

Resolution No. 1-18

RESOLUTION:

To Authorize Rockville Housing Enterprises to Refinance the Existing Loans on Fireside Park Apartments and Undertake Related Actions Necessary to Complete the Refinance and Obtain Additional Financing, Including Borrowing and Accepting Money, Entering into a Mortgage, and Establishing a Not-For-Profit Single Purpose Entity to Own Fireside Park Apartments

WHEREAS, the Mayor and Council adopted Resolution No. 10-00 to approve the Articles of Organization establishing a new entity to be known as Rockville Housing Enterprises (RHE); and

WHEREAS, on March 29, 2000, the Secretary of State approved the Articles of Organization for RHE and issued a certificate of approval; and

WHEREAS, the Mayor and Council entered into the Amended and Restated Cooperation Agreement (Agreement) with the Housing Authority of the City of Rockville, now known as RHE, on March 29, 2000; and

WHEREAS, the Agreement requires that the Mayor and Council of Rockville must approve certain actions of RHE as established under Section II.6 of the Agreement including:

- (a) Acquiring or disposing of any real property.
- (b) Entering into new partnerships in housing projects or commercial enterprises.
- (c) Borrowing or accepting money to undertake housing projects.
- (d) Establishing not-for-profit corporations.
- (e) Entering into mortgages, making mortgage loans and/or mortgage subsidy payments or purchasing mortgages.
- (f) Developing and/or investing as a general partner or as a limited partner in housing projects; and
- (g) Issuing any tax-exempt bonds; and

WHEREAS, RHE, with the City's approval, purchased Fireside Park Apartments in December 2012; and

WHEREAS, the terms and conditions of the purchase required the refinancing of the existing loans on the property by or before December 2019;

WHEREAS, RHE, on behalf of Fireside Park, Inc., seeks to refinance the existing loans on the property, obtain additional funding to undertake planned modernization of Fireside Park

Apartments at 701-747 Monroe Street, Rockville, Maryland, so that it can be preserved as an affordable housing resource; and

WHEREAS, RHE seeks to enter into a mortgage and borrow money to undertake the refinancing of existing loans and obtain addition funding; and

WHEREAS, RHE seeks to submit a bond application to the State of Maryland for Tax Exempt Bond with 4% Low Income Housing Tax Credit (LIHTC); and

WHEREAS, RHE seeks to establish a not-for-profit Single Purpose Entity to own Fireside Park Apartments.

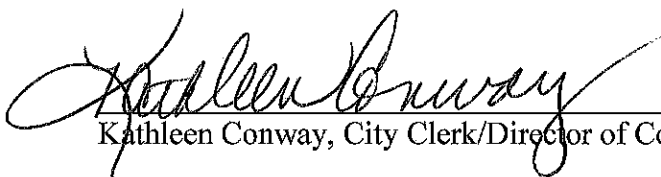
WHEREAS, there is no financial risk to the City for approving the refinancing activities; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, as follows:

1. That the Mayor and Council of Rockville approve RHE's refinancing of the existing loans as well as obtaining additional financing to preserve an important affordable housing resource in the City; and
2. That the Mayor and Council of Rockville approve actions necessary to secure refinancing, including, but not limited to, entering into a mortgage, borrowing money, and establishing a not-for-profit Single Purpose Entity to own Fireside Park Apartments, be may be required by the tax credit investor(s) and/or lenders.

\* \* \* \* \*

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Mayor and Council at its meeting of March 19, 2018.



Kathleen Conway, City Clerk/Director of Council Operations