

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

March 26, 2021

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Friday, March 26 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 12:03 p.m. Those in attendance were:

Via Online/Teleconference

Frances Kelleher, Vice Chair
Richard Y. Nelson, Chair Pro Tem
Jeffrey Merkowitz
Jackie Simon

Absent

Roy Priest, Chair
Pamela Byrd
Linda Croom

Also Attending via Online/Teleconference

Stacy Spann, Executive Director
Aisha Memon, General Counsel
Eamon Lorincz, Deputy General Counsel
Cornelia Kent
Fred Swan
Darcel Cox

Kayrine Brown, Deputy Executive Director
Zachary Marks
Jennifer Arrington
Nathan Bovelie
Marcus Ervin
Nicolas Deandreis

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

- I. **ITEMS REQUIRING DELIBERTION and/or ACTION**
 - A. Amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to Clarify Certain Provisions of the Indenture

Kayrine Brown, Deputy Executive Director, and Jennifer Arrington, Acting Director of Mortgage Finance, were the presenters. Ms. Brown thanked the Commissioners for convening and explained the need for the action being presented. Ms. Arrington explained that HOC adopted Resolution 20-87B, authorizing the issuance of 2021 Series A Multifamily Housing Development Bonds for the purpose of

refunding PNC Bank, N.A. tax-exempt loan for the acquisition and development of Westside Shady Grove Apartments (WSSG). At the request of U.S. Bank National Association, staff along with Barclay Damon, LLP and Caine Mitter and Associates, Inc., recommends clarifying the Series Indenture in which bond interest is calculated and paid to bondholders, and notice of mandatory redemption is given to bondholder.

A question was asked by Commissioner Merkowitz regarding mandatory redemption. After detailed discussion and staff's research with bond counsel, it was suggested to approve the resolution with authorization for bond counsel to amend the Amendment to the Series Indenture to clarify the differences between optional and mandatory redemption.

A motion was made by Commissioner Merkowitz and seconded by Commissioner Simon to approve the following resolution with authorization for bond counsel to amend the Amendment to the Series Indenture to clarify the difference between optional and mandatory redemption. Affirmative votes were cast by Commissioners Kelleher, Nelson, Merkowitz, and Simon. Commissioners Priest, Byrd and Croom were necessarily absent and did not participate in the vote.

(Due to its length, the attachment referenced in Resolution 21-31 (as amended) is being omitted from the minutes, but a copy of the full Resolution is on file with the Special Assistant to the Commission.)

RESOLUTION NO.: 21-35

**Re: Amendment to the Series Indenture for the
Multifamily Housing Development Bonds 2021
Series A to Clarify Certain Provisions of the
Indenture**

WHEREAS, on December 9, 2020, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted Resolution 20-87B, which authorized the issuance of 2021 Series A Multifamily Housing Development Bonds (the "2021 A Bonds") in the 1996 Bond Resolution (the "1996 Indenture") in the amount of \$99.25 million for the purpose of refunding the PNC Bank, N.A. tax-exempt loan in order to use the recycled proceeds to finance the acquisition and development of Westside Shady Grove Apartments; and

WHEREAS, closing on the 2021 A Bonds occurred on January 28, 2021; and

WHEREAS, the 2021 A Series Indenture (the "Series Indenture") provides that the 2021 A Bonds shall be secured solely by the proceeds thereof or funds on deposit in the funds and accounts created under the Series Indenture and not by any other moneys, funds or accounts held under the 1996 Indenture; and

WHEREAS, at the request of U.S. Bank National Association, the Trustee of the Series Indenture and the 1996 Indenture, to cure any ambiguity in the Series Indenture, staff, along with the Commission's bond counsel and financial advisor, recommends clarifying in the Series Indenture the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves amending Section 2.05(b), Section 2.08(g), and Exhibit A of the Series Indenture to clarify

the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders, and said amendment, "First Amendment to Series Indenture Providing for the Issuance and Sale of \$99,250,000 Principal Amount of Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through) 2021 Series A of the Housing Opportunities Commission of Montgomery County" is attached for reference (the "Amendment").

BE IT FURTHER RESOLVED by the Commission that the Chairman, the Vice Chairman, or the Chairman Pro Tem, and the Executive Director of the Commission or any authorized designee of the Executive Director are hereby authorized and directed to execute and deliver the Amendment with such changes as shall be approved by such officers, the execution of such Amendment being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission (an "Authorized Officer"), is hereby authorized and directed to affix the seal of the Commission to the Amendment and to attest the same.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or a duly appointed designee of the Executive Director, is hereby authorized, without any further action on its part, to execute such other documents, and to take any and all other actions, in each case as necessary and proper, in the Executive Director's judgment, to carry out the actions contemplated herein.

A motion was made by Chair Pro Tem Nelson and seconded by Commissioner Simon to adjourn. The meeting adjourned at 12:29 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: April 7, 2021