



EXPANDED AGENDA

October 5, 2022

YouTube Link: <https://youtu.be/M3NhbeEm3YA>

In order to continue to implement recommended social distancing guidelines, HOC will conduct its October 5, 2022 monthly meeting through a hybrid model. HOC’s Board of Commissioners and certain staff will participate in-person. The public will continue to participate via an online platform and teleconference call until further notice.

		Res #
4:00 p.m. Page 4	I. <u>INFORMATION EXCHANGE</u> A. Community Forum B. Report of the Executive Director C. Commissioner Exchange	
4:40 p.m. Page 12 14	II. <u>APPROVAL OF MINUTES</u> A. Approval of Minutes of September 12, 2022 Public Hearing (Family Self-Sufficiency Action Plan) B. Approval of Minutes of September 14, 2022	
4:50 p.m.	III. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u>	
Page 23	A. Budget, Finance and Audit Committee – Com. Nelson, Chair	
5:15 p.m. Page 41	1. Fiscal Year 2022 Fourth Quarter Budget to Actual Statements: Acceptance of Fourth Quarter FY’22 Budget to Actual Statements	22-68 (pg. 34)
5:25 p.m. Page 49	2. Fiscal Year 2023 First Quarter Budget Amendment: Approval of the FY’23 First Quarter Budget Amendment	22-69 (pg. 46)
5:45 p.m. Page 56	3. Uncollectible Tenant Accounts Receivable: Presentation of the FY’23 First Quarter Budget Amendment	22-70 (pg. 55)
	4. Extension of Existing Property Management Contracts: Arcola Towers, Avondale Apartments, Barclay Apartments, Bauer Park Apartments, Camp Hill Square, Dale Drive, Fairfax Court, Manchester Manor Apartments, The Metropolitan, Pooks Hill Court, Residences on the Lane, Shady Grove Apartments, Southbridge, Spring Garden Apartments, Strathmore Court at White Flint, Tanglewood, The Willows, Timberlawn Crescent and Waverly House Apartments	22-71 (pg.62)
5:50 p.m. Page 68	B. Development and Finance Committee – Com. Simon, Chair 1. Single Family: Approval of New Participating Lenders for the Single Family Mortgage Purchase Program	22-73 (pg. 74)
6:15 p.m.	<u>RECESS</u>	
6:20 p.m.	<u>DEVELOPMENT CORPORATION MEETINGS</u>	
Page 78	Barclay Apartments Development Corporation	22-002 _{BC} (pg. 81)

	<ul style="list-style-type: none"> Authorization to Extend the Property Management Contract for Barclay Apartments 	
6:25 p.m.	<u>ADJOURN</u>	
Page 84	Magruder’s Discovery Development Corporation <ul style="list-style-type: none"> Authorization to Extend the Property Management Contract for Magruder’s Discovery 	22-002 _{MD} (pg. 87)
6:30 p.m.	<u>ADJOURN</u>	
Page 90	Metropolitan Development Corporation <ul style="list-style-type: none"> Authorization to Extend the Property Management Contract for the Metropolitan 	22-004 _{ME} (pg. 93)
6:35 p.m.	<u>ADJOURN</u>	
6:40 p.m. Page 96	Montgomery Arms Development Corporation <ul style="list-style-type: none"> Authorization to Extend the Property Management Contract for Montgomery Arms 	22-002 _{MA} (pg. 99)
6:45 p.m.	<u>ADJOURN</u>	
Page 102	Paddington Square Development Corporation <ul style="list-style-type: none"> Authorization to Extend the Property Management Contract for Paddington Square 	22-003 _{PS} (pg. 105)
6:50 p.m.	<u>AJOURN</u>	
6:55 p.m. Page 108	Pooks Hill Development Corporation <ul style="list-style-type: none"> Authorization to Extend the Property Management Contract for Pooks Hill 	22-002 _{PH} (pg. 111)
7:00 p.m.	<u>ADJOURN</u>	
7:05 p.m. Page 114	RAD 6 Development Corporation <ul style="list-style-type: none"> Approval to Extend Property Management Contract for RAD 6 	22-002 _{RAD} (pg. 118)
7:10 p.m.	<u>AJOURN</u>	
7:10 p.m.	<u>RECONVENE HOC MEETING</u>	
7:10 p.m. Page 121	<u>CLOSING STATEMENT</u> <ul style="list-style-type: none"> Vote to Close Meeting 	
7:15 p.m.	<u>CLOSED SESSION</u> <i>The closed meeting will be called to order pursuant to Section 3-305(b)(7), and 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland.</i>	

NOTES:

1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. ***Times are approximate and may vary depending on length of discussion.***
4. *These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.

Information Exchange



Report of the Executive Director

Chelsea J. Andrews

October 5, 2022

HOC At-a-Glance: September 2022

During the month of September, HOC continued to engage in its core activities providing support and enrichment programming to our clients, fulfilling our HUD required obligations and enhancing our clients' experience. This month we highlight services provided by our Office of Resident Services and updates from our Housing Resource Division and Information Technology Division. While our offices have not fully opened to the public at this time, we continue to provide high-level customer service through virtual meetings and program offerings, on-site engagement at properties and meet with clients in-person by appointment. Members of the Board and I also attended the 2022 NAHRO Conference in San Diego; a few highlights are also provided in this report.

HOC ADVANCING TOGETHER AT NAHRO CONFERENCE – SAN DIEGO, 2022

Members of the Housing Opportunities Commission (“HOC”) Board, joined me in attending the National Association of Redevelopment Officials (“NAHRO”) convened their National Conference in San Diego, September 22 – 24, 2022, its first in-person conference in over three years. The conference offered valuable information on the state of affordable housing across the nation, best practices, and tips on various topics such as Faircloth to RAD, Staff Retention, Board Commissioner Fundamentals, SEMAP, etc., and included presentations from HUD representatives and other industry thought leaders. Some key central themes were the challenges we are all facing with the sky-rocketing costs of housing, the impact on voucher utilization and the difficulties housing authorities are experiencing as we transition out of the pandemic while at the same time having to respond to multiple new requirements from HUD. It was an enriching experience for myself and the Board.

RESIDENT SERVICES UPDATE

Service Coordination and Programming

The Service Coordination and Programming Units provide assessment, counseling, information, referrals and program services to HOC customers. During the month of September 2022, staff continued to provide services virtually and in person. Resident Counselors continued to engage with HOC customers to determine their needs. Customers were referred to our partners to receive food and other assistance. Resident Counselors continued to perform wellness checks with customers to ensure their safety and

assess their needs. Customers with delinquent rent were referred/connected to the COVID Rental Assistance Program, the Emergency Rental Assistance Program, and the Housing Stabilization Program.

HOC's customers also continued to receive referrals to unemployment assistance, Temporary Cash Assistance, Supplemental Nutrition Assistance Program, Maryland Energy Assistance Program, and other benefit programs. The Housing Stabilization staff continued to process a vast number of applications for rental assistance. Though Resident Counselors continued to work remotely due to the COVID-19 pandemic, staff are scheduled for days in the office to respond to emergencies, for scheduled appointments and to assist with food distribution and other activities. Resident Counselors have also attended the Housing Resources Division virtual briefings for new voucher recipients to provide information on the services that Resident Services offer. Additionally, the Resource Services team continues to provide services to persons with disabilities to meet their service needs.

Highlights for September activities of resident counselors include the following:

- 1) Cider Mill
 - a) Continued to work with staff from the Montgomery County Department of Health and Human Services' Street Outreach Network ("SON") to facilitate safe zones at Cider Mill and other HOC properties. The safe zones will be held on the properties after hours as a way to provide safe places for youth and to promote participation in available programming. The goal is to have the safe zones begin in October 2022.
 - b) Continued to assist the Property Management staff to address rent delinquencies by conducting door-to-door outreach, assessments, and provide referrals.
- 2) Workshops
 - a) Facilitated the Fundamentals of Housing workshop on September 21; and
 - b) Facilitated resource sharing workshops on September 27 and September 29.
- 3) Resident Well Being
 - a) Senior Brown Bag food distribution at Elizabeth House, in Silver Spring on September 2nd;
 - b) In partnership with St. John's Church of Bethesda, facilitated the nutritional education and food distribution event at Waverly House in Bethesda on each Friday during September;
 - c) Conducted health assessments for upcoming Diabetes clinic to be held at Forest Oak Towers in Gaithersburg;
 - d) **Virtual community bingo activity at Forest Oak Towers on September 8;**
 - e) **Coordinated the University of Maryland Nursing Program for residents of Arcola Towers;**
 - f) **Facilitated an ice cream social at Bauer Park to promote socializing for residents; and**
 - g) Facilitated the Arts for the Aging Program at Arcola Towers; and
 - h) Facilitated a trip to Sandy Point State Park and Beach for seniors at Elizabeth House on September 16.
- 4) Relocation and Re-Certification Assistance
 - a) Assisted customers on an ongoing basis with relocations and other needs for RAD and renovation projects at Residences on the Lane, Stewartown Homes, Shady Grove Apartments, Willow Manor Apartments, Bauer Park, Town Center Olney, Sandy Spring, Willow Manor and Georgian Court.
 - b) Provided outreach and assistance to customers who have failed to submit all required documents for re-certification by the stated deadline.
- 5) Rental Assistance
 - a) Provided face-to-face and electronic outreach and assistance to customers with applications for rental assistance programs.

The Resident Services Division develops and implements programs that provide meals, educational, recreational and enrichment opportunities for HOC's customers. Listed below are highlights of programming activities for September 2022.

The Resident Services Division continued to provide food resources and other support with the help of Manna Food Center, Emmanuel Brinklow Seventh Day Adventist Church, Montgomery County Senior Nutrition Lunch Program, and the Capital Area Food Bank's Senior Brown Bag, and My Groceries To Go Programs. In September, 400 HOC customers were provided with food. The Resident Services staff also continued to facilitate the Senior Nutrition Program. The Senior Nutrition Program provides meals and opportunities for seniors to socialize.

The Resident Services Division facilitated another community event in September. The purpose of these events are to re-engage our customers and gain interest for in-person programming, after providing only virtual programming for the past two years. Additionally, backpacks and school supplies were distributed, community needs surveyed, meals were provided, information on programs and services were shared, and games were facilitated with the youth. The community event was held at Washington Square on September 22.

HOC Academy

The HOC Academy is an Agency initiative developed by HOC to help its customers reach their fullest potential by providing educational, enrichment, job training and job placement opportunities to youth and adults. The program specifically focuses on education and enrichment for youth education and workforce development for adults. Listed below are the highlights for the month of September 2022.

Youth Education/ Enrichment

After wrapping up summer programs for youth in August, the HOC Academy staff spent September recruiting middle school and high school aged youth for STEAM Forward's College Success Program. An information session for the program was held on September 7, 2022. In addition to registering youth for STEAM Forward's College Success Program, youth were also registered for services via First Generation College Bound, Inc. One youth received a scholarship to enroll in a Biology Course from Apologia Educational in September 2022. The HOC Academy staff also recruited elementary school aged youth for the STEAM enrichment program, which will begin in November 2022.

Adult Education and Workforce Development

Several Small Business Strategy Course (SBSC) alumni from FY'22 completed the legalization process for their business in September 2022. The following alumni established trade names for their businesses that will help them to market their products and services.

- Tenisha Cagle; Glory Gloss
- Angela Speller; Blessed & Highly Flavored)
- ShaKenya Harris; Messi Suds
- Debra Grandy; Hesperus Meded Consulting
- Alex Sumo; Alricosuave

The HOC Academy staff also spent September planning for upcoming small business development opportunities. These opportunities include a marketing webinars and the small business strategy course.

Financial Literacy

The Financial Literacy Coach continued to work with HOC's customers and individuals on the Housing Path waitlist on creating a financial foundation. During September, the Financial Literacy Coach provided one-on-one financial literacy coaching to six (6) HOC customers, and nine (9) individuals from the HousingPath waitlist. The coaching sessions continued to cover topics including: creating a working budget; identifying disposable income; reading one's credit report, and creating and accomplishing monthly financial goals. During September, the Financial Literacy Coach also facilitated financial literacy workshops. Three (3) HOC customers and five (5) individuals from the waitlist attended the workshops.

Supportive Housing

The Supportive Housing Program provides housing assistance and case management services to 239 participants who are formerly homeless with disabilities. The program services some of the most vulnerable residents of the county. In September, program staff continued to conduct home visits with program participants. Program staff continue to wear the appropriate personal protective equipment and maintain safe distances. Program staff also worked to submit required information for the HUD grant renewal process and continued to help Emergency Voucher recipients to secure housing and provide financial assistance.

Program staff also continued to implement the Rent Supplement Program (RSP), which provides a shallow rental subsidy (up to \$600 monthly) to county residents who struggle to pay their full rent with their current income. The program serves a large number of seniors on fixed incomes. Program turnover continues to equal or exceed the pace of new enrollments. Program staff continues to work to address this issue, but the chief impediment continues to be the low yield from call-ups from the Housing Path wait list. Applicants who are called up often do not respond, fail to submit required paperwork, or are determined ineligible for a variety of reasons. Staff continues to reach beyond the wait list for eligible applicants by engaging with Resident Counselors, DHHS, and have recently enrolled new participants directly from HOC's age-restricted properties.

Fatherhood Initiative

The Fatherhood Initiative is a national program funded by the U.S. Department of Health and Human Services. HOC is the first and only housing agency to be awarded a grant under the Fatherhood Initiative. HOC completed its first five-year grant as a 'best practice' model. HOC was awarded an additional grant and is currently in year two of the new grant period. HOC has recently been awarded a renewal of the grant and will begin year three in October 2022. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. In September, the program recruited fathers for the first cohort of the new grant year.

HOUSING RESOURCES DIVISION UPDATE

Housing Choice Voucher Program

Each month, HOC selects applicants from the Housing Path Waitlist toward its goal of achieving and maintaining a 95% program utilization rate. The program baseline increased to 7,702. The Consolidated Appropriations Act was signed into law on March 15, 2022. The Act appropriated \$200 million for new incremental vouchers pursuant to a method determined by HUD, which includes a formula to address such factors as severe cost burden, overcrowding, substandard housing for very low-income renters, homelessness, and administrative capacity. HOC was allocated 43 new vouchers and will receive a single, one-time start-up fee of \$750 per allocated voucher or \$32,250. These fees are in addition to the appropriated administrative fees of \$105.90 per voucher and support the anticipated immediate start-up costs.

The current utilization rate remains at 95%. Currently, 253 families with issued vouchers are searching for suitable units to rent and 132 contracts are pending execution. Four-Hundred families were selected from the HCV wait list last month.

During September, the Housing Resources Division received two requests for voucher extensions beyond the initial 90-day period. The requests include search records reflecting the efforts made to secure housing during the voucher term and the landlords contacted. Only one of the extensions warranted a referral to the Human Rights Commission and the Commission on Civil Rights for possible discrimination.

Seventy-four customers were recommended for program termination effective September 1, 2022. The Resident Services Division worked in collaboration with the Housing Resources Division to assess client needs and why the recertifications are not being completed.

The Resident Services Counselors conducted outreach to every customer in the termination window to ascertain why the annual requirement was not completed and provide assistance. They were able to assist 60 families with the recertification requirement and overturn the termination. Staff will continue the termination proceedings for 14 families for the following reasons:

- 3 – Deceased
- 1 – Nursing Home
- 1 – Skipped, by abandoning unit and exiting the voucher program without notice
- 2 – Voluntary, by formally relinquishing vouchers
- 7– Unable to reach by phone or email. Counselors attempted contact and left messages.

The Housing Resources Division will continue to work collaboratively with the Resident Services Division to provide assistance to those customers facing termination.

HOC has an allocation of 118 Emergency Housing Vouchers (EHVs). Currently 82 families have successfully leased units. Seventeen families with issued vouchers are searching for suitable units to rent. HOC received 8 referrals from Department of Health and Human Services; program eligibility is pending. HOC requested 11 additional referrals from HHS for the EHV Program.

Family Self Sufficiency (FSS)

Due to the ongoing COVID-19 pandemic, all meetings, and recruitment activities are conducted virtually. Staff continues to engage and market the FSS program to Housing Choice Voucher participants by phone and regular virtual information sessions. The FSS team conducted two virtual information sessions this month for perspective applicants.

FSS Case Managers continue to work with customers on their long- and short-term self-sufficiency goals. During monthly remote meetings, Case Managers offer emotional support and provide resources to address the challenges and concerns families are experiencing. Participants are encouraged to be proactive in dealing with challenges and to create a plan to address potential issues.

Three families graduated from the FSS program in the month of September, of which one of family purchased a home.

The FSS Action Plan was submitted to HUD on September 21, 2022 and we are pleased to share that it was approved by HUD on September 29, 2022. With our new approved plan we will resume our program enrollment efforts.

INFORMATION TECHNOLOGY (“IT”) UPDATE

Yardi PHA Client Portal for RENTCafe

Housing Choice Voucher (HCV) program participant utilization of the Yardi PHA Client Portal for RENTCafe continues to progress steadily. The total population of registered HCV participants and participants who have been contacted to enroll in the system increased from 1,453 to 1,886, or 29.8%. This increase suggests that HCV participants who are outside of the first cohort have been registering as well. It is possible that news about the portal was spread by word of mouth, and there was no mechanism to restrict enrollment to only members of the first cohort. Below are recent statistics since enrollment of the first cohort began after the launch of the portal on July 11, 2022.

Status of HCV Participant System Enrollment and Recertification	9/7/2022	9/28/2022	Rate of Increase
Completed registration	995	1,423	+43.0%
Contacted for enrollment	458	463	<1.0%
Completed annual recertification online	717	988	+37.7%

Sixty-nine percent (69%) of registered participants have completed their annual recertification online through the portal. There was a slight decrease in this measure from last month’s report, which resulted from the increased number of registered participants. Not all participants who are registered currently are able to complete their annual recertification online, if their recertification month is not November 2022, December 2022 or January 2023. However, they will be ready to complete their recertification online at the appropriate time.

Written and electronic communications continue to be sent to the first cohort of HCV program participants who have not registered or have registered, but not started their online annual recertification

process for follow up. The enrollment process for the second cohort of HCV program participants will begin in early October.

IT Support for HOC Events

The Information Technology Division serves as a critical partner to support the agency’s virtual and in-person events, which helps to promote services and a sense of community for our staff, residents and housing program participants. As the agency continues to emerge from the social restrictions necessary to combat the Coronavirus pandemic, IT looks forward to expanding audio-visual and event support services for in person events, which are slowly returning. Services for which IT is responsible include connecting hardware, configuring and testing microphone speaker settings and pre-loading registration forms and assessment forms to Chromebooks to help track attendance and gather post-event participant feedback.

Recently, IT provided on-site support for the Community Engagement pop-up at Washington Square in Gaithersburg, MD on September 22, 2022. Currently, IT is preparing to provide support for the upcoming Inspire Celebration in Rockville, MD on October 13, 2022.



Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

RECORD OF PUBLIC HEARING

September 12, 2022

The Housing Opportunities Commission of Montgomery County conducted a Public Hearing on the Proposed Revisions to its Administrative Plan for the Housing Choice Voucher Program. The Public Hearing was held via a hybrid platform and teleconference on Monday, September 12, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 3:02 p.m. Those in attendance were:

Present

Frances Kelleher, Vice Chair/
Chair Administrative and Regulatory Committee

Also Attending

Chelsea Andrews, Executive Director

Lynn Hayes, Director – Housing Resources Division

Also Attending via Zoom

Guidy Paul, Asst. Director Housing Resources

IT Support

Irma Rodriguez
Aries “AJ” Cruz

Commission Support

Patrice Birdsong

Vice Chair Kelleher convened the public hearing at 3:02 p.m. stating that the Housing Opportunities Commission of Montgomery County (HOC) is proposing revisions for its Family Self Sufficiency (FSS) Action Plan. HOC made available a draft of the proposed revisions on its website. On July 29, 2022, the draft documents were available for review on HOC’s website as well as two other publications – 1) The Washington Post; and 2) The Washington Post Hispanic.

Vice Chair Kelleher provided a brief overview of the Family Self Sufficiency Program Action Plan, informing that these revisions will go into effect following approval by the Department of Housing and Urban Development (HUD).

Lynn Hayes, Director of Housing Resources, provided a presentation explaining the following proposed changes:

1. Updating the mandatory size of a PHA’s required FSS Program.

2. Allowing family members other than the Head of Household to execute the FSS Contract of Participation (“CoP”).
3. Changing the term of the CoP.
4. Amending the management of the escrow account, including forfeiture of the escrow funds
5. Making changes to portability provisions

Staff received the Resident Advisory Board (RAB) endorsement of the changes. There were no outside guests participating via Zoom. Vice Chair Kelleher stated that the public hearing is complete and the record, which has been open for at least 45-days has now closed.

Based upon this report and there being no further business to come before this session Vice Chair Kelleher adjourned the hearing at 3:14 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

September 14, 2022

22-09

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Wednesday, September 14, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:03 p.m. Those in attendance were:

Present

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

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Bonnie Hodge
Jennifer Arrington
Guidy Paul
Ian-Terrell Hawkins

Kayrine Brown, Deputy Executive Director
Timothy Goetzinger
Lynn Hayes
Fred Swan
Kathryn Hollister

Also Attending via Zoom

David Brody
Darcel Cox
John Broullire
Nathan Bovelle

Terri Fowler
Matt Husman
Marcus Ervin
Leidi Reyes

IT Support

Irma Rodriguez
Aries "AJ" Cruz

Commission Support

Patrice Birdsong

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 speakers who signed up to address the Board.

Executive Director

- Chelsea Andrews, Executive Director, provided an overview of the written report as well as a slide presentation of events. Executive Director Andrews addressed questions of the Commissioners.

Commissioner Exchange

- Chair Priest reminded all of the upcoming NAHRO National Conference convening September 19 – 24, 2022.
- Chair Priest thanked Commissioner Simon for volunteer work at Tanglewood, and expressed his appreciation to all of the Commissioners for the volunteer efforts.
- Commissioner Simon expressed her appreciation to Vice Chair Kelleher for the book donations.

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

A. Approval of Minutes of August 10, 2022

III. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION**

A. Administrative and Regulatory Committee – Com. Kelleher, Chair

1. Authorization to Submit the Family Self-Sufficiency (“FSS”) Action Plan to HUD Pursuant to the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to the FSS Program

Vice Chair Kelleher opened with background discussions had during Committee, as well as informed that the item being presented had gone through a 45-day public commenting period. A Public Hearing was held on September 12, 2022, and there were no outside comments. Executive Director Andrews provided an overview and introduced Lynn Hayes, Director of Housing Resources, and Guidy Paul, Assistant Director of Housing Resources, who provided the presentation and addressed questions of the Commissioners.

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

RESOLUTION NO.: 22-65

RE: Authorization to Submit the Family Self-Sufficiency (“FSS”) Action Plan to HUD Pursuant to the Streamlining and Implementation of Economic

Growth, Regulatory Relief, and Consumer Protection Act Changes to the FSS Program

WHEREAS, the Family Self Sufficiency (“FSS”) Program is a federally mandated program authorized by the Cranston-Gonzalez Affordable Housing Act of 1990; and

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) began its FSS Program in February 1993, subsequent to the U.S. Department of Housing and Urban Development’s (“HUD”) approval of the initial FSS Action Plan.

WHEREAS, HUD published the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to the FSS Program on May 17, 2022, effective June 16, 2022, which mandates numerous changes to the FSS Program that must be implemented no later than November 14, 2022; and

WHEREAS, a 45-day public comment period is required for changes to the FSS Program;
And

WHEREAS, a public comment period for the revisions to the FSS Action Plan began on July 29, 2022 and concluded on September 11, 2022; and

WHEREAS, a virtual public hearing commenced on September 12, 2022; and

WHEREAS, HOC must submit the FSS Action Plan that describes the policies and procedures used to operate the FSS program to HUD by September 30, 2022; and

WHEREAS, HOC must implement the changes in the FSS Action Plan subsequent to HUD approval, no later than November 14, 2022; and

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or her designee, to submit the FSS Action Plan to HUD, and, subsequent to approval by HUD, implement the policies and procedures outlined in the FSS Action Plan.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the actions contemplated herein.

B. Budget, Finance and Audit Committee – Com. Nelson, Chair

- 1. County FY’24 Capital Budget and Amendments to the FY’23-28 Capital Improvements Program Budget:** Authorization to Submit County FY’24 Capital Budget and Amendments to the FY23-28 Capital Improvements Program Budget

Chair Pro Tem Nelson opened with background discussions had during Committee. He introduced Executive Director Andrews, who provided a brief overview and introduced Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, and Terri Fowler, Budget Officer, who provided the presentation and addressed questions of the Commissioners.

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.: 22-66

Re: Authorization to Submit County FY'24 Capital Budget & Amendments to the FY23-28 Capital Improvements Program Budget

WHEREAS, the Capital Improvements Program ("CIP") is a program administered by Montgomery County (the "County") that provides funds for larger long-term investments in facilities, infrastructure, and affordable housing; and

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") receives funds from the CIP to further its purpose in providing affordable housing; and

WHEREAS the County is considering amendments to the County FY'24 Capital Budget & Amendments to the FY23-28 Capital Improvements Program Budget and requests were due to the Office of Management and Budget Office of Management and Budget ("OMB") by September 8, 2022; and

WHEREAS, staff requested and received an extension to September 15, 2022 in order to obtain Commission approval on September 14, 2022; and

WHEREAS, the Commission wishes to request to the county that the Budget (i) continues funding the current annual allocation of \$1,250,000 for Supplemental Funds for Deeply Subsidized HOC and Affiliate Owned Unit Improvements and , (ii) adds \$520,000 in additional funding for the WSSC Infrastructure Project for Sewer and Storm Line Improvements at Elizabeth Square and , (iii) adds \$3,000,000 in new funding for the Elizabeth House Demolition.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the submission to the County of a request that the County FY'24 Capital Budget & Amendments to the FY23-28 Capital Improvements Program Budget of \$88,607,000 that continues the current annual allocation of \$1,250,000 for Supplemental Funds for Deeply Subsidized HOC and Affiliate Owned Unit Improvements and , (ii) adds \$520,000 in additional funding for the WSSC Sewer and Storm Line Improvements at Elizabeth Square and , (iii) adds \$3,000,000 in new funding for the Elizabeth House Demolition.

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

1. **Hillandale Gateway:** Approval of Revised Predevelopment Budget and Additional Predevelopment Funding for Hillandale Gateway, LLC

Commissioner Simon opened with background discussions had during Committee. She introduced Executive Director Andrews, who provided a brief overview and introduced Marcus Ervin, Director of Real Estate, who provided presentation, and Kathryn Hollister, Senior Financial Analyst, who provided presentation of preliminary development plans. Once the presentations were complete, staff addressed questions of the Commissioners.

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.: 22-67

**RE: Approval of Revised Predevelopment Budget
And Additional Predevelopment Funding for
Hillandale Gateway, LLC**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), in accordance with previous Commission resolutions, is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC, the entity that will redevelop approximately 5.15 acres of land at 10110 and 10140 New Hampshire Avenue, Silver Spring, MD 20903 (“Holly Hall Site”); and

WHEREAS, on October 7, 2015, March 1, 2017, January 9, 2019, February 5, 2020, and November 4, 2020 the Commission authorized loans to Hillandale Gateway, LLC from HOC’s Opportunity Housing Reserve Fund (“OHRF”) in the total amount of \$10,076,367 to fund predevelopment activities related to the redevelopment of the Holly Hall Site; and

WHEREAS, the Commission desires to approve additional predevelopment funding in the amount of \$4,126,898 (“Additional Predevelopment Funding”) to cover predevelopment expenditures related to the redevelopment of the Holly Hall Site through closing of Hillandale Gateway, LLC’s redevelopment construction-period financing (“Construction Financing”); and

WHEREAS, the Commission desires to approve a loan from HOC’s OHRF to Hillandale Gateway in the amount of \$4,126,898 to fund the Additional Predevelopment Funding (the “OHRF Loan”), and such loan shall accrue interest at the short-term Applicable Federal Rate of the Internal Revenue Code and will be repaid from the proceeds of Construction Financing; and

WHEREAS, the Commission desires to approve a revised predevelopment budget for the redevelopment of the Holly Hall Site in the amount of \$14,203,265 to reflect the Additional Predevelopment Funding and the OHRF Loan (“Revised Predevelopment Budget”), which Revised Predevelopment Budget will include predevelopment funding spent to date, future predevelopment expenditures through closing of construction financing, prefunded closing costs, and contingency; and

WHEREAS, pursuant to Treasury Regulation §1.150-2, the Commission desires to declare its official intent to participate in future tax-exempt borrowings in an amount not to exceed \$200,000,000 to finance “original expenditures” (as defined in Treasury Regulation §1.150-2) for the new construction located at the Holly Hall Site (the “Development”); and

WHEREAS, all or a portion of such future tax-exempt borrowings may be allocated to reimburse the Commission for original expenditures paid or to be paid subsequent to the date which is 60 days prior to the date hereof, such reimbursement allocation to occur not later than 18 months after the later of the date of payment of such original expenditures or the date on which the Development is placed in service or abandoned (but in no event more than three (3) years after the date of payment of the related original expenditures).

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves Additional Predevelopment Funding in the amount of \$4,126,898 to cover

predevelopment expenditures related to the redevelopment of the Holly Hall Site through Construction Financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, that it authorizes a loan to Hillandale Gateway, LLC from HOC's OHRF in the amount of \$4,126,898, which loan will accrue interest at the applicable federal rate and will be repaid at the closing of Construction Financing.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the Revised Predevelopment Budget of \$14,203,265 for the redevelopment of the Holly Hall Site, which includes the increase in predevelopment funding described in these Resolutions, predevelopment funding spent to date, future predevelopment expenditures through closing of Construction Financing, prefunded closing costs, and contingency.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that the Executive Director, or her designee, is authorized to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related to Hillandale Gateway, LLC's acceptance of the loan from HOC's OHRF in an amount up to \$4,126,898.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to finance costs related to the predevelopment and other expenditures of the redevelopment of the Holly Hall Site located in the Hillandale area of Montgomery County, with moneys currently contained in its OHRF and any other funds of the Commission so designated for use by the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it declares its official intent to participate in future tax-exempt borrowings in an amount not to exceed \$200,000,000 to finance original expenditures for the Development.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that any original expenditures for Development may be reimbursed with proceeds of tax-exempt borrowings if such original expenditures are paid or to be paid no earlier than 60 days prior to the date of this Resolution, except preliminary expenditures as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that all prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the redevelopment of the Holly Hall Site, shall be and the same hereby are in all respects ratified, approved and confirmed.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that all other resolutions of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the *extent* of such inconsistency.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her designee, is hereby authorized, without any further action on its part, to

take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this session of the Commission, the Commission unanimously adjourned the open session at 5:01 p.m., with a motion made by Vice Chair Kelleher and seconded by Commissioner Byrd.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

Committee Reports and Recommendations for Action

Budget, Finance & Audit Committee

FISCAL YEAR 2022 (FY'22) FOURTH QUARTER BUDGET TO ACTUAL STATEMENTS: COMMISSION ACCEPTANCE OF THE FOURTH QUARTER FISCAL YEAR 2022 BUDGET TO ACTUAL STATEMENTS

October 5, 2022

- The Agency ended the year with a net cash surplus of \$1,012,001, which equates to 0.34% of the total operating budget of \$300,440,652 and 0.52% of the total adjusted operating budget of \$193,825,320, which excludes Housing Assistance Payments (“HAP”).
- The primary causes were savings in various expense categories in the General Fund which were partially offset by slightly lower income in the fund, coupled with lower unrestricted cash flow in some of the unrestricted Opportunity Housing Properties as a result of property performance.
- At the end of the year, many of the unrestricted properties in the Opportunity Housing Fund underperformed budget expectations as a result of overages in various expense categories coupled with lower tenant income.
- The Public Housing Program ended the year with a shortfall of \$80,156 resulting primarily from additional subsidies received in prior periods for Victory Haven under the Master Lease that were subsequently transferred to the property in the first quarter of FY'22 and a small amount of continued expenses at Emory Grove. The shortfall will be covered by existing cash in the fund.
- The Housing Choice Voucher (“HCV”) Program ended the year with an administrative surplus of \$2,588,354 as a result of higher than anticipated administrative fee income countered by a negative variance in administrative expenses. The surplus will be restricted to the program for future administrative costs.
- Staff recommends that surplus of \$1,012,001 be restricted 50% or \$506,000 the General Fund Operating Reserve (“GFOR”) for future operational needs and 50% or \$506,001 to the Opportunity Housing Property Reserve (“OHPR”) to help replenish the reserve to fund the shortfalls for capital needs that can be expected during the FY'23 and FY'24 budget season.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022, and joins staff’s recommendation that the Commission accept the Fourth Quarter FY'22 Budget to Actual Statements.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Timothy Goetzinger, Acting Chief Financial Officer Division: Finance
Terri Fowler, Budget Officer
Tomi Adebo, Assistant Budget Officer

RE: **Fiscal Year 2022 (FY'22) Fourth Quarter Budget to Actual Statements:** Presentation of Fourth Quarter FY'22 Budget to Actual Statements

DATE: October 5, 2022

OVERALL GOAL & OBJECTIVE:

Commission acceptance of the Fourth Quarter FY'22 Budget to Actual Statements.

BACKGROUND:

The Executive Director is presenting the quarterly budget to actual statements and amendments to the Budget, Finance & Audit Committee for review. Staff will present any proposed budget amendments and recommendations to the full Commission for formal action.

ISSUES FOR CONSIDERATION:

To assess the financial performance of the Housing Opportunities Commission of Montgomery County ("Agency") for the fourth quarter of FY'22 against the budget for the same period.

BUDGET/FISCAL IMPACT:

Please see Discussion section of the memo for the budget impact of recommended actions for FY'22.

TIME FRAME:

For formal action at the October 5, 2022 meeting of the Commission.

The Budget, Finance and Audit Committee informally discussed the FY'22 Fourth Quarter Budget to Actuals at the September 27, 2022 meeting and supports staff's recommendation.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Commission formally accept the Fourth Quarter FY'22 Budget to Actual Statements.

DISCUSSION – FOURTH QUARTER BUDGET TO ACTUAL STATEMENTS

This review of the Budget to Actual Statements for the Agency through the fourth quarter of FY'22 consists of an overall summary and additional detail on the Opportunity Housing properties, the Development Corporation properties, the Public Housing and Housing Choice Voucher (“HCV”) Programs and all Capital Improvements Budgets.

HOC Overall (see Attachment A)

The Agency’s Audited Financial Statements are presented on the accrual basis, which reflects non-cash items such as depreciation and the mark-to-market adjustment for investments.

The Commission approves the Operating Budget at the fund level based on a modified accrual basis, which is similar to the presentation of budgets by governmental organizations. The purpose is to ensure that there is sufficient cash income and short-term receivables available to pay for current operating expenditures.

The Commission approves the revenues, expenses, and unrestricted net cash flow from operations for each fund. Unrestricted net cash flow in each fund is what is available to the Commission to use for other purposes. The FY'22 Fourth Quarter Operating Budget to Actual Comparison (Attachment A) shows unrestricted net cash flow or deficit for each of the funds. Attachment A also highlights the FY'22 Fourth Quarter Budget to Actual Comparison for Capital Expenses.

The Agency ended the year with a net cash surplus of \$1,012,001, which equates to 0.34% of the total operating budget of \$300,440,652 and 0.52% of the total adjusted operating budget of \$193,825,320, which excludes Housing Assistance Payments (“HAP”). The primary causes were savings in various expense categories in the General Fund (see General Fund), which were partially offset by slightly lower income in the fund, coupled with lower unrestricted cash flow in some of the unrestricted Opportunity Housing Properties as a result of property performance (see Opportunity Housing Fund).

Explanations of Major Variances by Fund

The **General Fund** consists of the basic overhead costs for the Agency. This fund ended the quarter with a surplus of \$418,420, which resulted in a positive variance of \$2,642,265, when compared to the projected deficit of \$2,223,845.

As of June 30, 2022, income in the General Fund was \$311,782 lower than budgeted and expenses were \$2,954,047 lower than budgeted. The FY'23 budget included a projected draw from the General Fund Operating Reserve (“GFOR”) of \$1,241,656 to balance the budget. As a result of year-end performance, the draw was not required. If this draw was excluded from the budget, income in the General Fund would have exceeded budget by \$929,874. In addition, the Agency received higher than anticipated payments from properties utilizing the FHA Risk Sharing program of \$768,100, which is reflected as income in the General Fund with a corresponding

expense to restrict the income to the FHA Risk Sharing Reserve. The positive income variance was primarily the result of receiving additional Development Fee Income, the receipt of Federal Emergency Management Agency (“FEMA”) reimbursements for COVID-19 related expenses, and fees received from tax credit properties based on the year-end cash flow distributions. These were partially offset by lower Commitment Fee income and draws from the Opportunity Housing Reserve Fund (“OHRF”) for Real Estate personnel and predevelopment costs. Whereas Commitment Fee income is a one-time fee that is received at the time the transaction is financed, Development Fee income is many times received in phases depending on the achievement of certain milestones especially as it relates to transactions financed as a Low Income Housing Tax Credit (“LIHTC”) Partnership. Development Fees for Stewartown Homes and West Side Shady Grove that had been budgeted in FY’21 were received in FY’22. In addition, unbudgeted Development Fees were received for Fenton Silver Spring, Alexander House, and Greenhills. The additional Development Fee income was partially offset by lower Commitment Fee income that was the result of timing changes in the capital development transactions for Hillandale Gateway and The Metropolitan. Both the anticipated Commitment and Development fees for the two transactions are now captured in the FY’23 Budget that will be presented to the Commission for adoption.

The positive expense variance was primarily the result of lapse in salary and benefits coupled with savings in legal and professional services, computer software, online information services, COVID-19 expense and savings in capital projects, which resulted in lower transfers from the operating budget to cover the cost of the projects.

The **Multifamily Bond Fund** and **Single Family Bond Fund** are budgeted to balance each year.

The Multifamily Bond Fund draw for FY’22 was reduced by the cumulative \$133,516 of savings left in the fund at FY’21 year-end. As a result of savings in administrative salaries and benefits, legal, and financial services expenses, the fund ended the year with a positive expense variance of \$210,064. After using the previous savings in the fund, this savings in expenses results in a year-end surplus of \$210,064. Staff is recommending that the surplus of \$210,064 be used to reduce the budgeted draw for FY’23 for the Multifamily Bond Fund.

The Single Family Bond Fund draw for FY’22 was reduced by the \$82,613 of savings left in the fund at FY’21 year-end. As a result of savings in administrative salaries, benefits, legal costs, financial services expenses, and trustee fees the fund ended the year with a positive expense variance of \$190,831. After using the previous savings in the fund, this savings in expenses results in a year-end surplus of \$190,831. Staff is recommending that the surplus of \$190,931 be used to reduce the budgeted draw for FY’23 for the Single Family Bond Fund.

The Opportunity Housing Fund

Attachment B is a chart of the Net Cash Flow for the Development Corporation Properties. This chart divides the properties into two groups.

The first group includes properties that were budgeted to provide unrestricted net cash flow toward the Agency's FY'22 Operating Budget. This group ended the year with cash flow of \$5,481,359 or \$587,710 lower than projected.

- **Alexander House Dev Corp** ended the year with a deficit of **(\$376,774)**, which resulted in a negative cash flow variance of \$46,514 when compared to the planned shortfall of **(\$330,260)** as a result of lower tenant rents and higher concessions coupled with overages in utility and maintenance costs. These were partially offset by lower vacancy loss and savings in administrative and bad debt expenses. **Glenmont Crossing Dev Corp** experienced a negative cash flow variance of \$102,611 primarily as a result of higher utilities that was slightly countered by savings in bad debt and maintenance expenses, as well as lower vacancy. The overage in utilities was largely due to the non-receipt of reimbursements from tenants for water usage. **Magruder's Discovery Dev Corp** experienced a negative cash flow variance of \$139,071 mostly as a result of lower tenant income and higher vacancy coupled with overages in administrative, utility and maintenance expenses. The **Metropolitan Dev Corp** ended the year with a negative cash flow variance of \$56,709 resulting from lower tenant income coupled with overages in utility cost that were partially offset by lower vacancy loss and a positive variance in non-dwelling rent fees as well as savings in administrative and tenant services, and insurance costs. The planned shortfall for **Metropolitan Affordable** was \$53,887 less than anticipated resulting in a positive cash flow variance due to higher tenant rents and lower vacancy loss partially offset by overages in administrative and utility expenses. Cash flow at **Montgomery Arms Dev Corp** was \$180,524 lower than anticipated primarily due to higher maintenance, utility and bad debt expenses coupled with lower gross tenant rents and higher concessions partially offset by lower vacancy loss. **Paddington Square Dev Corp** reported a negative variance of \$17,152 due to higher utility, maintenance and insurance costs coupled with lower gross tenant rents and higher concessions that were almost entirely offset by lower bad debt and administrative expenses coupled with reimbursements from the County Contract for utility costs. Cash flow for **Pooks Hill High-Rise** was \$68,210 lower than planned due to overages in most expense categories. Cash flow at **Scattered Site One Dev Corp** was \$72,098 lower than anticipated due to higher bad debt, maintenance and utility costs coupled with higher vacancy loss that was partially offset by higher gross tenant rents. **Scattered Site Two Dev Corp** ended the year with a larger shortfall than was anticipated resulting in a negative cash flow variance of \$18,352 as a result of higher than anticipated Housing Association ("HOA") Fees coupled with higher utility costs due to higher vacancy loss that was partially offset by slightly higher gross tenant rents and reimbursements from the County Contract for HOA fees. The planned deficit at **Sligo MPDU III Dev Corp** was \$8,007 more than budget resulting in a negative cash flow variance based on overages in maintenance costs coupled with higher vacancy loss that was mostly offset by higher gross rents. **VPC One Dev Corp** experienced a positive cash flow variance of \$20,435 due to lower vacancy loss and additional reimbursements from the County Contract for HOA fees coupled with savings in bad debt, insurance and tax costs that were partially offset by higher concessions and overages in maintenance expense and HOA Fees. **VPC Two Dev Corp**

experienced overages in maintenance, administrative, and bad debt expenses coupled with lower gross rents that were mostly countered by lower vacancy loss coupled with savings in utility and insurance costs. The negative variance was offset by a reduction in the contribution to the Debt Service Reserve.

- The second group consists of properties whose cash flow will not be used for the Agency's FY'22 Operating Budget. Cash flow from this group of Development Corporation properties was \$56,521 less than budgeted for the year. **MetroPointe** experienced a negative cash flow variance of \$47,442 as a result of higher than anticipated administrative, COVID-19, and bad debt expenses coupled with lower gross rents that were partially offset by lower vacancy loss and higher parking income at the property. Cash flow at the **Oaks at Four Corners Dev Corp** was \$79,015 higher than anticipated due to savings in administrative, tenant services, and maintenance expenses that were partially offset by slightly higher utility costs. The **RAD 6 Dev Corp** properties ended the year with a shortfall of **(\$404,059)**, which resulted in a negative cash flow variance of \$88,094 when compared to the projected shortfall of **(\$315,965)**. Collectively, this resulted from overages in maintenance, administrative, and utility costs coupled with higher vacancy loss that was partially offset by higher gross rents and savings in bad debt expense. **Ken Gar** and **Parkway Woods** reported positive cash flow variances of \$117,774 and \$30,972, respectively due to higher gross tenant rents coupled with savings in bad debt expense. **Sandy Spring Meadow** ended the year with a positive cash flow of \$29,068 resulting in a positive variance of \$55,648 when compared to the budgeted deficit of **(\$26,580)** primarily due to higher gross rents and lower vacancy loss coupled with lower bad debt and savings in administrative and utility costs that were partially offset by overages in maintenance expense. The planned deficit for **Seneca Ridge** was \$190,608 more than anticipated due to overages in maintenance and utility expenses coupled with higher vacancies that were partially offset by higher gross rents and savings in administrative and insurance expenses. **Towne Center Place** ended the year with a negative cash flow of \$11,309 primarily due to overages in maintenance and administrative costs that was partially offset by higher gross tenant rents and lower vacancy loss coupled with lower bad debt and utility expenses. **Washington Square** reported a negative cash flow variance of \$90,571 primarily attributed to higher administrative, utility and maintenance expenses.

Attachment C is a chart of the Net Cash Flow for the Opportunity Housing Properties. This chart divides the properties into two groups.

- The first group includes properties that were budgeted to provide unrestricted net cash flow toward the Agency's FY'22 Operating Budget. This group ended the year with cash flow of \$1,658,411 or \$1,065,797 less than projected. Cash flow at **MPDU I (64)** was \$116,033 higher than anticipated as a result of lower debt service payments, due to the payoff of the mortgage in March 2021 that was not incorporated into the budget, savings in administrative cost that was partially offset by overages in maintenance, and bad debt and utility expenses coupled with slightly higher vacancy loss. **Avondale Apartments** reported a negative cash flow variance of \$85,198 primarily due to higher vacancy loss and concessions coupled with higher

maintenance, utility, and administrative expenses that were partially offset by higher gross tenant rents. **Barclay Affordable** experienced a negative cash flow variance of \$353,825 as a result of overages in utilities, maintenance, and administrative costs coupled with lower gross rents and higher vacancies. **Camp Hill Square** experienced a negative cash flow variance of \$205,384 as a result of higher vacancy loss coupled with higher maintenance, bad debt, and administrative expenses that were partially offset by slightly higher gross rents and lower utility costs. **Chelsea Towers** experienced a positive cash flow variance of \$105,914 due to lower debt service payments and savings in administrative staff costs and Housing Association (“HOA”) Fees. **Elizabeth House Interim RAD** ended the year with a positive cash flow variance of \$260,525 as a result of higher tenant income coupled with savings in administrative and maintenance expenses that were partially countered by overages in utility and security costs. At the time of the development of the FY22 budget, **Georgian Court Affordable**, the three **Manor** properties, and **Shady Grove Apartments** were budgeted with four months of operations; however, due to the delay in the conversion of the properties, which occurred in December 2021, the properties experienced an additional two months of operating income and expenses. The additional rental income at **Georgian Court** and **Shady Grove** exceeded the additional expenses resulting in positive variances at both properties. The three **Manor** properties (**Cloppers Mill, Colesville and Fair Hill Farm**) ended the year with negative variances due to higher vacancies to support the renovations coupled with overages in maintenance, administrative and utility expenses that when combined with the additional two months of debt service payments exceeded the additional two months of rental income. **Holiday Park** reported a negative cash flow variance of \$62,702 primarily due to overages in maintenance and utility costs partially offset by lower bad debt and administrative expenses. **Jubilee Hermitage** experienced a negative cash flow variance of \$25,284 largely due to the payment for utility bills from prior periods coupled with higher bad debt expense and vacancy loss. Cash flow for **Jubilee Woodedge** was \$16,976 lower than projected mainly resulting from lower tenant income that was partially offset by savings in maintenance expense. **Manchester Manor** reported a deficit of **(\$118,956)** at year-end resulting in a negative variance of \$117,246 when compared to the projected deficit of **(\$1,710)** due to overages in administrative, maintenance and security costs coupled with lower gross rents that were partially offset by savings in utility costs. **McHome** experienced a negative cash flow variance of \$45,615 as a result of higher vacancy loss coupled with overages in administrative and utilities costs partially offset by savings in maintenance and bad debt expenses. Cash flow for **MHLP VII** was \$54,859 lower than projected as a result of higher vacancy loss coupled with overages in administrative, utility and bad debt expenses partially offset by savings in maintenance cost. **MHLP VIII** experienced a negative variance of \$48,243 due to lower gross rents and higher vacancies coupled with overages in maintenance, administrative, and utility costs partially offset by lower bad debt expense. Cash flow for **MHLP IX Pond Ridge** was \$9,571 lower than budget as a result of higher vacancy loss coupled with small overages in utilities that was almost offset by savings in administrative, maintenance, bad debt and tax expenses. **MHLP IX Scattered Sites** experienced a negative cash flow variance of \$186,698 mainly due to lower gross rents and higher vacancy loss coupled with overages in maintenance, administrative, utility and bad debt expenses that were countered by savings

in real estate tax resulting from the state PILOT agreement that has been established for the property resulting in a savings in taxes. **MHLP X** experienced positive cash flow variance of \$100,713 mainly due to savings in real estate tax resulting from the state PILOT agreement that has been established for the property coupled with savings in administrative, maintenance and utility expenses that were partially offset by greater than anticipated bad debt expense and vacancy loss. **Pooks Hill Mid-Rise** experienced a negative cash flow variance of \$77,736 as a result of higher vacancy loss and concessions coupled with higher utility, COVID-19, security and bad debt expenses that were partially offset by higher gross rents coupled with a small savings in maintenance. **Strathmore Court** and **Strathmore Affordable** were refinanced and consolidated into one property effective June 2022. On a consolidated basis, the property experienced a negative cash flow variance of \$145,469 **(((\$127,831) + (\$17,638))** as a result of overages in most expense categories coupled with lower gross rents that were partially offset by lower vacancy loss. **TPP LLC Pomander Court** experienced a negative cash flow variance of \$23,411 primarily as a result of higher maintenance and utility expense coupled with slightly higher vacancy loss that was partially offset by higher gross rents coupled with savings in administrative expenses. Cash flow for **TPP LLC Timberlawn** was \$105,377 lower than budget primarily as a result of overages in maintenance, utility, COVID-19, security and bad debt expenses that were partially offset by savings in administrative and tenant services expenses coupled with lower vacancy loss and higher tenant fee payments. **Westwood Towers** experienced a negative cash flow variance of \$371,950 as a result of higher administrative, maintenance and security expenses coupled with higher concessions that were partially offset by lower vacancy loss and slightly higher gross rents, parking income, and tenant fee income as well as savings in utility costs. Cash flow at **The Willows** was \$128,433 higher than anticipated due to higher gross rents coupled with savings in administrative, tenant services and insurance expenses that were partially offset by slightly higher vacancy loss coupled with overages in utility and maintenance expenses.

- The second group consists of properties whose cash flow will not be used for the Agency’s FY’22 Operating Budget. Some of these properties have legal restrictions on the use of cash flow; others may have needs for the cash flow. Cash flow for this group of properties was \$466,827 less than budgeted. The demolition of **The Ambassador** was completed in April of 2020. The property experienced expenses of \$23,781 mainly driven by interest paid on the outstanding debt on the PNC Real Estate Line of Credit (“RELOC”) and taxes. There are sufficient reserves at the property to cover the costs. **Battery Lane** was acquired in June of 2022. A FY’23 Budget Amendment has been prepared to incorporate the property into the FY’23 Agency Budget. **Bradley Crossing** ended the year with a negative variance of \$456,798 as a result of higher vacancy loss coupled with overages in utility, maintenance and debt service expense partially offset by higher gross rents and tenant fee income coupled with savings in administrative, insurance and bad debt expenses. **Brooke Park** experienced a negative cash flow variance of \$133,381, largely resulting from a delay in occupying the units post renovation. Cash flow at **Brookside Glen** was \$226,106 lower than anticipated due to higher maintenance, bad debt, utility, and security expenses coupled with lower gross rents

and higher concessions that were partially offset by savings in administrative costs. **Cider Mill** reported a positive cash flow variance of \$307,983 due to lower vacancy loss and concessions coupled with higher gross tenant rents and reimbursements received for COVID-19 related expenses as well as lower bad debt expense partially offset by higher utility, maintenance and administrative expenses. **Dale Drive** ended the year with a shortfall of \$18,403 resulting in a negative cash flow variance of \$21,911 as a result of overages in utility, maintenance and security costs. **Diamond Square** ended the year with a negative cash flow variance of \$152,615 primarily as a result of overages in maintenance, utilities, security contracts and bad debt expenses coupled with slightly lower gross rents. **Holly Hall Interim RAD**, which was vacated in November 2019 and therefore not budgeted, has continued to experience a small amount of expense for utilities, maintenance and solid waste tax expense of \$22,329, which will be covered by unrestricted cash in the Opportunity Housing portfolio. **Paint Branch** experienced a negative cash flow variance of \$30,341 due to higher maintenance costs and bad debt expense coupled with higher vacancy loss. **State Rental Combined** experienced a positive cash flow variance of \$66,223 as a result of lower concessions and slightly higher gross tenant rents coupled with savings in administrative and insurance expenses that were countered by overages in maintenance and bad debt expenses. **Stewartown Affordable**, which converted to the tax credit portfolio on June 30, 2021, incurred additional operating costs in early FY'22 related to pre-conversion expenses that will be covered by funds in the old property.

The Public Fund (Attachment D)

- The FY'22 Budget was developed with no Public Housing property budgets. Subsidies received in prior periods for **Victory Haven** while they were under the Master Lease have been transferred to the Victory Haven property resulting in unplanned expenses in the former Elizabeth House Public Housing property. A small amount of expenses continued at **Emory Grove** for communication costs and solid waste tax.
- The Housing Choice Voucher Program ("HCVP") ended the year with a surplus of \$2,188,535. The surplus was comprised of an administrative surplus of \$2,588,354 countered by Housing Assistance Payment ("HAP") payments that exceeded HAP revenue by \$399,819. The HAP shortfall will be covered by a draw from the HCVP reserve known as the Net Restricted Position ("NRP"), which includes funds received in prior years that were recognized but not used. The administrative surplus was the result of higher than anticipated administrative fee income that was partially offset by overages in administrative expenses to support the lease-up efforts. The higher administrative fee income was primarily the result of a higher proration factor that was changed to 84.78% and then further increased to 88%, compared to the budgeted rate of 83.832%, coupled with the administrative fee income received to support the emergency and COVID-19 vouchers received.

Tax Credit Partnerships

The Tax Credit Partnerships have a calendar year end.

Budget Impact – FY’22

- As explained in this memo, the Agency ended the year with a surplus of \$1,012,001 primarily as a result of lower than anticipated expenses in the General Fund which were partially offset by slightly lower income in the fund coupled with lower unrestricted cash flow in some of the unrestricted Opportunity Housing Properties as a result of property performance.
- Staff recommends that surplus of \$1,012,001 be restricted 50% or \$506,000 to the General Fund Operating Reserve (“GFOR”) for future operational needs and 50% or \$506,001 to the Opportunity Housing Property Reserve (“OHPR”) to help replenish the reserve to fund the shortfalls for capital needs that can be expected during the FY’23 and FY’24 budget season.

The Capital Budget (Attachment E)

Attachment E is a chart of the Capital Improvements Budget for FY’22. The chart is grouped in two sections – General Fund and Opportunity Housing properties. Several properties exceeded their budget due to unanticipated physical needs at the properties. For properties where sufficient reserves are available, they will be used to cover the overages. Several properties were dependent upon the Opportunity Housing Property Reserve (“OHPR”) for FY ’22. Total expenditures for the portfolio did not exceed the authorized amount of \$533,820 allocated from the OHPR for FY’22. Capital budgets from projects with positive variances may be rolled forward as requested for projects that were planned for FY’22 but not completed.

Alexander House Dev Corp overspent its capital budget as a result of window and flooring replacement. **Avondale Apartments** exceeded the capital budget due to roof and emergency pipe replacement. **Brookside Glen, Camp Hill Square, MHLP IX Scattered Sites** and **Westwood Tower** have overspent their respective FY’22 capital budgets as a result of flooring/carpet and appliance replacement coupled with plumbing and kitchen work. **Battery Lane** was acquired in June of 2022. A FY’23 Budget Amendment has been prepared to incorporate the property into the FY’23 Agency Budget. **Fairfax Court** overspent its capital budget by a small amount as a result of unanticipated roof repair. **Jubilee Horizon Court** exceeded the capital budget due to Grounds/Landscaping and HVAC Contracts. **Ken Gar** overspent the capital budget due to work related to tree removal and the replacement of parking lot LED lamps. **Magruder’s Discover Dev Corp** exceeded its capital budget as a result of higher plumbing contracts and appliance equipment replacements. **Manchester Manor** overspent the capital budget due to HVAC, elevator, appliance and flooring contracts. **MHLP VII** exceeded its capital budget by a nominal amount as a result of additional appliance, flooring HVAC and window replacements. **MHLP VIII** exceeded its capital budget as a result of appliance, flooring and window replacement. **MHLP IX - Pond Ridge** exceeded its capital budget as a result of appliance replacements for four vacant units as well as six occupied units requiring an appliance to be replaced. **MHLP X** overspent its capital budget due to flooring and appliance replacement. **MPDU I (64)** has overspent the FY’22 capital budget as a result of flooring/carpet and appliance replacement coupled with kitchen work. **Paint Branch** nominally exceeded its capital budget due to HVAC and appliance replacement. **Paddington Square Dev Corp** has exceeded its FY’22 capital budget as a result of flooring/carpet work. **Sligo MPDU III Dev Corp** overspent the capital budget due to higher HVAC

Contracts, appliance and flooring replacements. **State Rental** has exceeded its FY'22 capital budget as a result of flooring/carpet and appliance replacement coupled with plumbing and kitchen work. **Scattered Site One** and **Scattered Site Two** have overspent the capital budgets largely as a result of appliance equipment and flooring. **Seneca Ridge** exceeded its capital budget as a result of flooring and carpeting, HVAC and appliance replacements. **Stewartown Affordable**, which converted to the tax credit portfolio on June 30, 2021, experienced a small capital charge due to delayed billing for a charge related to flooring/carpeting work at the property prior to conversion. **Strathmore Court** and **Strathmore Court Affordable** exceeded their capital budgets as a result of swimming pool repairs, appliance and flooring replacements and elevator repairs. **VPC One Dev Corp** experienced unanticipated appliance and flooring replacements causing overages in the capital budget. **The Willows** overspent its capital budget due to plumbing.

As stated previously, the conversion of **Georgian Court Affordable** and the three **Manor** properties was delayed, which has resulted in the properties exceeding their respective capital budgets. **Georgian Court Affordable** has exceeded its FY'22 capital budget by \$11,938 mainly as a result of flooring/carpeting work and kitchen refinishing. The **Manor at Cloppers Mill** has overspent its FY'22 capital budget due to HVAC and plumbing replacements. The **Manor at Colesville** exceeded the capital budget due to work related to dryer vent cleaning and the replacement of the waste caddy and office copier. The **Manor at Fair Hill Farm** overspent as a result of unanticipated plumbing and HVAC expenditures and replacement of the trash compactor.

WHEREAS, the Budget Policy for the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the Fourth Quarter FY’22 Budget to Actual Statements during its October 5, 2022 meeting; and

WHEREAS, HOC ended FY’22 with an operating surplus of \$1,012,001; and

WHEREAS, it is recommended that the surplus of \$1,012,001 be restricted 50% or \$506,000 the General Fund Operating Reserve (“GFOR”) for future operational needs, and 50% or \$506,001 to the Opportunity Housing Property Reserve (“OHPR”) to help replenish the reserve to fund the shortfalls for capital needs that can be expected during the FY’23 and FY’24 budget season.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Fourth Quarter FY’22 Budget to Actual Statements.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes that the surplus of \$1,012,001 be restricted 50% or \$506,000 the GFOR for future operational needs, and 50% or \$506,001 to the OHPR to help replenish the reserve to fund the shortfalls for capital needs that can be expected during the FY’23 and FY’24 budget season.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on Wednesday, October 5, 2022.

Patrice Birdsong
Special Assistant to the Commission

S
E
A
L

FY 2022 Fourth Quarter Operating Budget to Actual Comparison

	Unrestricted Net Cash Flow		
	(12 Months) Budget	(12 Months) Actual	Variance
General Fund			
General Fund	(\$2,223,845)	\$418,420	\$2,642,265
Administration of Multifamily and Single Family Fund			
Multifamily Fund	\$0	\$210,064	\$210,064
Draw from / (Restrict to) Multifamily Bond Fund	\$0	(\$210,064)	(\$210,064)
Single Family Fund	\$0	\$190,831	\$190,831
Draw from / (Restrict to) Single Family Bond Fund	\$0	(\$190,831)	(\$190,831)
Opportunity Housing Fund			
Opportunity Housing Properties	\$2,724,208	\$1,658,411	(\$1,065,797)
Restricted Opportunity Housing Properties with Deficits	\$0	(\$92,963)	(\$92,963)
Restricted Development Corporations with Deficits	\$0	(\$404,059)	(\$404,059)
Unrestricted Development Corporations with Deficits	(\$500,363)	(\$567,808)	(\$67,445)
OHRF			
OHRF Balance	\$4,271,284	\$4,003,996	(\$267,288)
Excess Cash Flow Restricted	(\$4,271,284)	(\$4,003,996)	\$267,288
Draw from existing funds	\$0	\$0	\$0
Net -OHRF	\$0	\$0	\$0
SUBTOTAL - General Fund, Multifamily, Single Family, Opportunity Housing	\$0	\$1,012,001	\$1,012,001
Public Fund			
Public Housing Rental (1)	\$0	(\$79,907)	(\$79,907)
Housing Choice Voucher Program HAP (2)	\$2,889,672	(\$399,819)	(\$3,289,491)
Housing Choice Voucher Program Admin (3)	\$244,928	\$2,588,354	\$2,343,426
Total -Public Fund	\$3,134,600	\$2,108,628	(\$1,025,972)
Public Fund - Reserves			
(1) Public Housing Rental - Draw from / Restrict to Program	\$0	\$79,907	\$79,907
(2) Draw from / Restrict to HCV Program Cash Reserves	(\$2,889,672)	\$399,819	\$3,289,491
(3) Draw from / Restrict to HCV Program Excess Admin Fee	(\$244,928)	(\$2,588,354)	(\$2,343,426)
SUBTOTAL - Public Funds	\$0	\$0	\$0
TOTAL - All Funds	\$0	\$1,012,001	\$1,012,001

FY 2022 Fourth Quarter Operating Budget to Actual Comparison

	Capital Expenses		Variance
	(12 Months) Budget	(12 Months) Actual	
General Fund			
880 Bonifant	\$277,000	\$54,710	\$222,290
East Deer Park	\$95,000	\$4,778	\$90,222
Kensington Office	\$160,000	\$65,000	\$95,000
Information Technology	\$844,580	\$500,431	\$344,149
Opportunity Housing Fund	\$7,386,785	\$6,250,606	\$1,136,179
TOTAL - All Funds	\$8,763,365	\$6,875,525	\$1,665,550

FY 2022 Fourth Quarter Operating Budget to Actual Comparison

Development Corp Properties - Net Cash Flow

	(12 Months)	Variance		(12 Months)	Variance
	Net Cash Flow Budget	Income	Expense	Net Cash Flow Actual	
Properties with unrestricted cash flow for FY21 operating budget					
Alexander House Dev Corp	(\$330,260)	(\$112,026)	\$65,512	(\$376,774)	(\$46,514)
The Barclay Dev Corp	(\$95,126)	\$8,314	(\$2,886)	(\$89,698)	\$5,428
Glenmont Crossing Dev Corp	\$398,896	\$3,402	(\$106,013)	\$296,285	(\$102,611)
Glenmont Westerly Dev Corp	\$129,369	\$35,694	(\$16,414)	\$148,649	\$19,280
Magruder's Discovery Dev Corp	\$966,929	(\$82,345)	(\$56,726)	\$827,858	(\$139,071)
The Metropolitan Dev Corp	\$2,066,641	(\$40,402)	(\$16,307)	\$2,009,932	(\$56,709)
Metropolitan Affordable	(\$504,827)	\$74,225	(\$20,338)	(\$450,940)	\$53,887
Montgomery Arms Dev Corp	\$367,447	(\$29,794)	(\$150,730)	\$186,923	(\$180,524)
MPDU II (59) Dev Corp	\$357,718	\$2,126	\$20,382	\$380,226	\$22,508
Paddington Square Dev Corp	\$645,383	\$37,954	(\$55,106)	\$628,231	(\$17,152)
Pooks Hill High-Rise Dev Corp	\$474,563	\$5,990	(\$74,200)	\$406,353	(\$68,210)
Scattered Site One Dev Corp	\$249,460	\$93,033	(\$165,130)	\$177,362	(\$72,098)
Scattered Site Two Dev Corp	(\$70,487)	(\$5,504)	(\$12,848)	(\$88,839)	(\$18,352)
Sligo MPDU III Dev Corp	(\$4,490)	\$14,776	(\$22,784)	(\$12,497)	(\$8,007)
VPC One Dev Corp	\$809,771	\$105,562	(\$85,127)	\$830,206	\$20,435
VPC Two Dev Corp	\$608,082	\$165,203	(\$165,203)	\$608,082	\$0
Subtotal	\$6,069,069	\$276,208	(\$863,918)	\$5,481,359	(\$587,710)
Properties with restricted cash flow (external and internal)					
MetroPointe Dev Corp	(\$194,421)	\$48,844	(\$96,287)	(\$241,863)	(\$47,442)
Oaks at Four Corners Dev Corp	(\$28,557)	\$9,341	\$69,674	\$50,458	\$79,015
RAD 6 Dev Corp Total	(\$315,965)	\$157,290	(\$245,382)	(\$404,059)	(\$88,094)
Ken Gar Dev Corp	(\$51,632)	\$97,395	\$20,378	\$66,142	\$117,774
Parkway Woods Dev Corp	\$10,362	\$19,709	\$11,264	\$41,334	\$30,972
Sandy Spring Meadow Dev Corp	(\$26,580)	\$20,919	\$34,729	\$29,068	\$55,648
Seneca Ridge Dev Corp	(\$170,867)	(\$16,613)	(\$173,994)	(\$361,475)	(\$190,608)
Towne Centre Place Dev Corp	(\$44,804)	\$32,621	(\$43,930)	(\$56,113)	(\$11,309)
Washington Square Dev Corp	(\$32,444)	\$3,259	(\$93,829)	(\$123,015)	(\$90,571)
Subtotal	(\$538,943)	\$215,475	(\$271,995)	(\$595,464)	(\$56,521)
TOTAL ALL PROPERTIES	\$5,530,126	\$491,683	(\$1,135,913)	\$4,885,895	(\$644,231)

FY 2022 Fourth Quarter Operating Budget to Actual Comparison
For Opportunity Housing Properties - Net Cash Flow

	(12 Months)	Variance		(12 Months)	Variance
	Net Cash Flow	Income	Expense	Net Cash Flow	
	Budget			Actual	
Properties with unrestricted cash flow for FY22 operating budget					
MPDU I (64)	\$59,140	(\$38,714)	\$154,747	\$175,173	\$116,033
Avondale Apartments	\$152,156	\$2,583	(\$87,781)	\$66,958	(\$85,198)
Barclay Affordable	\$108,230	(\$109,605)	(\$244,220)	(\$245,595)	(\$353,825)
Camp Hill Square	\$216,436	(\$106,220)	(\$99,164)	\$11,052	(\$205,384)
Chelsea Towers	\$1,021	\$2,804	\$103,110	\$106,935	\$105,914
Day Care at Lost Knife Road	(\$22,440)	\$10,714	(\$10,942)	(\$22,668)	(\$228)
Elizabeth House Interim RAD	\$118,824	\$322,362	(\$61,838)	\$379,349	\$260,525
Fairfax Court	\$63,495	\$20,385	(\$80,784)	\$3,096	(\$60,399)
Georgian Court Affordable	\$108,992	\$235,689	(\$153,573)	\$191,108	\$82,116
Holiday Park	\$57,964	(\$7,270)	(\$55,431)	(\$4,738)	(\$62,702)
Jubilee Falling Creek	(\$21,830)	(\$2,852)	\$9,219	(\$15,463)	\$6,367
Jubilee Hermitage	(\$829)	(\$4,570)	(\$20,714)	(\$26,113)	(\$25,284)
Jubilee Horizon Court	(\$4,750)	(\$196)	\$1,310	(\$3,636)	\$1,114
Jubilee Woodedge	\$5,166	(\$21,204)	\$4,228	(\$11,810)	(\$16,976)
Manchester Manor	(\$1,710)	(\$38,598)	(\$78,648)	(\$118,956)	(\$117,246)
The Manor at Cloppers Mill	\$33,627	\$196,732	(\$200,024)	\$30,335	(\$3,292)
The Manor at Colesville	\$42,490	\$178,728	(\$193,634)	\$27,585	(\$14,905)
The Manor at Fair Hill Farm	\$42,689	\$205,458	(\$264,796)	(\$16,649)	(\$59,338)
McHome	\$123,375	(\$54,626)	\$9,012	\$77,760	(\$45,615)
McKendree	\$32,790	\$1,067	\$21,755	\$55,612	\$22,822
MHLP VII	\$78,625	(\$39,644)	(\$15,215)	\$23,766	(\$54,859)
MHLP VIII	\$146,738	(\$78,351)	\$30,109	\$98,495	(\$48,243)
MHLP IX Pond Ridge	(\$84,930)	(\$73,875)	\$64,304	(\$94,501)	(\$9,571)
MHLP IX Scattered Sites	(\$105,163)	(\$170,876)	(\$15,823)	(\$291,861)	(\$186,698)
MHLP X	(\$41,248)	(\$31,472)	\$132,185	\$59,465	\$100,713
MPDU 2007 Phase II	\$14,667	(\$588)	\$11,387	\$25,466	\$10,799
Olney Sandy Spring Road	(\$7,695)	(\$1,462)	(\$139)	(\$9,296)	(\$1,601)
Pooks Hill Mid-Rise	\$221,601	(\$16,375)	(\$61,361)	\$143,865	(\$77,736)
Shady Grove Apts	\$296,862	\$378,946	(\$204,272)	\$471,536	\$174,674
Strathmore Court	\$615,852	(\$271,526)	\$143,695	\$488,021	(\$127,831)
Strathmore Court Affordable	(\$518,949)	\$276,200	(\$293,838)	(\$536,587)	(\$17,638)
TPP LLC Pomander Court	\$69,915	\$5,681	(\$29,092)	\$46,504	(\$23,411)
TPP LLC Timberlawn	\$605,488	\$89,448	(\$194,825)	\$500,111	(\$105,377)
Westwood Tower	\$333,012	\$146,345	(\$518,295)	(\$38,938)	(\$371,950)
The Willows	(\$15,403)	\$176,871	(\$48,438)	\$113,030	\$128,433
Subtotal	\$2,724,208	\$1,181,989	(\$2,247,786)	\$1,658,411	(\$1,065,797)
Properties with restricted cash flow (external and internal)					
The Ambassador	\$0	\$0	(\$23,781)	(\$23,781)	(\$23,781)
Battery lane	\$0	\$480,188	(\$229,961)	\$250,227	\$250,227
Bradley Crossing	\$991,074	(\$519,057)	\$62,259	\$534,276	(\$456,798)
Brooke Park	\$93,223	(\$141,226)	\$7,845	(\$40,158)	(\$133,381)
Brookside Glen (The Glen)	\$179,713	(\$41,369)	(\$184,737)	(\$46,393)	(\$226,106)
CDBG Units	\$0	(\$1,031)	\$1,031	\$0	\$0
Cider Mill Apartments	\$10,415	\$710,193	(\$402,210)	\$318,398	\$307,983
Dale Drive	\$3,508	(\$101)	(\$21,811)	(\$18,403)	(\$21,911)
Diamond Square	\$331,503	(\$12,020)	(\$140,595)	\$178,888	(\$152,615)
Holly Hall Interim RAD	\$0	\$0	(\$22,329)	(\$22,329)	(\$22,329)
NCI Units	\$0	(\$18,236)	\$18,236	\$0	\$0
NSP Units	\$0	(\$13,354)	\$13,354	\$0	\$0
King Farm Village	\$4,809	(\$120)	(\$935)	\$3,754	(\$1,055)
Paint Branch	\$75,311	(\$16,068)	(\$14,273)	\$44,970	(\$30,341)
Southbridge	\$23,620	\$16,419	(\$8,886)	\$31,153	\$7,533
State Rental Combined	(\$187,297)	\$50,813	\$15,410	(\$121,074)	\$66,223
Stewartown Affordable	\$0	\$732	(\$31,209)	(\$30,476)	(\$30,476)
Subtotal	\$1,525,879	\$495,763	(\$962,592)	\$1,059,052	(\$466,827)
TOTAL ALL PROPERTIES	\$4,250,087	\$1,677,752	(\$3,210,378)	\$2,717,463	(\$1,532,624)

FY 2022 Fourth Quarter Operating Budget to Actual Comparison
For HUD Funded Programs

	(12 Months) Budget	(12 Months) Actual	Variance
Public Housing Rental			
Revenue	\$0	\$532	\$532
Expenses	\$0	\$80,439	(\$80,439)
Net Income	\$0	(\$79,907)	(\$79,907)
Housing Choice Voucher Program			
HAP revenue	\$109,505,004	\$109,865,394	\$360,390
HAP payments	\$106,615,332	\$110,265,213	\$3,649,881
Net HAP	\$2,889,672	(\$399,819)	(\$3,289,491)
Restrict to HAP Reserves	(\$2,889,672)		
Admin.fees & other inc.	\$8,799,136	\$11,481,718	\$2,682,582
Admin. Expense	\$8,554,208	\$8,893,364	(\$339,156)
Net Administrative	\$244,928	\$2,588,354	\$2,343,426
Restrict to Admin Reserves	(\$244,928)		
Net Income	\$244,928	\$2,188,535	(\$946,065)

FY 2022 Fourth Quarter Operating Budget to Actual Comparison
For Public Housing Rental Programs - Net Cash Flow

	(12 Months)	Variance		(12 Months)	Variance
	Net Cash Flow	Income	Expense	Net Cash Flow	
	Budget			Actual	
Elizabeth House	\$0	\$532	(\$69,661)	(\$69,129)	(\$69,129)
Emory Grove	\$0	\$0	(\$11,027)	(\$11,027)	(\$11,027)
TOTAL ALL PROPERTIES	\$0	\$532	(\$80,688)	(\$80,156)	(\$80,156)

**FY 2022 Fourth Quarter Operating Budget to Actual Comparison
For Capital Improvements**

	(12 Months) Budget	(12 Months) Actual	Variance
General Fund			
880 Bonifant	\$277,000	\$54,710	\$222,290
East Deer Park	\$95,000	\$4,778	\$90,222
Kensington Office	\$160,000	\$65,000	\$95,000
Information Technology	\$844,580	\$500,431	\$344,149
Subtotal	\$1,376,580	\$624,919	\$751,661
Opportunity Housing			
Alexander House Dev Corp	\$36,196	\$71,207	(\$35,011)
Avondale Apartments	\$31,390	\$60,307	(\$28,917)
The Barclay Dev Corp	\$132,423	\$78,873	\$53,550
Barclay Affordable	\$105,372	\$88,883	\$16,489
Battery Lane	\$0	\$762	(\$762)
Bradley Crossing	\$80,323	\$58,034	\$22,289
Brookside Glen (The Glen)	\$88,752	\$150,731	(\$61,979)
Camp Hill Square	\$48,312	\$59,469	(\$11,157)
CDBG Units	\$10,320	\$0	\$10,320
Chelsea Towers	\$16,050	\$11,149	\$4,901
Cider Mill Apartments	\$1,617,656	\$1,075,733	\$541,923
Day Care at 9845 Lost Knife Road	\$6,000	\$0	\$6,000
Dale Drive	\$8,916	\$5,253	\$3,663
Diamond Square	\$635,524	\$7,926	\$627,598
Elizabeth House Interim RAD	\$5,950	\$253	\$5,697
Fairfax Court	\$49,596	\$51,497	(\$1,901)
Georgian Court Affordable	\$3,420	\$15,358	(\$11,938)
Glenmont Crossing Dev Corp	\$368,845	\$107,431	\$261,414
Glenmont Westerly Dev Corp	\$150,924	\$82,874	\$68,050
Holiday Park	\$19,983	\$8,814	\$11,169
Jubilee Falling Creek	\$9,650	\$0	\$9,650
Jubilee Hermitage	\$8,600	\$2,497	\$6,103
Jubilee Horizon Court	\$9,219	\$15,369	(\$6,150)
Jubilee Woodedge	\$8,560	\$1,899	\$6,661
Ken Gar Dev Corp	\$15,271	\$19,855	(\$4,584)
King Farm Village	\$2,300	\$0	\$2,300
Magruder's Discovery Dev Corp	\$69,147	\$92,403	(\$23,256)
Manchester Manor	\$31,092	\$52,281	(\$21,189)
Manor at Cloppers Mill	\$25,040	\$60,770	(\$35,730)
Manor at Colesville	\$15,740	\$31,130	(\$15,390)
Manor at Fair Hill Farm	\$40,300	\$203,369	(\$163,069)
McHome	\$74,500	\$44,698	\$29,802
McKendree	\$31,250	\$23,506	\$7,744
MetroPointe Dev Corp	\$673,671	\$51,069	\$622,602
The Metropolitan Dev Corp	\$62,728	\$50,248	\$12,480
Metropolitan Affordable	\$26,888	\$17,677	\$9,211
Montgomery Arms Dev Corp	\$84,017	\$75,931	\$8,086
MHLP VII	\$43,346	\$45,934	(\$2,588)
MHLP VIII	\$49,000	\$63,359	(\$14,359)
MHLP IX - Pond Ridge	\$71,034	\$125,637	(\$54,603)
MHLP IX - Scattered Sites	\$76,250	\$149,009	(\$72,759)
MHLP X	\$93,600	\$137,125	(\$43,525)
MPDU 2007 Phase II	\$10,296	\$6,796	\$3,500
617 Olney Sandy Spring Road	\$2,268	\$0	\$2,268
MPDU I (64)	\$64,604	\$98,233	(\$33,629)
MPDU II (59) Dev Corp	\$82,670	\$74,536	\$8,134
Oaks at Four Corners Dev Corp	\$183,826	\$105,457	\$78,369
NCI Units	\$49,920	\$22,620	\$27,300
NSP Units	\$9,558	\$3,571	\$5,987
Paddington Square Dev Corp	\$101,356	\$118,840	(\$17,484)
Paint Branch	\$7,796	\$6,975	\$821
Parkway Woods Dev Corp	\$26,316	\$19,081	\$7,235
Pooks Hill High-Rise Dev Corp	\$56,204	\$25,603	\$30,601
Pooks Hill Mid-Rise	\$49,904	\$41,561	\$8,343
Sandy Spring Meadow Dev Corp	\$15,352	\$13,226	\$2,126
Scattered Site One Dev Corp	\$211,150	\$286,100	(\$74,950)
Scattered Site Two Dev Corp	\$47,000	\$88,433	(\$41,433)
Seneca Ridge Dev Corp	\$51,204	\$74,779	(\$23,575)
Shady Grove Apts	\$12,734	\$10,535	\$2,199
Sligo MPDU III Dev Corp	\$23,550	\$34,801	(\$11,251)
Southbridge	\$28,176	\$6,865	\$21,311
State Rental Combined	\$201,350	\$361,758	(\$160,408)
Stewartown Affordable	\$0	\$1,149	(\$1,149)
Strathmore Court	\$163,280	\$187,025	(\$23,745)
Strathmore Court Affordable	\$88,058	\$148,013	(\$59,955)
Towne Centre Place Dev Corp	\$15,964	\$10,490	\$5,474
TPP LLC Pomander Court	\$23,222	\$4,919	\$18,303
TPP LLC Timberlawn	\$85,656	\$42,010	\$43,646
VPC One Dev Corp	\$210,400	\$287,795	(\$77,395)
VPC Two Dev Corp	\$191,400	\$185,938	\$5,462
Washington Square Dev Corp	\$56,236	\$44,127	\$12,109
Westwood Tower	\$196,800	\$357,545	(\$160,745)
The Willows	\$183,380	\$381,030	(\$197,650)
Subtotal	\$7,386,785	\$6,250,606	\$1,136,179
TOTAL	\$8,763,365	\$6,875,525	\$1,887,840

FISCAL YEAR 2023 (FY'23) FIRST QUARTER BUDGET AMENDMENT: COMMISSION APPROVAL OF FY 2022 FIRST QUARTER BUDGET AMENDMENT

October 5, 2022

- The net effect of the FY'23 First Quarter Budget Amendment is a surplus of \$125,080.
- The FY'23 Adopted Budget includes a projected draw of \$1,113,018 from the General Fund Operating Reserve ("GFOR") to balance the budget. Staff proposes that the anticipated draw be reduced by \$125,080 to \$987,938 to maintain a balanced budget.
- The Total Operating Budget for the Agency has increased from \$311.9 million to \$316.4 million.
- The Total Capital Budget for the Agency has increased from \$247.2 million to \$247.5 million.
- The Personnel Complement remains unchanged.
- No policy changes are reflected in the budget amendment.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022 and joins staff's recommendation that the Commission approve the fiscal year 2023 First Quarter Budget Amendment.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Timothy Goetzinger, Acting Chief Financial Officer Division: Finance
Terri Fowler, Budget Officer
Tomi Adebo, Assistant Budget Officer

RE: **Fiscal Year 2023 (FY'23) First Quarter Budget Amendment:** Presentation of the FY'23 First Quarter Budget Amendment

DATE: October 5, 2022

OVERALL GOAL & OBJECTIVE:

To amend the FY'23 Budget so that it reflects an accurate plan for the use of the Agency's financial resources for the remainder of the fiscal year.

BACKGROUND:

The HOC Budget Policy provides that the Executive Director propose budget amendments for Commission consideration, which may better reflect the revenues and expenses for the remainder of the fiscal year.

ISSUES FOR CONSIDERATION:

Operating Budget Amendments: Attachment 1-1 details the amendment. Below are descriptions of the proposed amendments for FY'23:

- **General Fund:**
 - **Facilities Capital Rollover:** The FY'23 First Quarter Budget Amendment requests authorization to rollover \$95,000 of unspent capital funds for capital expenditures at East Deer Park to cover planned repairs and improvements that were not completed in FY'22. Operating cash to fund for these expenditures was restricted at the end of FY'22 in anticipation of this rollover request. This budget amendment identifies the restricted cash as the source of payment for the expenditures and will be reflected in the FY'23 operating budget as a transfer in and transfer out of existing cash. Both income and expenses in the General Fund will increase by \$95,000 to reflect the source and use of the funds to pay for the capital expenditures.

- **Information Technologies (“IT”) Capital Rollover:** The FY’23 First Quarter Budget Amendment requests authorization to rollover \$90,000 of unspent capital funds for IT to cover planned capital projects that were not completed in FY’22. Operating cash to fund for these expenditures was restricted at the end of FY’22 in anticipation of this rollover request. This budget amendment identifies the restricted cash as the source of payment for the expenditures and will be reflected in the FY’23 operating budget as a transfer in and transfer out of existing cash. Both income and expenses in the General Fund will increase by \$90,000 to reflect the source and use of the funds to pay for the capital expenditures.
- **Battery Lane:** On May 25, 2022, HOC acquired Battery Lane. The property will pay HOC an Asset Management Fee of \$125,080 from the property to support Agency overhead, which is reflected as income in the General Fund (See Opportunity Housing Fund). Income in the General Fund will increase by \$125,080.
- **Opportunity Housing Fund:**
 - **Battery Lane:** On May 25, 2022, HOC acquired three naturally occurring affordable multifamily properties along Bethesda’s Battery Lane. The three properties were the Glen Wood Apartments at 4857 Battery Lane (50 units), the Glen Aldon Apartments at 4858 Battery Lane (66 units), and the Glen Dorra Apartments at 4998 Battery Lane (96 units), totaling 212 units. The properties are managed by Aldon Management Corporation. Anticipated cash flow of \$410,506 from the property will be restricted for FY’23, HOC will receive an Asset Management Fee of \$125,080 from the property to support Agency overhead. The fee is reflected as income in the General Fund (See General Fund). Both income and expenses will be increased by \$4,328,860 to incorporate the property into the Agency’s budget.

FY'23 First Quarter Budget Amendment

	Battery Lane
Total Revenue	\$4,328,860
Gross Rents	\$4,560,060
Concessions	(\$75,660)
Vacancy Loss	(\$225,000)
Other Revenue	\$69,460
Total Operating Expenses	\$1,715,662
Personnel	\$609,616
Administrative	\$354,570
Tenant Services	\$32,004
Utilities	\$328,452
Maintenance	\$345,060
Other	\$45,960
Net Operating Income	\$2,613,198
Annual RfR Contribution	\$74,200
Asset Management Fee	\$125,080
Excess Cash Flow Restricted	\$410,506
Annual Debt Service	\$2,003,412
Total Non-Operating Expenses	\$2,613,198
Cash Flow / (Deficit)	\$0
Capital	\$56,000

Capital Budget Amendments: Attachment 1-2 is a detailed chart of the following proposed transactions. Below is a description of the proposed amendment:

- **Capital Improvements:**

- **Capital Roll Over for Facilities (General Fund):** All planned capital expenses for Facilities were not completed in FY'22. Therefore, staff requests that \$95,000 be rolled forward and included in the FY'23 Budget to pay for generator and carpet replacements at East Deer Park. The work will be funded by cash restricted in FY'22.
- **Capital Roll Over for Information Technologies (General Fund):** All planned capital expenses for Information Technologies were not completed in FY'22. Therefore, staff

requests that \$90,000 be rolled forward and included in the FY'23 Budget. The work will be funded by cash restricted in FY'22.

- **Battery Lane:** The capital budget for the acquired property is \$56,000 and includes typical capital expenditures such as replacement of appliances, flooring, and HVAC units as well as new signage to reflect the HOC brand.

BUDGET IMPACT:

The net effect of the FY'23 First Quarter Budget Amendment is a surplus of \$125,080. The FY'23 Adopted Budget included a projected draw of \$1,113,018 from the General Fund Operating Reserve ("GFOR") to balance the budget. Staff proposes that the anticipated draw be decreased by \$125,080 to \$987,938 to maintain a balanced budget.

The total FY'23 Operating Budget for HOC increased from \$311,867,377 to \$316,381,237. This is an increase of \$4,513,860. The total FY'23 Capital Budget for HOC increased from \$247,234,453 to \$247,475,453. This is an increase of \$241,000.

Approval by the Commission of any budget amendments will revise the FY'23 Budget to reflect an accurate plan for the use of the Agency's resources for the remainder of the fiscal year.

TIME FRAME:

For formal Commission action at the October 5, 2022 meeting of the Commission.

The Budget, Finance and Audit Committee informally discussed the FY'23 First Quarter Budget Amendment at the September 27, 2022 meeting and supports staff's recommendation.

RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission approve the proposed FY'23 First Quarter Budget Amendment.

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted a budget for FY'23 on June 8, 2022; and

WHEREAS, the Commission's Budget Policy allows for amendments to the budget; and

WHEREAS, the net effect of the FY'23 First Quarter Budget Amendment is a surplus of \$125,080, which will decrease the anticipated draw from the General Fund Operating Reserve ("GFOR") of \$1,113,018 by \$125,080 to \$987,938 to maintain a balanced budget; and

WHEREAS, the total FY'23 Operating Budget increased from \$311,867,377 to \$316,381,237; and

WHEREAS, the total FY'23 Capital Budget increased from \$247,234,453 to \$247,475,453; and

WHEREAS, approval of the budget amendments to revise the FY'23 budget will reflect an accurate plan for the use of the Commission's resources for the remainder of FY'23.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'23 Operating Budget by increasing total revenues and expenses for the Commission from \$311,867,377 to \$316,381,237.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY'23 Capital Budget by increasing revenues and expenses for the Commission from \$247,234,453 to \$247,475,453.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on October 5, 2022.

Patrice Birdsong
Special Assistant to the Commission

S
E
A
L

FY 2023 Operating Budget First Quarter Amendment		Revenues	Expenses	Adopted Budget	Net Changes To Revenue	Net Changes To Expenses	Revenues	Expenses	First Quarter Budget Amendment
General Fund									
	General Fund	\$27,121,563	\$30,804,742	(\$3,683,179)	\$310,080	\$185,000	\$27,431,643	\$30,989,742	(\$3,558,099)
	Draw from GFOR to Balance Budget	\$1,113,018	\$0	\$1,113,018	(\$125,080)	\$0	\$987,938	\$0	\$987,938
Multifamily & Single Family Bond Funds									
	Multifamily Fund	\$17,582,604	\$17,582,604	\$0	\$0	\$0	\$17,582,604	\$17,582,604	\$0
	Single Family Fund	\$9,798,059	\$9,798,059	\$0	\$0	\$0	\$9,798,059	\$9,798,059	\$0
Opportunity Housing Fund									
	Opportunity Housing & Dev Corps	\$102,256,415	\$99,929,797	\$2,326,618	\$4,328,860	\$4,328,860	\$106,585,275	\$104,258,657	\$2,326,618
	Draw from GFOR for MetroPointe Deficit	\$243,543	\$0	\$243,543	\$0	\$0	\$243,543	\$0	\$243,543
	Opportunity Housing Reserve Fund	\$6,035,793	\$1,571,876	\$4,463,917	\$0	\$0	\$6,035,793	\$1,571,876	\$4,463,917
	Restricted to OHRF	\$0	\$4,463,917	(\$4,463,917)	\$0	\$0	\$0	\$4,463,917	(\$4,463,917)
Public Fund									
	Housing Choice Voucher Program	\$123,500,940	\$128,509,707	(\$5,008,767)	\$0	\$0	\$123,500,940	\$128,509,707	(\$5,008,767)
	Restrict to HCVP HAP Reserve	\$4,886,742	\$0	\$4,886,742	\$0	\$0	\$4,886,742	\$0	\$4,886,742
	Restrict to HCVP Administrative Reserve	\$122,025	\$0	\$122,025	\$0	\$0	\$122,025	\$0	\$122,025
	Federal , State and Other County Grants	\$19,206,675	\$19,206,675	\$0	\$0	\$0	\$19,206,675	\$19,206,675	\$0
TOTAL - ALL FUNDS		\$311,867,377	\$316,331,294	\$0	\$4,513,860	\$4,513,860	\$316,381,237	\$316,381,237	\$0

Footnotes - explanation of changes recommended to adopted

GF R \$125,080 Add Asset Management Fee from Bsttery Lane

OH R \$4,328,860 Add Budget for Battery Lane

OH E \$4,328,860 Add Budget for Battery Lane

GF R \$95,000 Add funds restricted in FY'22 for East Deer Park Capital Rollover

GF E \$95,000 Add funds restricted in FY'21 for East Deer Park Capital Rollover

GF R \$90,000 Add funds restricted in FY'22 for IT Capital Rollover

GF E \$90,000 Add funds restricted in FY'22 for IT Capital Rollover

GF E (\$125,080) Reduce draw from GFOR

FY 2023 Capital Budget First Quarter Amendment	Revenues	Expenses	Adopted Budget	Net Changes to Revenue	Net Changes to Expenses	Revenues	Expenses	1st Quarter Amendment
Capital Improvements								
East Deer Park	\$112,000	\$112,000	\$0	\$95,000	\$95,000	\$207,000	\$207,000	\$0
Kensington Office	\$100,000	\$100,000	\$0	\$0	\$0	\$100,000	\$100,000	\$0
880 Bonifant	\$50,000	\$50,000	\$0	\$0	\$0	\$50,000	\$50,000	\$0
Information Technology	\$825,000	\$825,000	\$0	\$90,000	\$90,000	\$915,000	\$915,000	\$0
Opportunity Housing Properties	\$6,265,728	\$6,265,728	\$0	\$56,000	\$56,000	\$6,321,728	\$6,321,728	\$0
	\$7,352,728	\$7,352,728	\$0	\$241,000	\$241,000	\$7,593,728	\$7,593,728	\$0
Capital Development Projects								
Bauer Park Apartments	\$3,257,532	\$3,257,532	\$0	\$0	\$0	\$3,257,532	\$3,257,532	\$0
Deeply Affordable Units	\$1,250,000	\$1,250,000	\$0	\$0	\$0	\$1,250,000	\$1,250,000	\$0
Elizabeth House III	\$3,653,409	\$3,653,409	\$0	\$0	\$0	\$3,653,409	\$3,653,409	\$0
Georgian Court	\$9,963,270	\$9,963,270	\$0	\$0	\$0	\$9,963,270	\$9,963,270	\$0
Hillandale Gateway - Senior	\$18,703,337	\$18,703,337	\$0	\$0	\$0	\$18,703,337	\$18,703,337	\$0
Hillandale Gateway - Multifamily / Retail	\$39,677,453	\$39,677,453	\$0	\$0	\$0	\$39,677,453	\$39,677,453	\$0
Metropolitan	\$108,988,214	\$108,988,214	\$0	\$0	\$0	\$108,988,214	\$108,988,214	\$0
Shady Grove	\$11,034,897	\$11,034,897	\$0	\$0	\$0	\$11,034,897	\$11,034,897	\$0
Stewartown	\$4,776,677	\$4,776,677	\$0	\$0	\$0	\$4,776,677	\$4,776,677	\$0
Upton II	\$5,539,196	\$5,539,196	\$0	\$0	\$0	\$5,539,196	\$5,539,196	\$0
West Side Shady Grove	\$22,637,382	\$22,637,382	\$0	\$0	\$0	\$22,637,382	\$22,637,382	\$0
Willow Manor Resyndication	\$10,400,358	\$10,400,358	\$0	\$0	\$0	\$10,400,358	\$10,400,358	\$0
	\$239,881,725	\$239,881,725	\$0	\$0	\$0	\$239,881,725	\$239,881,725	\$0
TOTAL - ALL FUNDS	\$247,234,453	\$247,234,453	\$0	\$241,000	\$241,000	\$247,475,453	\$247,475,453	\$0

Footnotes - explanation of changes

GF-Fac R \$95,000 Roll forward Facilities FY'22 Capital for East Deer Park

GF-Fac E \$95,000 Roll forward Facilities FY'22 Capital for East Deer Park

GF-IT R \$90,000 Roll forward IT FY'22 Capital

GF-IT E \$90,000 Roll forward IT FY'22 Capital

OH R \$56,000 Add Budget for Battery Lane

OH E \$56,000 Add Budget for Battery Lane

**UNCOLLECTIBLE TENANT ACCOUNTS RECEIVABLE:
AUTHORIZATION TO WRITE-OFF UNCOLLECTIBLE TENANT
ACCOUNTS RECEIVABLE
(APRIL 1, 2022 – JUNE 30, 2022)**

October 5, 2022

- HOC's current policy is to provide for an allowance for any tenant accounts receivable balance in excess of 90 days.
- Additionally, HOC periodically proposes the write-off of uncollected former resident balances.
- The proposed write-off for the fourth quarter of Fiscal Year 2022 totaled \$127,482, an increase of \$541 compared to the previous quarter.
- The primary reasons for the write-offs across the properties include tenants who voluntarily vacated their units, tenants who passed away, tenants with lease violations, tenants who failed to complete annual certification, and tenants who left to live in a nursing home.
- The next anticipated write-off of former tenants' uncollectible accounts receivable balance will be for the first quarter of FY'23, which will cover the period from July 1, 2022 to September 30, 2022.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022 and joins staff in its recommendation that the Commission approve the proposed write-off of uncollectible former residents' balances for the fourth quarter of FY'22, which totaled \$127,482.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea Andrews Executive Director

FROM: Staff: Timothy Goetzinger, Acting Chief Financial Officer Division: Finance
Eugenia Pascual, Controller
Nilou Razeghi, Accounting Manager
Nathan Bovelleville, CMO and Acting Director of Property Management

RE: **Uncollectible Tenant Accounts Receivable:** Authorization to Write-off
Uncollectible Tenant Accounts Receivable (April 1, 2022 – June 30, 2022)

DATE: October 5, 2022

BACKGROUND:

HOC's current policy is to provide for an allowance for any tenant accounts receivable balance, which are older than 90 days. HOC records all proposed write-offs of former tenant accounts receivable balances in HOC's Uncollectible Accounts Receivable Database as well as in the various individuals' Equifax Credit Bureau files. This process updates the financial records to accurately reflect the receivables and provides greater potential for outstanding receivable collection.

The last approved write-off of former tenant accounts receivable balances on June 8, 2022 was for \$126,941, which covered the three-month period from January 1, 2022 through March 31, 2022.

The proposed write-off of former tenant accounts receivable balances for the fourth quarter April 1, 2022 through June 30, 2022 is \$127,482.

The \$127,482 fourth quarter write-off is attributable to former tenants within HOC's Opportunity Housing properties, Supportive Housing Properties and RAD Properties. The primary reasons for the write-offs across the properties include tenants who voluntarily vacated their units, tenants who passed away, tenants with lease violations, tenants who failed to complete annual certification, and tenants who left to live in a nursing home.

The following table shows the write-offs by fund/program.

Property Type	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	04/01/22 - 06/30/22	01/01/22 - 03/31/22	12/31/21 - 03/31/22	12/31/21 - 03/31/22	07/01/21 - 06/30/22	07/01/20 - 06/30/21
Public Housing	\$ -	\$ -	\$ -	0.00%	\$ -	\$ 706
Opportunity Housing	101,847	116,356	(14,509)	-12.47%	275,258	181,841
Supportive Housing	23,773	9,261	14,512	156.70%	35,766	40,313
RAD Properties	1,862	1,324	538	40.63%	35,302	20,172
236 Properties	-	-	-	0.00%	2,762	2,365
	\$ 127,482	\$ 126,941	\$ 541	0.43%	\$ 349,088	\$ 245,397

The following tables show the write-offs by fund and property.

Public Fund

Public Fund	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	04/01/22 - 06/30/22	01/01/22 - 03/31/22	12/31/21 - 03/31/22	12/31/21 - 03/31/22	07/01/21 - 06/30/22	07/01/20 - 06/30/21
Former PH Tenants	\$ -	\$ -	\$ -	0.00%	\$ -	\$ 706
Total Public Fund	\$ -	\$ -	\$ -	0.00%	\$ -	\$ 706

Within the public Housing portfolio, there were no write-offs to report in FY 22.

Opportunity Housing Fund

Opportunity Housing (OH) Fund	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	04/01/22 - 06/30/22	01/01/22 - 03/31/22	12/31/21 - 03/31/22	12/31/21 - 03/31/22	07/01/21 - 06/30/22	07/01/20 - 06/30/21
617 Olney Sandy Spring Rd	\$ 879	\$ -	\$ 879	0.00%	\$ 879	\$ -
Avondale	4,675	2,663	2,012	75.55%	7,338	-
Brooke Park Apts	-	1,318	(1,318)	-100.00%	1,318	17,288
Camp Hill Square	-	-	-	0.00%	-	3,683
Holiday Park	-	-	-	0.00%	-	40
Jubilee - Hermitage	-	346	(346)	-100.00%	346	-
Magruder's Discovery	-	-	-	0.00%	-	847
McHome	15,670	-	15,670	0.00%	24,062	2,518
MHLP IX - MPDU	-	-	-	0.00%	3,204	3,657
MHLP IX - Pond Ridge	2,069	-	2,069	0.00%	2,069	11,427
MHLP VII	3,394	-	3,394	0.00%	4,869	2,070
MHLP VIII	-	37	(37)	-100.00%	37	1,742
MHLP X	-	-	-	0.00%	15,134	150
MPDU II/64	-	41,084	(41,084)	-100.00%	41,084	4,620
NCI-1 - 13202 Black Walnut Cou	-	-	-	0.00%	-	552
NCI-1 - 13304 Lydia St	-	524	(524)	-100.00%	524	-
NCI-1 - 60 Catocin Court	-	-	-	0.00%	-	1,458
Scattered Site One Dev Corp	-	53,072	(53,072)	-100.00%	73,404	22,511
Scattered Site Two Dev Corp	-	858	(858)	-100.00%	858	2,838
Sligo Dev Corp MPDU III	-	-	-	0.00%	-	9,858
State Rental Partnership	-	1,308	(1,308)	-100.00%	6,685	19,437
TPM Dev Corp - MPDU II (59)	-	1,117	(1,117)	-100.00%	4,035	23,401
VPC One Corp	68,515	14,029	54,486	388.37%	82,767	6,869
VPC Two Corp	6,645	-	6,645	0.00%	6,645	46,875
Total OH Fund	\$ 101,847	\$ 116,356	\$ (14,509)	-12.47%	\$ 275,258	\$ 181,841

Within the Opportunity Housing portfolio, 83% (\$84,185) of the total write-off of \$101,847 were primarily attributable to VPC One and McHome. The write-offs were mainly due to nine tenants who voluntarily vacated their units and two tenants who violated their leases.

Supportive Housing

	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	04/01/22 - 06/30/22	01/01/22 - 03/31/22	12/31/21 - 03/31/22	12/31/21 - 03/31/22	07/01/21 - 06/30/22	07/01/20 - 06/30/21
Supportive Housing						
McKinney X - HUD	\$ 23,773	\$ 9,261	\$ 14,512	156.70%	\$ 35,766	\$ 39,246
McKinney XIV - HUD	-	-	-	0.00%	-	1,067
Total Supportive Housing	\$ 23,773	\$ 9,261	\$ 14,512	156.70%	\$ 35,766	\$ 40,313

Within the Supportive Housing Program, the \$23,773 write off amounts were due to three tenants who passed away, two tenants who voluntarily vacated their units, one tenant who failed to complete annual recertification and one tenant who left to live in a nursing home.

LIHTC/RAD Properties

	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	04/01/22 - 06/30/22	01/01/22 - 03/31/22	12/31/21 - 03/31/22	12/31/21 - 03/31/22	07/01/21 - 06/30/22	07/01/20 - 06/30/21
LIHTC/RAD Properties						
Elizabeth House - Interim RAD	-	1,324	(1,324)	-100.00%	1,324	1,283
Holly Hall RAD	1,862	-	1,862	0.00%	1,862	1,909
RAD 6 - Sandy Spring	-	-	-	0.00%	46	-
RAD 6 - Ken Gar	-	-	-	0.00%	-	295
RAD 6 - Seneca Ridge	-	-	-	0.00%	25,786	15,807
RAD 6 - Towne Centre Place	-	-	-	0.00%	2,691	-
Waverly House LP	-	-	-	0.00%	184	878
Total RAD Properties	\$ 1,862	\$ 1,324	\$ 538	40.63%	\$ 35,302	\$ 20,172

Within the LITHC/RAD properties, the \$1,862 write-off amount was due to one tenant who passed away and one tenant who voluntarily vacated the unit.

236 Properties

	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	\$ Change	Year-to-Date	Year-to-Date
	04/01/22 - 06/30/22	01/01/22 - 03/31/22	12/31/21 - 03/31/22	12/31/21 - 03/31/22	07/01/21 - 06/30/22	07/01/20 - 06/30/21
236 Properties						
Bauer Park	\$ -	\$ -	\$ -	0.00%	\$ -	\$ 353
Town Center Apts	-	-	-	0.00%	2,762	2,012
Total 236 Properties	\$ -	\$ -	\$ -	0.00%	\$ 2,762	\$ 2,365

Within the 236 properties, there were no write-offs to report in the fourth quarter of FY '22. HOC is currently working to procure a new collections vendor. Once finalized, HOC will revert to its collections procedures in which all delinquent balances of \$200 or more are to be submitted to the collections vendor for further pursuit. Please note that the Statute of Limitations on rent

collection in Maryland is three years, so the delay in procuring a firm should not impact the Agency. Additionally, HOC offers a Surety Bond Program in which residents are provided the option to purchase a surety bond, at a low rate, from the firm Sure Deposit, Inc., in lieu of paying a traditional security deposit to HOC. Furthermore, the full value of the surety bond is available to HOC for recovery of any damage or other loss, just like a traditional security deposit. Through HOC's collection effort and the services the new collections vendor and Sure Deposit, HOC makes every effort to pursue all tenant outstanding receivables. The write-off recovery process is outlined below for your reference.

Finance Write-Off and Recovery Procedures

1. After a tenant vacates, Resident Accounting (RA) receives clearance from HOC Property Management (PM) to post the deposit accounting in Yardi.
2. If a balance is owed, RA prepares a letter to the resident with the balance owed. PM signs and mails the letter to the resident.
3. If a resident purchased a surety bond, PM submits a claim to the bond company to collect the balance owed up to the amount of the bond. Payments made by the bond company are posted to the resident's ledger.
4. If a balance is still owed (at the time of write-off review), it is submitted for consideration to be written-off. Once approved, the write-off is posted in Yardi.
5. PM informs Compliance of the write-off and reports outstanding balances to a collection company.

The next anticipated write-off will be for the first quarter of FY'23 covering July 1, 2022 through September 30, 2022. Upon approval, the write-offs will be processed through Yardi's write-off function with the tenant detail placed into the uncollectible accounts receivable database.

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff's recommendation, which is supported by the Budget, Finance and Audit Committee, to authorize the write-off of uncollectible tenant accounts receivable for \$127,482?

BUDGET IMPACT:

The recommended write-off of the tenant accounts receivable balances does not affect the net income or cash flow of the individual properties or the Agency as a whole. The write-off expense was recorded when the initial allowance was established because of the receivable balance being 90 days past due. The recommended write-off is to adjust the balance sheet and remove the aged receivable balances.

TIME FRAME:

The Budget, Finance and Audit Committee informally discussed the Uncollectible Tenant Accounts Receivable at the September 27, 2022 meeting and supports staff's recommendation.

For formal action at the October 5, 2022 meeting of the Commission.

STAFF RECOMMENDATION:

Staff requests that the Commission authorizing the write-off of uncollectible tenant accounts receivable of \$127,482 for the period covering April 1, 2022 to June 30, 2022.

WHEREAS, the current policy of the Housing Opportunities Commission of Montgomery County (“HOC”) is (i) to provide for an allowance for tenant accounts receivable balances that are delinquent for more than ninety (90) days; and (ii) to propose the write-off of former tenant balances; and

WHEREAS, staff periodically proposes the write-off of uncollected former tenant balances, which updates the financial records to accurately reflect the receivables and the potential for collection; and

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period of April 1, 2022 – June 30, 2022 is \$127,482, consisting of \$101,847 from Opportunity Housing properties, \$23,773 from Supportive Housing Properties and \$1,862 from LIHTC/RAD Properties.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or her designee, without further action on its part, to take any and all actions necessary and proper to write off \$127,482 in uncollectible accounts receivable related to (i) tenant balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on October 5, 2022.

Patrice M. Birdsong
Special Assistant to the Commission

S
E
A
L

**PROCUREMENT OF PROPERTY MANAGEMENT SERVICES:
EXTENSION OF PROPERTY MANAGEMENT CONTRACTS FOR ARCOLA
TOWERS, AVONDALE APARTMENTS, BARCLAY ONE, BAUER PARK
APARTMENTS, CAMP HILL SQUARE, DALE DRIVE, FAIRFAX COURT,
MANCHESTER MANOR APARTMENTS, THE METROPOLITAN, POOKS
HILL COURT, RESIDENCES ON THE LANE, SHADY GROVE APARTMENTS,
SOUTHBRIDGE, SPRING GARDEN APARTMENTS, STRATHMORE COURT
at WHITE FLINT, TANGLEWOOD, THE WILLOWS, TIMBERLAWN
CRESCENT and WAVERLY HOUSE APARTMENTS**

September 22, 2022

- The property management contracts for Strathmore Court and the Metropolitan expire October 31, 2022. The property management contract for Spring Garden expires November 30, 2022. The property management contract for Pooks Hill Court expires December 22, 2022. The property management contracts for Arcola Towers, Avondale Apartments, Bauer Park Apartments, Camp Hill Square, Residences on the Lane, and Waverly House are expiring December 31, 2022. The property management contracts for Shady Grove and The Willows expire January 15, 2023. The property management contract for Fairfax Court expires February 8, 2023. The property management contract for Barclay One expires February 28, 2023. The property management contract for Timberlawn Crescent expires March 31, 2023. The property management contracts for Dale Drive, Manchester Manor, Southbridge, and Tanglewood expire April 1, 2023.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022, and joins staff's recommendation that the Commission accept the recommendation to extend the property management contracts with Edgewood Management for scattered interval renewal extensions through **September 1, 2023**, for Camp Hill Square, Pooks Hill Court, Residences on the Lane, Shady Grove Apartments, Spring Garden, and The Willows.
- Staff further recommends that the Commission approve extension of the contracts with Edgewood Management, and Bozzuto Management for scattered interval renewal extensions through **December 31, 2023**, for Arcola Towers, Avondale Apartments, Bauer Park Apartments, The Metropolitan, Strathmore Court, and Waverly House.
- Staff further recommends that the Commission approve extension of the contracts with Edgewood Management, and Residential One for scattered interval renewal extensions through **March 31, 2024**, for Barclay One, Dale Drive, Fairfax Court, Manchester Manor, Southbridge, Tanglewood, and Timberlawn Crescent.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Alex Torton, Asset Manager Division: Property Management
 Nathan Bovelleville, Interim Director Division: Property Management

RE: **Procurement of Property Management Services:** Extension of Property Management Contracts

DATE: October 5, 2022

STATUS: Committee Report Deliberation X

BACKGROUND:

In accordance with Appendix IV of the Housing Opportunity Commission of Montgomery County’s (“HOC”) Procurement Policy of June 7, 2017, staff is submitting management contracts to the Budget, Finance and Audit Committee in support of staff’s recommendation to the Commission for renewal.

Currently, staff is actively working with the HOC’s Board of Commissioners to create a Property Management solicitation template document that reflects the core values of HOC and the Board. The development of the template is progressing, but it will not conclude before the expiration of certain property management contracts. For several contracts, which expire between October 2022 and April 2023, there are no remaining renewals; therefore, an extension is being requested. Prior to the expiration of these extensions, a full procurement for property management services will be untaken.

The following table identifies the affected properties and provides property information, including the current Property Management Company, annual contract cost, current contract end date, proposed extension start and end date and contract terms remaining:

Count	Property	Type	Current Vendor	Contract Start Date	Annual Renewal Contract Cost	Current Contract End Date	Proposed Renewal Period
1	Arcola Towers	Senior	Edgewood	1/1/2021	\$10,500	12/31/2022	1/1/2023-12/31/2023
2	Avondale Apartments	Family	Edgewood	1/1/021	\$12,096	12/31/2022	1/1/2023-12/31/2023
3	Barclay One	Family	Residential One	3/1/2021	\$37,884	2/28/2023	3/1/2023-3/31/2024
4	Bauer Park Apartments	Senior	Edgewood	1/1/2021	\$46,508	12/31/2022	1/1/2023-12/31/2023
5	Camp Hill Square	Family	Edgewood	1/1/2021	\$14,784	12/31/2022	1/1/2023-9/1/2023

Count	Property	Type	Current Vendor	Contract Start Date	Annual Renewal Contract Cost	Current Contract End Date	Proposed Renewal Period
6	Dale Drive	Coalition for Homeless	Residential One	3/1/2021	\$4,128	4/1/2023	4/2/2023-3/31/2024
7	Fairfax Court	Family	Residential One	3/1/2021	\$8,364	2/8/2023	2/9/2023-3/31/2024
8	Manchester Manor	Family	Residential One	3/1/2021	\$20,844	4/1/2023	4/2/2023-3/31/2024
9	The Metropolitan	Family	Bozzuto	11/1/2017	\$26,250	10/31/2022	11/1/2022-12/31/2023
10	Pooks Hill Court	Family	Edgewood	12/23/2016	\$25,932	12/22/2022	12/23/2022-9/1/2023
11	Residences on the Lane	Senior	Edgewood	7/1/2021	\$75,600	12/31/2022	1/1/2023-9/1/2023
12	Shady Grove Apartments	Family	Edgewood	1/16/2017	\$55,176	1/15/2023	1/16/2023-9/1/2023
13	Southbridge	Family	Residential One	4/1/2017	\$20,124	4/1/2023	4/2/2023-3/31/2024
14	Spring Garden	Family	Edgewood	12/1/2017	\$39,396	11/30/2022	12/1/2022-9/1/2023
15	Strathmore Court	Family	Bozzuto	11/1/2017	\$27,482	10/31/2022	11/1/2022-12/31/2023
16	Tanglewood	Family	Residential One	04/1/2017	\$62,568	4/1/2023	4/2/2023-3/31/2024
17	The Willows	Family	Edgewood	1/16/2017	\$88,448	1/15/2023	1/16/2023-9/1/2023
18	Timberlawn Crescent	Family	Edgewood	4/1/2020	\$54,024	3/31/2023	4/1/2023-3/31/2024
19	Waverly House	Senior	Edgewood	1/1/2021	\$51,408	12/31/2022	1/1/2023-12/31/2023

This submittal includes contracts for nine (19) properties managed by three different property management companies. Those companies include Bozzuto Management, Edgewood Management, and Residential One. These companies have provided property management services to HOC over several years. Their history with HOC is as follows:

Bozzuto – The company has developed, acquired, and built more than 45,000 homes and apartments. Currently, it manages more than 70,000 apartments and 2.2 million square feet of retail space.

Edgewood Management – Edgewood is a well-known property management company that has been providing property management services in the Metropolitan area since 1971. Edgewood has a long

history with HOC and manages several properties in our portfolio, including senior, multifamily, and scattered sites. They have provided services to some of the most challenging entities in our portfolio.

Residential One – an award winning property management firm with close to 10,000 units. They represent third parties including individual owners, non-profit and for profit organizations, family trusts, government, and quasi-government agencies in Maryland, DC, and Virginia.

The chart below provides some general information regarding the nineteen (19) properties that are included in this renewal submission:

Count	Property	Location	Total Units	Current Occupancy	Latest REAC Score
1	Arcola Towers	Kensington	141	99%	83c
2	Avondale Apartments	Bethesda	38	90%	N/A
3	Barclay One	Chevy Chase	81	96%	78c
4	Bauer Park Apartments	Rockville	142	70%	91c
5	Camp Hill Square	Gaithersburg	50	80%	72c
6	Dale Drive	Silver Spring	9	90%	N/A
7	Fairfax Court	Chevy Chase	18	100%	N/A
8	Manchester Manor	Silver Spring	53	94%	98b
9	The Metropolitan	Bethesda	92	97%	N/A
10	Pooks Hill Court	Bethesda	50	92%	99a
11	Residences on the Lane	Rockville	150	89%	N/A
12	Shady Grove Apartments	Rockville	144	84%	98a
13	Southbridge	Takoma Park	39	97%	N/A
14	Spring Garden	Silver Spring	82	100	99a
15	Strathmore Court	North Bethesda	202	99%	N/A
16	Tanglewood	Silver Spring	132	90%	86b
17	The Willows	Gaithersburg	195	98%	95b
18	Timberlawn Crescent	Rockville	107	98%	99a
19	Waverly House	Bethesda	157	93%	N/A

Additional information on under-performing properties:

Barclay One – Residential One has been tasked with increasing their REAC score above 80. The management company has proven at other properties that they are up for the task, achieving an 86 and

a 98 this year at Manchester Manor and Tanglewood, respectively. The Barclay consists of 157 units, which are distributed as 81 Low Income Tax Credit (“LIHTC”) units owned by Barclay One Associates LP with HOC as the General Partner and 76 units owned by Barclay Development Corporation. In November 2019, the Barclay affordable units were transferred back to HOC and are now included in Opportunity Housing.

Bauer Park – Bauer Park has low occupancy due to renovation over the course of the last year. The property consists of three buildings and at the end of June 2022, the renovation was 95% complete with substantial completion expected at the end of September 2022. Work continues on the final building and community room, but all are scheduled to reopen by October 1, 2022. The first two renovated buildings are occupied, but preleasing continues in the final building. It is anticipated that Bauer Park will achieve occupancy of over 90 percent occupancy by the end of January 2023.

Camp Hill Square – Camp Hill Square maintains a low occupancy due to units that are offline due to a previous fire. Several Camp Hill Square residents who had affected units were transferred to sister property, Washington Square. Affected units have not been rehabilitated.

Dale Drive – Dale Drive is part of the coalition for the homeless portfolio. Nine (9) units are designated to help people and families without housing.

Residences on the Lane – Residences on the Lane initially experienced low occupancy due to being a new lease-up property. However, the community is now 99 percent leased and will be fully occupied by the end of November 2022.

Shady Grove Apartments – Shady Grove Apartments has low occupancy due to on-going renovations.

Tanglewood – Residential One has been working to improve occupancy at Tanglewood. The community has select units that temporarily accommodate tenants awaiting vouchers, who move out once they receive them, in turn causing high turnover at the property.

ISSUES FOR CONSIDERATION:

Does the Commission accept staff’s recommendation, which is supported by the Budget Finance and Audit Committee to authorize the Executive Director to execute extension of the property management services contracts with Edgewood, Bozzuto, and Residential One for Arcola Towers, Avondale Apartments, Barclay One, Bauer Park Apartments, Camp Hill Square, Dale Drive, Fairfax Court, Manchester Manor Apartments, The Metropolitan, Pooks Hill Court, Residences on the Lane, Shady Grove Apartments, Southbridge, Spring Garden Apartments, Strathmore Court at White Flint, Tanglewood, The Willows, Timberlawn Crescent and Waverly House Apartments?

BUDGET IMPACT:

The extension of the property management contracts will not have an adverse budget impact for the 2023 operating budget. The costs associated with the services are included in the property budgets. Additionally, the contracts will be performance-based so fees will be lower in the event revenues decline below budgeted expectations or if a property receives less than an 80 on a REAC inspection.

TIME FRAME:

For formal action at the October 5, 2022 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission authorize the Executive Director to execute extension of the

property management services contracts with the respective management companies heretofore discussed, for Arcola Towers, Avondale Apartments, Barclay One, Bauer Park Apartments, Camp Hill Square, Dale Drive, Fairfax Court, Manchester Manor Apartments, The Metropolitan, Pooks Hill Court, Residences on the Lane, Shady Grove Apartments, Southbridge, Spring Garden Apartments, Strathmore Court at White Flint, Tanglewood, The Willows, Timberlawn Crescent and Waverly House Apartments.

RESOLUTION NO. 22-71

RE: Extension of Property Management Contracts for Arcola Towers, Avondale Apartments, Barclay One, Bauer Park Apartments, Camp Hill Square, Dale Drive, Fairfax Court, Manchester Manor Apartments, The Metropolitan, Pooks Hill Court, Residences on the Lane, Shady Grove Apartments, Southbridge, Spring Garden Apartments, Strathmore Court at White Flint, Tanglewood, The Willows, Timberlawn Crescent and Waverly House Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the sole member of Arcola Towers RAD GP LLC, the general partner of Arcola Towers RAD Limited Partnership (“Arcola Towers LP”), the owner of Arcola Towers located in Kensington, Maryland (“Arcola Towers”); and

WHEREAS, HOC is the sole member of HOC at Avondale, LLC (“Avondale LLC”), the owner of Avondale Apartments located in Bethesda, Maryland (“Avondale Apartments”); and

WHEREAS, HOC is the general partner of Barclay One Associates Limited Partnership (“Barclay LP”), and Barclay LP partly owns Barclay Apartments located in Chevy Chase, Maryland (“Barclay Apartments”); and

WHEREAS, HOC is the managing member of Bauer Park Apartments, LLC, the general partner of Bauer Park Apartments LP (“Bauer Park LP”), the owner of Bauer Park Apartments located in Rockville, Maryland (“Bauer Park Apartments”); and

WHEREAS, HOC owns Camp Hill Square, located in Gaithersburg, Maryland (“Camp Hill Square”); and

WHEREAS, HOC owns Dale Drive, located in Silver Spring, Maryland (“Dale Drive”); and

WHEREAS, HOC owns Fairfax Court Apartments, located in Chevy Chase, Maryland (“Fairfax Court”); and

WHEREAS, HOC is the general partner of Manchester Manor Apartments Limited Partnership (“Manchester LP”), the owner of Manchester Manor Apartments, located in Silver Spring, Maryland (“Manchester Manor”); and

WHEREAS, HOC is the general partner of The Metropolitan of Bethesda Limited Partnership (“Metropolitan LP”), and Metropolitan LP partly owns The Metropolitan, located in Bethesda, Maryland (“The Metropolitan”); and

WHEREAS, HOC owns Pooks Hill Apartments (midrise), located in Bethesda, Maryland (“Pooks Hill Court”); and

WHEREAS, HOC is the managing member of HOC MM Upton II, LLC, the managing member of HOC at the Upton II, LLC (“Upton LLC”), the owner of Residences on the Lane, located in Rockville, Maryland (“Residences on the Lane”); and

WHEREAS, HOC is the sole member of HOC MM Shady Grove, LLC, the managing member of HOC at Shady Grove, LLC (“Shady Grove LLC”), the owner of Shady Grove Apartments, located in Rockville, Maryland (“Shady Grove Apartments”); and

WHEREAS, HOC owns Southbridge, located in Takoma Park, Maryland (“Southbridge”); and

WHEREAS, HOC is the general partner of Spring Garden One Associates Limited Partnership (“Spring Garden LP”), the owner of Spring Garden Apartments, located in Silver Spring, Maryland (“Spring Garden Apartments”); and

WHEREAS, HOC is the general partner of Strathmore Court Associates Limited Partnership (“Strathmore LP”), the owner of Strathmore Court, located in Bethesda, Maryland (“Strathmore Court”); and

WHEREAS, HOC is the sole member of HOCMC, LLC, the general partner of Tanglewood and Sligo LP (“Tanglewood LP”), the owner of Tanglewood, located in Silver Spring, Maryland (“Tanglewood”); and

WHEREAS, HOC is the general partner of The Willows of Gaithersburg Associates Limited Partnership (“Willows LP”), the owner of The Willows, located in Gaithersburg, Maryland (“The Willows”); and

WHEREAS, HOC is the sole member of Timberlawn and Pomander Properties LLC (“Timberlawn LLC”), the owner of Timberlawn Crescent, located in Rockville, Maryland (“Timberlawn”); and

WHEREAS, HOC is the sole member of Waverly House RAD GP LLC, the general partner of Waverly House RAD Limited Partnership (“Waverly LP”), the owner Waverly House Apartments, located in Bethesda, Maryland (“Waverly House”); and

WHEREAS, staff desires to extend the current property management contracts at Camp Hill Square, Pooks Hill Court, Residences on the Lane, Shady Grove Apartments, Spring Garden Apartments, and The Willows until September 1, 2023 with Edgewood Management Corporation; and

WHEREAS, staff desires to extend the current property management contracts at Arcola Towers, Avondale Apartments, Bauer Park Apartments, and Waverly House until December 31, 2023 with Edgewood Management Corporation; and

WHEREAS, staff desires to extend the current property management contracts at The Metropolitan and Strathmore Court until December 31, 2023 with Bozzuto Management Company; and

WHEREAS, staff desires to extend the current property management contracts at Barclay Apartments, Dale Drive, Fairfax Court, Manchester Manor, Southbridge, and Tanglewood until March 31, 2024 with Residential One; and

WHEREAS, staff desires to extend the current property management contract at Timberlawn until March 31 2024, with Edgewood Management Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Arcola Towers LP, as the sole member of its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Arcola Towers with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Avondale LLC, as its sole member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Avondale Apartments with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Barclay LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Barclay Apartments with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Bauer Park LP, as the managing member of its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Bauer Park Apartments with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Camp Hill Square with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Dale Drive with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Fairfax Court with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery

County, acting for itself and on behalf of Manchester LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Manchester Manor with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Metropolitan LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at The Metropolitan with Bozzuto Management.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Pooks Hill Court with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Upton LLC, as its managing member of its managing member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Residences on the Lane with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Shady Grove LLC, as the sole member of its managing member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Shady Grove Apartments with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Southbridge with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Spring Garden LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Spring Garden Apartments with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Strathmore LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Strathmore Court with Bozzuto Management.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Tanglewood LP, as the sole member of its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed

to execute an extension of the property management contract at Tanglewood with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Willows LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at The Willows with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Timberlawn LLC, as its sole member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Timberlawn with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Waverly LP, as the sole member of its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Waverly House with Edgewood Management Corporation.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on October 5, 2022.

Patrice M. Birdsong
Special Assistant to the Commission

Development and Finance Committee

SINGLE FAMILY LENDING: APPROVAL OF NEW PARTICIPATING LENDERS FOR THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM

October 5, 2022

- The Housing Opportunities Commission of Montgomery County (hereinafter, the “Commission” or “HOC”) has approved continuous new lender participation and solicitation in the single family Mortgage Purchase Program (“MPP”). While over the years HOC has approved 34 lenders, through non-participation or the mortgage company’s notice to no longer participate, there are currently 19 active participating lenders.
- The criteria for lender participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name; and, 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank, N.A. (“U.S. Bank”), HOC’s master servicer for the Mortgage Backed Securities (“MBS”) program.
- Only approved MPP lenders have access to the County Revolving County Closing Cost Assistance Program and other special Closing Cost Programs.
- Meridian Bank Mortgage, WesBanco Bank, Inc., Bay Capital Mortgage Corporation, and Direct Mortgage Loans, LLC have applied for participation in the MPP, and all meet the criteria for participation.
- The Development and Finance Committee, having considered this item at its meeting on September 28, 2022, supports staff’s recommendation to approve Meridian Bank Mortgage, WesBanco Bank, Inc., Bay Capital Mortgage Corporation and Direct Mortgage Loans, LLC for participation in the MPP.
- Therefore, staff recommends the Commission’s approval of Meridian Bank Mortgage, WesBanco Bank, Inc., Bay Capital Mortgage Corporation and Direct Mortgage Loans, LLC, as a new MPP participating lenders.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, Executive Director

FROM: Staff: Jennifer H. Washington, Acting Director Division: Mortgage Finance Ext. 9760
Paulette Dudley, Program Specialist III Ext. 9596

RE: **Single Family Lending:** Approval of New Participating Lenders for the Single Family Mortgage Purchase Program

DATE: October 5, 2022

STATUS: Committee Report: Deliberation X

OVERALL GOAL & OBJECTIVE:

To approve a new participating lender in the Single Family Mortgage Purchase Program that will provide mortgage financing to low-to-moderate income first-time homebuyers in Montgomery County at below market rates.

BACKGROUND:

The Commission has approved the continuous participation of lenders from program to program and an on-going admission of new lenders to the Mortgage Purchase Program (“MPP”). As lenders apply for participation in the MPP, the requests are submitted to the Commission for approval. Increasing lender participation broadens the exposure to the Commission’s Single Family mortgage products, as well as to the Revolving County Closing Cost Assistance Program and other special Closing Cost programs, as the closing cost assistance loans must be used in conjunction with a MPP first mortgage.

All approved and participating lenders are advised that continued participation in the MPP require mortgage loan production. If the lender does not submit a mortgage loan within any 12-month period, that lender may be subject to suspension, as a participating lender in the MPP. HOC over the years has approved 34 lenders, but through non-participation or the mortgage company’s notice to end its participation, there are currently 19 active lenders in the MPP. Lenders can be activated again with approval by HOC, but are subject to retraining, and verification that they are approved with U.S. Bank, N.A. (“U.S. Bank”), the Commission’s Master Servicer for the Mortgage Backed Securities (“MBS”) program.

The criteria for lender participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name; and, 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank.

The Community Reinvestment Act (“CRA”), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (“LMI”) neighborhoods.

Banks are required to provide their CRA rating. An overall CRA Rating is assigned using a four-tiered rating system. These ratings are: **Outstanding, Satisfactory, Needs to Improve, and Substantial Noncompliance.**

Approved lenders receive training from HOC staff and U.S. Bank before they are allowed to begin originating and closing loans for the MPP. Under the MBS program, HOC underwrites for program compliance and the lenders underwrite for credit worthiness.

Lender approval will apply to the 1979 Single Family Mortgage Revenue Bond Resolution, the 2009 Single Family Housing Revenue Bond Resolution and the 2019 Program Revenue Bond Resolution.

The following companies have applied to participate in the HOC Single Family Mortgage Purchase Program and have met the minimum requirements and criteria for selection stated above.

- Meridian Bank Mortgage
- WesBanco Bank, Inc.
- Bay Capital Mortgage Corporation
- Direct Mortgage Loans, LLC

In addition, all of these lenders are active in the State of Maryland Mortgage Program. Each company employs loan officers or processors who are fluent in any other language than English and will market any affordable housing programs that work in conjunction with the Commission's lending programs.

- **Meridian Bank Mortgage** (hereinafter "Meridian Bank") has submitted a request to participate in the MPP and meets the criteria for approval. Meridian Bank was established in 2004 and is headquartered in Towson, Maryland. It has 15 mortgage offices and six (6) bank locations in four (4) east coast states. Meridian Bank has made over \$2.3 billion in home loans since its inception in 2004 and has a Satisfactory CRA rating.

Meridian Bank in early 2022 completed the merger and integration of Howard Bank, which was an approved lender with HOC. Meridian Bank has several experienced originators who would use the program. Processors, underwriters, and closers, all located out of the Towson and Annapolis offices, are also knowledgeable about HOC and its program. Origination would mostly be from the Rockville and Columbia offices.

Meridian Bank is an active participating lender with Maryland's Community Development Administration ("CDA") Mortgage Program and the several other state HFA programs. As a CDA lender, they are at the gold level, 30+ loans per quarter.

- **WesBanco Bank, Inc.** (hereinafter "WesBanco") is headquartered in Wheeling, West Virginia, has submitted a request to participate in the MPP and meets the criteria for approval. WesBanco operating since 1870 has evolved in the banking arena over many years. The original charter in 1879 was issued as "The German Bank" in Wheeling, and after several acquisitions and name changes, in 1996, WesBanco Mortgage Company was incorporated. In 2012, WesBanco Bank, Inc. was formed through the acquisition of Fidelity Bancorp, Inc. by merger with WesBanco and merger of Fidelity Savings Bank. WesBanco's has an Outstanding CRA rating.

WesBanco operates branches and offices in eight (8) states. Origination, processing and underwriting will be prepared through the Bowie, Maryland location. WesBanco is an active participating CDA lender at a silver level of 15+ loans per quarter.

- **Bay Capital Mortgage Corporation** (hereinafter “Bay Capital”) has submitted a request to participate in the MPP and meets the criteria for approval. Bay Capital was established in 1994 and is headquartered in Annapolis, Maryland. It is licensed in 10 states and has over \$7 billion in home loans since its inception in 1994. During 2021, approximately 33% percent of Bay Capital’s loan activity for new purchases was made to households with Area Median Income levels at or below the Washington, D.C. Metropolitan Statistical Area of \$129,000. Loan application, processing and underwriting will be concentrated at the two (2) participating branches located in Rockville and Clarksville.

Currently Bay Capital participates in the Maryland CDA Mortgage Program, Prince George’s County Pathway to Purchasing program, Florida Housing Bond Program, DC HPAP, and participated in the North Carolina Housing Finance Administration Bond program. Over the past 15 years, Bay Capital originated 435 loans in these programs. As a CDA lender, Bay Capital is designated a bronze level performer, originating three or more (3+) loans per quarter.

- **Direct Mortgage Loans, LLC** (hereinafter “DML”) has submitted a request to participate in the MPP and meets the criteria for approval. Established in 2011, DML is headquartered in Hunt Valley, Maryland.

DML is licensed in 29 states and has funded over 13,000 loans for more than \$3 billion in volume since 2012. Loan application, processing and underwriting will be completed through the two (2) participating branches located in Frederick and Hunt Valley.

DML participates in the Maryland CDA Mortgage Program and other state HFA bond programs. As a CDA lender, DML is designated silver level performer, originating 15+ loans per quarter.

SERVICING

Under the Commission’s MBS Program, lenders will release servicing and receive a loan origination fee up to 2%, based on the time lapse between loan origination and purchase. Lenders receive a higher origination fee the earlier the loan is purchased. Servicing is handled through U.S. Bank, which the Commission has approved as the Master Servicer.

ISSUES FOR CONSIDERATION:

Will the Commission accept staff’s recommendation, which is supported by the Development and Finance Committee, and approve Meridian Bank Mortgage, WesBanco Bank, Inc., Bay Capital Mortgage Corporation and Direct Mortgage Loans, LLC for participation in the Single Family Mortgage Purchase Program?

PRINCIPALS:

Housing Opportunities Commission of Montgomery County
Meridian Bank Mortgage
WesBanco Bank, Inc.
Bay Capital Mortgage Corporation
Direct Mortgage Loans, LLC

BUDGET/FISCAL IMPACT:

None.

TIME FRAME:

For formal action at the October 5, 2022 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission accept its recommendation, which is supported by the Development and Finance Committee, having considered this item at its meeting on September 28, 2022, and approve Meridian Bank Mortgage, WesBanco Bank, Inc., Bay Capital Mortgage Corporation and Direct Mortgage Loans, LLC for participation in the Single Family Mortgage Purchase Program.

Attachment 1

Approved HOC/U.S. Bank Lenders

1. Ameris Bank Mortgage
2. Celebrity Home Loans, dba Apex Home Loans
3. Embrace Home Loans, Inc.
4. Fairway Independent Mortgage Corporation
5. First Heritage Mortgage, LLC
6. First Home Mortgage Corp
7. HomeBridge Financial Services, Inc.
8. Homeside Financial LLC
9. loandepot.com
10. Mortgage Access Corp
11. Movement Mortgage, LLC
12. NFM, Inc. dba NFM Lending
13. NVR Mortgage Finance, Inc.
14. Presidential Bank, FSB
15. PrimeLending, a Plains Capital Company
16. Prosperity Home Mortgage, LLC
17. Sandy Spring Bank
18. Severn Bank
19. TowneBank Mortgage

RESOLUTION No: 22-73

RE: Approval of New Participating Lenders for the Single Family Mortgage Purchase Program

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) approves lenders to participate in the Single Family Mortgage Purchase Program (“MPP”); and

WHEREAS, such participation is continuous and for multiple programs; and

WHEREAS, the Commission has approved an ongoing process for adding new lenders to the MPP; and

WHEREAS, Meridian Bank, Bay Capital Mortgage Corporation, WesBanco Bank, Inc., and Direct Mortgage Loans, LLC (together, the “New Lenders”) have applied for participation in the MPP; and

WHEREAS, the New Lenders have satisfied the required criteria for admittance into the MPP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the New Lenders are approved for participation in the MPP, effective immediately.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on October 5, 2022.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Commission

Recess

Development Corporation Meetings

Barclay Apartments Development Corporation

**AUTHORIZATION TO EXTEND THE PROPERTY MANAGEMENT
CONTRACT FOR
BARCLAY APARTMENTS DEVELOPMENT CORPORATION**

- The property management contract for Barclay Apartments Development Corporation is expiring on **February 28, 2023**.
- There are no further renewals available under the current contract; therefore, staff propose a one-year extension.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022, and joins staff's recommendation that the Board of Directors of Barclay Apartments Development Corporation accept the recommendation to extend the property management contract for Barclay Apartments through **March 31, 2024**.

M E M O R A N D U M

TO: Board of Directors of the Barclay Apartments Development Corporation

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Alex Torton, Asset Manager Division: Property Management
 Nathan Bovellet, Interim Director Division: Property Management

RE: Extension of Property Management Contract Barclay Apartments Development Corporation

DATE: October 5, 2022

STATUS: Committee Report Deliberation X

BACKGROUND:

Currently, staff is actively working with the HOC’s Board of Commissioners to create a Property Management solicitation template document that reflects the core values of HOC and the Board. The development of the template is progressing, but it will not conclude before the expiration of certain property management contracts. For several contracts, which expire between October 2022 and April 2023, there are no remaining renewals; therefore, an extension is being requested. Prior to the expiration of these extensions, a full procurement for property management services will be untaken.

Staff recommends extending the property management contract with Residential One for Barclay Apartments.

The following tables detail property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Location	Total Units	Current Occupancy	Latest REAC Score
Barclay Apartments	Chevy Chase	77	96.10%	78c

Property	Current Vendor	Current Vendor Start Date	Annual Renewal Contract Cost	Current Contract End Date	Proposed Renewal Period	Remaining Contract Renewals
Barclay Apartments	Residential One	3/1/2021	\$35,424	2/8/2023	2/9/2023-3/31/2024	0

ISSUES FOR CONSIDERATION:

Does the Board of Directors of Barclay Apartments Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute an extension of the property management services contract with Residential One for Barclay Apartments?

BUDGET IMPACT:

The extension of the property management contract will not have an adverse budget impact, as the cost associated with the services is included in the property’s budget. Additionally, the contract will be performance-based so fees will be lower if revenue declines below budgeted expectations or if the property receives less than an 80 on a REAC inspection.

TIME FRAME:

For formal action by the Board of Directors of Barclay Apartments Development Corporation at its meeting on October 5, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Board of Directors of Barclay Apartments Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute the property management contract extension with Residential One for Barclay Apartments through March 31, 2024.

RESOLUTION NO.: 22-002_{BC}

**RE: Authorization to Extend the
Property Management Contract for
Barclay Apartments**

WHEREAS, Barclay Apartments Development Corporation partly owns the development known as Barclay Apartments located in Chevy Chase, Maryland; and

WHEREAS, staff desires to extend the current property management contract Barclay Apartments with Residential One through March 31, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Barclay Apartments Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at Barclay Apartments with Residential One through March 31, 2024.

BE IT FURTHER RESOLVED by the Board of Directors of Barclay Apartments Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of Barclay Apartments Development Corporation at a meeting conducted on October 5, 2022.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Board of Directors
of Barclay Apartments Development
Corporation

Adjourn

Magruder's Discovery Development Corporation

**AUTHORIZATION TO EXTEND THE PROPERTY MANAGEMENT
CONTRACT FOR
MAGRUDER’S DISCOVERY DEVELOPMENT CORPORATION**

- The property management contract for Magruder’s Discovery Development Corporation is expiring on December 31, **2022**.
- There are no further renewals available under the current contract; therefore, staff proposes a one-year extension.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022, and joins staff’s recommendation that the Board of Directors of Magruder’s Discovery Development Corporation accept the recommendation to extend the property management contract for Magruder’s Discovery through **December 31, 2023**.

M E M O R A N D U M

TO: Board of Directors of the Magruder’s Discovery Development Corporation

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Alex Torton, Asset Manager Division: Property Management
 Nathan Bovellet, Interim Director Division: Property Management

RE: Extension of Property Management Contract Magruder’s Discovery Development Corporation

DATE: October 5, 2022

STATUS: Committee Report Deliberation X

BACKGROUND:

Currently, staff is actively working with the HOC’s Board of Commissioners to create a Property Management solicitation template document that reflects the core values of HOC and the Board. The development of the template is progressing, but it will not conclude before the expiration of certain property management contracts. For several contracts, which expire between October 2022 and April 2023, there are no remaining renewals; therefore, an extension is being requested. Prior to the expiration of these extensions, a full procurement for property management services will be untaken.

Staff recommends extending the property management contract with Edgewood Management Corporation (“Edgewood”) for Magruder’s Discovery.

The following tables detail property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Location	Total Units	Current Occupancy	Latest REAC Score
Magruder’s Discovery	Bethesda	134	97%	98b

Property	Current Vendor	Current Vendor Start Date	Annual Renewal Contract Cost	Current Contract End Date	Proposed Renewal Period	Remaining Contract Renewals
Magruder's Discovery	Edgewood	11/1/2021	\$44,688	12/31/2022	1/1/2023-12/31/2023	0

ISSUES FOR CONSIDERATION:

Does the Board of Directors of Magruder's Discovery Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute an extension of the property management services contract with Edgewood Management for Magruder's Discovery?

BUDGET IMPACT:

The extension of the property management contract will not have an adverse budget impact, as the cost associated with the services is included in the property's budget. Additionally, the contract will be performance-based so fees will be lower if revenue declines below budgeted expectations or if the property receives less than an 80 on a REAC inspection.

TIME FRAME:

For formal action by the Board of Directors of Magruder's Discovery Development Corporation at its meeting on October 5, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Board of Directors of Magruder's Discovery Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute the property management contract extension with Edgewood Management Corporation for Magruder's Discovery through December 31, 2023.

RESOLUTION NO.:22-002_{MD}

RE: **Authorization to extend the Property Management Contract for Magruder's Discovery**

WHEREAS, Magruder's Discovery Development Corporation owns the development known as Magruder's Discovery located in Bethesda, Maryland; and

WHEREAS, staff desires to extend the current property management contract at Magruder's Discovery with Edgewood Management through December 31, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Magruder's Discovery Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at Magruder's Discovery with Edgewood Management Corporation through December 31, 2023.

BE IT FURTHER RESOLVED by the Board of Directors of Magruder's Discovery Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of Magruder's Discovery Development Corporation at a meeting conducted on October 5, 2022.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Board of Directors
of Magruder's Discovery Development
Corporation

Adjourn

The Metropolitan Development Corporation

**AUTHORIZATION TO EXTEND THE PROPERTY MANAGEMENT
CONTRACT FOR
THE METROPOLITAN DEVELOPMENT CORPORATION**

- The property management contract for The Metropolitan Development Corporation is expiring on **October 31, 2022**.
- There are no further renewals available under the current contract; therefore, staff proposes an extension.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022, and joins staff's recommendation that the Board of Directors of The Metropolitan Development Corporation accept the recommendation to extend the property management contract for The Metropolitan through **December 31, 2023**.

MEMORANDUM

TO: Board of Directors of The Metropolitan Development Corporation

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Alex Torton, Asset Manager Division: Property Management
 Nathan Bovellev, Interim Director Division: Property Management

RE: Extension of Property Management Contract The Metropolitan Development Corporation

DATE: October 5, 2022

STATUS: Committee Report Deliberation X

BACKGROUND:

Currently, staff is actively working with the HOC’s Board of Commissioners to create a Property Management solicitation template document that reflects the core values of HOC and the Board. The development of the template is progressing, but it will not conclude before the expiration of certain property management contracts. For several contracts, which expire between October 2022 and April 2023, there are no remaining renewals; therefore, an extension is being requested. Prior to the expiration of these extensions, a full procurement for property management services will be untaken.

Staff recommends extending the property management contract with Bozzuto Management for The Metropolitan.

The following tables detail property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Location	Total Units	Current Occupancy	Latest REAC Score
The Metropolitan	Bethesda	92	98%	N/A

Property	Current Vendor	Current Vendor Start Date	Annual Renewal Contract Cost	Current Contract End Date	Proposed Renewal Period	Remaining Contract Renewals
The Metropolitan	Bozzuto	11/1/2017	\$154,412	10/31/2022	11/1/2022-12/31/2023	0

ISSUES FOR CONSIDERATION:

Does the Board of Directors of The Metropolitan Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute an extension of the property management services contract with Bozzuto Management for The Metropolitan?

BUDGET IMPACT:

The extension of the property management contract will not have an adverse budget impact, as the cost associated with the services is included in the property's budget. Additionally, the contract will be performance-based so fees will be lower if revenue declines below budgeted expectations or if the property receives less than an 80 on a REAC inspection.

TIME FRAME:

For formal action by the Board of Directors of The Metropolitan Development Corporation at its meeting on October 5, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Board of Directors of The Metropolitan Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute the property management contract extension with Bozzuto Management for The Metropolitan through December 31, 2023.

RESOLUTION NO.: 22-004_{ME}

RE: **Authorization to extend the Property Management Contract for The Metropolitan**

WHEREAS, The Metropolitan Development Corporation partly owns the development known as The Metropolitan located in Bethesda, Maryland; and

WHEREAS, staff desires to extend the current property management contract at The Metropolitan with Bozzuto Management through December 31, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at The Metropolitan with Bozzuto Management through December 31, 2023.

BE IT FURTHER RESOLVED by the Board of Directors of The Metropolitan Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of The Metropolitan Development Corporation at a meeting conducted on October 5, 2022.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Board of Directors
of The Metropolitan Development
Corporation

Adjourn

Montgomery Arms Development Corporation

**AUTHORIZATION TO EXTEND THE PROPERTY MANAGEMENT
CONTRACT FOR
MONTGOMERY ARMS DEVELOPMENT CORPORATION**

- The property management contract for Montgomery Arms Development Corporation is expiring on **December 22, 2022**.
- There are no further renewals available under the current contract; therefore, staff proposes a one-year extension.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022, and joins staff's recommendation that the Board of Directors of Montgomery Arms Development Corporation accept the recommendation to extend the property management contract for Montgomery Arms through **December 31, 2023**.

MEMORANDUM

TO: Board of Directors of the Montgomery Arms Development Corporation

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Alex Torton, Asset Manager Division: Property Management
 Nathan Bovellet, Interim Director Division: Property Management

RE: Extension of Property Management Contract Montgomery Arms Development Corporation

DATE: October 5, 2022

STATUS: Committee Report Deliberation X

BACKGROUND:

Currently, staff is actively working with the HOC’s Board of Commissioners to create a Property Management solicitation template document that reflects the core values of HOC and the Board. The development of the template is progressing, but it will not conclude before the expiration of certain property management contracts. For several contracts, which expire between October 2022 and April 2023, there are no remaining renewals; therefore, an extension is being requested. Prior to the expiration of these extensions, a full procurement for property management services will be untaken.

Staff recommends extending the property management contract with Edgewood Management Corporation (“Edgewood”) for Montgomery Arms.

The following table details property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Location	Total Units	Current Occupancy	Latest REAC Score
Montgomery Arms	Silver Spring	128	98%	99a

Property	Current Vendor	Current Vendor Start Date	Annual Renewal Contract Cost	Current Contract End Date	Proposed Renewal Period	Remaining Contract Renewals
Montgomery Arms	Edgewood	December 2016	\$60,746	12/22/2022	12/23/2022-12/31/2023	0

ISSUES FOR CONSIDERATION:

Does the Board of Directors of the Montgomery Arms Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute an extension of the property management services contract with Edgewood Management Corporation for Montgomery Arms?

BUDGET IMPACT:

The renewal of the property management contract will not have an adverse budget impact, as the cost associated with the services is included in the property's budget. Additionally, the contract will be performance-based so fees will be lower if revenue declines below budgeted expectations or if the property receives less than an 80 on a REAC inspection.

TIME FRAME:

For formal action by the Board of Directors of Montgomery Arms Development Corporation at its meeting on October 5, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Board of Directors of the Montgomery Arms Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute the property management contract extension with Edgewood Management Corporation for Montgomery Arms through December 31, 2023.

RESOLUTION NO.: 22-002_{MA}

RE: **Authorization to extend the Property Management Contract for Montgomery Arms**

WHEREAS, Montgomery Arms Development Corporation owns the development known as Montgomery Arms located in Silver Spring, Maryland; and

WHEREAS, staff desires to extend the current property management contract at Montgomery Arms with Edgewood Management Corporation through December 31, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Montgomery Arms Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Montgomery Arms with Edgewood Management Corporation through December 31, 2023.

BE IT FURTHER RESOLVED by the Board of Directors of Montgomery Arms Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of Montgomery Arms Development Corporation at a meeting conducted on October 5, 2022.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Board of Directors
of Montgomery Arms Development
Corporation

Adjourn

Paddington Square Development Corporation

**AUTHORIZATION TO EXTEND THE PROPERTY MANAGEMENT
CONTRACT FOR
PADDINGTON SQUARE DEVELOPMENT CORPORATION**

- The property management contract for Paddington Square Development Corporation is expiring on **December 22, 2022**.
- There are no further renewals available under the current contract; therefore, staff proposes an extension.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022, and joins staff's recommendation that the Board of Directors of Paddington Square Development Corporation accept the recommendation to extend the property management contract for Paddington Square through **March 31, 2024**.

MEMORANDUM

TO: Board of Directors of the Paddington Square Development Corporation

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Alex Torton, Asset Manager Division: Property Management
 Nathan Bovellev, Interim Director Division: Property Management

RE: Extension of Property Management Contract Paddington Square Development Corporation

DATE: October 5, 2022

STATUS: Committee Report Deliberation X

BACKGROUND:

Currently, staff is actively working with the HOC’s Board of Commissioners to create a Property Management solicitation template document that reflects the core values of HOC and the Board. The development of the template is progressing, but it will not conclude before the expiration of certain property management contracts. For several contracts, which expire between October 2022 and April 2023, there are no remaining renewals; therefore, an extension is being requested. Prior to the expiration of these extensions, a full procurement for property management services will be untaken.

Staff recommends extending the property management contract with Residential One for Paddington Square.

The following tables detail property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Location	Total Units	Current Occupancy	Latest REAC Score
Paddington Square	Silver Spring	165	99%	94b

Property	Current Vendor	Current Vendor Start Date	Annual Renewal Contract Cost	Current Contract End Date	Proposed Renewal Period	Remaining Contract Renewals
Paddington Square	Residential One	4/1/2017	\$87,636	12/22/2022	12/23/2022-3/31/2024	0

ISSUES FOR CONSIDERATION:

Does the Board of Directors of Paddington Square Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute an extension of the property management services contract with Residential One for Paddington Square?

BUDGET IMPACT:

The extension of the property management contract will not have an adverse budget impact, as the cost associated with the services is included in the property's budget. Additionally, the contract will be performance-based so fees will be lower if revenue declines below budgeted expectations or if the property receives less than an 80 on a REAC inspection.

TIME FRAME:

For formal action by the Board of Directors of Paddington Square Development Corporation at its meeting on October 5, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Board of Directors of Paddington Square Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute the property management contract extension with Residential One for Paddington Square through March 31, 2024.

RESOLUTION NO.: 22-003_{PS}

**RE: Authorization to extend the
Property Management Contract for
Paddington Square**

WHEREAS, Paddington Square Development Corporation owns the development known as Paddington Square located in Silver Spring, Maryland; and

WHEREAS, staff desires to extend the current property management contract Paddington Square with Residential One through March 31, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Paddington Square Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at Paddington Square with Residential One through March 31, 2024.

BE IT FURTHER RESOLVED by the Board of Directors of Paddington Square Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of Paddington Square Development Corporation at a meeting conducted on October 5, 2022.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Board of Directors
of Paddington Square Development
Corporation

Adjourn

Pooks Hill Development Corporation

**AUTHORIZATION TO EXTEND THE PROPERTY MANAGEMENT
CONTRACT FOR
POOKS HILL DEVELOPMENT CORPORATION**

- The property management contract for Pooks Hill Development Corporation is expiring on **December 22, 2022**.
- There are no further renewals available under the current contract; therefore, staff proposes an extension.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022, and joins staff's recommendation that the Board of Directors of Pooks Hill Development Corporation accept the recommendation to extend the property management contract for Glenmont Crossing Apartments through **September 1, 2023**.

M E M O R A N D U M

TO: Board of Directors of the Pooks Hill Development Corporation

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Alex Torton, Asset Manager Division: Property Management
 Nathan Bovellet, Interim Director Division: Property Management

RE: Extension of Property Management Contract Pooks Hill Development Corporation

DATE: October 5, 2022

STATUS: Committee Report Deliberation X

BACKGROUND:

Staff recommends renewing the property management contract with Edgewood Management Corporation (“Edgewood”) for Pooks Hill Tower.

Currently, staff is actively working with the HOC’s Board of Commissioners to create a Property Management solicitation template document that reflects the core values of HOC and the Board. The development of the template is progressing, but it will not conclude before the expiration of certain property management contracts. For several contracts, which expire between October 2022 and April 2023, there are no remaining renewals; therefore, an extension is being requested. Prior to the expiration of these extensions, a full procurement for property management services will be untaken.

The following tables detail property information, including current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining.

Property	Location	Total Units	Current Occupancy	Latest REAC Score
Pooks Hill Tower	Bethesda	190	93%	99a

Property	Current Vendor	Current Vendor Start Date	Annual Renewal Contract Cost	Current Contract End Date	Proposed Renewal Period	Remaining Contract Renewals
Pooks Hill Tower	Edgewood	December 2016	\$95,784	12/22/2022	12/23/2022-9/1/2023	0

ISSUES FOR CONSIDERATION:

Does the Board of Directors of the Pooks Hill Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute an extension of the property management services contract with Edgewood Management Corporation for Pooks Hill Tower?

BUDGET IMPACT:

The renewal of the property management contract will not have an adverse budget impact, as the cost associated with the services is included in the property’s budget. Additionally, the contract will be performance-based so fees will be lower if revenue declines below budgeted expectations or if the property receives less than an 80 on a REAC inspection.

TIME FRAME:

For formal action by the Board of Directors of Pooks Hill Development Corporation at its meeting on October 5, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Board of Directors of the Pooks Hill Development Corporation authorize the Executive Director of the Housing Opportunities Commission of Montgomery County to execute the property management contract extension with Edgewood Management Corporation for Pooks Hill Tower through September 1, 2023.

RESOLUTION NO.: 22-002_{PH}

RE: **Authorization to extend the Property Management Contract for Pooks Hill Tower**

WHEREAS, Pooks Hill Development Corporation owns the development known as Pooks Hill Towers located in Bethesda, Maryland; and

WHEREAS, staff desires to extend the current property management contract at Pooks Hill Towers with Edgewood Management Corporation through September 1, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Pooks Hill Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Pooks Hill Towers with Edgewood Management Corporation through September 1, 2023.

BE IT FURTHER RESOLVED by the Board of Directors of Pooks Hill Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of Pooks Hill Development Corporation at a meeting conducted on October 5, 2022.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Board of Directors
of Pooks Hill Development Corporation

Adjourn

RAD 6 Development Corporation

RENEWAL EXTENSION OF PROPERTY MANAGEMENT CONTRACTS FOR RAD 6 DEVELOPMENT CORPORATION

September 22, 2022

- The property management contract for RAD 6 Development Corporation is expiring on **December 31, 2022**.
- There are no further renewals available under the current contract; therefore, staff proposes an extension.
- The Budget Finance and Audit Committee reviewed this request at its meeting on September 27, 2022, and joins staff's recommendation that the Commission accept the recommendation to renew the property management contract with Edgewood Management for an eight-month period through **September 1, 2023**, for RAD 6 Development Corporation.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Alex Torton, Asset Manager Division: Property Management
 Nathan Bovelleville, Interim Director Division: Property Management

RE: **Procurement of Property Management Services:** Extension of Property Management Contract for RAD 6 Development Corporation

DATE: October 5, 2022

STATUS: Committee Report Deliberation X

BACKGROUND:

In accordance with Appendix IV of the Housing Opportunity Commission of Montgomery County’s (“HOC”) Procurement Policy of June 7, 2017, staff is submitting management contracts to the Budget, Finance and Audit Committee in support of staff’s recommendation to the Commission for renewal.

Currently, staff is actively working with the HOC’s Board of Commissioners to create a Property Management solicitation template document that reflects the core values of HOC and the Board. The development of the template is progressing, but it will not conclude before the expiration of certain property management contracts. For several contracts, which expire between October 2022 and April 2023, there are no remaining renewals; therefore, an extension is being requested. Prior to the expiration of these extensions, a full procurement for property management services will be untaken.

The following table identifies the affected properties and provides property information, including the current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining:

Property	Type	Current Vendor	Contract Start Date	Annual Renewal Contract Cost	Current Contract End Date	Proposed Renewal Period	Remaining Contract Renewals
Ken Gar	Family	Edgewood	1/1/2021	\$7215	12/31/2022	1/1/2023-9/1/2023	0
Parkway Woods	Family	Edgewood	1/1/2021	\$7215	12/31/2022	1/1/2023-9/1/2023	0
Sandy Spring Meadow	Family	Edgewood	1/1/2021	\$7215	12/31/2022	1/1/2023-9/1/2023	0
Seneca Ridge	Family	Edgewood	1/1/2021	\$7215	12/31/2022	1/1/2023-9/1/2023	0
Towne Centre Place	Family	Edgewood	1/1/2021	\$7,215	12/31/2022	1/1/2023-9/1/2023	0
Washington Square	Family	Edgewood	1/1/2021	\$7,215	12/31/2022	1/1/2023-9/1/2023	0

This submittal includes one (1) contract for six (6) properties managed Edgewood Management. This company has provided property management services to HOC over several years. Their history with HOC is as follows:

Edgewood Management – Edgewood is a well-known property management company that has been providing property management services in the Metropolitan area since 1971. Edgewood has a long history with HOC and has managed many entities in our portfolio, including senior, multifamily, and scattered sites. They have provided services to some of the most challenging entities in our portfolio. Recent changes to their staffing have improved responsiveness to HOC and the needs of our customers.

The chart below provides some general information regarding the six (6) properties that are included in this submission:

Property	Location	Total Units	AMI Restrictions	Current Occupancy
Ken Gar	Kensington	19	50% AMI	95%
Parkway Woods	Rockville	24	50% AMI	100%
Sandy Spring Meadow	Sandy Spring	55	50% AMI	98%
Seneca Ridge	Germantown	71	50% AMI	90%
Towne Centre Place	Olney	49	50% AMI	98%
Washington Square	Gaithersburg	50	50% AMI	86%

Property Summary:

Ken Gar Apartments consists of a 19-townhome cluster and five single family detached homes in the historic Ken-Gar section of Kensington, MD. The townhomes are three buildings, two story units originally constructed in 1979. There are seven two-bedroom units, five three-bedroom units, and seven four-bedroom units.

Parkway Woods is a 24-unit townhome community located on 2.0 acres in Rockville, MD. It was constructed in 1981 and consists of four buildings with nine two-bedroom units, nine three-bedroom units and six four-bedroom units.

Sandy Spring Meadow is located on 14.2 acres in Sandy Spring, MD. It was originally constructed in 1980 and is a 55-unit community consisting of 25 townhomes and 30 single family homes. All townhomes have two bedrooms and the single family homes have three or four bedrooms.

Towne Centre Place is a 49-unit townhome community located in Olney, MD. The property was built in 1986 and consists of 14 one-bedroom units, 20 two-bedroom units, and 15 three-bedroom units. This community is on a 6.5 acre site.

Seneca Ridge is a 71-unit townhome community located in Germantown, MD. It has two one-bedroom units, nine two-bedroom units, 40 three-bedroom units and 20 four-bedroom units. This community was

constructed in 1970 and underwent renovations in 2015. It is located on 8.5 acres and is principally located at Scenery Drive in Germantown, MD.

Washington Square is a 50-unit townhome community consisting of 10 two-bedroom units, 32 three-bedroom units, and eight four-bedroom units originally constructed in 1968 and renovated in 2015. It is located on 4.08 acres in Gaithersburg, MD. Washington Square has several units being rehabilitated in order to lease and improve occupancy above 95%.

ISSUES FOR CONSIDERATION:

Does the Board of Directors of RAD 6 Development Corporation authorize the Executive Director Housing Opportunities Commission of Montgomery County to execute an eight-month extension of the property management contract with Edgewood for RAD 6 Development Corporation?

BUDGET IMPACT:

The extension of the property management contracts will not have an adverse budget impact for the FY2023 operating budget. The costs associated with the services are included in the property budgets, which were approved on June 8, 2022.

TIME FRAME:

For formal action at the October 5, 2022 meeting of the RAD 6 Development Corporation Board of Directors.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Board of Directors of RAD 6 Development Corporation authorize the Executive Director Housing Opportunities Commission of Montgomery County to execute the extension of the property management services contract with the respective management company heretofore discussed, for RAD 6 Development Corporation through September 1, 2023.

WHEREAS, the RAD 6 Development Corporation owns Ken Gar Apartments, Parkway Woods, Sandy Spring Meadow, Towne Centre Place, Seneca Ridge, and Washington Square (the “RAD 6 Properties”); and

WHEREAS, staff desires to extend the current property management contract at the RAD 6 Properties for eight (8) months with Edgewood Management Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the RAD 6 Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an eight (8) month extension of the property management contract for the RAD 6 Properties with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Board of Directors of the RAD 6 Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of RAD 6 Development Corporation at an open meeting conducted on October 5, 2022.

S
E
A
L

Patrice M. Birdsong
**Special Assistant to the RAD 6 Development
Corporation Board of Directors**

Adjourn

Closing Statement

Written Statement for Closing a Meeting (“Closing Statement”)

Date: October 5, 2022

A. Pursuant to Section 3-305(b) and (d) of the General Provisions Article of the Annotated Code of Maryland, I move to adjourn this open session to a closed session only:

- 7. “To consult with counsel to obtain legal advice”;
- 8. “To consult with staff, consultants, or other individuals about pending or potential litigation”; and
- 13. “To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.”

B. For each provision checked above, the topic to be discussed and the reason for discussing that topic in closed session is provided below.

Statutory Citation	Topic	Reason for closed-session discussion
§3-305(b)(7)	Obtaining legal advice from legal counsel about ongoing litigation impacting Westwood Tower Apartments.	The meeting must be closed to the public in order to protect HOC’s attorney-client privilege.
§3-305(b)(8)	Discussing ongoing litigation impacting Westwood Tower Apartments with staff.	The meeting must be closed to protect HOC’s interests in the ongoing litigation.
§3-305(b)(13)	Discussing information that is subject to attorney-client privilege.	Section 4-301(a)(1) of the Maryland Public Information Act prevents disclosure of information if, by law, the information is privileged or confidential. The meeting must be closed to protect HOC’s attorney-client privilege.

C. This statement is made by Roy Priest, Chair.

D. Recorded vote to close the meeting:

- Date: October 5, 2022 Time: _____ Location: Zoom (LiveStream on YouTube)
- Motion to close meeting made by: _____
- Motion seconded by: _____
- Commissioners in favor: _____
- Commissioners opposed: _____
- Commissioners abstaining: _____
- Commissioners absent: _____

Officer’s Signature: _____