

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

July 10, 2019

19-07

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, July 10, 2019 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:18 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Richard Y. Nelson, Vice Chair
Roy Priest, Chair Pro Tem
Pamela Byrd
Frances Kelleher

Absent

Linda Croom

Also Attending

Stacy L. Spann, Executive Director
Patrick Mattingly
Kayrine Brown
Rita Harris
Charnita Jackson
Derrick Thompson
Darcel Cox
Marcus Ervin
Ian-Terrell Hawkins
Victoria Dixon
Eamon Lorincz

Aisha Memon, Acting General Council
Cornelia Kent
Zachary Marks
Jay Shepherd
Sherraine Rawlins
Christina Autin
Eugenia Pascual
Ian Williams
Jennifer Arrington
Belinda Fulco

Resident Advisory Board

None

Guest

MCGEO
Karen Lundregan

IT Support

Irma Rodriguez
Gabriel Taube

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

I. **Information Exchange**

Resident Advisory Board

- Yvonne Caughman, Vice Chair, was necessarily absent. Rita Harris, Special Assistant to the Director of Resident Services, reported on the current activities of the Resident Advisory Board.

Community Forum

- Residents and Members of MGEO addressed the Board regarding Maintenance Live-on Program.
- Karen Lundregan addressed the Board regarding concerns related to her participation in the Housing Choice Voucher program.

RECESS & ADMINISTRATIVE SESSION:

For the record, there was no recess and the closed Administrative Session pursuant to Section 3-305(b)(2) and (8) of the General Provisions Article of the Annotated Code of Maryland did not convene.

- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Chair Pro Tem Priest and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Byrd, and Kelleher. Commissioner Croom was necessarily absent and did not participate in the vote.

- A. **Approval of Minutes of June 5, 2019**
- B. **Approval of Minutes of June 5, 2019 Administrative Session**
- C. **Approval of Minutes of June 12, 2019 Special Session**
- D. **Approval of Minutes of June 21, 2019 Special Session**
- E. **Approval of Minutes of June 21, 2019 Special Administrative Session**

III. **Consent Items**

A. Acceptance of Calendar Year 2018 CCL Multifamily LLC Audit

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

RESOLUTION NO.: 19-72

**RE: Acceptance of Calendar Year
2018 CCL Multifamily LLC Audit**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") is the managing member and fifty percent (50%) owner of CCL Multifamily LLC ("CCL Multifamily"), which owns The Lindley;

WHEREAS, the calendar year annual audit for the CCL Multifamily has been completed;
And

WHEREAS, a standard unqualified audit opinion was received from the independent certified public accounting firm performing the audit for CCL Multifamily.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County accepts the CY 2018 audit for CCL Multifamily.

IV. **Information Exchange Continued**

Report of the Executive Director

- Nothing additional to add to written report

Commissioner Exchange

- Vice Chair Nelson Visited the American University exhibit on Historically Black Communities in Montgomery County. (Statement Attached)
- Chair Pro Tem Priest participated on County Partnership Panel

V. **ADMINISTRATIVE AND SPECIAL SESSION RATIFICATION**

A. Ratification of Action taken on June 21, 2019 Special Administrative Session

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

- Approval of the Financing Plan for the Elizabeth House III Development and Authorization to Issue Loans, Issue Commitments for Permanent Financing Hedge Interest Rate Risk, and to Accept Loans

RESOLUTION: 19-71^AR

RE: Approval of the Financing Plan for the Elizabeth House III Development and Authorization to Issue Loans, Issue Commitments for Permanent Financing, Hedge Interest Rate Risk, and to Accept Loans

WHEREAS, Elizabeth House III (the "Property") is a mixed-income residential building that is planned as part of a larger mixed-use development known as Elizabeth Square;

WHEREAS, the Property with common elements and underground parking will be owned and operated by the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") in a single purpose entity known as Elizabeth House III Limited Partnership ("Borrower");

WHEREAS, HOC is currently the sole member of EH III GP LLC (the "Managing Member"), which in turn is the sole member of the Borrower;

WHEREAS, at a Special Administrative Session duly called and held on June 21, 2019, with a quorum present, the Commission duly adopted Resolution 19-71^A, with Commissioners Simon, Nelson, Byrd, Priest, and Kelleher voting in approval, and Commissioner Croom being necessarily absent not participating in the vote;

WHEREAS, by adopting Resolution 19-71^A, the Commission authorized the following actions:

1. The approval of the Financing Plan, which includes (A) the allocation of tax-exempt volume cap for the issuance of short and long-term bonds to finance the transaction and for the Commission, as conduit lender, to use those bond proceeds to make a tax-exempt mortgage loan to Borrower, which will be subject to conversion to a permanent loan phase (“Mortgage Loan” or “Permanent Loan”), (B) accepting a construction loan from PNC Bank, N.A. (“Construction Loan”), (C) issuance of a subordinate HOC loan to the Borrower (“HOC Loan”), and (D) the funding of a bridge loan at closing by way of short-term, taxable draws on the PNC Bank, N.A. Real Estate Line of Credit (“Bridge Loan”).
2. The prepayment to the Opportunity Housing Reserve Fund of seventeen (17) years-worth of loan management fees.
3. Obtaining a letter of credit to hold the equivalent of three (3) months of operating expenses and debt service payments.
4. The issuance of a four year forward commitment for the Permanent Loan phase of the Mortgage Loan, which will be credit enhanced by the FHA Risk Share Mortgage Insurance.
5. The selection of PNC Bank, N.A. as the lender of a Construction Loan.
6. That HOC, acting on behalf of itself and on behalf of the Managing Member, the general partner of Borrower, acting for itself and on behalf of Borrower, accepts the Mortgage Loan, Permanent Loan, Construction Loan, Bridge Loan, HOC Loan, and a subordinate loan from the Department of Housing and Community Affairs of Montgomery County, Maryland, for the financing closing.
7. The execution and delivery of an International Swaps and Derivatives Association Master Agreement, Schedules, Confirmations and Credit Support Annexes, and related documents, with a qualified counterparty to mitigate against a rise in interest rates.

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 19-71^A and any action taken since June 21, 2019 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 19-71^A and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

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- Approval to Draw from the PNC Bank, N.A. Real Estate Line of Credit During the Acquisition and Construction of the Elizabeth House III Development

RESOLUTION: 19-71^BR

**RE: Approval to Draw from the PNC Bank, N.A.
N.A. Real Estate Line of Credit During the
Acquisition and Construction of the Elizabeth
House III Development**

WHEREAS, Elizabeth House III (the “Property”) is a mixed-income residential building that is planned as part of a larger mixed-use development known as Elizabeth Square;

WHEREAS, the Property with common elements and underground parking will be owned and operated by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) in a single purpose entity known as Elizabeth House III Limited Partnership (“Borrower”);

WHEREAS, HOC is currently the sole member of EH III GP LLC (the “Managing Member”), which in turn is the sole member of the Borrower;

WHEREAS, at a Special Administrative Session duly called and held on June 21, 2019, with a quorum present, the Commission duly adopted Resolution 19-71^B, with Commissioners Simon, Nelson, Byrd, Priest, and Kelleher voting in approval, and Commissioner Croom being necessarily absent not participating in the vote;

WHEREAS, by adopting Resolution 19-71^B, the Commission authorized the following actions:

1. Taxable draws on the PNC Bank, N.A. Real Estate Line of Credit (“RELOC”) to complete the acquisition and construction financing for the Property.
2. A loan to Borrower to be funded by the RELOC.

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 19-71^B and any action taken since June 21, 2019 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 19-71^B and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

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- Adoption of an Authorizing Resolution for the Issuance of 2019 Series A Multifamily Housing Development Bonds for the Financing of the Acquisition and Construction of the Elizabeth House III Development

RESOLUTION: 19-71^CR

**RE: Adoption of an Authorizing Resolution
for the Issuance of 2019 Series A Multifamily
Housing Development Bonds for the Financing of
the Acquisition and Construction of the Elizabeth
House III Development**

WHEREAS, at a Special Administrative Session duly called and held on June 21, 2019, with a quorum present, the Commission duly adopted Resolution 19-71^C, with Commissioners Simon, Nelson, Byrd, Priest, and Kelleher voting in approval, and Commissioner Croom being necessarily absent not participating in the vote;

WHEREAS, a copy of the adopted Resolution 19-71^C 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 19-71^c and any action taken since June 21, 2019 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 19-71^c and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

VI. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

A. Budget, Finance and Audit Committee – Com. Nelson, Chair

- **Approval to Renew the Primary Audit Contract with CliftonLarsonAllen, LLP for One Additional Year**

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

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

RESOLUTION NO.: 19-73

RE: Approval to Renew the Primary Audit Contract with CliftonLarsonAllen, LLP for One Additional Year

WHEREAS, on October 3, 2018 the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) renewed the primary audit contract with CliftonLarsonAllen LLP (“CLA”) to complete HOC’s financial audit for fiscal year 2019; (the “Contract”); and

WHEREAS, the Contract expires as of December 31, 2019; and

WHEREAS, the Contract provides for one additional one-year renewal; and

WHEREAS, staff has determined it would be beneficial to renew the Contract with CLA for the remaining one (1) year term available in order to complete the FY 2020 audit.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves renewing the primary audit contract with CliftonLarsonAllen LLP for the remaining one (1) year term available, with an expiration date of December 31, 2020.

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

- **Approval of the Permanent Financing Plan for Glenmont Crossing; Approval to Form a New Ownership Entity in which to Transfer the Asset and Approval to Execute an Operating Agreement; Authorization to Issue a Financing Commitment; and, Authorization to Enter into a Participation Agreement with the Federal Financing Bank to Fund a Permanent Loan**

Kayrine Brown, Chief Investment and Real Estate Officer, and Jennifer Arrington, Assistant Director of Bonds Management, were the presenters.

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

RESOLUTION NO.: 19-74

RE: Approval of a Permanent Financing Plan for Glenmont Crossing; Approval to Form New Ownership Entity in which to Transfer the Asset and Approval to Execute an Operating Agreement; Authorization to Issue Financing Commitment; and, Authorization to Enter into a Participation Agreement with the Federal Financing Bank to Fund a Permanent Loan

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

WHEREAS, on December 4, 2012, the Commission approved a Financing Plan for the purchase of Glenmont Crossing, a community consisting of 97 units in Silver Spring, Maryland (the “Property”), which was acquired on December 4, 2012 by Glenmont Crossing Development Corporation (the “Corporation”), a wholly controlled corporate instrumentality of HOC, through the assumption of a CBRE Multifamily Capital, Inc. (“CBRE”) loan backed by Fannie Mae (“Fannie Mae Loan”), a CBRE Supplemental Loan (“CBRE Loan”), a Montgomery County, Maryland Community Development Block Grant Fund loan (“CDBG Loan”), and a loan from HOC’s Opportunity Housing Reserve Fund (OHRF); and

WHEREAS, on November 1, 2019, the Fannie Mae and CBRE Loans mature, and in preparation of those maturities, staff has reviewed the Property’s operational performance, conducted a Property Condition Needs Assessment, obtained an appraisal, and received term sheets for permanent financing; and

WHEREAS, staff has developed a Permanent Financing Plan that will maximize the amount of financing to provide funds to retire the Fannie Mae Loan, repay most of the Property’s existing debt, and fund approximately \$2.5 million (or \$26,009 per unit) in order to fund the Replacement for Reserve account for immediate, near term and turn over repairs at the Property over the next 12 years; and

WHEREAS, the Permanent Financing Plan includes: (1) the creation of a single purpose entity (i.e. a limited liability corporation, wholly owned by HOC) (the “SPE”) for the purpose of acquiring the Property; (2) a Federal Financing Bank, 35-year taxable loan, with mortgage insurance provided by the FHA Risk Share program in an amount not to exceed \$14,100,000 (“FFB/FHA Financing or “Permanent Loan”); (3) assumption of the Corporation’s remaining \$2,850,000 subordinate CDBG Loan; and, (4) assumption of the Property’s approximate \$694,796 in existing reserves and \$851,038 in restricted cash (collectively the “Permanent Financing Plan”); and

WHEREAS, the Property’s public purpose shall include 20% of units (or 20 units) for households earning less than or equal to 50% of the Washington, DC-MD-VA Statistical Area Median Income (“AMI”)AMI, and 30% of units (or 30 units) for households earning less than or equal to 80% AMI.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery approves the following:

1. The Property's Permanent Financing Plan, as described herein, including the creation of the SPE and execution of an Operating Agreement;
2. Authorization for HOC to issue a Financing Commitment to the SPE for an FFB/FHA 35-year, taxable mortgage loan, insured by FHA Risk Share mortgage program in an amount up to \$14.1 million with HOC assuming 50% of the risk;
3. Authorization to enter into a Participation Agreement with FFB to fund the Permanent Loan; and

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of the SPE, as its sole member, approves the following:

1. Assuming the following accounts and balances at Permanent Loan closing: the remaining balance on the CDBG Loan (approximately \$2,850,000) in accordance with the County Note, dated April 17, 2013; the existing Property's reserves totaling \$694,796; and, the existing restricted cash at the Property totaling \$851,038;
2. Accepting the transfer of the Property from the Corporation at cost; and
3. Accepting the Financing Commitment from HOC.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission 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.

*Note – the Briefbook mistakenly included reference to resolution number 19-74^A. There is no such resolution.

- **Approval of the Permanent Financing Plan for Glenmont Westerly; Approval to Form New Ownership Entity in which to Transfer the Asset and Approval to Execute an Operating Agreement; Authorization to Issue a Financing Commitment; and, Authorization to Enter into a Participation Agreement with the Federal Financing Bank to Fund a Permanent Loan**

Kayrine Brown, Chief Investment and Real Estate Officer, and Jennifer Arrington, Assistant Director of Bonds Management, were the presenters.

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

RESOLUTION NO.: 19-75

RE: Approval of a Permanent Financing Plan for Glenmont Westerly; Approval to Form New Ownership Entity in which to Transfer the Asset and Approval to Execute an Operating Agreement; Authorization to Issue Financing Commitment; and, Authorization to Enter into a Participation Agreement with the Federal Financing Bank to Fund a Permanent Loan

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

WHEREAS, on December 4, 2012, the Commission approved a Financing Plan for the purchase of Glenmont Westerly, a community consisting of 102 units in Silver Spring, Maryland (the “Property”), which was acquired on December 4, 2012 by Glenmont Westerly Development Corporation (the “Corporation”), a wholly controlled corporate instrumentality of HOC, through the assumption of a CBRE Multifamily Capital, Inc. loan backed by Fannie Mae (“Fannie Mae Loan”), a Montgomery County, Maryland Housing Initiative Fund loan (“HIF Loan”), and loans from HOC’s Opportunity Housing Reserve Fund (OHRF) and its FHA Risk Share Reserves; and

WHEREAS, on November 1, 2019, the Fannie Mae Loan matures and on December 1, 2019, the HIF Loan matures, and in preparation of those maturities, staff has reviewed the Property’s operational performance, conducted a Property Condition Needs Assessment, obtained an appraisal, and received term sheets for permanent financing; and

WHEREAS, staff has developed a Permanent Financing Plan that will maximize the amount of financing to provide funds to retire the Fannie Mae Loan, repay most of the Property’s existing debt, and fund approximately \$2.5 million (or \$24,446 per unit) in order to fund the Replacement for Reserve account for immediate, near term and turn over repairs at the Property over the next 12 years; and

WHEREAS, the Permanent Financing Plan includes: (1) the creation of a single purpose entity (i.e. a limited liability corporation, wholly owned by HOC) (the “SPE”) for the purpose of acquiring the Property; (2) a Federal Financing Bank, 35-year taxable loan, credit enhanced by mortgage insurance provided under the FHA Risk Share program in an amount not to exceed \$14,000,000 (“FFB/FHA Financing or “Permanent Loan”); (3) assumption of the Corporation’s remaining \$1,510,250 subordinate HIF Loan (approximately \$3.2 million will be paid at closing); and, (4) assumption of the Property’s approximate \$1.5 million in existing reserves and \$911,767 in restricted cash (collectively the “Permanent Financing Plan”); and

WHEREAS, under the Permanent Financing Plan, the Property’s public purpose shall remain unchanged with 20% of units (or 21 units) continuing to serve households earning less than or equal to 50% of the Washington, DC-MD-VA Statistical Area Median Income (“AMI”) and 30% of units (or 32 units) continuing to serve households earning less than or equal to 90% AMI.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery approves the following:

1. The Property’s Permanent Financing Plan, as described herein, including the creation of the SPE and execution of an Operating Agreement;
2. Authorization for HOC to issue a Financing Commitment to the SPE for an FFB/FHA 35-year, taxable mortgage loan, insured by FHA Risk Share mortgage program in an amount up to \$14 million with HOC assuming 50% of the risk;

3. Authorization to enter into a Participation Agreement with FFB to fund the Permanent Loan; and

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of the SPE, as its sole member, approves the following:

1. Assuming the following accounts and balances at Permanent Loan closing: the remaining balance on the HIF Loan (approximately \$1,510,250) in accordance with the County Note, dated June 27, 2013; the existing Property's reserves totaling \$1,480,897; and, the existing restricted cash at the Property totaling \$911,767;
2. Accepting the transfer of the Property from the Corporation at cost; and
3. Accepting the Financing Commitment from HOC.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission 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.

3. Approval of the Final Development Plan for Bauer Park Apartments and Approval to Select Enterprise Community Partners as the Tax Credit Investor for Bauer Park and Authorization for the Executive Director to Negotiate and Execute an Operating Agreement with Enterprise

Zachary Marks, Director of Development, and Jay Shepherd, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO.: 19-76

RE: Approval of the Final Development Plan for Bauer Park Apartments, Approval to Select Enterprise Community Partners as the Tax Credit Investor for Bauer Park and Authorization for the Executive Director to Negotiate and Execute an Operating Agreement with Enterprise

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") seeks to preserve Montgomery County's existing affordable housing, including those subsidized by Rental Assistance Payment ("RAP") contracts and Section 236 financing; and

WHEREAS, Bauer Park Apartments (the "Property"), located at 14635/39/43 Bauer Drive, consists of 142 units in three (3) buildings on 3.88 acres of land on the southeast corner of the intersection of Bauer Drive and Norbeck Road in Rockville, MD; and

WHEREAS, the Property was originally built in 1977 under the Section 236 Program and is owned by Banor Housing, Inc., a non-profit corporation that is managed by a Policy Board (the "Policy Board"); and

WHEREAS, on March 14, 2019, the Policy Board approved the terms of a Purchase and Sale Agreement to sell the Property to Bauer Park Apartments, LP (“Bauer LP”); and

WHEREAS, On August 5, 2015, HOC passed Resolution 15-69 approving the core terms of the Letter of Intent with Victory Housing, Inc. (“VHI”) for development services related to the renovation of the Property; and

WHEREAS, HOC is the 79% managing member of Bauer Park Apartments, LLC (“Bauer LLC”), which is the managing general partner of Bauer LP, and VHI is the 21% non-managing member of Bauer LLC; and

WHEREAS, On April 5, 2017, HOC passed Resolution 17-23 approving the advance of \$850,000 in aggregate from the Opportunity Housing Reserve Fund (“OHRF”) to reimburse VHI for predevelopment costs as they are incurred to prepare and submit tax credit applications for the Property for up to \$350,000; and

WHEREAS, On July 11, 2018, HOC passed Resolution 18-54 approving the Preliminary Development Plan for the Property and authorized an additional \$100,000 for predevelopment funding for costs as they are incurred to prepare and submit tax credit applications for the Property; and

WHEREAS, staff has prepared the Final Development Plan for the Property identifying additional predevelopment costs of \$250,000 and a total development cost of approximately \$40 million to be funded with HOC-issued FHA-insured tax-exempt bonds, County CIP, 4% Low Income Housing Tax Credit (“LIHTC”) equity, a seller note, and acquired replacement reserves (the “Final Development Plan”).

WHEREAS, HOC and Bauer LP expect to receive a Letter of Reservation of Federal Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development; and

WHEREAS, after soliciting investment proposals from the top LIHTC syndicators and investors, HOC received three proposals; and

WHEREAS, after review of the submissions and further inquiries of the investors, Enterprise Community Partners (“Enterprise”) has been determined to be the strongest LIHTC investor among the respondents; and

WHEREAS, HOC intends to negotiate an amended and restated operating agreement with Enterprise for the admission of an affiliate of Enterprise as a non-managing investor member of Bauer LP, with HOC remaining in control of Bauer LP as the managing member of Bauer LLC.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Final Development Plan for the rehabilitation of the Property is hereby approved, which includes an estimated total development cost of up to \$40 million, the delivery of 142 apartment units that will serve seniors 62 years and older, and the restriction of 100% of the units to those earning at or below an income averaged 60% of the area median income.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of Bauer LLC, as its managing member, acting on behalf of itself and on behalf of Bauer LP, as its managing general partner, that it approves the negotiation and execution of an Operating Agreement with VHI of Bauer LP to memorialize the same.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of Bauer LLC, as its managing member, acting on behalf of itself and on behalf of Bauer LP, as its managing general partner, that it approves (1) the selection of Enterprise as the LIHTC investor, (2) the admission of an affiliate of Enterprise as the non-managing investor member of Bauer LP, and (3) the negotiation and execution of an Amended and Restated Operating Agreement of Bauer LP to memorialize the same.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County is authorized to incur up to Two Hundred Fifty Thousand Dollars (\$250,000) in additional predevelopment costs, which shall be funded from the OHRF and reimbursed at closing with any excess sales proceeds.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County acting on behalf of itself and on behalf of Bauer LLC, as its managing member, acting on behalf of itself and on behalf of Bauer LP, as its managing general partner, that it approves the acquisition of the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of Bauer LLC, as its managing member, acting on behalf of itself and on behalf of Bauer LP, as its managing general partner, that the Executive Director 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 any documents related thereto.

4. Approval to Withdraw Excess Yield Funds Under the Multifamily Housing Development Bond Resolution and to Make Capital Contribution to Georgian Court to Fund Capital Expenditures and to Approve Selection of Edgewood Management Company, Property Manager to Project Manage the Proposed Capital Improvements Utilizing the Excess Yield Funds

Kayrine Brown, Chief Investment and Real Estate Officer, and Marcus Ervin, Housing Acquisition Manager, were the presenters.

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

RESOLUTION NO.: 19-77

RE: Approval to Withdraw Excess Yield Funds Under the Multifamily Housing Development Bond Resolution and to Make a Capital Contribution to Georgian Court to Fund Capital Expenditures and to Approve Selection of Edgewood Management Company, Property Manager to Project Manage the Proposed Capital Improvements Utilizing the Excess Yield Funds

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), is the general partner of Georgian Court Silver Spring Limited Partnership, the owner of Georgian Court Apartments (the “Property”); and

WHEREAS, the Commission issued \$24,230,000 of tax-exempt private activity bonds in 2012 (the “2012 Series C Bonds”) under the Multifamily Housing Development Bond Resolution (the “1996 Indenture), which in part refunded the 2000 Series B Bonds that funded the acquisition, rehabilitation, and equipping of the Property; and

WHEREAS, the issuance of tax-exempt private equity bonds is subject to yield restrictions such that the yield on the mortgage loans cannot be higher than 1.50% than the yield on the bonds issued to finance multifamily transaction; and

WHEREAS, when yield in excess of 1.50% exists as a result of the issuance of tax-exempt private activity bonds, a cash contribution to a project financed with such bonds can be made to maintain yield compliance; and

WHEREAS, HOC staff requests approval to withdraw excess yield funds from the 1996 Indenture and to contribute said funds to Georgian Court Silver Spring Limited Partnership; and

WHEREAS, HOC staff proposes utilizing the excess yield to fund capital improvements, including the repair and replacement of existing building architectural systems and components, parking surface areas, landscaping and site lighting upgrades at the Property estimated at \$713,000; and

WHEREAS, staff recommends that the project be managed by the third-party property manager for the Property, Edgewood Management, for a fee estimated to be 3.5% of the total proposed work, or \$25,000, for a total project cost of \$738,000.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the withdrawal of excess yield funds from the 1996 Indenture such that the 2012 Series C Bonds may be yield compliant in the meaning of the Internal Revenue Code and the contribution of said funds to Georgian Court Silver Spring Limited Partnership as a capital contribution.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and as general partner of Georgian Court Silver Spring Limited Partnership, that it approves utilizing the excess yield funds to fund the repair and replacement of existing building architectural systems and components, parking surface areas, landscaping, and site lighting upgrades at the Property, estimated to be \$713,000.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting for itself and as general partner of Georgian Court Silver Spring Limited Partnership, approves the selection of Edgewood Management Company, the third-party property manager of the Property, to manage the proposed work for a fee estimated at 3.5% of the total cost, or \$25,000, for a total project cost of \$738,000, but that the total project may increase to fund additional capital improvements based on the month in which the excess yield proceeds are withdrawn.

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.

VII. **ITEMS REQUIRING DELIBERATION and/or ACTION**

- **Approval of a New Bond Resolution Providing for the Creation of a New Trust Indenture to Finance Multiple Programs of the Housing Opportunities Commission of Montgomery County; Approval of Structure, Cost of Issuance Budget, and Adoption of Series Resolutions for the Issuance of 2019 Series A and 2019 Series B Program Revenue Bonds for the Purpose of Issuing Debt to Reimburse the Commission for Expenditures Incurred Under the Program**

Kayrine Brown, Chief Investment and Real Estate Officer, and Jennifer Arrington, Assistant Director of Bonds Management, were the presenters.

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

RESOLUTION: 2019-78

Re: Approval of a New Limited Obligation General Trust Indenture to Finance Multiple Housing Programs; Approval of Structure, Cost of Issuance Budget, and Adoption of Series Indentures for the Issuance of Program Revenue Bonds, 2019 Series A, 2019 Series B and 2019 Series C, for the Purposes of Reimbursing Capital Expenditures and Refunding Bonds Previously Issued by the Commission

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, and the Memorandum of Understanding effective June 29, 2018 between the Commission and Montgomery County, Maryland (collectively, the "Act"), and is authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes, which include, without limitation, the construction, financing and operation of housing developments for persons of eligible income and the financing of new mortgage loans for Montgomery County, Maryland first time homebuyers; and

WHEREAS, to provide a source of funds to fulfill its purposes authorized by the Act, the Commission has determined to authorize the execution and delivery of a General Trust Indenture (the "General Indenture") by and between the Commission and a trustee selected by the Commission (the "Trustee"); and

WHEREAS, the General Indenture authorizes the Commission to issue its bonds, notes or other obligations from time to time (the "Bonds") pursuant to one or more series indentures in order to obtain funds to carry out the purposes and provisions of the Act, primarily by the making, purchasing or financing of Loans (as defined in the General Indenture), including the payment, when due, of principal of and redemption premium, if any, and interest on the Bonds, and by the financing or reimbursement of housing-related capital expenditures (collectively, the "Program"); and

WHEREAS, the Commission has determined to carry out the Program by issuing one or more series of its Program Revenue Bonds designated 2019 Series A, 2019 Series B and 2019 Series C, and with each subsequent series, if any, to follow in alphabetical order (collectively, the "Series Bonds") in a total aggregate principal amount not to exceed \$50,000,000, for purposes of (a) reimbursing the Commission for previously

incurred capital expenditures; (b) refunding a series of bonds previously issued by the Commission (the "Prior Bonds"), the interest on which will not be subject to the federal alternative minimum tax; (c) refunding Prior Bonds, the interest on which will be subject to the federal alternative minimum tax; and (d) if necessary, funding reserves (collectively, the "Series Purposes"); and

WHEREAS, the Series Bonds will be issued pursuant to one or more series indentures (the "Series Indentures," and together with the General Indenture, the "Indenture"), drafts of which have been provided to the Commission, and the Series Bonds will be marketed to potential holders of the Bonds pursuant to a Preliminary Official Statement (the "Preliminary Official Statement," and following the sale of the Series Bonds and the appropriate revisions reflecting the final pricing and terms of the Series Bonds, the "Official Statement"), a draft of which has been provided to the Commission; and

WHEREAS, the Bonds and the interest and any premium thereon shall be limited obligations of the Commission and shall be secured by and payable from the Trust Estate pledged and assigned to the Trustee by the Commission under the Indenture;

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

1. *Approval of the General Indenture.* The Commission hereby approves the General Indenture, a draft of which has been provided to the Commission, and the use thereof for purposes of carrying out the Program. The Executive Director is hereby authorized to approve the final provisions General Indenture.

2. *The Series Bonds; Approval of the Series Indentures and the Structure of the Series Bonds.* The Commission hereby authorizes the issuance of the Series Bonds in an aggregate principal amount not to exceed \$50,000,000 to finance the Series Purposes. The Series Bonds shall be issued pursuant to the terms of the General Indenture and pursuant to the terms of the Series Indentures, drafts of which have been provided to the Commission. The Commission hereby approves the current provisions of the Series Indentures and the structure of and the security for the Series Bonds set forth therein and in the Official Statement. The Executive Director is hereby authorized to approve the final provisions of the Series Indenture, the Preliminary Official Statement and the Official Statement prior to the issuance of the Series Bonds.

3. *Commission Documents.* The Chair, the Vice-Chair, the Chair Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver the Series Indenture, the Official Statement and any such other documents and agreements to be prepared in connection with the execution and delivery of the General Indenture and the issuance of the Series Bonds (the "Commission Documents") in such forms as shall be prepared and approved by the Chair, the Vice Chair, the Chair Pro Tem or the Executive Director, the execution and delivery of the Commission Documents being conclusive evidence of such approval and of the approval of the Commission. The Secretary of the Commission, or any other Authorized Representative (defined below), is hereby authorized and directed to affix the seal of the Commission to the Commission Documents and to attest the same.

4. *Authorizing Ongoing Determinations under Commission Documents.* The Executive Director is hereby authorized, without further authority from the Board of Commissioners, to perform any act, to execute any documents, and to make any ongoing determinations as may be required to be made on behalf of the Commission from time to time, including, but not limited to, the determination of

other terms to be in effect with respect to the Series Bonds as shall be set forth in the Commission Documents

5. Other Action. The Chair or Vice Chair or Chair Pro Tem and the Executive Director of the Commission or a person designated by the Executive Director to act on his behalf (an "Authorized Representative") are hereby authorized and directed to undertake any other actions necessary (i) for the issuance and sale of the Series Bonds, (ii) for the refunding and redemption of the Prior Bonds, (iii) for the performance of any and all actions required or contemplated under the General Indenture, the Series Indentures, the Official Statement and any other financing documents relating to the issuance of the Series Bonds, and (iv) for the entire period during which the Series Bonds are outstanding following the issuance thereof.

6. Approval of Cost of Issuance. The Commission approves the cost of issuance budget in an amount up to \$650,000 to be incurred by the Commission in connection with the issuance of the Series Bonds.

7. Appointment of Financial Advisor and Bond Counsel; Appointment of Trustee. Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the Series Bonds. The Executive Director is hereby authorized to appoint a Trustee for the Bonds as necessary to effectuate the transactions contemplated by the Indenture.

8. Action Approved and Confirmed. All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this resolution and in the furtherance of the issuance and sale of the Series Bonds, the refunding and redemption of the Prior Bonds and the reimbursement of capital expenditures previously incurred in connection with the Program approved hereby and the execution, delivery and performance of the Commission Documents authorized hereby are in all respects approved and confirmed.

10. Severability. If any provision of this resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provision to be invalid, inoperative or unenforceable to any extent whatsoever.

11. Effective Date. This resolution shall take effect immediately.

RESOLUTION NO.: 19-78_b

**RE: Authorization to Transfer Reimbursement Proceeds
from the Program Revenue Bond 2019 Issuance
into the Commission's General Fund**

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, and the Memorandum of Understanding effective June 29, 2018 between the Commission and Montgomery County, Maryland (collectively, the "Act"), and is authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes, which include, without limitation, the construction, financing and operation of housing developments for persons of eligible income and the financing of mortgage loans for Montgomery County, Maryland first-time homebuyers; and

WHEREAS, the Commission intends to issue various series of Program Revenue Bonds under the General Trust Indenture originally adopted on July 10, 2019 (the “General Indenture”); and

WHEREAS, the General Indenture authorizes the Commission to issue its bonds, notes or other obligations from time to time (the “Bonds”) pursuant to one or more series indentures in order to obtain funds to carry out the purposes and provisions of the Act, primarily by (i) funding residential projects and administrative facilities owned by the Commission, (ii) making, purchasing or financing of Loans (as defined in the General Indenture), including the payment, when due, of principal of and redemption premium, if any, and interest on the Bonds, and (iii) the financing or reimbursement of housing-related capital expenditures (collectively, the “Program”); and

WHEREAS, the Commission has determined to carry out the Program by issuing one or more series of its Program Revenue Bonds designated 2019 Series A, 2019 Series B and 2019 Series C, and with each subsequent series, if any, to follow in alphabetical order (collectively, the “Series Bonds”) in a total aggregate principal amount not to exceed \$50,000,000, for purposes of (a) reimbursing the Commission for previously incurred capital expenditures; (b) refunding a series of bonds previously issued by the Commission (the “Prior Bonds”), the interest on which will not be subject to the federal alternative minimum tax; (c) refunding Prior Bonds, the interest on which will be subject to the federal alternative minimum tax; and (d) if necessary, funding reserves (collectively, the “Series Purposes”); and

WHEREAS, proceeds from the 2019 A Series Bonds shall reimburse the Commission for previously incurred capital expenditures, including funds used to finance a portion of the costs of Cider Mill Apartments, a multifamily development owned by the Commission, in an amount not to exceed \$30,000,000 (the “Reimbursement Proceeds”); and

WHEREAS, the Commission has determined that the Reimbursement Proceeds shall be deposited to the Commission’s General Fund for the purpose of funding any of the lawful purposes for which the Commission is authorized; and

WHEREAS, the Commission plans to pay debt services of the 2019 Series Bonds from the principal and interest payment related to single family mortgage loans financed by 2019 Series Bond C Bonds as well as excess single family mortgage loans held by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the Reimbursement Proceeds to be deposited in the General Fund account for the benefit of the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that, as of the date of issuance of the 2019 Series Bonds, the Commission hereby authorizes excess single family mortgage loans in the approximate principal amount of \$30,000,000 to be dedicated to the payment of debt service on the 2019 Series Bonds.

RESOLUTION NO.: 19-78_c

RE: Authorization to Transfer Funds from the Commission’s General Fund to the Mortgage Acquisition Account for the 2018 Single Family Mortgage Revenue Bonds within the 1979 Resolution for the Purpose of Originating New Single Family Mortgage Loans

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, and the Memorandum of Understanding effective June 29, 2018 between the Commission and Montgomery County, Maryland (collectively, the “Act”), and is authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes, which include, without limitation, the construction, financing and operation of housing developments for persons of eligible income and the financing of mortgage loans for Montgomery County, Maryland first-time homebuyers; and

WHEREAS, the Commission previously issued its 2018 Single Family Mortgage Revenue Bonds (the “2018 Bonds”) under the 1979 Resolution for the purpose of originating new single family mortgage loans; and

WHEREAS, after temporarily investing the original proceeds of the 2018 Bonds, the Commission is transferring funds from the Commission’s General Fund to the Acquisition Account of the 2018 Bonds as original proceeds of the 2018 Bonds; and

WHEREAS, the General Indenture authorizes the Commission to issue its bonds, notes or other obligations from time to time (the “Bonds”) pursuant to one or more series indentures in order to obtain funds to carry out the purposes and provisions of the Act, primarily by the making, purchasing or financing of Loans (as defined in the General Indenture), including the payment, when due, of principal of and redemption premium, if any, and interest on the Bonds, and by the financing or reimbursement of housing-related capital expenditures (collectively, the “Program”); and

WHEREAS, the Commission has determined that the said original proceeds shall be made available to finance new first-time homebuyer single family mortgage loans, down payment and closing cost assistance and various cost related to origination.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the transfer of \$30,000,000 from the Commission’s General Fund account (“General Fund”) to the Acquisition Account of the 2018 Bonds.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that said monies be transferred out of the General Fund and deposited into the Mortgage Acquisition Account for the 2018 Bonds within the 1979 Resolution held by the designated Trustee shall be made available to finance new single family mortgage loans, down payment and closing cost assistance and various cost related to such originations.

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

VIII. FUTURE ACTION ITEMS

None

IX. **NEW BUSINESS**

- **Approval of an Increase to the Renovation Budget for 880 Bonifant and Authorization of Additional Funds to Complete the Renovations**

Kayrine Brown, Chief Investment and Real Estate Officer, and Marcus Ervin, Housing Acquisition Manager, were the presenters.

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

RESOLUTION NO.: 19-81

RE: Authorization to Approve of an Increase to the Renovation Budget for 880 Bonifant and Authorization of Additional Funds to Complete the Renovations

WHEREAS, in furtherance of its mission to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland, the Housing Opportunities Commission of Montgomery County (“HOC”) is in the process of renovating 880 Bonifant (the “Property”) to serve as the new Silver Spring Customer Service Center; and

WHEREAS, the Property, located at 880 Bonifant Street, Silver Spring, MD, consists of an existing 4-story 12,000 square foot office building on 3,720 square feet of land near the intersection of Bonifant and Fenton Streets in Silver Spring, MD; and

WHEREAS, the current HOC Customer Service Center that serves down county locations in Montgomery County is in a temporary location from which HOC is expected to vacate by August 1, 2019; and

WHEREAS, on May 2, 2018, the Commission approved funding up to \$4,500,000 from the County Revolving MPDU/PAF fund for the acquisition of the Property (the “Initial Funding”); and

WHEREAS, on August 20, 2018, the Commission completed the acquisition of the Property and proceeded with the design, entitlement, and procurement for a general contractor; and

WHEREAS, staff developed a scope of work with its architect, Karl Riedel Architecture, PC, to demolish existing partitions and finishes, fit out for new office spaces, improve the building’s façade, construct an accessible entry ramp, and other miscellaneous work; and

WHEREAS, the Commission authorized the Executive Director to execute a contract with Hooten Construction Company on April 3, 2019 with work commencing on April 10, 2019; and

WHEREAS, there are insufficient funds remaining in the initial funding to complete the renovation of the Property, and unanticipated conditions uncovered during the rehabilitation has increased the budget by approximately \$142,919; and

WHEREAS, staff recommends that the Commission approve an increase to the budget of up to \$150,000 as well as additional funding which will be reprogrammed from FY 2020 operating expenses for the Property and allocated to fund the additional rehabilitation costs.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves an increase to the Property's renovation budget by up to \$150,000 to be funded from reprogrammed FY2020 operating expenses for the Property.

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

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 6:16 p.m. and reconvened in closed session at approximately 6:31 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County's closed session held on July 10, 2019 at approximately 6:31 p.m. at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(1), Section 3-305(b)(3), and Section 3-305(b)(13) to discuss personnel actions regarding specific employees, potential real property acquisitions, and the commercial and financial terms of financial documents.

The meeting was closed on a motion by Vice Chair Nelson, seconded by Commissioner Byrd, with Commissioners Simon, Nelson, Priest, Byrd, and Kelleher unanimously voting in approval. Commissioner Croom was necessarily absent and did not participate in the vote. The following persons were present during the closed session: Jackie Simon, Richard Y. Nelson, Jr., Roy Priest, Pamela Byrd, Frances Kelleher, Stacy Spann, Kayrine Brown, Patrick Mattingly, Cornelia Kent, Aisha Memon, Eamon Lorincz, Zachary Marks, Marcus Ervin, Victoria Dixon, Christina Autin, Charnita Jackson, and Patrice Birdsong.

In closed session, the Commission discussed potential real property acquisitions and the confidential commercial and financial terms of various financial documents. The Commission did not discuss personnel actions regarding specific employees. The following actions were taken:

1. With a quorum present, the Commission duly adopted Resolution 19-79AS with Commissioners Jackie Simon, Richard Y. Nelson, Jr., Roy Priest, Pamela Byrd, and Frances Kelleher voting in approval, which approved the extension of HOC's banking services contract. Commissioner Linda Croom was necessarily absent and did not participate in the vote.
2. With a quorum present, the Commission duly adopted Resolution 19-80AS with Commissioners Jackie Simon, Richard Y. Nelson, Jr., Roy Priest, Pamela Byrd, and Frances Kelleher voting in approval, which approved the extension and modification of two existing lines of credit. Commissioner Linda Croom was necessarily absent and did not participate in the vote.
3. With a quorum present the Commission duly adopted Resolution 19-82AS with Commissioners Jackie Simon, Richard Y. Nelson, Jr., Roy Priest, Pamela Byrd, and Frances Kelleher voting in approval, which approved (1) amending the financing plan for 900 Thayer, (2) amending the

financing plan for Elizabeth House III, and (3) amending Resolutions 19-50 and 19-71A to reflect such changes. The written resolution was drafted after the close of the meeting. Commissioner Linda Croom was necessarily absent and did not participate in the vote.

The closed session was adjourned at 7:24 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Attachment
Approved: September 4, 2019



Commissioner Nelson

July 10, 2019 Commission Meeting

I visited the exhibit at American University Katzen Art Center, entitled “Plans to Prosper You: Reflections of Black Resistance and Resilience in Montgomery County’s Potomac River Valley. If you haven’t, I encourage you to do so and to read this booklet, which is also available online.

The exhibit focuses on four historically African American communities which are a significant part of the tapestry of Montgomery County. These communities, Reno City, Scotland, River Road and Tobytown and their treatment in the 20th century, are examples of similar occurrences in other black communities. While major attention is paid to cemeteries in these areas, the exhibit also addresses the totality of those communities. My biggest takeaway from this exhibit is the necessity for the County to establish a memorial addressing and recognizing the history of black communities in Montgomery County and the treatment of those communities.

This larger memorialization does not take away from the importance of memorialization of the Moses Cemetery in Westbard. In that regard, HOC continues to call upon the County Executive to convene and lead a meeting with the Parks Department, HOC, Macedonia Baptist Church, NAACP and the County Council to discuss the issues as a step towards reaching an agreement towards a pathway to memorialization.

The Commission has stated its intent to continue operating the property as a home to 212 Montgomery County residents and to increase the number of units restricted to lower income residents of the County which was approved by the Commission and increased during the June Commission meeting.

Current law requires an historical and archaeological study of the site prior to any disturbance of any portion of the land. This would be required if there were to be construction of a memorial or modification of the entrances to any of the parking levels. On the issue of ingress/ egress to the building, the Commission is of the opinion that any relocation of the individual entrances to each of the three parking levels, if possible, is impractical without losing a number of necessary parking spaces within the building. There are no viable options on the side of the building facing the bowling center since the building abuts the property line on this side. It is for these reasons HOC has stated it has no intention of transferring any of the Westwood Tower property. Though I should hasten to add that does not preclude some memorialization of the cemetery.

It is our further recommendation that the County insure the appropriate studies are conducted to confirm the boundaries and history of the Moses Cemetery and necessary determinations regarding any remains still present on Parcels 175 as well as Parcel 177, which is owned by The Parks Department, and where those remains might be. It is in the best interest of the County to have these studies conducted and paid for by the County. The Parks Department has the interest, the mission focus, as well as expertise to undertake this important cultural preservation work.