF AUTHORIZATION TO ACQUIRE WATERFORD TOWER APARTMENTS, SUBJECT TO REQUIRED CONDITIONS, AND ACTIONS RELATED THERETO

DECEMBER 5, 2018

• At an Administrative Session held on October 3, 2018, the Commission adopted Resolution 18-79AS(1) in which the Commission authorized the acquisition of real property commonly known as Waterford Tower Apartments located in Silver Spring, and other related items, if the original contract purchaser did not purchase the property. Subsequent to the adoption of Resolution 18-79AS(1), the original contract purchaser purchased the property.

• Consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the October 3, 2018 Administrative Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.
RESOLUTION: 18-79R(1)

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

WHEREAS, at an Administrative Session held on October 3, 2018, with a quorum present, the Commission duly adopted Resolution 18-79AS(1), with Commissioners Simon, Nelson, Rodriguez, Byrd, and Priest voting in approval; Commissioner Croom was necessarily absent and did not participate in the vote;

WHEREAS, by adopting Resolution 18-79AS(1), the Commission took the following actions, subject to the original contract purchaser ("Original Purchaser") not purchasing Waterford Tower Apartments, consisting of 143 apartments in Silver Spring, MD (the “Property”):

1. Authorized taking assignment of the Purchase and Sale Agreement ("PSA") from Montgomery County, MD ("County") at the time of closing;
2. Authorized completing the acquisition of the Property;
3. Approved the Financing Plan to purchase the Property under Article 53A-4 of the Montgomery County Code, the Right of First Refusal to buy rental housing;
4. Authorized retaining Pinnacle as the initial management company at the Property until procurement for long term management services to the Property could be completed;
5. Authorized creating a single purpose entity for the purpose of acquiring the Property;
6. Authorized a loan of up to $50,000 from the Opportunity Housing Reserve Fund to be used for due diligence activities related to the acquisition of the Property; and
7. Authorized the restriction of cash flow to the Property until the sale or closing of permanent financing.

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 18-79AS(1) and any action taken since October 3, 2018 to effectuate the transaction contemplated therein; and

WHEREAS, Since October 3, 2018, the Original Purchaser acquired the Property and the Commission has no interest in the Property.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-79AS(1) 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 December 5, 2018.

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______________________________
Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON

OCTOBER 3, 2018:

RATIFICATION OF AUTHORIZATION TO DRAW FROM PNC BANK, N.A.
LINE OF CREDIT TO ACQUIRE WATERFORD TOWER APARTMENTS,
SUBJECT TO REQUIRED CONDITIONS

DECEMBER 5, 2018

- At an Administrative Session held on October 3, 2018, the Commission adopted Resolution 18-79AS(2) in which the Commission authorized drawing on the PNC Bank, N.A. Real Estate Line of Credit to fund the acquisition of real property commonly known as Waterford Tower Apartments located in Silver Spring, if the original contract purchaser did not purchase the property. Subsequent to the adoption of Resolution 18-79AS(2), the original contract purchaser purchased the property.

- Consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the October 3, 2018 Administrative Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.
WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition of rental housing properties which provide a public purpose;

WHEREAS, at an Administrative Session held on October 3, 2018, with a quorum present, the Commission duly adopted Resolution 18-79AS(2), with Commissioners Simon, Nelson, Rodriguez, Byrd, and Priest voting in approval; Commissioner Croom was necessarily absent and did not participate in the vote;

WHEREAS, by adopting Resolution 18-79AS(2), subject to the original contract purchaser ("Original Purchaser") not purchasing Waterford Tower Apartments, consisting of 143 apartments in Silver Spring, MD (the "Property"), the Commission approved a taxable draw on the $90 million PNC Bank, N.A. Real Estate Line of Credit totaling up to $15,200,000.

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 18-79AS(2) and any action taken since October 3, 2018 to effectuate the transaction contemplated therein; and

WHEREAS, Since October 3, 2018, the Original Purchaser acquired the Property and the Commission has no interest in the Property.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-79AS(2) 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 December 5, 2018.

S
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Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON
NOVEMBER 7, 2018:

RATIFICATION OF APPROVAL OF THE FINAL DEVELOPMENT PLAN AND BUDGET FOR ELIZABETH HOUSE III; AUTHORIZATION TO AWARD AND EXECUTE THE GENERAL CONTRACTOR CONTRACT FOR ELIZABETH HOUSE III AND THE SOUTH COUNTY REGIONAL RECREATION AQUATIC CENTER; AND APPROVAL TO AMEND VARIOUS DOCUMENTS

DECEMBER 5, 2018

• At an Administrative Session held on November 7, 2018, the Commission adopted Resolution 18-93AS in which the Commission authorized the approval of the final development plan and budget for Elizabeth House III, awarding and executing the general contractor contract for Elizabeth House III and the South County Regional Recreation Aquatic Center, and approved amending various documents.

• Consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the November 7, 2018 Administrative Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.
RE: Approval of the Final Development Plan and Budget for Elizabeth House III; Authorization to Award and Execute the General Contractor Contract for Elizabeth House III and the South County Regional Recreation Aquatic Center; and Approval to Amend Various Documents

WHEREAS, Elizabeth House III is a planned mixed-use residential building with mixed-income housing and public amenities that is one part of a larger planned mixed-use development known as Elizabeth Square;

WHEREAS, at an Administrative Session held on November 7, 2018, with a quorum present, the Housing Opportunities Commission of Montgomery County ("Commission") duly adopted Resolution 18-93AS, with Commissioners Simon, Nelson, Rodriguez, Croom, Byrd, Priest, and Kelleher voting in approval;

WHEREAS, by adopting Resolution 18-93AS, the Commission took the following actions:

1. Approved the final development plan and budget of Elizabeth House III;
2. Approved a permanent loan to the LIHTC owner;
3. Approved amending documents to change the condominium ownership structure to account for the revised residential unit mix and to modify the initial lease terms;
4. Approved removing certain land from the existing condominium structure;
5. Approved amending the limited partnership agreement to admit a tax credit investor as a limited partner (with a general partner wholly owned by the Commission); and
6. Authorized the Executive Director to sign the general contractor contract for the construction of Elizabeth House III and the South County Regional Recreational and Aquatic Center.

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 18-93AS and any action taken since November 7, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-93AS 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 December 5, 2018.
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON

NOVEMBER 7, 2018:

RATIFICATION OF APPROVAL TO ACCEPT ASSIGNMENT OF PURCHASE CONTRACT FOR ACQUISITION OF REAL PROPERTY LOCATED IN SILVER SPRING, MD AND APPROVAL TO DRAW ON THE PNC BANK, N.A. LINE OF CREDIT

DECEMBER 5, 2018

- At an Administrative Session held on November 7, 2018, the Commission adopted Resolution 18-94AS(1) in which the Commission approved accepting assignment of a purchase contract for the acquisition of real property located in Silver Spring, MD and approved a draw on the PNC Bank Line of Credit.

- Consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the November 7, 2018 Administrative Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.
WHEREAS, the Housing Opportunities Commission of Montgomery County ("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, to carry out and effectuate the purpose of providing affordable housing;

WHEREAS, to effect its corporate purpose, the Commission routinely acquires land and buildings in Montgomery County for the development or preservation of multifamily housing developments that serve eligible households;

WHEREAS, at an Administrative Session held on November 7, 2018, with a quorum present, the Commission duly adopted Resolution 18-94AS(1), with Commissioners Simon, Nelson, Rodriguez, Byrd and Kelleher voting in approval; Commissioner Croom abstained and Commissioner Priest was necessarily absent and did not participate in the vote;

WHEREAS, by adopting Resolution 18-94AS(1), the Commission took the following actions:

1. Accepted assignment of the purchase contract for the acquisition of real property located in Silver Spring, MD;
2. Drawing on the PNC Bank, N.A. Line of Credit to fund the acquisition of the property and to reimburse various costs related to acquisition, feasibility study, and due diligence.

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 18-94AS(1) and any action taken since November 7, 2018 to effectuate the transaction contemplated therein; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-94AS(1) 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 December 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON

NOVEMBER 7, 2018:

RATIFICATION OF APPROVAL TO DRAW ON THE PNC BANK, N.A. LINE
OF CREDIT TO ACQUIRE REAL PROPERTY LOCATED IN SILVER SPRING,
MD

DECEMBER 5, 2018

• At an Administrative Session held on November 7, 2018, the Commission adopted Resolution 18-94AS(2) in which the Commission approved accepting assignment of a purchase contract for the acquisition of real property located in Silver Spring, MD and approved a draw on the PNC Bank Line of Credit.

• Consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the November 7, 2018 Administrative Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.
WHEREAS, the Housing Opportunities Commission of Montgomery County ("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, to carry out and effectuate the purpose of providing affordable housing;

WHEREAS, to effect its corporate purpose, the Commission routinely acquires land and buildings in Montgomery County for the development or preservation of multifamily housing developments that serves eligible households;

WHEREAS, at an Administrative Session held on November 7, 2018, with a quorum present, the Commission duly adopted Resolution 18-94AS(2), with Commissioners Simon, Nelson, Rodriguez, Byrd and Kelleher voting in approval; Commissioner Croom abstained and Commissioner Priest was necessarily absent and did not participate in the vote;

WHEREAS, by adopting Resolution 18-94AS(2), the Commission took the following actions:

1. Accepted assignment of the purchase contract for the acquisition of real property located in Silver Spring, MD;
2. Drawing on the PNC Bank, N.A. Line of Credit to fund the acquisition of the property and to reimburse various costs related to acquisition, feasibility study, and due diligence.

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 18-94AS(2) and any action taken since November 7, 2018 to effectuate the transaction contemplated therein; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-94AS(2) 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 December 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission
RATIFICATION OF ACTION TAKEN IN SPECIAL SESSION ON

NOVEMBER 16, 2018:

RATIFICATION OF APPROVAL OF A UNANIMOUS WRITTEN CONSENT
BETWEEN WHEATON-UNIVERSITY BOULEVARD LIMITED PARTNERSHIP
AND WHEATON COMMERCIAL CENTER ASSOCIATES LIMITED
PARTNERSHIP AS UNIT OWNERS OF THE AMBASSADOR, A
CONDOMINIUM, REGARDING THE DEMOLITION OF AMBASSADOR
APARTMENTS AND RETAIL UNITS

DECEMBER 5, 2018

• At a Special Session held on November 16, 2018, the Commission
  adopted Resolution 18-95 in which the Commission approved
  executing documents enabling the demolition of Ambassador
  Apartments.

• Consistent with the Commission’s Amended and Restated Bylaws,
  the Commission wishes to ratify and affirm, in an open meeting with
  a quorum physically present, the action undertaken at the
  November 16, 2018 Special Session to provide notice to the public
  under the Maryland Open Meetings Act. Further, the Commission
  wishes to ratify any action taken since the Special Session with
  respect to the approved transaction.
WHEREAS, Ambassador Apartments is a mixed-use development comprised of market rate and affordable multifamily housing and a ground floor retail space (the “Ambassador”) that is owned via a condominium regime with two owners;

WHEREAS, the residential condominium (which includes the residential floors and parking deck) is owned by Wheaton Boulevard Limited Partnership, a Maryland limited partnership (the “Residential Owner”), which is ultimately wholly owned by the Housing Opportunities Commission of Montgomery County (“HOC”);

WHEREAS, the retail condominium (which includes the first-floor retail space and surface parking in front of the building) is owned by Wheaton Commercial Center Associates Limited Partnership (“Retail Owner”), an affiliate of Wilco;

WHEREAS, HOC and Retail Owner desire to demolish the Ambassador in order to redevelop the land; and

WHEREAS, in order to demolish the Ambassador, HOC and Retail Owner must execute a Unanimous Written Consent of Unit Owners of The Ambassador, a Condominium;

WHEREAS, at a Special Session held on November 16, 2018, with a quorum present, the Housing Opportunities Commission of Montgomery County (“Commission”) duly adopted Resolution 18-95, with Commissioners Simon, Nelson, Priest and Kelleher voting in approval; Commissioners Rodriguez, Croom, and Byrd were necessarily absent and did not participate in the vote;

WHEREAS, by adopting Resolution 18-95 the Commission took the following action:

- The Commission, in its capacity as owner of HOC Ambassador, Inc., the general partner of Residential Owner, and Ambassador I Associates Limited Partnership, the limited partner of Residential Owner, authorized the Executive Director to execute any and all documents, including the Unanimous Written Consent of Unit Owners of The Ambassador, a Condominium, which is attached hereto as Exhibit A.

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 18-95 and any action taken since November 16, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-95 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 December 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission
Exhibit A

Unanimous Written Consent of Unit Owners of
The Ambassador, A Condominium

November ___, 2018

Background

A. Wheaton-University Boulevard Limited Partnership, a Maryland limited partnership (the “Residential Owner”), and Wheaton Commercial Center Associates Limited Partnership, a Maryland limited partnership (“Commercial Owner”), are the Unit Owners of the Residential Unit and the Commercial Unit, respectively, of the condominium known as “The Ambassador, a Condominium” (the “Condominium”), which Condominium was established pursuant to an Amended and Restated Declaration of The Ambassador, a Condominium (the “Declaration”), which Condominium was established pursuant to an Amended and Restated Declaration of The Ambassador, a Condominium (the “Declaration”). The Declaration was recorded in the land records of Montgomery County, Maryland, on October 22, 2007, in Liber 34975, folio 339 et seq.

B. The Condominium is governed by the Declaration and Amended and Restated Bylaws (the “Bylaws”) adopted and recorded along with the Declaration. Capitalized terms used herein and not defined shall have the meanings set forth in the Declaration and the Bylaws.

C. The Bylaws established an Association of Unit Owners.

D. The Unit Owners held a special meeting of the Association on October 25, 2018 (the “Special Meeting”), in which the Unit Owners unanimously voted to approve the demolition of the Buildings and other improvements on the Property.

E. The Unit Owners wish to memorialize the vote at the meeting in this Unanimous Written Consent of Unit Owners of The Ambassador, A Condominium (this “Consent”).

Consent

1. The Unit Owners hereby confirm the following:

   a. The Unit Owners hereby approve the demolition of the Building and other improvements, including the parking deck adjacent to the Building, at the Property (the “Demolition”).

   b. The Unit Owners hereby authorize the Residential Owner, on behalf of the Unit Owners and the Association, to enter into a binding contract for demolition with a licensed demolition contractor to undertake the Demolition.

   c. Notwithstanding anything in the Declaration or Bylaws, Residential Owner shall bear all of the costs of the Demolition. Unit Owners agree that, in the event they establish a joint venture for the redevelopment of the Property, Residential Owner
or its affiliate in such joint venture shall be credited with a capital account contribution for the entire amount of such Demolition costs.

d. Residential Owner, on behalf of the Unit Owners and the Association, is hereby authorized to execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the Demolition and the intent and purposes of this Consent.

e. The Unit Owners hereby affirm the vote taken at the Special Meeting to undertake the Demolition and waive any rights in the Bylaws relating to notice of meetings or order of business of meetings with respect to the Special Meeting.

2. This Consent shall be maintained in the books and records of the Association.

This Consent has been adopted as of the date first set forth above.

RESIDENTIAL OWNER:

Wheaton-University Boulevard Limited Partnership, a Maryland limited partnership

By: HOC Ambassador, Inc., a Maryland corporation, its general partner

By: ______________________
Name: Stacy L. Spann
Title: Executive Director

COMMERCIAL OWNER:

Wheaton Commercial Center Associates Limited Partnership, a Maryland limited partnership

By: IDI-Wheaton Commercial, Inc., a Virginia corporation, its general partner

By: ______________________
Name
Title:
Committee Reports
and
Recommendations for Action
Development and Finance Committee
AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO EXECUTE A SITE CONTROL AGREEMENT WITH GROUNDSWELL TO ALLOW FOR THE APPLICATION TO PEPCO’S COMMUNITY SOLAR PROGRAM

COMMUNITY IMPROVEMENT OPPORTUNITY

STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE BROWN
ZACHARY MARKS

December 5, 2018
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page #</th>
</tr>
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<tbody>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>Introduction to Community Solar</td>
<td>6</td>
</tr>
<tr>
<td>Economics of Paddington Community Solar</td>
<td>7</td>
</tr>
<tr>
<td>Introduction to Community Solar Developer (Groundswell)</td>
<td>8</td>
</tr>
<tr>
<td>Timing &amp; Targeted Households</td>
<td>9</td>
</tr>
<tr>
<td>Summary &amp; Recommendations</td>
<td>10</td>
</tr>
</tbody>
</table>

Table of Contents
Executive Summary

Paddington Square Apartments ("Paddington") is a mixed-income, affordable community built in phases between 1947 and 1960 and seated on 7.94 acres located north of East-West Highway in the Rosemary Hills neighborhood. The Property consists of three large, three-story walk-up brick structures with 15 entrance stairwells containing a total of 165 units. Within walking distance are the Gwendolyn E. Coffield Recreation Center, a park, playgrounds, tennis courts, and Rosemary Hills Elementary School. The Property is within the Bethesda-Chevy Chase Senior High School district.

HOC purchased Paddington in 2004 and, along with the County, funded substantial renovation of the property between 2005 and 2011. Before the end of 2011, approximately $28 million by way of several financing sources was invested. In early 2015, HOC placed permanent financing, via the FHA Section 223(f) program, on the stabilized property returning more than $20MM in interim resources to HOC and the County. The permanent financing brought with it a ten-year lockout provision.

During the summer of 2018, HOC was introduced by the Montgomery County Green Bank ("MCGB") to Groundswell, a 501c3 nonprofit that develops community solar projects and subscriber management programs that enable Low- and Moderate-income ("LMI") households to source clean energy and realize savings to their existing utility costs.

Groundswell performed an analysis of HOC’s entire property portfolio and found that Paddington was the best candidate for community solar through combined good solar exposure with a location on a PEPCO DC trunk line. Groundswell performed a site visit of Paddington in early October and proposed a plan that uses the roofs for five buildings and, potentially, the surface parking lot to generate $306,389 in electric bills savings (over 20 years) to 30 LMI households. HOC’s only contribution was to be a $0 site lease of the selected parts of the property.
Executive Summary

However, at a special session on October 29, 2018, staff failed to secure a majority of a quorum of four Commissioners to proceed with the site lease option Groundswell need to show site control required of applicants to the PEPCO Community Solar program. The chief concern was that the structure proposed by Groundswell prohibited redevelopment during the 20-year period of the engagement with the Solar Renewable Energy Certificate ("SREC") investor.

Subsequent to the meeting on October 29th, Groundswell has revised its proposal. Under the new structure, the SREC investor would exit after the sixth year. (Six years is the minimum required legal ownership period to qualify the SREC investor for the SREC and depreciation benefits.) The SREC contract is for 10 years (and guarantees payments to the project). So, at the conclusion of the SREC contract, HOC would be in position to redevelop Paddington at its convenience.

As opposed to the original (20-year) proposal, under the new proposal, HOC would have to bear some of the investment and would be taking on financial exposure. First, HOC would be entering into a solar installation lease with Collective Sun for the duration of the ten-year contract. That ten-year lease is capitalized up front by an HOC-funded deposit of $137,776. The lease payments are then drawn from that deposit over the course of the contract. At the end of the sixth year, HOC may terminate the lease (and take ownership of the solar installation) at no further cost*.

The proposed structure also anticipates funding from a senior loan from the MCGB. Assumed here to be 5%, the rate of the MCGB loan is ultimately negotiable; the term of the loan is for ten years, to match the contract length. The owner of the solar installation is responsible for the payments and repayment of the loan.

*At the time of the termination, the remaining balance of the lease payment deposit is disbursed to Collective Sun.
Executive Summary

HOC will receive the net cash flow from the project during its estimated 20-year project life. As currently projected, HOC will earn back its $137,776 deposit within approximately three years. Over the course of the first 10 years, HOC will earn $145,096 and the MCGB loan will have been fully repaid. During the next 10 years, HOC is projected to make $15,000-$20,000 per year in net cash flow. Should HOC operate the solar installment for the full 20 years, it will have had its entire initial invest repaid doubly.

<table>
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Other concerns that arose during the October 29th meeting focused on 1) the status of Paddington’s roofs that would be used for solar placement, 2) the potential impact of the solar panel installation on those roofs, and 3) 20 years. First, Groundswell will perform a comprehensive assessment of the roofs involved prior to the installation of the solar panels. Second, the installation of the solar panels will not require roof penetration. The solar panels sit on weighted ballasts. So, not only do the panels not compromise the existing roofs, the panels can be easily moved on a temporary basis to allow for any necessary roof repairs.

The Development and Finance Committee met on November 16, 2018, to consider this request and staff recommends that the Commission accept the recommendation of the Development and Finance Committee to approve entering into a site control agreement with Groundswell to allow submission of an application to PEPCO’s Community Solar program.

12/5/2018
Introduction to Community Solar

Groundswell will act both as the developer for the financing and construction of the solar infrastructure and as the subscription manager. The community solar project itself raises the debt and equity (via the sale of SRECs) needed to fund the construction of the infrastructure. HOC provides the capitalized lease payments (for HOC’s leasing of the solar installment).

Much like HOC’s mixed-income properties, a majority of those subscribing to the community solar project would do so at market rate to enable LMI households to receive the full benefit of participation in community solar at no cost to those LMI households. Market rate households subscribing to the community solar pay an amount essentially equal to their electric bill discounts. Despite the lack of an economic incentive, Groundswell sees immense demand from market rate households who desire locally produced clean energy that supports their neighbors. Ultimately, Groundswell is responsible for any shortfall in subscribers. LMI households receive the same discount and pay no subscription fee.
After a helioscope analysis and site visit, the initial estimate for Paddington’s production capacity is 291.2 kWs. This capacity assumes the use of parts of the roofs of five buildings and portions of the surface parking lot for solar canopies.

At that capacity, 97 households can be served by Paddington. The estimated cost of the system is approximately $918,507. The estimated useful life of the system is twenty years.

Groundswell estimates that the fair market annual rent for the parts of Paddington being made available for the project is $9,300 per year. If HOC wished to collect that fair market annual rent, then 17 LMI households could be served out of the 97 households.

Should HOC forego the $9,300 per year, then 30 total LMI households could be served out of the 97 households. Staff recommends maximizing the community impact from this project. HOC already enjoys a good reputation in this community for having stabilized Paddington.

Staff sees a greater benefit from building upon this reputation through this and other positive externalities.
Introduction to Groundswell

Groundswell is a nonprofit community solar developer with more than 56 megawatts of projects in development in Washington, DC; Maryland; Georgia; and Illinois. Formed in 2009, in Washington, DC; Groundswell began focusing on organizing neighborhoods to participate in energy efficiency retrofits that supported local jobs. It added wind power consumer choice options shortly thereafter. In 2015, Groundswell unveiled its Share Power Community Solar program.

For the Paddington community solar project, Groundswell would act as developer and subscriber manager. While no commitment is currently in place, there is interest from the MCGB to provide a low-cost loan. This project could be a first opportunity for MCGB to use one of its newly created proprietary loan products.

<table>
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<th>Partner</th>
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<tr>
<td>Paddington Square Apartments</td>
<td>Host</td>
<td>Produce locally generated clean energy</td>
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<tr>
<td>Groundswell</td>
<td>Developer</td>
<td>Equitable solar access made possible by Share Power™ model</td>
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<tr>
<td></td>
<td>Subscriber manager</td>
<td>Respectful subscriber experience for Empowered customers, social impact value proposition for market rate customers</td>
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<tr>
<td>Montgomery County Green Bank</td>
<td>Lender</td>
<td>Low-cost loan improves financial projections</td>
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<td>Values-aligned investor</td>
<td>Equity</td>
<td>Local investment to complete construction financing, long term project ownership</td>
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On the equity side, the DC SRECs will fetch a price above $400 (versus $13 for the Maryland SRECs). This dramatically improves the economic attractiveness for Paddington’s community solar project.

In its evaluation of HOC’s wider portfolio, Groundswell found several other properties with encouraging helioscope analyses. However, these other properties do not sit on a DC trunk line. Should Maryland’s SRECs ever increase in value, these properties could become economically viable community solar projects as well. Still, Paddington will serve as a model for community solar in Montgomery County and can be replicated on commercial and industrial buildings as well.
Groundswell will manage the due diligence, entitlement, permitting, design, and financing of the community solar project. With the approval of the Commission of this request, the next step would be for Groundswell and HOC to meet with the Montgomery County Planning Department to discuss the entitlement process for the addition of solar panels to Paddington. The process of entitlement has been notoriously fraught and lengthy – so much so that there is currently a Zoning Text Amendment before Council to attempt to streamline that entitlement process. Additionally, solar for production is a more difficult entitlement than solar for consumption. It is not yet clear how this project would be viewed.

The 30 LMI households can come from both Paddington, other rental properties, and even homes owned by primary occupants. During the recent revision of the Greater Lyttonsville Sector Plan (“GLSP”), there were gentrification concerns and some bitterness over the eventual increased density given to certain properties. Offering LMI families reductions to utility costs would be a good first step in ensuring that these families can afford to remain in the community. While the maximum AMI for the LMI units is 80%, HOC may unilaterally select lower limits for qualification.

Lastly, job training is a standard part of Groundswell’s construction processes. Groundswell works with the solar installer to provide three levels of training, apprenticeship, and job opportunities associated with a project. First, the installer provides orientation-level workshops for local members of the community, targeting younger people to share and answer questions about what kinds of jobs are available in solar and how to go after those jobs. Second, workforce training is provided that includes preparing trainees to earn their OSHA certification – the basic requirement for any construction job, including solar. Finally, the installer commits to local hiring opportunities on the project.
Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to accept the recommendation of the Development and Finance Committee and authorize the Executive Director to execute a site control agreement with Groundswell for no annual rent payment to allow Groundswell to make application to PEPCO for participation in the Community Solar program?

BUDGET IMPACT

No impact to the Agency operating budget.

TIME FRAME

For action at the December 5, 2018, meeting of the Commission

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and authorize the Executive Director to execute a site control agreement with Groundswell for no annual rent payment to allow Groundswell to make application to PEPCO for participation in the Community Solar program.

Staff will return to the Commission to obtain the requisite approvals to proceed with the project.
RESOLUTION No.: 18-96

RE: Authorization for the Executive Director to Execute a Site Control Agreement with Groundswell to Allow for the Application to PEPCO’s Community Solar Program

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission” or “HOC”) is the owner of Paddington Square Apartments (“Paddington”), a 165-unit mixed-income multifamily rental property located at 8800 Lanier Drive, Silver Spring, MD; and

WHEREAS, Groundswell is a non-profit community solar developer that wishes to secure control of air rights above parts of Paddington’s surface parking lot and roofs for the development of a new community solar system installation; and

WHEREAS, based on an initial helioscope analysis and site visit, Groundswell has selected the parts of Paddington’s surface parking lot and roofs that are conducive to the production of solar energy via photovoltaic installations for the development (the “Premises”); and

WHEREAS, PEPCO, the utility provider for Paddington and surrounding Lyttonsville, participates in the State of Maryland’s Community Solar Pilot Program (“CSPP”), which provides the opportunity for customers, including low- and moderate-income customers who are not able to participate in traditional roof-mounted solar systems, to receive renewable energy benefits; and

WHEREAS, community solar developers may make application to the CSPP for new solar system participation at fixed dates for fixed rounds; and

WHEREAS, PEPCO began to accept applications for the next CSPP round as of October 26, 2018; and

WHEREAS, in its application to the CSPP, Groundswell must demonstrate site control; and

WHEREAS, in order for Groundswell to demonstrate site control, it is recommended that the Commission enter into a site control agreement that provides Groundswell the option to enter into a binding lease for the Premises after completing the necessary entitlement process; and

WHEREAS, should HOC charge Groundswell for a site lease at fair market value, Groundswell estimates that a community solar system at Paddington would support 97 total members of the surrounding community, including 17 low- and moderate-income households at no membership charge; and
WHEREAS, should HOC forego charging Groundswell for a site lease, Groundswell estimates that a community solar system at Paddington would support 97 total members of the surrounding community, including 30 low- and moderate-income households at no membership charge; and

WHEREAS, in order to support the maximum number of low- and moderate-income households, it is recommended that HOC forego charging Groundswells for a site lease.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to execute a site lease option with Groundswell for the development of a new community solar system installation at Paddington in the amount of $0 per year for a term of up to 10 years.

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County in an open meeting conducted on December 5, 2018.

__________________________________
Patrice M. Birdsong
Special Assistant to the Commission
APPROVAL TO SELECT WELLS FARGO COMMUNITY LENDING AND INVESTMENT AS THE LOW INCOME HOUSING TAX CREDIT SYNDICATOR FOR THE 900 THAYER TRANSACTION

Silver Spring

STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN
ZACHARY MARKS
HYUNSUK CHOI

December 5, 2018
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>Revised Ownership Structure</td>
<td>5</td>
</tr>
<tr>
<td>Sensitivity Analysis of Unit Mix</td>
<td>6</td>
</tr>
<tr>
<td>Summary of Letters of Intent</td>
<td>7</td>
</tr>
<tr>
<td>LIHTC Equity Investor</td>
<td>8</td>
</tr>
<tr>
<td>Summary and Recommendations</td>
<td>9</td>
</tr>
</tbody>
</table>
Executive Summary

• The site, though recently confirmed as having an official address of 8240 Fenton Street, Silver Spring, MD, was heretofore described as having a location of 900 Thayer Avenue. For consistency, it is herein referenced as “900 Thayer” or the “Property”, which consists of 0.65 acres (28,526 square feet) of land on the southwest corner of the intersection of Fenton Street and Thayer Avenue.

• On March 16, 2016, the Commission acquired 900 Thayer, which already had Site Plan approval for 124 residential units with 5,098 square feet of ground-floor retail.

• To maximize the use of the Low Income Housing Tax Credits (“LIHTCs”), HOC pursued both 9% and 4% LIHTC for the project by creating three separate condominiums with three separate owners. One condominium would own 62 RAD units and seven (7) market rate units, which would be funded from competitive 9% tax credits equity proceeds; a second condominium would own the remaining 22 RAD units, which would be funded with the 4% LIHTC equity proceeds and tax-exempt bonds. A third condominium would own the remaining 33 market rate residential and retail units.

• The project was not awarded 9% LIHTCs in the 2018 round; therefore, it is now proposed as a 4% LIHTC development.

• The Consolidated Appropriations Act 2018, also known as the Omnibus Spending Bill, made changes to the Low Income Housing Tax Credit (“LIHTC”) program. One change, which will financially and programatically improve the development program for 900 Thayer, is the new occupancy set-aside option known as Income Averaging (“IA”). The average income test to be met under the new bill requires that at least 40% of the housing units in the development be offered to households with incomes at or below 80% of the area median income (“AMI”), so long as the average gross income for the restricted units in the project does not exceed 60% of AMI.

• To take advantage of the new occupancy set-aside option, the current unit mix is proposed to be modified such that 40 units will serve households with incomes at or below 80% of the AMI. The inclusion of 40 units at 80% AMI will allow the property to serve households with a broader range of incomes, as well as to increase the eligible basis to generate additional tax credit equity to the development. This change would create a 100% LIHTC development that would serve a broad cross section of incomes and eliminate the market rate component. All 124 units in the development would be owned by 900 Thayer Limited Partnership.

• Given the Commission’s policy of creating truly mixed-income developments, at the Development and Finance Committee meeting on November 16, 2018, the Committee directed staff to complete a sensitivity analysis of unit mix to show the impact of delivering unrestricted market rate units in the development. The analysis follows in Slide 6 and shows the results for the inclusion of 10%, 15%, and 20% of market rate units.
On April 12, 2018, staff solicited proposals from twelve LIHTC syndicators to select an equity investor for 900 Thayer project:

<table>
<thead>
<tr>
<th>Boston Capital</th>
<th>Hudson Housing Capital</th>
<th>PNC Financial Services Group</th>
<th>Riverside Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>R4 Capital</td>
<td>Raymond James</td>
<td>RBC Capital Market Housing Group</td>
<td>Wells Fargo</td>
</tr>
<tr>
<td>Citi Bank</td>
<td>Enterprise Community Investment</td>
<td>Community Affordable Housing Equity Corporation</td>
<td>Bank of America Merrill Lynch</td>
</tr>
</tbody>
</table>

Staff received three responses via Letters of Interest (“LOI”) from the firms listed below with the respective price per tax credit:

- $1.0125 Wells Fargo
- $0.945 R4 Capital
- $0.920 Hudson Capital

Staff submitted the 9% LIHTC application with Wells Fargo who offered the highest credit price.

Because HOC was unsuccessful in its bid for an allocation of 9% LIHTC equity, the 900 Thayer project will execute a permanent financing structure for a 100% 4% LIHTC development using tax-exempt private activity bonds. Staff reached out to three investors who previously provided LOIs, to update the LOI with income averaging that reflects the 100% 4% LIHTC transaction. In addition, staff also solicited bids from Boston Capital and PNC Bank, investors who have worked with HOC in the past, but only Wells Fargo responded by providing an updated LOI.

- Wells Fargo held its pricing offer at $1.0125 per credit ($13,601,293 equity raise) even though 900 Thayer did not receive a 9% LIHTC award and with the revised ownership structure (discussed in Slide 7).

- Staff recommends that the Commission accept the recommendation of the Development and Finance Committee which met on November 16, 2018 and approve the selection of Wells Fargo Community Lending as the LIHTC investor for the 900 Thayer transaction allowing for the execution of the letter of intent and commencement of negotiation of the terms of a limited partnership agreement.

December 5, 2018
To maximize the use of tax credits, HOC pursued both 9% and 4% LIHTCs for the project by creating three separate condominiums with three separate owners shown above.

Because the 900 Thayer development was unsuccessful in securing an allocation of 9% LIHTC credits, staff must now execute a permanent financing structure to reflect a development funded from 4% LIHTC equity proceeds in a revised ownership structure that includes income averaging, shown to the right.
Sensitivity Analysis – Impact of Market Rate Units

- At the Development and Finance Committee’s direction, sensitivity analyses of unit mix to show the impact of introducing 10%, 15% and 20% of market rate units into the development.
- Currently, the 900 Thayer transaction requires significant Developer Equity.
- Based on the above summary, income averaging with 40 units at 80% AMI (no market rate units) increased the eligible basis to generate additional tax credit equity to the development. By introducing 10%, 15%, and 20% market rate units, the additional developer equity increases by $1.26MM, $1.99MM, and $2.61MM, respectively.

<table>
<thead>
<tr>
<th>USES OF FUNDS CONSTRUCTION</th>
<th>No Market Rate Units (0%)</th>
<th>12 Market Rate Units (10%)</th>
<th>19 Market Rate Units (15%)</th>
<th>25 Market Rate Units (20%)</th>
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<tbody>
<tr>
<td>Construction Costs (Including Contingency)</td>
<td>$28,585,164</td>
<td>$28,585,164</td>
<td>$28,585,164</td>
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<td>$6,635,314</td>
<td>$6,635,314</td>
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<td>Tax-Exempt Bonds (ST)</td>
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<td>$10,086,061</td>
<td>$10,047,283</td>
<td>$10,019,365</td>
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<td>Developer's Fees</td>
<td>$5,592,995</td>
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<td>$197,033</td>
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<td>Guarantees and Reserves</td>
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<td>TOTAL</td>
<td>$60,436,332</td>
<td>$60,375,221</td>
<td>$60,333,204</td>
<td>$60,302,652</td>
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<table>
<thead>
<tr>
<th>SOURCES OF FUNDS CONSTRUCTION</th>
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<th>AMOUNT</th>
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<tr>
<td>FFB Risk Share</td>
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<td>GP Equity</td>
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<td>Interim Income</td>
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<td>$181,675</td>
<td>$180,984</td>
<td>$182,628</td>
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<td>Low Income Housing Tax Credits</td>
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<td>$12,283,613</td>
<td>$11,514,274</td>
<td>$10,855,143</td>
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<td>$12,837,619</td>
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<tr>
<td>TOTAL</td>
<td>$60,436,332</td>
<td>$60,375,221</td>
<td>$60,333,204</td>
<td>$60,302,652</td>
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</tbody>
</table>

Additional Equity: $0, $1,259,677, $1,990,635, $2,619,839
<table>
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<tr>
<th>Summary of Letter of Intent</th>
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</thead>
<tbody>
<tr>
<td><strong>Wells Fargo</strong></td>
</tr>
<tr>
<td><strong>Pricing</strong></td>
</tr>
<tr>
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</tr>
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<td>Equity</td>
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<td>Pay-In Schedule</td>
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<tr>
<td>(Capital Contributions)</td>
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<td></td>
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<tr>
<td>Syndication Fee</td>
</tr>
<tr>
<td>Asset Mgt Fee</td>
</tr>
<tr>
<td>Partnership Mgt Fee</td>
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<tr>
<td>Amortization</td>
</tr>
<tr>
<td>Maximum Permanent Mortgage</td>
</tr>
<tr>
<td>Development Fee Schedule</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Operating Expense Guarantee</td>
</tr>
<tr>
<td>Exit Taxes</td>
</tr>
</tbody>
</table>

- Wells Fargo has offered a per credit price of $1.0125. The firm’s representatives worked extensively with HOC staff to gain comfort with and to derive a viable transaction structure for 900 Thayer.

- Wells Fargo will also provide Solar Tax Credit equity investment at $1.00 per credit which will generate approximately $72,000 of additional equity.

- After receiving certificates of occupancy (projected September 2019), 900 Thayer will receive approximately $11.5 million LIHTC equity (85.2% of $13.6M).

- There will be exit taxes (estimated to be $1.7 million) after the 15-year LIHTC compliance period.

- General Partner will be paid annual asset management fee of $8,500 with a 3% annual increase, payable from available cash flow.

- Wells Fargo requires an operating reserve $376,294 for the duration of the compliance period. These funds will be held in an interest bearing Wells Fargo account.
LIHTC Equity Investor

- Wells Fargo has invested $9 billion in LIHTC equity between 2012 to 2017, making it the nation’s largest affordable multifamily housing investor, announced bank leaders.

- Wells Fargo contributes debt and equity to support affordable multifamily housing and has financed more than 180,000 units of affordable housing between 2012 to 2017.

- Wells Fargo has been investing in tax credits for more than 15 years and is one of the few banks active in both direct and fund equity investments, which increases the amount of capital used to build affordable housing for individuals and families.

- Since 2014, Wells Fargo has lent $9.6 billion for affordable housing developments by providing short-term construction, bridge and permanent financing for affordable multifamily properties using its balance sheet as well as the Federal Housing Administration (FHA), and Fannie Mae and Freddie Mac programs. Wells Fargo works closely with experienced multifamily market-rate and affordable housing developers and investors, as well as mission-oriented for-profits and not-for-profits and Community Development Financial Institutions (CDFIs) that are focused on affordable housing and economic development.

- Wells Fargo supports the development and preservation of affordable housing, including both multifamily and single-family housing, in numerous ways including tax credit investments, commercial lending, foundation grants, mortgages, and bank team member volunteer time.

- Since 2012, Wells Fargo has contributed $25 billion in loans, investments and grants for multifamily affordable housing (Community Reinvestment Act data). In addition, Wells Fargo Home Mortgage (WFHM) is the No. 1 originator of home loans to residents of low- and moderate-income neighborhoods. WFHM’s loan originations in low- and moderate-income neighborhoods totaled nearly $15 billion, or 46,401 loans.

- Relevant LIHTC Projects in Washington DC metro area.
  
  - Parkway Overlook Apartments, DC (220 affordable housing units) – Wells Fargo was a partner in the transaction providing the construction, permanent debt, and provided $29.6M LIHTC equity and solar tax credit equity investment.
  
  - Wah Luck Apartments, DC (152 senior affordable units) – Wells Fargo provided $ 24 million LIHTC Equity with 4%.
  
  - Merritt Station Apartments, MD (72 affordable housing units) – Wells Fargo provided $15.3 million LIHTC Equity with 9%.
Summary and Recommendations

Issues for Consideration

Does the Commission wish to accept the recommendation of the Development and Finance Committee which met on November 16, 2018, and approve the selection of Wells Fargo Community Lending and Investment as the Tax Credit Syndicator for 900 Thayer?

• By approving the selection, the Commission is also authorizing the Executive Director to execute the LOI with Wells Fargo with the general terms for the LIHTC investment that includes the use of Income Averaging under the current tax code.

• Staff will undertake negotiations of terms of a Limited Partnership Agreement (“LPA”) based on the terms outlined in the LOI and will return to the Commission prior to closing for approval of the Executive Director to execute a LPA with Wells Fargo.

Time Frame

Action at the December 5, 2018 meeting of the Commission.

Budget/Fiscal Impact

There is no adverse impact for the Agency’s FY 2019 operating budget. The investment raises approximately $13.6 million of tax credit equity for new construction of 900 Thayer project.

Staff Recommendation and Commission Action Needed

Staff recommends that the Commission accepts the recommendation of the Development and Finance Committee to approve the selection Wells Fargo Community Lending and Investment as the Tax Credit Syndicator for the 900 transaction.
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 real property commonly known as 900 Thayer located at 8240 Fenton Street, Silver Spring, MD, comprised of approximately 0.65 acres (28,526 square feet) of land ("900 Thayer"); and

WHEREAS, on August 9, 2017, the Commission approved the Final Development Plan for 900 Thayer; and

WHEREAS, on January 22, 2018, to maximize the use of Low Income Housing Tax Credits ("LIHTCs"), HOC pursued both 9% and 4% LIHTCs for the project and "divided" 900 Thayer into three separate condominiums with three separate owners as follows: (1) 69 separate mixed-income apartment units consisting of 62 RAD units and 7 market rate units owned by 900 Thayer Nine Limited Partnership, which would be funded from competitive 9% tax credits equity proceeds; (2) 22 RAD units owned by 900 Thayer Limited Partnership ("900 Thayer LP"), which would be funded with the 4% LIHTC equity proceeds and tax-exempt bonds; and (3) 33 market rate units owned by 900 Thayer Development Corporation; and

WHEREAS, on April 12, 2018, HOC staff solicited proposals from 12 LIHTC syndicators to select an equity investor for 900 Thayer, 3 investors each submitted responses via a Letter of Interest ("LOI"), and Wells Fargo Community Lending and Investment ("Wells Fargo") submitted the highest credit price; and

WHEREAS, the 900 Thayer was not awarded 9% LIHTCs in the 2018 round; therefore, the permanent financing structure is proposed as a 4% LIHTC development with income averaging that shall be solely owned by 900 Thayer LP; and

WHEREAS, HOC shall be the sole member of 900 Thayer GP LLC, which shall be the general partner of 900 Thayer LP; and

WHEREAS, in response to not receiving the 9% LIHTCs, HOC staff reached back out to the three responding investors plus two additional investors for an updated LOI; only Wells Fargo responded with an updated LOI; and

WHEREAS, HOC and Wells Fargo expect to receive a Letter of Reservation of LIHTCs from the Maryland Department of Housing and Community Development which will enable Wells Fargo to raise approximately $13.6 million in equity to pay part of its acquisition and development costs; and

WHEREAS, HOC staff recommends accepting Wells Fargo as the LIHTC syndicator for 900 Thayer and beginning negotiations of a Limited Partnership Agreement with Wells Fargo based on the terms outlined in the LOI.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and as the sole member of 900 Thayer GP LLC, the general partner of 900 Thayer Limited Partnership, that it approves the selection of Wells Fargo Community Lending and Investment as the LIHTC syndicator for 900 Thayer.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and as the sole member of 900 Thayer GP LLC, the general partner of 900 Thayer Limited Partnership, that the Executive Director, or his authorized designee, is authorized, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of a binding letter of intent from Wells Fargo Community Lending and Investment and any documents related thereto.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the negotiation of a Limited Partnership Agreement ("LPA") with Wells Fargo based on the terms outlined in the LOI, with the understanding that HOC staff will return to the Commission prior to closing for approval to execute the LPA with Wells Fargo Community Lending and Investment.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open session meeting on December 5, 2018.

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__________________________________
Patrice M. Birdsong
Special Assistant to the Commission
Deliberation

and/or

Action
AUTHORIZATION TO DRAW ON THE
PNC BANK, N.A. LINE OF CREDIT TO
REFUND AND REDEEM SINGLE FAMILY BONDS

December 5, 2018

- The Commission has utilized the practice of issuing refunding bonds in the Single Family Mortgage Purchase Program (the “Program”) to recycle and extend the life of volume cap it allocates to each bond issue.

- The Commission receives a limited quantity of volume cap allocation from the Maryland Department of Housing and Community Development each year, and due to the Commission’s extensive multifamily pipeline in 2019, the existing Single Family volume cap already used by the Commission should be preserved to the extent possible.

- Volume cap can be extended by executing a “replacement refunding” of certain Mortgage Revenue Bonds (“MRBs”) that are to be redeemed, and the $60 million PNC Bank, N.A. Line of Credit (“PNC LOC”) is a form of debt which can be used to refund MRBs to preserve volume cap.

- On January 1, 2019, $2,830,000 of replacement refunding eligible bonds are anticipated to be redeemed; therefore, staff is requesting an allocation for the Single Family Mortgage Purchase Program of up to $5 million from the PNC LOC for use on a revolving basis in accordance with the terms of the LOC, for the purpose of preserving single family volume cap.

- While outstanding, the draw on the line is collateralized by the funds (repayments and revenue) in the Single Family 1979 Indenture. If no bonds were issued, these funds are available to repay the draw on the line of credit.
MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Kayrine V. Brown Division: Mortgage Finance Ext. 9480
Jennifer H. Arrington Mortgage Finance Ext. 9589

RE: Authorization to Draw on the PNC Bank, N.A. Line of Credit to Refund and Redeem Single Family Bonds

DATE: December 5, 2018

STATUS: Consent _____ Deliberation X _____ Status Report _____ Future Action ______

OVERALL GOAL & OBJECTIVE:

BACKGROUND:
The Housing Opportunities Commission of Montgomery County (the “Commission”) has utilized the practice of issuing refunding bonds in the Single Family Mortgage Purchase Program (the “Program”) to (i) recycle and extend the life of volume cap it allocates to each bond issue and/or (ii) refinance its outstanding bond debt at lower interest rates, thereby resulting in the reduction or elimination of negative arbitrage expense to the Program.

The Commission receives a limited quantity of volume cap allocation from the Maryland Department of Housing and Community Development (the “State”) each year, which is used for the issuance of private activity tax-exempt bonds. Due to the Commission’s extensive pipeline of anticipated multifamily projects in 2019 and the limited volume cap received annually from the State (approximately $36 million), existing Single Family volume cap already used by the Commission should be preserved to the extent possible. Volume cap can be extended by executing a “replacement refunding” of certain Mortgage Revenue Bonds (“MRBs”) that are to be redeemed on January 1, 2019 (the “Redemption Date”). The replacement refunded bonds are replaced with newly issued bonds, which do not require additional volume cap.

To preserve volume cap in preparation for a Single Family bond issuance in the spring of 2019, the Commission can use debt to refund Single Family MRBs that are eligible to be redeemed using unrestricted mortgage repayments and prepayments or excess revenues, which are not otherwise being redeemed by the IRS 10-year rule restricting mortgage repayments and prepayments. The volume cap associated with the MRBs refunded using debt can then be
transferred to a new bond issuance and the proceeds from the new bond issuance can be used to pay off the debt that was originally used to refund the MRBs.

The PNC Bank, N.A. $60 million Line of Credit (“PNC LOC”) is a form of debt which can be used to refund MRBs to preserve volume cap. On January 1, 2019, $2,830,000 of replacement refunding eligible bonds are anticipated to be redeemed within the Single Family 1979 Indenture, which can be refunded using the PNC LOC to retain a like amount of volume cap. Please see the below bond series and amounts affected in this transaction:

<table>
<thead>
<tr>
<th>Bond Series</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2013 Series A</td>
<td>$510,000</td>
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<tr>
<td>2016 Series A</td>
<td>$550,000</td>
</tr>
<tr>
<td>2016 Series B</td>
<td>$735,000</td>
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<tr>
<td>2017 Series A</td>
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<td>2017 Series B</td>
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<tr>
<td>2018 Series A</td>
<td>$225,000</td>
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<tr>
<td>Total Replacement Refunding</td>
<td>$2,830,000</td>
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</table>

As an alternative to using the PNC LOC to refund bonds for a replacement refunding, the Commission can postpone redemption of bonds until the next bond call date of July 1, 2019. The risks of this strategy are as follows:

1. **Loss of volume cap.** The amount of volume cap at risk is $1,455,000 and consists of maturing principal redemptions which must occur on January 1, 2019 and cannot be postponed.

2. **An increase in interest expense.** Interest expense of approximately $32,400 will be incurred on $1,375,000 of replacement refunding eligible bonds between January 1, 2019 and July 1, 2019, versus a savings of $10,100 by using the PNC LOC on the Redemption Date.

**Conclusion**

The benefits from the use of the PNC LOC to complete the redemption of MRBs on January 1, 2019 are significant, given the volume cap constraints facing the Commission. Therefore, staff proposes that the Commission approve usage of the PNC LOC to refund bonds eligible for replacement refunding for up to $5 million on a revolving basis in accordance with the terms of the PNC LOC for the purpose of preserving single family volume cap. Of this amount $2,830,000 is anticipated to be used on January 1, 2019.

Staff further proposes that the allocation be used for future bond calls that would allow the Commission to recycle and preserve single family volume cap.
ISSUES FOR CONSIDERATION:
Should the Commission authorize a loan from the PNC Bank, N.A. Line of Credit to refund Single Family Mortgage Revenue Bonds eligible for replacement refunding up to an amount of $5 million on a revolving basis?

PRINCIPALS:
Housing Opportunities Commission of Montgomery County
PNC Bank, N.A.
Caine Mitter & Associates Incorporated, Financial Advisor

BUDGET IMPACT:
There is no impact on the Commission’s operating budget. The Single Family Mortgage Purchase Program will bear the interest cost of the loan at the contract LOC rate. The current unused capacity on the PNC LOC as of November 28, 2018 is $21,333,971.62.

TIMEFRAME:
For action at the December 5, 2018 Commission meeting.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED:
Staff recommends that the Commission authorize draws on the PNC Line of Credit to refund bonds eligible for replacement refunding up to an amount of $5 million on a revolving basis, in accordance with the terms of the $60 million PNC Bank, N.A. Line of Credit.
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 Commission has issued various series of Single Family Mortgage Revenue Bonds (MRB) under the Single Family Bond Resolution originally adopted on March 28, 1979, as amended (the “Bond Resolution”), a portion of which are currently outstanding; and

WHEREAS, pursuant to its authority, the Commission has utilized the practice of issuing refunding bonds in the Single Family Mortgage Purchase Program (the “Program”) to recycle and extend the life of volume cap it allocates to each bond issue and/or to refinance its outstanding bond debt at lower interest rates, thereby, minimizing negative arbitrage expenses to the Program; and

WHEREAS, the ability to recycle volume cap is facilitated by reserving mortgage principal repayments and prepayments to make new mortgage loans and using the proceeds of a new bond issue to refund and redeem the prior outstanding bonds associated with the mortgage principal repayments and prepayments; and

WHEREAS, the IRS imposes certain restrictions on the ability to recycle indefinitely the allocated volume cap through statutory provisions and regulations, one of which is the 10-year Rule which became effective in 1988; and

WHEREAS, due to the Commission’s extensive pipeline of anticipated multifamily projects in 2019 and the limited volume cap received annually from the Maryland Department of Housing and Community Development, existing single family volume cap already used by the Commission should be preserved to the extent possible; and

WHEREAS, the Commission has a line of credit with PNC Bank, N.A. in the total amount of $60 million, with an unobligated balance of approximately $21,333,971.62, as of November 28, 2018, and is a form of debt which can be used to refund MRBs to preserve volume cap; and

WHEREAS, the Commission wishes to preserve its existing bond authority.
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission approves the allocation of up to $5 million from the PNC Bank, N.A. Line of Credit for use by the Single Family Mortgage Purchase Program on a revolving basis, in accordance with the terms of the PNC Line of Credit 9 for the purpose of preserving volume cap.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County 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.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on December 5, 2018.

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Patrice Birdsong
Special Assistant to the Commission
Future Action
Adjourn
Administrative Session