

**Resolution No.**       

**RESOLUTION:** To approve Montgomery County, Maryland's \$1,500,000.00 Housing Initiative Fund Loan to RHE Scarborough Square, LLC, owner of the Scarborough Square Townhomes & Apartments

**RECITALS**

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

**WHEREAS**, RHE Scarborough Square, LLC ("**RHE Scarborough**") was formed as a single-purpose entity for the sole purpose of acquiring and owning certain parcels of land with buildings and improvements thereon — including but not limited to a total of one hundred twenty-one (121) residential apartment units and other amenities appurtenant to the residential apartment units — in the City of Rockville, Maryland located 438 College Parkway (the "**Scarborough Square Apartments**"); and

**WHEREAS**, pursuant to that certain City of Rockville Moderately Priced Housing Fund Loan Agreement, dated August 1, 2023, by and between the Mayor and Council and RHE Scarborough, as amended pursuant to the First Amendment to the City of Rockville Moderately Priced Housing Fund Loan Agreement, dated October 1, 2024, (collectively, the "**MPDU Loan Agreement**"), the Mayor and Council loaned One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00) in local Moderately Priced Housing Fund program loan funds (the "**MPDU Loan**") to RHE Scarborough in order to facilitate RHE Scarborough's permanent financing of its acquisition of the Scarborough Square Apartments and to ensure that at least sixty-one (61) residential apartment units located in the Scarborough Square Apartments complex ("**Moderately Priced Dwelling Units**") are reserved and designated for occupancy by low-income households for a period of ninety-nine (99) years; and

**WHEREAS**, Montgomery County, Maryland, a body politic and corporate, is proposing to loan One-Million Five-Hundred Thousand and 00/100 (\$1,500,000.00) in housing initiative funds (the "**County HIF Loan**") to RHE Scarborough in order to assist RHE Scarborough in the payment of "essential mortgage payments, interest reserve replenishment, and new extension fees related to the prior financing of the acquisition of [Scarborough Square Apartments]"; and

**WHEREAS**, in accordance with the MPDU Loan Agreement, RHE Scarborough is required to obtain the Mayor and Council's approval prior to obtaining any additional financing related to the Scarborough Square Apartments; and

**WHEREAS**, the RHE Scarborough is requesting that the Mayor and Council approve the County HIF Loan to RHE Scarborough, as additional financing related to the Scarborough Square Apartments.

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

**1.** The Mayor and Council hereby approves the County HIF Loan from Montgomery County, Maryland to RHE Scarborough, as additional financing related to the Scarborough Square Apartments in order to assist RHE Scarborough in the payment of certain essential mortgage payments, interest reserve replenishment, and new extension fees related to the prior financing of its acquisition of Scarborough Square Apartments.

**2.** The 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 December 16, 2024.

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