

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

February 2, 2022

22-02

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, February 2, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:03 p.m. Those in attendance were:

Present via Teleconference

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jeffrey Merkowitz
Jackie Simon

Also Attending via Teleconference

Kayrine Brown, Acting Executive Director
Jennifer Arrington
Nathan Bovelie
Darcel Cox
Paige Gentry
Lynn Hayes
Bonnie Hodge
Charnita Jackson
Fred Swan
Kathryn Hollister
Gio Kavaladze

Aisha Memon, General Counsel
Christina Autin
John Broullire
Marcus Ervin
Timothy Goetzinger
Ian-Terrell Hawkins
Matt Husman
Zachary Marks
Paul Vinciguerra
Leidi Reyes
Gail Willison

IT Support

Aries Cruz

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

Chair Priest opened the meeting welcoming all to the monthly meeting. There was a roll call of Commissioners participating.

I. **Information Exchange**

Community Forum

- There were no participants signed up for the Community Forum.

Executive Director's Report

- Kayrine Brown, Acting Executive Director, provided an overview of the written report, highlighting the activities of the Resident Services Division. Ms. Brown addressed questions of the Commissioners. Commissioners expressed their appreciation to staff in working hard to fill emergency housing vouchers.

Commissioner Exchange

- Chair Priest noted that the Executive Director position has been recently posted to HOC's website and deadline for applying is February 25, 2022.

II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Simon and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

A. Approval of Minutes of January 12, 2022

B. Approval of Minutes of January 12, 2022 Closed Session

III. **CONSENT**

A. Approval to Temporarily Amend the Bylaws of the Housing Opportunities Commission of Montgomery County

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

RESOLUTION NO.: 22 - 07

RE: Approval to Temporarily Amend the Second Amended and Restated Bylaws of the Housing Opportunities Commission of Montgomery County

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission"), a public body corporate and politic duly created, organized, and existing under the laws of the State of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland (the "Act"), to carry out and effectuate the purpose of providing affordable housing and is governed by the Act and its bylaws;

WHEREAS, the Commission's bylaws provide that at the Annual Meeting, a quorum must consist of four (4) Commissioners physically present;

WHEREAS, the ongoing response to COVID-19 requires the community to participate in social distancing measures, which includes participating in meetings remotely;

WHEREAS, staff recommends temporarily amending HOC's bylaws to allow HOC to continue to operate and transact business remotely;

WHEREAS, HOC's bylaws shall be temporarily amended by adding the following provision: "Article III – MEETINGS, Section 11. *State of Emergency*. Notwithstanding anything in these Second Amended and Restated Bylaws to the contrary, in the event there is a federal, state, and/or local state of emergency, or other exigent situation that the Commission determines requires remote participation, all the Commissioners may participate and vote on matters by teleconference or electronic medium at the Annual Meeting as long as (i) a quorum of the Commission participates, and (ii) all Commissioners and staff (and, for open meetings, members of the public) can communicate and view all materials clearly" (the "Temporary Amendment"); and

WHEREAS, the Temporary Amendment shall automatically terminate as of December 31, 2022.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves and adopts the Temporary Amendment, which shall automatically terminate as of December 31, 2022.

B. Approval to Extend the Closing Date for the Sales of 4527 Avondale Street to the National Center for Children and Families ("NCCF")

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

RESOLUTION NO.: 22-08

RE: Approval to Extend the Closing Date for the Sale of 4527 Avondale Street to the National Center for Children and Families

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") is the owner of 4527 Avondale Street, Bethesda, MD ("4527 Avondale"); and

WHEREAS, on October 6, 2021, the Commission authorized the Acting Executive Director to enter into a non-binding letter of intent ("LOI") for the sale of 4527 Avondale to the National Center for Children and Families ("NCCF"); and

WHEREAS, on November 3, 2021, the Commission authorized the Acting Executive Director to negotiate and execute a Purchase and Sale Agreement ("PSA") for the disposition of 4527 Avondale to NCCF, pursuant to the LOI, and complete the sale of the Property to NCCF; and

WHEREAS, both the LOI and PSA with NCCF stated that the closing date for 4527 Avondale shall occur on or before the day NCCF closes on its acquisition of 4531 Avondale Street, Bethesda, MD ("4531 Avondale"), a neighboring property directly to the west of 4527 Avondale; the LOI and PSA also included an outside closing date of February 12, 2022; and

WHEREAS, NCCF is obtaining funding from Montgomery County's Department of Housing and Community Affairs ("DHCA") for its acquisition of 4527 Avondale and 4531 Avondale; and

WHEREAS, DHCA has approved funding for 4531 Avondale and the acquisition is scheduled to close on January 28, 2022; however, DHCA has notified HOC that it will take approximately 60-75 additional days to close on its funding for 4527 Avondale in order to complete administrative procedure required to comply with the funding source to be used for the acquisition the property; and

WHEREAS, on January 27, 2022, the Acting Executive Director executed a PSA amendment (“Amendment”) to extend the closing date for 4527 Avondale to April 29, 2022, contingent upon Commission approval, in order to provide NCCF additional time to obtain funding from DHCA; and

WHEREAS, pursuant to the Amendment, if the Commission does not wish to extend the closing date, HOC can unilaterally terminate the PSA.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves the Amendment to extend the closing date for 4527 Avondale to April 29, 2022.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized 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.

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

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

1. **Paddington Square:** Affirmation of Resolution 21-001^{PS}, Approval of Dwight Capital, LLC, as Successor Lender of Love Funding Corporation, and Approval to Amend the Bylaws of the Paddington Square Development Corporation

Jennifer Arrington, Acting Director of Mortgage Finance, was the presenter.

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

RESOLUTION NO.: 22-09

**RE: Affirmation of Resolution No.: 21-001^{PS},
Approval of Dwight Capital LLC, as
Successor Lender to Love Funding
Corporation, and Approval to Amend the
Bylaws of the Paddington Square
Development Corporation**

WHEREAS, the Paddington Square Development Corporation (the “Corporation”) is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”);

WHEREAS, the Corporation owns the property known as “Paddington Square,” a community consisting of 165 units in Silver Spring, Maryland, FHA Project No. 000-11323 (the “Project”), which was acquired by the Corporation on February 4, 2004;

WHEREAS, on November 5, 2014, the Board of Directors of the Corporation approved, and on December 18, 2014, closed on a permanent loan in the amount of \$20,741,700 from Love Funding Corporation (“Original Senior Lender”) insured under Section 207 pursuant to Section 223(f) of the National Housing Act, as amended (the “223(f) Loan”), assumed an existing loan from the Montgomery County’s Housing Initiative Fund (“HIF”) of approximately \$5.1 million (the “HIF Loan”), and contributed equity of \$738,000, which combined with loan proceeds were used to retire existing debt and pay closing costs;

WHEREAS, on April 7, 2021, the Board of Directors of the Corporation approved Resolution 21-001PS, which approved, among other actions, (a) the refinancing of the Corporation’s 223(f) Loan pursuant to the terms of a Firm Commitment for FHA Mortgage Insurance under Section 207 pursuant to Section 223(a)(7) of the National Housing Act, as amended, for a new loan in the approximate amount of \$18,800,000 from Original Senior Lender to the Corporation (the “New Loan”), (b) re-subordinating the HIF Loan, and (c) using existing cash held in the existing replacement reserve and renovation escrow accounts to fund a new initial replacement reserve of approximately \$4,600 per unit pursuant to the terms of the New Loan (collectively, the “Refinancing Plan”);

WHEREAS, Dwight Capital LLC, a Delaware limited liability company and an approved FHA Multifamily Accelerated Processing Lender (“Senior Lender”), acquired the Original Senior Lender and the Original Senior Lender can no longer conduct new FHA business, the Senior Lender will provide the New Loan in the amount of \$18,665,800.00, as successor to Original Senior Lender, pursuant to that certain Firm Commitment for FHA Mortgage Insurance under Section 207 pursuant to Section 223(a)(7) of the National Housing Act, as amended, dated November 23, 2021, as amended (the “Firm Commitment”);

WHEREAS, Article VII.2 of the Bylaws of the Corporation (the “Bylaws”) states that the Board of Directors of the Corporation shall obtain the approval of the Commission not more than sixty (60) days in advance of the issue of any bonds, notes or other obligations of the Corporation;

WHEREAS, as required under Article VII.2 of the Bylaws, this Resolution shall serve as an affirmation of the Corporation’s Resolution 21-001PS and as the Commission’s approval of the Refinancing Plan (this affirmation and approval is made no more than sixty (60) days in advance of the Corporation entering into the Refinancing Plan);

WHEREAS, Article VI of the Bylaws of the Corporation states that any amendment of the Bylaws is subject to the approval of the Commission;

WHEREAS, in connection with obtaining the New Loan from the Senior Lender, the Corporation’s Bylaws need to be amended to add certain FHA-required provisions that will automatically terminate when the New Loan is no longer insured or held by the U.S. Department of Housing and Urban Development (“HUD”);

WHEREAS, in order to expedite future actions of the Corporation, the last sentence of Article VII.2 of the Bylaws should be deleted in its entirety, such that Article VII.2 reads as follows:

2. “The Board of Directors shall not enter into any loan, mortgage bond,

promissory note or contract to purchase real property without obtaining the approval of the Housing Opportunities Commission of Montgomery County.”

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

1. Affirms the Corporation’s Resolution 21-001PS, approves the Refinancing Plan with Dwight Capital LLC, as Senior Lender under the Firm Commitment, and approves the Refinancing Plan no more than sixty (60) days in advance of entering into the Refinancing Plan.
2. Approves the amendment to the Bylaws to (a) insert the FHA-required language that will terminate when the New Loan is no longer insured or held by HUD and (b) replace the final sentence of Article VII.2, as stated herein, to permit the Commission to approve certain actions at anytime before such actions are taken by the Corporation.

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2. **Willow Manor Properties:** Approval to Increase DHCA’s Share of Construction Period Interim Cash Flow to Repay its HIF Loan to HOC at Willow Manor, LLC, a Condition for DHCA to Close the Transaction

Kathryn Hollister, Senior Financial Analyst, was the presenter.

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

RESOLUTION NO.: 22-10

RE: Approval to Increase DHCA’s Share of Construction Period Interim Cash Flow to Repay its HIF Loan to HOC at Willow Manor, LLC, a Condition for DHCA to Close the Transaction

WHEREAS, in 2018, Montgomery County’s Department of Housing and Community Affairs (“DHCA”) entered into contracts to purchase three existing age-restricted (62+) Low Income Housing Tax Credit (“LIHTC”) rental communities in Montgomery County, MD: Willow Manor at Clopper’s Mill, located at 18003 Mateny Rd in Germantown, MD; Willow Manor at Fair Hill Farm, located at 18301 Georgia Ave in Olney, MD; and Willow Manor at Colesville, located at 601 E Randolph Rd in Silver Spring, MD (together, the “Willow Manor Properties” or “Properties”), under Article 53A of the Montgomery County Code, the Right of First Refusal Ordinance; and

WHEREAS, DHCA assigned the contracts to three single purpose entities wholly owned and controlled by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”): The Manor at Cloppers Mill, LLC, The Manor at Fair Hill Farm, LLC and The Manor at Colesville, LLC (together, “Willow Manor Single-Purpose Entities”), at closing and provided subordinate financing for the acquisition (“Acquisition Loan”); and

WHEREAS, on December 17, 2021, the Willow Manor Single-Purpose Entities sold the Willow Manor Properties to a new tax credit owner entity (“HOC at Willow Manor, LLC”), of which HOC is the managing member (“HOC MM Willow Manor, LLC”) and PNC Bank and Columbia Housing SLP Corporation (an affiliate of PNC Bank) are the investor and special investor (“SM”), respectively; and

WHEREAS, sources for the transaction included an FHA Risk Share mortgage in the amount of \$49,550,000, LIHTC Equity in the amount of \$30,394,400, a County Housing Initiative Fund (“HIF”) Loan in the amount of \$12,972,776 (“HIF Loan”), a HOC seller note (“Seller Note”) in the amount of \$7,670,962 and HOC equity in the amount of \$100; and

WHEREAS, HOC’s initial analysis of the transaction projected a \$10,000,000 repayment of the Acquisition Loan at closing; however, due to a number of factors, HOC’s repayment of the Acquisition Loan was reduced to \$8,147,774, which was \$1,852,226 less than originally projected; and

WHEREAS, as a condition to providing additional HIF funds to the transaction, DHCA requested that the HIF Loan be amended so that construction period interim income (“Retained Cash Flow”) is distributed 75% to repay the HIF Loan and 25% to repay the Seller Note; all other subsequent cash flow distributions would be split 50%/50%; and

WHEREAS, HOC will need to obtain SM consent to revise the HIF Loan, pursuant to the HOC at Willow Manor, LLC operating agreement; and

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery, acting on behalf of itself and on behalf of HOC MM Willow Manor, LLC (as its sole member), and HOC at Willow Manor, LLC (as the sole member of its managing member), authorizes to amend the HIF Loan, subject to SM approval, so that Retained Cash Flow is distributed 75% to repay the HIF Loan and 25% to repay the Seller Note.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County, acting on behalf of itself and on behalf of HOC MM Willow Manor, LLC (as its sole member), and HOC at Willow Manor, LLC (as the sole member of its managing member), authorizes the Acting Executive Director or HOC, or her authorized designee, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

3. **Westside Shady Grove:** Approval to Amend the Development Budget (to Allocate Net Financing Proceeds from initial Construction Closing)

Marcus Ervin, Director of Real Estate, was the presenter.

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

RESOLUTION NO.: 22-11

Re: Westside Shady Grove: Approval to Amend the

**Development Budget to Allocate Net Financing
Proceeds from Initial Construction Closing**

WHEREAS, Westside Shady Grove Building D (the “Property”) is currently under construction and will be a 268-unit mixed use apartment building with 21,000 square feet of retail space and serve as the Housing Opportunities Commission of Montgomery County’s (the “Commission” or “HOC”) Up-County Customer Service Center in the Westside Shady Grove area of Rockville, MD;

WHEREAS, the Property is owned by HOC at Westside Shady Grove, LLC (“Owner”), which is ultimately controlled by the Commission;

WHEREAS, on December 9, 2020, the Commission passed Resolution 20-86 and Resolution 20-87, which approved the Final Development Plan and Financing Plan, respectively, for the Property, including Owner’s acceptance of an approximately \$15 million loan from the Montgomery County Housing Initiative Fund (“HIF Loan”);

WHEREAS, on January 28, 2021, the Commission closed on the permanent financing debt in an amount of \$99.25 million for the construction of the Property, which resulted in excess funds of \$2,578,683 (the “Permanent Financing Excess Proceeds”);

WHEREAS, on May 5, 2021, the Commission passed Resolution 2021-46, which approved a Revolving Housing Production Fund Program (the “Housing Production Fund”);

WHEREAS, the HIF Loan was accepted with the intention of substituting a loan from the Housing Production Fund in an equal amount when funds from the Housing Production fund became available;

WHEREAS, on December 22, 2021, the subordinate loan from the Housing Production Fund (“HPF Loan”) closed and the HIF Loan was subsequently repaid; and

WHEREAS, staff recommends an amendment to the Property’s development budget to allocate the Permanent Financing Excess Proceeds to be used to repay interest on the HIF Loan, fund a capitalized interest account for payments on the HPF Loan, and set aside the remaining funds of approximately \$564K for a soft cost contingency.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, on its behalf and on behalf of the Owner, as the sole member of its ultimate managing member, that it approves an amendment to the Property’s development budget to allocate the Permanent Financing Excess Proceeds to be used to repay interest on the HIF Loan, fund a capitalized interest account for payments on the HPF Loan, and set aside the remaining funds of approximately \$564k for a soft cost contingency.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on its behalf and on behalf of the Owner, as the sole member of its ultimate managing member, that the Acting Executive Director of HOC, or a duly appointed designee of the Acting Executive Director of HOC, is hereby authorized, without any further action on their respective parts, to execute such other documents and to take any and all other actions, in each case as necessary and proper, in the Acting Executive Director’s judgment, to carry out the transaction and actions contemplated herein.

4. **Upton II:** Approval of the Naming and Branding of HOC at the Upton in Accordance with HOC Naming Guidelines

Christina Autin, Director of Legislative and Public Affairs, was the presenter.

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

RESOLUTION NO.: 22-12

**RE: Approval of the Naming and Branding of
HOC at the Upton in Accordance with HOC
Naming Guidelines**

WHEREAS, the HOC at the Upton or “Upton II” in Rockville, Maryland (the “Property”), requires selection of a permanent name to support ongoing marketing and leasing efforts and to create a unique brand for the Property; and

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the sole managing member of HOC MM Upton II, LLC (the “Managing Member”), which in turn is the managing member of HOC at The Upton II, LLC (“Owner”), the owner of the Property; and

WHEREAS, HOC staff, in alignment with the Guidelines for Naming of HOC Properties and Facilities (the “Guidelines”), developed a permanent name recommendation; and

WHEREAS, the recommended permanent name aligns with the general principles set forth in the Guidelines, including: having a strong positive image that withstands the test of time; having appropriate regard for the Property’s location and history; and commemorating places and people that are of continued importance to the town and region.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of the Owner, as its ultimate managing member, approves “Residences on The Lane” as the permanent name for the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of the Owner, as its ultimate managing member, that the Acting Executive Director of HOC, or her designee, is authorized and directed, without further action on their respective parts, to take any and all other actions necessary and proper to carry out the activities contemplated herein.

5. **The Metropolitan:** Emergency Procurement to Select Smislova, Kehnemui & Associates, P.A. (SK&A) as Structural Engineers to Prepare a Plan for Repair and Evaluation of Waterproofing Services Contractor for the Green Roof at Metropolitan Apartment

Zachary Marks, Chief Real Estate Officer, was the presenter.

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

RESOLUTION NO.: 22-13

RE: Emergency Procurement to Select Smislova, Kehnemui & Associates, P.A as Structural Engineers to Complete a Plan for Repair and Evaluation of a Waterproofing Services Contractor for the Green Roof at Metropolitan Apartments

WHEREAS, The Metropolitan Apartments (“the “Property”) was constructed in 1997 as a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units; and

WHEREAS, the Property is owned by The Metropolitan of Bethesda Limited Partnership (the “Metropolitan LP”), which is wholly owned by the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”), and The Metropolitan Development Corporation (the “Metropolitan Corporation”), which is wholly controlled by HOC; and

WHEREAS, on January 13, 2021, the Commission approved the selection of Miner Feinstein Architects (“MFA”) as the architect for the upcoming renovations at the Property; and

WHEREAS, MFA engaged Smislova, Kehnemui & Associates, P.A (“SK&A”) as structural engineers to be a part of the design team for the renovations; and

WHEREAS, the Property has a green roof plaza and staff has recently learned that the structural slabs are exhibiting moisture intrusion, which is likely causing corrosion of steel reinforcements within the concrete structural slabs, beams, and foundation walls; and

WHEREAS, testing has revealed ineffective drainage beneath the paved area of the plaza, which needs to be remediated immediately in order to prevent more extensive and expensive damage to the Property; and

WHEREAS, staff recommends entering into a Non-Competitive procurement, pursuant to the Commission’s Procurement Policy, to select SK&A as structural engineers to (i) complete a plan for the necessary repairs, (ii) to evaluate proposals for the selection of a waterproofing services contractor, and (iii) to perform construction management services, in an amount of \$160,000 (the “Structural Engineer Services”); and

WHEREAS, staff estimates an additional \$83,000 in costs to obtain permits, including a contingency of \$23,300 (the “HOC Costs”); and

WHEREAS, the Structural Engineer Services and HOC Costs will be funded by the Metropolitan Corporation operating account.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, approves entering into

a Non-Competitive procurement, pursuant to HOC's Procurement Policy, to select SK&A to perform the Structural Engineer Services, and negotiating and executing any necessary contracts.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, authorizes and directs the Acting Executive Director, or her designee, without further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

V. ELECTION OF OFFICERS

Acting Executive Director Brown opened the floor for nomination of the Officers (Chair, Vice Chair, and Chair Pro Tem) to the Housing Opportunities Commission Board. Motion was made by Commissioner Kelleher to re-elect Roy Priest to Chair, Commissioner Byrd motioned to re-elect Frances Kelleher to Vice Chair, and Commissioner Croom motioned to re-elect Richard Y. Nelson, Jr., to Chair Pro Tem. The motions were unanimously approved.

Acting Executive Director Brown called for the vote to elect Roy Pries as Chair, Frances Kelleher as Vice Chair and Richard Y. Nelson, Jr., as Chair Pro Tem. The vote was unanimous.

Commissioner Simon expressed her gratitude to the leadership. Chair Priest on behalf of the Chair expressed appreciation.

The meeting went into recess at 4:59 p.m. and reconvened at 5:02 p.m.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Vice Chair Kelleher seconded the motion, with Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon voting in approval.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 5:04 p.m. and reconvened in closed session at 5:09 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 February 2, 2022 at approximately 5:08 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(1), 3-305(b)(3), and 3-305(b)(13) to discuss two topics. The first topic was the employment, performance, and compensation of a specific individual employee (pursuant to Section 3-305(b)(1)). The second topic was the acquisition/purchase of (a) the fee simple interest (via a purchase and sale agreement) of three multifamily properties located in Bethesda, Maryland, and (b) three separate multifamily properties (via a purchase and sale agreement or ground lease) also located in Bethesda, Maryland (pursuant to Sections 3-305(b)(3)), including the confidential commercial and financial terms of financing the above referenced acquisitions (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated February 2, 2022 was adopted on a motion made by Roy Priest, seconded by Frances Kelleher, with Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkwowitz, and Jackie Simon voting in favor of the motion. The following persons were present: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkwowitz, Jackie Simon, Kayrine Brown, Aisha Memon, Gio Kaviladze, Charnita Jackson, Christina Autin, Ellen Goff, Gail Willison, Jennifer Arrington, John Broullire, Kathryn Hollister, Marcus Ervin, Nathan Bovelleville, Paige Gentry, Timothy Goetzinger, Zachary Marks, Ian-Terrell Hawkins, and Patrice Birdsong.

In closed session, the Commission discussed the below topics and took the following actions:

1. **Topic:** The employment, performance, and compensation of a specific individual employee (pursuant to Section 3-305(b)(1)).
 - a. **Action Taken:** The Board received an update from Chair Priest regarding an individual employee over whom HOC has jurisdiction concerning the additional compensation previously approved by the Commission due to their increased responsibilities. No formal action and/or vote was taken.
2. **Topic:** The acquisition/purchase of the fee simple interest (via a purchase and sale agreement) of three multifamily properties located in Bethesda, Maryland (pursuant to Section 3-305(b)(3)). [NOTE: Section 3-305(b)(13) was not ultimately needed for this topic.]
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Croom, Merkwowitz, and Simon approved Resolution 22-14AS, which approved (i) completing the acquisition, (ii) the use of various funding sources to complete the acquisition, (iii) assigning the purchase and sale agreement and transferring the properties to a special-purpose entity, (iv) restricting/not restricting cash flow from the properties (depending on the property), and (v) selecting a property management company.
3. **Topic:** The acquisition/purchase of three multifamily properties (via a purchase and sale agreement or ground lease) located in Bethesda, Maryland, including the confidential commercial and financial terms of the acquisition (pursuant to Section 3-305(b)(3) and Section 3-305(b)(13)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Merkwowitz, and Simon approved Resolution 22-15AS, which authorized (i) the execution of a purchase contract for the properties, (ii) the creation of special-purpose entities for the ownership and management of the properties, (iii) a draw on HOC's Opportunities Housing Reserve Fund to fund a portion of the acquisition, (iv) accepting a senior loan from a third-party bank, (v) a draw on the PNC Bank N.A. Real Estate Line of Credit to fund a portion of the acquisition, (vi) selecting a property management company, and (vii) a draw from the HOC Real Estate Working Capital Fund to fund due diligence costs. Commissioners Nelson and Croom opposed. Commissioner Byrd abstained.
 - b. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Merkwowitz, and Simon approved Resolution 22-16AS, which authorized a draw on the PNC Bank

N.A. Real Estate Line of Credit to fund the acquisition. Commissioners Nelson and Croom opposed. Commissioner Byrd abstained.

The closed session was adjourned at 6:28 p.m.

Respectfully submitted,

Kayrine Brown
Acting Secretary-Treasurer

/pmb

Approved: March 2, 2022