

Resolution No. 10-23

RESOLUTION: To authorize and approve the establishment by Rockville Housing Enterprises of RHE of an anticipated not-for-profit Maryland nonstock corporation, RHE Development Corporation, Inc.

RECITALS

WHEREAS, Rockville Housing Enterprises (“**RHE**”), the successor entity to the Housing Authority of the City of Rockville, was established pursuant to those certain Articles of Organization approved by the Secretary of State of Maryland on March 29, 2000 (the “**RHE Articles of Organization**”); and

WHEREAS, pursuant the RHE Articles of Organization and that certain Amended and Restated Cooperation Agreement, dated March 29, 2000, by and between the Mayor and Council of Rockville and RHE (the “**Cooperation Agreement**”), RHE is required to obtain the prior approval of the Mayor and Council of Rockville before establishing, among other things, a not-for-profit corporation; and

WHEREAS, on September 10, 2001, the Mayor and Council of Rockville authorized the establishment by RHE of a not-for-profit corporation (“**RHE Corporation**”) to serve as the general partner of RELP One Limited Partnership, the owner of certain moderately priced dwelling units in the King Farm and Fallsgrove residential developments; and

WHEREAS, on October 14, 2022, RHE Corporation, as managing member, executed and filed those certain Articles of Organization with the Secretary of State of Maryland establishing RHE Scarborough Square, LLC (the “**Scarborough Square Apartments Owner**”) in order to facilitate the acquisition of a 121-unit multifamily rental housing facility commonly known as Scarborough Square Townhomes & Apartments, (the “**Scarborough Square Apartments**”); and

WHEREAS, RHE desires to establish RHE Development Corporation, Inc. as a not-for-profit Maryland nonstock corporation for the sole purpose of permitting RHE Development Corporation, Inc. to establish a not-for-profit Maryland limited liability partnership in order to (i) facilitate the acquisition of Scarborough Square Apartments from the Scarborough Square Apartments Owner by the not-for-profit limited liability partnership that RHE Development Corporation will be permitted to establish, and (ii) facilitate the refinancing of the outstanding debt related to the Scarborough Square Apartments by, among other things, applying for and acquiring four percent (4%) Federal Low-Income Housing Tax Credits from the Maryland Department of Housing and Community Development; and

WHEREAS, to help facilitate RHE’s desire to establish RHE Development Corporation, Inc. as a not-profit Maryland nonstock corporation, the Interim City Manager and his staff are recommending that the Mayor and Council of Rockville authorize and approve RHE’s

establishment of RHE Development Corporation as a not-for-profit Maryland nonstock corporation, as required by the RHE Articles of Organization and the Cooperation Agreement; and

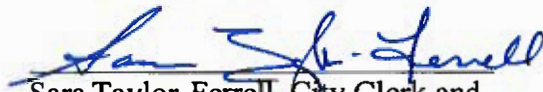
NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, as follows:

1. Pursuant to the authority granted the Mayor and Council of Rockville by the RHE Articles of Organization and the Cooperation Agreement, the Mayor and Council of Rockville hereby authorizes and approves RHE's establishment of RHE Development Corporation as a not-for-profit Maryland nonstock corporation for the sole purpose of (i) facilitating the acquisition of Scarborough Square Apartments from the Scarborough Square Apartments Owner by the not-for-profit limited liability partnership that RHE Development Corporation will be permitted to establish, and (ii) facilitating the refinancing of the outstanding debt related to the Scarborough Square Apartments by, among other things, applying for and acquiring four percent (4%) Federal Low-Income Housing Tax Credits from the Maryland Department of Housing and Community Development

2. The Interim City Manager of Rockville, Maryland is authorized and empowered to execute any and all documents required in connection therewith, subject to approval as to legal sufficiency and final form by the City Attorney.

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I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Mayor and Council of Rockville as its meeting of September 11, 2023.


Sara Taylor-Ferrell, City Clerk and
Director of Council Operations