



10400 Detrick Avenue
Kensington, Maryland 20895
240-627-9421

EXPANDED AGENDA

YouTube Link: <https://youtube.com/live/2dmeOK2nlp8?feature=share>

June 5, 2024

The public is invited to attend HOC's June 5, 2024 Monthly Commission meeting in-person. HOC's Board of Commissioners and staff will continue to participate through a hybrid model (a combination of in-person and online participation).

		Res. #
4:00pm	I. <u>INFORMATION EXCHANGE</u> A. Community Forum B. Report of the President C. Commissioner Exchange D. Report of the Resident Advisory Board	Pg. 5
	II. <u>APPROVAL OF MINUTES</u> A. Approval of Minutes of May 8, 2024 Open Session B. Approval of Minutes of May 8, 2024 Closed Session	Pg. 14
	III. <u>CONSENT ITEM</u> 1. Westwood Towers: Approval of Additional Funding for the Continuation of Litigation Services for Westwood Tower Apartments 2. Development Corporation: Approval to Appoint Commissioners to the Board of Directors of Various Development Corporations	24-42 24-43 Pg. 20
	IV. <u>COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION</u> A. Budget Finance and Audit Committee - Com. Priest, Chair	
	1. Procurement of Property Management Services: Renewal of Property Management Contract for The Leggett	24-44 Pg. 29
	2. Fiscal Year 2024 Third Quarter Budget to Actual Statements: Acceptance of FY'24 Third Quarter Budget to Actual Statements	24-45 Pg. 33
	3. MetroPointe (Wheaton Metro Limited Partnership): Approval of CY'24 Budget Amendment for MetroPointe (Wheaton Metro Limited Partnership)	24-46 Pg. 52
	4. The Leggett: Approval of CY'24 Budget Amendment for The Leggett (Elizabeth House III Limited Partnership)	24-47 Pg. 57
	5. Uncollectible Tenant Accounts Receivables: Approval of Request to Write-Off Uncollectible Tenant Accounts Receivable (January 1, 2024 – March 31, 2024)	24-48 Pg. 61

	6. Calendar Year 2023 Audits: Presentation of Calendar Year 2023 Low Income Tax Credit Partnership and Limited Liability Company Audits	24-49 Pg. 68
	7. Fiscal Year 2025 (FY'25) Budget: Adoption of Fiscal Year 2025 Agency Budget	24-50A, 24-50B Pg. 108
	B. Development & Finance Committee, Com. Merkowitz, Chair	
	1. Wheaton Gateway: Approval to Select Clark Construction Group, LLC for General Contracting Services for the Preconstruction and Construction of Wheaton Gateway Development (Phase I), Approval for the President/Executive Director to Negotiate and Execute the Contract for Preconstruction Service, and Approval for the President/Executive Director to Negotiate the Guaranteed Maximum ("GMP") Contract	24-51 Pg. 141
	2. Elizabeth House Apartments: Approval of an Additional Bridge Loan of up to of \$1.5 million from the PNC Bank, N.A. \$60 Million Line of Credit ("LOC") to Provide Funding for the Demolition of Elizabeth House Apartments	24-52A 24-52B Pg. 154
	RECESS	
	V. <u>DEVELOPMENT CORPORATION MEETINGS</u>	
1.	Alexander House Development Corporation a. Approval of Minutes of May 8, 2024 b. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-002 _{AH} Pg. 168
2.	Barclay Apartments Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-004 _{BC} Pg. 177
3.	Brookside Glen Apartments Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{BG} Pg. 186
4.	Diamond Square Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{DS} Pg. 195
5.	Glenmont Crossing Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{GC} Pg. 204
6.	Glenmont Westerly Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{GW} Pg. 213
7.	Magruder's Discovery Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{MD} Pg. 222
8.	Metropolitan Development Corporation a. Election of Officers and Adoption of FY'2025 Operating and Capital Budgets ADJOURN	24-001 _{ME} Pg. 231

9.	Montgomery Arms Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{MA} Pg. 240
10.	The Oaks at Four Corners Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-003 _{OC} Pg. 249
11.	Paddington Square Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-003 _{PS} Pg. 258
12.	Pooks Hill Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-003 _{PH} Pg. 266
13.	RAD 6 Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-004 _{RAD6} Pg. 274
14.	Scattered Site One Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-002 _{SS1} Pg. 288
15.	Scattered Site Two Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{SS2} Pg. 297
16.	Sligo Hills Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{SH} Pg. 306
17.	TPM Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-002 _{TM} Pg. 315
18.	VPC One Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{VCP1} Pg. 324
19.	VPC Two Corporation a. Election of Officers and Adoption of FY'2025 Operating & Capital Budgets ADJOURN	24-001 _{VPC 2} Pg. 333
20.	Wheaton Metro Development Corporation a. Election of Officers and Adoption of FY'25 Operating and Capital Budgets ADJOURN	24-001 _{WM} Pg. 342
	RECONVENE	
6:00 p.m.	ADJOURN	

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) 627-9549 or email Imani.benjamin-johnson@hocmc.org

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Report of the President

Chelsea J. Andrews



HOC AT-A-GLANCE: May 2024

During the month of May, 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.

May was a tremendously exciting month for HOC for three very big reasons. First, our Five-Year Strategic Plan for 2024-2029, which the Commission and countless others have worked so hard on for more than 10 months, was released to the HOC staff and general public. Second, we launched the Nonprofit Preservation Fund (NPF) to preserve naturally occurring affordable housing that might otherwise disappear. Third, our innovative and widely replicated Housing Production Fund (HPF) was awarded a prestigious 2024 Ivory Prize.

We continue to highlight services provided by our Office of Resident Services and provide updates from our Housing Resources and Real Estate Development activities. This month we also include an update from HOC's Compliance Division.

HOC SHINES LIGHT ON FIVE-YEAR STRATEGIC PLAN LAUNCH

This month the spotlight shines brightly on HOC's Five-Year Strategic Plan. We are pleased to share with the Commissioners some of the dynamic techniques we are employing to communicate the Plan to the public. We have created colorful, illustrated versions of the Plan and an Executive Summary – in both English and Spanish – produced a short introductory video (also in English and Spanish), designed a comprehensive social media campaign to extend our reach and developed a dedicated Five-Year Strategic Plan webpage to deliver a comprehensive user experience.

RESIDENT SERVICES UPDATE

Service Coordination & Community Engagement

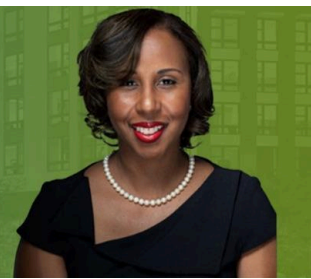
- **Celebrating and Uplifting Mothers:** HOC Resident Services organized a number of Mother's Day events in May.
 - **Towne Center Place/Sandy Spring** hosted a Mother's Day event on **May 8** that included building Lego bouquets, bingo and refreshments. Each participant created a lovely bouquet of flowers for their mother/mother figure and handmade cards.
 - **Forest Oak Towers** hosted "Pizza for Mom" on **May 10**.
 - **Magruders Discovery** and **Chelsea Towers** hosted a **May 13** Mother's Day Luncheon. Attending residents enjoyed Panera Bread box lunches along with a \$15 Giant Food Gift Card for each mother.

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Report of the President

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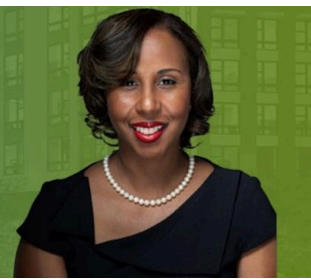
- **Chelsea Towers, Washington Square and Camp Hill Square** each held a “Breakfast with Mom” event on **May 14**. Participants enjoyed refreshments – and spending time with their mom.
- **Providing Access to Technology**
 - Resident Counselors hosted Chromebook registration events throughout the month of May at five HOC locations, including **Willow Manor at Fair Hill Farm, The Leggett, Paddington, The Fenton and Diamond Square**.
 - Resident Services partnered with the Legislative & Public Affairs division to host a large-scale Chromebook distribution event at the Wheaton Library on **May 16**. Turnout for the event was massive. HOC distributed free laptop computers to more than 150 customers.
- **Leveraging Partnerships**
 - The Montgomery County Department of Recreation co-hosted several registration sessions at **Cider Mill Apartments** for a new “Food, Fun & Fitness” program to be offered on-site for elementary and middle school youth **July 8 thru Aug. 2**.
 - The Street Outreach Network (SON) Safe Space team continued to work with youth at **Cider Mill Apartments** on Friday evenings and Saturdays throughout the month of May.
 - Arts for the Aging hosted events at three HOC senior properties, including an “Express Yourself” event at **Residences on the Lane** on **May 6** and “Feel the Beat” gatherings at **Bauer Park** on **May 6** and at **Forest Oak Towers** on **May 16**.
- **Promoting Health & Wellness**
 - **Forest Oak Towers** hosted a Health Fair/Blood Pressure Clinic event with student nurses on **May 3**.
 - **Stewartown Homes** celebrated Mental Health Awareness Month by hosting a forum on **May 9**. The event provided information on what signs to look for when someone is experiencing a mental health crisis, how to assist and stress management techniques.
 - **Forest Oak Towers** hosted a hearing aid distribution event in partnership with Access Hears on **May 16**.
 - **Waverly House** residents were up and moving at Bone Builders activity sessions on **May 22 and 29**.
 - **Waverly House** hosted a **May 23** Magical Movements activity session.
- **Encouraging Social Connection**
 - Bingo activities brought residents together at four HOC locations throughout the month: **Forest Oak Towers** on **May 9 and 16; Bauer Park** on **May 15; Waverly House** on **May 16** and **Diamond Square** on **May 28**.
 - Three HOC locations hosted “Breakfast with the Counselor” events in May, including **Tanglewood** on **May 2, Paddington Square** on **May 14** and **The Lindley** on **May 23**.
 - In addition, our property management partners (Habitat for America, Edgewood Management and HOC Property Management) continued to host monthly social

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Report of the President

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activities at **Fair Hill Farm, Manor at Cloppers Mill, Manor at Colesville, Lasko Manor and Oaks at Four Corners.**

- **Commemorating Bravery & Service**

- **Washington Square/Camp Hill Square** hosted a “Salute to Soldiers” commemoration **May 28** in recognition of Memorial Day. Residents celebrated those in service wherever and however they serve (police, EMS, Fire, Coast Guard, Marines, Reserves, etc.) and were encouraged to share tales and stories of their favorite service hero.

- **Addressing Food Insecurity**

- Resident Services continues to address food scarcity via food distributions at senior sites, multi-family sites and HOC-owned scattered site homes through partnerships with Emmanuel Brinklow, Manna Food, Senior Brown Bag, Meals on Wheels, Nourishing Bethesda. In May, distributions were conducted at **14 HOC locations: Forest Oak Towers, Waverly House, Chelsea Towers, Paddington, Residences on the Lane, Cider Mill Apartments, Bauer Park, Magruder's Discovery, Seneca Ridge, Stewartown, Diamond Square, Tanglewood, The Manor at Cloppers Mill and Georgian Court.** Almost 400 residents received food assistance.
- Additionally, the Senior Nutrition Program continued to serve meals at **Arcola Towers, Bauer Park and Forest Oak Towers.** Seniors were able to enjoy a nutritious meal in a congregate setting encouraging social interaction.

- **Keeping Customers Housed**

- The Housing Stabilization Services unit had several customers apply for assistance with rent, utilities, security deposits and moving and storage.
- The McKinney Permanent Supportive Housing Program continued to provide housing assistance and case management services to participants who are formerly homeless with disabilities. In May, the program served 339 participants.
- The Rent Supplement Program (RSP), continued to support county residents who struggle to pay their full rent with a shallow subsidy of up to \$600. In May, the program served 287 participants.

- **Fostering Financial Stability**

- The Financial Literacy Coach continued to assist HOC customers via 1:1 sessions and workshops focused on credit, debt, banking, and budgeting.

- **Disseminating Information & Resources**

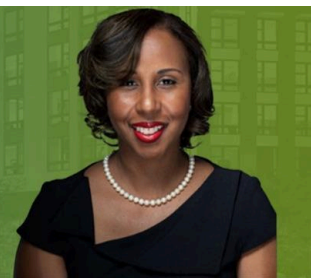
- The Service Coordination team hosted three virtual workshops including Energy Assistance (**May 2**), Fundamentals of Housing (**May 15**) and Montgomery County Resource Sharing (**May 21**). These sessions were open to all HOC customers including those on the Housing Path Wait List.

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Report of the President

Chelsea J. Andrews



HOC Academy

- ***Developing Young Musicians***
 - A Piano Pals recital was held at **Tanglewood** on **May 4**. Participating children/teens displayed their new musical skills and received awards and medals for their achievements. A celebratory lunch was provided following the recital.

- ***Bolstering Youth Educational Outcomes***
 - Youth at four HOC locations – **Georgian Court, Washington Square, Town Centre Place/Sandy Spring and Tanglewood** – hosted after school clubs for the residents in partnership with Carpe Diem Arts and Mad Science. In addition, HOC’s partner, Community Foundation, hosted after school clubs at **The Willows** and **Shady Grove Apartments**.
 - Youth at **Stewartown Homes** continued to participate in the Tutoring/Life Skills program weekly on Tuesdays in partnership with the Gaithersburg Church of Nazarene.

- ***Supporting Educational & Career Advancement***
 - The Adult Education and Workforce Development (AEWD) program hosted three workshops in May: College Planning and Funding Webinar (**May 8**), Paying for Education & Training Webinar (**May 29**) and Resume Writing and Searching for Jobs (**May 30**).
 - AEWD partnered with HOC’s PR firm Fovndry to host a Career Opportunity Information Session on **May 30** for prospective candidates.
 - We proudly report that an AEWD Tuition Assistance Program recipient will be receiving her Associate of Arts in General Studies and STEM from Montgomery College this Spring.

- ***Encouraging Fathers & Families***
 - Six fathers graduated from the Fatherhood Initiative program on **May 17**.
 - In May, six fathers were newly enrolled in the program.
 - HOC continues to participate in the Fatherhood Testing Identified Elements for Success (TIES) research project. Since the implementation of the study in March 2024, 17 fathers have been selected to participate. The TIES study will conclude in 2025.

- ***Subscribe to the HOC Newsletter***
 - To learn about and register for HOC opportunities and events including our monthly workshops, subscribe to our newsletter by visiting hocmc.org.

HOUSING RESOURCES UPDATE

Housing Choice Voucher (HCV) Program

Monthly, HOC selects applicants from the Housing Path Waitlist to achieve a 95% program utilization rate. The utilization rate has increased to 98%. Currently, 53 families with issued vouchers are searching

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Report of the President

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for suitable units to rent; and 159 contracts are pending execution. One hundred-fifty (150) families were selected from the HCV waitlist last month.

During May, the Housing Resources Division received two requests for a voucher extension beyond the initial 90-day period. The requests included a search record reflecting the efforts made to secure housing during the voucher term and the landlords who were contacted. The extension requests did not warrant a referral to the Human Rights Commission nor the Commission on Civil Rights for possible discrimination.

RENTCafé Used to Support Online Annual Recertifications

This month 376 out of 667 customers submitted their recertification paperwork electronically via RENTCafé. We will continue to accept mailed submissions from customers who do not have email or who prefer to submit information by mail. We anticipate that more families will utilize the online portal as they become more comfortable with the technology.

Effective May 1, 2024, 79 customers were recommended for program termination. The Resident Services Division worked in collaboration with the Housing Resources Division to assess client needs and to determine why recertifications were 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 to provide assistance. They were able to assist 59 families with the recertification requirement and overturn the termination. Termination proceedings will continue for 20 families for the following reasons:

- 16 – Failed to respond to counselor outreach
- 3 – Deceased
- 1 – Voluntary Withdrawal

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

Family Self Sufficiency (FSS) Update

The FSS team continued recruitment efforts this month to reach the program baseline of 441. Currently, 342 participants are enrolled in the FSS program. This month, 11 graduates exited the FSS program. The average income increase for the graduates was \$41,847.

The FSS team met with Silver Spring-based A Wider Circle, whose mission is to advance equity in the greater Washington, D.C., region by fostering the exchange of goods, skills, and connections from neighbor to neighbor, and by engaging in advocacy to address the root causes of poverty. A Wider Circle offers services including career development, resume writing, and career clothing free of charge. HOC intends to partner with a Wider Circle to reintegrate unemployed FSS participants back into the workforce. Additionally, microgrants are available from A Wider Circle to ignite entrepreneurship endeavors to small business owners.

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Report of the President

Chelsea J. Andrews



REAL ESTATE DEVELOPMENT UPDATE

Nonprofit Preservation Fund Launched

In partnership with the Montgomery County Department of Housing and Community Affairs, HOC in May introduced the Nonprofit Preservation Fund (NPF), another innovative tool for preserving affordable housing in Montgomery County. The NPF, funded with \$50 million in the 2025 fiscal year, will provide low interest, interim loans to support the acquisition and preservation of naturally occurring affordable housing by nonprofit developers and HOC.

Housing Production Fund Awarded 2024 Ivory Prize

Impressed by both the innovative design and the permanent affordability feature, HOC's Housing Production Fund was awarded the Ivory Prize 2024, in the category of Finance! The Ivory Prize is a national award to recognize ambitious, feasible, and scalable solutions to housing affordability. As one of four winners of this year's competition, HOC will receive part of the \$300,000 in prize money awarded to winners in the categories of construction and design, public policy and regulatory reform and finance.

The Metropolitan - Green Roof Project

In February 2022, the Commission approved the selection of SK&A as Structural Engineers to complete a plan for repair and evaluation of waterproofing services for the Green Roof Project located on top of the County parking garage, which is also the residential courtyard, at the Metropolitan Apartments. Green roofs are designed to bring natural elements to urban environments and provide solutions for important issues such as global warming and stormwater management. Through a competitive bid, HOC awarded a contract for the construction of the Green Roof Project to Contracting Specialist, Inc. due to their overall experience. The project is now substantially completed.

COMPLIANCE UPDATE

The U.S. Department of Housing and Urban Development (HUD) is positioned to go live with major changes in the upcoming months that affect HOC operations.

The Housing Information Portal (HIP) is set to replace the PIH Information Center (PIC) system effective October 2024. HUD designed the system to reduce administrative burdens. The updates do not require Commission approval.

The National Standards for the Physical Inspections of Real Estate (NIPIRE) is set to replace the Housing Quality Standards (HQS). This new model prioritizes health, safety and functional defects over appearance. Staff will bring updates to the full Commission for approval, September 2024, with an implementation date of October 1, 2024.

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Report of the President

Chelsea J. Andrews



The Housing Opportunity Through Modernization Act (HOTMA) makes numerous amendments to the United States Housing Act of 1937, streamlining administrative processes and reducing burdens on housing providers. Staff will bring updates to the full Commission for approval, December 2024, with an implementation date of January 1, 2025.

Information Exchange

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

May 8, 2024

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform (with some participating in-person and some participating online/via teleconference) on Wednesday, May 8, 2024 with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Commissioner
Linda Croom, Commissioner
Robin Salomon, Chair Pro Tem

Attending Via Zoom

Pamela Byrd, Commissioner

Absent

Jeffrey Merkowitz, Vice Chair

Also Attending

Chelsea Andrews, President/Executive Director	Kayrine Brown, Senior Executive Vice President
Aisha Memon, Senior VP, Legal Affairs/ General Counsel	Paige Gentry, Deputy General Counsel
Elliot Rule	Victoria Dixon
DaVida Rowley-Blackman	Tim Goetzing
Richard Congo	John Brouillre
Bonnie Hodge	Zachary Marks
Tia Blount	Ken Silverman
Erin Smith	Imani Benjamin-Johnson
Morgan Tucker	Elaine Cole
Contessa Webster	Terri Fowler
David Brody	Irma Washington
Jay Shepherd	Adam Pinchuk
DeMarcus Hubbard	Meta Lim
Michael Somerville	Walker Taylor
Lynn Hayes	Darcel Cox
Ellen Goff	Sean Ashbury
John Wilhoit	Ali Ozair
DeMarcus Hubbard	Rita Harris

Also attending via Zoom

Kai Hsieh	Matt Husman
LeNisha Carroll	Paulette Dudley

IT Support

Richard Congo
Irma Rodriquez

Commission Support

Morgan Tucker
Contessa Webster
Imani Benjamin-Johnson

Chair Priest opened the meeting with the introduction of the Commission and the President/Executive Director, Chelsea Andrews. Chair Priest also advised that the Status Report of the Resident Advisory Board will be provided at a later time.

I. Information Exchange

A. Community Forum

The following people spoke at the community forum:

- Amy Millar with UFCW Local 1994 McGeo
- Lisa Blackwell-Brown with UFCW Local 1994

B. Report of the President/Executive Director

- Chelsea Andrews, President/Executive Director, provided a presentation of the written report in the month of April 2024.
- President Andrews highlighted the commemoration of HOC's 50th anniversary and HOC's nomination for the Ivory Prize 2024 as one of the top 10 finalists.
- President Andrews spoke on a feature in the online magazine, Dezeen, which highlighted HOC's public development strategy.
- President Andrews highlighted the various programs and youth enrichment activities hosted by our Resident Services Division at the many HOC locations, including Cider Mill, Shady Grove Apartments and The Willows.
- President Andrews included a Legislative Update, which displayed HOC's representation by way of herself and Ken Silverman in Governor Wes Moore's signing of two bills, HB7 and HB424, encouraging affordable housing production.

C. Commissioner Exchange

Chair Priest gave the Commissioners an opportunity to provide updates and share recent events in the Commissioners' Exchange. Chair Priest spoke on scheduling discussion regarding administrative matters, and the Senior Feeding Program becoming more prominent and necessary for both seniors and children during the summer months. HOC should be prepared to connect with the community more. Commissioner Salomon expressed his interest in third party management

Chair Priest readjusted the agenda for consideration of the Resident Advisory Board and advanced to the Approval of Minutes.

- II. Approval of Minutes** – The minutes were approved, as submitted, with a motion by Commissioner Salomon and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Byrd, Croom, and Salomon. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

- A. Approval of Minutes of April 3, 2024 Open Session**
- B. Approval of Minutes of April 3, 2024 Closed Session**

III. Revisiting Information Exchange

A. Status Report from Resident Advisory Board

- Irma Washington, President, and Adam Pinchuk, Vice President, provided a status report to the Commission regarding further understanding of the Five Year Plan.
- Adam Pinchuk addressed the meeting held with President Andrews and Ken Silverman in April 2024.
- Adam Pinchuk addressed a response regarding the removal of a Board Member who was absent since October 2023 and updating Bylaws with Ms. Harris and Ms. Blackman.
- Commissioner Kelleher provided comments relating to publicized information on social media and at the properties.

IV. Consent Item

A. Approval of New Participating Lender for the Single Family Mortgage Purchase Program

A motion was made by Commissioner Salomon to adopt Resolution 24-32. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Kelleher, Croom, and Salomon. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

V. Committee Reports and Recommendations for Actions

A) Development and Finance Committee – Com. Merkowitz, Chair

1. Single Family Mortgage Lending: Approval of Structure, Cost of Issuance, Budget, and Adoption of Series Resolution(s) for the Issuance of Single Family Mortgage Revenue Bonds for the Single Family Mortgage Purchase Program

Chair Priest introduced President Andrews who provided an overview and introduced Michael Somerville, Vice President, Mortgage Finance and Paulette Dudley, via zoom, who provided the presentation. Staff recommended that the Commission approve: (1) the structure and issuance of the 2024 Bonds under the 1979 Mortgage Revenue Bond Resolution in an amount not to exceed \$35 million in aggregate; (2) to allocate up to \$15 million of private activity volume cap to complete the transaction; (3) of the cost of issuance budget, estimated to be approximately \$570,000 to be funded by the Single Family Program; and (4) to adopt one or more Series Resolution(s) authorizing the issuance of the 2024 Bonds. A motion was made by Commissioner Croom to adopt Resolutions 2024-33A and 2024-33B. Commissioner Salomon seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd,

Kelleher, Croom, and Salomon. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

2. Westside Shady Grove: Building B Proposed Names

Chair Priest introduced President Andrews who provided an overview and introduced Tia Blount, Vice President, Public Affairs, who provided the presentation. Staff recommended that the Commission approve the name The Muse. After much deliberation, a motion was made by Chair Priest to adopt the name The Endeavor. Commissioner Salomon seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Kelleher, Croom, and Salomon. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

3. Hillandale Gateway: Approval of Additional Funding for Legal Services Provided by Gallagher Evelius and Jones, LLP for Hillandale Gateway

Chair Priest introduced President Andrews who provided an overview and introduced Kathryn Hollister, Housing Acquisition Manager, who provided the presentation. Staff recommended that the Commission approve additional legal services provided by Gallagher Evelius and Jones in the amount of \$233,000, for a total contract amount not to exceed \$625,000. Chair Priest expressed that the Commission felt strongly about moving this matter forward and a motion was made by Commissioner Salomon to adopt Resolution 24-35. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Kelleher, Croom, and Salomon. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

4. Hillandale Gateway: Approval of a Single Maturity Date for the Housing Production Fund Loan to Hillandale Gateway, LLC

Chair Priest introduced President Andrews who provided an overview and introduced Zachary Marks, Vice President, Real Estate, and Kathryn Hollister, Housing Acquisition Manager, who provided the presentation. Staff recommended that the Commission approve a single maturity date for the Housing Production Fund. A motion was made by Commissioner Salomon to adopt Resolution 24-36. Commissioner Croom seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Kelleher, Croom and Salomon. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

5. Alexander House LP/SCRRAC: Approval of Maintenance Responsibilities for the South County Regional Recreational and Aquatic Facility

Chair Priest introduced President Andrews who provided an overview and introduced Zachary Marks, Vice President, Real Estate, who provided the presentation. Staff recommended that the Commission approve Alexander House Limited Partnership providing written acknowledgement that the maintenance requirements in the SCRRAC AH Lease will control over any conflicts between the maintenance requirements in the Alexander House Commercial Condominium. A motion was made by Commissioner Salomon to adopt Resolution 24-37. Commissioner Croom seconded the motion. Affirmative votes were

cast by Commissioners Priest, Byrd, Kelleher, Croom, and Salomon. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

Chair priest called for a motion to go into recess. This motion was approved by Commissioner Croom and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, and Salomon. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

The meeting went into recess at 5:25 p.m. The meeting reconvened at 5:29 p.m.

Commissioner Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Commissioner Kelleher seconded the motion, with Commissioners Priest, Byrd, Kelleher, Croom and Salomon voting in approval. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 5:30p.m., and reconvened in closed session at 5:35 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County's closed session held on May 8, 2024 at approximately 5:35p.m. via a hybrid model (with some participating virtually and some participating in-person) with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(3), 3-305(b)(9), and 3-305(b)(13) to discuss three potential acquisitions of real property (pursuant to Section 3-305(b)(3)); the status of ongoing negotiation with the union and matters related to the negotiation (pursuant to Section 3-305(b)(9)); and the confidential commercial and financial terms of lenders' proposed financing structure for the Hillandale Gateway development (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated May 8, 2024 was adopted on a motion made by Commissioner Priest, seconded by Commissioner Kelleher, with Commissioners Roy Priest, Pamela Byrd, Frances Kelleher, Linda Croom, and Robin Salomon voting in favor of the motion. Commissioner Jeffrey Merkowitz was necessarily absent and did not participate in the vote. The following persons were present for the discussion of Topic #1 (listed below): Roy Priest, Robin Salomon, Linda Croom, Frances Kelleher, Elaine Cole, Chelsea Andrews, Aisha Memon, Eric Wool, and Jason Geno. The following persons were present for the discussion of Topics #2 and #3 (listed below): Roy Priest, Robin Salomon, Linda Croom, Frances Kelleher, Chelsea Andrews, Aisha Memon, Kayrine Brown, Paige Gentry, Zachary Marks, Victora Dixon, Kathryn Hollister, Morgan Tucker, Contessa Webster, and Imani Benjamin-Johnson.

In closed session, the Commission discussed the below topics and took the following actions:

1. **Topic:** Status of the ongoing negotiation with the union (MCGEO) and matters related to the ongoing negotiation (pursuant to Section 3-305(b)(9)).

- a. **Action Taken:** With a quorum present, Commissioners received information about the status of the negotiation with the union and matters related to the negotiation, including the open negotiation issues surrounding staffing and compensation. No formal action was taken.
2. **Topic:** Confidential commercial and financial terms of lenders' proposed financing structure for Hillandale Gateway (pursuant to Section 3-305(b)(13)).
 - a. **Action Taken:** With a quorum present, Commissioners Roy Priest, Robin Salomon, Linda Croom, and Frances Kelleher adopted Resolution 24-38, Resolution 24-39, Resolution 24-40, Resolution 24-41A, and Resolution 21-41B. Commissioners Byrd and Merkowitz were necessarily absent and did not participate in the vote. Respectively, these resolutions approved the following matters related to the Hillandale Gateway transaction: an increase in the draws on the PNC Bank, N.A. Real Estate Line of Credit; establishment of a debt service reserve for certain loans; approval of permanent financing sources; and an amendment to the finance plan and bond authorizing resolution.
3. **Topic:** Three potential acquisitions of real property located in Gaithersburg and Silver Spring, Maryland (pursuant to Section 3-305(b)(3)).
 - a. **Action Taken:** With a quorum present, Commissioners received information about three potential acquisitions of real property located in Gaithersburg and Silver Spring, Maryland. No formal action was taken.

The closed session was adjourned at 8:15p.m.

Respectfully submitted,

Chelsea Andrews,
Secretary-Treasurer

/caw

Consent Item

WESTWOOD TOWER: APPROVAL OF ADDITIONAL FUNDING FOR THE CONTINUATION OF LITIGATION SERVICES

June 5, 2024

- In November 2021, pursuant to Section 5.6(ii) of HOC's Procurement Policy, the Commission authorized an emergency procurement for the continuation of litigation services provided by Douglas & Boykin PLLC ("Douglas"), and approved the use of Westwood Tower's existing property cash to fund future legal costs and fees associated with the litigation services in an amount not to exceed \$270,000.
- On May 3, 2023, the Commission approved an additional \$50,000 in funding to conclude the appeals process in the Appellate Court of Maryland.
- On September 22, 2023, the Supreme Court of Maryland granted a writ of certiorari, and the Commission approved an additional \$83,000 in funding to proceed with the appeals process in the Supreme Court of Maryland.
- Staff is seeking an additional \$120,000 (for a total contract amount of \$523,000) to close out the work associated with the appeal to the Supreme Court of Maryland and to have funds in reserve to address any legal work that may be required once the Supreme Court of Maryland issues its opinion.
- Staff recommends that Westwood Tower's existing property cash be used to fund future legal costs and fees associated with the continuation of litigation services provided by Douglas. The property has approximately \$2.7 million; the additional litigation funding will not adversely impact the property's budget.

RESOLUTION No.: 24-42

RE: Approval of Additional Funding for the Continuation of Litigation Services for Westwood Tower Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) is the owner of a multifamily building located at 5401 Westbard Avenue, Bethesda known as Westwood Tower Apartments (“Westwood Tower”); and

WHEREAS, on January 8, 2020, HOC entered into an Agreement for Services with Douglas & Boykin PLLC (“Douglas”), which included HOC’s ability to request that Douglas represent HOC in the event any litigation was filed; and

WHEREAS, on August 10, 2021, HOC was named as a defendant in a Complaint for Writ of Mandamus filed in the Circuit Court for Montgomery County, Maryland (Case No. 486734-V) by the Bethesda African Cemetery Coalition, Reverend Olusegun Adebayo, Darold Cuba, Geneva Nanette Hunter, and Montani Wallace, and shortly thereafter, staff engaged Douglas to represent HOC in the litigation; and

WHEREAS, on November 3, 2021, the Commission approved the use of Westwood Tower’s existing property cash to fund legal costs and fees provided by Douglas in an amount not to exceed \$270,000; and

WHEREAS, on May 3, 2023, the Commission approved an additional \$50,000 to fund the appeals process in the Appellate Court of Maryland; and

WHEREAS, on September 22, 2023, the Supreme Court of Maryland granted a writ of certiorari, and the Commission approved an additional \$83,000 in funding to proceed with the appeals process in the Supreme Court of Maryland; and

WHEREAS, staff is seeking an additional \$120,000 to close out the work associated with the appeal to the Supreme Court of Maryland, and to have funds in reserve to address any legal work that may be required once the Supreme Court of Maryland issues its opinion.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the use of Westwood Tower’s existing property cash to fund additional legal costs and fees associated with the continuation of litigation services provided by Douglas in an amount not to exceed \$120,000.

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

I **HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on June 5, 2024.

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Chelsea J. Andrews
President/Executive Director

APPROVAL TO APPOINT COMMISSIONERS TO THE BOARD OF DIRECTORS OF VARIOUS DEVELOPMENT CORPORATIONS

JUNE 5, 2024

- The Development Corporations are special purpose entities that hold various HOC properties.
- The Bylaws of the Development Corporations provide that the Board of Directors shall be selected annually by the Housing Opportunities Commission of Montgomery County.
- This action seeks the Commission's approval to appoint the current HOC Commissioners to the Board of Directors of each Development Corporation.

RESOLUTION No.: 24-43

RE: Approval to Appoint Commissioners to the Board of Directors of Various Development Corporations

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) owns various properties through wholly-controlled corporate instrumentalities, including: Alexander House Development Corporation, Barclay Apartments Development Corporation, Brookside Glen Apartments Development Corporation, Diamond Square Development Corporation, Glenmont Crossing Development Corporation, Glenmont Westerly Development Corporation, Magruder’s Discovery Development Corporation, The Metropolitan Development Corporation, Montgomery Arms Development Corporation, Oaks at Four Corners Development Corporation, Paddington Square Development Corporation, Pooks Hill Development Corporation, Rad 6 Development Corporation, Scattered Site One Development Corporation, Scattered Site Two Development Corporation, Sligo Hills Development Corporation, TPM Development Corporation, VPC One Corporation, VPC Two Corporation, and Wheaton Metro Development Corporation (together, the “Corporations”);

WHEREAS, the Bylaws of the Corporations provide that the Board of Directors of the Corporations shall be selected annually by HOC;

WHEREAS, the Commission desires to appoint Roy O. Priest, Frances Kelleher, Pamela Byrd, Linda Croom, Jeffrey Merkwowitz, and Robin Salomon (each an “Appointee”) to the Board of Directors of the Corporations;

WHEREAS, when an Appointee is no longer an HOC Commissioner (through death, resignation, or otherwise), such Appointee shall be automatically removed from the Board of Directors of the Corporations; and

WHEREAS, in the event a successor Commissioner is appointed to HOC, such Commissioner shall automatically be appointed to the Board of Directors of the Corporations.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County appoints Roy O. Priest, Frances Kelleher, Pamela Byrd, Linda Croom, Jeffrey Merkwowitz, and Robin Salomon to the Board of Directors of the Corporations.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that when an Appointee is no longer an HOC Commissioner (through death, resignation, or otherwise), such Appointee shall be automatically removed from the Board of Directors of the Corporations, and in the event a successor Commissioner is appointed to HOC, such Commissioner shall automatically be appointed to the Board of Directors of the Corporations.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the President/Executive Director, or their designee, is authorized to take any and all other actions necessary and proper to carry out the actions contemplated herein, including the

execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on June 5, 2024.

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Chelsea J. Andrews
President/Executive Director

Committee Reports and Recommendations for Action

Budget, Finance & Audit Committee

PROCUREMENT OF PROPERTY MANAGEMENT SERVICES: RENEWAL OF PROPERTY MANAGEMENT CONTRACT FOR THE LEGGETT

June 5, 2024

- The property management contract for The Leggett will expire on July 31, 2024.
- Staff is requesting authorization for the President/Executive Director to renew the current management agreement with Habitat America for a period of one-year in accordance with the contract and Procurement Policy.
- The Budget Finance and Audit Committee reviewed this request at its meeting on May 24, 2024, and joins staff's recommendation that the Commission approve the renewal of the property management contract with Habitat America for The Leggett for one year from August 1, 2024 through July 31, 2025.

M E M O R A N D U M

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, President/Executive Director

FROM: Staff: Ali Ozair, Vice President, Property Management

RE: **Procurement of Property Management Services:** Renewal of Property Management Contract for The Leggett

DATE: June 5, 2024

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 recommends renewing the management agreement for The Leggett set to expire on July 31, 2024 through July 31, 2025.

The Leggett is currently (as of May 27, 2024) 78.28% occupied and 79.78% leased and is expected to achieve stabilized occupancy of 93% by July 31, 2024. At the time of the execution of the management agreement, the stabilization date was expected to be December 31, 2023. However, due to delays in construction leading to delayed delivery of units for occupancy along with challenges in leasing the 118 units at 80% of the area median income (“AMI”), the stabilization date had to be extended to July 31, 2024. Additionally, the lease-up was impacted by the ongoing construction of the Silver Spring Recreation and Aquatic Center (“SCRAAC”), which was completed in the first quarter of calendar year 2024.

First move-ins at the Leggett occurred in May 2023. Habitat America (“Habitat”), the current Property Management Company, has averaged 17.5 leases per month, including 7.5 leases per month for market rate units. For market rate senior housing, this is an acceptable pace. Still, staff continues to address issues and provide support in an effort to complete the lease-up given the time lost to construction delays.

Staff is diligently overseeing the performance of the property to ensure the attainment of stabilization objectives by July 31, 2024. Weekly scheduled meetings are conducted between Habitat and HOC personnel, supplemented by daily dialogues and follow-up activities, all aimed at expediting the stabilization process of the asset without any further delays.

The following table identifies the Property Management Company, annual contract cost, current contract end date, proposed renewal period.

Property	Property Management Company	Annual Contract Cost @100% Occupancy	Current Contract End Date	Proposed Renewal Period
The Leggett	Habitat America	\$144,180	7/31/2024	8/1/2024 – 7/31/2025

*Management fees, as a percentage of total revenue, are not yet available due to ongoing stabilization efforts at the property.

Habitat America – Habitat America was founded in 1988 and provides property management services in Maryland, Washington DC, Virginia and Delaware. They specialize in the management of age-restricted, market-rate and affordable housing. Their current portfolio consists of 118 properties with 11,727 units under management. They currently manage five (5) properties for HOC including Forest Oak Tower, Willow Manor Fair Hill Farm, Willow Manor Colesville, Willow Manor Clopper’s Mill and The Leggett.

ISSUES FOR CONSIDERATION:

Does the Commission accept staff’s recommendation, which is supported by the Budget Finance and Audit Committee to authorize the President/Executive Director to execute a renewal of the property management contract with Habitat America for The Leggett?

BUDGET IMPACT:

The renewal of the property management contracts will not have an adverse budget impact for the CY 2024 operating budget as the costs associated with the services are included in the property budgets. Additionally, the contracts will be performance-based with fees paid only on occupied units.

TIME FRAME:

For formal action at the June 5, 2024 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission authorize the President/Executive Director to approve the renewal of the property management services contract with Habitat America for The Leggett.

RESOLUTION NO.:24-44

RE: Renewal of Property Management Contract for The Leggett

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) is the sole member of EH III GP LLC, a Maryland limited liability company, the general partner of Elizabeth House III Limited Partnership (“EH III LP”), which owns The Leggett, a 267-unit, age-restricted, apartment community located at 1315 Apple Ave, Silver Spring, MD 20910 (the “Property”);

WHEREAS, staff desires to renew the current property management contract at the Property with Habitat America until July 31, 2025.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on its own behalf and in its capacity as the sole member of EH III GP LLC, acting in its own behalf and in its capacity as the general partner of the EH III LP, that the President/Executive Director of HOC, or their designee, is hereby authorized and directed to execute a renewal of the property management contract for the Property with Habitat America until July 31, 2025.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on June 5, 2024.

Chelsea J. Andrews
President/Executive Director

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FISCAL YEAR 2024 (FY'24) THIRD QUARTER BUDGET TO ACTUAL STATEMENTS: ACCEPTANCE OF THE THIRD QUARTER FY'24 BUDGET TO ACTUAL STATEMENTS

June 5, 2024

- The General Fund ended the third quarter of fiscal year 2024 with a negative variance as a result of delayed Commitment and Development Fee income scheduled for the first nine months of FY 2024 that are anticipated to materialize later in FY 2024 or shift to FY 2025, and lower draws on the Opportunity Housing Reserve Fund (“OHRF”) that were partially offset by savings in various expense categories.
- At the end of the third quarter, several 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 Housing Choice Voucher (“HCV”) Program experienced a surplus through March 31, 2024, due to higher than anticipated administrative fee income coupled with HAP revenue that exceeded expenses.
- The Agency ended the third quarter of fiscal year 2024 with a net cash flow shortfall of (\$7,163,808), which resulted in a third quarter budget to actual negative variance of (\$9,723,914) when compared to the anticipated third quarter net cash flow surplus of \$2,560,106.
- The Budget Finance and Audit Committee reviewed this request at its meeting on May 17, 2024, and joins staff’s recommendation that the Commission accept the third quarter of fiscal year 2024 budget to actual statements.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, President / Executive Director

FROM: Staff: Timothy Goetzinger, Senior VP Finance / Chief Financial Officer
Terri Fowler, Budget Officer

RE: **Fiscal Year 2024 (FY'24) Third Quarter Budget to Actual Statements:**
Acceptance of the Third Quarter FY'24 Budget to Actual Statements

DATE: June 5, 2024

OVERALL GOAL & OBJECTIVE:

Commission acceptance of the Third Quarter FY'24 Budget to Actual Statements.

BACKGROUND:

The President/Executive Director presented the Third Quarter Budget to Actual statements to the Budget, Finance and Audit Committee for review. The recommendation is now presented to the full Commission for its acceptance. For proper context, it is necessary to provide the backdrop that highlights the initiative undertaken and investments made to reverse the adverse operating trends brought on by the COVID-19 pandemic, from which the properties are slowly emerging.

Towards the end of the quarter, HOC implemented a new scattered site staffing plan. The immediate outcome was increased leasing activity and management actions that resulted in voluntary move-outs. Lease enforcement provided some tenants with the opportunity to move and avoid eviction. While creating vacancies, the positive is that HOC gained immediate access to units that were previously non-revenue.

HOC staff are actively managing the waitlist, ensuring that everyone has a fair opportunity to secure housing. This collaborative effort between our dedicated staff and our third-party managers will significantly boost leasing efforts and allow HOC to improve its customer service.

Approximately 168 evictions are in process within the HOC-managed portfolio and several hundred more within the third-party-managed portfolio for non-paying tenants who owe at least \$2,000 or more in past due rents. Staff believes the Commission has at least two more quarters of heightened eviction activity as a holdover of COVID. The negative impact on revenue is compounded by the prolonged duration of the court system, which often takes seven to nine months to process a case.

ISSUES FOR CONSIDERATION:

To assess the financial performance of the Housing Opportunities Commission of Montgomery County (“Agency”) for the third quarter of FY’24 against the budget for the same period.

BUDGET IMPACT:

None for FY’24.

TIME FRAME:

For formal Commission action at the June 5, 2024 meeting.

The Budget, Finance and Audit Committee informally discussed the Third Quarter FY’24 Budget to Actuals at the May 17, 2024, meeting and supports staff’s recommendation.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Commission formally accept the Third Quarter FY’24 Budget to Actual Statements.

DISCUSSION – THIRD QUARTER BUDGET TO ACTUAL STATEMENTS

This review of the Budget to Actual Statements for the Agency through the third quarter of FY'24 consists of an overall summary and additional detail on the Opportunity Housing properties, the Development Corporation properties, the Housing Choice Voucher (“HCV”) Programs and all Capital Improvements Budgets.

HOC Overall (see Attachment A)

The Agency’s Audited Financial Statements are presented on an 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'24 Third Quarter Operating Budget to Actual Comparison (Attachment A) shows unrestricted net cash flow or deficits for each of the funds. Attachment A also highlights the FY'24 Third Quarter Budget to Actual Comparison for Capital Expenses.

The Agency ended the quarter with a net cash flow shortfall of **(\$7,163,808)**. This shortfall resulted in a third quarter budget to actual negative variance of **(\$9,723,914)** when compared to the anticipated third quarter net cash flow surplus of \$2,560,106. The primary causes continue to be lower unrestricted cash flow in some of the unrestricted Opportunity Housing properties as a result of property performance (see Opportunity Housing Fund), coupled with lower fee income in the General Fund partially offset by savings in various expense categories in the fund (see General Fund).

Explanations of Major Variances by Fund

The **General Fund** consists of the basic overhead costs for the Agency. This fund ended the period with a deficit of **(\$6,352,033)**, which resulted in a negative variance of **(\$662,654)**, when compared to the projected deficit of **(\$5,689,379)**.

As of March 31, 2024, income in the General Fund was \$5,420,379 lower than budgeted and expenses were \$4,757,725 lower than budgeted.

The negative income variance was primarily the result of delays in the receipt of the Commitment and Development Fees scheduled for the first nine months of FY 2024. It is important to recognize that the numbers are estimates based on current plans; however, they are subject to changes in

the financial market and project costs. The total impact to the FY'24 General Fund due to the size and timing of certain fee income through March 31, 2024 was a shortfall of approximately \$4.8M when compared to budget. Staff is actively working on securing additional Development Fees for Georgian Court, Shady Grove Apartments, and Stewartown Homes totaling approximately \$2.6M, that were not anticipated in FY'24, by June 30, 2024. These actions will provide just over \$1.0M to the General Fund in FY'24. When combined with the fees already planned for the fourth quarter of FY'24, the negative variance at year-end is projected to be \$1.9M. Details are presented below:

- Commitment Fees for the Battery Lane and Bradley Crossing refinancing will not be received until FY'25, based on a shift in the timing, and have been incorporated into the FY'25 Budget that is being developed. They are projected to contribute approximately \$791 thousand to the General Fund in FY'25.
- The Commitment and Development Fees for the Metropolitan will not be received until FY'25, based on a shift in the timing of the renovation, and have been incorporated into the FY'25 Budget that is being developed. They are projected to contribute approximately \$986 thousand to the General Fund in FY'25.
- Staff are working to receive both fees for Hillandale by the end of FY'24; however, the commitment fee is anticipated to be lower by approximately \$671k of which 40% or \$268k will negatively impact the General Fund, based on the current interest rate environment, which has resulted in a lower loan amount.
- The Development Fees for Bauer Park have shifted to the end of FY'24 and have also been reduced slightly to account for the final payment of approximately \$236 thousand, following the completion issuance of the Internal Revenue Service ("IRS") Form 8609, Low Income Housing Tax Credit Allocation and Certification, now anticipated for September 2024. It is projected to contribute approximately \$94 thousand to the General Fund in FY'25.
- The projected Development Fees for the Leggett were delayed and are now anticipated to be received in two equal installments of approximately \$796k. Both installments that were originally expected in FY'24 have shifted to FY'25, based on achieving certain milestones, and will be incorporated into the FY'25 Budget that is being developed.
- Stewartown Homes received a portion of the anticipated fees with the final payment of approximately \$634k, following the completion issuance of IRS Form 8609, Low Income Housing Tax Credit Allocation and Certification, now projected to be received in early FY'25. The fee for FY'25 will be incorporated into the FY'25 Budget that is being developed. It is projected to contribute approximately \$254 thousand to the General Fund in FY'25.
- Finally, Residences on the Lane received approximately \$1.4M of Development fees, not anticipated until FY'25, in December 2023 contributing approximately \$571 thousand to the FY'24 General Fund. The final payment of \$150k, following the completion issuance of IRS Form 8609, Low-Income Housing Credit Allocation and Certification, is now projected to be received in early FY'25 and will be incorporated into the FY'25 Budget that

is being developed. It is projected to contribute \$60,000 to the General Fund in FY'25.

There were also lower draws from the Opportunity Housing Reserve Fund ("OHRF") for Real Estate personnel and predevelopment costs.

The positive expense variance was primarily the result of lapse in salary and benefits coupled with savings in professional services, computer software, utilities, maintenance contracts, 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.

Income (the bond drawdowns that finance the administrative costs for these funds) is consistent with the budget. The Multifamily and Single Family Bond Funds experienced positive expense variances of \$188,773 and \$227,304, respectively, as a result of salary and benefit lapse coupled with savings in legal and financial services.

The Opportunity Housing Fund

Non-payment of rent has continued at some of the properties. Stepped up management actions have resulted in an increase in notices to vacate and voluntary move out's. Because of a backlog in evictions related legal actions across the county, the average length of time to obtain a court date is five to nine months. Asset Management has confirmed that properties have resumed applying late fees and started collection efforts as directed by the Commission. Some tenants have begun making payments, seeking rental assistance, or moving out, which has also resulted in higher vacancy loss. This vacancy is a long-term positive because once the unit is vacated property management can complete repairs for leasing to a new paying tenant. Due to procedural constraints and court timelines, a transitional period with more evictions is expected, leading to increased vacancy loss. This will be managed through proactive resident payments or, if needed, eviction procedures resulting in immediate write-offs and external collections. Asset Management is exploring delinquency trackers for properties with sustained high delinquency levels in partnership with Property Management.

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'24 Operating Budget. This group ended the quarter with cash flow of \$2,588,318 or \$3,265,954 less than projected.

- **Alexander House Dev Corp** ended the quarter with a deficit of \$188,615, which resulted in a negative cash flow variance of \$255,258 when compared to the projected surplus of \$66,643, primarily from greater than anticipated maintenance and bad debt expense coupled with higher concessions and vacancy loss as well as lower miscellaneous rental fees.
- **The Barclay Dev Corp** negative cash flow was \$75,677 less than anticipated based on savings in most expense categories coupled with lower concessions that were partially offset by lower gross rents and higher vacancy loss.
- Cash flow for **Magruder's Discovery Dev Corp** was \$300,521 lower than budget primarily based on higher vacancy loss and lower gross rents coupled with overages in maintenance and utility costs partially offset by savings in administrative costs.
- **Metropolitan Dev Corp** experienced a negative cash flow variance of \$254,650. The budget did not include debt service payments or replacement reserve contributions after February 2024 based on the planned renovations. The renovations have shifted to FY'25 resulting in the continuation of these expenses. In addition, computer software, electrical contracts, and security expenses were higher than anticipated. The higher expenses were partially offset by lower vacancy loss and parking income as the property began offering short-term leases on units held vacant for renovations.
- **Metropolitan Affordable** experienced a negative cash flow variance of \$101,222 based on the delay in renovations resulting in the continuation of debt service payments or replacement reserve contributions coupled with overages in most expense categories. The higher expenses were partially offset by slightly lower vacancy loss and higher parking income as the property began offering short-term leases on units held vacant for renovations.
- Cash flow at **Montgomery Arms Dev Corp** was \$283,370 lower than anticipated primarily due to lower rental gross rents and higher vacancy loss. The property also experienced higher than anticipated bad debt, security, maintenance, and administrative costs that were countered by savings in utilities expenses.
- **MPDU 59** experienced a negative cash flow variance of \$59,132 resulting from higher vacancy loss coupled with overages in bad debt and utility expenses partially countered by savings in maintenance and administrative costs.
- **Paddington Square** ended the quarter with a negative cash flow variance of \$300,303 largely due to lower gross rents, higher vacancy loss coupled with overages in maintenance and administrative costs partially offset by lower bad debt expense. The overages in maintenance were largely due to higher painting contract costs and restoration expenses following a fire in one of the units. An insurance claim for the fire was submitted last April. Reimbursements of \$85,870 were received in late March 2024 and will be reflected in the FY'24 year-end reporting.
- **Pooks Hill High Rise** had a negative cash flow variance of \$128,903 due to higher maintenance, bad debt, and utility costs coupled with higher vacancy loss and lower laundry income partially offset by higher gross rents and savings in administrative cost.

- Cash flow at **Sligo MPDU III** ended the period with a negative cash flow variance of \$39,538 due to higher vacancy loss and lower gross rents coupled with higher bad debt and utility expenses partially offset by savings in administrative and maintenance expenses.
- Cash flow for **VPC One** was \$1,175,906 lower than budget primarily resulting from higher vacancy loss and lower gross coupled with higher bad debt, utility, and maintenance expenses related to turnover that were partially offset by savings in administrative costs due to staff vacancies.
- **VPC Two** experienced a negative cash flow variance of \$435,737 based on higher bad debt, debt service, and utility costs coupled with higher vacancy loss partially offset by savings in maintenance and administrative expenses.

The second group consists of properties whose cash flow will not be used for the Agency's FY'24 Operating Budget. The deficit from this group of Development Corporation properties was \$1,133,651 more than budgeted through March 31, 2024.

- The **RAD 6 Dev Corp** properties ended the third quarter with a deficit of (\$1,543,059), which resulted in a negative cash flow variance of \$1,173,615 when compared to the projected deficit of (\$369,444). Collectively, this resulted from lower rental revenue and higher vacancy loss coupled with overages in maintenance and utility expenses. Any deficit at year-end will be covered by unrestricted cash flow from the total portfolio.

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'24 Operating Budget. This group ended the quarter with cash flow of \$23,102, which was \$2,741,555 less than projected. Continued expenses at the vacated Elizabeth House make up \$339,682 of this cumulative negative variance due to final utility payments and maintenance expenses.

Other properties are reporting year-to-date deficits based on property performance primarily due to higher maintenance costs and bad debt expense. This group contains a large segment of our scattered site portfolio. Maintenance staff continue to inspect the units finding deferred maintenance and repairs needing attention. As state previously, the continual non-payment of rent has also increased bad debt expense at some of these properties.

- **MPDU I (64)** experienced a negative cash flow variance of \$193,493 because of overages in bad debt, utility, and maintenance costs and slightly higher debt service payments, due to increased rates on the PNC Real Estate Line of Credit ("RELOC"), coupled with lower

gross rents and higher vacancy loss, as a result the 10 units held vacant for the recent sell to Habitat, partially offset by savings in administrative expenses.

- **Avondale Apartments** reported a negative cash flow variance of \$116,206 based on higher debt service expense, due to increased rates on the PNC RELOC, and higher maintenance, bad debt expenses coupled with lower rental revenue and higher concessions and vacancy loss partially offset by lower administrative expenses.
- **Battery Lane** experienced a negative cash flow variance of \$452,542 largely due to higher debt service expenses, due to increased rates on the PNC RELOC, and higher bad debt, maintenance, and utility costs coupled with lower gross rents and higher vacancy loss that was partially offset by savings in administrative expenses.
- **Bradley Crossing** ended the period with a negative variance of \$676,222 as a result of overages in utility, administrative and debt service expenses, due to increased rates on the PNC RELOC coupled with lower gross rents and slightly higher concessions that were partially offset by lower vacancy loss, bad debt, and maintenance expenses.
- **Camp Hill Square** experienced a negative cash flow variance of \$165,535 because of higher maintenance, bad debt, and administrative expenses coupled with higher vacancy loss that were partially offset by lower utility expenses.
- The deficit at **Holiday Park** was \$98,300 more than anticipated as a result of higher utility and maintenance expenses coupled with slightly lower gross rents and higher vacancy loss that were partially offset by lower admin costs.
- **Manchester Manor** reported a deficit of \$183,263 resulting in a negative cash flow variance of \$93,782 due to higher vacancy loss coupled with overages in bad debt, administrative, maintenance, and utility expenses partially offset by small savings in security costs.
- **McHome** had a negative cash flow variance of \$39,893 due to lower gross rents and higher vacancy loss coupled with higher maintenance, bad debt, and utility costs partially offset by savings in administrative expenses.
- **McKendree** experienced a negative cash flow variance of \$52,913 because of overages in each major expense category coupled with unanticipated vacancy loss.
- **MHLP VII** reported a negative cash flow variance of \$45,406 as a result of higher vacancy loss coupled with overages in utility, maintenance and debt service payments, due to increased rates on the PNC RELOC, that were partially offset by lower than anticipated bad debt expense.
- The shortfall for **MHLP IX – Pond Ridge** was \$69,838 less than budget largely based on higher maintenance, bad debt, and utility expenses partially offset by savings in administrative costs and lower vacancy loss.
- Cash flow for **MHLP X** was \$37,175 more than budget as a result of as a result of lower debt service payments resulting from the refinance that occurred in August resulting in no payment for September and lower administrative cost partially offset by higher bad debt, maintenance, and utility costs coupled with lower gross rents and higher vacancy loss.

- **Pooks Hill Mid-Rise** experienced a negative cash flow variance of \$101,931 primarily as a result of overages in turnover maintenance, utility, and security costs coupled with rental income and higher vacancy loss and concessions that were partially offset by savings in administrative expenses.
- **Strathmore Court** reported a negative cash flow variance of \$125,375 as a result of higher vacancy loss with overages in administrative, utility, maintenance, and bad debt expenses partially offset by slightly higher gross rents.
- Cash flow for **TPP LLC Timberlawn** was \$36,338 more than anticipated due to savings in administrative and bad debt expenses coupled with lower vacancy loss that were partially offset by lower gross rents and overages in utility and maintenance costs.
- **Westwood Towers** experienced a negative cash flow variance of \$200,997 mainly due to the cost of the fire watch, required while the fire panel is being replaced, exceeding the original estimate based on increased coverage requirements by the County Fire Marshall following the power interruption in January that required evacuation of the building. There were also overages in administrative and maintenance expenses coupled with higher vacancy loss that are partially offset by lower utility expenses and bad debt.
- Cash flow at **The Willows** was \$43,696 lower than anticipated due to overages in maintenance, utility, tenant services, and insurance expenses that were partially offset by higher gross rents.

The second group consists of properties whose cash flow will not be used for the Agency's FY'24 Operating Budget. Some of these properties have legal restrictions on the use of cash flow; others may have needs for the cash flow. This group of properties ended the quarter with a cash flow deficit of \$2,479,386 resulting in a negative variance of \$2,636,491. The majority of the variance is from **Cider Mill**, which reported a negative cash flow variance of \$2,154,852 due to overages in bad debt, maintenance, administrative, utility, and security costs coupled with higher vacancy loss. Staff is working to reduce the current deficit of \$1,880,136 through active lease enforcement and lease-up as well as reviewing maintenance expenses for possible capital expenditures that should be reclassified; however, any final shortfall at year-end will have to be covered by the Agency, as the property does not have sufficient cash to address the deficit.

Similar to the unrestricted properties in this chart, several properties reported a deficit at the end of the period with major contributors of higher maintenance, utility and bad debt expense coupled with higher vacancy loss at some of the properties.

- The demolition of **The Ambassador** was completed in April of 2020. The property experienced expenses of \$71,398 driven by interest paid on the outstanding debt on the PNC RELOC, filing fees for the tax return and personal property taxes. There are sufficient reserves at the property to cover the costs.
- **Brooke Park** experienced a negative cash flow variance of \$78,663, mainly resulting from a delay in occupying the units post renovation coupled with higher maintenance and

utility expenses partially offset by savings in administrative and security expenses.

- **Brookside Glen** reported a negative cash flow variance of \$162,528 at the end of the quarter due to lower gross rents and higher vacancy loss coupled with higher maintenance repair expenses that were partially offset by savings in administrative, utility, and bad debt expense.
- **Brookville Road** ended the period with negative cash flow of \$166,219 but achieved a positive variance of \$116,519 mostly as a result of lower than budgeted interest payments on the PNC RELOC. There is sufficient cash from prior periods to cover the current period loss at the property.
- **Diamond Square** ended the period with a negative cash flow variance of \$105,373 primarily resulting from higher bad debt and administrative costs coupled with lower gross rents and higher utility allowances that were partially offset by savings in maintenance and utility expenses.
- Cash flow for the **NCI** and **NSP** units collectively were \$48,819 and \$21,051 lower than budget, respectively, due to two of the fourteen NCI units remaining vacant for the entire period and two more vacant for six and seven months of the period coupled with overages in maintenance and bad debt expenses, and two of the seven NSP units remaining vacant.
- **State Rental Combined** experienced a negative cash flow variance of \$126,423 due to higher vacancy loss and lower gross rents coupled with overages in bad debt and utility expenses that were partially offset by lower maintenance and administrative costs.

The Public Fund (Attachment D)

- The Housing Choice Voucher Program (“HCVP”) ended the third quarter with a surplus of \$2,047,815. This is comprised of an administrative surplus of \$2,034,050 and Housing Assistance Payment (“HAP”) revenue that exceeded HAP expenses by \$13,765. The HAP surplus will be restricted to the HCVP reserve known as the Net Restricted Position (“NRP”) for future HPA payments. The administrative surplus was the result of higher than anticipated administrative fee income coupled with savings in administrative expenses due largely to staff turnover. The higher administrative fee income was primarily the result of higher utilization, an increased proration rate of 97.38% compared to the budgeted rate of 89.5%, and unanticipated income from two new programs for Stability and Homeless Vouchers.

Tax Credit Partnerships

The Tax Credit Partnerships have a calendar year end and as a result are not included in this fiscal year presentation.

The Capital Budget (Attachment E)

Attachment E is a chart of the Capital Improvements Budget for FY’24. The chart is grouped in two sections – General Fund and Opportunity Housing properties. This report is being presented

for information only. Most of the variances in the capital budgets reflect the timing of expenditures. Capital projects are long-term; therefore, it is difficult to analyze each project on a quarterly basis. We will keep the Commission informed of any major issues or deviations from the planned Capital Improvements Budget.

There were several properties with nominal unplanned capital expenditures. In addition,

- **Avondale Apartments** exceeded its capital budget as a result of unplanned kitchen and bath work as well flooring and appliance replacements
- **Battery Lane** exceeded its capital budget as a result of unplanned painting, flooring replacements, and sewage repairs.
- **Bradley Crossing** exceeded its capital budget as a result of unanticipated carpet replacements, boiler repairs after a burst pipe, and replacement of HVAC units and the air handler.
- **Brookside Glen** exceeded its capital budget as a result of appliance replacements.
- **Glenmont Crossing** exceeded its capital budget as a result of higher than expected appliance, flooring, and HVAC replacements.
- **Holiday Park** exceeded its capital budget due to unanticipated replacements of flooring, HVAC, and water heater units.
- **Jubilee Horizon Court** experienced unanticipated capital expenditures as a result of a water leak coupled with replacement of railings for the wheelchair ramp.
- **Ken Gar** experienced unanticipated capital expenditures for window, roofing, flooring and appliance replacements.
- Based on the impending renovations both the **Metropolitan Dev Corp** and **Metropolitan Affordable** had limited capital budgets planned for FY'24. Due to the delay in the renovations, both properties have exceeded their respective capital budget as a result of higher HVAC, appliance, and flooring replacements, and the installation of a rolling grille.
- **Pooks Hill Highrise** exceeded its capital budget primarily due to restoration of three elevators coupled with higher than anticipated appliance, flooring, and HVAC replacements.
- **Pooks Hill Midrise** exceeded its capital budget due to unanticipated replacements of flooring, HVAC units, and appliances.
- **Sligo MPDU III** exceeded its capital budget as a result of unanticipated kitchen and bathroom work, and HVAC replacements.
- **Towne Center Place** exceeded its capital budget as a result of unanticipated appliance and flooring replacements.
- **Washington Square** exceeded its capital budget due to flooring and appliance replacements and a full renovation of one unit.
- Finally, **Westwood Tower** exceeded its capital budget as a result of door repairs, water mitigation in the garage, unexpected flooring and appliance replacements, and replacement of the fire panel that was authorized by the Commission in late 2023.

The majority of the properties have sufficient property reserves to cover the overages. Where this is not the case, staff are reviewing the obligations from the Opportunity Housing Property Reserve (“OHPR”) to ensure sufficient funds are available to cover the balance of the overages.

Resolution No. 24-45

Re: **Acceptance of the Third Quarter
FY'24 Budget to Actual Statements**

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 Third Quarter FY’24 Budget to Actual Statements during its June 5, 2024 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Third Quarter FY’24 Budget to Actual Statements.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on June 5, 2024.

Chelsea J. Andrews
President/Executive Director

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FY 2024 Third Quarter Operating Budget to Actual Comparison

	Unrestricted Net Cash Flow		
	(9 Months) Budget	(9 Months) Actual	Variance
General Fund			
General Fund	(\$5,689,379)	(\$6,352,033)	(\$662,654)
Administration of Multifamily and Single Family Fund			
Multifamily Fund	\$652,057	\$840,830	\$188,773
Draw from / (Restrict to) Multifamily Bond Fund	(\$652,057)	(\$840,830)	(\$188,773)
Single Family Fund	\$428,429	\$655,733	\$227,304
Draw from / (Restrict to) Single Family Bond Fund	(\$428,429)	(\$655,733)	(\$227,304)
Opportunity Housing Fund			
Opportunity Housing Properties	\$2,764,657	\$23,102	(\$2,741,555)
Development Corporation Property Income	\$5,854,272	\$2,588,318	(\$3,265,954)
Restricted Development Corporations with Deficits	(\$369,444)	(\$3,423,195)	(\$3,053,751)
OHRF			
OHRF Balance	\$7,774,716	\$937,694	(\$6,837,022)
Excess Cash Flow Restricted	(\$7,774,716)	(\$937,694)	\$6,837,022
Draw from existing funds	\$0	\$0	\$0
Net -OHRF	\$0	\$0	\$0
SUBTOTAL - General Fund, Multifamily, Single Family, Opportunity Housing	\$2,560,106	(\$7,163,808)	(\$9,723,914)
Public Fund			
(1) Housing Choice Voucher Program HAP	(\$1,910,709)	\$13,765	\$1,924,474
(2) Housing Choice Voucher Program Admin	\$38,650	\$2,034,050	\$1,995,400
Total -Public Fund	(\$1,872,059)	\$2,047,815	\$3,919,874
Public Fund - Reserves			
(1) Draw from / Restrict to HCV Program Cash Reserves	\$1,910,709	(\$13,765)	(\$1,924,474)
(2) Draw from / Restrict to HCV Program Excess Admin Fee	(\$38,650)	(\$2,034,050)	(\$1,995,400)
SUBTOTAL - Public Funds	\$0	\$0	\$0
TOTAL - All Funds	\$2,560,106	(\$7,163,808)	(\$9,723,914)

FY 2024 Third Quarter Operating Budget to Actual Comparison

	Capital Expenses		Variance
	(12 Months) Budget	(9 Months) Actual	
General Fund			
880 Bonifant	\$50,000	\$4,483	\$45,517
East Deer Park	\$165,817	\$0	\$165,817
Kensington Office	\$100,000	\$33,123	\$66,877
Information Technology	\$743,000	\$336,674	\$406,326
Opportunity Housing Fund	\$8,416,685	\$4,539,994	\$3,876,691
TOTAL - All Funds	\$9,475,502	\$4,914,274	\$4,515,711

FY 2024 Third Quarter Operating Budget to Actual Comparison

Development Corp Properties - Net Cash Flow

	(9 Months)	Variance		(9 Months)	Variance
	Net Cash Flow Budget	Income	Expense	Net Cash Flow Actual	
Properties with unrestricted cash flow for FY 2024 operating budget					
Alexander House Dev Corp	\$66,643	(\$29,842)	(\$225,416)	(\$188,615)	(\$255,258)
The Barclay Dev Corp	(\$101,583)	(\$20,738)	\$96,415	(\$25,906)	\$75,677
Glenmont Crossing Dev Corp	\$373,456	(\$22,874)	\$20,109	\$370,691	(\$2,765)
Glenmont Westerly Dev Corp	\$180,586	(\$29,059)	\$15,845	\$167,371	(\$13,215)
Magruder's Discovery Dev Corp	\$535,041	(\$235,664)	(\$64,857)	\$234,520	(\$300,521)
The Metropolitan Dev Corp	\$1,693,363	\$133,259	(\$387,909)	\$1,438,713	(\$254,650)
Metropolitan Affordable	(\$245,055)	\$29,774	(\$130,996)	(\$346,277)	(\$101,222)
Montgomery Arms Dev Corp	\$315,759	(\$98,099)	(\$185,272)	\$32,389	(\$283,370)
MPDU II (59) Dev Corp	\$235,385	(\$59,507)	\$376	\$176,253	(\$59,132)
Paddington Square Dev Corp	\$384,607	(\$91,949)	(\$208,354)	\$84,304	(\$300,303)
Pooks Hill High-Rise Dev Corp	\$417,820	(\$32,955)	(\$95,949)	\$288,917	(\$128,903)
Scattered Site One Dev Corp	\$34,739	(\$133,294)	\$136,316	\$37,761	\$3,022
Scattered Site Two Dev Corp	(\$71,316)	(\$89,854)	\$95,721	(\$65,449)	\$5,867
Sligo MPDU III Dev Corp	\$8,059	(\$13,338)	(\$26,201)	(\$31,479)	(\$39,538)
VPC One Dev Corp	\$1,207,179	(\$1,003,799)	(\$172,107)	\$31,273	(\$1,175,906)
VPC Two Dev Corp	\$819,589	(\$226,750)	(\$208,987)	\$383,852	(\$435,737)
Subtotal	\$5,854,272	(\$1,924,689)	(\$1,341,266)	\$2,588,318	(\$3,265,954)
Properties with restricted cash flow (external and internal)					
MetroPointe Dev Corp	(\$97,778)	\$2,219	\$19,202	(\$76,356)	\$21,422
Oaks at Four Corners Dev Corp	\$97,900	\$4,515	\$14,027	\$116,442	\$18,542
RAD 6 Dev Corp Total	(\$369,444)	(\$528,406)	(\$645,209)	(\$1,543,059)	(\$1,173,615)
Ken Gar Dev Corp	\$14,519	(\$62,996)	(\$71,004)	(\$119,480)	(\$133,999)
Parkway Woods Dev Corp	\$19,028	(\$66,887)	(\$12,130)	(\$59,989)	(\$79,017)
Sandy Spring Meadow Dev Corp	\$17,625	(\$85,895)	(\$126,449)	(\$194,719)	(\$212,344)
Seneca Ridge Dev Corp	(\$320,513)	(\$143,545)	(\$47,115)	(\$511,173)	(\$190,660)
Towne Centre Place Dev Corp	\$11,740	(\$110,858)	(\$204,922)	(\$304,040)	(\$315,780)
Washington Square Dev Corp	(\$111,843)	(\$58,225)	(\$183,589)	(\$353,658)	(\$241,815)
Subtotal	(\$369,322)	(\$521,672)	(\$611,980)	(\$1,502,973)	(\$1,133,651)
TOTAL ALL PROPERTIES	\$5,484,950	(\$2,446,361)	(\$1,953,246)	\$1,085,345	(\$4,399,605)

FY 2024 Third Quarter Operating Budget to Actual Comparison

For Opportunity Housing Properties - Net Cash Flow

	(9 Months)	Variance		(9 Months)	Variance
	Net Cash Flow Budget	Income	Expense	Net Cash Flow Actual	
Properties with unrestricted cash flow for FY 2024 operating budget					
MPDU I (64)	\$82,803	(\$57,132)	(\$136,361)	(\$110,690)	(\$193,493)
Avondale Apartments	\$33,863	(\$43,589)	(\$72,617)	(\$82,343)	(\$116,206)
Barclay Affordable	\$28,708	\$22,972	(\$7,842)	\$43,837	\$15,129
Battery Lane	\$407,400	(\$234,169)	(\$218,373)	(\$45,142)	(\$452,542)
Bradley Crossing	\$1,106,230	(\$294,843)	(\$381,379)	\$430,008	(\$676,222)
Camp Hill Square	\$28,389	(\$24,205)	(\$141,330)	(\$137,146)	(\$165,535)
Chelsea Towers	\$89,430	(\$13,784)	\$10,098	\$85,744	(\$3,686)
Day Care at Lost Knife Road	(\$24,600)	\$0	(\$6,884)	(\$31,484)	(\$6,884)
Elizabeth House Interim RAD	\$0	\$11,931	(\$351,613)	(\$339,682)	(\$339,682)
Fairfax Court	(\$3,626)	\$6,492	\$21,764	\$24,631	\$28,257
Georgian Court Affordable	\$0	\$0	(\$265)	(\$265)	(\$265)
Holiday Park	(\$43,732)	(\$8,077)	(\$90,223)	(\$142,032)	(\$98,300)
Jubilee Falling Creek	(\$1,475)	(\$918)	(\$5,973)	(\$8,366)	(\$6,891)
Jubilee Hermitage	(\$19,395)	(\$583)	\$4,895	(\$15,083)	\$4,312
Jubilee Horizon Court	(\$233)	(\$904)	(\$17,215)	(\$18,352)	(\$18,119)
Jubilee Woodedge	(\$11,205)	(\$215)	\$3,976	(\$7,444)	\$3,761
King Farm Village	\$2,910	(\$1,082)	(\$4,045)	(\$2,217)	(\$5,127)
Manchester Manor	(\$89,481)	(\$36,245)	(\$57,537)	(\$183,263)	(\$93,782)
McHome	\$25,567	(\$30,812)	(\$9,082)	(\$14,326)	(\$39,893)
McKendree	\$31,316	(\$13,397)	(\$39,516)	(\$21,597)	(\$52,913)
MHLP VII	(\$28,822)	(\$60,874)	\$15,468	(\$74,228)	(\$45,406)
MHLP VIII	\$49,681	\$15,726	(\$34,624)	\$30,783	(\$18,898)
MHLP IX Pond Ridge	(\$95,701)	\$20,224	(\$90,062)	(\$165,539)	(\$69,838)
MHLP IX Scattered Sites	(\$140,222)	\$32,022	(\$29,417)	(\$137,617)	\$2,605
MHLP X	(\$22,396)	(\$28,797)	\$65,973	\$14,779	\$37,175
MPDU 2007 Phase II	\$14,606	(\$11,230)	(\$12,183)	(\$8,806)	(\$23,412)
Olney Sandy Spring Road	\$0	\$125	(\$2,388)	(\$2,263)	(\$2,263)
Pooks Hill Mid-Rise	\$183,154	(\$33,823)	(\$68,109)	\$81,223	(\$101,931)
Strathmore Court	\$242,885	(\$15,315)	(\$110,060)	\$117,510	(\$125,375)
TPP LLC Pomander Court	(\$20,752)	(\$1,069)	\$33,293	\$11,472	\$32,224
TPP LLC Timberlawn	\$441,476	\$4,923	\$31,415	\$477,814	\$36,338
Westwood Tower	\$287,618	(\$69,499)	(\$131,497)	\$86,621	(\$200,997)
The Willows	\$210,261	\$46,643	(\$90,339)	\$166,565	(\$43,696)
Subtotal	\$2,764,657	(\$819,504)	(\$1,922,052)	\$23,102	(\$2,741,555)
Properties with restricted cash flow (external and internal)					
The Ambassador	\$0	\$0	(\$71,398)	(\$71,398)	(\$71,398)
Brooke Park	\$46,383	(\$73,158)	(\$5,506)	(\$32,280)	(\$78,663)
Brookside Glen (The Glen)	\$100,976	(\$134,506)	(\$28,022)	(\$61,552)	(\$162,528)
Brookville Road	(\$282,738)	\$1,063	\$115,456	(\$166,219)	\$116,519
CDBG Units	\$8,502	(\$821)	\$3,699	\$11,380	\$2,878
Cider Mill Apartments	\$274,716	(\$876,721)	(\$1,278,131)	(\$1,880,136)	(\$2,154,852)
Dale Drive	(\$10,826)	\$205	\$4,146	(\$6,475)	\$4,351
Diamond Square	\$167,786	(\$24,305)	(\$81,068)	\$62,413	(\$105,373)
NCI Units	\$24,366	(\$28,943)	(\$19,876)	(\$24,453)	(\$48,819)
NSP Units	\$22,430	(\$26,269)	\$5,218	\$1,379	(\$21,051)
Paint Branch	\$42,198	\$51,701	(\$33,005)	\$60,894	\$18,696
Southbridge	\$62,299	(\$7,397)	(\$2,430)	\$52,471	(\$9,828)
State Rental Combined	(\$298,987)	(\$71,528)	(\$54,895)	(\$425,410)	(\$126,423)
Subtotal	\$157,105	(\$1,190,679)	(\$1,445,812)	(\$2,479,386)	(\$2,636,491)
TOTAL ALL PROPERTIES	\$2,921,762	(\$2,010,183)	(\$3,367,864)	(\$2,456,284)	(\$5,378,046)

FY 2024 Third Quarter Operating Budget to Actual Comparison

For HUD Funded Programs

	(9 Months) Budget	(9 Months) Actual	Variance
Housing Choice Voucher Program			
HAP revenue	\$91,229,945	\$93,554,953	\$2,325,008
HAP payments	\$93,140,654	\$93,541,188	\$400,534
Net HAP	(\$1,910,709)	\$13,765	\$1,924,474
Admin.fees & other inc.	\$8,448,636	\$9,687,377	\$1,238,741
Admin. Expense	\$8,409,986	\$7,653,327	\$756,659
Net Administrative	\$38,650	\$2,034,050	\$1,995,400
Net Income	(\$1,872,059)	\$2,047,815	\$3,919,874

FY 2024 Third Quarter Operating Budget to Actual Comparison
For Capital Improvements

	(12 Months) Budget	(9 Months) Actual	Variance
General Fund			
880 Bonifant	\$50,000	\$4,483	\$45,517
East Deer Park	\$165,817	\$0	\$165,817
Kensington Office	\$100,000	\$33,123	\$66,877
Information Technology	\$743,000	\$336,674	\$406,326
Subtotal	\$1,058,817	\$374,280	\$684,537
Opportunity Housing			
Alexander House Dev Corp	\$220,700	\$75,344	\$145,356
Avondale Apartments	\$18,148	\$31,891	(\$13,743)
The Barclay Dev Corp	\$176,508	\$67,143	\$109,365
Barclay Affordable	\$187,440	\$52,720	\$134,720
Battery Lane	\$44,000	\$68,647	(\$24,647)
Bradley Crossing	\$86,898	\$117,978	(\$31,080)
Brooke Park	\$2,400	\$1,246	\$1,154
Brookside Glen (The Glen)	\$110,654	\$122,742	(\$12,088)
Camp Hill Square	\$38,600	\$40,231	(\$1,631)
CDBG Units	\$6,324	\$2,429	\$3,895
Chelsea Towers	\$13,800	\$8,134	\$5,666
Cider Mill Apartments	\$1,987,388	\$584,501	\$1,402,887
Dale Drive	\$8,700	\$1,698	\$7,002
Diamond Square	\$156,628	\$26,634	\$129,994
Elizabeth House Interim RAD	\$0	\$203	(\$203)
Fairfax Court	\$133,152	\$59,119	\$74,033
Glenmont Crossing Dev Corp	\$39,997	\$89,049	(\$49,052)
Glenmont Westerly Dev Corp	\$56,759	\$58,550	(\$1,791)
Holiday Park	\$9,615	\$24,119	(\$14,504)
Jubilee Falling Creek	\$0	\$518	(\$518)
Jubilee Hermitage	\$600	\$0	\$600
Jubilee Horizon Court	\$0	\$14,821	(\$14,821)
Jubilee Woodedge	\$600	\$3,867	(\$3,267)
Ken Gar Dev Corp	\$0	\$10,381	(\$10,381)
King Farm Village	\$0	\$23	(\$23)
Magruder's Discovery Dev Corp	\$82,200	\$83,688	(\$1,488)
Manchester Manor	\$68,580	\$45,445	\$23,135
McHome	\$27,264	\$15,118	\$12,146
McKendree	\$32,184	\$32,216	(\$32)
MetroPointe Dev Corp	\$187,634	\$60,768	\$126,866
The Metropolitan Dev Corp	\$81,302	\$100,905	(\$19,603)
Metropolitan Affordable	\$7,250	\$34,745	(\$27,495)
Montgomery Arms Dev Corp	\$87,000	\$86,827	\$173
MHLP VII	\$28,470	\$27,342	\$1,128
MHLP VIII	\$61,593	\$40,902	\$20,691
MHLP IX - Pond Ridge	\$94,588	\$32,402	\$62,186
MHLP IX - Scattered Sites	\$73,596	\$62,633	\$10,963
MHLP X	\$115,548	\$34,689	\$80,859
MPDU 2007 Phase II	\$2,540	\$1,023	\$1,517
MPDU I (64)	\$67,416	\$40,989	\$26,427
MPDU II (59) Dev Corp	\$74,275	\$10,337	\$63,938
Oaks at Four Corners Dev Corp	\$153,080	\$56,652	\$96,428
NCI Units	\$8,484	\$8,216	\$268
NSP Units	\$5,004	\$6,705	(\$1,701)
Paddington Square Dev Corp	\$211,614	\$143,883	\$67,731
Paint Branch	\$15,480	\$16,825	(\$1,345)
Parkway Woods Dev Corp	\$63,850	\$8,205	\$55,645
Pooks Hill High-Rise Dev Corp	\$142,400	\$210,752	(\$68,352)
Pooks Hill Mid-Rise	\$21,900	\$70,504	(\$48,604)
Sandy Spring Meadow Dev Corp	\$38,075	\$19,725	\$18,350
Scattered Site One Dev Corp	\$227,031	\$115,841	\$111,190
Scattered Site Two Dev Corp	\$73,110	\$43,183	\$29,927
Seneca Ridge Dev Corp	\$72,216	\$42,903	\$29,313
Sligo MPDU III Dev Corp	\$17,136	\$27,777	(\$10,641)
Southbridge	\$27,996	\$17,018	\$10,978
State Rental Combined	\$589,788	\$179,110	\$410,678
Strathmore Court	\$994,871	\$329,421	\$665,450
Towne Centre Place Dev Corp	\$23,500	\$39,641	(\$16,141)
TPP LLC Pomander Court	\$23,300	\$23,945	(\$645)
TPP LLC Timberlawn	\$271,370	\$31,550	\$239,820
VPC One Dev Corp	\$257,600	\$132,197	\$125,403
VPC Two Dev Corp	\$200,292	\$115,331	\$84,961
Washington Square Dev Corp	\$45,796	\$76,902	(\$31,106)
Westwood Tower	\$250,000	\$382,981	(\$132,981)
The Willows	\$292,441	\$268,710	\$23,731
Subtotal	\$8,416,685	\$4,539,994	\$3,876,691
TOTAL	\$9,475,502	\$4,914,274	\$4,561,228

**METROPOINTE (WHEATON METRO LIMITED PARTNERSHIP):
APPROVAL OF CY'24 BUDGET AMENDMENT FOR
METROPOINTE (WHEATON METRO LIMITED PARTNERSHIP)**

June 5, 2024

- When the CY'24 budgets were adopted, it was anticipated that the limited partner for Wheaton Metro LP (MetroPointe) would be assigning its ownership interests in the partnership to HOC before the calendar year began; therefore, a budget was not adopted for the limited partnership.
- The closing of this transaction was delayed, and it is now anticipated that the transfer will occur by June 30, 2024.
- This requested budget amendment incorporates a budget for the period of January 1 through June 30, 2024.
- The Budget Finance and Audit Committee reviewed this request at its meeting on May 17, 2024, and joins staff's recommendation that the Commission approve the calendar year 2024 Budget Amendment for MetroPointe.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, President / Executive Director

FROM: Staff: Timothy Goetzinger, Senior VP Finance / Chief Financial Officer
Terri Fowler, Budget Officer

RE: **MetroPointe (Wheaton Metro Limited Partnership):** Approval of CY'24 Budget Amendment for MetroPointe (Wheaton Metro Limited Partnership)

DATE: June 5, 2024

OVERALL GOAL & OBJECTIVE:

To approve the CY'24 Budget Amendment for MetroPointe (Wheaton Metro Limited Partnership)

BACKGROUND:

As Managing General Partner, HOC has a fiduciary responsibility for each of the Low Income Housing Tax Credit Partnerships ("Tax Credit Partnerships"). HOC's budget policy stipulates that the financial performance and budgets of the Tax Credit Partnerships should be reviewed on the same fiscal year as its partners (December 31). The Tax Credit Partnership budgets require adoption by the Commission, separate from the Agency's general budget process. On November 15, 2023, the Commission adopted the CY'24 budgets for the Tax Credit Partnerships that owned the sixteen (16) multifamily properties, and The Lindley and the Laureate, two entities structured as Limited Liability Companies ("LLCs"), which operate on a calendar year basis.

ISSUES FOR CONSIDERATION:

- **MetroPointe (Wheaton Metro Limited Partnership):** When the CY'24 budgets were adopted, it was anticipated that the limited partner for Wheaton Metro LP (MetroPointe) would be assigning its ownership interests in the partnership to HOC before the calendar year began; therefore, a budget was not adopted for the limited partnership. The closing of this transaction was delayed as we awaited lender consents to transfer from two lenders: The State of Maryland and Montgomery County, Maryland. At this time, the State and the County each have all the required documents to process their consent and we are in constant communication with them. It is anticipated that the transfer will now occur by June 30, 2024. This requested budget amendment incorporates a budget period for January 1 through June 30, 2024.

- Once the transfer has occurred, a fiscal year budget amendment will be presented to the Commission to approve the incorporation of the property into the FY'25 Agency Budget as an Opportunity Housing property with extended affordability, pursuant to the Extended Use Covenant.
- The table below summarizes the proposed CY'24 six (6) month budget for Wheaton Metro LP.

CY 2024 MetroPointe (Wheatoin Metro LP) Budget Amendment	
	1/1/2024 - 6/30/2024
Total Revenue	\$424,821
Gross Rents	\$442,579
Vacancy Loss	(\$21,908)
Other Revenue	\$4,150
Total Operating Expenses	\$254,214
Administrative	\$134,616
Utilities	\$27,292
Maintenance	\$58,641
Other	\$33,665
Net Operating Income	\$170,607
Annual RfR Contribution	\$14,995
Partnership Management Fee	\$10,032
Asset Management Fee	\$4,014
Excess Cash Flow Restricted	\$30,821
Annual Debt Service	\$110,745
Total Non-Operating Expenses	\$170,607
Cash Flow / (Deficit)	\$0
Capital	\$52,160

BUDGET IMPACT:

Approval by the Commission will establish this as the CY'24 operating and capital budget for Wheaton Metro Limited Partnership for January 1, 2024 through June 30, 2024.

TIME FRAME:

For formal Commission action at the June 5, 2024 meeting.

The Budget, Finance and Audit Committee informally discussed the CY'24 Budget Amendment for MetroPointe (Wheaton Metro Limited Partnership) at the May 17, 2024 meeting and supports staff's recommendation.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission approve the proposed CY'24 Budget Amendment for MetroPointe (Wheaton Metro Limited Partnership).

Resolution No. 24-46

Re: Approval of CY'24 Budget Amendment for MetroPointe (Wheaton Metro Limited Partnership)

WHEREAS, MetroPointe (the "Property") is partly owned by Wheaton Metro Limited Partnership (the "Partnership"), and the Housing Opportunities Commission of Montgomery County ("HOC") is the general partner in the Partnership; and

WHEREAS, the initial 15-year compliance period associated with the Low Income Housing Tax Credit ("LIHTC") financing at the Property expired, and on October 4, 2023, HOC approved acquiring the limited partner interest in the Partnership; and

WHEREAS, the acquisition of the limited partnership interest was anticipated to occur prior to January 1, 2024 and therefore a budget was not adopted for the Partnership; and

WHEREAS, the acquisition was delayed due to third party requirements, and in accordance with HOC's budget policy, a budget must be prepared and adopted for the Property; and

WHEREAS, the CY'24 Budget Amendment for the Property will incorporate a budget for the period of January 1, 2024 through June 30, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Wheaton Metro Limited Partnership, as its general partner, that it hereby approves the CY'24 Budget Amendment for the Property for the period of January 1, 2024 through June 30, 2024.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on June 5, 2024.

Chelsea J. Andrews
President/Executive Director

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**THE LEGGETT (ELIZABETH HOUSE III LIMITED PARTNERSHIP):
APPROVAL OF CY'24 BUDGET AMENDMENT FOR THE LEGGETT
(ELIZABETH HOUSE III LIMITED PARTNERSHIP)**

June 5, 2024

- On the November 15, 2023, the Commission adopted the CY'24 Budget for The Leggett (Elizabeth House III Limited Partnership).
- Starting in May 2024, the ground lease between Elizabeth House III Limited Partnership and Acorn Storage No. 1 LLC is to be paid by the property operations.
- This requested budget amendment incorporates the monthly ground lease payment of \$41,666.67 for the period of May 1 through December 31, 2024.
- The Budget Finance and Audit Committee reviewed this request at its meeting on May 17, 2024, and joins staff's recommendation that the Commission approve the calendar year 2024 Budget Amendment for The Leggett.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, President / Executive Director

FROM: Staff: Timothy Goetzinger, Senior VP Finance / Chief Financial Officer
Terri Fowler, Budget Officer

RE: **The Leggett (Elizabeth House III Limited Partnership):** Approval of CY'24 Budget Amendment for The Leggett (Elizabeth House III Limited Partnership)

DATE: June 5, 2024

OVERALL GOAL & OBJECTIVE:

To approve the CY'24 Budget Amendment for The Leggett (Elizabeth House III Limited Partnership)

BACKGROUND:

As Managing General Partner, HOC has a fiduciary responsibility for each of the Low Income Housing Tax Credit Partnerships ("Tax Credit Partnerships"). HOC's budget policy stipulates that the financial performance and budgets of the Tax Credit Partnerships should be reviewed on the same fiscal year as its partners (December 31). The Tax Credit Partnership budgets require adoption by the Commission, separate from the Agency's general budget process. On November 15, 2023, the Commission adopted the CY'24 budgets for the Tax Credit Partnerships that owned the sixteen (16) multifamily properties, and The Lindley and the Laureate, two entities structures as Limited Liability Companies ("LLCs"), which operate on a calendar year basis.

ISSUES FOR CONSIDERATION:

The Leggett (Elizabeth House III LP): The Leggett is owned by Elizabeth House III LP, which is ultimately controlled by HOC. The Leggett consists of 267 units that will serve seniors aged 62 years and older.

The property development proforma for the Leggett included a \$500,000 annual ground lease payment as part of the transaction for The Leggett and the adjoining County recreational center. The ground lease is between Elizabeth House III Limited Partnership and Acorn Storage No. 1 LLC. The ground lease payment was initially covered by the development budget through April 2024; however, starting in May 2024, the responsibility for the monthly ground lease payment of

\$41,666.67 is to be paid by Elizabeth House III LP property operations. Therefore, a budget amendment is required for CY'24 in the amount of \$333,333 to account for eight months of payments at \$41,666.67. This requested budget amendment will increase expenses by \$333,333 and reduce the budgeted restricted cash flow of \$2,510,331 by the same amount. Actual cash flow for the first four months of CY'24 is already sufficient to cover the addition of the ground lease.

BUDGET IMPACT:

Approval by the Commission will amend the CY'24 operating budget for Elizabeth House III Limited Partnership.

TIME FRAME:

For formal Commission action at the June 5, 2024 meeting.

The Budget, Finance and Audit Committee informally discussed the FY'24 Budget Amendment for The Leggett (Elizabeth House III Limited Partnership) at the May 17, 2024 meeting and supports staff's recommendation.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Budget, Finance and Audit Committee join its recommendation to the full Commission for approval of the proposed CY'24 Budget Amendment for The Leggett (Elizabeth House III Limited Partnership).

Resolution No. 24-47

**Re: Approval of CY'24 Budget Amendment for
The Leggett (Elizabeth House III Limited
Partnership)**

WHEREAS, The Leggett (the "Property") is owned by Elizabeth House III Limited Partnership (the "Partnership"), and the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") is the sole member of EH III GP LLC ("Managing Member"), the Partnership's managing member;

WHEREAS, the CY'24 Budget for the Property was adopted at the November 15, 2023 Commission meeting; and

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

WHEREAS, beginning in May 2024, the ground lease between the Partnership and the ground lessor, Acorn Storage No. 1 LLC, is to be paid by Property operations; and

WHEREAS, the CY'24 Budget Amendment for the Property will incorporate the monthly ground lease payment of \$41,666.67 between the Partnership and Acorn Storage No. 1 LLC for the period of May 1, 2024 through December 31, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Managing Member, acting on behalf of itself and on behalf of the Partnership, hereby approves the CY'24 Budget Amendment for the Property as described herein.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on June 5, 2024.

Chelsea J. Andrews
President/Executive Director

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**UNCOLLECTIBLE TENANT ACCOUNTS RECEIVABLE:
AUTHORIZATION TO WRITE-OFF UNCOLLECTIBLE TENANT
ACCOUNTS RECEIVABLE (January 1, 2024 – March 31, 2024)**

June 5, 2024

- 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 third quarter of Fiscal Year 2024 ("FY'24") totaled \$502,275, which brings the year to date total for FY'24 to \$1,003,821.
- The primary reasons for the write-offs across the properties include tenants who were evicted, abandoned/vacated their unit, are no longer in an HOC program, moved to a nursing home, job transfer, purchased a home, passed away, ported out and needed more space.
- The next anticipated write-off of former tenants' uncollectible accounts receivable balance will be for the fourth quarter of FY'24, which will cover April 1 to June 30, 2024.
- The Budget Finance and Audit Committee reviewed this request at its meeting on May 17, 2024 and joins staff in its recommendation to approve the proposed write-off of uncollectible former residents' balances for the third quarter of FY'24, which totaled \$502,275.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews President/Executive Director

FROM: Staff: Timothy Goetzinger, Senior VP Finance / Chief Financial Officer
Eugenia Pascual, Controller
Nilou Razeghi, Accounting Manager
Ali Ozair, Vice President, Property Management

RE: **Uncollectible Tenant Accounts Receivable:** Authorization to Write-off
Uncollectible Tenant Accounts Receivable (January 1, 2024 – March 31, 2024)

DATE: June 5, 2024

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 reflect accurately the receivables and provides greater potential for outstanding receivable collection.

The last approved write-off of former tenant accounts receivable balances of \$368,862 was on February 21, 2024, which covered the three-month period from October 1, 2023 through December 31, 2023 (the Second quarter of fiscal year 2024).

The proposed write-off of former tenant accounts receivable balances for the third quarter of fiscal year 2024, covering January 1, 2024 through March 31, 2024, is \$502,275, which brings the year to date total for FY2024 to \$1,003,821.

The third quarter write-off of \$502,275 is attributable to former tenants within HOC's Opportunity Housing properties and LIHTC/RAD6 properties.

The primary reasons for the write-offs across the properties include:

Reason for Write-off	Write-off Amount
Eviction	388,647
Abandoned/vacated unit	101,240
No longer in an HOC program	3,897
Moved to a nursing home	1,963
Job transfer	1,904
Home purchase	1,466
Deeath	1,187
Port out	1,087
Needed more space	884
Total	502,275

* Lease enforcement including lease violation(s) and/or nonpayment of rent)

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

	Current Write-offs	Prior Write-offs	\$ Change	% Change	Fiscal Year 2024 Year-to-Date	Fiscal Year 2023 Year-to-Date
Property Type	01/01/24 - 03/31/24	10/01/23 - 12/31/23	01/01/24 - 03/31/24	01/01/24 - 03/31/24	07/01/23 - 03/31/24	07/01/22 - 03/31/23
Opportunity Housing	491,035	361,512	129,523	35.83%	926,117	80,869
Supportive Housing	-	7,095	(7,095)	-100.00%	26,806	41,735
RAD Properties	11,240	-	11,240	0.00%	50,643	11,402
236 Properties	-	255	(255)	-100.00%	255	4,141
	\$ 502,275	\$ 368,862	\$ 133,413	36.17%	\$ 1,003,821	\$ 138,147

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

Opportunity Housing Fund

	Current Write-offs	Prior Write-offs	\$ Change	% Change	Fiscal Year 2024 Year-to-Date	Fiscal Year 2023 Year-to-Date
	01/01/24 - 03/31/24	10/01/23 - 12/31/23	01/01/24 - 03/31/24	01/01/24 - 03/31/24	07/01/23 - 03/31/24	07/01/22 - 03/31/23
Opportunity Housing (OH) Fund						
Avondale	\$ 1,525	\$ -	\$ 1,525	0.00%	\$ 1,525	\$ 1,359
Camp Hill Square	-	-	-	0.00%	-	1,826
Chelsea Towers	-	-	-	0.00%	331	-
Holiday Park	-	29,266	(29,266)	-100.00%	29,266	-
Jubilee - Hermitage	-	-	-	0.00%	6,232	-
Lasko Manor	-	565	(565)	-100.00%	565	-
Magruder's Discovery	-	-	-	0.00%	-	9,560
McHome	-	1,061	(1,061)	-100.00%	1,061	-
McKendree	-	-	-	0.00%	25	-
MHLP IX - MPDU	381	-	381	0.00%	381	1,209
MHLP VII	-	-	-	0.00%	2,191	-
MHLP X	-	-	-	0.00%	1,136	-
MPDU I/64	34,844	-	34,844	0.00%	34,844	800
NCI-1 - 13057 Mill House Ct	-	2,793	(2,793)	-100.00%	2,793	-
NSP-1 - 18884 McFarlin Dr	-	-	-	0.00%	603	-
Paintbranch	-	-	-	0.00%	-	153
Scattered Site One Dev Corp	59,521	-	59,521	0.00%	59,521	18,153
Scattered Site Two Dev Corp	25,510	-	25,510	0.00%	30,021	3,810
State Rental Partnership	-	415	(415)	-100.00%	2,468	3,600
TPM Dev Corp - MPDU II (59)	-	24,143	(24,143)	-100.00%	24,143	769
VPC One Corp	289,183	49,099	240,084	488.98%	365,069	30,963
VPC Two Corp	80,071	254,170	(174,099)	-68.50%	363,944	8,667
Total OH Fund	\$ 491,035	\$ 361,512	\$ 129,523	35.83%	\$ 926,117	\$ 80,869

Within the Opportunity Housing portfolio, the \$491,035 write-off amount was attributable to Avondale, MHLP IX- MPDU, MPDU I/64, Scattered Site One Dev Corporation, Scattered Site Two Dev Corporation, VPC One Corporation, and VPC Two Corporation.

The write-offs were due to:

No. of Tenants	Reason for Write-off	Write-off Amount
17	Eviction	388,647
9	Abandoned/vacated unit	94,009
3	No longer in an HOC program	3,512
2	Job transfer	1,904
3	Home purchase	1,466
1	Needed more space	884
1	Death	381
1	Port out	232
	Total	491,035

* Lease enforcement including lease violation(s) and/or nonpayment of rent)

Supportive Housing

	Current Write-offs	Prior Write-offs	\$ Change	% Change	Fiscal Year 2024 Year-to-Date	Fiscal Year 2023 Year-to-Date
	01/01/24 - 03/31/24	10/01/23 - 12/31/23	01/01/24 - 03/31/24	01/01/24 - 03/31/24	07/01/23 - 03/31/24	07/01/22 - 03/31/23
Supportive Housing						
McKinney X - HUD	\$ -	\$ 1,717	\$ (1,717)	-100.00%	\$ 21,428	\$ 18,095
McKinney XIV - HUD	-	5,378	(5,378)	-100.00%	5,378	23,640
Total Supportive Housing	\$ -	\$ 7,095	\$ (7,095)	-100.00%	\$ 26,806	\$ 41,735

Within the Supportive Housing Program, there were no write-offs to report in the third quarter of FY '24.

LIHTC/RAD Properties

	Current Write-offs	Prior Write-offs	\$ Change	% Change	Fiscal Year 2024 Year-to-Date	Fiscal Year 2023 Year-to-Date
	01/01/24 - 03/31/24	10/01/23 - 12/31/23	01/01/24 - 03/31/24	01/01/24 - 03/31/24	07/01/23 - 03/31/24	07/01/22 - 03/31/23
LIHTC/RAD Properties						
Arcola Towers LP	\$ 898	\$ -	\$ 898	0.00%	\$ 4,460	\$ 4,741
Elizabeth House - Interim RAD	7	-	7	0.00%	7	-
RAD 6 - Ken Gar	378	-	378	0.00%	378	-
RAD 6 - Sandy Spring	7,231	-	7,231	0.00%	33,128	-
RAD 6 - Seneca Ridge	806	-	806	0.00%	806	-
RAD 6 - Washington Square	855	-	855	0.00%	6,916	3,033
Waverly House LP	1,065	-	1,065	0.00%	4,948	3,628
Total RAD Properties	\$ 11,240	\$ -	\$ 11,240	0.00%	\$ 50,643	\$ 11,402

Within the LIHTC/RAD 6 properties, the \$11,240 write-off amount was attributable to Arcola

Towers LP, Elizabeth House Interim RAD, RAD 6 (Ken Gar, Sandy Spring, Seneca Ridge, Washington Square), and Waverly House LP. The write-offs were due to:

No. of Tenants	Reason for Write-off	Write-off Amount
1	Abandoned/vacated unit	7,231
2	Moved to nursing home	1,963
1	Port out	855
1	Death	806
2	No longer in an HOC program	385
	Total	11,240

HUD Section 236 Properties

	Current	Prior			Fiscal Year 2024	Fiscal Year 2023
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	01/01/24 - 03/31/24	10/01/23 - 12/31/23	01/01/24 - 03/31/24	01/01/24 - 03/31/24	07/01/23 - 03/31/24	07/01/22 - 03/31/23
236 Properties						
Town Center Apts	\$ -	\$ 255	\$ (255)	-100.00%	\$ 255	\$ 4,141
Total 236 Properties	\$ -	\$ 255	\$ (255)	-100.00%	\$ 255	\$ 4,141

Within the 236 properties, there were no write-offs to report in the third quarter of FY '24.

HOC is utilizing a new collections company, Fair Collections & Outsourcing, Inc., recently signed its contract and is commencing collections. These write-offs will be reported for pursuit of collections in accordance with the procedures outlined below.

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 fourth quarter of FY’24 covering April 1, 2024 through June 30, 2024. 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 uncollectible tenant accounts receivable for the third quarter of fiscal year 2024, totaling \$502,275?

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:

For formal action at the June 5, 2024 Commission meeting.

The Budget, Finance and Audit Committee informally discussed the Uncollectible Tenant Accounts Receivable at its May 17, 2024 meeting and supports staff's recommendation.

STAFF RECOMMENDATION:

Staff requests that the commission authorize the write-off of uncollectible tenant accounts receivable of \$502,275 for the period covering January 1 2024 to March 31, 2024.

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 January 1, 2024 – March 31, 2024 is \$502,275 were all attributable to former tenants within HOC’s Opportunity Housing properties and LIHTC/RAD6 properties.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the President/Executive Director, or her designee, without further action on its part, to take any and all actions necessary and proper to write off \$502,275 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 June 5, 2024.

Chelsea J. Andrews,
President/Executive Director

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CALENDAR YEAR 2023 AUDITS: ACCEPTANCE OF CALENDAR YEAR 2023 LOW INCOME HOUSING TAX CREDIT PARTNERSHIP AND LIMITED LIABILITY COMPANY AUDITS

June 5, 2024

- The Finance Division is responsible for completing 17 Low Income Housing Tax Credit (“LIHTC”) partnership and 4 Limited Liability Company (“LLC”) audits for Calendar Year (“CY”) 2023.
- Property audits for 15 CY’23 LIHTC partnerships and CCL Multifamily LLC have been finalized. All received a standard unqualified audit opinion from the respective independent certified public accounting firms that completed the audits.
- The property audits for HOC at Willow Manor LLC, Spring Garden One Associates LP, and HOC at West Side Shady Grove LLC are not yet finalized and are awaiting investor approval. The final audits are expected to receive a standard unqualified audit opinion from their respective independent certified public accounting firms.
- The Budget, Finance, and Audit Committee reviewed the request to accept the 14 completed CY’23 LIHTC partnerships and CCL Multifamily LLC audits at its meeting on May 17, 2024.
- The audit for Bauer Park Apartments LP was completed after the May 17th 2024 Budget, Finance and Audit Committee meeting and has been added to this Commission packet.

M E M O R A N D U M

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, President / Executive Director

FROM: Staff: Timothy Goetzing, Senior VP Finance / Chief Financial Officer
Eugenia Pascual, Controller
Claudia Wilson, Accounting Manager
Miriam Caballero, Accounting Manager

RE: **Calendar Year 2023 Audits:** Acceptance of Calendar Year 2023 Low Income Housing Tax Credit Partnership and Limited Liability Company Audits

DATE: June 5, 2024

BACKGROUND:

The Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) is the Managing Partner in 17 Low Income Housing Tax Credit (“LIHTC”) partnerships, which operate on a calendar year basis, requiring the preparation of audited financial statements for the period ending December 31, 2023. All 17 LIHTC entities require the preparation of year-end audits for calendar year (“CY”) 2023.

HOC also has four (4) calendar year Limited Liability Company (“LLC”) properties, CCL Multifamily LLC (“The Lindley”), Hillandale Gateway LLC, Wheaton Gateway LLC and HOC at West Side Shady Grove LLC. Hillandale Gateway LLC and Wheaton Gateway LLC are in pre-development phases and do not require an audit for CY’23.

Therefore, this memorandum discusses the audits for 19 individual CY entities.

For ease of review, the full list of LIHTC and LLC entities that require an audit for the period ending December 31, 2023, are provided on the following page. Those audits yet to be finalized are bolded.

The property audits for 15 CY’23 Tax Credit Partnerships and CCL Multifamily LLC have been finalized. They have received a standard unqualified audit opinion from the independent certified public accounting firms performing the audits. The audit for Bauer Park Apartments LP was completed after the May 17, 2024 Budget, Finance and Audit Committee meeting and was added to this Commission packet. The final audit draft audits for two (2) LIHTC partnerships (HOC at Willow Manor LLC and Spring Garden One Associates LP) and HOC at West Side Shady Grove LLC are awaiting investor approval, and are expected to receive a standard unqualified audit opinion.

These audits, once completed, will be presented to the Commission for acceptance, which is expected to occur at the July 3, 2024 meeting.

Calendar Year 2023 Audit Status			
Low Income Housing Tax Credit ("LIHTC")			
No.	Entity/ Property Name	Units	Location
1	4913 Hampden Lane LP (Lasko Manor)	12	Bethesda
2	900 Thayer LP	124	Silver Spring
3	Alexander House Limited Partnership	122	Silver Spring
4	Arcola Towers RAD LP	141	Silver Spring
5	Bauer Park Apartments LP	142	Rockville
6	Forest Oak Towers LP	175	Gaithersburg
7	GreenhillsApartments Limited Partnership	78	Damascus
8	HOC at Georgian Court LLC	147	Silver Spring
9	HOC at Shady Grove LLC	144	Silver Spring/ Aspen Hill
10	HOC at Stewartown Homes LLC	94	Montgomery Village
11	HOC at The Upton II LLC (Residences on the Lane)	150	Rockville
12	HOC at Willow Manor LLC	286	Silver Spring, Olney, Germantown
13	Spring Garden One Associates LP	83	Silver Spring
14	Tanglewood and Sligo LP	132	Silver Spring/Longbranch
15	Waverly House RAD LP	158	Bethesda
16	Wheaton Metro Limited Partnership (MetroPointe)	53	Wheaton
17	Elizabeth House LP	267	Silver Spring
Limited Liability Company ("LLC")			
No.	Entity/ Property Name	Units	Location
1	CCL Multifamily Limited Liability Company	200	Chevy Chase
2	HOC at West Side Shady Grove LLC	268	Rockville/Shady Grove

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept the staff’s recommendation, which the Budget, Finance and Audit Committee supports, to accept the 15 CY’23 Tax Credit Entities and CCL Multifamily audits?

BUDGET/FISCAL IMPACT:

There is no budget or fiscal impact related to acceptance of the 15 CY’23 Tax Credit Partnership and CCL Multifamily LLC audits.

TIME FRAME:

For formal action at the June 5, 2024 Commission meeting.

- The Budget, Finance and Audit Committee reviewed the request to accept the 14 completed CY’23 LIHTC partnerships and CCL Multifamily LLC audits at its meeting on May 17, 2024.

- The audit for Bauer Park Apartments LP was completed after the May 17, 2024 Budget, Finance and Audit Committee meeting, has been added to this Commission packet and received a standard unqualified audit opinion.
- The final audit drafts for two (2) LIHTC partnerships (HOC at Willow Manor LLC and Spring Garden One Associates LP) and HOC at West Side Shady Grove LLC are awaiting investor approval and are expected to receive a standard unqualified audit opinion. These audits, once completed, will be presented to the Commission for acceptance, which is expected to occur at the July 10, 2024, meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission accept the 15 CY 2023 Tax Credit Entities and CCL Multifamily LLC audits.

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission”), or its wholly-owned and controlled affiliate, is the managing general partner in certain Low Income Housing Tax Credit partnerships, including: 4913 Hampden Lane Limited Partnership, 900 Thayer Limited Partnership, Alexander House Limited Partnership, Arcola Towers RAD Limited Partnership, Bauer Park Apartments Limited Partnership, Forest Oak Towers Limited Partnership, Greenhills Apartments Limited Partnership, Spring Garden One Associates Limited Partnership, Tanglewood and Sligo Limited Partnership, Waverly House RAD Limited Partnership, Wheaton Metro Limited Partnership and Elizabeth House Limited Partnership (together, the “Tax Credit Partnerships”);

WHEREAS, the Commission is the managing member of HOC at Georgian Court, LLC, HOC at Shady Grove, LLC, HOC at Stewartown Homes, LLC, HOC at the Upton II, LLC and HOC at Willow Manor, LLC (together, “the Tax Credits LLCs”);

WHEREAS, the Commission is also the managing member of CCL Multifamily LLC and HOC at Westside Shady Grove, LLC (together, “the non-Tax Credits LLCs”);

WHEREAS, the calendar year annual audits for the Tax Credit Partnerships, Tax Credit LLCs, and non-Tax Credit LLCs have been completed;

WHEREAS, a standard unqualified audit opinion was received from the respective independent certified public accounting firms performing the audits for all of the Tax Credit Partnerships, the Tax Credit LLCs, and the non-Tax Credit LLCs; and

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the Tax Credit Partnerships, the Tax Credit LLCs, and the non-Tax Credits LLCs, as the ultimate general partner/managing member of such entities, accepts the CY 2023 audits for the Tax Credit Partnerships, the Tax Credit LLCs, and the non-Tax Credit LLCs.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on June 5, 2024.

Chelsea J. Andrews
President/Executive Director

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March 15, 2024

To the Partners of
4913 Hampden Lane Limited Partnership:

We have audited the financial statements of 4913 Hampden Lane Limited Partnership (the “Partnership”) as of and for the year ended December 31, 2023, and have issued our report thereon dated March 15, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the *Consolidated Audit Guide for Audits of HUD Programs (the “Guide”)*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 20, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Partnership are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of the notes payable, and related party transactions in Notes 5 and 6 to the financial statements are sensitive because they make up a large portion of the liabilities on the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

There are no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 15, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Partnership’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Partnership’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The cash flow and distribution calculation, status of prior audit findings, questioned costs, and recommendations, mortgagor’s (owner’s) certification, and the managing agent’s certification have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on them. We have read these schedules and have noted no material inconsistencies with the audited financial statements.

This information is intended solely for the use of the Partners and management of the Partnership and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



NOVOGRADAC & COMPANY LLP



April 25, 2024

To the Partners and members of management of
900 Thayer Limited Partnership:

We have audited the financial statements of 900 Thayer Limited Partnership (the “Partnership”) as of and for the year ended December 31, 2023, and have issued our report thereon dated April 25, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated December 4, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of related party transactions in Notes 5, 6, 7, and 8 to the financial statements are sensitive because they make up a large portion of Partnership’s liabilities and expenses.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 25, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Partnership’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Partnership’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Partners and management of the Partnership and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



NOVOGRADAC & COMPANY LLP



February 28, 2024

To the Partners
Alexander House Apartments Limited Partnership

We have audited the financial statements of Alexander House Apartments Limited Partnership for the year ended December 31, 2023, and have issued our report thereon dated February 28, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audits. We have communicated such information in our letter to you dated January 15, 2024. Professional standards also require that we communicate to you the following information related to our audits.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Alexander House Apartments Limited Partnership are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation and amortization expense is based on their knowledge and experience in the industry. We evaluated the methods, assumptions, and data used to develop the depreciation and amortization expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audits

We encountered no significant difficulties in dealing with management in performing and completing our audits.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audits.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 28, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audits of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board and management of Alexander House Apartments Limited Partnership and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

SC+H attest services, P.C.

The Auditor's Communication With Those Charged With Governance

Communication Date: April 30, 2024

This communication is being provided to you in connection with our audit of Arcola Towers RAD Limited Partnership's December 31, 2023, financial statements. This communication reflects those matters that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process.

This communication is intended for those charged with governance, which means the person or persons with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. In some cases, those charged with governance are responsible for approving the entity's financial statements, and in other cases, management has this responsibility. For entities with a board of directors, this term encompasses the term board of directors or audit committee used elsewhere in generally accepted auditing standards.

Where ownership responsible for management of the entity owns the management company we consider those charged with governance and management to be the same. As a result, we would normally suggest that this communication be provided to the person who signed our engagement letter with a request that it be shared with other owners as appropriate. However, as indicated below, it is not necessary to repeat previous communications.

Auditor's Responsibilities With Regard to the Financial Statement Audit

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of those charged with governance are presented fairly, in all material respects, in conformity with the entity's financial reporting framework. Our audit of the financial statements does not relieve you or management of its respective responsibilities. These responsibilities have been communicated to you through our engagement letter.

The financial statements are considered general purpose financial statements and have been prepared in accordance with the financial reporting framework of U.S. GAAP.

We performed our audit in accordance with US generally accepted auditing standards (GAAS).

Planned Scope and Timing of the Audit

We perform certain procedures at an interim date. These procedures include planning, risk assessment, obtaining and understanding of internal controls, tests of compliance, where applicable, and limited substantive tests. The bulk of our substantive procedures are performed at year end. The timing of the audit is discussed verbally with management in order to facilitate the audit. The exact procedures are not communicated to ensure the effectiveness of those procedures is not compromised.

Whenever we identify significant risks of material misstatement we extend our procedures. Our process for identification of risks of material misstatement include assessing fraud opportunities, internal controls, the accounting issues faced by the entity and the entity's expertise and experience relative to such issues. Such issues include such items as impairment, going concern considerations, recording the building cost following acquisition or cost certification, involuntary conversions, derivatives and changes in management companies. In the event one or more of these items is encountered we will be required to perform additional auditing procedures which will likely result in additional cost of the audit which cannot be avoided. When such additional auditing is required we will communicate such matters to you as part of our communication of significant matters encountered during the audit.

Our approach is to obtain an understanding of the system of internal controls and to determine whether key internal controls that might affect our audit procedures have been implemented. We do not typically perform tests to determine the effectiveness of the system of internal controls unless we are required to report on internal controls for regulatory purposes or we believe such tests will improve our efficiency.

The Auditor's Communication With Those Charged With Governance

Communication Date: April 30, 2024

We use a calculated planning materiality limit in designing the extent of our tests. This planning materiality limit takes into consideration various factors, including the number of rental units, the location of the property, the amount of total assets and total revenues of the entity. In planning our tests we use various thresholds based on a percentage of the calculated planning materiality. Once we have completed our testing, we evaluate whether any factors, such as adjustments or other qualitative items, indicate we need to adjust the calculated planning materiality amount, which might impact the extent of testing needed to complete the audit.

It is our understanding that the entity does not have an internal audit function.

No factors were encountered during the audit which indicated we needed to decrease our original planning materiality amount.

Auditor Independence

Generally accepted auditing standards require independence for all audits. Relevant matters to consider in reaching a conclusion about independence include circumstances or relationships that create threats to auditor independence and the related safeguards that have been applied to eliminate those threats or reduce them to an acceptable level.

We have maintained our independence throughout the period under audit and during the course of performing our audit in accordance with the rules set forth by the AICPA. Where required, we have also met the independence requirements of any other regulatory bodies that have oversight of the audit function.

We performed limited nonattest services for the entity. However, such services have not impaired our independence with respect to the audit and our performance of such nonattest services has been previously communicated.

We have no other matters to communicate to you on independence.

Open Matters

As of the date of this communication, no significant audit matters remain open.

Significant Findings or Issues From The Audit

This section includes significant matters arising during the audit of the financial statements which resulted in additional auditing procedures and / or additional audit evidence and need to be communicated to you. Each subsection below addresses a different area of significance.

Significant Accounting Practices

We have no comments to make on existing practices.

Significant Unusual Transactions

No significant unusual transactions were encountered during the audit which need to be communicated to you.

Significant Difficulties

We did not encounter any significant, unexpected difficulties during the performance of our audit.

Disagreements With Management

We did not encounter any disagreements with management which need to be communicated to you.

Circumstances Which Affected the Form and Content of Auditor's Report

The matters communicated in this subsection represent those circumstances, if any, which resulted in changes to the form and content of our auditor's report.

The Auditor's Communication With Those Charged With Governance

Communication Date: April 30, 2024

No significant matters resulting in a change to the expected form and content of the auditor's report were encountered.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Difficult or Contentious Matters on Which We Consulted with Others

No significant issues were encountered which required consultation with others outside the engagement team.

Other Findings or Issues

We have no material weaknesses in the entity's internal controls over financial reporting which need to be communicated to you.

No misstatements requiring correction were noted during the audit.

We have no other significant audit findings or issues which we need to communicate to you.

Uncorrected Misstatements

This section includes our views of the effects of any uncorrected misstatements on the financial statements. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements, if any. Our consideration of uncorrected misstatements does not include items we believe to be trivial.

No uncorrected misstatements were noted during the audit which need to be communicated to you.

Restricted use of Communication

This communication is intended solely for the information and use of those charged with governance and, if appropriate, management and is not intended to be and should not be used by anyone other than those specified parties.

Questions or Further Discussion

If you have any questions or wish to discuss any matters communicated further please contact the engagement partner named below.

Ryan K. Ebner, CPA
Engagement Partner

May 30, 2024

To the Partners and members of management of
Bauer Park Apartments, LP:

We have audited the financial statements of Bauer Park Apartments, LP (the “Partnership”) as of and for the year ended December 31, 2023, and have issued our report thereon dated May 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated December 4, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Partnership are described in Note 2 to the financial statements. The Partnership adopted accounting standards changes related to accounting for and disclosing leasing arrangements. Our opinion is not modified with respect to this matter. With respect to leases, FASB ASC 842 did not have a material impact on the financial statements. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of related party transactions in Note 5 to the financial statements is sensitive because they make up a large portion of Partnership liabilities and expenses.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

You have corrected all misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 30, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Partnership’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Partnership’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Partners and management of the Partnership and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



NOVOGRADAC & COMPANY LLP



March 13, 2024

To the Partners of
Forest Oak Towers LP:

We have audited the financial statements of Forest Oak Towers LP (the “Partnership”) as of and for the year ended December 31, 2023, and have issued our report thereon dated March 13, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted accounting standards, *Government Auditing Standards*, and the *Consolidated Audit Guide for Audits of HUD Programs*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 6, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Partnership are described in Note 2 to the financial statements. The Company adopted accounting standards changes related to accounting for and disclosing leasing arrangements. Our opinion is not modified with respect to this matter. With respect to leases, FASB ASC 842 did not have a material impact on the financial statements. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of Mortgages Payable in Note 5 to the financial statements are sensitive since they make up a large portion of the liabilities on the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

You have corrected all misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 13, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Partnership’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Partnership’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The status of prior audit findings, questioned costs, and recommendations, certification of partner, and the managing agent’s certification have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on them. We have read these schedules and have noted no material inconsistencies with the audited financial statements.

This information is intended solely for the use of the Partners and management of the Partnership and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



NOVOGRADAC & COMPANY LLP



April 1, 2024

To the Partners and members of management of
Greenhills Apartments Limited Partnership:

We have audited the financial statements of Greenhills Apartments Limited Partnership (the “Partnership”) as of and for the year ended December 31, 2023, and have issued our report thereon dated April 1, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated December 4, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Partnership are described in Note 2 to the financial statements. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of related party transactions in Note 5 to the financial statements are sensitive since they make up a significant portion of the liabilities on the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

You have corrected all misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 1, 2024.

To the Partners of Greenhills Apartments Limited Partnership

April 1, 2024

Page 2 of 2

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Partnership’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Partnership’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Partners and management of the Partnership and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



NOVOGRADAC & COMPANY LLP



May 9, 2024

To the Members and members of management of
HOC at Georgian Court, LLC:

We have audited the financial statements of HOC at Georgian Court, LLC (the “Company”) as of and for the year ended December 31, 2023, and have issued our report thereon dated May 9, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the *Consolidated Audit Guide for Audits of HUD Programs (the “Guide”)*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 3, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Company are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are:

The disclosure of related party transactions in Note 5 to the financial statements is sensitive because they make up a large portion of Company liabilities and expenses.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

You have corrected all misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

To the Members of HOC at Georgian Court, LLC

May 9, 2024

Page 2 of 2

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 9, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Company’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

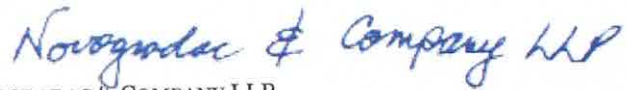
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Members and management of the Company and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



NOVOGRADAC & COMPANY LLP



May 9, 2024

To the Partners and members of management of
HOC at Shady Grove, LLC:

We have audited the financial statements of HOC at Shady Grove, LLC (the "Company") as of and for the year ended December 31, 2023, and have issued our report thereon dated May 9, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the *Consolidated Audit Guide for Audits of HUD Programs (the "Guide")*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 23, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Company are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are:

The disclosure of related party transactions in Note 5 to the financial statements is sensitive because they make up a large portion of Company liabilities and expenses.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

You have corrected all misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

To the Partners of HOC at Shady Grove, LLC

May 9, 2024

Page 2 of 2

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 9, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Company’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues


We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Partners and management of the Company and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



NOVOGRADAC & COMPANY LLP



April 17, 2024

To the Members of
HOC at Stewartown Homes, LLC:

We have audited the financial statements of HOC at Stewartown Homes, LLC (the “Company”) as of and for the year ended December 31, 2023, and have issued our report thereon dated April 17, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated October 23, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Company are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are:

The disclosures of mortgage payable in Note 5 and related party transactions in Note 5 to the financial statements are sensitive because they make up a large portion of Partnership liabilities and expenses.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 17, 2024.

To the Members of HOC at Stewartown Homes, LLC

April 17, 2024

Page 2 of 2

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Company’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Very truly yours,

A handwritten signature in blue ink that reads "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

NOVOGRADAC & COMPANY LLP



May 9, 2024

To the Members of
HOC at the Upton II LLC:

We have audited the financial statements of HOC at the Upton II LLC (the “Company”) as of and for the year ended December 31, 2023, and have issued our report thereon dated May 9, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated December 4, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Company are described in Note 2 to the financial statements. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are:

The disclosures of mortgage payable in Note 5 and related party transactions in Note 6 to the financial statements are sensitive because they make up a large portion of Company liabilities and expenses.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 9, 2024.

To the Members of HOC at the Upton II LLC

May 9, 2024

Page 2 of 2

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Company’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Members and management of the Company and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in blue ink that reads "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

NOVOGRADAC & COMPANY LLP



March 4, 2024

To The Partners And Management
Tanglewood and Sligo Limited Partnership

We have audited the financial statements of Tanglewood and Sligo Limited Partnership for the year ended December 31, 2023, and have issued our report thereon dated March 4, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated January 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tanglewood and Sligo Limited Partnership are described in Note 1 to the financial statements.. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of depreciation and amortization expense is based on their knowledge and experience in the industry. We evaluated the methods, assumptions and data used to develop the depreciation and amortization expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Tanglewood and Sligo Limited Partnership
Page Two
March 4, 2024

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 4, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Partnership's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Partnership's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Tanglewood and Sligo Limited Partnership and management of Tanglewood and Sligo Limited Partnership and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

SC+H attest services, P.C.



**WAVERY HOUSE RAD LIMITED PARTNERSHIP
(A MARYLAND LIMITED PARTNERSHIP)**

FOR YEAR ENDED DECEMBER 31, 2023

AUDIT COMMUNICATIONS



AUDIT COMMUNICATIONS WITH MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

April 30, 2024

To the Partners of
Waverly House RAD Limited Partnership,
Housing Opportunities Commission of Montgomery County

We have audited the financial statements of Waverly House RAD Limited Partnership (the "Partnership") for the year ended December 31, 2023 and will issue our report thereon dated March 19, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices:

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Partnership are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit:

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.



Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 19, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Partnership’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Partnership’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management of the Partnership and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

MK Group CPAs & Consultants LLC

MK Group CPAs & Consultants LLC
Certified Public Accountants
Oakbrook, Illinois

The Auditor's Communication With Those Charged With Governance

Communication Date: April 30, 2024

This communication is being provided to you in connection with our audit of Wheaton Metro Limited Partnership's December 31, 2023, financial statements. This communication reflects those matters that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process.

This communication is intended for those charged with governance, which means the person or persons with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. In some cases, those charged with governance are responsible for approving the entity's financial statements, and in other cases, management has this responsibility. For entities with a board of directors, this term encompasses the term board of directors or audit committee used elsewhere in generally accepted auditing standards.

Where ownership responsible for management of the entity owns the management company we consider those charged with governance and management to be the same. As a result, we would normally suggest that this communication be provided to the person who signed our engagement letter with a request that it be shared with other owners as appropriate. However, as indicated below, it is not necessary to repeat previous communications.

Auditor's Responsibilities With Regard to the Financial Statement Audit

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of those charged with governance are presented fairly, in all material respects, in conformity with the entity's financial reporting framework. Our audit of the financial statements does not relieve you or management of its respective responsibilities. These responsibilities have been communicated to you through our engagement letter.

The financial statements are considered general purpose financial statements and have been prepared in accordance with the financial reporting framework of U.S. GAAP. In addition, the entity has received government assistance and is also subject to regulatory reporting requirements. As a result, the annual financial statements also includes supplementary information as required.

We performed our audit in accordance with US generally accepted auditing standards (GAAS). In addition, because the financial statements include regulatory reporting requirements, we performed our audit in accordance with government audit standards (GAGAS).

Planned Scope and Timing of the Audit

We perform certain procedures at an interim date. These procedures include planning, risk assessment, obtaining and understanding of internal controls, tests of compliance, where applicable, and limited substantive tests. The bulk of our substantive procedures are performed at year end. The timing of the audit is discussed verbally with management in order to facilitate the audit. The exact procedures are not communicated to ensure the effectiveness of those procedures is not compromised.

Whenever we identify significant risks of material misstatement we extend our procedures. Our process for identification of risks of material misstatement include assessing fraud opportunities, internal controls, the accounting issues faced by the entity and the entity's expertise and experience relative to such issues. Such issues include such items as impairment, going concern considerations, recording the building cost following acquisition or cost certification, involuntary conversions, derivatives and changes in management companies. In the event one or more of these items is encountered we will be required to perform additional auditing procedures which will likely result in additional cost of the audit which cannot be avoided. When such additional auditing is required we will communicate such matters to you as part of our communication of significant matters encountered during the audit.

Our approach is to obtain an understanding of the system of internal controls and to determine whether key internal controls that might affect our audit procedures have been implemented. We do not typically perform tests to determine the effectiveness of the system of internal controls unless we are required to report on internal controls for regulatory purposes or we believe such tests will improve our efficiency.

The Auditor's Communication With Those Charged With Governance

Communication Date: April 30, 2024

We use a calculated planning materiality limit in designing the extent of our tests. This planning materiality limit takes into consideration various factors, including the number of rental units, the location of the property, the amount of total assets and total revenues of the entity. In planning our tests we use various thresholds based on a percentage of the calculated planning materiality. Once we have completed our testing, we evaluate whether any factors, such as adjustments or other qualitative items, indicate we need to adjust the calculated planning materiality amount, which might impact the extent of testing needed to complete the audit.

It is our understanding that the entity does not have an internal audit function.

No factors were encountered during the audit which indicated we needed to decrease our original planning materiality amount.

Auditor Independence

Generally accepted auditing standards require independence for all audits. Relevant matters to consider in reaching a conclusion about independence include circumstances or relationships that create threats to auditor independence and the related safeguards that have been applied to eliminate those threats or reduce them to an acceptable level.

We have maintained our independence throughout the period under audit and during the course of performing our audit in accordance with the rules set forth by the AICPA. Where required, we have also met the independence requirements of any other regulatory bodies that have oversight of the audit function.

We performed limited nonattest services for the entity. However, such services have not impaired our independence with respect to the audit and our performance of such nonattest services has been previously communicated.

We have no other matters to communicate to you on independence.

Open Matters

As of the date of this communication, no significant audit matters remain open.

Significant Findings or Issues From The Audit

This section includes significant matters arising during the audit of the financial statements which resulted in additional auditing procedures and / or additional audit evidence and need to be communicated to you. Each subsection below addresses a different area of significance.

Significant Accounting Practices

We have no comments to make on existing practices.

Significant Unusual Transactions

No significant unusual transactions were encountered during the audit which need to be communicated to you.

Significant Difficulties

We did not encounter any significant, unexpected difficulties during the performance of our audit.

Disagreements With Management

We did not encounter any disagreements with management which need to be communicated to you.

Circumstances Which Affected the Form and Content of Auditor's Report

The matters communicated in this subsection represent those circumstances, if any, which resulted in changes to the form and content of our auditor's report.

The Auditor's Communication With Those Charged With Governance

Communication Date: April 30, 2024

No significant matters resulting in a change to the expected form and content of the auditor's report were encountered.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Difficult or Contentious Matters on Which We Consulted with Others

No significant issues were encountered which required consultation with others outside the engagement team.

Other Findings or Issues

We have no material weaknesses in the entity's internal controls over financial reporting which need to be communicated to you.

A copy of all posted adjustments to correct misstatements noted during the audit have been separately provided to management.

We have no other significant audit findings or issues which we need to communicate to you.

Uncorrected Misstatements

This section includes our views of the effects of any uncorrected misstatements on the financial statements. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements, if any. Our consideration of uncorrected misstatements does not include items we believe to be trivial.

No uncorrected misstatements were noted during the audit which need to be communicated to you.

Restricted use of Communication

This communication is intended solely for the information and use of those charged with governance and, if appropriate, management and is not intended to be and should not be used by anyone other than those specified parties.

Questions or Further Discussion

If you have any questions or wish to discuss any matters communicated further please contact the engagement partner named below.

Ryan K. Ebner, CPA

Engagement Partner

April 18, 2024

To the Partners and members of management of
Elizabeth House III Limited Partnership:

We have audited the financial statements of Elizabeth House III Limited Partnership (the "Partnership") as of and for the year ended December 31, 2023, and have issued our report thereon dated April 18, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated December 4, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Partnership are described in Note 2 to the financial statements. We noted no transactions entered into by the Partnership during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of related party transactions in Note 5 to the financial statements are sensitive since they make up a significant portion of the liabilities on the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

You have corrected all misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 18, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Partnership’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Partnership’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Partners and management of the Partnership and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in blue ink that reads "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

NOVOGRADAC & COMPANY LLP



April 12, 2024

To the Members and members of management of
CCL Multifamily LLC:

We have audited the financial statements of CCL Multifamily LLC (the “Company”) as of and for the year ended December 31, 2023, and have issued our report thereon dated April 12, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated December 4, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Company are described in Note 2 to the financial statements. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Any estimates included in the financial statements are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of Note Payable in Note 5 and Related Party Transactions in Note 6 to the financial statements are sensitive because they make up a large portion of the liabilities on the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 12, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Company’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Members and management of the Company and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in blue ink that reads "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

NOVOGRADAC & COMPANY LLP

FISCAL YEAR 2025 (FY'25) BUDGET: ADOPTION OF THE FY'25 BUDGET

June 5, 2024

- The Budget, Finance and Audit (“BF&A”) Committee has reviewed the President/Executive Director’s FY’25 Recommended Budget and additional changes included in the proposed budget.
- At the May 17, 2023 BF&A Committee meeting, staff informed the Committee that there would be additional changes between then and June as a result of updates to the personnel complement, indirect cost model, grant funding, fees, and property refinements.
- A reconciliation of all changes is included with the FY 2025 budget now being presented to the Commission for approval at the June 5, 2024 meeting.
- The Proposed Operating Budget for FY’25 is \$349.6 million.
- The FY’25 budget includes a draw from the General Fund Operating Reserve (“GFOR”) of \$1,605,915 to maintain a balanced budget.
- The Proposed Capital Budgets for FY’25 is \$370.3 million.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, President / Executive Director

FROM: Staff: Timothy Goetzinger, Senior VP of Finance/Chief Financial Officer
Terri Fowler, Budget Officer

RE: **Fiscal Year 2025 (FY'25) Budget:** Adoption of the FY'25 Budget

DATE: June 5, 2024

STATUS: Committee Reports: Deliberation [X]

OVERALL GOAL & OBJECTIVE:

Adoption of the FY'25 Budget.

BACKGROUND:

The President/Executive Director's FY'25 Recommended Budget for the Housing Opportunities Commission of Montgomery County ("HOC" or "Agency") was presented at the April 3, 2024 Commission meeting. Since then, the Budget, Finance and Audit Committee met with staff two times to review and discuss the budget in detail. They have completed their review and the proposed budget for FY'25 is now before the full Commission for adoption.

ISSUES FOR CONSIDERATION:

The Proposed Operating Budget for FY'25 is \$349,573,450, which represents an increase of \$1,217,647 or 0.35% from the Recommended Budget of \$348,355,803 presented on April 3, 2024.

The Proposed Capital Budget for FY'25 is \$370,290,222, which represents an increase of \$31,316,357 or 9.24% from the Recommended Budget of \$338,973,865 presented on April 3, 2024.

The FY 2025 Proposed Budget reflects the Agency's commitment to **EXPAND** Affordable Housing in Montgomery County, **ENHANCE** the Lives We Touch through Supportive Services & Partnerships, and **EXCEL** as a World-Class Organization.

The lingering impacts of the COVID-19 pandemic on rental arrearages and rising costs have continued to present challenges in balancing the budget. Limited access to units during the

pandemic has resulted in more deferred maintenance in our units, which when combined with rising costs have put upward pressure on budgetary expenses. New leadership in HOC's Asset Management, Property Management and Maintenance divisions will lead the charge of stabilizing rental income and containing costs while providing quality housing to our residents. These efforts combined with continued investment in technology and systems to create a more agile and data-driven decision-making environment and staff development and advancement, will enable the Agency to respond to the aforementioned issues, positively impact property and agency financial performance, and improve our customers' experience in accessing resources and assistance.

The Agency's development and financing activities continue to generate commitment and development fees that support the Agency's operations and the Opportunity Housing Reserve Fund, which provides funding for future development activities. The FY'25 Proposed Budget continues to rely on these fees that are one time in nature to support operations. The amount of these fees and the timing of their receipt is dependent upon the ever-changing development landscape, which can impact revenue received during a given fiscal year. Nevertheless, production and preservation must continue to meet HOC's strategic goals as well as those set forth by Montgomery County.

The major differences in the Proposed Operating Budget from the Executive Director's FY'25 Recommended Budget, which are shown in Enclosure 1, are discussed in the following:

General Fund: (Enclosure 1-1a)

Revenues decreased in the **General Fund** by **(\$15,212)**. There are several reasons for the change.

- The Indirect Cost Model that calculates the allocation of Agency Overhead to the income generating programs was updated to reflect the current expense structure and properties of the Agency. As a result, Management Fee Income in the General Fund was increased by \$1,353,969. The majority of the increase, or \$1,069,350 (see Opportunity Housing), is the result of increased fees received from the Opportunity Housing portfolio, which are calculated based on a per unit per month ("PUPM") rate applied to each unit. In addition, fees from the two bond funds and a few County grants increased by \$163,839 as a result of updates to the Indirect Cost Model and personnel complement used to calculate the fees. Finally, there was a correction to the income recognized in the FY'25 Recommended Budget of \$120,780.
- Funds transferred to the General Fund from the County Contract to fund Resident Service related expenses associated with HOC Academy increased by \$137,366 (See Public Fund).
- Development Corporation Fee Income that represents the cash flow taken from the unrestricted Development Corporation properties, decreased by a net of **(\$620,469)**

primarily to reflect the increased management fee expenses based on the updated Indirect Cost Model and the update to the personnel complement (See Opportunity Housing).

- Development Fee Income decreased by **(\$1,427,316)** to reflect changes in the timing and amount of fees projected in the proposed development budgets. Forty percent (40%) of the change in fees, or **(\$570,925)**, is reflected in the General Fund. The balance of the decrease, or **(\$856,391)** is in the OHRF (See Opportunity Housing Reserve Fund).
- Commitment Fee Income decreased by **(\$371,717)** to reflect changes in the timing and amount of fees projected in the proposed development budgets. Forty percent (40%) of the change in fees, or **(\$148,687)**, is reflected in the General Fund. The balance of the decrease, or **(\$223,030)** is in the Opportunity Housing Reserve Fund (“OHRF”) (See Opportunity Housing Reserve Fund).
- The update to the Agency personnel complement resulted in a decrease of **(\$24,760)** in transfers to the General Fund from the OHRF for Real Estate Development Personnel costs (See Opportunity Housing Reserve Fund).
- Finally, Management Fee Income from the Housing Choice Voucher Program (“HCVP”) that is based on utilization has decreased by **(\$6,174)** in the General Fund (see Housing Choice Voucher Program).

Expenses decreased in the General Fund by **(\$277,326)**.

- Personnel expenses decreased by **(\$277,326)** as a result of an update of the personnel complement. The portion of the adjustment related to Real Estate personnel funded by the OHRF was a decrease of **(\$24,760)**: $((\$252,566) + (\$24,760) = (\$277,326))$.

The Recommended Budget assumed a draw from the General Fund Operating Reserve (“GFOR”) of \$854,058 to balance the budget. The net impact of the General Fund changes and changes in the Opportunity Housing Fund was a decrease of **(\$751,857)** in available cash for Agency operations.

As a result, the projected draw of \$854,058 from the GFOR was increased by \$751,857 to return to a balanced budget: $(\$854,058 + \$751,857 = \$1,605,915)$.

Change from Recommended to Proposed Budget			
	Income	Expenses	Net
Changes in General Fund			
Changes to Income	(\$15,212)		(\$15,212)
Changes to Expenses		(\$277,326)	\$277,326
Total changes to General Fund	(\$15,212)	(\$277,326)	\$262,114
Changes in Opportunity Housing Fund			
Changes to Income	(\$30,608)		(\$30,608)
Changes to Expenses		\$983,363	(\$983,363)
Total changes to Opportunity Housing Fund	(\$30,608)	\$983,363	(\$1,013,971)
Total Changes to Unrestricted Cash	(\$45,820)	\$706,037	(\$751,857)

Multifamily Bond Funds: (Enclosure 1-1a)

Expenses in the **Multifamily Bond Fund** increased by \$108,770 to reflect the increased Management Fee charged for overhead that is based on the update to the Indirect Cost Model and the update to the personnel complement.

There is a corresponding adjustment in revenues to reflect the increase in the Bond Draw to support the operations of the Multifamily programs.

Single Family Bond Funds: (Enclosure 1-1a)

Expenses in the **Single Family Bond Fund** increased by \$94,710 to reflect the increased Management Fee charged for overhead based on the update to the Indirect Cost Model.

There is a corresponding adjustment in revenues to reflect the increase in the Bond Draw to support the operations of the Single Family programs.

Opportunity Housing Fund: (Enclosure 1-1a)

Revenues decreased in the **Opportunity Housing and Development Corporation** properties by **(\$30,608)**.

- As a result of higher fees charged to the properties based on the update to the Indirect Cost Model, the transfers from existing property cash to fund the budgeted shortfalls at State Rental Combined and Dale Drive were increased by \$282,141.

- The draw from the GFOR for the projected deficit at MetroPointe was increased by \$5,547.
- Vacancy Loss assumptions was adjusted at a few properties, which reduced income by (\$221,090).
- Income for MPDU I (64) was reduced by (\$65,543) to reflect the removal of the 10 units sold to Habitat for America in April 2024: $((\$64,293) + (\$1,250) = (\$65,543))$.
- Finally, rent increases were reduced to the latest County Executive Voluntary Rent Guideline (“VRG”) of 2.6%, which reduced income by (\$31,663).

Expenses in the portfolio increased by \$983,363. There are several reasons for the change.

- Expenses increased by \$1,069,350 based on the update to the Indirect Cost Model resulting in higher PUPM fees charged to the properties (See General Fund)
- Personnel expenses increased by \$828,089 as a result of an update of the personnel complement.
- Refinements were made to the anticipated debt service payments for Battery Lane and Bradley Crossing resulting in a decrease to expenses of (\$232,169).
- Expenses for MPDU I (64) were reduced by (\$58,142) to reflect the payoff of the debt and removal of the Rental Licensee Fee for the 10 units sold to Habitat for America in April 2024: $((\$56,892) + (\$1,250) = (\$58,142))$.
- Finally, the allocations for Environmental Insurance and the County Property Insurance to Opportunity Housing decreased by (\$2,404) based on the latest bill for Environmental Insurance and removal of the 10 units sold to Habitat for America from MPFU I (64): $((\$1,914) + (\$490) = (\$2,404))$.
- The distribution of cash flow from the properties was changed as follows based on the net impact to income and expenses:
 - Development Corporation Fee expenses that represents the cash flow paid to the General Fund from the unrestricted Development Corporation properties, decreased by a net of (\$620,469).
 - The FY’25 Recommended Budget included a combined total of \$4,801,720 in Development Corporation Fees to be paid to the General Fund. As a result of the changes, the new total is a combined \$4,181,251 in fees to be paid to the General Fund: $(\$4,801,720 - \$620,469 = \$4,181,251)$.

- The restriction of cash flow at restricted properties increased by \$8,883.
- Finally, the contributions to the Operating Reserves at the Foreclosure Homes were decreased by **(\$9,775)** to reflect changes in the income and expenses at the properties.

Revenues decreased in the **Opportunity Housing Reserve Fund (“OHRF”)** by **(\$1,079,421)** as a result of the decreased Development and Commitment Fees of **(\$856,391)** and **(\$223,030)**, respectively (See General Fund). Expenses decreased in the OHRF decreased by **(\$24,760)** to reflect costs associated with the Real Estate Development personnel complement.

The Recommended Budget included fees of \$11,190,499 that were to be restricted to the OHRF. As a result of the decrease to income and slight decrease to expenses, the restricted cash has decreased by **(\$1,054,661)**, resulting in a budgeted restriction of \$10,135,838 to the OHRF: (\$11,190,499 - \$1,054,661 = \$10,135,838).

Change from Recommended to Proposed Budget			
	Income	Expenses	Net
Recommended Opportunity Housing Reserve Fund ("OHRF")	\$12,970,449	\$1,779,950	\$11,190,499
Add restriction to OHRF		\$11,190,499	(\$11,190,499)
Balanced Recommended HCVP HAP Budget	\$12,970,449	\$12,970,449	\$0
Decreased Development Fee Income	(\$856,391)		(\$856,391)
Decreased Commitment Fee Income	(\$223,030)		(\$223,030)
Update Personnel Complement		(\$24,760)	\$24,760
Net changes to HCVP Administrative Budget	(\$1,079,421)	(\$24,760)	(\$1,054,661)
Proposed OHRF Budget	\$11,891,028	\$12,945,689	(\$1,054,661)

Public Fund: (Enclosure 1-1-b)

Revenues increased in the **Housing Choice Voucher Program (“HCVP”)** by \$1,036,407.

- The HCVP Housing Assistance Payment (“HAP”) revenue was increased by \$1,054,466 based on the U.S. Department of Housing and Urban Development (“HUD”) re-benchmarking.

- Administrative Fee Income decreased by **(\$18,059)** as a result of refinements to projected utilization.

Expenses in the program decreased by **(\$401,462)**.

- Updates to the personnel complement increased personnel costs by \$26,910.
- HAP expenses decreased by **(\$422,198)** based on a reduction in the projected utilization of the Emergency Housing Vouchers (“EHV”) based on the maximum allowed utilization of 103 units.
- Management fees that are based on utilization decreased by **(\$6,174)**.

The Recommended Budget included a restriction of \$870,116 to the HAP reserve or Net Restricted Position (“NRP”), which includes funds received in prior years for payments to landlords that were recognized but not used. As a result of the increased HAP revenue coupled with decreased HAP expenses, the budgeted draw will be increased by \$1,476,664, resulting in a projected restriction of \$2,346,780: ($\$870,116 + \$1,476,664 - \$2,346,780$).

Change from Recommended to Proposed Budget			
	Income	Expenses	Net
Recommended HCVP Administrative Budget before Balancing	\$12,188,155	\$12,607,956	(\$419,801)
Add draw from Administrative Reserve	\$419,801		\$419,801
Balanced Recommended HCVP Administrative Budget	\$12,607,956	\$12,607,956	\$0
Decrease Administrative Income based on utilization	(\$18,059)		(\$18,059)
Update Personnel Complement		\$26,910	(\$26,910)
Adjust Management Fees paid to General Fund		(\$6,174)	\$6,174
Net changes to HCVP Administrative Budget	(\$18,059)	\$20,736	(\$38,795)
Proposed HCVP Administrative Budget	\$12,589,897	\$12,628,692	(\$38,795)

The Recommended Budget also included a draw of \$419,801 from the Administrative Fee Reserve, which includes fees received but not spent in prior years. As a result of the increased Administrative expenses coupled with the decrease in Administrative Fee income, the budgeted restriction will be increased by \$38,795, resulting in a projected draw of \$458,596: ($\$419,801 + \$38,795 = \$458,596$).

Change from Recommended to Proposed Budget			
	Income	Expenses	Net
Recommended HCVP Administrative Budget before Balancing	\$12,188,155	\$12,607,956	(\$419,801)
Add draw from Administrative Reserve	\$419,801		\$419,801
Balanced Recommended HCVP Administrative Budget	\$12,607,956	\$12,607,956	\$0
Decrease Administrative Income based on utilization	(\$18,059)		(\$18,059)
Update Personnel Complement		\$26,910	(\$26,910)
Adjust Management Fees paid to General Fund		(\$6,174)	\$6,174
Net changes to HCVP Administrative Budget	(\$18,059)	\$20,736	(\$38,795)
Proposed HCVP Administrative Budget	\$12,589,897	\$12,628,692	(\$38,795)

Federal and County Grants increased by a net \$312,349. There were several factors that contributed to the decrease:

- The County Contract funding was increased by \$322,814 based on the approval of the requested increase related to estimated increases for compensation, health and retirement benefits.
- County funding for the McKinney X and McKinney XIV grants were increased by three percent (3%) or \$24,519 and \$4,944, respectively; however, expenses were decreased by **(\$1,334)** based on updates modifications to expenses for McKinney XIV of \$3,217, increased management fees paid to the General Fund of \$400, modifications to expenses for McKinney X of \$40, and update to the personnel complement of **(\$4,991)**: $(\$3,217 + \$400 + \$40 - \$4,991 = \text{\$}1,334)$, which resulted in a surplus of \$30,797. The Recommended Budget assumed a draw from the McKinney reserve of \$367,512 to balance the McKinney X Grant and McKinney Expansion Program. The projected draw will be decreased by **(\$30,797)** to \$336,715 to maintain a balanced grant: $(\$367,512 - \$30,797 = \$336,715)$.
- County funding for the Emergency Services grant was increased by three percent (3%), resulting in an increase of \$9,912. The increased funding resulted in decreased transfers from the main County Contract that were partially offset by slightly higher personnel costs.
- County funding for the Housing Locator grants was increased by three percent (3%), resulting in an increase of \$3,010. The increased funding resulted in small increases to

various expenses coupled with slightly higher personnel costs that were offset by the (\$440) reduction in the management fee paid to the General Fund.

- There was a net decrease of (\$23,373) in the transfers from the main County Contract to balance the smaller County contracts, due to increased funding net of changes in expenses, which increased both income and expense in the grants.
- The County Closing Cost funding was increased by \$1,320 to reflect an increase in personnel costs of \$1,370 and decrease in management fees paid to the General Fund of (\$50).
- The Personnel Complement update increased overall expenses in the remaining grants by \$192,206.
- Funds transferred to the General Fund from the County Contract to fund Resident Service related expenses associated with HOC Academy increased by \$137,366 (See General Fund).
- The management fees paid to the agency by the remaining grants was increased by a net of \$6,149 as a result of updates to the personnel complement and grant restrictions on allowable fees.
- Miscellaneous expenses or restricted cash were decreased by (\$2,995) to balance the restricted grants.

Capital Budget: (Attachment 1-2)

The FY'25 Proposed Capital Budget reflects the changes that were discussed at the Budget, Finance and Audit Committee meetings during April and May. The Proposed Capital Budget for FY'25 is \$370,290,222, and reflects an increase of \$31,316,357 or 9.24% from the Recommended Budget of \$338,973,865 presented on April 3, 2024.

- **Capital improvements Budget:**

The capital improvements budget decreased by (\$1,968,808), which included decreases to nine (9) properties and an increase to one property which were based on a review by Asset Management. (Attachment 1-2)

(\$179,176)	Revise Barclay Apartments Capital Budget
(\$68,188)	Revise Barclay Affordable Capital Budget
(\$1,000,000)	Revise Cider Mill Capital Budget
(\$442)	Revise Jubilee Falling Creek Capital Budget
\$1,753	Revise Jubilee Hermitage Capital Budget
(\$1,311)	Revise Jubilee Woodedge Capital Budget
(\$164,325)	Revise Manchester Manor Apartments Capital Budget
(\$24,255)	Revise Paddington Square Capital Budget
(\$214,364)	Revise Strathmore Court Affordable Capital Budget
(\$318,500)	Revise Willows of Gaithersburg Capital Budget
(\$1,968,808)	

- **Capital Development Budget:**

The capital development budgets increased by \$33,285,165 to reflect timing and scope changes in three development projects. (Attachment 1-2)

\$37,039,764	Revise HOC Headquarters
(\$328,117)	Revise MetroPointe
(\$3,426,482)	Revise West Side Shady Grove - Building B
\$33,285,165	

Enclosure 2 includes the updated charts from the Summary and Capital Budget sections of the FY'25 Recommended Budget reflecting the proposed budgets.

BUDGET IMPACT:

Adoption of the FY25 Budget will set the financial plan for the next fiscal year. Quarterly reviews will keep it updated and relevant and is required by HOC's Budget Policy.

TIME FRAME:

Adoption of the FY'25 Budget at the June 5, 2024 meeting will allow time for staff to implement the budget for the beginning of the fiscal year, July 1, 2024. The Commission must adopt a budget for FY'25 before the fiscal year begins on July 1, 2024.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends to the Commission, the adoption of the FY'25 Operating and Capital Budgets and related resolutions by approving the attached resolutions.

ADOPTION OF THE FY'25 BUDGET RESOLUTIONS

- A - Adoption of the FY'25 Budgets, Bond Draw Downs and Transfers – Resolution 24-50A

- B - Adoption of FY'25 Reimbursement Resolution – Resolution 24-50B

RESOLUTION NO. 24-50A

RE: Adoption of the FY'25 Budget, Bond Draw Downs and Transfers

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC “ or “Commission”) is required to adopt a budget based on the current chart of accounts in use before July 1, 2024; and

WHEREAS, the Commission is required to approve the transfer of equity between HOC funds.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby adopts a total Operating Budget for FY'25 of \$349.6 million by fund as attached.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the drawdown of bond funds for the Operating Budget as follows:

- \$2,671,022 from the 1996 Multifamily Housing Development Bond Indenture; and
- \$1,775,110 from the 1979 Single Family Mortgage Revenue Bond Indenture.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the following transfers between funds in order to balance the Operating Budget:

- Up to \$641,745 for FY'25 from the combined cash flow from the Opportunity Housing properties in the Opportunity Housing Fund to the General Fund.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby adopts a Capital Budget for FY'25 of \$370.3 million as attached.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on June 5, 2024.

Chelsea J. Andrews
President / Executive Director

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A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY (THE “COMMISSION”) DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A FUTURE TAX-EXEMPT BORROWING FOR CERTAIN CAPITAL EXPENDITURES TO BE UNDERTAKEN BY THE COMMISSION; IDENTIFYING SAID CAPITAL EXPENDITURES AND THE FUNDS TO BE USED FOR SUCH PAYMENT; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of the multifamily rental housing properties which provide a public purpose; and

WHEREAS, the Commission has determined that it is in the best interest of the Commission to make certain capital expenditures on the projects named in this Resolution; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures in an amount not to exceed \$371,000,000, *all or a portion of which may reimburse* the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, provided that the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission’s expenditures within 18 months of the later of the date of such capital expenditures or the date that *each of* the Projects (as hereinafter defined) is placed in service (but in no event more than three years after the date of the original expenditure of such moneys); and

WHEREAS, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission’s future tax-exempt borrowing for such projects named in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION THAT:

Section 1. ***Declaration of Official Intent.*** The Commission presently intends and reasonably expects to finance certain Commission facilities and property improvements to the properties as described in the Commission’s FY 25 Capital Budget attached, including **Alexander House, Avondale Apartments, The Barclay Apartments, Battery Lane, Bradley Crossing, Brooke Park, Brookside Glen, Camp Hill Square Apartments, CDBG-NSP-NCI, Chelsea**

Towers, Cider Mill Apartments, Dale Drive, Day Care at Lost Knife Road, Deeply Affordable Unit Renovation, Diamond Square Apartments, Emory Grove, Fairfax Court, Garnkirk, Glenmont Crossing, Glenmont Westerly, Hillandale Gateway – Senior, Hillandale Gateway – Multifamily/Retail, Holiday Park, Jubilee Falling Creek, Jubilee Hermitage, Jubilee Horizon Court, Jubilee Woodedge, King Farm Village Center, Magruder’s Discovery, Manchester Manor, McHome, McKendree, MetroPointe, The Metropolitan, MHLP VII, MHLP VIII, MHLP IX-Pond Ridge, MHLP IX-Scattered, MHLP X, Montgomery Arms, MPDU 2007 Phase II, MPDU I, MPDU II (TPM), MPDU III (Sligo), The Oaks at Four Corners, Paddington Square, Paint Branch, Pomander Court, Pooks Hill High-Rise, Pooks Hill Mid-Rise, RAD 6 Properties (Ken Gar, Parkway Wood, Sandy Spring Meadow, Seneca Ridge, Towne Centre Place, and Washington Square), Scattered Site One, Scattered Site Two, Southbridge, State Rental Combined, Strathmore Court, Timberlawn Crescent, VPC One, VPC Two, Westside Shady Grove Building B, Westwood Tower, Wheaton Gateway, and The Willows and capital improvements to the Commission’s administrative offices and information technology (collectively, the “Projects”) with moneys currently contained in its Operating Reserve Account, Replacement Reserve Account and General Fund Property Reserve Account for these Projects and from its operating cash.

Section 2. *Dates of Capital Expenditures.* All of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings were or will be incurred not earlier than 60 days prior to the date of this Resolution or are preliminary expenditures related to the Projects as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect’s fees, engineering fees, costs of soil testing and surveying).

Section 3. *Issuance of Bonds or Notes.* The Commission presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$371,000,000 **may be applied** to reimburse the Commission for its expenditures in connection with the Projects.

Section 4. *Confirmation of Prior Acts.* 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 Projects, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. *Repeal of Inconsistent Resolutions.* All other resolutions (other than prior reimbursement resolutions adopted by the Commission for the same Projects included herein) of the Commission, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the *extent* of such inconsistency.

Section 6. *Effective Date of Resolution.* This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED at a regular meeting held this 5th day of June 2024.

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Chelsea J. Andrews
Secretary-Treasurer
and President/Executive Director

ENCLOSURES:

- 1) Charts highlighting major budget changes from FY'25 Recommended Operating and Capital Budgets
- 2) Revised charts from Summary and Capital Budget sections of the FY'25 Recommended Budget

**Charts Highlighting Major Budget Changes from
FY'25 Recommended Operating and Capital Budgets
(Enclosure 1)**

Enclosure 1-1a

FY 2025 Proposed Operating Budget Comparison from Recommended Budget		Revenues	Expenses	Recommended Budget	Net Changes To Revenue	Net Changes To Expenses	Revenues	Expenses	Proposed Budget
General Fund	General Fund	\$33,985,454	\$36,495,228	(\$2,509,774)	(\$15,212)	(\$277,326)	\$33,970,242	\$36,217,902	(\$2,247,660)
	Draw from General Fund Operating Reserve("GFOR")	\$854,058	\$0	\$854,058	\$751,857	\$0	\$1,605,915	\$0	\$1,605,915
Multifamily & Single Family Bond Funds	Multifamily Fund	\$23,163,376	\$23,163,376	\$0	\$108,770	\$108,770	\$23,272,146	\$23,272,146	\$0
	Single Family Fund	\$8,451,713	\$8,451,713	\$0	\$94,710	\$94,710	\$8,546,423	\$8,546,423	\$0
Opportunity Housing Fund	Opportunity Housing Reserve Fund ("OHRF")	\$12,970,449	\$1,779,950	\$11,190,499	(\$1,079,421)	(\$24,760)	\$11,891,028	\$1,755,190	\$10,135,838
	Restrict to OHRF	\$0	\$11,190,499	(\$11,190,499)	\$0	(\$1,054,661)	\$0	\$10,135,838	(\$10,135,838)
	Opportunity Housing & Development Corps	\$110,532,648	\$108,898,968	\$1,633,680	(\$36,155)	\$983,363	\$110,496,493	\$109,882,331	\$614,162
	Draw from GFOR for MetroPointe Deficit	\$22,036	\$0	\$22,036	\$5,547	\$0	\$27,583	\$0	\$27,583
Public Fund	Housing Choice Voucher Program ("HCVP")	\$139,302,287	\$138,851,972	\$450,315	\$1,036,407	(\$401,462)	\$140,338,694	\$138,450,510	\$1,888,184
	Draw from HCVP Administrative Reserve	\$419,801	\$0	\$419,801	\$38,795	\$0	\$458,596	\$0	\$458,596
	Restrict to HCVP HAP Reserve	\$0	\$870,116	(\$870,116)	\$0	\$1,476,664	\$0	\$2,346,780	(\$2,346,780)
	Federal and County Grants	\$18,653,981	\$18,653,981	\$0	\$312,349	\$312,349	\$18,966,330	\$18,966,330	\$0
TOTAL - ALL FUNDS		\$348,355,803	\$348,355,803	\$0	\$1,217,647	\$1,217,647	\$349,573,450	\$349,573,450	\$0

Footnotes - explanation of changes

GF R	\$1,353,969	Adjust Fee Income based on updated Indirect Cost Model
GF R	\$137,366	Add Transfer from County Grant to General Fund for HOC Academy
GF R	(\$620,469)	Adjust Development Corporation Fee Income from properties
GF R	(\$570,925)	Adjust Development Fee income for timing and scope changes
GF R	(\$148,687)	Adjust Commitment Fee income for timing and scope changes
GF R	(\$135,532)	Remove Management Fee Income from former Assisted properties
GF R	(\$24,760)	Decrease transfer from OHRF for increase in Real Estate Development Personnel cost
GF R	(\$6,174)	Adjust HCVP Management Fee Income
	(\$15,212)	
GF E	(\$252,566)	Update Personnel Complement
GF E	(\$24,760)	Adjust personnel cost for Real Estate personnel
	(\$277,326)	
GF	\$751,857	Increase Draw from General Fund Operating Reserve ("GFOR")
MF R	\$108,770	Increase draw from indenture to fund administrative costs
MF E	\$77,000	Adjust Management Fee based on change to Complement and updated Indirect Cost Model
MF E	\$31,770	Update Personnel Complement
	\$108,770	
SF R	\$94,710	Decrease draw from indenture to fund administrative costs
SF E	\$80,780	Adjust Management Fee based on updated Indirect Cost Model
SF E	\$13,930	Update Personnel Complement
	\$94,710	

OHRF R	(\$223,030)	Adjust Commitment Fee income for timing and scope changes
OHRF R	(\$856,391)	Adjust Development Fee income for timing and scope changes
OHRF R	(\$1,079,421)	
OHRF E	(\$24,760)	Decrease transfer to GF to fund Real Estate Development personnel cost
OHRF	(\$1,054,661)	Decrease excess cash flow restriction to OHRF
OH R	\$282,141	Adjust draws from existing property cash
OH R	(\$221,090)	Adjust Vacancy Loss assumptions
OH R	(\$64,293)	Remove rental income for 10 units sold from MPDU 1 64 Dev Corp
OH R	(\$31,663)	Adjust Rent Increases to new VRG
OH R	(\$1,250)	Remove Rental License Fee for 10 units sold from MPDU 1 64 Dev Corp
	(\$36,155)	
OH	\$5,547	Adjust draws from GFOR for deficit at MetroPointe
OH E	\$1,069,350	Adjust Management Fee based on updated Indirect Cost Model
OH E	\$828,089	Update Personnel Complement
OH E	\$8,883	Adjust restrictions of cash for restricted properties
OH E	(\$620,469)	Adjust Development Corporation Fee Expense on properties
OH E	(\$232,169)	Adjust Debt Service for battery Lane and Bradley Crossing
OH E	(\$56,892)	Remove Debt for MDPU I
OH E	(\$9,775)	Decrease contributions to Operating Reserves at Foreclosure Homes
OH E	(\$1,914)	Adjust Environmental Insurance Allocation
OH E	(\$1,250)	Remove Rental License Fee for 10 units sold from MPDU 1 64 Dev Corp
OH E	(\$490)	Adjust County Insurance Allocation
	\$983,363	

Enclosure 1-1b

FY 2025 Proposed Operating Budget Comparison from Recommended Budget		Revenues	Expenses	Recommended Budget	Net Changes To Revenue	Net Changes To Expenses	Revenues	Expenses	Proposed Budget
General Fund									
	General Fund	\$33,985,454	\$36,495,228	(\$2,509,774)	(\$15,212)	(\$277,326)	\$33,970,242	\$36,217,902	(\$2,247,660)
	Draw from General Fund Operating Reserve("GFOR")	\$854,058	\$0	\$854,058	\$751,857	\$0	\$1,605,915	\$0	\$1,605,915
	Restrict to GFOR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Restrict to OHPR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Restrict to OPEB Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Multifamily & Single Family Bond Funds									
	Multifamily Fund	\$23,163,376	\$23,163,376	\$0	\$108,770	\$108,770	\$23,272,146	\$23,272,146	\$0
	Single Family Fund	\$8,451,713	\$8,451,713	\$0	\$94,710	\$94,710	\$8,546,423	\$8,546,423	\$0
Opportunity Housing Fund									
	Opportunity Housing Reserve Fund ("OHRF")	\$12,970,449	\$1,779,950	\$11,190,499	(\$1,079,421)	(\$24,760)	\$11,891,028	\$1,755,190	\$10,135,838
	Draw from OHRF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Restrict to OHRF	\$0	\$11,190,499	(\$11,190,499)	\$0	(\$1,054,661)	\$0	\$10,135,838	(\$10,135,838)
	Opportunity Housing & Development Corps	\$110,532,648	\$108,898,968	\$1,633,680	(\$36,155)	\$983,363	\$110,496,493	\$109,882,331	\$614,162
	Draw from GFOR for MetroPointe Deficit	\$22,036	\$0	\$22,036	\$5,547	\$0	\$27,583	\$0	\$27,583
Public Fund									
	Housing Choice Voucher Program ("HCVP")	\$139,302,287	\$138,851,972	\$450,315	\$1,036,407	(\$401,462)	\$140,338,694	\$138,450,510	\$1,888,184
	Draw from HCVP HAP Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Draw from HCVP Administrative Reserve	\$419,801	\$0	\$419,801	\$38,795	\$0	\$458,596	\$0	\$458,596
	Restrict to HCVP HAP Reserve	\$0	\$870,116	(\$870,116)	\$0	\$1,476,664	\$0	\$2,346,780	(\$2,346,780)
	Restrict to HCVP Administrative Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Federal and County Grants	\$18,653,981	\$18,653,981	\$0	\$312,349	\$312,349	\$18,966,330	\$18,966,330	\$0
TOTAL - ALL FUNDS		\$348,355,803	\$348,355,803	\$0	\$1,217,647	\$1,217,647	\$349,573,450	\$349,573,450	\$0

Footnotes - explanation of changes

HCV R \$1,054,466 Increase HAP funding based on HUD re-benchmarking
HCV R (\$18,059) Decrease HCV Administrative Fees based on utilization
\$1,036,407

HCV R **\$38,795** Increase draw from HCV Administrative Reserves

HCV E \$26,910 Update Personnel Complement
HCV E (\$422,198) Update HAP expense Based on Emergency Housing Voucher Utilization
HCV E (\$6,174) Adjust HCVP Management Fee Income
(\$401,462)

HCV R **\$1,476,664** Increase restriction to HAP Reserves

Grants R \$322,814 Increase County Contract funding
Grants R \$24,519 Increase County funding for McKinney X Grant
Grants R \$9,912 Increase County Emergency Services Grant funding
Grants R \$4,944 Increase County funding for McKinney XIV Grant
Grants R \$3,010 Increase County Housing Locator Grant funding
Grants R \$1,320 Increase County Closing Cost Funding based on change in expenses
Grants R (\$30,605) Decrease draw from McKinney Reserves to balance McKinney X Grant
Grants R (\$23,373) Adjust transfers from main County Contract to balance grants
Grants R (\$192) Decrease draw from McKinney Reserves to balance McKinney Expansion Program
\$312,349

Grants E \$192,206 Update Personnel Complement
Grants E \$137,366 Add Transfer to General Fund from County Grant for HOC Academy
Grants E \$3,217 Adjust expenses for McKinney XIV Grant
Grants E \$6,149 Adjust Management Fees paid to General Fund
Grants E \$3,170 Adjust expenses for Housing Locator Grant
Grants E \$1,370 Update Personnel Complement for County Closing Cost Grant
Grants E \$400 Update McKinney Grant Management Fees paid to General Fund
Grants E \$280 Update Personnel Complement for Housing Locator Grant
Grants E \$40 Adjust expenses for McKinney X Grant
Grants E (\$23,373) Adjust transfers from main County Contract to balance grants
Grants E (\$4,991) Update Personnel Complement for McKinney Grants
Grants E (\$2,995) Balance Grants
Grants E (\$440) Update Housing Locator Management Fees paid to General Fund
Grants E (\$50) Update Closing Cost Management Fees paid to General Fund
\$312,349

Enclosure 1-2

FY 2025 Proposed Capital Budget Comparison from Recommended Budget		Revenues	Expenses	Recommended Budget	Net Changes to Revenue	Net Changes to Expenses	Revenues	Expenses	Proposed Budget
Capital Improvements									
	East Deer Park	\$50,000	\$50,000	\$0	\$0	\$0	\$50,000	\$50,000	\$0
	Kensington Office	\$100,000	\$100,000	\$0	\$0	\$0	\$100,000	\$100,000	\$0
	880 Bonifant Service Center	\$90,000	\$90,000	\$0	\$0	\$0	\$90,000	\$90,000	\$0
	Derwood Service Center	\$15,000	\$15,000	\$0	\$0	\$0	\$15,000	\$15,000	\$0
	Information Technology	\$317,000	\$317,000	\$0	\$0	\$0	\$317,000	\$317,000	\$0
	Opportunity Housing Properties	\$9,298,738	\$9,298,738	\$0	(\$1,968,808)	(\$1,968,808)	\$7,329,930	\$7,329,930	\$0
		\$9,870,738	\$9,870,738	\$0	(\$1,968,808)	(\$1,968,808)	\$7,901,930	\$7,901,930	\$0
Capital Development Projects									
	Deeply Affordable Units	\$1,250,000	\$1,250,000	\$0	\$0	\$0	\$1,250,000	\$1,250,000	\$0
	Garnkirk Farms	\$22,089,152	\$22,089,152	\$0	\$0	\$0	\$22,089,152	\$22,089,152	\$0
	Headquarters	\$13,264,715	\$13,264,715	\$0	\$37,039,764	\$37,039,764	\$50,304,479	\$50,304,479	\$0
	Hillandale Gateway - Senior	\$26,236,066	\$26,236,066	\$0	\$0	\$0	\$26,236,066	\$26,236,066	\$0
	Hillandale Gateway - Multifamily / Retail (Market)	\$38,389,480	\$38,389,480	\$0	\$0	\$0	\$38,389,480	\$38,389,480	\$0
	Hillandale Gateway - Multifamily / Retail (Tax Credit)	\$13,430,963	\$13,430,963	\$0	\$0	\$0	\$13,430,963	\$13,430,963	\$0
	MetroPointe	\$61,217,407	\$61,217,407	\$0	(\$328,117)	(\$328,117)	\$60,889,290	\$60,889,290	\$0
	Metropolitan	\$108,988,214	\$108,988,214	\$0	\$0	\$0	\$108,988,214	\$108,988,214	\$0
	Building B at West Side Shady Grove	\$44,237,130	\$44,237,130	\$0	(\$3,426,482)	(\$3,426,482)	\$40,810,648	\$40,810,648	\$0
		\$329,103,127	\$329,103,127	\$0	\$33,285,165	\$33,285,165	\$362,388,292	\$362,388,292	\$0
TOTAL - ALL FUNDS		\$338,973,865	\$338,973,865	\$0	\$31,316,357	\$31,316,357	\$370,290,222	\$370,290,222	\$0

Footnotes - explanation of changes

CI R (\$179,176) Revise Barclay Apartments Capital Budget
 (\$68,188) Revise Barclay Affordable Capital Budget
 (\$1,000,000) Revise Cider Mill Capital Budget
 (\$442) Revise Jubilee Falling Creek Capital Budget
 \$1,753 Revise Jubilee Hermitage Capital Budget
 (\$1,311) Revise Jubilee Woodedge Capital Budget
 (\$164,325) Revise Manchester Manor Apartments Capital Budget
 (\$24,255) Revise Paddington Square Capital Budget
 (\$214,364) Revise Strathmore Court Affordable Capital Budget
 (\$318,500) Revise Willows of Gaithersburg Capital Budget
(\$1,968,808)

CI E (\$179,176) Revise Barclay Apartments Capital Budget
 (\$68,188) Revise Barclay Affordable Capital Budget
 (\$1,000,000) Revise Cider Mill Capital Budget
 (\$442) Revise Jubilee Falling Creek Capital Budget
 \$1,753 Revise Jubilee Hermitage Capital Budget
 (\$1,311) Revise Jubilee Woodedge Capital Budget
 (\$164,325) Revise Manchester Manor Apartments Capital Budget
 (\$24,255) Revise Paddington Square Capital Budget
 (\$214,364) Revise Strathmore Court Affordable Capital Budget
 (\$318,500) Revise Willows of Gaithersburg Capital Budget
(\$1,968,808)

CD R \$37,039,764 Revise HOC Headquarters
 (\$328,117) Revise MetroPointe
 (\$3,426,482) Revise West Side Shady Grove - Building B
\$33,285,165

CD E \$37,039,764 Revise HOC Headquarters
 (\$328,117) Revise MetroPointe
 (\$3,426,482) Revise West Side Shady Grove - Building B
\$33,285,165

**Revised Charts
From Summary and Capital Budget Sections
of the FY'25 Recommended Budget
(Enclosure 2)**



Commission Meeting FY 2025 Proposed Budget

June 5, 2024

FY 2025 – Budget Overview

Proposed Budget

Fund Summary Overview		FY 2025 Proposed Budget		
		Revenues	Expenses	Net
General Fund		\$33,970,242	\$36,217,902	(\$2,247,660)
	Draw from General Fund Operating Reserve ("GFOR")	\$1,605,915	\$0	\$1,605,915
Multifamily Bond Funds		\$23,272,146	\$23,272,146	\$0
Single Family Bond Funds		\$8,546,423	\$8,546,423	\$0
Opportunity Housing Fund				
	Opportunity Housing Reserve Fund ("OHRF")	\$11,891,028	\$1,755,190	\$10,135,838
	Restrict to OHRF	\$0	\$10,135,838	(\$10,135,838)
	Opportunity Housing & Development Corporation Properties	\$110,496,493	\$109,882,331	\$614,162
	Draw from GFOR for MetroPointe Deficit	\$27,583	\$0	\$27,583
Public Fund				
	Housing Choice Voucher Program ("HCVP")	\$140,797,290	\$140,797,290	\$0
	Federal and County Grants	\$18,966,330	\$18,966,330	\$0
TOTAL - ALL FUNDS		\$349,573,450	\$349,573,450	\$0

* Revenues and Expenses include inter-company Transfer Between Funds

FY 2025 – Revenue and Expense Summary

Proposed Budget

FY 2025 Revenue and Expense Statement

Operating Budget

Operating Income

Tenant Income	\$107,227,368
Non-Dwelling Rental Income	\$1,188,793
Federal Grant	\$146,134,242
County Grant	\$12,693,165
Management Fees	\$42,423,830
Miscellaneous Income	\$201,739

TOTAL OPERATING INCOME

\$309,869,137

Operating Expenses

Personnel Expenses	\$63,394,062
Operating Expenses - Fees	\$24,565,697
Operating Expenses - Administrative	\$9,503,843
Bad Debt	\$2,363,646
Tenant Services Expenses	\$7,307,703
Protective Services Expenses	\$1,397,166
Utilities Expenses	\$7,489,131
Insurance and Tax Expenses	\$3,659,405
Maintenance Expenses	\$12,567,989
Housing Assistance Payments ("HAP")	\$125,821,818

TOTAL OPERATING EXPENSES

\$258,070,460

NET OPERATING INCOME

\$51,798,677

Non-Operating Budget

Non-Operating Income

Investment Interest Income	\$27,567,158
FHA Risk Sharing Insurance	\$1,205,245
Transfer Between Funds	\$10,931,910

TOTAL NON-OPERATING INCOME

\$39,704,313

Non-Operating Expenses

Interest Payment	\$44,097,921
Mortgage Insurance	\$996,809
Principal Payment	\$11,892,297
Debt Service, Operating and Replacement Reserves	\$13,293,604
Restricted Cash Flow	\$11,539,048
Development Corporation Fees	\$4,181,251
Miscellaneous Bond Financing Expenses	\$800,817
FHA Risk Sharing Insurance	\$1,205,245
Transfer Out Between Funds	\$3,495,998

TOTAL NON-OPERATING EXPENSES

\$91,502,990

NET NON-OPERATING ADJUSTMENTS

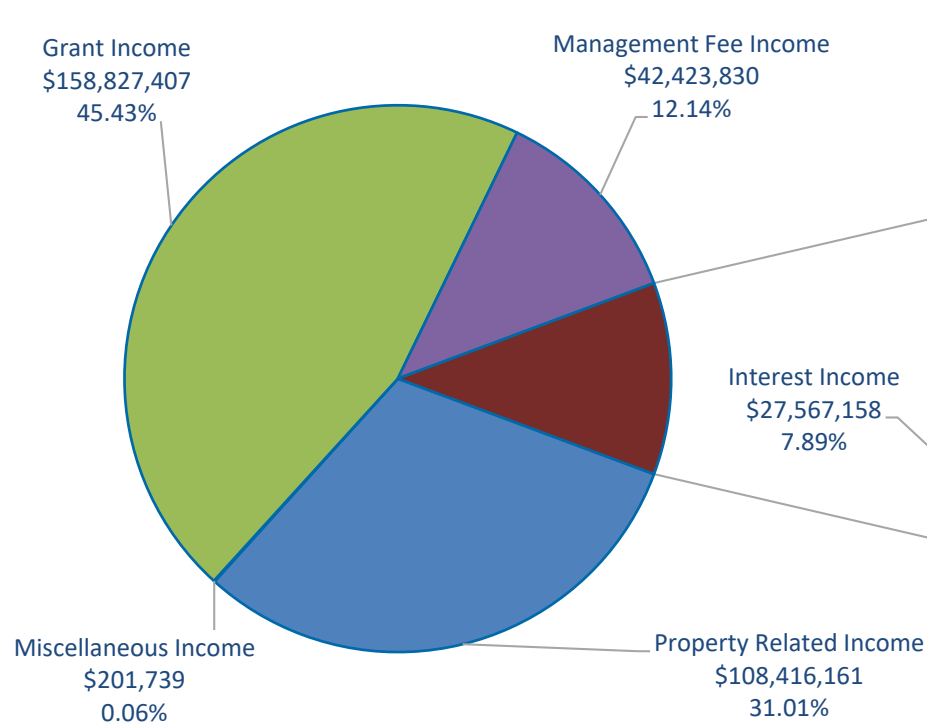
(\$51,798,677)

FY 2025 – Operating Budget: Source of Funds

Total Income – Proposed – \$349,573,450

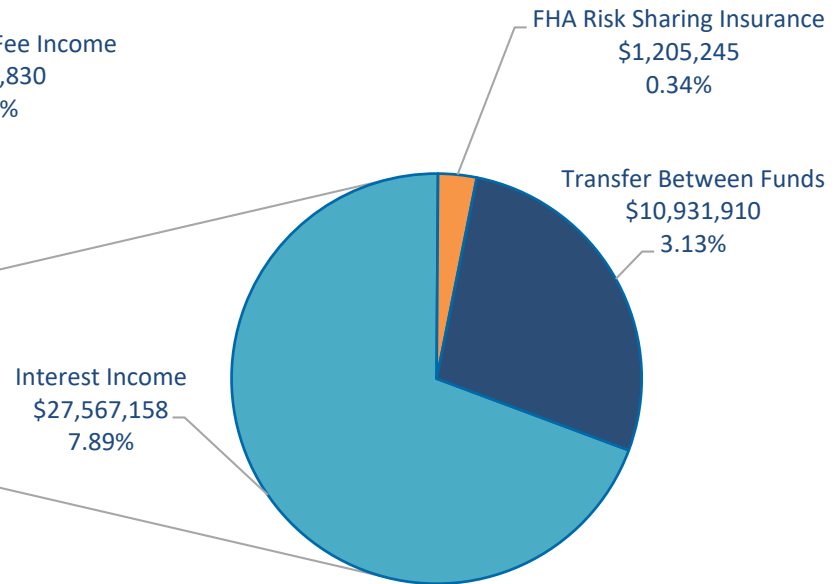
Operating Income

\$309,869,137



Non-Operating Income

\$39,704,313



FY 2025 – Operating Budget: Use of Funds

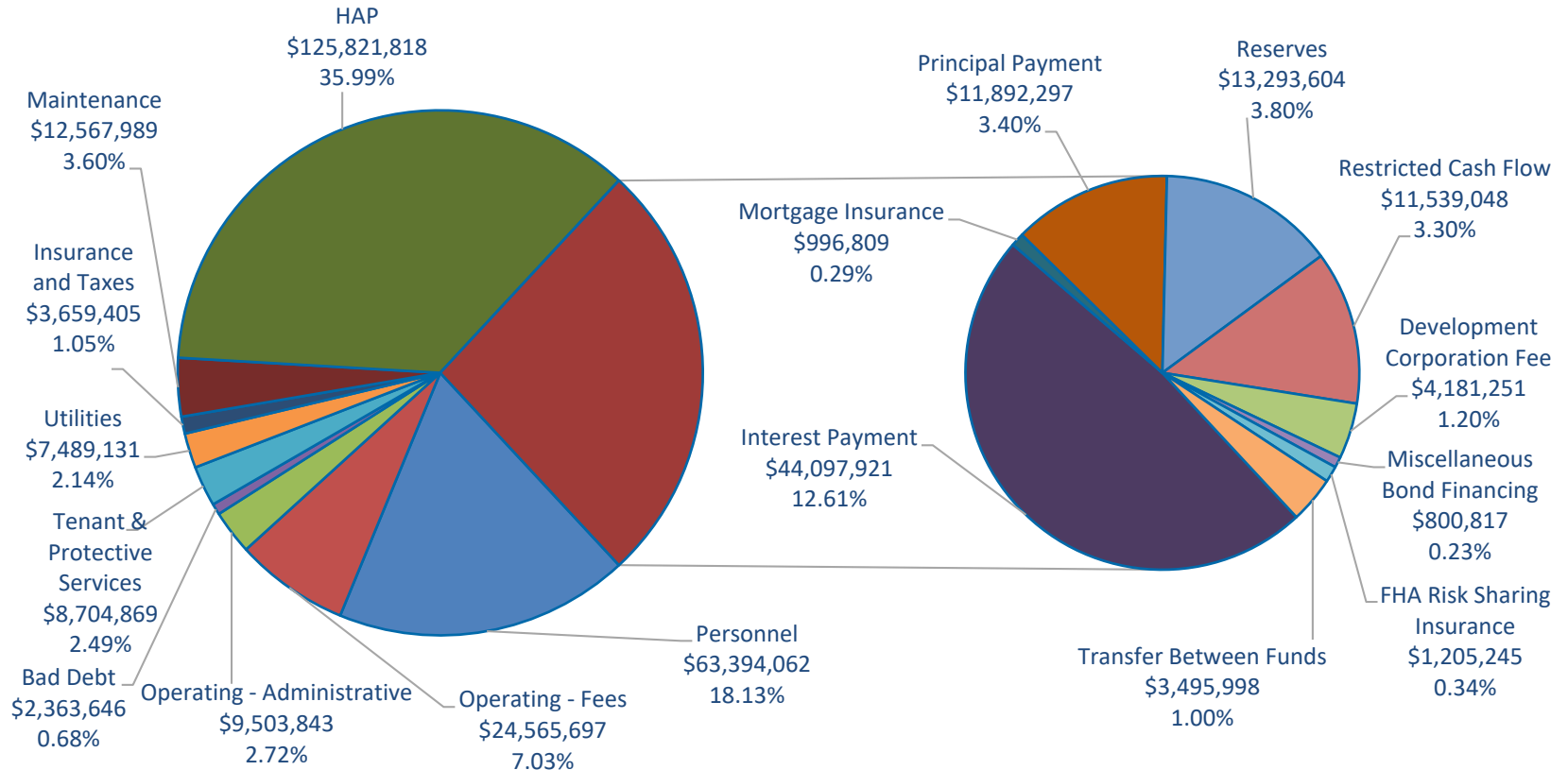
Total Expenses – Proposed – \$349,573,450

Operating Expenses

\$258,070,460

Non-Operating Expenses

\$91,502,990



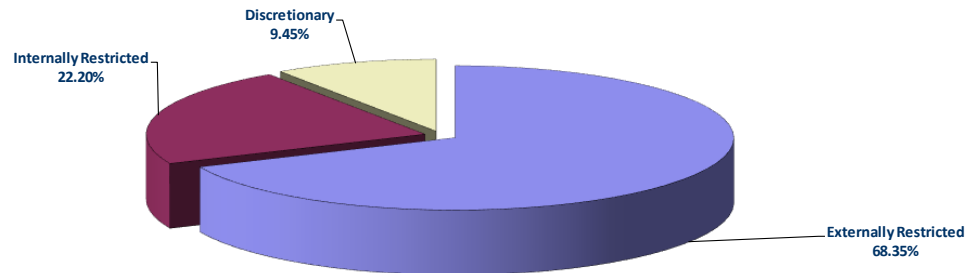
Total Agency Operating Budget Summary – FY 2021 through FY 2025

Total Revenue and Expense Statement

Total Revenue and Expense Statement	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Amended Budget	FY 2025 Proposed Budget
Operating Income					
Tenant Income	\$101,168,308	\$103,433,803	\$103,594,913	\$108,834,885	\$107,227,368
Non-Dwelling Rental Income	\$1,971,505	\$2,058,635	\$2,046,252	\$1,424,777	\$1,188,793
Federal Grant	\$117,108,381	\$127,363,866	\$135,428,095	\$141,783,338	\$146,134,242
County Grant	\$11,036,409	\$10,252,657	\$17,208,744	\$12,455,405	\$12,693,165
Management Fees	\$24,469,222	\$28,047,755	\$22,866,681	\$40,548,061	\$42,423,830
Miscellaneous Income	\$571,402	\$762,552	\$250,645	\$163,791	\$201,739
TOTAL OPERATING INCOME	\$256,325,227	\$271,919,268	\$281,395,330	\$305,210,257	\$309,869,137
Operating Expenses					
Personnel Expenses	\$43,941,599	\$45,747,066	\$46,582,370	\$57,806,660	\$63,394,062
Operating Expenses - Fees	\$18,960,653	\$19,521,060	\$21,822,650	\$22,638,427	\$24,565,697
Operating Expenses - Administrative	\$7,948,761	\$8,683,282	\$8,856,780	\$9,005,508	\$9,503,843
Bad Debt	\$3,367,868	\$2,617,060	\$2,544,165	\$3,544,290	\$2,363,646
Tenant Services Expenses	\$7,207,120	\$6,674,634	\$12,646,310	\$7,547,047	\$7,307,703
Protective Services Expenses	\$1,003,501	\$1,043,235	\$1,299,586	\$1,564,562	\$1,397,166
Utilities Expenses	\$7,084,450	\$8,132,602	\$7,539,425	\$7,648,781	\$7,489,131
Insurance and Tax Expenses	\$2,911,833	\$2,572,404	\$3,491,840	\$3,491,796	\$3,659,405
Maintenance Expenses	\$9,239,238	\$12,007,908	\$12,267,404	\$11,136,899	\$12,567,989
Housing Assistance Payments ("HAP")	\$105,640,697	\$110,334,874	\$118,319,029	\$124,451,780	\$125,821,818
TOTAL OPERATING EXPENSES	\$207,305,720	\$217,334,125	\$235,369,559	\$248,747,750	\$258,070,460
NET OPERATING INCOME	\$49,019,507	\$54,585,143	\$46,025,771	\$56,462,507	\$51,798,677
Non-Operating Income					
Investment Interest Income	\$22,053,438	\$26,195,521	\$33,932,154	\$24,688,454	\$27,567,158
FHA Risk Sharing Insurance	\$1,518,820	\$1,659,452	\$1,092,425	\$1,081,292	\$1,205,245
Transfer Between Funds	\$12,245,244	\$8,448,970	\$8,454,045	\$8,611,106	\$10,931,910
TOTAL NON-OPERATING INCOME	\$35,817,502	\$36,303,943	\$43,478,624	\$34,380,852	\$39,704,313
Non-Operating Expenses					
Interest Payment	\$37,662,266	\$41,457,628	\$47,353,103	\$42,515,107	\$44,097,921
Mortgage Insurance	\$1,162,254	\$1,083,430	\$1,039,524	\$889,688	\$996,809
Principal Payment	\$11,987,690	\$12,041,042	\$11,393,366	\$11,212,130	\$11,892,297
Debt Service, Operating and Replacement Reserves	\$12,140,601	\$14,873,859	\$16,825,291	\$12,802,601	\$13,293,604
Restricted Cash Flow	\$6,262,226	\$6,651,537	\$2,547,080	\$12,007,587	\$11,539,048
Development Corporation Fees	\$5,343,739	\$5,758,672	\$5,131,472	\$5,739,737	\$4,181,251
Miscellaneous Bond Financing Expenses	\$674,756	\$580,009	\$708,020	\$865,965	\$800,817
FHA Risk Sharing Insurance	\$1,502,780	\$1,739,677	\$1,027,290	\$1,081,292	\$1,205,245
Transfer Out Between Funds	\$6,858,867	\$5,691,231	\$4,608,275	\$3,729,252	\$3,495,998
TOTAL NON-OPERATING EXPENSES	\$83,595,179	\$89,877,085	\$90,633,421	\$90,843,359	\$91,502,990
NET NON-OPERATING ADJUSTMENTS	(\$47,777,677)	(\$33,979,142)	(\$44,194,797)	(\$34,380,852)	(\$39,798,677)
NET CASH FLOW	\$1,241,830	\$1,012,001	(\$1,129,026)	\$0	\$0

FY 2025 – Revenue Restrictions

Revenue Restriction (Showing externally placed restrictions)	FY 2025 Proposed Budget			
	Externally Restricted	Internally Restricted	Discretionary	TOTAL
Operating Income				
Property Related Income	\$42,040,109	\$65,734,307	\$641,745	\$108,416,161
Federal Grant	\$146,134,242	\$0	\$0	\$146,134,242
County Grant	\$12,693,165	\$0	\$0	\$12,693,165
Management Fees	\$0	\$11,891,028	\$30,532,802	\$42,423,830
Miscellaneous Income	\$152,151	\$0	\$49,588	\$201,739
TOTAL OPERATING INCOME	\$201,019,667	\$77,625,335	\$31,224,135	\$309,869,137
Non-Operating Income				
Interest Income	\$27,372,688	\$0	\$194,470	\$27,567,158
FHA Risk Sharing	\$1,205,245	\$0	\$0	\$1,205,245
Transfer Between Funds	\$9,325,995	\$0	\$1,605,915	\$10,931,910
TOTAL NON-OPERATING INCOME	\$37,903,928		\$1,800,385	\$39,704,313
TOTAL - ALL REVENUE SOURCES	\$238,923,595	\$77,625,335	\$33,024,520	\$349,573,450

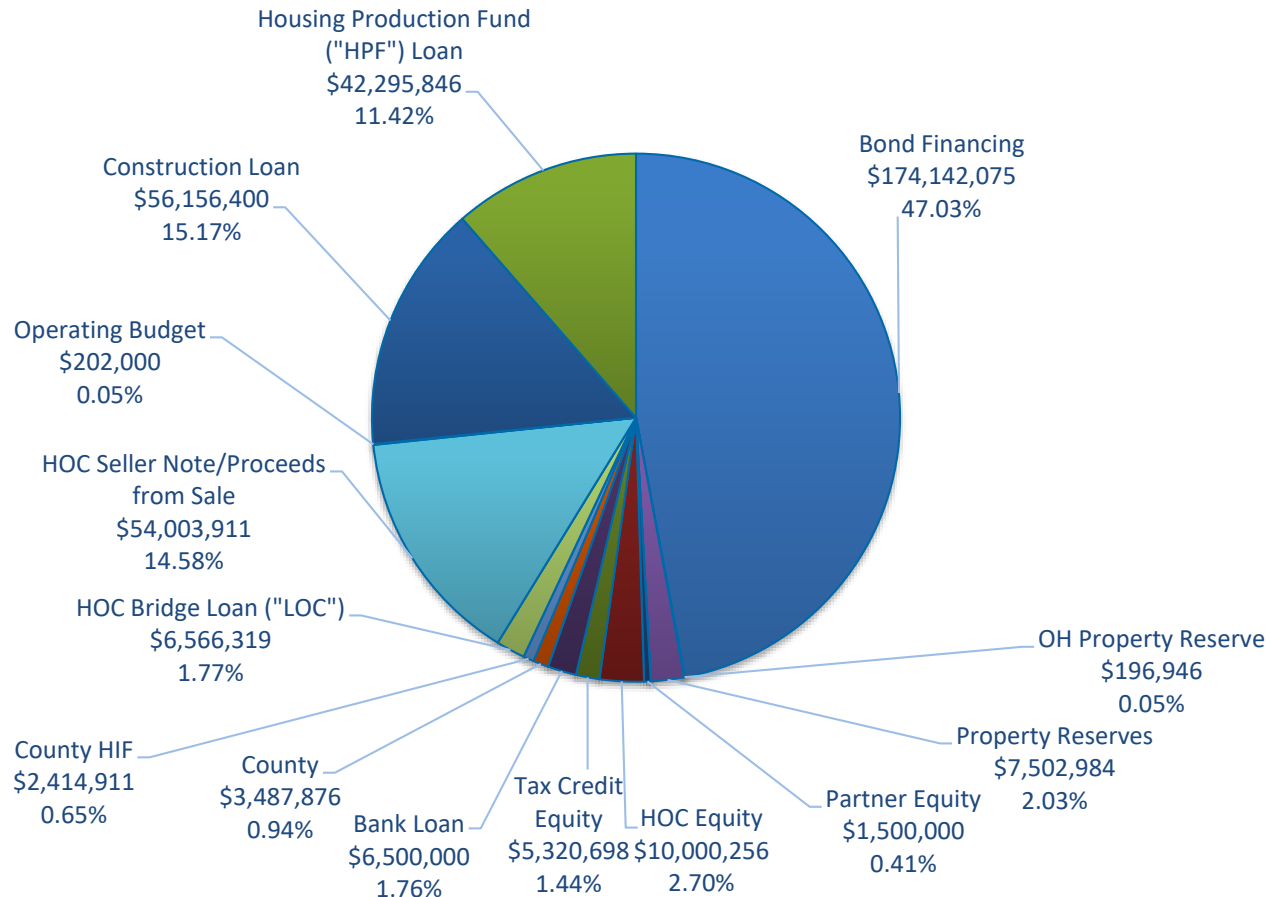


FY 2025 – Capital Budget Overview

Capital Budget Summary	FY 2025 Proposed Budget
Capital Improvements	
East Deer Park	\$50,000
Kensington Office	\$100,000
880 Bonifant Service Center	\$90,000
Derwood Service Center	\$15,000
Information Technology	\$317,000
Opportunity Housing Properties	\$7,329,930
Subtotal	\$7,901,930
Capital Development Projects	
Deeply Affordable Units	\$1,250,000
Garnkirk Farms	\$22,089,152
HOC Headquarters	\$50,304,479
Hillandale Gateway - Senior	\$26,236,066
Hillandale Gateway - Multifamily / Retail (Market)	\$38,389,480
Hillandale Gateway - Multifamily / Retail (Tax Credit)	\$13,430,963
MetroPointe	\$60,889,290
Metropolitan	\$108,988,214
West Side Shady Grove - Building B	\$40,810,648
Subtotal	\$362,388,292
TOTAL	\$370,290,222

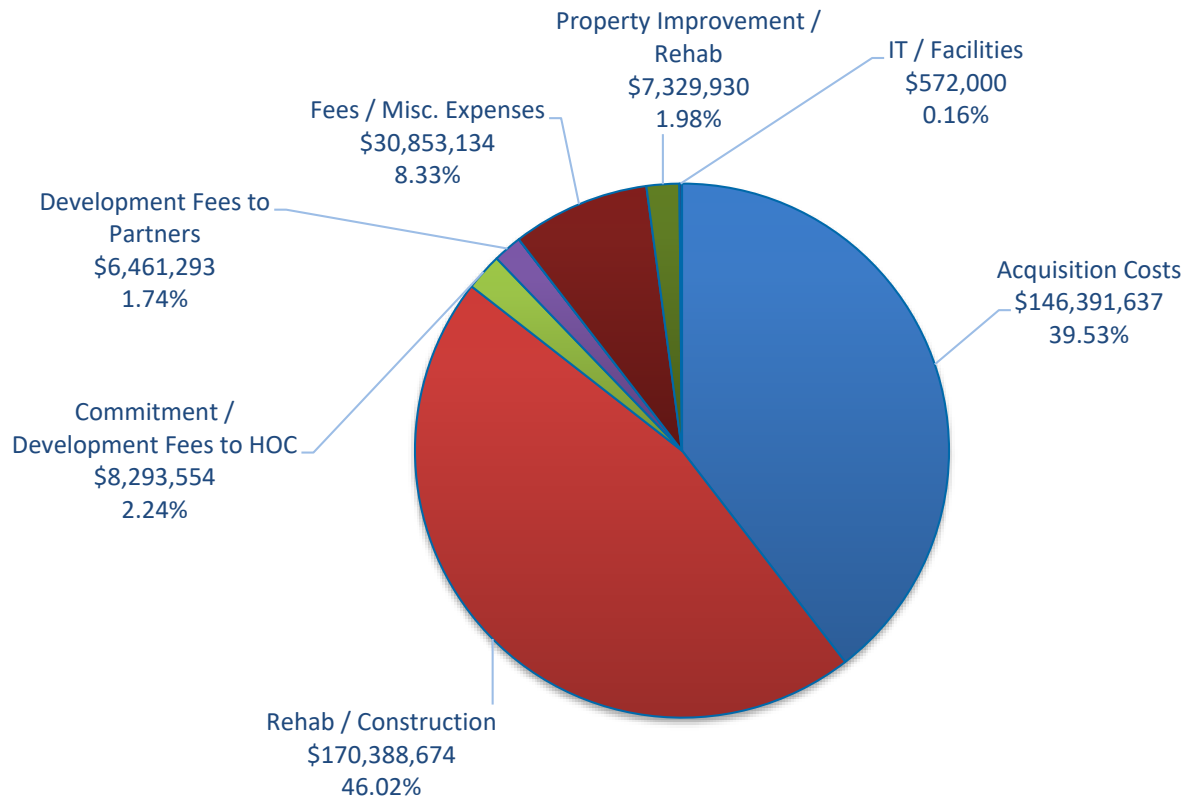
FY 2025 – Capital Budget

Source of Funds - Proposed – \$370,290,222



FY 2025 – Capital Budget

Use of Funds – Proposed - \$370,290,222



Development & Finance Committee

WHEATON GATEWAY: APPROVAL TO SELECT CLARK CONSTRUCTION GROUP, LLC FOR GENERAL CONTRACTING SERVICES FOR THE PRECONSTRUCTION AND CONSTRUCTION OF THE WHEATON GATEWAY DEVELOPMENT (PHASE I), APPROVAL FOR THE PRESIDENT TO NEGOTIATE AND EXECUTE THE CONTRACT FOR PRECONSTRUCTION SERVICES, AND APPROVAL FOR THE PRESIDENT TO NEGOTIATE THE GUARANTEED MAXIMUM PRICE (“GMP”) CONTRACT

Wheaton Gateway



CHELSEA J. ANDREWS, PRESIDENT/ EXECUTIVE DIRECTOR

**KAYRINE BROWN, SENIOR EXECUTIVE VICE PRESIDENT
ZACHARY MARKS, SENIOR VICE PRESIDENT OF REAL ESTATE
DAEJAUNA DONAHUE, PROJECT MANAGER
ALEX LAURENS, HOUSING ACQUISITION MANAGER**

June 5, 2024

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Executive Summary

The Commission and HOC Staff have taken several actions to progress the development of Wheaton Gateway since February 2020, when approval from Commission was received for the Concept Plan for the redevelopment of the assembled site. Precedent to this, the Commission had taken several actions when beginning in 2014, the viability of the Ambassador Apartment was called into question, due to its deteriorated physical condition.

The project team engaged an architect and progressed the design through the Sketch Plan approval, which was received in May 2022.

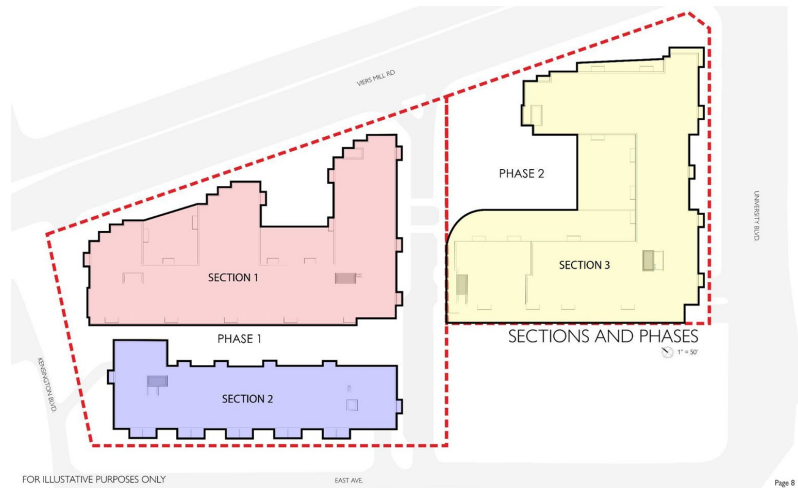
After the Commission approved the submission of the site plan on March 6, 2024 to the Maryland-National Capital Park and Planning Commission (“M-NCPPC”), a community meeting was held on March 11, 2024, as a means to receive public feedback on the project prior to the Site Plan submission, which is projected to occur in the second quarter of calendar year 2024.

The development and design teams are currently working on the progression of schematic design (“SD”) with the goal of starting design development (“DD”) in October 2024. The ultimate goal is to submit for Building Permits in June/July 2025.

With this goal in mind, the Commission approved the selection of JDC as the Construction Manager (“CM”) at the April 3, 2024 Commission meeting.

Similarly, the development team plans to engage the General Contractor (“GC”) prior to the start of DDs to assist with pricing and constructability guidance. The General Contractor will be contracted for the following three phases of work:

- Preconstruction Support
- Construction
- Project Close-Out



Selection of a General Contractor - Criteria

HOC's Procurement Office issued a Request for Proposal (RFP #2456) for general contracting services for the preconstruction and construction of Wheaton Gateway in accordance with HOC's Procurement Policy. RFP #2456 was released on February 8, 2024, with a due date of April 8, 2024. The RFP was posted to HOC's website and distributed to more than 300 vendors registered in the Montgomery County Central Vendor Registration System ("CVRS"). A pre-proposal conference was held virtually on February 16, 2024, which was attended by eleven (11) firms.

The scope of work outlined in RFP #2456 included twenty-four (24) months of preconstruction phase services, followed by construction phase services, including site verification and code compliance. The scoring consisted of staff from Risk Management, Mortgage Finance, and Real Estate divisions, as well a Duffie representative (together, the "General Contractor Scoring Team", all received written instructions prior. A General Contractor Scoring Team consensus meeting occurred on May 2, 2024. The Proposals were scored on the following: five (5) evaluation criteria. The maximum points a proposal could receive is 100.

Qualifications (Maximum 45 Points)	Additional MFD Participation (Maximum 15 Points)	References (Maximum 10 Points)	Financial Strength (Maximum 5 Points)	Price (Maximum 25 Points)
<p>Demonstrated experience with projects involving: i) high-rise mixed-use and residential ii) similar construction methodologies iii) Passive house achieving energy standards beyond code requirements, iv) high performance construction standards, v) experience with Low Income Housing Tax Credit ("LIHTC") with a preference for Maryland</p>	<p>The 15% of MFD scoring shall be subdivided in two areas. The first is the GC's direct MFD efforts (5% Direct MFD). All firms can receive 5% MFD effort and any respondents that are a certified MFD firm are awarded the full 5% as well. The second area is MFD subcontractors (10% MFD Subcontracting). Respondents who meet the MFD requirement (i.e., 25%) will score 0% , >25% – 29% will receive 5%, and 30% or above will receive the full 10%.</p>	<p>Reference checks were conducted to evaluate and verify past performance regarding ability for on-time completion and change order management.</p>	<p>Provide confirmation of Respondent performance and payment bond ability for the project from a surety of AM Best class "IX" or higher bearing a minimum AM Best "A" rating or better.</p>	<p>Price and Fees for performing the services described in this request for proposal. Price proposals should include detailed cost of each service.</p>

Selection of a General Contractor – Bidders

HOC received six (6) proposals in response to RFP# 2456 by the proposal deadline on April 8, 2024 at 12:00 pm.

James G. Davis Construction Corporation (“Davis”)

Founded in 1964, Davis is headquartered in Rockville, MD. They were ranked by Engineering News Record (“ENR”) as the fifth largest GC in the mid-Atlantic. Davis does not have any prior experience with HOC’s projects.



Paradigm Contractors, LLC (“Paradigm”)

Founded in 1991, Paradigm has experience with multifamily and commercial projects. Paradigm has experience with the following HOC projects: Residences on the Lane and has been selected as the GC for the new HOC Headquarters.



Bozzuto Contracting Company, LLC (“Bozzuto”)

Since 1988, Bozzuto has had experience with numerous mixed-use multifamily projects. Bozzuto has experience with the following HOC projects: Metro Pointe and The Laureate.



Whiting-Turner Contracting Company, LLC (“Whiting-Turner”)

Founded 114 years ago, Whiting-Turner was ranked by ENR as the third top multi-family contractor in the mid-Atlantic. Whiting-Turner does not have any experience with HOC’s projects.



Clark Construction Group, LLC (“Clark”)

Clark was founded over 100 years ago in the DMV area and has its headquarters in Bethesda, MD. They were ranked by ENR as the second top green building contractor and the top multifamily contractor in the mid-Atlantic. Clark does not have any prior experience with HOC’s projects.



CBG Building Company, LLC (“CBG”)

CBG was formed in 2015 by Clark Construction Group. CBG not only have experience with multifamily construction, but also education and renovation projects. CBG has experience with the following HOC projects: Fenton Silver Spring and was selected as the GC for Hillandale Gateway.



Selection of a General Contractor – Scoring

Following a review of all the proposals, the General Contractor Scoring Team scored Clark the highest with 95 out of 100 points. A summary of the team’s evaluation of Clark is provided below.

Qualifications:

- Clark demonstrated within their proposal significant experience on projects of similar scope and size, high sustainability standards beyond code minimum, high construction standards and various construction methods, LIHTC experience, and experience in the Baltimore-Washington Metropolitan area.

MFD Participation:

- Clark received full points in this criteria, regarding direct MFD efforts, their diverse staffing plan has 43% MFD personnel including in leadership positions and their subcontracting plan included 35% for MFD participation.

References:

- Clark’s references spoke highly of their work performed including their involvement on change order management and on-time completion of projects.

Financial Strength:

- Clark confirmed their performance and payment bond ability via the surety letter within their proposal.

Price:

- Their proposal included competitive fees; their preconstruction fee is \$270,000, and the construction fees included general conditions and profit at 7.75%.

Based on the scoring criteria, Clark has demonstrated that they have the skills, team, and expertise to provide General Contracting Services for the Preconstruction and Construction of Wheaton Gateway Phase I. Staff proposes the selection of Clark for Wheaton Gateway Phase I General Contracting Services, and the preconstruction fee in the amount of \$270,000 and to include an HOC-held 25% contingency of \$67,500 to cover unforeseen changes in scope due to the scale of the project and duration of the preconstruction phase.

General Contractor – Services & Terms

Clark proposes the following pre-construction and construction scope of services and the following terms, which support the evaluation team's recommendation.

Pre-Construction Terms and Services

- Constructability Feedback
- Schedule Development
- Procurement & Cost Savings Strategies
- Budget Development and Project Bidding
- Preconstruction Fee of \$270,000 will be paid on a schedule that aligns with the commencement of the work and the budgeting stages (e.g. 10% upon commencement and 30% at the completion of each budgeting stage).

Construction Terms and Services

- General Conditions and Profit to be 7.75% in total
- MFD Commitment of 35%
- The majority of the construction contract terms will be negotiated with the general contractor upon approval from the Commission to do so and final negotiated terms will be brought back to the Commission for approval prior to the execution of a construction contract. The principal terms and services to be negotiated include:
 - Bonding and Insurance
 - Code Compliance and Inspections
 - Site Verification
 - Construction Schedule
 - Change Order Management
 - Liquidated Damages
 - Shared Cost Savings
 - Warranty

Previous Commission Actions

- On April 29, 2005, HOC acquired the General Partner interest in the Ambassador Apartments from IDI, Maryland, Inc., which positioned HOC to purchase the Limited Partner interest from M&T Bank at the expiration of the initial 15-year Low Income Housing Tax Credit period. On July 1, 2021, M&T Bank assigned its 99% limited partner interest to HOC for no monetary consideration.
- After a series of unfortunate incidents beginning in 2014, which forced two full evacuations of the building, it became clear to the Commission that a redevelopment of the site was necessary to ensure the safety of its residents and the community. Staff began exploring its options and by July 11, 2016, the residential property had been fully vacated and the residents relocated to more appropriate housing.
- Below are the actions taken by the Commission in connection with the redevelopment of the site.

Date	Action
October 21, 2016 (committee review)	Review of Strategy to Unlock Lindsay Ford and Ambassador Sites for Redevelopment
November 2, 2016	Review of Strategy to Unlock Lindsay Ford and Ambassador Sites for Redevelopment
February 1, 2017	Authorization of Executive Director to Execute Agreement to Purchase Lindsay Automotive Group's Wheaton Properties
April 3, 2019	Authorization for the Executive Director to Enter into a Binding JV Operating Agreement with Duffie and Willco
February 5, 2020	Approval of the CY 2020 Predevelopment Budget and Funding for Wheaton Gateway; Approval of a Loan to Wheaton Gateway; Approval of the Concept Plan
May 6, 2020	Approval to Select Demolition Services, Inc. to Complete Demolition of the Mattress Firm Site
May 6, 2020	Approval to Amend the Wheaton Venture, LLC Operating Agreement to Allow HOC to Contribute its Condominium at the Ambassador into the Venture Subject
January 13, 2021	Approval of the Sketch Plan
July 13, 2022	Approval of the CY 2022-2025 Predevelopment Budget and Funding
March 6, 2024	Authorization for the Developer to Submit for Site Plan Review
April 3, 2024	Approval of a Construction Manager

Upcoming Commission Actions

Wheaton Gateway – Upcoming Actions	Projected Timeframe
Approval to Submit for Building Permit	June/July 2025
Approval of the Final Development Budget	August/September 2025
Approval to Execute the GMP with the General Contractor	October/November 2025
Approval of the Financing Plan	December 2025/January 2026

The discussions with the Commission envisions a multi-phase development over several years; however, there is a commitment to delivering a transformative development at the Gateway into Wheaton from the west, along University Boulevard.

Staff, with the Development Team, will be submitting the Site Plan in Q2 of 2024 and as the project progresses, the Commission will be asked to consider several actions up to the receipt of obtaining building permits for the first phase of construction at Wheaton Gateway.

Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to accept staff's recommendation, which is supported by the Development and Finance Committee to:

1. Authorize the selection of Clark Construction Group, LLC to provide general contracting services for the preconstruction and construction of Wheaton Gateway Phase I;
2. Approve the funding of preconstruction services in the amount of \$270,000, plus an HOC-held contingency of 25% of the estimated cost of \$67,500, for a total preconstruction services budget of \$337,500;
3. Authorize the President/Executive Director to negotiate and execute a contract for preconstruction services with Clark Construction Group, LLC that reflect these terms herein discussed;
4. Authorize the President/Executive Director to negotiate the GMP contract for construction services with Clark Construction Group, LLC that reflect the general overhead and profit at 7.75% and other terms herein outlined?

BUDGET/FISCAL IMPACT

There is no budget/fiscal impact. The pre-development budget was approved through CY2025 and included funding for preconstruction services. The proposed fee by Clark Construction Group, LLC for the predevelopment phase is within the dedicated budget line item. Staff will return to the Commission for approval to execute the construction contract and approval of the funding source.

TIME FRAME

For formal action at the June 5, 2024 meeting of Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission:

1. Authorize the selection of Clark Construction Group, LLC to provide general contracting services for the preconstruction and construction of Wheaton Gateway Phase I.
2. Approve the funding of preconstruction services in the amount of \$270,000, plus an HOC-held contingency of 25% of the estimated cost or \$67,500, for a total preconstruction services budget of \$337,500.
3. Authorize the President/Executive Director to negotiate and execute a contract for preconstruction services with Clark Construction Group, LLC that reflect these terms herein outlined.
4. Authorize the President/Executive Director to negotiate the GMP contract for construction services with Clark Construction Group, LLC that reflect the general overhead and profit at 7.75% and other terms herein outlined.

Resolution No.: 24-51

RE: Approval to Select Clark Construction Group, LLC as General Contractor for the Preconstruction and Construction of Wheaton Gateway (Phase I); Approval of the President to Negotiate and Execute the Contract for Preconstruction Services; Approval of the President to Negotiate the Guaranteed Maximum Price (“GMP”) Contract

WHEREAS, the Housing Opportunities Commission of Montgomery County, a public body corporate and politic (the “Commission” or “HOC”), is the sole member of HOC at Wheaton Gateway, LLC, the manager of Wheaton Gateway, LLC, the manager of Wheaton Venture, LLC (“Venture Entity”), the sole member of HOC at 11250 Veirs Mill Road, LLC (the “Owner”); and

WHEREAS, the Venture Entity is a joint venture between HOC and its development partners, Duffie, Inc. (“Duffie”) and Wheaton Motel Associates Limited Partnership, a Maryland limited partnership (“Wilco”), that through its wholly owned subsidiary, the Owner, owns approximately 5.4 acres of land located at 11250 Veirs Mill Road, Wheaton, MD 20902 (the “Property”); and

WHEREAS, the Owner is developing the Property into a mixed-income, mixed-use, multigenerational community to be known as “Wheaton Gateway”; and

WHEREAS, the Commission issued a request for proposals (“RFP #2456”) for general contracting services for the preconstruction and construction of Wheaton Gateway; and

WHEREAS, Clark Construction Group, LLC (“Clark”) received the highest score among respondents to RFP #2456; and

WHEREAS, the Commission desires to:

1. Approve a preconstruction budget for the Owner for payment of preconstruction costs to the general contractor in an amount not to exceed \$337,500, which includes a 25% contingency (the “General Contractor Preconstruction Budget”); and
2. Approve the selection of Clark as the general contractor for the preconstruction and construction work related to Wheaton Gateway Phase I (“GC Selection”); and
3. Authorize the President/Executive Director to negotiate and execute a contract for preconstruction services with Clark (the “Preconstruction Services Agreement”); and

Resolution No.: 24-51

RE: Approval to Select Clark Construction Group, LLC as General Contractor for the Preconstruction and Construction of Wheaton Gateway (Phase I); Approval of the President to Negotiate and Execute the Contract for Preconstruction Services; Approval of the President to Negotiate the Guaranteed Maximum Price (“GMP”) Contract

4. Authorize the President/Executive Director to negotiate a guaranteed maximum price construction contract with Clark with general overhead and profit costs of Clark not to exceed 7.75% of the value of the contract (the “Construction Contract”).

NOW THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton Gateway, LLC, acting for itself and in its capacity the manager of Wheaton Gateway, LLC, acting for itself and in its capacity as the manager of Wheaton Venture, LLC, acting for itself and in its capacity the sole member of HOC at 11250 Veirs Mill Road, LLC, authorizes and approves the General Contractor Preconstruction Budget, the GC Selection, the negotiation and execution of the Preconstruction Services Agreement, and the negotiation of the Construction Contract.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton Gateway, LLC, acting for itself and in its capacity the manager of Wheaton Gateway, LLC, acting for itself and in its capacity as the manager of Wheaton Venture, LLC, acting for itself and in its capacity the sole member of HOC at 11250 Veirs Mill Road, LLC, authorizes the President/Executive Director or her designee to execute such other documents and to take any and all other actions, in each case as necessary and proper, in the President/Executive Director’s judgment, to carry out the transactions and actions contemplated herein.

Resolution No.: 24-51

RE: Approval to Select Clark Construction Group, LLC as General Contractor for the Preconstruction and Construction of Wheaton Gateway (Phase I); Approval of the President to Negotiate and Execute the Contract for Preconstruction Services; Approval of the President to Negotiate the Guaranteed Maximum Price (“GMP”) Contract

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on June 5, 2024.

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**Chelsea J. Andrews
President / Executive Director**

**ELIZABETH HOUSE APARTMENTS: APPROVAL OF AN ADDITIONAL BRIDGE
LOAN OF UP TO \$1.5 MILLION FROM THE PNC BANK, N.A. \$60 MILLION
LINE OF CREDIT (“LOC”) TO PROVIDE FUNDING FOR THE DEMOLITION**

SILVER SPRING

CHELSEA J. ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR

**ZACHARY MARKS, SENIOR VICE PRESIDENT OF REAL ESTATE
JAY SHEPHERD, HOUSING ACQUISITION MANAGER
PAUL VINCIGUERRA, CONSTRUCTION MANAGER
GIO KAVILADZE, SENIOR FINANCIAL ANALYST**

June 5, 2024



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Executive Summary

- Elizabeth House Apartments (“Elizabeth House”), located at 1400 Fenwick Lane in Silver Spring, MD, is a former 160-unit senior Public Housing community that has reached the end of its useful life cycle and has been approved for demolition. It is adjacent to The Leggett (“The Leggett” constructed by HOC and completed in 2023), a mixed-income 267-unit multigenerational community that sits above the South County Regional Recreation and Aquatic Center (“SCRRAC”). All referenced properties and Alexander House are located at Elizabeth Square, bounded by Apple Avenue, Second Avenue, Fenwick Lane, and the Metro rail tracks.
- On **April 5, 2023**, the Commission awarded IFB #2361 to The Berg Corporation (“Berg”) for the Demolition of Elizabeth House Apartments and authorized the President/Executive Director to negotiate and execute a contract for the demolition.
- At the Commission meeting in **April 2023**, staff had proposed to fund the demolition from three sources:
 - \$1.5 million of County Capital Improvement Fund (“CIP”) funds,
 - \$1 million Bridge from RELOC to be repaid by DHCA 0% interest loan,
 - Up to \$500K loan from HOC Opportunity Housing Reserve Fund (“OHRF”) for a total of \$3.0 million.
- On **June 7, 2023**, Contract 23-2361 was executed by Berg and HOC for a price of \$2,298,826. Staff proposed a total estimated demolition cost to be \$2,758,591, which included a contingency of 20%, or \$459,765, to be added to the Berg base contract of \$2,298,826.
- On **December 18, 2023**, change order #1 for bulk trash and furniture removal for \$79,829 was approved.
- On **March 7, 2024**, Berg submitted change order #2 for \$1,808,074, which includes \$1,340,074 to remove asbestos containing waterproofing on exterior concrete walls behind the brick façade discovered during pre-demolition activities. These materials have to be properly removed in strict accordance with State and Federal guidelines, hauled offsite and must be replaced with clean material for backfill. Also included in the change order was the cost of the backfill material to offset the material that will be removed from the site. These costs are \$468,000.
- If approved, the new budget total is \$4,500,000 exceeding the original budget by \$1,500,000. Staff requests approval to borrow from HOC’s PNC Bank, N.A. \$60 Million Line of Credit (“LOC”) of up to \$1,500,000 to cover the added budget cost to support the demolition activities until the amount can be transferred to the OHRF or redevelopment of EH Phase IV.

Scope and Management of the Abatement

- After testing, the asbestos-containing material (“ACM”) waterproofing on exterior concrete walls was found to be above the allowed thresholds for asbestos-containing materials. The discovery was also an unknown condition under the contractual agreement and therefore, initiated a change order to scope.
- The contractor is required to work with the Maryland State Department of the Environment to notify them of the planned removal. The volume generated will be properly removed by licensed professionals, disposed offsite, and will be replaced with clean material for backfill.

Activities surrounding ACM removal are strictly regulated by laws and procedures to keep the workers, neighbors, the community, and the environment safe. Below are the pathways for potential exposure and corresponding mitigation practices that keep human health and the environment safe.

Contractor Safety Protocols

Contractor will provide all professional services, including licensed supervision and laborers, accompanied by materials, equipment, sundries, and monitoring to perform the asbestos abatement. All work will be performed in accordance with all applicable State of Maryland, Environmental Protection Agency, and Occupational Safety & Health Administration (“OSHA”) regulations.

- Provide fall and respiratory protection for workers
- Submit notification to State of Maryland
- Construct a regulated area with centralized decontamination facility
- Install wheel stops at perimeter of building
- Demolition of the brick/block on the exterior of the building
- Brick/Block to be placed in an interior chute
- Remove the master from the upper and lower slab edge
- All workers to be properly licensed.

Previous Residents of Elizabeth House

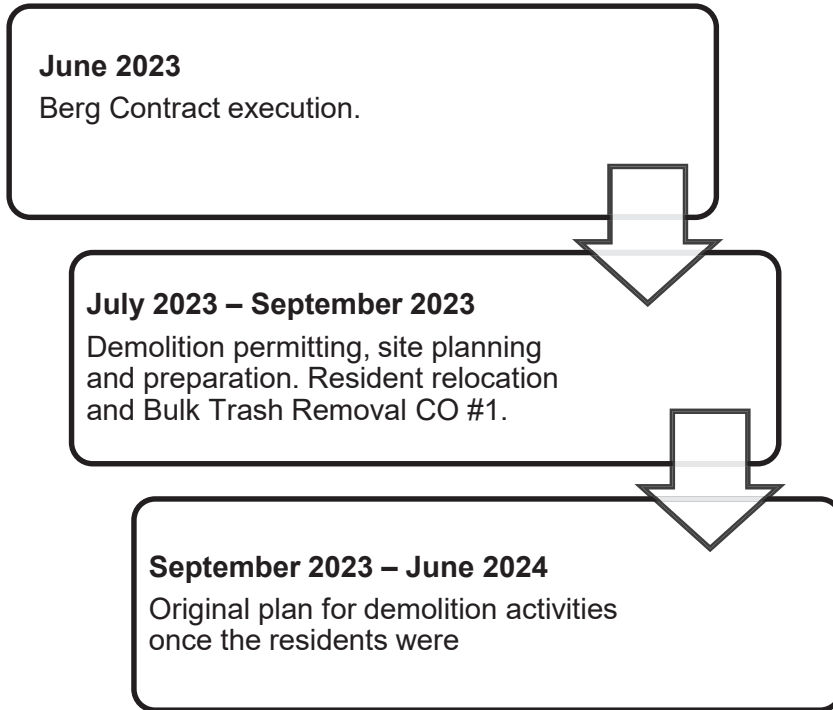
- The ACM found was located on the exterior concrete blocks behind the brick wall exterior with the purpose of waterproofing the exterior block from possible water intrusion.
- Due to its location on the exterior of the building, there was never any pathway for exposure of the ACM to either human health or the environment.
- The building was 100% vacant as of September 2023.

Neighbors and the Silver Spring Community during Demolition

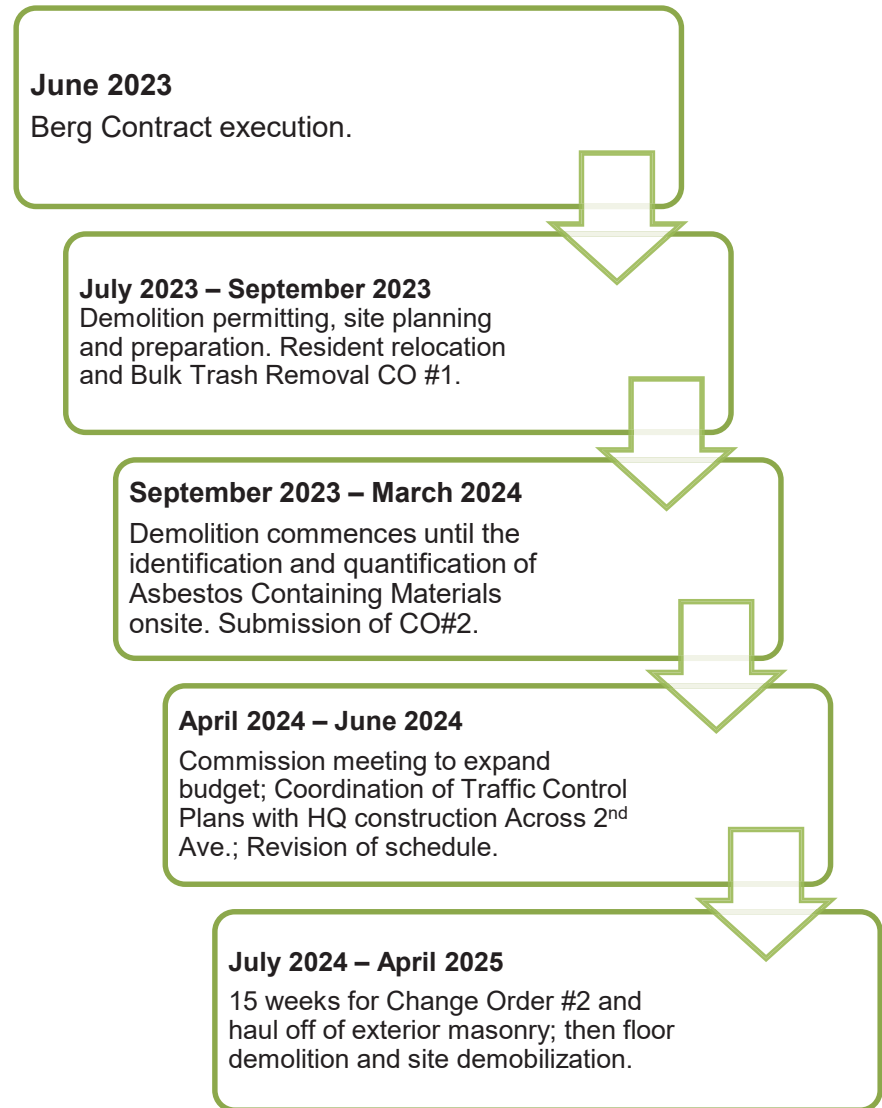
- HOC is also constructing its new headquarters (“HQ”) building immediately opposite of the demolition activities at Elizabeth House across 2nd Avenue in Silver Spring.
- As part of that effort, HOC will be maintaining a website that will provide the neighborhood with information on this and upcoming activities in the immediate vicinity. The activities of the demolition will be added to this website.

Projected Demolition Timeline

Original Schedule for Completion



Revised Schedule for Completion



June 5, 2024

Projected Budgets

Current Spending by Authorization & Request Breakdown

- At the Commission meeting on April 5, 2023, staff had proposed to fund the demolition from three (3) sources:
 - \$1.5 million of County Capital Improvement Fund (“CIP”) funds,
 - \$1 million Bridge Loan from RELOC to be repaid by DHCA 0% interest loan,
 - Up to \$500K loan from HOC Opportunity Housing Reserve Fund (“OHRF”) for a total of \$3.0 million.
- If approved, the new budget total is \$4,500,000, exceeding the old budget by \$1,500,000. Staff requests approval to borrow from the PNC Bank, N.A. \$60 million Line of Credit (“LOC”) the additional \$1,500,000 to:
 - Cover the \$1,500,000 added budget cost to support the demolition activities until the earlier of replacement funding from the County or OHRF, or closing proceeds from the redevelopment of EH Phase IV.

EH Demolition Budgets

SOURCES	Amount
County Capital Improvement Fund (“CIP”) funds	\$ 1,500,000.00
RELOC* (prev. repaid with DHCA 0% interest loan)	\$ 1,000,000.00
HOC Opportunity Housing Reserve Fund (“OHRF”)	\$ 500,000.00
Total	\$ 3,000,000.00
USES	Amount
23-2361 BERG Base Contract	\$ 2,298,826.00
CO#1 (Bulk Trash Removal Expenses)	\$ 79,829.00
CO#2 (ACM Material Demolition)	\$ 1,340,074.00
Includes BackFill Replacement	\$ 468,000.00
Interest Carry (Lines of Credit - Monthly)	\$ 156,398.10
Additional Contingency	\$ 156,872.90
Total	\$ 4,500,000.00

SURPLUS/SHORTFALL

Current Sources	\$ 3,000,000.00
Additional Funds Required	\$ 1,500,000.00
Costs	\$ 4,500,000.00

*HOC’s RELOC and PNC Bank, N.A. \$60 Million Line of Credit (“LOC”) incur monthly interest requiring payments until closed. The projected cost of those monthly payments is included under the “Interest Carry” line item.

Past Commission Actions

EH IV

Resolution	Actions
RESOLUTION 17-43	Approval to Increase Predevelopment Budget and Funding for Submission of the Detailed Site Plan for Elizabeth House III, Elizabeth House IV, and the South County Regional Recreation and Aquatic Center ("SCRRAC") and to Complete Construction Development Plans for Elizabeth House III and the SCRRAC.
RESOLUTION 18-05	Approval to Draw Second Installment of Previously Approved Predevelopment Funding for Completing Architectural Drawings for Elizabeth House III, Elizabeth House IV, and the South County Regional Recreation and Aquatic Center ("SCRRAC") and Authorization to Increase Predevelopment Budget and Funding to Commence Underground Utilities Prior to the Closing of the Construction Loan.
RESOLUTION 23-25a	Approval of a Demolition Contractor for Elizabeth House Apartments.
RESOLUTION 23-25b	Approval to Draw up to \$1,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Demolish Elizabeth House Apartments.

Summary and Recommendations

Issues for Consideration

Does the Commission wish to accept staff's recommendation, which is supported by the Development & Finance Committee to:

1. Approve the full cost and funding of the demolition of Elizabeth House, totaling approximately \$4.5 million?
2. Approve the authorization to draw from the PNC Bank, N.A. \$60 Million Line of Credit ("LOC") for \$1.5 million to cover additional budget increases for the demolition, pending the receipt of replacement funding from the County or OHRF, or closing proceeds from the redevelopment of EH Phase IV?

Time Frame

For formal action at the June 5, 2024 meeting of the Commission.

Budget/Fiscal Impact

This draw, if approved, will increase the total obligation on the lines of credit for this project to \$2.5 million, and once drawn will reduce the Commission's borrowing capacity by that amount. Advances from the lines of credit will carry interest that will require payments until such time as the EH IV redevelopment can close and reimburse all demolition costs. Should a portion of the demolition be funded by interest-free loans or grants from County CIP, DHCA, or the HOC OHRF, those would offset the drawn amounts and corresponding interest requirement.

Staff Recommendation

Staff recommends that the Commission:

1. Approve the full cost and funding of the demolition of Elizabeth House, totaling approximately \$4.5 million.
2. Approve the authorization to draw from HOC's PNC Bank, N.A. \$60 Million Line of Credit ("LOC") for \$1.5 million to cover additional budget increases for the demolition, pending the receipt of replacement funding from the County or OHRF, or closing proceeds from the redevelopment of EH Phase IV.

RESOLUTION No.: 24-52A

RE: Approval of Revised Demolition Budget and the Use and Consummation of a Draw on the PNC Bank, N.A. \$60 Million Line of Credit for the Demolition of Elizabeth House Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) owns Elizabeth House Apartments located at 1400 Fenwick Lane in Silver Spring, MD (“Elizabeth House”); and

WHEREAS, on April 5, 2023 pursuant to Resolution No. 23-25a, the Commission awarded IFB #2361 to The Berg Corporation for the demolition of Elizabeth House, authorized the President/Executive Director to negotiate and execute a contract for the demolition, and approved a \$3,000,000 budget for the demolition (the “Original Demolition Budget”); and

WHEREAS, the pursuant to Resolutions No. 23-25a and 23-25b, the Commission approved the funding of the Original Demolition Budget from the following sources: (i) \$1,500,000 in County Capital Improvements Program funds, (ii) up to \$500,000 contribution from the HOC Opportunity Housing Reserve Fund (the “OHRF”), and (iii) a draw of \$1,000,000 on HOC’s PNC Real Estate Line of Credit (“RELOC”) (collectively, the “Demolition Funds”); and

WHEREAS, due to unforeseen circumstances at Elizabeth House, the demolition of Elizabeth House is now budgeted to cost \$4,500,000 (the “Revised Demolition Budget”), which is an increase of \$1,500,000 (the “Cost Increase”); and

WHEREAS, the Commission wishes to fund the Cost Increase through a draw on HOC’s PNC Bank, N.A. Line of Credit of up to \$1,500,000 (the “LOC Draw”) until the value of the Cost Increase can be transferred to the OHRF, repaid by another source, or funding is received from the redevelopment of EH Phase IV, which will repay (including accrued interest) the Revised Demolition Budget.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes and approves the Revised Demolition Budget and the use and consummation of the LOC Draw for the demolition of Elizabeth House.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the President/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.

HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on June 5, 2024.

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Chelsea J. Andrews
President / Executive Director

RESOLUTION No.: 24-52B

RE: Approval to Draw up to \$1,500,000 on the \$60 Million PNC Bank, N.A. Line of Credit to Fund the Demolition of Elizabeth House Apartments

WHEREAS, the **Housing Opportunities Commission of Montgomery County** (“HOC” or “Commission”) owns Elizabeth House Apartments located at 1400 Fenwick Lane in Silver Spring, MD (“Elizabeth House”); and

WHEREAS, on April 5, 2023 pursuant to Resolution No. 23-25a, the Commission awarded IFB #2361 to The Berg Corporation for the demolition of Elizabeth House, authorized the President/Executive Director to negotiate and execute a contract for the demolition, and approved a \$3,000,000 budget for the demolition (the “Original Demolition Budget”); and

WHEREAS, the pursuant to Resolutions No. 23-25a and 23-25b, the Commission approved the funding of the Original Demolition Budget from the following sources: (i) \$1,500,000 in County Capital Improvements Program funds, (ii) up to \$500,000 contribution from the HOC Opportunity Housing Reserve Fund (the “OHRF”), and (iii) a draw of \$1,000,000 on HOC’s PNC Real Estate Line of Credit (collectively, the “Demolition Funds”); and

WHEREAS, due to unforeseen circumstances at Elizabeth House, the demolition of Elizabeth House is now budgeted to cost \$4,500,000 (the “Revised Demolition Budget”), which is an increase of \$1,500,000; and

WHEREAS, staff proposes a draw on the \$60 million PNC Bank, N.A. Line of Credit (“LOC”) in an amount up to \$1,500,000 to fund the Revised Demolition Budget until the amount can be transferred to the OHRF, repaid by another source, or funding is received from the redevelopment of EH Phase IV which will be repay (including accrued interest) the Revised Demolition Budget.

WHEREAS, the Commission may draw on the LOC at the taxable rate based on the contractual terms of the LOC facility; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Housing Opportunities Commission of Montgomery County authorizes a taxable draw in the amount of \$1,500,000 on the LOC to fund the Revised Demolition Budget.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the President/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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on June 5, 2024.

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Chelsea J. Andrews
President / Executive Director

Recess

Development Corporation Meeting

Alexander
House
Development
Corporation

ALEXANDER HOUSE DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



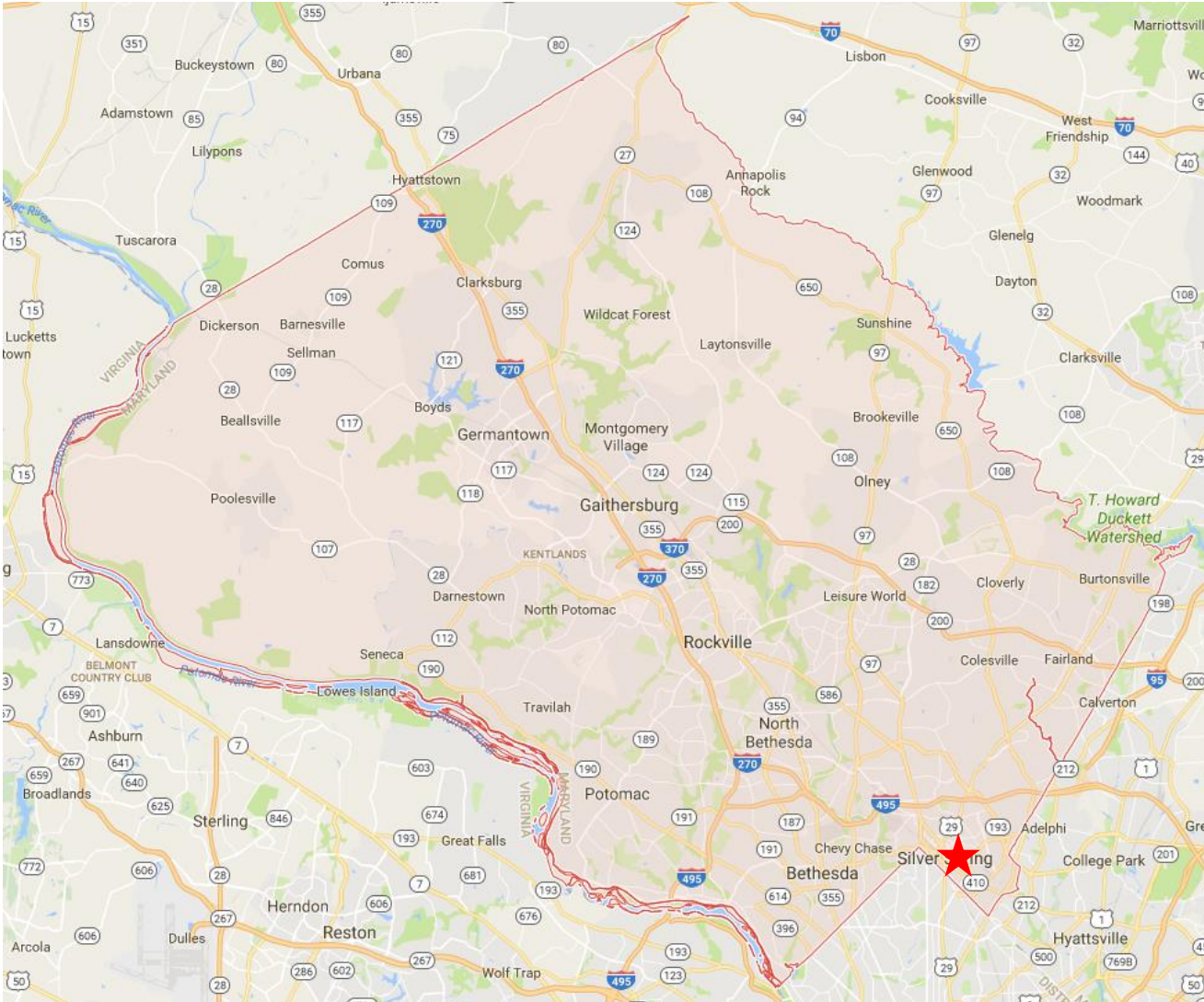
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Alexander House Development Corporation



Property Snapshot:

- Located in Downtown Silver Spring.
- Originally constructed in 1992.
- Refinanced on January 31, 2017.
- Comprehensive renovations were completed in 2019.

Alexander House Development Corporation – FY 2025 Overview

Background

- **November 6, 1996** - Commission authorized the creation of Alexander House Development Corporation (the “Corporation”) and approved the Articles of Incorporation.
- **December 11, 1996** - The Board of Directors for the Development Corporation adopted the By-laws which provide for the operations and functions of the Corporation and elected HOC’s seven Commissioners as the officers.
- **January 22, 1997** - Corporation executed the Asset Management Agreement which requires the Corporation to submit to the Owner an annual budget 90 days prior to each fiscal year.
- **April 23, 1997** - Board of Directors approved a resolution that allowed for the incorporation of the Alexander House annual budget preparation and presentation into the HOC budget process.
- **January 31, 2017** - Alexander House was refinanced using tax exempt bond financing in the amount of \$70,495,686. The property now consists of two entities: Alexander House Development Corporation - 183 market rate units, and Alexander House Apartments Limited Partnership - 122 affordable tax credit units.
- **October 3, 2019** – Construction loan converted to permanent financing.



8560 2nd Avenue, Silver Spring, MD 20910
 Manager: Edgewood Management

Unit Mix	Market	Affordable	Total
Studio	25	7	32
1BR	86	75	161
2BR	72	40	112
Total Units	183	122	305

The Regulatory Agreement restricts 122 units at or below 60% AMI. The property also includes three commercial spaces.

Alexander House Development Corporation – FY 2025 Update

Property Management

- Physical occupancy averaged 89.88% for 2023; however, delinquency greatly affected operations, as with the lack of an eviction system, economic occupancy averaged 20% less than physical occupancy for the year. The occupancy has been negatively impacted in final months of 2023 due to eviction moratorium ending and site taking legal action against non-paying tenants.

Annual Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
42%	89.88%	87.63%

Maintenance

- The largest volume of work order tickets in CY 2023 was for plumbing (5%) and appliance repairs (4%).
- Total work orders increased by 19%, average days to close remained the same.

Total Work Orders CY 2023	Average Days to Close
712	4

Capital Improvements

- A replacement reserve has been set up to cover unit turnovers and other necessary replacements. For FY 2025, no major repairs are scheduled, due to recent renovations, except for the garage concrete repairs. These repairs have been delayed due to pending demolition at Elizabeth House.

Redevelopment/Refinancing

- The renovation of Alexander House was completed in 2019. Improvements included updates to unit fixtures and finishes, a new lobby and community room, a new cyber lounge, and a new fitness center.

Alexander House Development Corporation – FY 2025 Budget Summary

Alexander House Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$4,302,230	\$4,110,114	\$9,616,165	\$9,612,751	\$9,410,222
Expenses:					
Operating - Admin	\$333,362	\$294,205	\$264,357	\$250,081	\$353,544
Operating - Fees	\$146,446	\$118,782	\$140,676	\$141,008	\$116,513
Bad Debt	\$103,000	\$108,000	\$216,779	\$103,348	\$226,098
Tenant & Protective Services	\$167,500	\$149,877	\$143,215	\$138,470	\$116,587
Taxes, Insurance & Utilities	\$334,040	\$325,702	\$327,831	\$324,055	\$278,337
Maintenance	\$437,398	\$371,771	\$566,142	\$393,682	\$385,863
Subtotal - Operating Expenses	\$1,521,746	\$1,368,337	\$1,659,000	\$1,350,644	\$1,476,942
Net Operating Income ("NOI")	\$2,780,484	\$2,741,777	\$1,957,165	\$2,262,107	\$1,933,280
Debt Service	\$2,375,789	\$2,375,790	\$2,375,791	\$2,375,790	\$2,375,790
Replacement Reserves	\$73,532	\$71,390	\$69,310	\$67,291	\$65,331
Asset Management Fees	\$305,350	\$267,630	\$252,300	\$195,800	\$195,800
Development Corporation Fees	\$25,813	\$26,967	\$0	\$0	\$0
Subtotal - Expenses Below NOI	\$2,780,484	\$2,741,777	\$2,697,401	\$2,638,881	\$2,636,921
NET INCOME	\$0	\$0	(\$740,236)	(\$376,774)	(\$703,641)

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Appliance Supplies	\$0	\$0	\$3,074	\$3,447	\$0
Windows and Glass	\$0	\$0	\$1,712	\$424	\$0
Doors	\$0	\$0	\$0	\$899	\$0
Flooring and Carpeting	\$18,000	\$0	\$17,360	\$11,405	\$10,692
Electrical Equipment	\$0	\$0	\$2,866	\$0	\$0
Plumbing Equipment	\$0	\$0	\$2,057	\$2,042	\$0
HVAC Equipment	\$0	\$100,000	\$2,525	\$816	\$1,480
Appliance Equipment	\$9,000	\$0	\$3,175	\$4,646	\$0
Miscellaneous Equipment	\$0	\$0	\$0	\$4,668	\$0
Appliance Contracts	\$0	\$7,500	\$10,977	\$2,838	\$0
Plumbing Contracts	\$6,000	\$0	\$0	\$0	\$7,891
Windows/Glass Contracts	\$0	\$0	\$3,354	\$22,154	\$9,601
Flooring/Carpet Contracts	\$0	\$13,200	\$0	\$17,868	\$0
Asphalt/Concrete Contracts	\$55,000	\$100,000	\$0	\$0	\$0
Total Capital Budget	\$88,000	\$220,700	\$47,100	\$71,207	\$29,664

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Property cash flow is budgeted at \$25,813.
- Capital is budgeted at \$88,000.
- DSCR is 1.14.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Alexander House Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Alexander House Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-002_{AH}

RE: Alexander House Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Alexander House Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Alexander House Apartments (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Alexander House Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Alexander House Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

Barclay Development Corporation

BARCLAY APARTMENTS DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



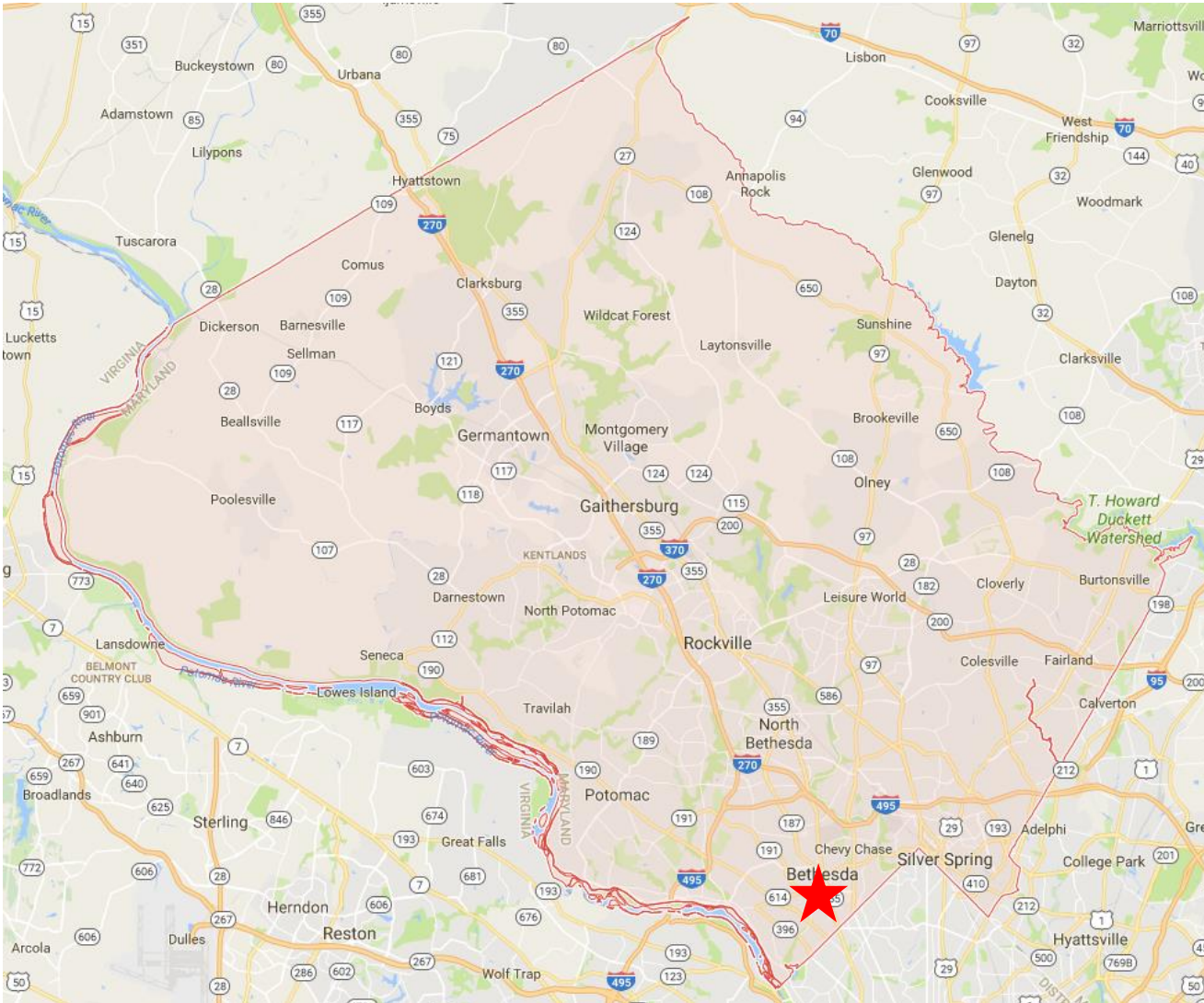
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Barclay Development Corporation



Property Snapshot:

- Located in Chevy Chase, near Bethesda's Central Business District.
- Constructed in 1955, interiors updated in 2005.
- Amenities include a Community Room, Fitness Room, Business Center, Controlled Building Access, and 24 Hour Laundry Facilities.

Barclay Development Corporation – FY 2025 Overview

Background

- **July 7, 2004** – Commission established Barclay One Associates Limited Partnership (the “Partnership”). The Commission also authorized the creation of Barclay Apartments Development Corporation (the “Corporation”) and approved the Articles of Incorporation and the By-laws which provide for the operations and functions of the Corporation and elected the seven Commissioners as the officers.
- **June 13, 2007** - Corporation approved the purchase of 76 units from the Partnership and authorized the execution of the Asset Management Agreement, which requires the Corporation to submit to the Owner an annual budget, 90 days prior to the commencement of each fiscal year. The Board also approved a resolution that allowed for the incorporation of the Barclay Apartments annual budget preparation and presentation into the HOC budget process.
- The Barclay consists of 157 units, which are distributed as follows:
 - 81 tax credit units owned by Barclay One Associates LP with HOC as the General Partner.
 - 76 units owned by Barclay Development Corporation.
- In November 2019, the Barclay tax credit units were purchased by HOC and are now included in Opportunity Housing.



4716 Bradley Blvd., Chevy Chase, MD 20815
 Manager: Residential One

Unit Mix	Market	Affordable	Total
Studio	11	13	24
1BR	40	51	91
2BR	25	17	42
Total Units	76	81	157

The regulatory agreement restricts 25 units at or below 30% AMI (supported with project based vouchers) and 56 units at or below 55% AMI.

Barclay Development Corporation – FY 2025 Update

Property Management

- Average physical occupancy decreased from 97.40% in FY22 to 95.45% in FY23 due to a downturn in the economy. Job losses and financial instability caused some residents to leave the community or downsize to more affordable housing.

Annual Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy (as of 4/30/23)
45.5%	95.45%	92.21%

Maintenance

- The majority of work orders were designated to plumbing (20%) and inspection related repairs (20%). Total work orders increased by 75%.
- Average time to close a work order increased by 1 day.

Total Work Orders CY 2023	Average Days to Close
403	5

Capital Improvements

- The FY 2025 capital budget includes funding for unit turnover activities, such as flooring and appliances. HVAC replacements are also budgeted on an as needed basis.
- In April 2024, the Commission approved the replacement and modernization of the sole elevator in building 4700, scheduled to take place in FY25.

Redevelopment/Refinancing

- There are no current plans to renovate the units or do any improvements other than standard unit turns or specific capital needs but not full renovations.
- Long-term, The Barclay will be part of the redevelopment plan that includes the Bradley Crossing properties.

Barclay Development Corporation – FY 2025 Budget Summary

Barclay Development Corporation FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$1,329,800	\$1,316,278	\$1,267,459	\$1,247,107	\$1,157,559
Expenses:					
Operating - Admin	\$124,436	\$133,812	\$129,384	\$146,401	\$103,570
Operating - Fees	\$53,720	\$52,230	\$56,089	\$51,730	\$51,496
Bad Debt	\$59,016	\$59,016	\$5,760	(\$34,250)	\$52,289
Tenant & Protective Services	\$0	\$11,292	\$2,775	\$657	\$5,626
Taxes, Insurance & Utilities	\$192,216	\$173,515	\$224,338	\$118,579	\$152,020
Maintenance	\$209,380	\$248,910	\$223,971	\$277,010	\$197,433
Subtotal - Operating Expenses	\$638,768	\$679,775	\$642,317	\$560,127	\$562,434
Net Operating Income ("NOI")	\$691,032	\$637,503	\$625,142	\$686,980	\$595,125
Debt Service	\$667,251	\$669,102	\$670,873	\$672,568	\$674,247
Replacement Reserves	\$22,800	\$22,800	\$22,800	\$22,800	\$22,800
Asset Management Fees	\$126,810	\$111,150	\$104,780	\$81,310	\$81,310
Subtotal - Expenses Below NOI	\$816,861	\$803,052	\$798,453	\$776,678	\$778,357
NET INCOME	(\$125,829)	(\$165,549)	(\$173,311)	(\$89,698)	(\$183,232)

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$0	\$1,884	\$1,856	\$157	\$1,399
Electrical Supplies	\$0	\$408	\$3,065	\$0	\$0
Plumbing Supplies	\$0	\$0	\$803	\$0	\$0
Grounds/Landscaping Sup.-Cap.	\$0	\$2,844	\$0	\$7,750	\$5,619
Locks, Keys	\$0	\$1,356	\$340	\$0	\$0
Windows and Glass	\$0	\$6,996	\$11,700	\$6,950	\$182
Doors	\$0	\$8,004	\$0	\$0	\$24,614
HVAC Supplies	\$0	\$6,168	\$7,256	\$0	\$0
Flooring and Carpeting	\$0	\$6,600	\$0	\$11,297	\$3,927
Miscellaneous Supplies	\$0	\$0	\$0	\$0	\$4,594
Electrical Equipment	\$0	\$0	\$0	\$2,992	\$934
Plumbing Equipment	\$0	\$26,496	\$1,449	\$14,187	\$3,993
HVAC Equipment	\$0	\$11,004	\$1,949	\$17,693	\$27,261
Appliance Equipment	\$4,000	\$9,996	\$15,358	\$4,728	\$7,141
Kitchen and Bath Contracts-Capite	\$0	\$0	\$722	\$0	\$0
Electrical Contracts	\$0	\$0	\$2,227	\$0	\$0
Plumbing Contracts	\$0	\$42,000	\$1,103	\$0	\$0
Grounds/Landscaping Contr.-Cap.	\$0	\$0	\$673	\$0	\$0
Roofing/Gutter Contracts	\$0	\$0	\$4,428	\$0	\$0
HVAC Contracts	\$14,000	\$18,912	\$34,998	\$4,150	\$0
Flooring/Carpet Contracts	\$12,000	\$20,040	\$33,966	\$8,969	\$8,705
Paint/Wallcovering Int. Cont.	\$0	\$996	\$825	\$0	\$0
Elevator Contracts	\$0	\$12,804	\$6,400	\$0	\$0
Miscellaneous Contracts	\$0	\$0	\$2,462	\$0	\$0
Security System	\$0	\$0	\$63	\$0	\$5,690
Total Capital Budget	\$30,000	\$176,508	\$131,643	\$78,873	\$94,059

June 5, 2024



Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6%, but upon turnover will be increased to the current "market rate".
- The property's **(\$125,829)** projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio.
- Capital is budgeted at \$30,000.
- DSCR is 1.00.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Barclay Apartments Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Barclay Apartments Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-004_{BC}

RE: Barclay Apartments Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Barclay Apartments Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Barclay Apartments (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Barclay Apartments Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Barclay Apartments Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**Brookside
Glen
Development
Corporation**

BROOKSIDE GLEN LIMITED PARTNERSHIP

ANNUAL MEETING AND ADOPTION OF FY 2025

OPERATING & CAPITAL BUDGETS



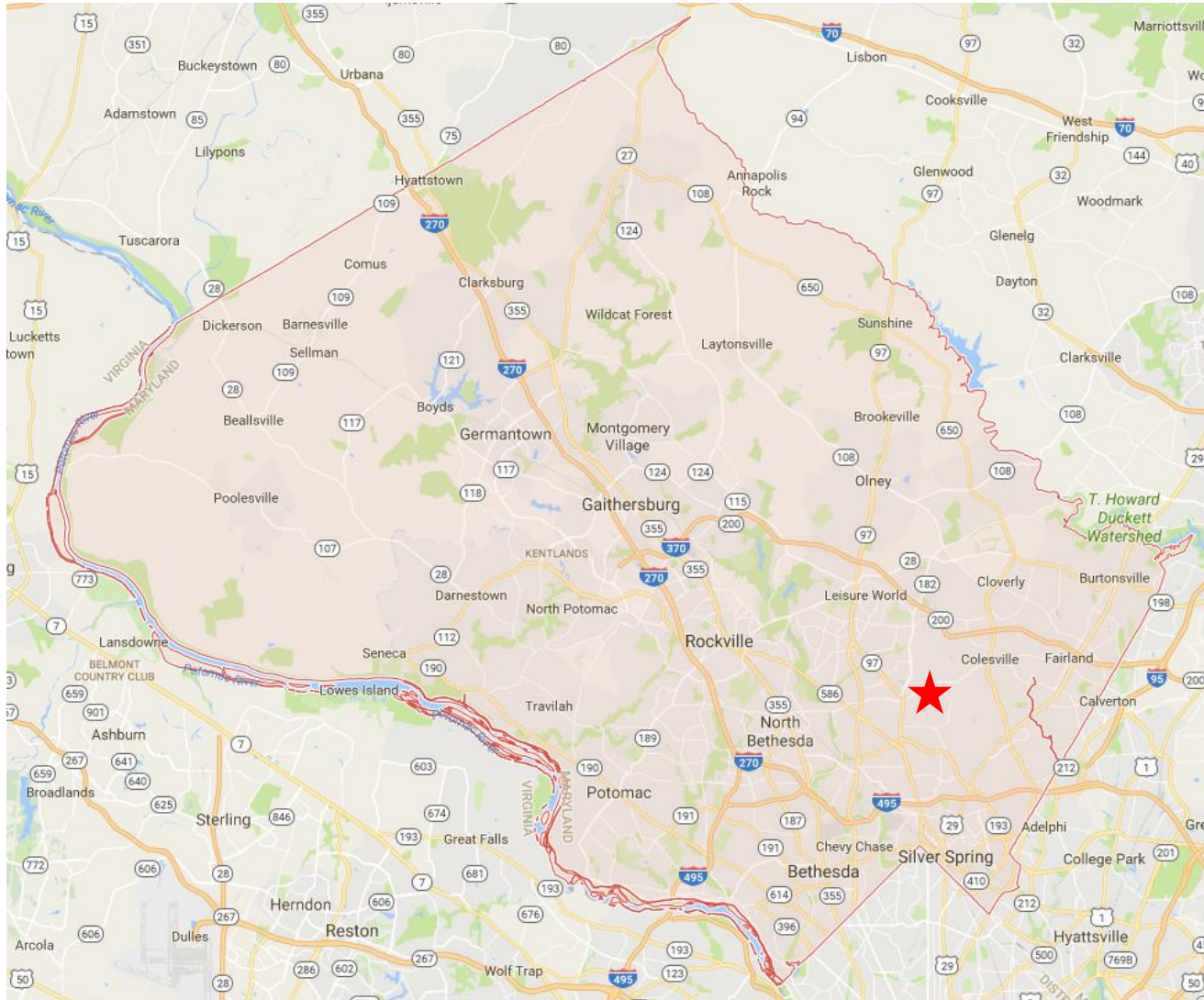
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Brookside Glen Limited Partnership



Property Snapshot:

- Located in Wheaton (Silver Spring), Maryland.
- Constructed in 1995; comprehensive renovation completed in 2015.
- Garden-style community with 84 townhome style units and six 2-BR flats.
- Amenities include a Club Room, Washer/Dryer in the Unit, Free Onsite Parking, Decks/Patios, and a Business Center.

Brookside Glen Limited Partnership – FY 2025 Overview

Background

- **June 20, 2003** – Commission established Brookside Glen Limited Partnership (the “Partnership”).
 - HOC, as limited partner, owns 99.9% of the partnership interest.
 - Brookside Glen Apartments Development Corporation, as general partner, owns .1% of the interest in the Partnership.
- The limited partnership was established to own this property because, under its regulations, the Maryland Department of Housing and Community Development would not make a loan secured against the property to a corporation, even if controlled by HOC. Therefore, the limited partnership was created and the development corporation its general partner.
- The Commission also approved the Articles of Incorporation and the By-laws, which provide for the operations and functions of the Corporation and elected the seven Commissioners as the officers.
- **June 20, 2003** – Partnership authorized the execution of the Asset Management Agreement, which requires the Corporation to submit to the Owner an annual budget 90 days prior to each fiscal year. The Partnership also approved a resolution that allowed for the incorporation of the Brookside Glen annual budget preparation and presentation into the HOC budget process.



2399 Jones Lane, Wheaton, MD 20902
 Manager: Residential One Management

Unit Mix	Market	Affordable	Total
2BR	23	32	55
3BR	22	13	35
Total Units	45	45	90

HOME Regulatory Agreement dated June 23, 1994, requires restricted income/rents for 29 units at or below 40% of the area median income (“AMI”) and 16 units at or below 50% of the AMI.

Brookside Glen Limited Partnership – FY 2025 Update

Property Management

- Brookside Glen maintained an average occupancy of 96% during CY 2023 due to a low turnover ratio of only 4%. The property is under new management and we anticipate occupancy levels to return to historical levels by end of CY 2024.

Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
3%	96%	93%

Maintenance

- Work order volume is historically driven by plumbing and leak issues, followed by HVAC.
- Total work orders increased by 14%; however, the average days to close work orders remained the same.

Total Work Orders CY 2023	Average Days to Close
671	4

Capital Improvements

- The property maintains a capital reserve for necessary replacements.
- The FY25 capital budget of \$127,500 (\$1,417 per unit) primarily covers flooring, plumbing, HVAC, and appliance replacements.

Redevelopment/Refinancing

- A comprehensive renovation was completed in 2015. There are no further plans underway for redevelopment or refinancing for Brookside Glen.

Brookside Glen Limited Partnership – FY 2025 Budget Summary

Brookside Glen Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$1,587,486	\$1,632,624	\$1,543,900	\$1,501,868	\$1,531,102
Expenses:					
Operating - Admin	\$179,678	\$170,602	\$129,767	\$166,889	\$156,982
Operating - Fees	\$64,256	\$59,650	\$56,575	\$55,307	\$54,897
Bad Debt	\$87,672	\$100,992	\$103,701	\$101,164	\$50,848
Tenant & Protective Services	\$12,828	\$9,000	\$17,668	\$13,379	\$3,122
Taxes, Insurance & Utilities	\$268,415	\$241,362	\$273,851	\$211,765	\$208,632
Maintenance	\$285,427	\$253,875	\$279,604	\$335,841	\$197,627
Subtotal - Operating Expenses	\$898,276	\$835,481	\$861,166	\$884,345	\$672,108
Net Operating Income ("NOI")	\$689,210	\$797,143	\$682,734	\$617,523	\$858,994
Debt Service	\$491,081	\$492,530	\$493,926	\$495,228	\$459,550
Operating Reserves	\$16,248	\$16,248	\$16,248	\$16,250	\$17,604
Replacement Reserves	\$60,345	\$58,872	\$57,552	\$56,148	\$107,484
Asset Management Fees	\$150,170	\$131,620	\$124,080	\$96,290	\$96,290
Excess Cash Flow Restricted	\$0	\$97,873	\$0	\$0	\$178,066
Subtotal - Expenses Below NOI	\$717,844	\$797,143	\$691,806	\$663,916	\$858,994
NET INCOME	(\$28,634)	\$0	(\$9,072)	(\$46,393)	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$0	\$0	\$0	\$629	\$0
Windows and Glass	\$0	\$0	\$181	\$1,733	\$819
Flooring and Carpeting	\$24,000	\$19,224	\$20,796	\$52,104	\$16,676
Plumbing Equipment	\$66,000	\$52,760	\$65,710	\$55,005	\$63,969
HVAC Equipment	\$15,000	\$11,770	\$4,420	\$0	\$1,535
Appliance Equipment	\$22,500	\$26,900	\$25,243	\$39,010	\$24,782
Miscellaneous Contracts	\$0	\$0	\$12,119	\$2,250	\$0
Total Capital Budget	\$127,500	\$110,654	\$128,469	\$150,731	\$107,781

Issues for Consideration

- Rent increases upon lease renewal budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- The property's **(\$28,634)** projected operating deficit will be funded with a draw from existing property cash.
- Capital is budgeted at \$127,500.
- DSCR is 1.28.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Brookside Glen Limited Partnership were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

- The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Brookside Glen Limited Partnership by the Board of Directors.

RESOLUTION NO.: 24-001_{BG}

**RE: Brookside Glen Apartments
Development Corporation
Annual Meeting: Election of
Officers and Adoption of FY'25
Operating and Capital Budgets**

WHEREAS, the Brookside Glen Apartments Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Brookside Glen Apartments (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Brookside Glen Apartments Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Brookside Glen Apartments Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**Diamond
Square
Development
Corporation**

DIAMOND SQUARE LIMITED PARTNERSHIP

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



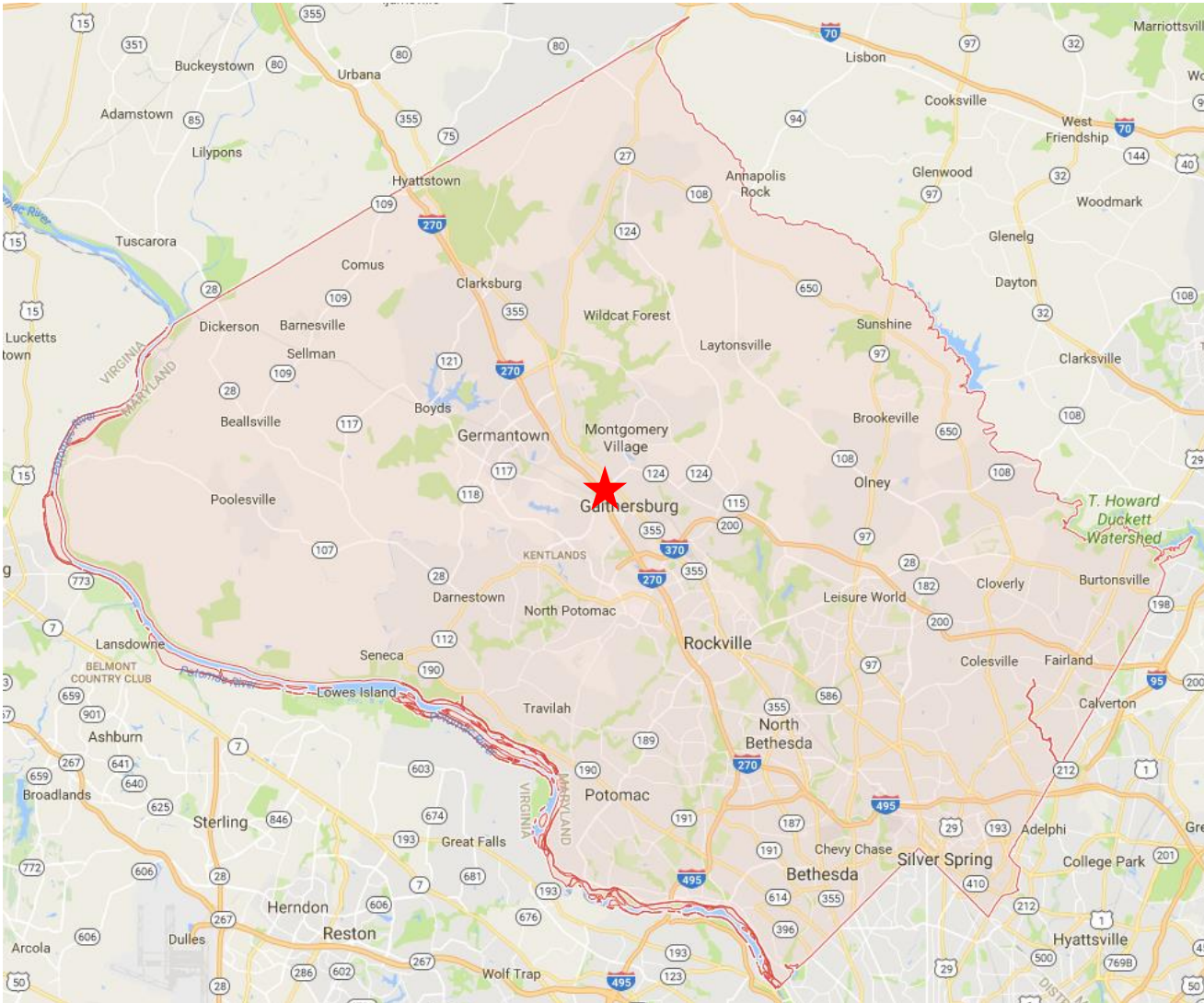
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Diamond Square Limited Partnership



Property Snapshot

- Located in Gaithersburg, Maryland.
- Five-story midrise constructed in 1985 as a Quality Inn Hotel.
- Renovated in 1991 to 120 single room occupancy (“SRO”) units and two 1-BR units.
- Main Lobby, Offices, Community Room.

Diamond Square Limited Partnership – FY 2025 Overview

Background

- **June 6, 1990** - Agreement executed with Montgomery County, the City of Gaithersburg, and the Housing Opportunities Commission (“HOC”) to jointly acquire the Quality Inn Hotel located in Gaithersburg. Per Agreement, Montgomery County assigned its contract to purchase the property to HOC. The City contributed \$500,000 for its share of the purchase price, with title to the property held by HOC.
- **2003** - Commission established Diamond Square Limited Partnership.
 - HOC, as limited partner, owns 99.9% of the partnership interest.
 - Diamond Square Development Corporation, as general partner, owns .1% of the interest in the Partnership.
- The limited partnership was established to own this property because, under its regulations, the Maryland Department of Housing and Community Development would not make a loan secured against the property to a corporation even if controlled by HOC. As a result, the limited partnership was created and the development corporation serves as the general partner.
- The Commission also approved the Articles of Incorporation and the By-laws which provide for the operations and functions of the Corporation and elected the seven Commissioners as the officers.



80 Bureau Dr, Gaithersburg, 20878
Manager: Residential One

Unit Mix	Market	Affordable	Total
Studio	41	81	122
1BR	2	0	2
Total Units	43	81	124

The regulatory agreement restricts 41 units at or below 50% AMI, and the Partnership Rental Housing Program (PRHP) loan restricts 40 units at or below 45% of state median income.

Diamond Square Limited Partnership – FY 2025 Update

Property Management

- The property operates under guidance from the Board of Governance (“BOG”), which consists of one representative each from Montgomery County, the City of Gaithersburg, and HOC.
- Property occupancy is historically high and maintained above 95%. However the occupancy dropped by 3.22% due to the lack of building improvements and renovations.

Annual Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
58%	95%	91.94%

Capital Improvements

- The Capital Budget includes the replacement of carpet, HVAC systems, and appliances in units upon turnover. The property is currently undertaking the elevator replacement project, which was approved in the previous year's capital budget. Additionally, there are proposals for installing cameras and acquiring new computers for the business center.

Maintenance

- The majority of service requests in CY 2023 are related to appliances, plumbing and HVAC.
- Total number of work orders decreased by 19%, average days to close work orders remained the in the same range.

Total Work Orders CY 2023	Average Days to Close
389	1-2

Redevelopment/Refinancing

- There are currently no plans underway for redevelopment or refinancing of Diamond Square.

Diamond Square Limited Partnership – FY 2025 Budget Summary

Diamond Square Development Corporation FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$1,362,649	\$1,386,158	\$1,283,426	\$1,325,384	\$1,340,508
Expenses:					
Operating - Admin	\$178,686	\$155,454	\$141,263	\$157,890	\$164,154
Operating - Fees	\$77,444	\$69,210	\$83,107	\$76,021	\$66,130
Bad Debt	\$30,000	\$31,176	(\$31,897)	\$41,954	\$33,788
Tenant & Protective Services	\$1,800	\$11,388	\$6,048	\$26,070	\$2,339
Taxes, Insurance & Utilities	\$200,434	\$278,494	\$220,252	\$257,623	\$191,980
Maintenance	\$306,476	\$330,544	\$258,680	\$307,818	\$255,155
Subtotal - Operating Expenses	\$794,840	\$876,266	\$677,453	\$867,376	\$713,546
Net Operating Income ("NOI")	\$567,809	\$509,892	\$605,973	\$458,008	\$626,962
Debt Service	\$115,938	\$116,305	\$116,655	\$116,992	\$117,302
Operating Reserves	\$19,920	\$19,920	\$19,920	\$14,940	\$19,920
Replacement Reserves	\$136,284	\$131,040	\$126,003	\$121,158	\$116,494
Asset Management Fees	\$28,440	\$27,610	\$26,810	\$26,030	\$25,270
Excess Cash Flow Restricted	\$267,227	\$215,017	\$316,585	\$178,888	\$347,976
Subtotal - Expenses Below NOI	\$567,809	\$509,892	\$605,973	\$458,008	\$626,962
NET INCOME	\$0	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Computer Equipment	\$22,581	\$1,596	\$0	\$0	\$0
Kitchen and Bath Supplies	\$10,800	\$12,600	\$6,056	\$0	\$0
Appliance Supplies	\$0	\$0	\$245	\$0	\$0
Locks, Keys	\$5,650	\$0	\$3,395	\$0	\$0
Doors	\$3,600	\$2,556	\$14,078	\$0	\$0
Hardware Supplies	\$0	\$0	\$101	\$0	\$0
HVAC Supplies	\$0	\$0	\$1,073	\$0	\$0
Miscellaneous Supplies	\$0	\$4,240	\$0	\$0	\$0
HVAC Equipment	\$10,200	\$0	\$13,546	\$1,468	\$15,053
Appliance Equipment	\$42,000	\$86,616	\$41,140	\$3,452	\$5,675
Tools	\$0	\$2,772	\$0	\$0	\$0
Kitchen and Bath Contracts-Capital	\$0	\$0	\$3,345	\$0	\$0
Electrical Contracts	\$10,000	\$0	\$0	\$0	\$0
Plumbing Contracts	\$0	\$12,792	\$0	\$0	\$56,000
Cleaning/Janitorial Contracts-Cap.	\$0	\$16,140	\$5,123	\$0	\$0
Grounds/Landscaping Contr-Cap.	\$10,000	\$0	\$0	\$0	\$0
Flooring/Carpet Contracts	\$14,400	\$12,480	\$7,956	\$3,005	\$0
Elevator Contracts	\$405,755	\$0	\$0	\$0	\$0
Exterminating Contracts	\$0	\$0	\$234	\$0	\$0
Fencing Contracts	\$0	\$0	\$0	\$0	(\$4,990)
Asphalt/Concrete Contracts	\$0	\$4,836	\$0	\$0	\$0
Total Capital Budget	\$534,986	\$156,628	\$96,292	\$7,925	\$71,738

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- Property cash flow is budgeted at \$267,227 and will be restricted to the property.
- Capital is budgeted at \$534,986.
- DSCR is 3.72.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Diamond Square Limited Partnership were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Diamond Square Limited Partnership by the Board of Directors.

RESOLUTION NO.: 24-001_{DS}

RE: Diamond Square Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Diamond Square Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Diamond Square Apartments (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Diamond Square Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Diamond Square Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**Glenmont
Crossing
Development
Corporation**

GLENMONT CROSSING DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



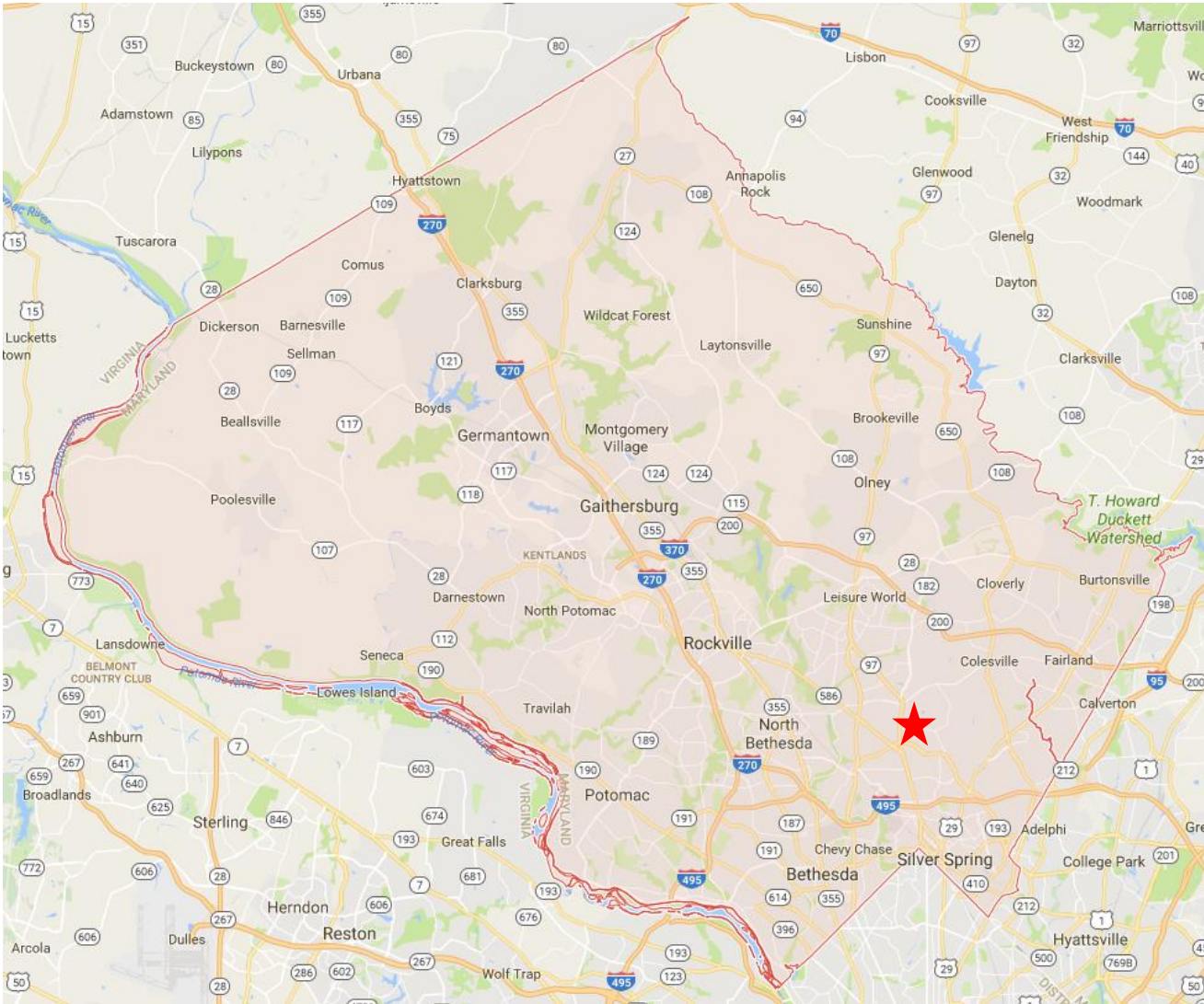
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Glenmont Crossing Development Corporation



Property Snapshot:

- Located in Wheaton (Silver Spring).
- Constructed in 1965.
- Amenities include Washer/Dryer in Unit, Free Onsite Parking, and Outdoor Community Space.
- Loan refinancing was completed in 2019.

Glenmont Crossing Development Corporation – FY 2025 Overview

Background

- October 3, 2012** - Commission authorized the formation of two single purpose entities, Glenmont Crossing Development Corporation and Glenmont Westerly Development Corporation, to acquire a 199-unit property in the Glenmont area of Silver Spring consisting of two parcels, one with 97 townhome units (Glenmont Crossing) and the second parcel containing 102 garden units (Glenmont Westerly) using the County’s Right of First Refusal Ordinance for the purpose of preservation by acquisition.
- November 20, 2012** - Glenmont Crossing Development Corporation was formed to acquire the 97 townhome unit portion of the project, referred to as “Woodberry” and the second parcel containing 102 garden units referred to as “Westerly” was acquired by Glenmont Westerly Development Corporation.
- December 5, 2012** - The Board of Directors for the Development Corporation adopted the By-laws, which provide for the operations and functions of the Corporation, and elected the seven Commissioners as the officers.
- December 31, 2012** - Corporation executed the Asset Management Agreement, which requires the Corporation to submit to the Owner an annual budget, 90 days prior to the beginning of each fiscal year.
- March 6, 2013** - Board of Directors approved a resolution that allowed for the incorporation of the Glenmont Crossing annual budget preparation and presentation into the HOC budget process.
- November 1, 2019** - Glenmont Crossing Development Corporation loan was refinanced. A new \$14.1 million loan from Federal Financing Bank (“FFB”) and insured by the FHA Risk Share program, repaid the CBRE Fannie Mae loan.



2309 Shorefield Road, Wheaton, MD 20902
 Manager: Residential One Management

Unit Mix	Market	Affordable	Total
2BR	9	12	21
3BR	38	38	76
Total Units	47	50	97

The regulatory agreement restricts 20 units at or below 50% of the area median income (“AMI”) and 30 units at or below 80% of the AMI.

Glenmont Crossing Development Corporation – FY 2025 Update

Property Management

- Glenmont Crossing consistently maintained an occupancy of 98% or greater in 2022. Glenmont Crossing’s friendly staff, spacious apartment and favorable maintenance ratings keep the occupancy above 95%. The occupancy only dropped by approximately 1.11% in 2023 due to a single unit taking longer than anticipated to lease.

Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
3.11%	97%	97%

Maintenance

- The largest volume of work order tickets were related to electrical, appliances, and plumbing repairs.
- Annual work orders increased by 12%; however, the average days to close work orders remained the same.

Work Orders CY 2023	Average Days to Close
928	4

Capital Improvements

- The primary costs in the capital budget include HVAC, appliance, and flooring replacements, either at turnover or as needed.
- The capital budget for FY2025 is \$ 77,650 or \$800 per unit.

Redevelopment/Refinancing

- Refinancing of Glenmont Crossing was completed in 2019.
- With the FFB/FHA financing comes a mandatory 10-year lockout on the refinance of the mortgage.
- No refinancing or renovations are planned at this time.

Glenmont Crossing Development Corporation – FY 2025 Budget Summary

Glenmont Crossing Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$1,913,004	\$1,972,784	\$1,854,106	\$1,873,114	\$1,872,031
Expenses:					
Operating - Admin	\$170,436	\$172,091	\$126,672	\$152,322	\$140,515
Operating - Fees	\$63,506	\$60,260	\$60,935	\$61,779	\$61,943
Bad Debt	\$51,828	\$31,200	\$84,005	\$21,089	\$37,460
Tenant & Protective Services	\$0	\$1,716	\$373	\$1,432	\$1,300
Taxes, Insurance & Utilities	\$226,348	\$148,613	\$212,851	\$273,347	\$227,138
Maintenance	\$227,590	\$215,500	\$234,465	\$228,915	\$146,949
Subtotal - Operating Expenses	\$739,708	\$629,380	\$719,301	\$738,884	\$615,305
Net Operating Income ("NOI")	\$1,173,296	\$1,343,404	\$1,134,805	\$1,134,230	\$1,256,726
Debt Service	\$675,962	\$675,965	\$675,965	\$675,965	\$675,964
Replacement Reserves	\$83,311	\$80,886	\$78,535	\$58,200	\$58,200
Asset Management Fees	\$161,850	\$141,860	\$133,730	\$103,780	\$103,780
Development Corporation Fees	\$252,173	\$444,693	\$246,575	\$296,285	\$290,493
Excess Cash Flow Restricted	\$0	\$0	\$0	\$0	\$128,289
NET INCOME	\$0	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$0	\$0	\$106	\$361	\$0
Windows and Glass	\$0	\$0	\$197	\$0	\$1,502
Doors	\$0	\$0	\$0	\$99	\$192
Flooring and Carpeting	\$23,100	\$18,360	\$34,163	\$58,369	\$34,980
Plumbing Equipment	\$8,150	\$0	\$15,828	\$7,638	\$0
HVAC Equipment	\$20,000	\$0	\$5,587	\$0	\$2,305
Appliance Equipment	\$26,400	\$16,050	\$23,658	\$39,915	\$42,592
Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$90
HVAC Contracts	\$0	\$5,587	\$0	\$0	\$0
Miscellaneous Contracts	\$0	\$0	\$12,438	\$1,050	\$60
Total Capital Budget	\$77,650	\$39,997	\$91,977	\$107,432	\$81,721

Issues for Consideration

- Rent increases upon lease renewal budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased 2.6%, but upon turnover will be increased to the prevailing "market rate".
- Property cash flow is budgeted at \$252,173.
- Capital is budgeted at \$77,650.
- DSCR is 1.61.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Glenmont Crossing Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Glenmont Crossing Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-001_{GC}

RE: Glenmont Crossing Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Glenmont Crossing Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Glenmont Crossing Apartments (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Glenmont Crossing Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Glenmont Crossing Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**Glenmont
Westerly
Development
Corporation**

GLENMONT WESTERLY DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Glenmont Westerly Development Corporation – FY 2025 Overview

Background

- October 3, 2012** - Commission authorized the formation of two single purpose entities, Glenmont Crossing Development Corporation and Glenmont Westerly Development Corporation, to acquire a 199-unit property in the Glenmont area of Silver Spring consisting of two parcels, one with 97 townhome units (Glenmont Crossing) and the second parcel containing 102 garden units (Glenmont Westerly) using the County’s Right of First Refusal Ordinance for the purpose of preservation by acquisition.
- November 20, 2012** - Glenmont Westerly Development Corporation was formed to acquire the 102 garden unit portion of the project, referred to as “Westerly” and the second parcel containing 97 townhome units referred to as “Woodberry” was acquired by Glenmont Crossing Development Corporation.
- December 5, 2012** - The Board of Directors for the Development Corporation adopted the By-laws which provide for the operations and functions of the Corporation and elected the seven Commissioners as the officers.
- December 31, 2012** - Corporation executed the Asset Management Agreement which requires the Corporation to submit to the Owner an annual budget 90 days prior to each fiscal year.
- March 6, 2013** - Board of Directors approved a resolution that allowed for the incorporation of the Glenmont Westerly annual budget preparation and presentation into the HOC budget process.
- November 1, 2019** - Glenmont Westerly Development Corporation loan was refinanced. A new \$14 million loan from Federal Financing Bank (“FFB”) with FHA Risk Share mortgage insurance repaid the CBRE Fannie Mae loan.



2309 Shorefield Road, Wheaton, MD 20902
 Manager: Residential One Management

Unit Mix	Market	Affordable	Total
1BR	7	12	19
2BR	44	39	83
Total Units	51	51	102

The regulatory agreement restricts 21 units at or below 50% of the area median income (“AMI”) and 30 units at or below 90% of the AMI.

Glenmont Westerly Development Corporation – FY 2025 Update

Property Management

- Glenmont Westerly had seven(7) move-outs in CY 2023, leading to a 7% turnover ratio. Due to some challenges in leasing the average occupancy was 94% in CY 2023. A new management company and team are now in place and we anticipate occupancy to reach historical levels of above 97% by end of CY 2024.

Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
7%	94%	93%

Capital Improvements

- The primary costs in the capital budget are for HVAC, appliance, and flooring replacements, either at turnover or as needed.
- A capital budget of \$71,784 or \$704 per unit is proposed for FY 2025.

Maintenance

- The largest volume of work orders for 2023 relate to plumbing, HVAC, and appliance repairs.
- Annual work orders decreased by 3%, average days to complete work orders remained the same.

Work Orders CY 2023	Average Days to Close
714	4

Redevelopment/Refinancing

- Refinancing of Glenmont Westerly was completed in 2019.
- With the FFB/FHA financing comes a mandatory 10-year lockout on the refinance of the mortgage.
- No refinancing or renovations are planned at this time.

Glenmont Westerly Development Corporation – FY 2025 Budget Summary

Glenmont Westerly Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$1,690,828	\$1,709,680	\$1,629,789	\$1,664,551	\$1,649,105
Expenses:					
Operating - Admin	\$174,078	\$196,312	\$162,629	\$177,781	\$163,185
Operating - Fees	\$66,326	\$63,158	\$63,563	\$62,525	\$66,538
Bad Debt	\$10,668	\$33,132	\$7,354	\$47,771	\$40,943
Tenant & Protective Services	\$0	\$2,700	\$7,036	\$5,180	\$2,227
Taxes, Insurance & Utilities	\$152,630	\$133,295	\$155,078	\$132,748	\$156,612
Maintenance	\$222,548	\$203,795	\$206,178	\$248,397	\$173,923
Subtotal - Operating Expenses	\$626,250	\$632,392	\$601,838	\$674,402	\$603,428
Net Operating Income ("NOI")	\$1,064,578	\$1,077,288	\$1,027,951	\$990,149	\$1,045,677
Debt Service	\$671,170	\$671,170	\$671,171	\$671,170	\$671,171
Replacement Reserves	\$74,174	\$72,015	\$69,916	\$61,200	\$61,200
Asset Management Fees	\$170,200	\$149,170	\$140,630	\$109,130	\$109,130
Development Corporation Fees	\$81,073	\$116,972	\$78,273	\$80,688	\$39,926
Excess Cash Flow Restricted	\$67,961	\$67,961	\$67,961	\$67,961	\$164,250
Subtotal - Expenses Below NOI	\$1,064,578	\$1,077,288	\$1,027,951	\$990,149	\$1,045,677
NET INCOME	\$0	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$1,000	\$0	\$237	\$2,552	\$226
Electrical Supplies	\$5,000	\$0	\$8,200	\$0	\$0
Windows and Glass	\$0	\$0	\$542	\$0	\$1,216
Flooring and Carpeting	\$25,500	\$23,100	\$25,532	\$37,243	\$23,742
Plumbing Equipment	\$10,284	\$10,285	\$11,879	\$4,916	\$4,042
HVAC Equipment	\$15,000	\$11,174	\$5,587	\$1,940	\$225
Appliance Equipment	\$15,000	\$12,200	\$20,923	\$34,273	\$27,671
Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$94
Paint/Wallcovering Int. Cont.	\$0	\$0	\$0	\$1,050	\$600
Miscellaneous Contracts	\$0	\$0	\$9,700	\$900	\$420
Total Capital Budget	\$71,784	\$56,759	\$82,600	\$82,874	\$58,236

Issues for Consideration

- Rent increases upon lease renewal budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- Property cash flow is budgeted at \$149,034, of which \$67,961 will be restricted.
- Capital is budgeted at \$71,784.
- DSCR is 1.48.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Glenmont Westerly Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Glenmont Westerly Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-001_{GW}

RE: Glenmont Westerly Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Glenmont Westerly Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Glenmont Westerly Apartments (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Glenmont Westerly Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Glenmont Westerly Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

Magruder's
Discovery
Development
Corporation

MAGRUDER'S DISCOVERY DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



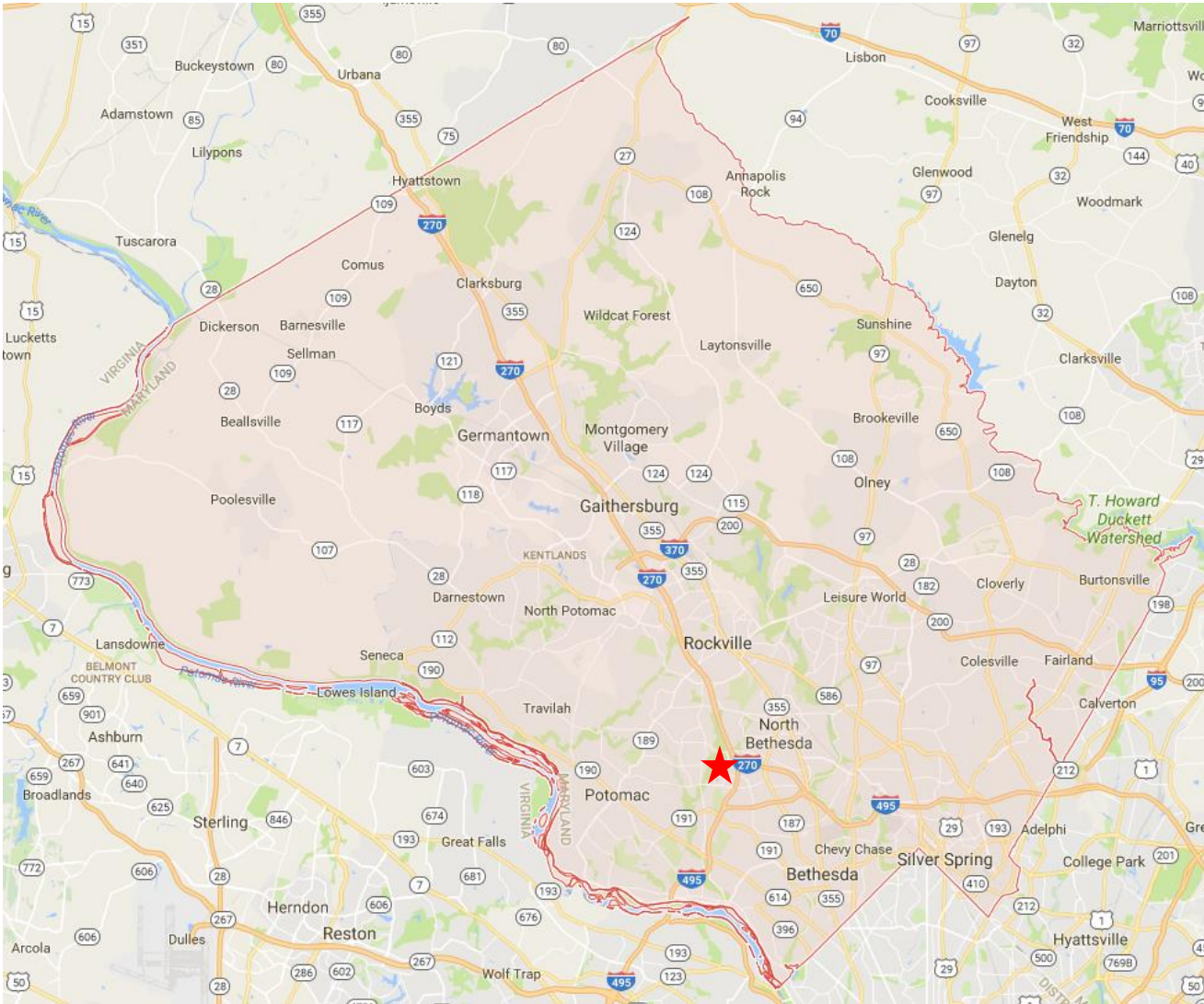
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Magruder's Discovery Development Corporation



Property Snapshot:

- Located in Bethesda.
- Consists of two-story and terrace level buildings constructed in 1980.
- Interiors updated in 2007.
- Amenities include a Community Room, Recreation Center, Controlled Building Access, and onsite laundry.
- Two playgrounds and ample green space.

Magruder's Discovery Development Corporation – FY 2025 Overview

Background

- **August 2008** - Commission authorized the establishment of Magruder's Discovery Development Corporation, a wholly controlled corporate instrumentality, and passed a resolution approving the Articles of Incorporation.
- **June 3, 2009** - the Board adopted the By-laws and elected Directors. The property was transferred to Magruder's Discovery Development Corporation on June 17, 2010 and was refinanced with a new loan in the amount of \$11,780,518 secured by a note and deed of trust credit with mortgage insurance under the FHA Risk Sharing Program.
- The Corporation executed an Asset Management Agreement which requires submission of an annual budget to the Owner an annual budget 90 days prior to each fiscal year and approved a resolution that allowed for the incorporation of the annual budget preparation and presentation into the HOC budget process.
- Magruder's Discovery Development Corporation consists of 134 units all of which are Project-Based/New Construction.



10508 Westlake Dr., Bethesda, MD 20817
 Manager: Edgewood Management

Unit Mix	Market	Affordable	Total
1BR	0	36	36
2BR	0	98	98
Total Units	0	134	134

Magruder’s Discovery Development Corporation – FY 2025 Update

Property Management

- Occupancy at this property has been consistently high over the years, until the last quarter of CY 2022. The property uses a Housing Path waitlist that had grown stale, which led to Property Management being unable to find qualified applicants, leading to occupancy dropping to below 84%. This issue has now been resolved and occupancy has now increased to 91.79% with continued improvement expected throughout CY 2024.

Annual Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
16.4%	87.41%	91.79%

Capital Improvements

- Budget for FY 2025 includes turnover expenses and R410 refrigerant integration to replace 12 HVAC units, which are currently R22 units and are outdated.

Maintenance

- The largest volume of work tickets was for plumbing (21%), appliance repairs (14%), and Electrical (13%) and HVAC (10%).
- Total work orders increased slightly at 2%, average days to close work orders remained the same.

Total Work Orders CY 2023	Average Days to Close
938	8

Redevelopment/Refinancing

- There are currently no plans for redevelopment or refinancing for Magruder’s Discovery.

Magruder's Discovery Development Corporation – FY 2025 Budget Summary

Magruder's Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$2,823,049	\$2,774,578	\$2,614,466	\$2,597,176	\$2,570,919
Expenses:					
Operating - Admin	\$269,663	\$219,060	\$141,876	\$135,894	\$124,576
Operating - Fees	\$99,333	\$65,743	\$67,335	\$73,204	\$72,927
Bad Debt	\$10,800	\$7,250	\$10,268	\$1,161	(\$32,822)
Tenant & Protective Services	\$7,000	\$0	\$0	(\$351)	\$40,378
Taxes, Insurance & Utilities	\$218,937	\$197,054	\$214,733	\$206,830	\$185,364
Maintenance	\$205,236	\$372,251	\$450,673	\$295,969	\$307,467
Subtotal - Operating Expenses	\$810,969	\$861,358	\$884,885	\$712,707	\$697,890
Net Operating Income ("NOI")	\$2,012,080	\$1,913,220	\$1,729,581	\$1,884,469	\$1,873,029
Debt Service	\$919,491	\$920,971	\$922,357	\$923,685	\$924,849
Replacement Reserves	\$46,176	\$45,048	\$43,944	\$42,876	\$41,832
Asset Management Fees	\$90,050	\$90,050	\$90,050	\$90,050	\$90,050
Development Corporation Fees	\$956,363	\$857,151	\$673,230	\$827,858	\$816,298
Subtotal - Expenses Below NOI	\$2,012,080	\$1,913,220	\$1,729,581	\$1,884,469	\$1,873,029
NET INCOME	\$0	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$0	\$0	\$2,150	\$0	\$0
Windows and Glass	\$0	\$0	\$0	\$3,700	\$0
Doors	\$0	\$0	\$1,274	\$0	\$0
Hardware Supplies	\$0	\$0	\$0	\$0	\$2,553
Paint and Wallcoverings	\$0	\$0	\$0	\$1,740	\$0
Electrical Equipment	\$0	\$0	\$0	\$319	\$0
HVAC Equipment	\$0	\$45,000	\$0	\$0	\$0
Appliance Equipment	\$10,800	\$0	\$41,627	\$24,594	\$13,783
Kitchen and Bath Contracts-Capital	\$6,000	\$0	\$0	\$0	\$0
Plumbing Contracts	\$20,000	\$30,000	\$0	\$57,500	\$23,000
Cleaning/Janitorial Contracts-Cap.	\$0	\$0	\$0	\$150	\$0
Roofing/Gutter Contracts	\$0	\$0	\$18,000	\$0	\$0
HVAC Contracts	\$30,000	\$0	\$4,980	\$4,400	\$0
Flooring/Carpet Contracts	\$6,000	\$7,200	\$0	\$0	\$0
Total Capital Budget	\$72,800	\$82,200	\$68,031	\$92,403	\$39,336

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6% based on the Operating Cost Adjustment Factor ("OCAF"); the County Executive's voluntary rent guideline is 2.6%.
- Property cash flow is budgeted at \$956,363.
- Capital is budgeted at \$72,800.
- DSCR is 2.14.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Magruder's Discovery Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Magruder's Discovery Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-001_{MD}

RE: Magruder’s Discovery Development Corporation Annual Meeting: Election of Officers and Adoption of FY’25 Operating and Capital Budgets

WHEREAS, the Magruder’s Discovery Development Corporation (the “Corporation”) is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”);

WHEREAS, the Corporation’s Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Magruder’s Discovery Apartments (the “Property”);

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property’s annual budget preparation, presentation, and approval process with the Commission’s budget process;

WHEREAS, the Corporation’s FY’25 Operating and Capital Budgets were presented to the Commission’s Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY’25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Magruder’s Discovery Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY’25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation
4. This resolution shall take effect immediately.

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 June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

Metropolitan Development Corporation

METROPOLITAN DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025

OPERATING & CAPITAL BUDGETS



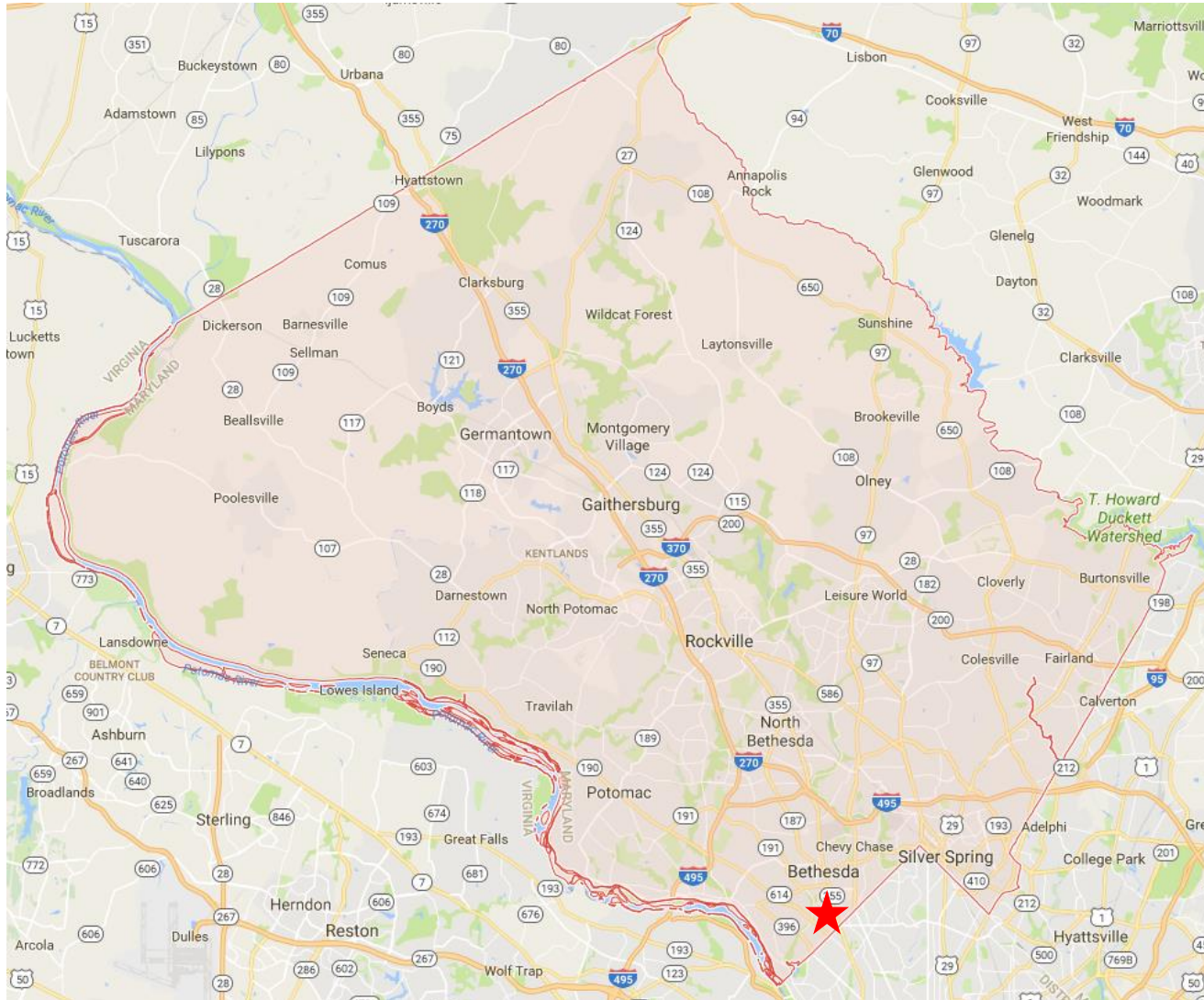
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Metropolitan Development Corporation



Property Snapshot:

- Located in Downtown Bethesda.
- Luxury High-Rise community.
- Constructed in 1998.
- Renovations of market units completed 2012. A renovation of the entire property is expected to begin in 2025.
- Amenities include a Club Room, Fitness Center, Business Center, Garage Parking, Onsite Storage, 24-hour Concierge and Rooftop Swimming Pool.

Metropolitan Development Corporation – FY 2025 Overview

Background

- **May 28, 1997** - Commission authorized the creation of a wholly- controlled corporate instrumentality known as The Metropolitan Development Corporation, adopted By-laws which provide for the operations and functions of the Corporation, and approved the appointment of the Commissioners as the Corporation’s Board of Directors.
- **August 27, 1997** - Board approved the purchase of The Metropolitan Apartment Development (216 units) from HOC and authorized the execution of the appropriate documents necessary to purchase the property and secure the loans from HOC. Board authorized the execution of the Asset Management Agreement which requires submission of an annual budget to the Owner 90 days prior to each fiscal year and approved a resolution that allowed for incorporation of the annual budget preparation and presentation into the HOC budget process.
- The Metropolitan consists of 308 units distributed as follows:
 - 92 tax credit units owned by the Metropolitan of Bethesda LP with HOC as the General Partner.
 - 216 units owned by the Metropolitan Development Corporation, including five retail spaces.
- **In November 2019**, the Metropolitan tax credit units were purchased by HOC and are now included in Opportunity Housing.



7620 Old Georgetown Road, Bethesda, 20814

Manager: Bozzuto (utilizes Yieldstar)

Unit Mix	Market	Affordable	Total
Efficiency	13	23	36
1BR	113	43	156
2BR	78	24	102
3BR	12	2	14
Total Units	216	92	308

The regulatory agreement restricts 43 units at or below 30% AMI, 30 units at or below 40% AMI, and 19 units at or below 50% AMI. The property also includes 6 commercial spaces.

Metropolitan Development Corporation – FY 2025 Update

Property Management

- The occupancy in CY 2023 suffered due to management holding approximately 8% units vacant due to expectations of imminent comprehensive rehab of the property. Due to delays in the upcoming rehab, management has started leasing units in Q1 2024 and occupancy has arisen to above 93% with continuous improvements expected.

Annual Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
27%	89.7%	93.3%

Capital Improvements

- In previous years, capital improvements were kept to a minimum due to pending renovations. Historically, capital costs have focused on necessary replacements of flooring, plumbing, and HVAC systems. For FY 2025, funding is allocated for the replacement of three loading dock doors, as well as the trash compactor and caddy.

Maintenance

- The largest volume of work order tickets was related to appliances, lighting, and plumbing.
- Total work orders increased by 52% and average days to close work orders remained the same.

Total Work Orders CY 2023	Average Days to Close
1833	3

Redevelopment/Refinancing

- A re-syndication of the affordable units under the Low Income Housing Tax Credit (“LIHTC”) program and a refinancing of both the affordable and market units is expected to occur in 2025
- As part of the re-syndication and refinancing, a comprehensive renovation of all units and common areas, along with a major upgrade to all systems and water piping, is planned, with work planned to commence in 2025.

Metropolitan Development Corporation – FY 2025 Budget Summary

Metropolitan Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$7,129,491	\$6,516,233	\$6,382,838	\$6,592,908	\$6,605,339
Expenses:					
Operating - Admin	\$792,597	\$681,381	\$731,084	\$706,519	\$734,664
Operating - Fees	\$227,741	\$212,515	\$233,612	\$212,047	\$238,096
Bad Debt	\$24,000	\$14,400	\$4,227	\$18,956	\$16,957
Tenant & Protective Services	\$122,464	\$31,822	\$72,277	\$68,408	\$98,471
Taxes, Insurance & Utilities	\$491,039	\$507,082	\$455,177	\$505,712	\$472,004
Maintenance	\$575,155	\$493,708	\$540,235	\$568,166	\$536,240
Subtotal - Operating Expenses	\$2,232,996	\$1,940,908	\$2,036,612	\$2,079,808	\$2,096,432
Net Operating Income ("NOI")	\$4,896,495	\$4,575,325	\$4,346,226	\$4,513,100	\$4,508,907
Debt Service	\$2,280,098	\$1,523,896	\$2,281,377	\$2,294,037	\$2,298,123
Replacement Reserves	\$97,200	\$64,800	\$97,200	\$97,200	\$97,200
Asset Management Fees	\$66,520	\$64,060	\$60,340	\$65,470	\$65,470
Loan Management Fees	\$40,596	\$42,672	\$44,629	\$46,461	\$55,609
Development Corporation Fees	\$1,016,928	\$1,136,508	\$681,161	\$1,336,457	\$1,226,636
Excess Cash Flow Restricted	\$1,016,928	\$1,546,691	\$778,248	\$222,535	\$314,961
Subtotal - Expenses Below NOI	\$4,518,270	\$4,378,627	\$3,942,955	\$4,062,160	\$4,057,999
NET INCOME	\$378,225	\$196,698	\$403,271	\$450,940	\$450,908

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Computer Equipment	\$0	\$0	\$9,596	\$0	\$891
Kitchen and Bath Supplies	\$1,500	\$1,500	\$1,650	\$380	\$380
Doors	\$44,951	\$59,802	\$0	\$0	\$8,953
HVAC Equipment	\$2,000	\$2,000	\$0	\$0	\$36,038
Appliance Equipment	\$4,000	\$8,000	\$13,971	\$13,632	\$5,899
Miscellaneous Equipment	\$42,476	\$0	\$13,145	\$0	\$0
Plumbing Contracts	\$0	\$0	\$46,256	\$2,160	\$8,994
Grounds/Landscaping Contr-Cap.	\$0	\$0	\$0	\$3,499	\$0
Flooring/Carpet Contracts	\$10,000	\$10,000	\$27,085	\$30,578	\$30,289
Swimming Pool Contracts	\$0	\$0	\$21,197	\$0	\$0
Asphalt/Concrete Contracts	\$0	\$0	\$0	\$0	\$70,203
Security System	\$0	\$0	\$0	\$0	\$4,289
Total Capital Budget	\$104,927	\$81,302	\$132,900	\$50,249	\$165,936

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- Property cash flow is budgeted at \$2,412,081 of which \$1,016,928 is restricted to pay Montgomery County pursuant to the Air Rights Lease Agreement, and \$378,325 will offset the anticipated operating losses of The Metropolitan Affordable property.
- Capital is budgeted at \$104,927.
- DSCR is 2.07.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Metropolitan Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors Approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Metropolitan Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-001_{ME}

RE: The Metropolitan Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, The Metropolitan Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of The Metropolitan (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by The Metropolitan Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of The Metropolitan Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

Montgomery
Arms
Development
Corporation

MONTGOMERY ARMS DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



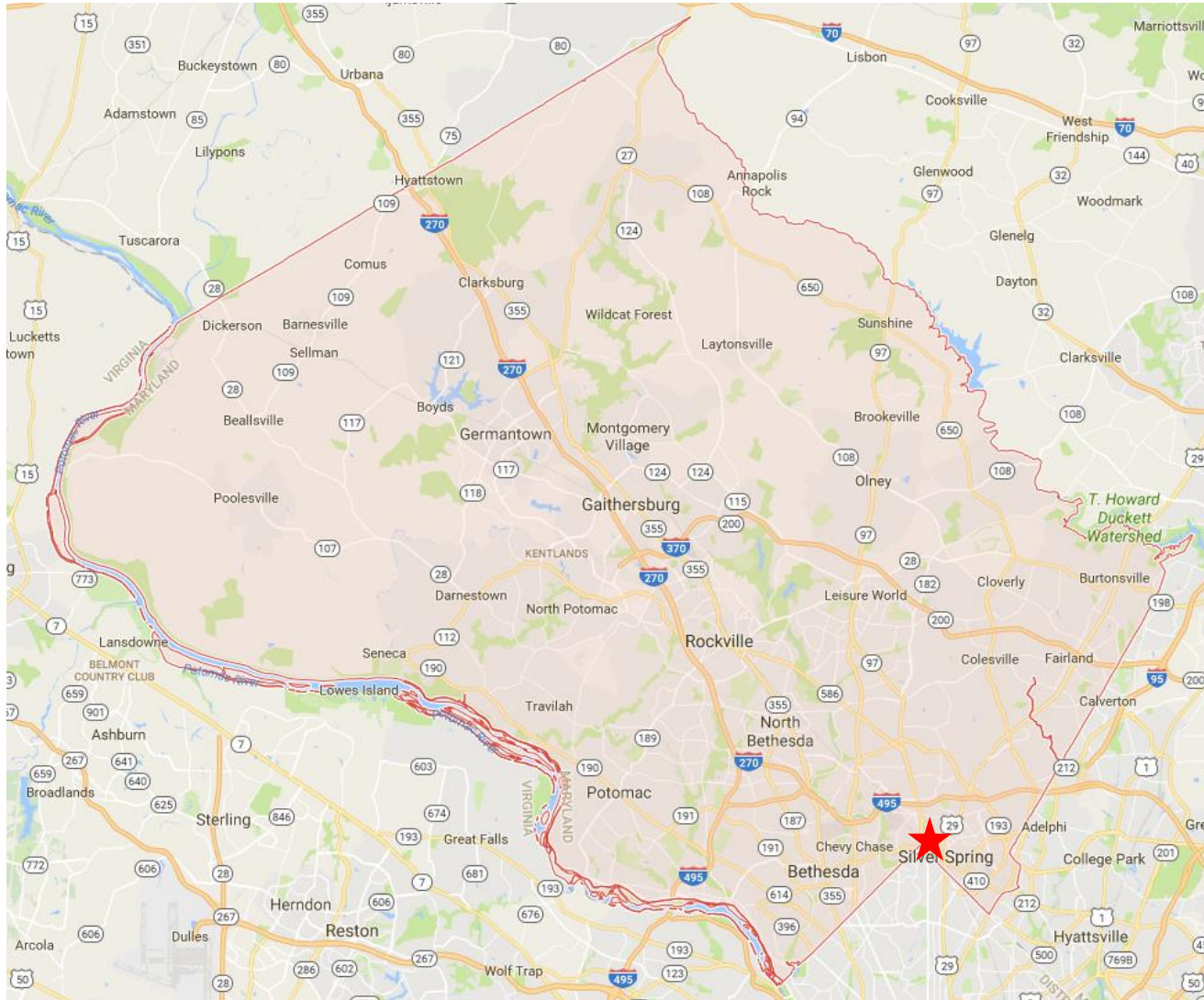
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Montgomery Arms Development Corporation



Property Snapshot:

- Located in Downtown Silver Spring.
- Historic apartment community constructed in 1941, restored in 1992, and renovated in 2005.
- Community Room, Fitness Room, and Limited Free Parking.

Montgomery Arms Development Corporation – FY 2025 Overview

Background

- **July 17, 2002** - Commission authorized the creation of Montgomery Arms Development Corporation and passed a resolution approving the Articles of Incorporation for the Montgomery Arms Development Corporation and By-laws.
- **May 21, 2003** - Commission priced and sold its Multi-family Housing Development Bonds to finance a mortgage of \$10,400,000 for the Montgomery Arms Apartments Development.
- **June 11, 2003** – Commission adopted a resolution authorizing the transfer of the property and the assignment of all assets and liabilities associated with the property to the Montgomery Arms Development Corporation. The resolution further authorized the Executive Director of the Commission to issue a loan commitment to the Montgomery Arms Development Corporation to finance a loan for the property and allowed for the incorporation of Montgomery Arms annual budget preparation and presentation into the HOC budget process.



9711 Washingtonian Blvd., Suite-200
Gaithersburg, MD 20902
Manager: Edgewood Management

Unit Mix	Market	Affordable	Total
Studio	4	3	7
1BR	40	59	99
2BR	13	10	23
Total Units	57	72	129

The regulatory agreement restricts 20 units at or below 30% AMI and 52 units at or below 60% AMI. Restricted units include 10 Project-Based Section 8 units and 10 McKinney units.

Montgomery Arms Development Corporation– FY 2025 Update

Property Management

- The property maintained 94% occupancy for CY2023 in a competitive market in downtown Silver Spring. Montgomery Arms. The property is currently 92% occupied and 100% leased.
- The property scored a 99A on its most recent REAC inspection.

Unit Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
11%	94%	92%

Capital Improvements

- The majority of the proposed FY 2025 capital funding is allocated to support routine turnover activities, including the replacement of kitchen countertops, cabinets, vanities, carpet/flooring, and appliances. HVAC replacements are also included in this plan.

Maintenance

- Majority of the work orders consisted of Inspections, make ready's, plumbing and general maintenance – hardware, drywall, flooring, etc. and appliances.
- Total work orders decreased by 38%, average days to close work order remained the same.

Total Work Orders CY 2023	Average Days to Close
570	1

Redevelopment/ Refinancing

- There are currently no plans underway for redevelopment or refinancing for Montgomery Arms. The property is designated Historic; therefore, redevelopment opportunities are not available for this property. There are no immediate comprehensive renovation plans.

Montgomery Arms Development Corporation – FY 2025 Budget Summary

Montgomery Arms Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$1,961,403	\$2,077,646	\$1,926,081	\$1,946,025	\$1,930,855
Expenses:					
Operating - Admin	\$240,734	\$202,608	\$185,314	\$248,268	\$245,855
Operating - Fees	\$93,338	\$76,716	\$80,727	\$80,992	\$75,972
Bad Debt	\$15,600	\$42,000	\$28,259	\$65,365	\$3,184
Tenant & Protective Services	\$5,700	\$4,400	\$8,014	\$3,717	\$2,766
Taxes, Insurance & Utilities	\$205,975	\$207,635	\$222,222	\$195,073	\$158,499
Maintenance	\$249,604	\$269,271	\$253,994	\$299,241	\$249,204
Subtotal - Operating Expenses	\$810,951	\$802,630	\$778,530	\$892,656	\$735,480
Net Operating Income ("NOI")	\$1,150,452	\$1,275,016	\$1,147,551	\$1,053,369	\$1,195,375
Debt Service	\$676,542	\$676,387	\$680,418	\$682,226	\$683,953
Replacement Reserves	\$46,200	\$46,200	\$46,200	\$46,200	\$46,200
Asset Management Fees	\$215,250	\$188,650	\$177,850	\$138,020	\$138,020
Development Corporation Fees	\$212,460	\$363,779	\$243,083	\$186,923	\$327,202
Subtotal - Expenses Below NOI	\$1,150,452	\$1,275,016	\$1,147,551	\$1,053,369	\$1,195,375
NET INCOME	\$0	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$0	\$0	\$815	\$1,783	\$1,490
Windows and Glass	\$0	\$0	\$50	\$82	\$0
Doors	\$0	\$0	\$1,825	\$1,900	\$1,900
Flooring and Carpeting	\$34,900	\$6,000	\$36,019	\$39,593	\$15,010
Plumbing Equipment	\$0	\$0	\$71	\$5	\$0
HVAC Equipment	\$20,000	\$72,000	\$16,653	\$19,261	\$10,972
Appliance Equipment	\$6,000	\$9,000	\$5,359	\$11,376	\$13,394
Miscellaneous Equipment	\$0	\$0	\$3,653	\$1,825	\$823
Windows/Glass Contracts	\$0	\$0	\$3,085	\$0	\$0
Miscellaneous Contracts	\$0	\$0	\$6,160	\$106	\$0
Total Capital Budget	\$60,900	\$87,000	\$73,690	\$75,931	\$43,589

Issues for Consideration

- Rent increases upon lease renewal budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased 2.6%, but upon turnover will be increased to the prevailing "market rate".
- Property cash flow is budgeted at \$212,460.
- Capital is budgeted at \$60,900.
- DSCR is 1.63.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Montgomery Arms Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Montgomery Arms Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-001_{MA}

RE: Montgomery Arms Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Montgomery Arms Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Montgomery Arms Apartments (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery Arms Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Montgomery Arms Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea Andrews
Secretary-Treasurer of the Corporation

Adjourn

Oaks at Four
Corners
Development
Corporation

OAKS AT FOUR CORNERS DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



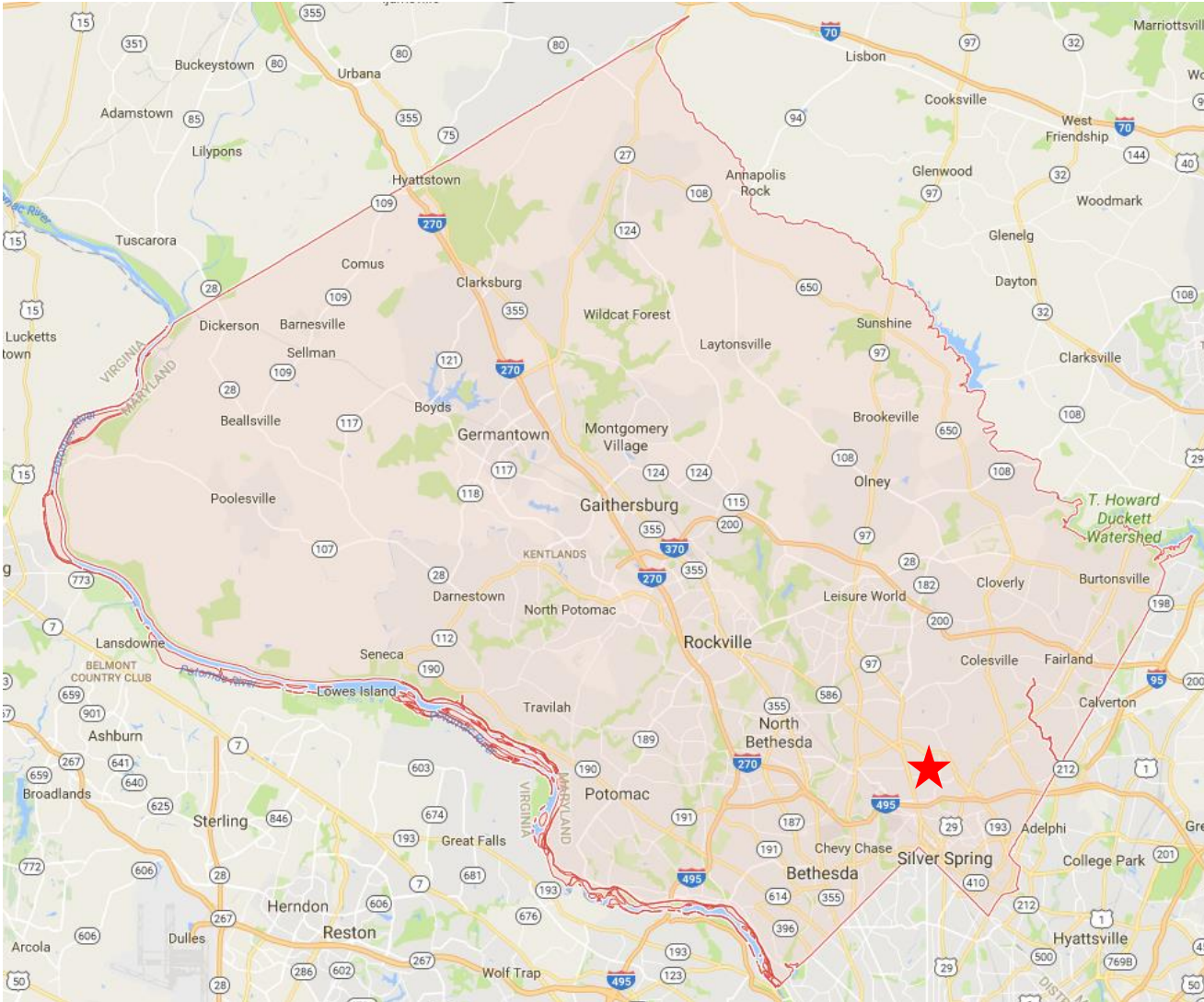
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Oaks at Four Corners Development Corporation



Property Snapshot:

- Located in West Silver Spring.
- Low-rise apartment community constructed in 1985 for residents 62 years of age or older.
- Community Room, Business Center, Free Parking, Outdoor Recreational Space, Pet Friendly.

Oaks at Four Corners Development Corporation – FY 2025 Overview

Background

- **August 21, 1996** - Commission authorized the creation of The Oaks at Four Corners Corporation and passed a resolution approving the Articles of Incorporation for the Development and By-laws.
- **September 3, 1996** - The Housing Opportunities Commission (HOC) executed a Contract of Sale Agreement with the Corporation whereby the Corporation purchased the improvements known as The Oaks at Four Corners together subject to a ground lease.
- **December 11, 1996** - The Board of Directors for The Oaks at Four Corners Development Corporation adopted the By-laws which provide for the operations and functions of the Corporation and elected the seven Commissioners as the officers.
- **March 26, 1997** - Corporation executed the Asset Management Agreement which requires the Corporation to submit to the Owner an annual budget 90 days prior to each fiscal year.
- **April 23, 1997** - Board of Directors approved a resolution that allowed for the incorporation of The Oaks at Four Corners annual budget preparation and presentation into the HOC budget process.
- The Oaks is an apartment building for seniors, age 62 or older.



321 University Boulevard, Silver Spring, MD 20910
 Manager: Edgewood Management

Unit Mix	Market	Affordable	Total
1BR	56	35	91
2BR	16	13	29
Total Units	72	48	120

The regulatory agreement restricts 48 units at or below 60% AMI.

Oaks at Four Corners Development Corporation – FY 2025 Update

Property Management

- This is a senior property with very low turnover usually only taking place when a resident passes away or moves to hospice care. In 2021-2022, property experienced high turnover partly due to the senior tenant base being negatively impacted by COVID-19.
- Property historically scores high 90's on REACS and is well-maintained.

Annual Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
4%	98%	97%

Maintenance

- Maintenance tickets performed during the year were mainly preventative maintenance, plumbing, and HVAC.
- Total work orders increased by 31%, average days to closed remained steady at 1-2 days.

Total Work Orders CY 202	Average Days to Close
1,977	1-2 days

Capital Improvements

- Most of the proposed capital funding for FY 2025 is for the HVAC and Hot Water heater replacements, along with the replacement of Carpet/Flooring and Appliances on turns.

Redevelopment/Refinancing

- The property is in the Real Estate Development pipeline for refinance and comprehensive renovation in the next 24 months.

Oaks at Four Corners Development Corporation – FY 2025 Budget Summary

Oaks at Four Corners Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$1,560,892	\$1,534,284	\$1,477,917	\$1,431,229	\$1,421,151
Expenses:					
Operating - Admin	\$277,031	\$235,402	\$178,552	\$210,428	\$229,227
Operating - Fees	\$81,817	\$78,073	\$80,118	\$76,469	\$69,768
Bad Debt	\$5,400	\$5,238	\$708	\$5,659	\$6,958
Tenant & Protective Services	\$88,815	\$84,752	\$77,393	\$65,890	\$62,803
Taxes, Insurance & Utilities	\$161,772	\$166,212	\$150,372	\$150,647	\$138,700
Ground Rent	\$0	\$0	\$100	\$300	\$0
Maintenance	\$358,023	\$258,321	\$292,938	\$290,963	\$244,350
Subtotal - Operating Expenses	\$972,858	\$827,998	\$780,181	\$800,356	\$751,806
Net Operating Income ("NOI")	\$588,034	\$706,286	\$697,736	\$630,873	\$669,345
Debt Service	\$276,666	\$277,859	\$278,977	\$280,029	\$281,016
Replacement Reserves	\$171,996	\$171,996	\$171,996	\$171,996	\$171,996
Asset Management Fees	\$200,230	\$175,490	\$165,440	\$128,390	\$128,390
Excess Cash Flow Restricted	\$0	\$80,941	\$81,323	\$50,458	\$87,943
Subtotal - Expenses Below NOI	\$648,892	\$706,286	\$697,736	\$630,873	\$669,345
NET INCOME	(\$60,858)	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$8,350	\$8,730	\$6,034	\$9,218	\$13,455
Electrical Supplies	\$27,850	\$0	\$4,284	\$445	\$3,589
Grounds/Landscaping Sup. -Cap.	\$5,000	\$4,500	\$8,800	\$0	\$3,550
Doors	\$2,400	\$4,300	\$822	\$6,903	\$1,060
Flooring and Carpeting	\$23,100	\$23,100	\$15,032	\$24,993	\$18,870
Plumbing Equipment	\$7,500	\$9,100	\$3,334	\$8,158	\$2,280
HVAC Equipment	\$24,000	\$16,500	\$33,799	\$2,460	\$4,200
Appliance Equipment	\$14,950	\$12,250	\$12,546	\$4,490	\$10,534
Miscellaneous Equipment	\$10,872	\$11,400	\$2,200	\$24,841	\$10,835
Windows/Glass Contracts	\$21,000	\$18,200	\$8,794	\$18,054	\$12,165
Roofing/Gutter Contracts	\$0	\$0	\$3,750	\$3,175	\$0
Paint/Wallcovering Int. Cont.	\$0	\$0	\$39,234	\$0	\$0
Fencing Contracts	\$0	\$0	\$0	\$0	\$1,975
Asphalt/Concrete Contracts	\$15,000	\$0	\$6,923	\$0	\$0
Miscellaneous Contracts	\$43,000	\$45,000	\$27,872	\$2,720	\$39,980
Total Capital Budget	\$203,022	\$153,080	\$173,424	\$105,457	\$122,493

Issues for Consideration

- Rent increases upon lease renewal budgeted at 2.6% effective January 2023; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- The property's **(\$60,858)** projected operating deficit will be funded with a draw from existing property cash.
- Capital is budgeted at \$203,022.
- DSCR is 1.50.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Oaks at Four Corners Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024, Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Oaks at Four Corners Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-003_{oc}

RE: Oaks at Four Corners Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Oaks at Four Corners Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Oaks at Four Corners Apartments (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Oaks at Four Corners Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Oaks at Four Corners Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**Paddington
Square
Development
Corporation**

PADDINGTON SQUARE DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



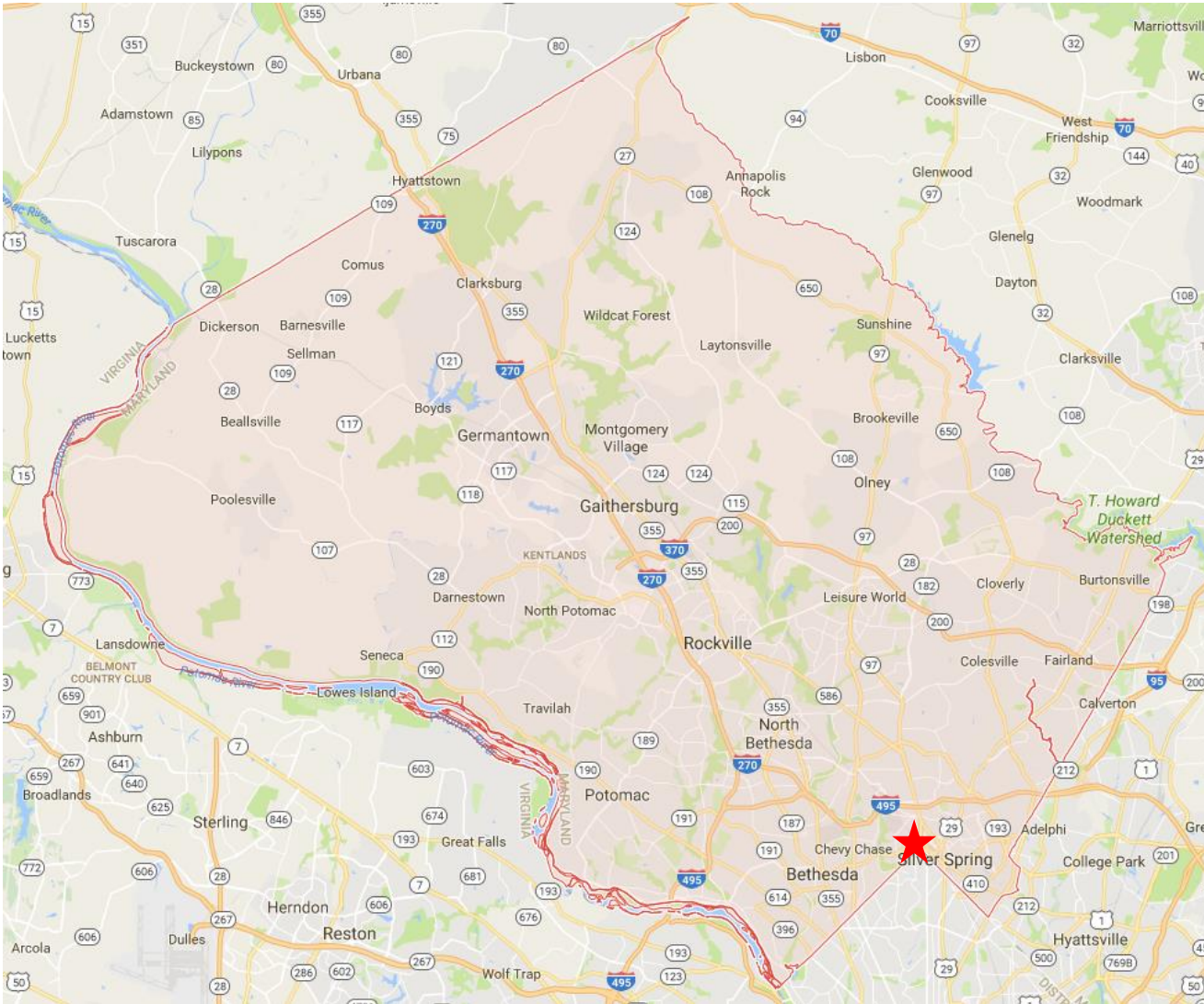
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Paddington Square Development Corporation



Property Snapshot:

- Located in the Lyttonsville area of Silver Spring.
- 165 unit garden-style apartment community constructed in 1960.
- Renovated in 2011.
- Business Center, Conference Room, Free Parking, and Swimming Pool.
- Situated on 7.94 acres in a neighborhood among single family homes and multifamily garden and high rise communities.

Paddington Square Development Corporation – FY 2025 Overview

Background

- **February 4, 2004** - The Articles of Incorporation for the Paddington Square Development Corporation approved with the purpose of acquiring, owning, operating and maintaining the Paddington Square Apartments. The Board of Directors adopted the By-laws, and final settlement for the acquisition of Paddington Square Apartments occurred on March 5, 2004.
- **December 6, 2011** - A comprehensive renovation of Paddington Square Apartments was completed to include window replacement, masonry repairs and building façade detail, replacement of individual unit HVAC systems, redesign of the leasing office and community center with handicap accessibility, and renovation of unit interiors and common areas. Repaving of the parking areas and landscape upgrades were completed prior to the close of FY'12.
- **December 18, 2014** - With Commission approval, Paddington Square Development Corporation closed on a permanent mortgage in the amount of \$20,741,700, issued by Love Funding Corporation and insured by FHA's Section 223(f) program. The mortgage has a loan term of 35 years, amortizing for 35 years, with a fixed interest rate of 3.60%. Proceeds from the \$20.7 million loan funded the repayment of \$20 million in debt to HOC's PNC Bank Line of Credit, HOC's OHRF, HOC's County Revolving Fund, and DHCA's Housing Initiative Fund.
- The FHA 223(f) senior loan for Paddington Square was refinanced in February 24, 2022.
- Residential One (formerly Equity Management) has managed the property since its selection in 2013. HOC staff has responsibility for the maintenance of the property.
- Paddington Square consists of 165 units which are distributed as follows:
 - 67 units affordable units at or below 50%/60% of median under the County HIF program
 - 98 Market units



8800 Lanier Drive, Silver Spring, MD 20910
Manager: Residential One

Unit Mix	Market	Affordable	Total
2BR	87	65	152
3BR	11	2	13
Total Units	98	67	165

The regulatory agreement restricts 14 units at or below 50% AMI and 53 units at or below 60% AMI.

Paddington Square Development Corporation – FY 2025 Update

Property Management

- Paddington Square maintained occupancy of 96.97% in 2022. The property’s occupancy dropped by 3.27% from 2022 to 2023. Although the average occupancy is trending at 96% the current occupancy maintains 92.73% a slight decrease due to economic financial hardship faced by many residents in 2023.

Annual Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
43.1%	96%	92.73%

Maintenance

- The largest volume of work tickets was for plumbing (23%), appliances (15%), and electrical (16%)
- Total work orders decreased by 18% and average days to close work orders remained the same.

Total Work Order CY 2023	Average Days to Close
1,160	7

Capital Improvements

- The FY 2025 budget proposal includes several key items. It covers the replacement of vanity and plumbing fixtures, as well as the maintenance of trees, bushes, and erosion control. The plan also includes the replacement of unsightly damaged unit entry doors and pending proposals for flashing repairs in six buildings. Additionally, turnover flooring is budgeted for months with anticipated vacancies.

Redevelopment/Refinancing

- The FHA 223(f) senior loan for Paddington Square was refinanced in February 2022. No further redevelopment or refinancing is being considered at this time.

Paddington Square Development Corporation – FY 2025 Budget Summary

Paddington Square Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$3,146,448	\$3,175,107	\$3,073,387	\$3,005,345	\$2,915,564
Expenses:					
Operating - Admin	\$323,598	\$273,756	\$317,826	\$230,942	\$251,857
Operating - Fees	\$114,092	\$113,298	\$118,942	\$116,489	\$112,907
Bad Debt	\$58,440	\$205,200	\$3,183	(\$28,312)	\$95,844
Tenant & Protective Services	\$3,660	\$7,140	\$8,684	\$2,537	\$44,538
Taxes, Insurance & Utilities	\$370,433	\$378,624	\$270,365	\$366,859	\$393,691
Maintenance	\$468,356	\$649,962	\$709,247	\$552,947	\$524,838
Subtotal - Operating Expenses	\$1,338,579	\$1,627,980	\$1,428,247	\$1,241,462	\$1,423,675
Net Operating Income ("NOI")	\$1,807,869	\$1,547,127	\$1,645,140	\$1,763,883	\$1,491,889
Debt Service	\$909,274	\$847,093	\$900,868	\$979,480	\$1,129,120
Replacement Reserves	\$52,800	\$52,800	\$52,800	\$51,700	\$57,750
Asset Management Fees	\$104,470	\$104,470	\$104,470	\$104,470	\$104,470
Development Corporation Fees	\$741,325	\$542,764	\$587,002	\$628,231	\$200,549
Subtotal - Expenses Below NOI	\$1,807,869	\$1,547,127	\$1,645,140	\$1,763,881	\$1,491,889
NET INCOME	\$0	\$0	\$0	\$2	\$0
	(84,099)	(211,614)	(196,618)	(118,839)	(117,324)

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$3,308	\$18,600	\$7,093	\$11,313	\$11,262
Electrical Supplies	\$0	\$0	\$5,034	\$0	\$0
Appliance Supplies	\$0	\$25,260	\$22,484	\$19,325	\$17,704
Grounds/Landscaping Sup.-Cap.	\$5,513	\$10,000	\$0	\$3,550	\$6,335
Windows and Glass	\$0	\$0	\$3,339	\$0	\$0
Doors	\$5,292	\$5,004	\$299	\$1,379	\$2,112
Roofing Materials	\$15,876	\$6,324	\$3,740	\$4,160	\$3,865
HVAC Supplies	\$0	\$0	\$0	\$0	\$32
Flooring and Carpeting	\$16,300	\$0	\$6,654	\$5,968	\$8,909
Paint and Wallcoverings	\$0	\$0	\$728	\$280	\$0
Miscellaneous Supplies	\$0	\$40,278	\$40,275	\$2,425	\$10,285
Plumbing Equipment	\$0	\$4,000	\$0	\$4,129	\$9,871
HVAC Equipment	\$11,540	\$0	\$1,120	\$0	\$0
Appliance Equipment	\$13,040	\$0	\$0	\$0	\$0
Tools	\$0	\$1,780	\$445	\$0	\$0
Electrical Contracts	\$0	\$0	\$7,097	\$0	\$0
Appliance Contracts	\$0	\$0	\$1,270	\$444	\$0
Plumbing Contracts	\$13,230	\$37,464	\$64,233	\$2,000	\$4,000
HVAC Contracts	\$0	\$29,400	\$3,550	\$12,000	\$8,114
Flooring/Carpet Contracts	\$0	\$33,504	\$29,257	\$45,694	\$34,835
Miscellaneous Contracts	\$0	\$0	\$0	\$6,174	\$0
Total Capital Budget	\$84,099	\$211,614	\$196,618	\$118,841	\$117,324

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- Property cash flow is budgeted at \$741,325.
- Capital is budgeted at \$84,099.
- DSCR is 1.93.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Paddington Square Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Paddington Square Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-003_{PS}

RE: Paddington Square Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Paddington Square Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Paddington Square Apartments (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Paddington Square Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Paddington Square Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

**Pooks Hill
Development
Corporation**

POOKS HILL DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



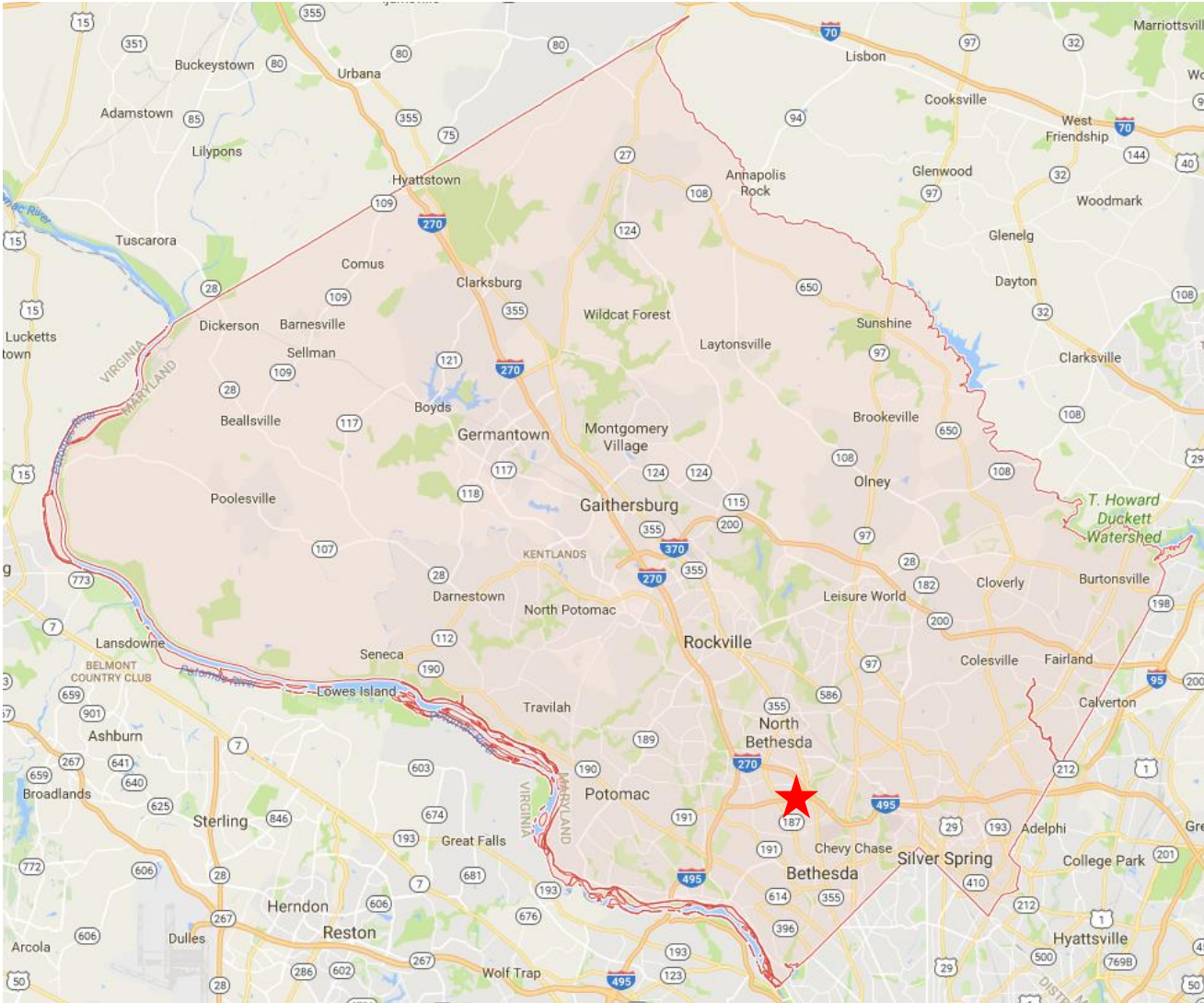
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Pooks Hill Development Corporation



Property Snapshot:

- Located in Bethesda.
- 189 unit high-rise building.
- Constructed in 1946 as the first high rise building in Montgomery County.
- Renovations completed in 2011.
- Controlled Access Building, Free Onsite Parking , Spacious Floor Plans, Ten-Foot Ceilings, Shared Pool with Pooks Hill Court.

Pooks Hill Development Corporation – FY 2025 Overview

Background

- **1992** - HOC purchased Pooks Hill Apartments through the issuance of tax-exempt fixed rate bonds. When the Commission constructed the Pooks Hill midrise development, it created a land condominium dividing the parcel of land on Pooks Hill Road into two condominium units. This allowed for separate ownership and financing of the high rise building on one parcel and the midrise on another. When the Commission determined to renovate the Pooks Hill high rise, it authorized the creation of Pooks Hill Development Corporation to provide a separate single purpose entity to own that land condominium unit.
- **June 2006 thru May 2010** - The property received multi-phased renovations substantially renovating unit interiors, common areas and upgrading and replacing major building systems. However, current finishes are not competitive with other class B properties in the submarket.
- **October – December 2012** - the Articles of Incorporation for the Pooks Hill Development Corporation were approved by the Maryland Department of Assessments and Taxation. At its meeting on December 5, 2012, the Board of Directors and officers were elected and the By-laws were adopted. Financing completed with FHA Risk Sharing insurance provided a loan of \$18,200,000 to assist with renovation costs, pay off outstanding debt and permanently finance the property over 30 years.
- **2013** - Exterior repairs and site work continued involving landscaping to address water flow across the property and replacement of the front steps to the building to remediate water infiltration.



3 Pooks Hill Road, Bethesda, MD 20814
 Manager: Vantage/Edgewood Management

Unit Mix	Market	Affordable	Total
Studio	53	2	55
1BR	46	51	97
2BR	21	16	37
Total Units	121	69	189

The regulatory agreement restricts 5 units at or below 30% AMI, 58 units at or below 50% AMI, 6 units at or below 60% AMI, and 57 units workforce housing between 80% and 120% of AMI.

Pooks Hill Development Corporation – FY 2025 Update

Property Management

- Pooks Hill Tower’s maintained an average occupancy of 96% in CY 2023 with a recent decrease due to increase in lease enforcement action for any non-paying tenants.

Annual Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
18%	96%	92%

Maintenance

- The largest volume of work tickets was for electrical (12%) and plumbing repairs (29%).
- Total work orders decreased by 4%, average days to close a work order remained the same.

Total Work Orders CY 2023	Average Days to Close
812	2

Capital Improvements

- Capital replacements are completed at unit turnover or as needed. FY 2025 capital budget includes replacement of 50 HVAC wall units based on historical failure rates.

Redevelopment/Refinancing

- There are currently no plans underway for redevelopment or refinancing of Pooks Hill Tower.

Pooks Hill Development Corporation – FY 2025 Budget Summary

Pooks Hill High-rise Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$3,201,132	\$3,053,736	\$2,979,058	\$2,877,687	\$2,828,513
Expenses:					
Operating - Admin	\$301,336	\$300,049	\$243,631	\$288,560	\$260,424
Operating - Fees	\$136,993	\$117,683	\$118,940	\$119,806	\$116,496
Bad Debt	\$36,000	\$43,200	\$35,590	\$7,106	\$3,448
Tenant & Protective Services	\$13,275	\$8,200	\$19,077	\$11,345	\$16,039
Taxes, Insurance & Utilities	\$267,076	\$260,316	\$261,002	\$247,820	\$192,703
Maintenance	\$350,664	\$333,751	\$368,214	\$352,549	\$292,722
Subtotal - Operating Expenses	\$1,105,344	\$1,063,199	\$1,046,454	\$1,027,186	\$881,832
Net Operating Income ("NOI")	\$2,095,788	\$1,990,537	\$1,932,604	\$1,850,501	\$1,946,681
Debt Service	\$1,012,231	\$1,014,834	\$1,017,356	\$1,019,798	\$1,022,163
Replacement Reserves	\$193,032	\$187,404	\$196,266	\$176,640	\$171,492
Asset Management Fees	\$315,370	\$276,400	\$260,570	\$202,210	\$202,210
Loan Management Fees	\$45,504	\$45,504	\$45,500	\$45,500	\$45,500
Development Corporation Fees	\$529,651	\$466,395	\$412,912	\$406,353	\$505,316
Subtotal - Expenses Below NOI	\$2,095,788	\$1,990,537	\$1,932,604	\$1,850,501	\$1,946,681
NET INCOME	\$0	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$0	\$0	\$1,640	\$355	\$950
Doors	\$0	\$0	\$0	\$311	\$945
Flooring and Carpeting	\$9,000	\$30,000	\$22,867	\$2,411	\$7,215
Plumbing Equipment	\$0	\$14,000	\$5,557	\$8,003	\$3,598
HVAC Equipment	\$154,800	\$24,000	\$11,742	\$6,942	\$1,540
Appliance Equipment	\$3,600	\$14,400	\$14,769	\$6,664	\$1,693
Miscellaneous Equipment	\$0	\$0	\$1,555	\$0	\$1,764
Windows/Glass Contracts	\$0	\$0	\$0	\$918	\$0
Paint/Wallcovering Int. Cont.	\$0	\$0	\$19,750	\$0	\$0
Fencing Contracts	\$0	\$0	\$8,750	\$0	\$0
Miscellaneous Contracts	\$0	\$0	\$90,705	\$0	\$0
Security System	\$0	\$60,000	\$0	\$0	\$0
Total Capital Budget	\$167,400	\$142,400	\$177,335	\$25,604	\$17,705

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased 2.6%, but upon turnover will be increased to the prevailing "market rate".
- Property cash flow is budgeted at \$529,651.
- Capital is budgeted at \$167,400.
- DSCR is 1.80.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Pooks Hill Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Pooks Hill Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-003_{PH}

RE: Pooks Hill Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Pooks Hill Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Pooks Hill Towers (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Pooks Hill Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Pooks Hill Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

RAD 6
Development
Corporation

RAD 6 DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



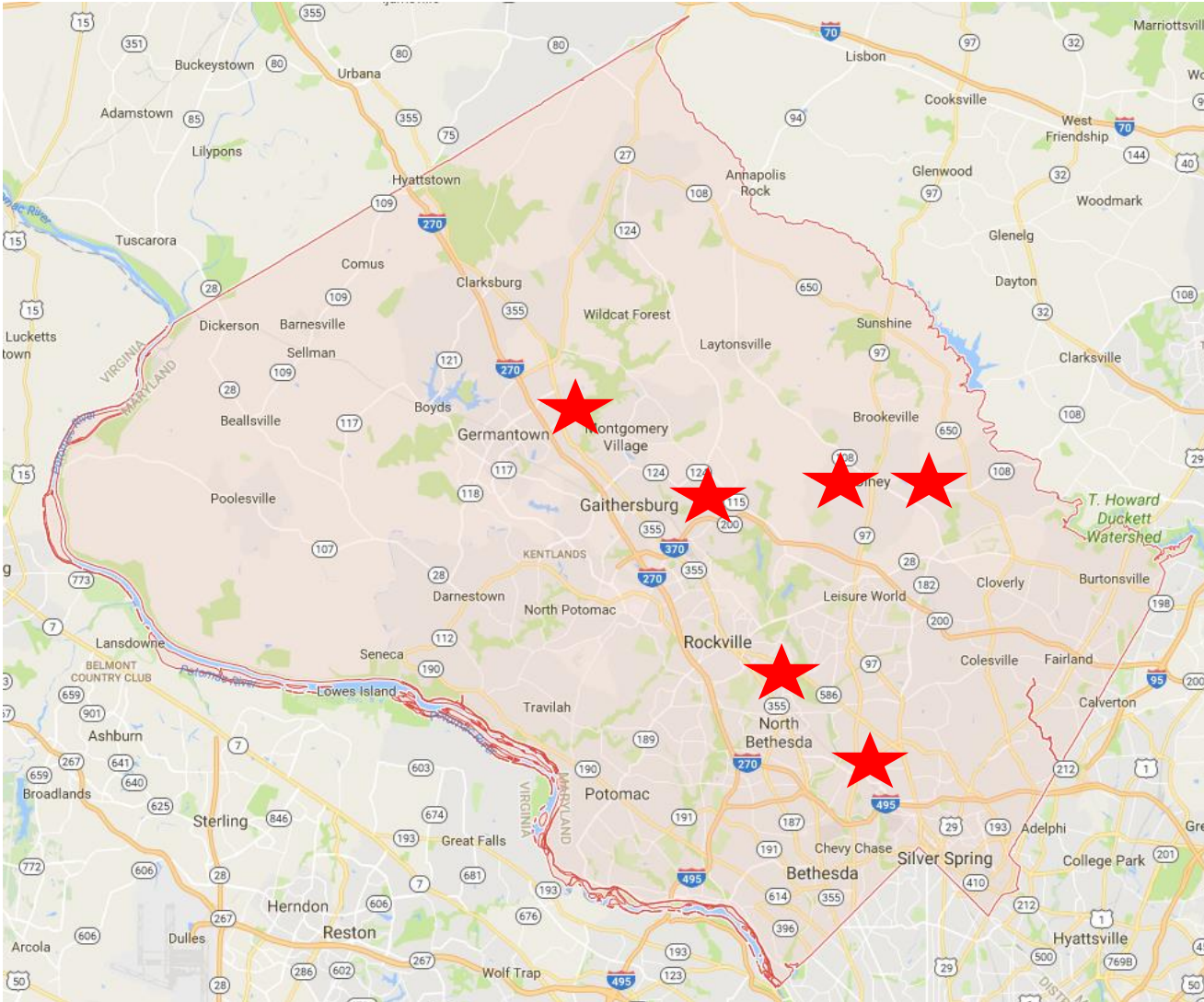
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

RAD 6 Development Corporation



Property Snapshot:

- 209 affordable units at or below 50% of the Washington Metropolitan Statistical Area Median Income (AMI) and 59 market rate units.
- Renovations, completed in 2016, included both interior and exterior upgrades to finishes. Interior renovations include the replacement of kitchen and bathroom (appliances, cabinet fixtures and finishes), flooring and painting, HVAC systems and electrical modifications.
- The exterior work included the replacement of windows, roofs, gutters and downspouts, siding, and storm water management improvements. Work was also completed on the sidewalks, stoops, fencing and concrete walks.

RAD 6 Development Corporation – FY 2025 Overview

Background

- **June 4, 2014** - Commission authorized the creation of RAD 6 Development Corporation (the “Corporation”) to own and operate Ken Gar Apartments, Parkway Woods, Sandy Spring Meadows, Towne Centre Place, Seneca Ridge, and Washington Square (collectively, the “RAD 6 Development”) and approved the Articles of Incorporation.
- **August 6, 2014** - The Board of Directors for the Development Corporation adopted By-laws which provide for the operations and functions of the Corporation, elected the seven Commissioners as the officers and incorporated the Corporation's annual budget preparation and presentation in the HOC budget process. The Commission also approved the Final Development Plan for the properties which envisioned the creation of high quality, well designed, amenity rich, energy efficient affordable housing with strong supportive services.
- **November 6, 2014** - Commission approved the Financing Plan which combined a Construction Note with a permanent mortgage insured by the Federal Housing Administration (FHA) under its Risk Sharing Program. Tax-exempt bonds were issued by HOC in the amount of \$24,000,000. HOC has assumed 50% of the insurance risk. The 268 units in the RAD 6 Development Corporation are distributed as follows:
 - 209 affordable units at or below 50% of the area median income.
 - 59 market rate units.

Ken Gar Apartments consists of a 14-townhome cluster and five single family detached homes in the historic Ken-Gar section of Kensington. 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. 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. 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 2008. 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 2002. It is located on 4.08 acres in Gaithersburg, MD.

RAD 6 Development Corporation – FY 2025 Overview

Property Management

- RAD 6 occupancy are now relatively stable, with the exception of occupancy challenges at Seneca Ridge and Park Woods, which have been a result of staff turnover.

Property	Annual Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
Washington Square	58%	90%	98%
Seneca Ridge	8%	90%	94%
Ken Gar	16%	89%	94%
Parkway Woods	25%	87%	91%
Towne Centre Place	3%	83%	95%
Sandy Spring Meadow	2%	89%	94%
Average	6.5%	89%	92%

Capital Improvements

- The replacement reserve will be used for appliances, flooring and HVAC/Plumbing replacements and asphalt repairs in FY 2025. A security system is of consideration for certain properties (not all) and is budgeted at about 30% of the total capex. Further assessment is required to determine if this will move forward

Maintenance

- The largest volume of work order tickets was for appliance and plumbing.
- Annual work orders increased by 19% and average days to close work orders decreased by 21%.

Property	Annual Work Orders CY 2023	Avg. Days to Close
Washington Square	998	13
Seneca Ridge	555	9
Ken Gar	115	7
Parkway Woods	130	9
Towne Centre Place	386	28
Sandy Spring Meadows	403	30
Average	431	16

Redevelopment/Refinancing

- The property completed renovation work in 2016 and no further redevelopment or refinancing is being considered at this time.

RAD 6 Development Corporation – FY 2025 Budget Summary – Ken Gar

RAD 6: Ken Gar

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$235,082	\$289,380	\$234,335	\$298,762	\$221,433
Expenses:					
Operating - Admin	\$39,402	\$15,958	\$16,450	\$20,494	\$20,531
Operating - Fees	\$13,263	\$8,481	\$7,616	\$8,189	\$11,563
Bad Debt	\$3,000	\$17,460	(\$808)	(\$1,871)	(\$2,609)
Tenant & Protective Services	\$0	\$0	\$0	(\$50)	\$6,100
Taxes, Insurance & Utilities	\$48,025	\$20,515	\$29,625	\$15,644	\$13,636
Maintenance	\$72,804	\$64,939	\$66,923	\$58,510	\$53,514
Subtotal - Operating Expenses	\$176,494	\$127,353	\$119,806	\$100,916	\$102,735
Net Operating Income ("NOI")	\$58,588	\$162,027	\$114,529	\$197,846	\$118,698
Debt Service	\$102,293	\$102,491	\$102,675	\$102,854	\$103,026
Replacement Reserves	\$11,328	\$11,004	\$10,679	\$10,380	\$9,852
Asset Management Fees	\$20,110	\$20,110	\$19,720	\$18,470	\$18,470
Subtotal - Expenses Below NOI	\$133,731	\$133,605	\$133,074	\$131,704	\$131,348
NET INCOME	(\$75,143)	\$28,422	(\$18,545)	\$66,142	(\$12,650)

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Employee Uniforms	\$0	\$0	\$0	\$2	\$0
Grounds/Landscaping Sup.-Cap.	\$0	\$0	\$0	\$3,800	\$0
Flooring and Carpeting	\$0	\$0	\$0	\$1,101	\$0
Appliance Equipment	\$12,000	\$0	\$10,947	\$6,360	\$0
Electrical Contracts	\$0	\$0	\$0	\$4,995	\$0
Plumbing Contracts	\$0	\$0	\$0	\$0	\$9,390
Grounds/Landscaping Contr-Cap.	\$0	\$0	\$0	\$0	\$2,850
HVAC Contracts	\$0	\$0	\$0	\$3,597	\$325
Flooring/Carpet Contracts	\$0	\$0	\$4,120	\$0	\$1,730
Total Capital Budget	\$12,000	\$0	\$15,067	\$19,855	\$14,295

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 3.0% based on the Operating Cost Adjustment Factor ("OCAF"); the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- The property's **(\$75,143)** projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio.
- Capital is budgeted at \$12,000.
- DSCR is 0.46.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for RAD 6 Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for RAD 6 Development Corporation by the Board of Directors.

RAD 6 Development Corporation – FY 2025 Budget Summary – Parkway Woods

RAD 6: Parkway Woods

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$337,460	\$338,371	\$304,395	\$329,271	\$317,306
Expenses:					
Operating - Admin	\$50,150	\$28,934	\$35,180	\$24,252	\$18,281
Operating - Fees	\$16,734	\$10,459	\$9,301	\$9,867	\$13,116
Bad Debt	\$17,520	\$0	\$9,011	\$3,158	\$7,052
Tenant & Protective Services	\$0	\$0	\$0	\$1,438	\$4,455
Taxes, Insurance & Utilities	\$53,419	\$28,690	\$48,596	\$23,787	\$24,160
Maintenance	\$74,162	\$83,743	\$55,304	\$72,678	\$52,646
Subtotal - Operating Expenses	\$211,985	\$151,826	\$157,392	\$135,180	\$119,710
Net Operating Income ("NOI")	\$125,475	\$186,545	\$147,003	\$194,091	\$197,596
Debt Service	\$115,692	\$115,908	\$116,120	\$116,323	\$116,517
Replacement Reserves	\$14,316	\$13,896	\$13,487	\$13,104	\$12,444
Asset Management Fees	\$25,410	\$25,410	\$24,900	\$23,330	\$23,330
Subtotal - Expenses Below NOI	\$155,418	\$155,214	\$154,507	\$152,757	\$152,291
NET INCOME	(\$29,943)	\$31,331	(\$7,504)	\$41,334	\$45,305

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Employee Uniforms	\$0	\$0	\$3	\$0	\$9
Flooring and Carpeting	\$0	\$0	\$0	\$3,927	\$0
HVAC Equipment	\$6,000	\$6,000	\$0	\$0	\$836
Appliance Equipment	\$13,800	\$10,850	\$12,030	\$9,576	\$4,203
Electrical Contracts	\$0	\$0	\$0	\$0	\$3,660
Flooring/Carpet Contracts	\$6,000	\$0	\$0	\$1,078	\$0
Exterminating Contracts	\$0	\$0	\$0	\$0	\$295
Asphalt/Concrete Contracts	\$6,000	\$0	\$0	\$0	\$0
Security System	\$0	\$47,000	\$0	\$4,500	\$0
Total Capital Budget	\$31,800	\$63,850	\$12,033	\$19,081	\$9,003

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 3.0% based on the Operating Cost Adjustment Factor ("OCAF"); the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- The property's **(\$29,943)** projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio.
- Capital is budgeted at \$31,800.
- DSCR is 0.96.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for RAD 6 Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for RAD 6 Development Corporation by the Board of Directors.

RAD 6 Development Corporation – FY 2025 Budget Summary – Sandy Spring Meadow

RAD 6: Sandy Spring Meadow

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$693,957	\$772,404	\$670,435	\$692,251	\$694,334
Expenses:					
Operating - Admin	\$98,791	\$69,212	\$55,951	\$72,547	\$63,891
Operating - Fees	\$38,953	\$27,882	\$23,254	\$24,145	\$28,719
Bad Debt	\$5,148	\$43,740	\$15,846	\$6,661	\$13,681
Tenant & Protective Services	\$0	\$0	\$0	(\$94)	\$11,972
Taxes, Insurance & Utilities	\$72,214	\$53,208	\$79,800	\$42,896	\$65,120
Maintenance	\$104,940	\$196,828	\$193,217	\$173,459	\$156,283
Subtotal - Operating Expenses	\$320,046	\$390,870	\$368,068	\$319,614	\$339,666
Net Operating Income ("NOI")	\$373,911	\$381,534	\$302,367	\$372,637	\$354,668
Debt Service	\$258,649	\$259,139	\$259,610	\$260,063	\$260,498
Replacement Reserves	\$32,808	\$31,860	\$30,911	\$30,036	\$28,512
Asset Management Fees	\$58,230	\$58,230	\$57,070	\$53,470	\$53,470
Subtotal - Expenses Below NOI	\$349,687	\$349,229	\$347,591	\$343,569	\$342,480
NET INCOME	\$24,224	\$32,305	(\$45,224)	\$29,068	\$12,188

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$0	\$0	\$0	\$942	\$0
Electrical Supplies	\$0	\$0	\$0	\$0	\$124
Plumbing Supplies	\$0	\$0	\$0	\$0	\$128
Cleaning/Janitorial Supplies	\$0	\$0	\$0	\$0	\$5
Windows and Glass	\$0	\$0	\$0	\$0	\$162
Roofing Materials	\$4,000	\$0	\$985	\$0	\$0
Hardware Supplies	\$0	\$0	\$0	\$0	\$220
Flooring and Carpeting	\$8,000	\$6,571	\$0	\$0	\$6,420
Miscellaneous Supplies	\$0	\$0	\$0	\$0	\$4
HVAC Equipment	\$0	\$0	\$11,142	\$0	\$37
Appliance Equipment	\$9,600	\$9,504	\$13,627	\$12,284	\$5,499
Cleaning/Janitorial Contracts-Cap.	\$0	\$0	\$600	\$0	\$0
Grounds/Landscaping Contr.-Cap.	\$0	\$22,000	\$0	\$0	\$0
Windows/Glass Contracts	\$0	\$0	\$0	\$0	\$350
Asphalt/Concrete Contracts	\$8,250	\$0	\$0	\$0	\$0
Total Capital Budget	\$29,850	\$38,075	\$26,354	\$13,226	\$12,949

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 3.0% based on the Operating Cost Adjustment Factor ("OCAF"); the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- Property cash flow is budgeted at \$24,224.
- Capital is budgeted at \$29,850.
- DSCR is 1.32.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for RAD 6 Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for RAD 6 Development Corporation by the Board of Directors.

RAD 6 Development Corporation – FY 2025 Budget Summary – Town Centre Place

RAD 6: Towne Centre Place

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$576,244	\$673,564	\$577,725	\$578,500	\$622,586
Expenses:					
Operating - Admin	\$101,124	\$80,056	\$69,883	\$111,361	\$72,705
Operating - Fees	\$32,406	\$23,549	\$19,882	\$21,025	\$24,564
Bad Debt	\$15,900	\$15,168	\$18,881	\$5,592	\$11,275
Tenant & Protective Services	\$0	\$0	\$513	(\$79)	\$10,896
Taxes, Insurance & Utilities	\$52,510	\$45,658	\$123,635	\$37,946	\$85,090
Maintenance	\$130,624	\$237,297	\$248,494	\$210,003	\$161,570
Subtotal - Operating Expenses	\$332,564	\$401,728	\$481,288	\$385,848	\$366,040
Net Operating Income ("NOI")	\$243,680	\$271,836	\$96,437	\$192,652	\$256,546
Debt Service	\$173,414	\$173,745	\$174,062	\$174,365	\$174,656
Replacement Reserves	\$29,220	\$28,368	\$27,539	\$26,760	\$25,392
Asset Management Fees	\$51,870	\$51,870	\$50,840	\$47,640	\$47,640
Subtotal - Expenses Below NOI	\$254,504	\$253,983	\$252,441	\$248,765	\$247,688
NET INCOME	(\$10,824)	\$17,853	(\$156,004)	(\$56,113)	\$8,858

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Electrical Supplies	\$0	\$0	\$0	\$0	\$87
Appliance Supplies	\$0	\$0	\$0	\$350	\$149
Plumbing Supplies	\$0	\$0	\$0	\$0	\$85
Windows and Glass	\$0	\$0	\$0	\$0	\$59
Hardware Supplies	\$0	\$0	\$0	\$0	\$131
HVAC Supplies	\$0	\$0	\$0	\$0	\$205
Flooring and Carpeting	\$3,000	\$0	\$0	\$3,300	\$5,043
Paint and Wall coverings	\$0	\$0	\$900	\$0	\$0
Miscellaneous Supplies	\$0	\$0	\$0	\$0	\$4
Plumbing Equipment	\$0	\$0	\$0	\$700	\$0
HVAC Equipment	\$0	\$0	\$0	\$0	\$8,890
Appliance Equipment	\$11,760	\$13,500	\$9,293	\$5,113	\$6,655
Electrical Contracts	\$0	\$0	\$0	\$605	\$0
Plumbing Contracts	\$0	\$0	\$1,800	\$0	\$16,267
Grounds/Landscaping Contr- Cap.	\$5,500	\$0	\$0	\$0	\$0
Flooring/Carpet Contracts	\$0	\$0	\$0	\$352	\$0
Exterminating Contracts	\$0	\$0	\$0	\$70	\$0
Asphalt/Concrete Contracts	\$13,500	\$0	\$0	\$0	\$0
Miscellaneous Contracts	\$0	\$10,000	\$0	\$0	\$0
Total Capital Budget	\$33,760	\$23,500	\$11,993	\$10,490	\$37,615

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 3.0% based on the Operating Cost Adjustment Factor ("OCAF"); the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- The property's **(\$10,824)** projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio.
- Capital is budgeted at \$33,760.
- DSCR is 1.24.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for RAD 6 Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for RAD 6 Development Corporation by the Board of Directors.

RAD 6 Development Corporation – FY 2025 Budget Summary – Seneca Ridge

RAD 6: Seneca Ridge

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$1,188,160	\$1,237,372	\$1,190,038	\$1,141,404	\$1,237,897
Expenses:					
Operating - Admin	\$153,498	\$92,223	\$85,930	\$79,627	\$131,611
Operating - Fees	\$45,909	\$27,527	\$26,937	\$30,729	\$35,601
Bad Debt	\$60,000	\$46,500	\$43,829	\$28,443	\$32,981
Tenant & Protective Services	\$2,340	\$2,340	\$2,734	\$2,922	\$18,495
Taxes, Insurance & Utilities	\$361,982	\$306,260	\$309,128	\$274,960	\$266,099
Maintenance	\$203,544	\$346,191	\$410,620	\$463,762	\$276,162
Subtotal - Operating Expenses	\$827,273	\$821,041	\$879,178	\$880,443	\$760,949
Net Operating Income ("NOI")	\$360,887	\$416,331	\$310,860	\$260,961	\$476,948
Debt Service	\$511,833	\$512,804	\$513,737	\$514,634	\$515,493
Replacement Reserves	\$42,348	\$41,112	\$39,899	\$38,772	\$36,792
Asset Management Fees	\$75,160	\$75,160	\$73,670	\$69,030	\$69,030
Subtotal - Expenses Below NOI	\$629,341	\$629,076	\$627,306	\$622,436	\$621,315
NET INCOME	(\$268,454)	(\$212,745)	(\$316,446)	(\$361,475)	(\$144,367)

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$0	\$0	\$0	\$0	\$425
Electrical Supplies	\$0	\$0	\$0	\$1,480	\$527
Plumbing Supplies	\$0	\$0	\$0	\$592	\$176
Grounds/Landscaping Sup - Cap.	\$9,360	\$9,360	\$0	\$10,027	\$0
Locks, Keys	\$0	\$0	\$0	\$0	\$156
Windows and Glass	\$0	\$0	\$0	\$199	\$24
Doors	\$0	\$0	\$0	\$98	\$894
Hardware Supplies	\$0	\$0	\$0	\$825	\$66
HVAC Supplies	\$0	\$0	\$0	\$0	\$1,675
Flooring and Carpeting	\$0	\$0	\$0	\$17,149	\$0
Paint and Wallcoverings	\$0	\$0	\$380	\$0	\$450
Miscellaneous Supplies	\$0	\$0	\$0	\$587	\$8
HVAC Equipment	\$4,000	\$0	\$4,206	\$32	\$1,322
Appliance Equipment	\$26,040	\$32,856	\$26,165	\$17,925	\$4,101
Appliance Contracts	\$0	\$0	\$0	\$0	\$275
Plumbing Contracts	\$0	\$0	\$0	\$0	\$1,275
Windows/Glass Contracts	\$0	\$0	\$0	\$590	\$265
Roofing/Gutter Contracts	\$0	\$0	\$0	\$0	\$2,350
HVAC Contracts	\$0	\$0	\$0	\$13,845	\$1,300
Flooring/Carpet Contracts	\$0	\$0	\$0	\$6,929	\$14,788
Paint/Wallcovering Int. Cont.	\$0	\$0	\$0	\$0	\$8,262
Snow Removal Contracts	\$0	\$0	\$0	\$0	\$1,188
Fencing Contracts	\$0	\$0	\$0	\$0	\$140
Security System	\$0	\$30,000	\$0	\$4,500	\$0
Total Capital Budget	\$39,400	\$72,216	\$30,751	\$74,778	\$39,667

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 3.0% based on the Operating Cost Adjustment Factor ("OCAF"); the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- The property's **(\$268,454)** projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio.
- Capital is budgeted at \$39,400.
- DSCR is 0.62.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for RAD 6 Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for RAD 6 Development Corporation by the Board of Directors.

RAD 6 Development Corporation – FY 2025 Budget Summary – Washington Square

RAD 6: Washington Square FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$897,063	\$974,980	\$902,687	\$866,113	\$883,062
Expenses:					
Operating - Admin	\$124,960	\$68,827	\$59,179	\$94,574	\$111,102
Operating - Fees	\$34,852	\$26,042	\$21,775	\$29,387	\$26,353
Bad Debt	\$73,884	\$81,996	\$111,949	\$60,989	\$72,278
Tenant & Protective Services	\$0	\$0	\$0	(\$76)	\$16,683
Taxes, Insurance & Utilities	\$181,416	\$152,093	\$128,560	\$130,100	\$122,342
Maintenance	\$189,518	\$301,462	\$346,947	\$269,728	\$238,714
Subtotal - Operating Expenses	\$604,630	\$630,420	\$668,410	\$578,702	\$587,472
Net Operating Income ("NOI")	\$292,433	\$344,560	\$234,277	\$287,411	\$295,590
Debt Service	\$332,693	\$333,329	\$333,933	\$334,516	\$335,075
Replacement Reserves	\$29,820	\$28,944	\$28,103	\$27,300	\$25,920
Asset Management Fees	\$52,930	\$52,930	\$51,880	\$48,610	\$48,610
Subtotal - Expenses Below NOI	\$415,443	\$415,203	\$413,916	\$410,426	\$409,605
NET INCOME	(\$123,010)	(\$70,643)	(\$179,639)	(\$123,015)	(\$114,015)

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$0	\$0	\$0	\$0	\$4,857
Electrical Supplies	\$0	\$0	\$959	\$250	\$209
Appliance Supplies	\$0	\$8,400	\$0	\$0	\$0
Plumbing Supplies	\$0	\$0	\$692	\$0	\$68
Employee Uniforms	\$0	\$0	\$0	\$0	\$50
Cleaning/Janitorial Supplies	\$0	\$0	\$15	\$0	\$339
Grounds/Landscaping Sup.-Cap.	\$6,000	\$0	\$0	\$0	\$0
Windows and Glass	\$1,000	\$0	\$1,667	\$0	\$52
Doors	\$1,600	\$0	\$0	\$0	\$0
Hardware Supplies	\$0	\$0	\$731	\$99	\$177
HVAC Supplies	\$0	\$0	\$0	\$0	\$1,972
Flooring and Carpeting	\$0	\$0	\$0	\$0	\$12,558
Paint and Wallcoverings	\$0	\$0	\$685	\$0	\$0
Miscellaneous Supplies	\$0	\$0	\$1,178	\$4	\$136
Plumbing Equipment	\$0	\$0	\$0	\$6,150	\$875
HVAC Equipment	\$0	\$0	\$0	\$0	\$3
Appliance Equipment	\$9,960	\$18,396	\$39,534	\$22,554	\$5,889
Electrical Contracts	\$3,300	\$0	\$0	\$0	\$1,144
Cleaning/Janitorial Contracts-Cap.	\$0	\$0	\$0	\$350	\$0
Roofing/Gutter Contracts	\$0	\$0	\$0	\$4,800	\$3,149
HVAC Contracts	\$0	\$0	\$0	\$5,698	\$0
Flooring/Carpet Contracts	\$10,000	\$0	\$5,089	\$4,222	\$11,001
Paint/Wallcovering Int. Cont.	\$0	\$0	\$875	\$0	\$0
Exterminating Contracts	\$0	\$4,000	\$0	\$0	\$55
Miscellaneous Contracts	\$0	\$15,000	\$0	\$0	\$0
Total Capital Budget	\$31,860	\$45,796	\$51,425	\$44,127	\$42,534

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 3.0% based on the Operating Cost Adjustment Factor ("OCAF"); the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.8% but upon turnover will be increased to the current "market rate".
- The property's **(\$123,010)** projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio.
- Capital is budgeted at \$31,860.
- DSCR is 0.79.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for RAD 6 Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for RAD 6 Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-004_{RAD6}

**RE: RAD 6 Development Corporation
Annual Meeting: Election of Officers
and Adoption of FY'25 Operating
and Capital Budgets**

WHEREAS, the RAD 6 Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of Ken Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Towne Center Place, and Washington Square (collectively, the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the RAD 6 Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of RAD 6 Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

Scattered
Site One
Development
Corporation

SCATTERED SITE ONE DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



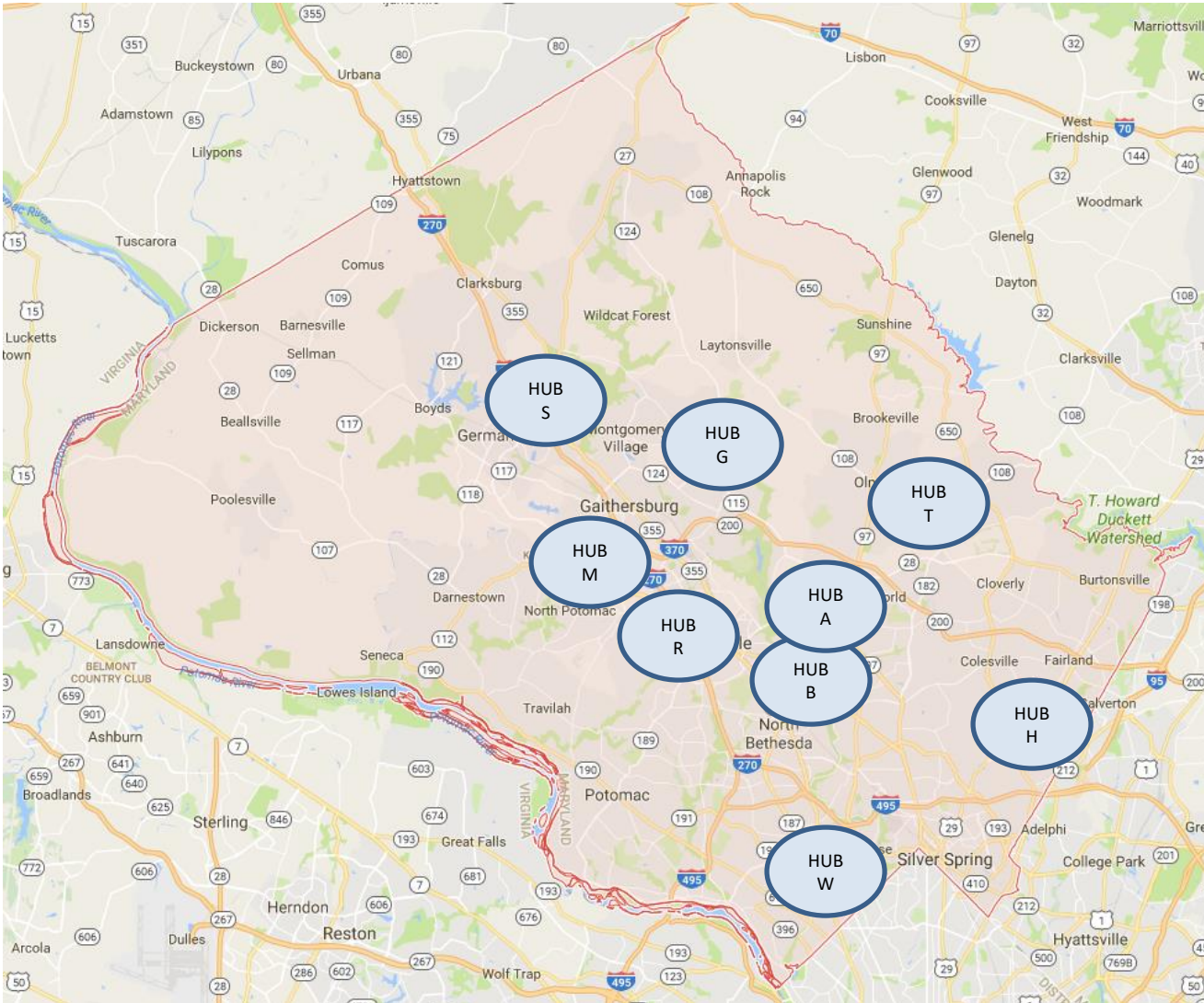
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Scattered Site One Development Corporation



Property Snapshot:

- 190 units scattered across nine HUBs throughout Montgomery County.
- Scattered site units that include condominiums, townhomes and single family homes, ranging from one to four bedrooms. Amenities are specific to the unit and the community.
- The age of the properties in Scattered Site One Development Corporation range from 1987 to 2012.
- Real Estate Development in concert with Property Management and Mortgage Finance will develop a renovation, if necessary, and refinancing plan for the properties for the Commission's and Development Corporation's approval by the end of FY 2024.

Scattered Site One Development Corporation – FY 2025 Overview

Background

- **October 5, 2011** - The Housing Opportunities Commission (HOC) authorized the establishment of Scattered Site One Development Corporation, a wholly-controlled corporate instrumentality and passed a resolution approving the Articles of Incorporation.
- **November 2, 2011** - The Board adopted the By-laws and elected Directors. The 190 scattered site units were transferred to Scattered Site One Development Corporation.
- **July 2012** – The Scattered Site One Development Corporation was financed with a loan in the amount of \$9,200,000 and secured by a note and deed of trust credit with mortgage insurance under the FHA Risk Share Program. This was the last scattered site property approved for financing under the FHA Risk Share Program.
- **February 2013** - A comprehensive renovation plan of Scattered Site One began. Depending on need, renovations included roof and window replacements, painting and re-carpeting, new kitchen and bath upgrades and new energy efficient appliances. The renovation plan, established before the Commission created its new renovation standards, was determined to be inadequate in its scope and only approximately 25% of the units were renovated. Staff suspended renovations and reconfigured the standards so that the remaining units could be completed in a similar fashion as VPC One and Two.
- Scattered Site One Development Corporation consists of 190 units, which are distributed as follows:

Unit Mix	Market	Affordable	Total
1BR	4	11	15
2BR	11	10	21
3BR	49	93	142
4BR	0	12	12
Total Units	64	126	190

The regulatory agreement restricts 24 units at or below 50% AMI and 102 units at or below 60% AMI.

Scattered Site One Development Corporation – FY 2025 Overview

Property Management

- The principal challenge is aging units. Some are among the oldest in HOC's property portfolio and require significant upgrades to compete in today's rental market. There are currently 7 units marked as Down/Offline due to pending renovations, which will contribute 4% to future vacancy loss. However, Staff anticipates vacancy to improve above 93% for units available to lease by end of CY 2024.

Turnover Rate	Avg. Occupancy CY 2023	Current Occupancy
3.68%	87.36%	87.37%

Maintenance

- The largest volume of work tickets was for general maintenance – HVAC (11%), plumbing (20%) and appliances (27%) and electrical (7%).
- Total work orders completed decreased by 89%, average days to close work orders increased by 25% and average hours to close emergency work orders increased by 43%.

Total Work Orders Completed CY 2023	Average Days to Close All Work Orders	Average Hours to Close Emergency Work Orders
203	4	43.45

Capital Improvements

- Capital replacements for appliances (20% of budget), HVAC (20% of budget), windows, replacements and roofing. Flooring is done at turnover and as needed.

Redevelopment/Refinancing

- There are currently no plans underway for redevelopment or refinancing of Scattered Site One.

Scattered Site One Development Corporation – FY 2025 Budget Summary

Scattered Site One Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$2,860,232	\$2,835,872	\$2,685,830	\$2,679,033	\$2,630,284
Expenses:					
Operating - Admin	\$245,909	\$197,865	\$154,987	\$128,419	\$140,960
Operating - Fees	\$1,003,855	\$919,725	\$877,498	\$825,073	\$831,693
Bad Debt	\$97,500	\$229,332	\$42,151	\$260,472	\$179,216
Tenant & Protective Services	\$0	\$0	\$1,300	(\$427)	\$50,816
Taxes, Insurance & Utilities	\$140,052	\$126,415	\$118,771	\$95,662	\$85,193
Maintenance	\$806,175	\$583,435	\$549,807	\$494,672	\$453,279
Subtotal - Operating Expenses	\$2,293,491	\$2,056,772	\$1,744,514	\$1,803,871	\$1,741,157
Net Operating Income ("NOI")	\$566,741	\$779,100	\$941,316	\$875,162	\$889,127
Debt Service	\$557,107	\$558,389	\$559,617	\$560,800	\$561,937
Replacement Reserves	\$114,000	\$114,000	\$114,000	\$114,000	\$114,000
Loan Management Fees	\$23,004	\$23,004	\$23,000	\$23,000	\$23,000
Development Corporation Fees	\$0	\$63,707	\$244,699	\$177,362	\$105,909
Excess Cash Flow Restricted	\$0	\$0	\$0	\$0	\$84,281
Subtotal - Expenses Below NOI	\$694,111	\$779,100	\$941,316	\$875,162	\$889,127
NET INCOME	(\$127,370)	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$46,200	\$18,000	\$10,993	\$38,354	\$16,014
Electrical Supplies	\$0	\$2,400	\$153	\$935	\$0
Appliance Supplies	\$0	\$600	\$1,259	\$382	\$282
Plumbing Supplies	\$0	\$2,400	\$1,570	\$2,327	\$1,667
Employee Uniforms	\$0	\$0	\$0	\$2	\$0
Cleaning/Janitorial Supplies	\$0	\$0	\$10	\$0	\$0
Windows and Glass	\$0	\$5,600	\$4,992	\$64	\$0
Doors	\$9,300	\$1,200	\$8,461	\$3,883	\$4,775
Hardware Supplies	\$0	\$600	\$133	\$873	\$0
HVAC Supplies	\$0	\$6,000	\$13,456	\$0	\$5,561
Flooring and Carpeting	\$0	\$4,000	\$15,092	\$13,380	\$15,346
Paint and Wallcoverings	\$0	\$8,200	\$0	\$250	\$0
Miscellaneous Supplies	\$0	\$500	\$692	\$1,868	\$1,017
HVAC Equipment	\$0	\$10,800	\$761	\$42	\$0
Appliance Equipment	\$66,000	\$43,776	\$58,051	\$75,338	\$43,426
Kitchen and Bath Contracts-Capital	\$0	\$0	\$26,730	\$0	\$0
Electrical Contracts	\$0	\$6,000	\$0	\$1,740	\$3,294
Appliance Contracts	\$0	\$1,755	\$1,700	\$1,800	\$1,820
Plumbing Contracts	\$14,400	\$1,500	\$3,590	\$35,437	\$21,614
Cleaning/Janitorial Contracts-Cap.	\$0	\$3,000	\$3,085	\$0	\$0
Grounds/Landscaping Contr-Cap.	\$2,400	\$1,300	\$4,300	\$6,350	\$4,663
Windows/Glass Contracts	\$12,000	\$11,000	\$8,090	\$6,565	\$24,160
Roofing/Gutter Contracts	\$14,400	\$15,400	\$9,603	\$4,925	\$28,332
HVAC Contracts	\$60,000	\$45,000	\$75,315	\$23,061	\$52,596
Flooring/Carpet Contracts	\$60,000	\$30,000	\$44,864	\$4,800	\$43,763
Paint/Wallcovering Int. Cont.	\$3,000	\$8,000	\$9,407	\$13,723	\$445
Paint/Wallcovering Ext. Cont.	\$0	\$0	\$1,950	\$0	\$0
Fencing Contracts	\$0	\$0	\$0	\$0	\$1,185
Miscellaneous Contracts	\$0	\$0	\$985	\$0	\$0
Total Capital Budget	\$287,700	\$227,031	\$305,242	\$286,099	\$270,760

Issues for Consideration

- Rent increases upon lease renewal budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% and remain the same upon turnover.
- The property's (\$127,370) projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio..
- Capital is budgeted at \$287,700.
- DSCR is 1.75.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Scattered Site One Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Scattered Site One Development Corporation by the Board of Directors.

RESOLUTION NO.: 24- 002_{SS1}

RE: Scattered Site One Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Scattered Site One Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of the 190 scattered site properties owned by the Corporation (collectively, the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Scattered Site One Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Scattered Site One Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

Scattered
Site Two
Development
Corporation

SCATTERED SITE TWO DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



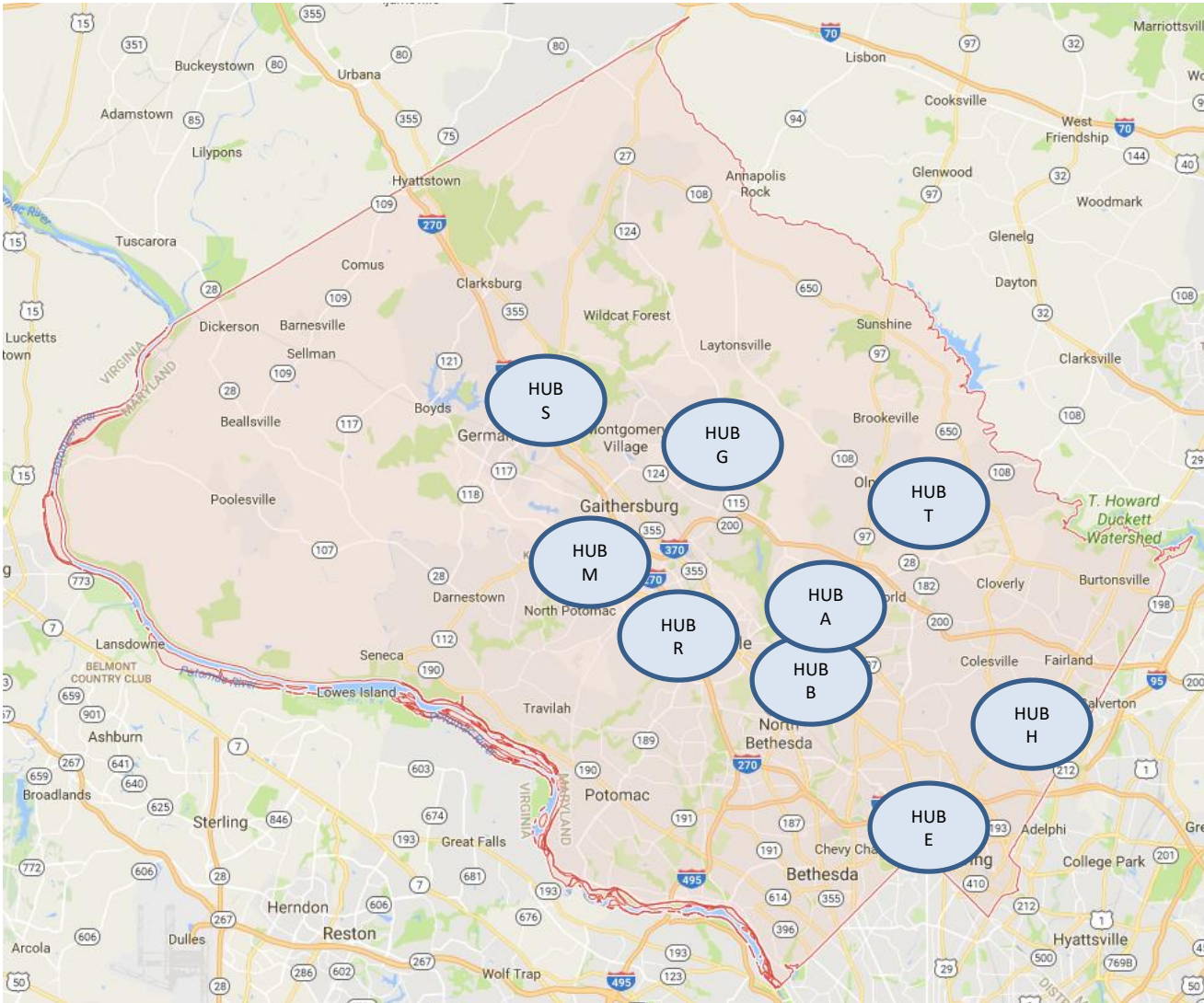
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Scattered Site Two Development Corporation



Property Snapshot:

- 54 units located in nine HUBs throughout Montgomery County.
- Scattered site units that include condominiums, townhomes and single family homes ranging from two to four bedrooms. Amenities are specific to the unit and the community.
- The age of the properties in Scattered Site Two Development Corporation range from 1987 to 2006.
- Real Estate Development in concert with Property Management and property maintenance are conducting full portfolio evaluation and will develop a renovation plan, as necessary.

Scattered Site Two Development Corporation – FY 2025 Overview

Background

- **December 5, 2012** - The Housing Opportunities Commission (HOC) authorized the establishment of Scattered Site Two Development Corporation, a wholly controlled corporate instrumentality and passed a resolution approving the Articles of Incorporation.
- **January 9, 2013** - The Board adopted the By-laws and elected Directors. The 54 scattered site units were transferred to Scattered Site Two Development Corporation. The Corporation’s annual budget preparation, presentation and approval process is incorporated into the HOC budget process.
- **June 13, 2013** – The property was financed with a new taxable loan from PNC Bank N.A. for \$4,900,000 guaranteed by HOC.
- **January – March 2014** - A comprehensive renovation plan was put on hold to reconfigure the standards so that units could be completed in a similar fashion as the newly renovated VPC units.
- Scattered Site Two Development Corporation consists of 54 units, which are distributed as follows:
 - 16 expired Low Income Housing Tax Credit units with no extended use covenant.
 - 38 units, formerly part of MPDU 2004; eight units affordable under a County HOME loan.
- **June 14, 2023** - The Commission approved the Refinancing Plan for Montgomery Homes Limited Partnership X, VPC One Corporation, VPC Two Corporation and Scattered Site Two Development Corporation.

- The Refinancing Plan included issuance of \$61 million of governmental bonds (\$57.4 million tax-exempt, 3.6 million taxable) under the 2002 Multiple Purpose Indenture, backed by a pledge of the Commission’s general obligation, the proceeds of which (i) funded permanent loans to refinance existing debt; (ii) financed or reimbursed capital expenditures, as applicable; (iii) financed and paid related transaction costs and costs of issuing the bonds; (iv) funded reserves including \$3.5 million set aside for future renovations of the scattered sites portfolio; and (v) returned \$4.2 million to HOC’s FHA Risk Share Account. The loan amount for Scattered Site Two was \$1,965,518.

Unit Mix	Market	Affordable	Total
1BR	0	3	3
2BR	2	8	10
3BR	10	26	36
4BR	3	1	4
5BR	1	0	1
Total Units	16	38	54

The regulatory agreement restricts 7 units at or below 40% AMI, 1 unit at or below 50% AMI, and 30 units of workforce housing between 80% and 120% of AMI.

Scattered Site Two Development Corporation – FY 2025 Overview

Property Management

- The principal challenge is aging units. Some are among the oldest in HOC's property portfolio and require significant upgrades to compete in today's rental market. There is currently 1 unit marked as Down/Offline due to pending renovations, which will contribute 2% to future vacancy loss. However, Staff anticipates vacancy to improve above 93% for units available to lease by end of CY 2024.

Turnover	Avg. Occupancy CY 2023	Current Occupancy
24%	79.63%	87.86%

Capital Improvements

- Capital replacements for appliance, flooring, and HVAC are done at turnover and as needed.
- Capital deployment will occur at selected units to address aging flooring, appliances and major systems, including upgrades to electrical (breaker boxes) as necessary.

Maintenance

- The largest volume of work tickets was for general maintenance – HVAC (38%), appliances (16%) and plumbing (24%) and electrical (6%).
- Total work orders completed decreased by 21%, average days to close work orders decreased by 36% and average hours to close emergency work orders decreased by 11%.

Total Work Orders Completed CY 2023	Average Days to Close All Work Orders	Average Hours to Close Emergency Work Orders
558	19	23.27

Redevelopment/Refinancing

- Real Estate Development in concert with Property Management and property maintenance are conducting full portfolio evaluation and will develop a renovation plan, as necessary.

Scattered Site Two Development Corporation – FY 2025 Budget Summary

Scattered Site Two Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$748,927	\$794,069	\$792,392	\$743,083	\$746,246
Expenses:					
Operating - Admin	\$71,246	\$60,655	\$45,251	\$37,749	\$39,555
Operating - Fees	\$316,495	\$268,175	\$263,335	\$259,057	\$235,990
Bad Debt	\$10,750	\$22,600	\$20,354	\$42,644	\$29,212
Tenant & Protective Services	\$0	\$0	\$0	(\$136)	\$15,615
Taxes, Insurance & Utilities	\$43,214	\$33,763	\$38,900	\$29,866	\$22,373
Maintenance	\$223,400	\$152,506	\$89,664	\$117,334	\$117,398
Subtotal - Operating Expenses	\$665,105	\$537,699	\$457,504	\$486,514	\$460,143
Net Operating Income ("NOI")	\$83,822	\$256,370	\$334,888	\$256,569	\$286,103
Debt Service	\$115,998	\$268,256	\$270,920	\$271,008	\$270,937
Replacement Reserves	\$30,366	\$74,400	\$74,400	\$74,400	\$74,400
Loan Management Fees	\$4,908	\$0	\$0	\$0	\$0
Subtotal - Expenses Below NOI	\$151,272	\$342,656	\$345,320	\$345,408	\$345,337
NET INCOME	(\$67,450)	(\$86,286)	(\$10,432)	(\$88,839)	(\$59,234)

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$10,200	\$4,000	\$3,201	\$5,051	\$3,086
Electrical Supplies	\$0	\$300	\$0	\$0	\$61
Appliance Supplies	\$0	\$0	\$76	\$0	\$0
Plumbing Supplies	\$0	\$1,500	\$653	\$474	\$1,150
Cleaning/Janitorial Supplies	\$0	\$750	\$0	\$0	\$0
Windows and Glass	\$0	\$600	\$0	\$0	\$86
Doors	\$1,200	\$877	\$46	\$1,360	\$1,271
Hardware Supplies	\$0	\$0	\$0	\$0	\$7
HVAC Supplies	\$0	\$3,000	\$0	\$0	\$5,701
Flooring and Carpeting	\$0	\$2,894	\$2,713	\$7,295	\$0
Miscellaneous Supplies	\$0	\$0	\$0	\$0	\$93
Electrical Equipment	\$0	\$900	\$0	\$0	\$0
Plumbing Equipment	\$0	\$1,440	\$0	\$0	\$0
HVAC Equipment	\$0	\$6,600	\$753	\$0	\$3
Appliance Equipment	\$13,416	\$7,200	\$9,425	\$20,042	\$9,597
Kitchen and Bath Contracts-Capital	\$0	\$0	\$12,159	\$0	\$0
Electrical Contracts	\$0	\$6,000	\$0	(\$2,818)	\$0
Plumbing Contracts	\$3,600	\$2,632	\$0	\$1,254	\$5,135
Cleaning/Janitorial Contracts-Cap.	\$1,200	\$0	\$350	\$4,992	\$0
Grounds/Landscaping Contr-Cap.	\$0	\$0	\$1,000	\$0	\$900
Windows/Glass Contracts	\$1,200	\$4,500	\$0	\$0	\$265
Roofing/Gutter Contracts	\$0	\$4,272	\$0	\$0	\$600
HVAC Contracts	\$14,400	\$6,000	\$14,755	\$8,150	\$5,469
Flooring/Carpet Contracts	\$15,456	\$16,932	\$2,883	\$36,622	\$5,509
Paint/Wallcovering Int. Cont.	\$0	\$2,713	\$3,900	\$6,012	\$0
Total Capital Budget	\$60,672	\$73,110	\$51,914	\$88,434	\$38,933

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- The property's (\$67,450) projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio.
- Capital is budgeted at \$60,672.
- DSCR is 1.76.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Scattered Site Two Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Scattered Site Two Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-001^{SS2}

RE: Scattered Site Two Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Scattered Site Two Development Corporation (the “Corporation”) is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”);

WHEREAS, the Corporation’s Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of the 54 scattered site properties owned by the Corporation (collectively, the “Property”);

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property’s annual budget preparation, presentation, and approval process with the Commission’s budget process;

WHEREAS, the Corporation’s FY’25 Operating and Capital Budgets were presented to the Commission’s Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY’25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Scattered Site Two Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY’25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Scattered Site Two Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**Sligo Hills
Development
Corporation**

SLIGO HILLS DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



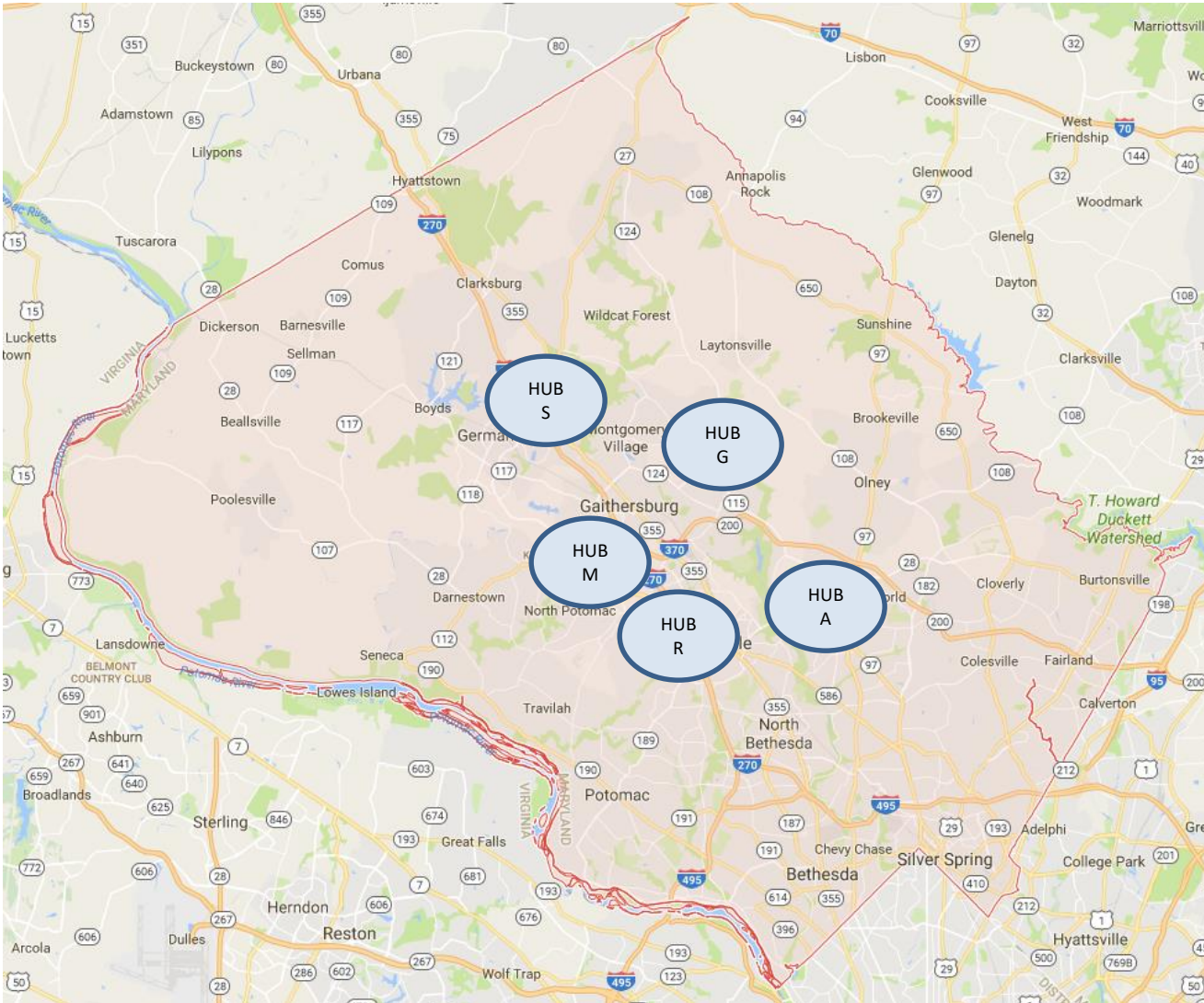
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Sligo Hills Development Corporation



Property Snapshot:

- 23 scattered units across five HUBS from Silver Spring to Germantown.
- 7 three-bedroom townhomes, 6 one-bedroom and 10 two-bedroom condo units.
- Affordability at 50% of AMI.
- The properties are currently managed by Housing Opportunities Commission with assistance from Edgewood Management.

Sligo Hills Development Corporation – FY 2025 Overview

Background

- December 11, 1996** - Commission authorized the creation of a wholly- controlled corporate instrumentality known as Sligo Hills Development Corporation (the "Corporation") and passed a resolution approving the Articles of Incorporation.
- June 11, 1997** - Board approved the purchase of Sligo Hills Apartments & MPDU III, subject to an outstanding \$300,000 note to Montgomery County. The Board authorized the execution of documents to purchase the properties and the loan from HOC, and the execution of an Asset Management Agreement by and between Sligo Hills Development Corporation and HOC.
- June 23, 1997** - the Corporation approved a resolution which allowed for the incorporation of the Sligo Hills Development Corporation annual budget preparation, presentation and approval process into the HOC budget process.
- August 1, 1997** - Documents signed transferring the properties from HOC to the Sligo Hills Development Corporation. The new mortgage in the amount of \$3,443,568 (provided by funds obtained through the issuance of tax exempt bonds) is insured under the FHA Risk Sharing Program.
- October 3 2012** - A newly formed LIHTC limited partnership entity, Tanglewood and Sligo LP, was approved to purchase Sligo Hills Apartments from Sligo Hills Development Corporation. The Corporation retains the lien free title to MPDU III (23 scattered sites); therefore, the budget reflects only the operations of the 23 scattered site MPDUs.

Unit Mix	Market	Affordable	Total
1BR	0	6	6
2BR	0	10	10
3BR	0	7	7
Total Units	0	23	23

The regulatory agreement restricts 15 units at or below 50% AMI and 8 units of workforce housing between 80% and 120% of AMI.

Sligo Hills Development Corporation – FY 2025 Overview

Property Management

- Vacant units are being actively marketed to families on HOC’s Housing Path waiting list. Staff anticipates to lease the currently vacant units and stabilize occupancy above 93% by end of CY 2024.

Turnover Rate	Avg. Occupancy CY 2023	Current Occupancy
13.04%	82.61%	82.61%

Capital Improvements

- Capital replacements for appliances or an HVAC replacement. Flooring, as necessary, at unit turnover.

Maintenance

- The largest volume of work tickets was for hvac (17%), appliances (20%), plumbing (20%) and electrical (1%.)
- Total work orders decreased by 32%, average days to close a work order decreased by 53% and average hours to close an emergency work order increased by 40%.

Total Work Orders Completed CY 2023	Average Days to Close All Work Orders	Average Hours to Close Emergency Work Orders
81	17	24

Redevelopment/Refinancing

- There are currently no plans underway for redevelopment or refinancing of Sligo Hills.
- The current plan is to retain and maintain these scattered site units in the portfolio.

Sligo Hills Development Corporation – FY 2025 Budget Summary

Sligo Hills Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$290,360	\$281,731	\$256,332	\$260,242	\$270,376
Expenses:					
Operating - Admin	\$33,070	\$21,833	\$26,978	\$29,329	\$18,076
Operating - Fees	\$166,487	\$150,520	\$148,581	\$139,553	\$139,250
Bad Debt	\$12,600	\$18,396	(\$13,890)	\$18,397	\$8,669
Tenant & Protective Services	\$0	\$0	\$0	(\$54)	\$6,377
Taxes, Insurance & Utilities	\$13,798	\$11,162	\$11,577	\$7,237	\$7,784
Maintenance	\$99,955	\$63,345	\$69,613	\$69,079	\$52,272
Subtotal - Operating Expenses	\$325,910	\$265,256	\$242,859	\$263,541	\$232,428
Net Operating Income ("NOI")	(\$35,550)	\$16,475	\$13,473	(\$3,299)	\$37,948
Replacement Reserves	\$9,204	\$9,204	\$9,204	\$9,198	\$9,200
Development Corporation Fees	\$0	\$7,271	\$0	\$0	\$25,248
Excess Cash Flow Restricted	\$0	\$0	\$0	\$0	\$3,500
Subtotal - Expenses Below NOI	\$9,204	\$16,475	\$9,204	\$9,198	\$37,948
NET INCOME	(\$44,754)	\$0	\$4,269	(\$12,497)	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$3,600	\$4,020	\$0	\$1,681	\$9,744
Appliance Supplies	\$0	\$324	\$0	\$528	\$109
Plumbing Supplies	\$684	\$216	\$656	\$450	\$116
Employee Uniforms	\$0	\$0	\$0	\$1	\$0
Windows and Glass	\$0	\$732	\$0	\$0	\$265
Doors	\$0	\$768	\$0	\$1,910	\$0
Hardware Supplies	\$0	\$0	\$172	\$47	\$86
Flooring and Carpeting	\$0	\$3,036	\$0	\$4,553	\$2,805
Miscellaneous Supplies	\$0	\$0	\$433	\$0	\$637
HVAC Equipment	\$0	\$3,000	\$5,165	\$6,389	\$0
Appliance Equipment	\$4,800	\$3,360	\$4,242	\$5,535	\$4,069
Appliance Contracts	\$0	\$0	\$0	\$350	\$0
Roofing/Gutter Contracts	\$0	\$0	\$0	\$0	\$4,744
HVAC Contracts	\$8,112	\$0	\$5,983	\$9,762	\$0
Flooring/Carpet Contracts	\$8,508	\$1,680	\$10,032	\$3,596	\$1,071
Asphalt/Concrete Contracts	\$0	\$0	\$0	\$0	\$275
Total Capital Budget	\$25,704	\$17,136	\$26,683	\$34,802	\$23,921

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% and upon turnover will remain the same.
- The property's **(\$44,754)** projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio..
- Capital is budgeted at \$25,704.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Sligo Hills Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Sligo Hills Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-001^{SH}

**RE: Sligo Hills Development Corporation
Annual Meeting: Election of Officers
and Adoption of FY'25 Operating
and Capital Budgets**

WHEREAS, the Sligo Hills Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of the 23 scattered site properties owned by the Corporation ~~Sligo Hills Apartments~~ (collectively, the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Sligo Hills Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Sligo Hills Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**TPM
Development
Corporation**

TPM DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



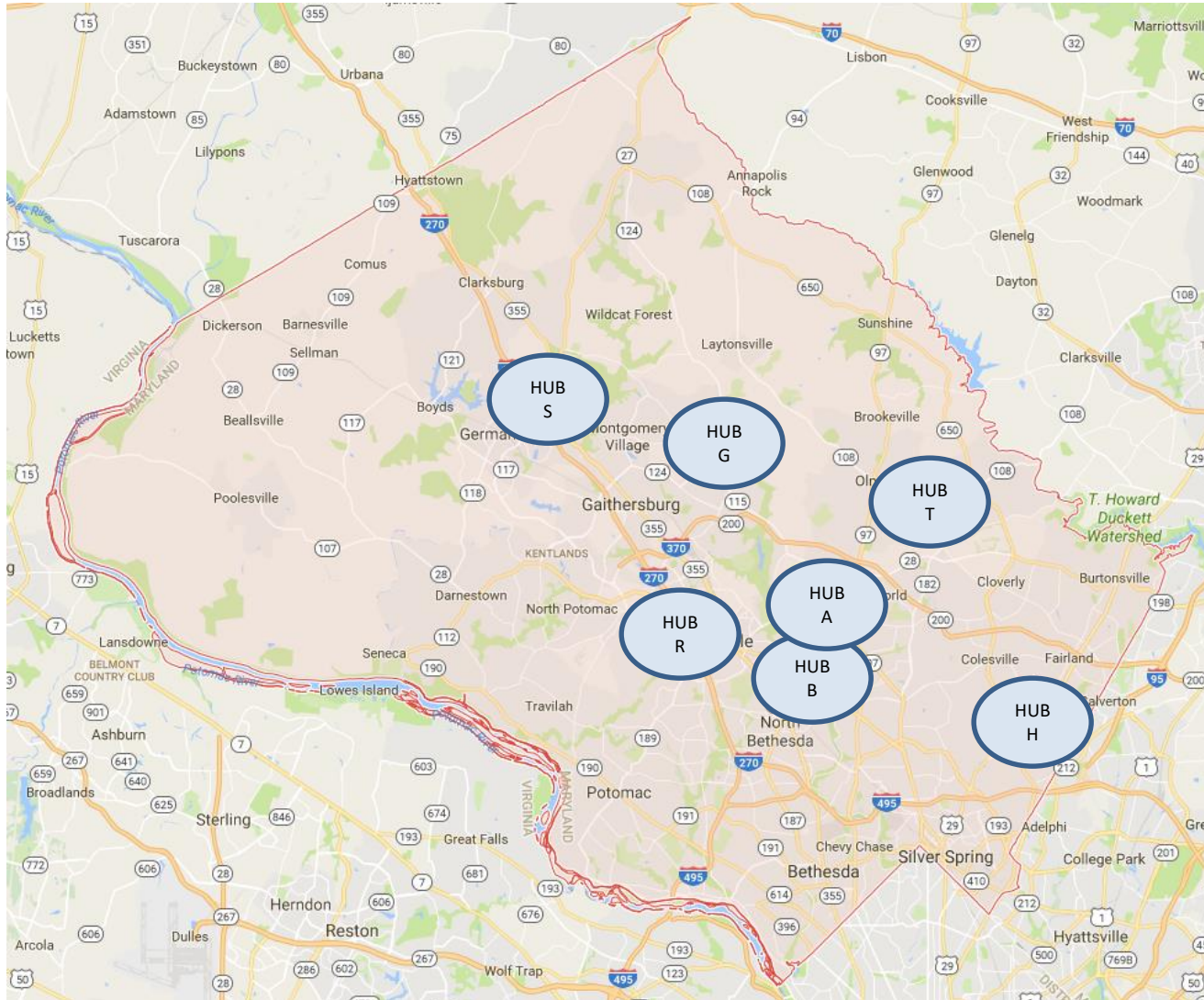
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

TPM Development Corporation



Property & Submarket Snapshot:

- Consists of 59 scattered site units in MPDU II .
- 59 scattered site units across seven HUBs from Silver Spring to Damascus.

TPM Development Corporation – FY 2025 Overview

Background

- **1998** - Commission authorized and approved the creation of a wholly- controlled corporate instrumentality known as TPM Development Corporation (the "Corporation").
- **1999** - Board approved the purchase of Timberlawn Crescent, Pomander Court, and MPDU II from the Housing Opportunities Commission.
- **2015** - HOC drew funds from its then authorized PNC Bank N.A. \$90 million Real Estate Line of Credit to repay the outstanding FHA first mortgage as part of the interim refinancing plan approved by the Commission on May 6, 2015.
- **2016** - The Board approved an amended renovation plan for Timberlawn Crescent to include additional exterior work and clubhouse renovations.
- **2017** – Renovations were completed at Pomander Court and Timberlawn Crescent. Both properties were refinanced and sold to the newly formed Timberlawn Pomander Properties, LLC.
 - The only properties remaining in the Development Corporation are the 59 scattered site units in MPDU II. It is unencumbered as to indebtedness.

MPDU II

MPDU II contains 59 scattered site units that were acquired by HOC between 1986 and 1989. The units are located in Rockville, Silver Spring, Burtonsville, Germantown, Gaithersburg and Olney. The MPDUs consist of seven back-to-back units, five single family units and 47 townhouse units. No major renovation work is planned for the MPDU II units; however, staff continues to evaluate the scattered site portfolio and for units that need comprehensive renovation to maintain high occupancy standards using available proceeds.

Unit Mix	Market	Affordable	Total
MPDU II	41	18	59
Total Units	41	18	59

TPM Development Corporation – FY 2025 Overview

Property Management

- Occupancy driven by two (2) units in modernization and six (6) additional vacant units. All lead sources come from the Housing Path waiting list and staff reports bi-weekly on leasing efforts. There are currently 4 units marked as Down/Offline due to pending renovations, which will contribute 7% to future vacancy loss. However, Staff anticipates vacancy to improve above 93% for units available to lease by end of CY 2024

Turnover Rate	Avg. Occupancy CY 2023	Current Occupancy
15.25%	84.75%	83.05%

Capital Improvements

- The current capital improvement plan includes appliances replacements, HVAC and Flooring. These three items represent 60% of the proposed budget followed by kitchen + bath upgrades and fencing.

Maintenance

- The largest volume of work tickets was for general maintenance – plumbing (28%), appliances (18%), HVAC (9%) and electrical (7%).
- Total work orders decreased by 9%, average days to close work orders decreased by 58%, average hours to close emergency work orders increased by 36%.

Total Work Orders Completed CY 2023	Average Days to Close All Work Orders	Average Hours to Close Emergency Work Orders
358	21	44.63

Redevelopment/Refinancing

- No major renovation work is planned for the MPDU II units; however, staff continues to evaluate the scattered site portfolio and for units that need comprehensive renovation to maintain high occupancy standards using available proceeds.

TPM Development Corporation – FY 2025 Budget Summary

TPM Dev Corp-MPDU II/59 FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$856,264	\$881,502	\$809,960	\$847,117	\$853,991
Expenses:					
Operating - Admin	\$74,006	\$59,428	\$34,851	\$39,554	\$31,531
Operating - Fees	\$252,394	\$241,220	\$226,498	\$214,115	\$198,403
Bad Debt	\$24,000	\$18,648	\$63,706	\$22,857	\$24,986
Tenant & Protective Services	\$0	\$0	\$0	(\$145)	\$16,101
Taxes, Insurance & Utilities	\$50,359	\$43,901	\$40,684	\$31,570	\$37,565
Maintenance	\$250,075	\$173,885	\$139,637	\$147,240	\$152,998
Subtotal - Operating Expenses	\$650,834	\$537,082	\$505,376	\$449,191	\$461,584
Net Operating Income ("NOI")	\$205,430	\$344,420	\$304,584	\$397,926	\$392,407
Replacement Reserves	\$17,700	\$17,700	\$17,700	\$17,700	\$17,700
Development Corporation Fees	\$187,730	\$326,720	\$286,884	\$380,226	\$374,707
Subtotal - Expenses Below NOI	\$205,430	\$344,420	\$304,584	\$397,926	\$392,407
NET INCOME	\$0	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$8,076	\$8,959	\$3,608	\$8,959	\$10,941
Electrical Supplies	\$0	\$0	\$0	\$0	\$1,985
Appliance Supplies	\$0	\$0	\$76	\$0	\$272
Plumbing Supplies	\$0	\$1,800	\$58	\$466	\$1,820
Employee Uniforms	\$0	\$0	\$0	\$1	\$1
Cleaning/Janitorial Supplies	\$0	\$0	\$0	\$0	\$55
Grounds/Landscaping Sup.-Cap.	\$0	\$0	\$3,610	\$0	\$0
Windows and Glass	\$0	\$0	\$1,065	\$0	\$220
Doors	\$1,200	\$600	\$0	\$565	\$2,620
Hardware Supplies	\$0	\$0	\$0	\$0	\$1,138
Flooring and Carpeting	\$0	\$0	\$1,405	\$0	\$0
Paint and Wallcoverings	\$0	\$0	\$0	\$885	\$0
Miscellaneous Supplies	\$0	\$0	\$178	\$0	\$753
HVAC Equipment	\$840	\$3,300	\$921	\$1,375	\$150
Appliance Equipment	\$13,392	\$13,200	\$9,650	\$15,543	\$13,824
added Kitchen and Bath Contracts-Capital	\$1,776	\$0	\$5,160	\$0	\$0
Plumbing Contracts	\$6,000	\$0	\$4,800	(\$1,910)	\$9,277
Grounds/Landscaping Contr.-Cap.	\$0	\$0	\$0	\$0	\$3,240
Windows/Glass Contracts	\$6,300	\$0	\$4,850	\$0	\$12,124
Roofing/Gutter Contracts	\$6,072	\$15,000	\$6,948	\$785	\$9,955
HVAC Contracts	\$16,500	\$14,400	\$5,957	\$30,819	\$0
Flooring/Carpet Contracts	\$18,600	\$12,000	\$14,348	\$13,075	\$19,998
Paint/Wallcovering Int. Cont.	\$0	\$1,740	\$0	\$0	\$1,756
Paint/Wallcovering Ext. Cont	\$0	\$0	\$0	\$0	\$490
Fencing Contracts	\$2,256	\$3,276	\$0	\$3,975	\$2,580
Total Capital Budget	\$81,012	\$74,275	\$62,634	\$74,538	\$93,199

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will remain the same.
- Property cash flow is budgeted at \$187,730.
- Capital is budgeted at \$81,012.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for TPM Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for TPM Development Corporation by the Board of Directors.

WHEREAS, the TPM Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of the 59 scattered site properties owned by the Corporation (collectively, the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the TPM Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of TPM Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**VPC One
Development
Corporation**

VPC ONE DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



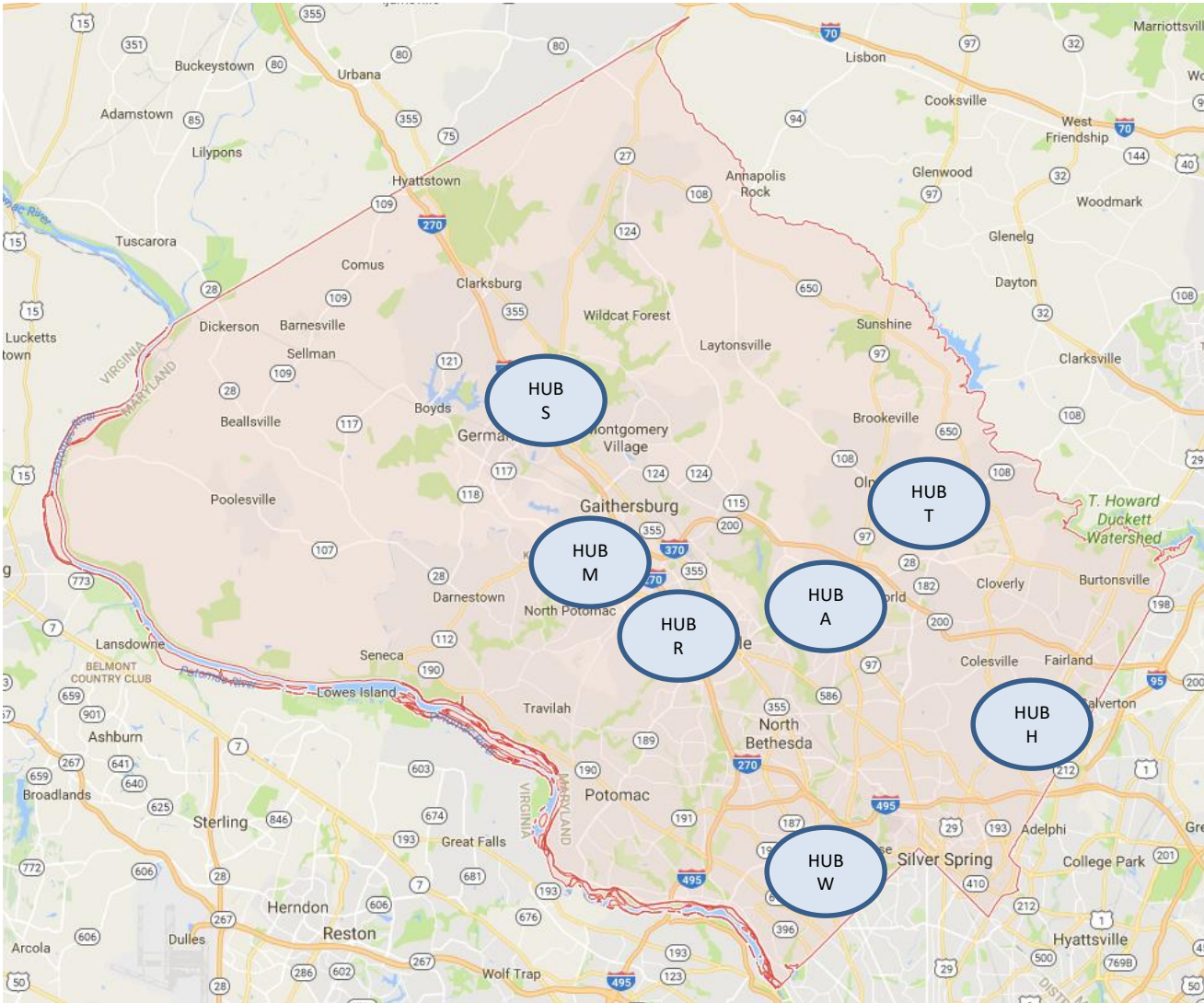
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

VPC One Development Corporation



Property Snapshot:

- 399 units scattered across seven HUBs throughout Montgomery County.
- Scattered site units include condominiums, townhomes and single family homes ranging from one to four bedrooms. Amenities are specific to the unit and the community.
- There has been a transfer of assistance for 55 former Public Housing units that converted under the RAD program with Project Based Voucher Subsidies. As part of the Section 18 disposition, affordability of the remaining units is restricted to households with incomes at or below 80% of the AMI. Eight market units were purchased by the corporation and are not subject to the same AMI restrictions.
- The Property is managed by the Housing Opportunities Commission.

VPC One Development Corporation – FY 2025 Overview

Background

- **July 18, 2012** – Commission authorized and approved the establishment of VPC One Corporation, a wholly-controlled corporate instrumentality, and passed a resolution approving the Articles of Incorporation.
- **June 5, 2013** – Commission approved a rehabilitation plan for VPC One and VPC Two, formerly known as the 669 Scattered Sites. The plan included an allocation of \$20 million of Commission funds that would be reimbursed either through a financing of the properties or project cash flows.
- **March 2, 2016** – HOC approved a revised development budget for both Corporations of \$41.5 million to complete the rehabilitation of the Scattered Sites based on 55% of the units (371) completed at that time and advanced funds to VPC One and VPC Two for such rehabilitation, on an interim basis, from draws on the original line of credit (\$60 million) with PNC Bank, N.A.
- **May 13, 2016** – The Commission approved a Financing Plan for both VPC One and VPC Two to pursue a \$65 million working capital non-revolving Line of Credit with Eagle Bank to complete the renovations of the Scattered Sites and retire the draws on the PNC LOC totaling approximately \$22 million.
- **December 7, 2016** – The Commission approved the Final Aggregate Renovation Budget of \$43 million for both Corporations and the Final Financing Plan, and authorized acceptance of a loan from Eagle Bank for permanent financing for no more than \$35.4 million.
- **March 9, 2017** – The Corporation closed on an Eagle Bank non-revolving line of credit with the option to issue sub notes for \$32,400,000.
- **November 17, 2017** – The commission approved the refinancing Plan for VPC One and VPC Two Corporations to accept the PNC Facility with PNC Bank, N.A. not to exceed a combined amount of \$60,000,000, that repaid all renovation funds drawn on the PNC LOC, repaid financing costs under the Eagle LOC, repaid acquisition draws on the OHDF, and established an initial Replacement Reserve Escrow of \$1,200 per unit.

- **June 14, 2023** – The Commission approved the Refinancing Plan for Montgomery Homes Limited Partnership X, VPC One Corporation, VPC Two Corporation and Scattered Site Two Development Corporation. The Refinancing Plan included issuance of \$61 million of governmental bonds (\$57.4 million tax-exempt, 3.6 million taxable) under the 2002 Multiple Purpose Indenture, backed by a pledge of the Commission’s general obligation, the proceeds of which (i) funded permanent loans to refinance existing debt; (ii) financed or reimbursed capital expenditures, as applicable; (iii) financed and paid related transaction costs and costs of issuing the bonds; (iv) funded reserves including \$3.5 million set aside for future renovations of the scattered sites portfolio; and (v) returned \$4.2 million to HOC’s FHA Risk Share Account. The loan amount for VPC One was \$28,924,340.

Unit Mix	Market	Affordable	Total
1BR	8	10	18
2BR	0	104	103
3BR	0	241	241
4BR	0	34	34
5BR	0	2	2
Total Units	8	391	399

The regulatory agreement restricts 64 units at or below 50% AMI and 327 units at or below 80% AMI.

VPC One Development Corporation – FY 2025 Overview

Property Management

- For FY 2023, the Property Management Department was not Leasing due to lack of staffing. The last quarter of 2023, staffing began to increase. A plan to start Leasing was put in place. The staff have been able to reach out to over 1000 applicants and have been able to get approved applicants from the HP waitlist and have been leasing.. The staff has also been able to make contact with Voucher Holders and send referrals to HRD for our PBV units. There are currently 3 units marked as Down/Offline due to pending renovations, which will contribute 1% to future vacancy loss. However, Staff anticipates vacancy to improve above 90% for units available to lease by end of CY 2024.

Turnover	Avg. Occupancy CY 2023	Current Occupancy
27.31%	79.70%	78.95%

Capital Improvements

- Capital replacements for appliances, roofing is 31 of capex budget. HVAC equipment and HVAC contracts represent 22% of capex budget. Paint & wall covering, flooring are done at turnover and as needed.

Maintenance

- The largest volume of work tickets was for general maintenance – Plumbing (24%), (Appliance (26%), HVAC (10%) and Electrical (10%)
- Total work orders decreased by 20%, average days to complete work orders decreased by 48% and average hours to close emergency work orders decreased by 6%.

Total Work Orders Completed CY 2023	Average Days to Close All Work Orders	Average Hours to Close Emergency Work Orders
1,796	17	29.31

Redevelopment/Refinancing

- All of the VPC units were renovated between 2014 and 2017 as they converted from Public Housing. There are no current plans to undertake a comprehensive unit renovations; however, standard unit turns or specific capital needs will be addressed as part of the normal maintenance plan for the property..

VPC One Development Corporation – FY 2025 Budget Summary

VPC One Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$6,529,650	\$7,095,725	\$6,544,243	\$6,785,155	\$6,743,909
Expenses:					
Operating - Admin	\$459,236	\$302,786	\$394,230	\$255,865	\$168,435
Operating - Fees	\$2,186,394	\$1,980,724	\$1,909,189	\$1,823,221	\$1,796,972
Tenant & Protective Services	\$0	\$0	\$3,415	(\$987)	\$113,986
Taxes, Insurance & Utilities	\$302,311	\$278,427	\$265,823	\$207,893	\$208,483
Maintenance	\$1,675,930	\$906,893	\$942,177	\$907,482	\$765,655
Subtotal - Operating Expenses	\$4,778,371	\$3,768,830	\$3,735,824	\$3,444,724	\$3,357,478
Net Operating Income ("NOI")	\$1,751,279	\$3,326,895	\$2,808,419	\$3,340,431	\$3,386,431
Debt Service	\$1,706,997	\$1,481,256	\$1,279,255	\$1,482,833	\$1,491,212
Debt Service Reserves	\$0	\$838,668	\$563,145	\$838,668	\$828,708
Replacement Reserves	\$224,388	\$188,724	\$188,724	\$188,724	\$119,700
Loan Management Fees	\$72,312	\$0	\$0	\$0	\$0
Development Corporation Fees	\$0	\$818,247	\$777,295	\$830,205	\$945,811
Subtotal - Expenses Below NOI	\$2,009,697	\$3,326,895	\$2,808,419	\$3,340,431	\$3,386,431
NET INCOME	(\$252,418)	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Kitchen and Bath Supplies	\$6,000	\$12,000	\$620	\$4,030	\$5,010
Electrical Supplies	\$1,800	\$1,200	\$1,773	\$2,729	\$9
Appliance Supplies	\$0	\$5,400	\$728	\$0	\$59
Plumbing Supplies	\$3,960	\$0	\$2,828	\$7,381	\$3,990
Employee Uniforms	\$0	\$0	\$0	\$4	\$0
Grounds/Landscaping Sup.-Cap.	\$3,099	\$0	\$3,100	\$0	\$0
Locks, Keys	\$0	\$0	\$650	\$0	\$0
Windows and Glass	\$2,676	\$3,600	\$2,517	\$1,881	\$0
Doors	\$5,400	\$3,600	\$5,569	\$1,210	\$927
Roofing Materials	\$0	\$0	\$480	\$0	\$0
Hardware Supplies	\$0	\$0	\$1,592	\$957	\$75
HVAC Supplies	\$7,644	\$7,200	\$7,263	\$8,470	\$3,037
Flooring and Carpeting	\$4,080	\$2,400	\$5,213	\$37,580	\$10,639
Paint and Wallcoverings	\$0	\$0	\$460	\$7,641	\$3,487
Miscellaneous Supplies	\$0	\$0	\$1,605	\$519	\$8
Plumbing Equipment	\$6,000	\$0	\$3,054	\$2,945	\$1,650
HVAC Equipment	\$16,200	\$24,000	\$9,573	\$21,547	\$3,977
Appliance Equipment	\$8,916	\$30,000	\$79,901	\$111,509	\$54,287
Kitchen and Bath Contracts-Capita	\$33,840	\$0	\$11,691	\$0	\$0
Electrical Contracts	\$6,000	\$6,000	\$3,275	\$3,170	\$0
Appliance Contracts	\$8,496	\$5,500	\$850	\$0	\$0
Plumbing Contracts	\$6,000	\$6,000	\$7,613	\$3,447	\$9,099
Cleaning/Janitorial Contracts-Cap.	\$0	\$0	\$0	\$0	\$250
Grounds/Landscaping Contr.-Cap.	\$3,000	\$9,600	\$6,600	\$11,935	\$9,950
Windows/Glass Contracts	\$6,504	\$5,500	\$6,225	\$1,300	\$795
Roofing/Gutter Contracts	\$12,000	\$36,000	\$9,160	\$5,575	\$2,120
HVAC Contracts	\$27,960	\$33,600	\$7,548	\$22,304	\$1,036
Flooring/Carpet Contracts	\$40,200	\$36,000	\$43,256	\$7,192	\$13,461
Paint/Wallcovering Int. Cont.	\$0	\$0	\$130	\$250	\$2,817
Paint/Wallcovering Ext. Cont	\$0	\$24,000	\$880	\$9,210	\$177
Fencing Contracts	\$10,000	\$6,000	\$16,104	\$4,989	\$0
Asphalt/Concrete Contracts	\$0	\$0	\$385	\$1,920	\$1,075
Miscellaneous Contracts	\$4,200	\$0	\$2,245	\$8,100	\$0
Total Capital Budget	\$283,975	\$257,600	\$242,618	\$287,795	\$127,935

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- The property's **(\$252,418)** projected operating deficit will be funded from unrestricted cash flow in the Opportunity Housing portfolio..
- Capital is budgeted at \$283,975.
- DSCR is 1.52.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for VPC One Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for VPC One by the Board of Directors.

RESOLUTION NO.: 24-001_{VPC1}

**RE: VPC One Development Corporation
Annual Meeting: Election of Officers
and Adoption of FY'25 Operating
and Capital Budgets**

WHEREAS, the VPC One Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of the 399 scattered site properties owned by the Corporation (collectively, the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the VPC One Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of VPC One Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**VPC Two
Development
Corporation**

VPC TWO DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



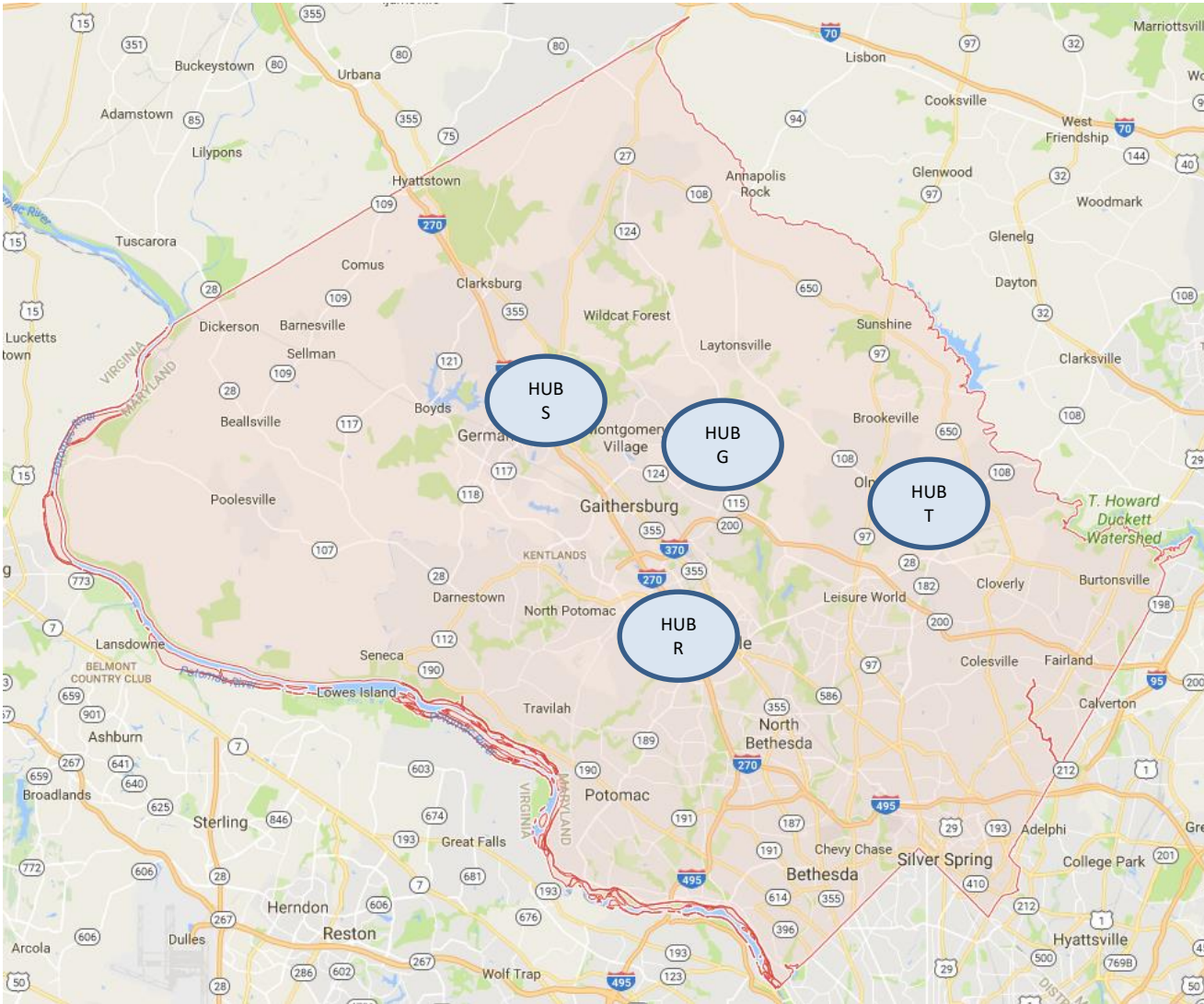
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

VPC Two Development Corporation



Property Snapshot:

- 280 units scattered across four HUBS throughout Montgomery County from Olney to Damascus.
- Scattered site units include condominiums, townhomes and single family homes ranging from one to four bedrooms. Amenities are specific to the unit and the community.
- There has been a transfer of assistance for 58 former Public Housing units that converted under the RAD program with Project Based Voucher Subsidies. As part of the Section 18 disposition, affordability of the remaining units is restricted to households with incomes at or below 80% of the AMI. Eight market units were purchased by the corporation and are not subject to the same AMI restrictions.
- The Property is managed by the Housing Opportunities Commission.

VPC Two Development Corporation – FY 2025 Overview

Background

- **July 18, 2012** – Commission authorized and approved the establishment of VPC One Corporation, a wholly-controlled corporate instrumentality, and passed a resolution approving the Articles of Incorporation.
- **June 5, 2013** - Commission approved a rehabilitation plan for VPC One and VPC Two, formerly known as the 669 Scattered Sites. The plan included an allocation of \$20 million of Commission funds that would be reimbursed either through a financing of the properties or project cash flows.
- **March 2, 2016** - HOC approved a revised development budget for both Corporations of \$41.5 million to complete the rehabilitation of the Scattered Sites based on 55% of the units (371) completed at that time and advanced funds to VPC One and VPC Two for such rehabilitation, on an interim basis, from draws on the original line of credit (\$60 million) with PNC Bank, N.A.
- **May 13, 2016** - The Commission approved a Financing Plan for both VPC One and VPC Two to pursue a \$65 million working capital non-revolving Line of Credit with Eagle Bank to complete the renovations of the Scattered Sites and retire the draws on the PNC LOC totaling approximately \$22 million.
- **December 7, 2016** - The Commission approved the Final Aggregate Renovation Budget of \$43 million for both Corporations and the Final Financing Plan, and authorized acceptance of a loan from Eagle Bank for permanent financing for no more than \$35.4 million.
- **March 9, 2017** - The Corporation closed on an Eagle Bank non-revolving line of credit with the option to issue sub notes for \$32,400,000.
- **November 17, 2017** – The commission approved the refinancing Plan for VPC One and VPC Two Corporations to accept the PNC Facility with PNC Bank, N.A. not to exceed a combined amount of \$60,000,000, that repaid all renovation funds drawn on the PNC LOC, repaid financing costs under the Eagle LOC, repaid acquisition draws on the OHDF, and established an initial Replacement Reserve Escrow of \$1,200 per unit.

- **June 14, 2023** - The Commission approved the Refinancing Plan for Montgomery Homes Limited Partnership X, VPC One Corporation, VPC Two Corporation and Scattered Site Two Development Corporation. The Refinancing Plan included issuance of \$61 million of governmental bonds (\$57.4 million tax-exempt, 3.6 million taxable) under the 2002 Multiple Purpose Indenture, backed by a pledge of the Commission’s general obligation, the proceeds of which (i) funded permanent loans to refinance existing debt; (ii) financed or reimbursed capital expenditures, as applicable; (iii) financed and paid related transaction costs and costs of issuing the bonds; (iv) funded reserves including \$3.5 million set aside for future renovations of the scattered sites portfolio; and (v) returned \$4.2 million to HOC’s FHA Risk Share Account. The loan amount for VPC Two was \$25,173,511.

Unit Mix	Market	Affordable	Total
1BR	1	14	15
2BR	0	37	37
3BR	0	192	192
4BR	0	35	35
5BR	0	1	1
Total Units	1	280	280

The regulatory agreement restricts 75 units at or below 50% AMI and 204 units at or below 80% AMI.

VPC Two Development Corporation – FY 2025 Overview

Property Management

- For FY 2023, the Property Management Department was not Leasing due to lack of staffing. The last quarter of 2023, staffing began to increase. A plan to start Leasing was put in place. The staff have been able to reach out to over 1000 applicants and have been able to get approved applicants from the HP waitlist and have been leasing. The staff has also been able to make contact with Voucher Holders and send referrals to HRD for our PBV units. Staff anticipates vacancy to improve above 93% by end of CY 2024

Turnover	Avg. Occupancy CY 2023	Current Occupancy
20.74%	87.86%	87.86%

Capital Improvements

- Capital replacements for appliance and flooring are done at turnover and as needed. HVAC repairs are performed as needed. Appliances and flooring are the two largest line items in the FY 2025 budget.

Maintenance

- The largest volume of work tickets was for general maintenance – Plumbing (22%), Appliance (24%) , Electrical (7%), HVAC (11%)
- Total work orders increased by 16%, average days to close work orders decreased by 5%, and average hours to close emergency work orders decreased by 30%.

Total Work Orders Completed CY 2023	Average Days to Close All Work Orders	Average Hours to Close Emergency Work Orders
1,964	18	30.83

Redevelopment/Refinancing

- All of the VPC units were renovated between 2014 and 2017 as they converted from Public Housing. There are no current plans to undertake a comprehensive unit renovations; however, standard unit turns or specific capital needs will be addressed as part of the normal maintenance plan for the property..

VPC Two Development Corporation – FY 2025 Budget Summary

VPC Two Development Corporation FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$4,794,841	\$4,997,908	\$4,780,734	\$4,755,688	\$4,550,800
Expenses:					
Operating - Admin	\$238,440	\$280,756	\$213,531	\$292,148	\$250,536
Operating - Fees	\$1,271,807	\$1,153,953	\$1,097,778	\$1,058,905	\$1,024,550
Tenant & Protective Services	\$0	\$0	\$0	(\$406)	\$61,284
Taxes, Insurance & Utilities	\$212,182	\$206,883	\$169,744	\$144,019	\$136,600
Maintenance	\$1,106,152	\$835,949	\$632,925	\$706,110	\$633,634
Subtotal - Operating Expenses	\$2,911,081	\$2,692,713	\$2,267,578	\$2,415,945	\$2,357,968
Net Operating Income ("NOI")	\$1,883,760	\$2,305,195	\$2,513,156	\$2,339,743	\$2,192,832
Debt Service	\$1,485,636	\$1,053,960	\$910,126	\$1,052,240	\$1,044,000
Debt Service Reserves	\$0	\$570,228	\$570,228	\$546,977	\$580,188
Replacement Reserves	\$157,461	\$132,444	\$132,444	\$132,444	\$84,000
Loan Management Fees	\$62,928	\$0	\$0	\$0	\$0
Development Corporation Fees	\$177,735	\$548,563	\$900,358	\$608,082	\$484,644
Subtotal - Expenses Below NOI	\$1,883,760	\$2,305,195	\$2,513,156	\$2,339,743	\$2,192,832
NET INCOME	\$0	\$0	\$0	\$0	\$0

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Kitchen and Bath Supplies	\$6,000	\$4,152	\$0	\$4,460	(\$99)
Electrical Supplies	\$1,200	\$1,620	\$1,484	\$943	\$2,424
Appliance Supplies	\$0	\$132	\$76	\$250	\$75
Plumbing Supplies	\$4,800	\$5,196	\$5,862	\$2,140	\$1,465
Cleaning/Janitorial Supplies	\$0	\$384	\$0	\$35	\$0
Grounds/Landscaping Sup.-Cap.	\$0	\$2,832	\$0	\$9,435	\$2,840
Windows and Glass	\$1,200	\$540	\$357	\$671	\$702
Doors	\$4,800	\$3,312	\$3,985	\$4,394	\$1,868
Roofing Materials	\$0	\$192	\$0	\$1,045	\$385
Hardware Supplies	\$600	\$492	\$636	\$779	\$648
HVAC Supplies	\$0	\$8,664	\$4,525	\$1,723	\$52
Flooring and Carpeting	\$24,000	\$21,468	\$1,715	\$22,733	\$22,816
Miscellaneous Supplies	\$0	\$516	\$1,716	\$532	\$600
Plumbing Equipment	\$0	\$1,704	\$0	\$2,054	\$2,531
HVAC Equipment	\$0	\$10,548	\$162	\$24,867	\$14,565
Appliance Equipment	\$60,000	\$47,244	\$68,862	\$56,753	\$45,006
Kitchen and Bath Contracts-Capital	\$18,000	\$0	\$10,139	\$0	\$0
Electrical Contracts	\$0	\$7,080	\$0	\$0	\$2,252
Appliance Contracts	\$0	\$156	\$750	\$0	\$0
Plumbing Contracts	\$5,400	\$12,660	\$5,990	\$3,810	\$10,575
Grounds/Landscaping Contr-Cap.	\$4,200	\$9,816	\$5,300	\$17,710	\$13,425
Windows/Glass Contracts	\$1,200	\$4,548	\$765	\$540	\$1,490
Roofing/Gutter Contracts	\$4,800	\$13,560	\$150	\$10,950	\$5,123
HVAC Contracts	\$9,600	\$13,992	\$12,423	\$10,475	\$0
Flooring/Carpet Contracts	\$0	\$17,868	\$12,904	\$3,383	\$13,122
Paint/Wallcovering Int. Cont.	\$0	\$2,856	\$0	\$1,800	\$0
Paint/Wallcovering Ext. Cont.	\$0	\$2,724	\$0	\$0	\$0
Fencing Contracts	\$3,000	\$1,512	\$3,339	\$7,185	\$1,845
Asphalt/Concrete Contracts	\$0	\$4,524	\$0	\$3,270	\$4,510
Total Capital Budget	\$148,800	\$200,292	\$141,189	\$185,937	\$148,220

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will remain at the current "market rate".
- Property cash flow is budgeted at \$177,735.
- Capital is budgeted at \$148,800.
- DSCR is 1.65.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for VPC Two Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting.

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for VPC Two Corporation by the Board of Directors.

RESOLUTION NO.: 24-001_{VPC2}

**RE: VPC Two Development Corporation
Annual Meeting: Election of Officers
and Adoption of FY'25 Operating
and Capital Budgets**

WHEREAS, the VPC Two Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of the 280 scattered site properties owned by the Corporation (collectively, the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the VPC Two Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of VPC Two Development Corporation at a meeting conducted on June 5, 2024.

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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

**Wheaton
Metro
Development
Corporation**

WHEATON METRO DEVELOPMENT CORPORATION

ANNUAL MEETING AND ADOPTION OF FY 2025 OPERATING & CAPITAL BUDGETS



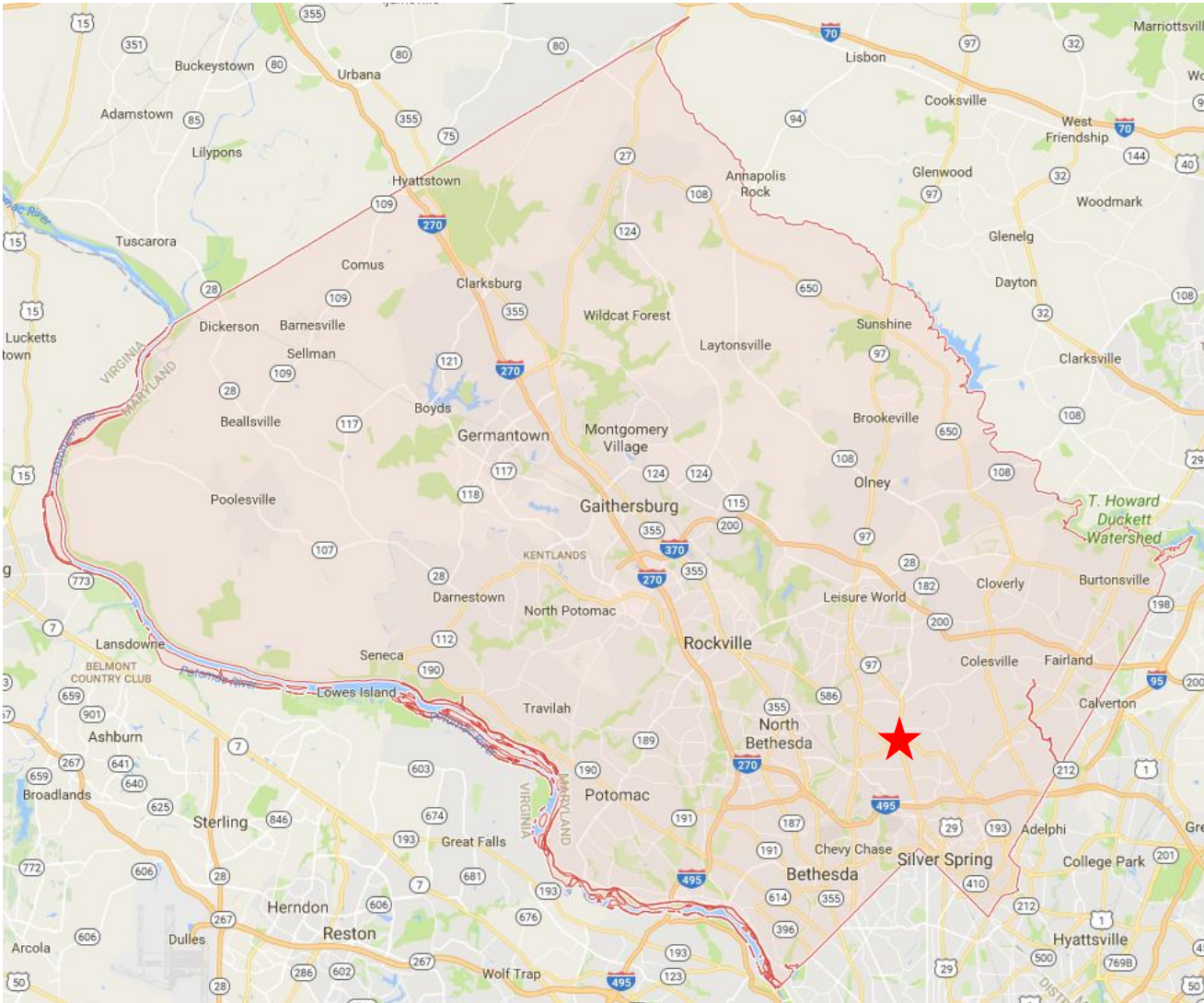
Chelsea Andrews, President/Executive Director

**Property Management
Real Estate Development
Mortgage Finance
Finance**



June 5, 2024

Wheaton Metro Development Corporation



Property Snapshot:

- Located in the Wheaton Central Business District (Silver Spring).
- Constructed in 2008.
- Situated directly above a metro station and close to shopping and restaurants.
- Amenities include a Fitness Center, Business Center, Club Room, Garage Parking, Onsite Retail.

Wheaton Metro Development Corporation – FY 2025 Overview

Background

- **2003** – Commission authorized the creation of a wholly controlled corporate instrumentality known as Wheaton Metro Development Corporation and adopted By-laws which provide for the operations and functions of the Corporation and elected the seven Commissioners as the officers .
- **May 2005** - Commission authorized the establishment of Wheaton Metro Limited Partnership in which HOC is the general partner for the apartment facility, certain retail space and a parking garage above the Wheaton Metro station.
- **March 1, 2007** - A condominium was created and 120 units, the retail space and parking garage were transferred to the Corporation pursuant to a Contract of Sale.
- **December 31, 2010** - Corporation executed the Asset Management Agreement which requires submission of an annual budget to the Owner an annual budget 90 days prior to each fiscal year and approved a resolution that allowed for the incorporation of the annual budget preparation and presentation into the HOC budget process.
- Wheaton Metro consists of 173 units distributed as follows:
 - 53 tax credit units owned by Wheaton Metro LP with HOC as the General Partner.
 - 120 units owned by Wheaton Metro Development Corporation.



11175 Georgia Avenue, Silver Spring, MD 20902
 Manager: Bozzuto (utilizes Yieldstar)

Unit Mix	Market	Affordable	Total
1BR	85	34	119
2BR	34	16	50
3BR	1	3	4
Total Units	120	53	173

The regulatory agreement restricts 53 units at or below 50% AMI, 18 of which are Project Based Section 8 units. The property also has two retail spaces.

Wheaton Metro Development Corporation – FY 2025 Update

Property Management

- Occupancy remained stable in 2023 with Total Operating Revenue within 1% of the budget.

Turnover CY 2023	Avg. Occupancy CY 2023	Current Occupancy
31%	97%	96.5%

Maintenance

- The largest volume of work order tickets for CY 2023 were related to plumbing, appliances, and electrical.
- Total work orders increased by 11% and average days to complete work orders decreased by 45%.

Total Work Orders CY 2023	Average Days to Close
960	11

Capital Improvements

- The FY 2025 capital plan includes six HVAC replacements, appliance upgrades, six water heater replacements, and bathtub re-glazing. Turnover carpet replacement will occur as needed. Flooring in key areas will be replaced in January 2025. Additionally, a link fence will be installed in Stairwell 5 and at the garage entrance, along with CCTV and upgraded locks at exterior doors, carried over from FY 2024.

Redevelopment/Refinancing

- A re-syndication of the affordable units under the Low Income Housing Tax Credit (“LIHTC”) program and refinancing of both the affordable and market-rate units is expected to occur in Q2 FY 2025. As part of the re-syndication and refinancing, the property will be renovated, with construction projected to begin in July 2025. Renovations will include sustainability improvements, elevator upgrades, exterior enhancements, and comprehensive in-unit, and community amenity upgrades.
- Consideration will also be given to improvements to portions of the façade.

Wheaton Metro Development Corporation – FY 2025 Budget Summary

Metropointe Development Corporation

FY 2025 Operating and Capital Budgets

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Total Revenue	\$2,915,452	\$2,826,684	\$2,759,542	\$2,643,151	\$2,567,947
Expenses:					
Operating - Admin	\$307,985	\$304,091	\$276,844	\$302,810	\$285,556
Operating - Fees	\$158,661	\$148,690	\$150,064	\$147,713	\$143,012
Bad Debt	\$34,980	\$97,500	\$28,055	\$30,574	\$16,682
Tenant & Protective Services	\$38,353	\$34,921	\$41,487	\$38,834	\$25,283
Taxes, Insurance & Utilities	\$121,346	\$116,102	\$112,477	\$108,142	\$93,307
Maintenance	\$310,142	\$277,760	\$269,714	\$268,847	\$254,248
Subtotal - Operating Expenses	\$971,467	\$979,064	\$878,641	\$896,920	\$818,088
Net Operating Income ("NOI")	\$1,943,985	\$1,847,620	\$1,880,901	\$1,746,231	\$1,749,859
Debt Service	\$1,932,888	\$1,935,875	\$1,938,730	\$1,949,414	\$1,944,066
Replacement Reserves	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Asset Management Fees	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680
Subtotal - Expenses Below NOI	\$1,971,568	\$1,974,555	\$1,977,410	\$1,988,094	\$1,982,746
NET INCOME	(\$27,583)	(\$126,935)	(\$96,509)	(\$241,863)	(\$232,887)

	FY 2025 Proposed Budget	FY 2024 Amended Budget	FY 2023 Actuals	FY 2022 Actuals	FY 2021 Actuals
Capital Budget:					
Computer Equipment	\$0	\$0	\$0	\$935	\$0
Kitchen and Bath Supplies	\$0	\$0	\$120	\$120	\$230
Doors	\$0	\$0	\$3,454	\$0	\$0
Paint and Wallcoverings	\$0	\$0	\$0	(\$884)	\$3,054
HVAC Equipment	\$34,200	\$26,700	\$14,000	\$0	\$0
Appliance Equipment	\$8,400	\$10,800	\$9,790	\$10,721	\$8,617
Miscellaneous Equipment	\$0	\$0	\$0	\$5,949	\$8,997
Plumbing Contracts	\$14,300	\$660	\$2,724	\$4,364	\$1,037
HVAC Contracts	\$0	\$0	\$0	\$8,350	\$80,440
Flooring/Carpet Contracts	\$55,495	\$20,004	\$21,910	\$19,951	\$26,380
Fencing Contracts	\$24,450	\$0	\$0	\$0	\$0
Miscellaneous Contracts	\$0	\$39,070	\$19,163	\$1,564	\$0
Security System	\$99,400	\$90,400	\$0	\$0	\$0
Total Capital Budget	\$236,245	\$187,634	\$71,161	\$51,070	\$128,755

Issues for Consideration

- Rent increases upon lease renewal are budgeted at 2.6%; the County Executive's voluntary rent guideline is 2.6%.
- Market rents will be increased by 2.6% but upon turnover will be increased to the current "market rate".
- The property's **(\$27,583)** operating deficit will be funded with a draw from the Agency's General Fund Operating Reserve.
- Capital is budgeted at \$236,245.
- DSCR is 0.99.

Time Frame

The FY 2025 Proposed Operating and Capital Budgets for Wheaton Metro Development Corporation were presented to the HOC Budget, Finance and Audit Committee on May 17, 2024. Board of Directors approval is requested at the June 5, 2024 meeting

Budget Impact

The FY 2025 Operating and Capital Budgets establish an achievable financial plan for the coming fiscal year.

Staff Recommendation and Board Action Needed

Adoption of the FY 2025 Operating and Capital Budgets for Wheaton Metro Development Corporation by the Board of Directors.

RESOLUTION NO.: 24-001_{WM}

RE: Wheaton Metro Development Corporation Annual Meeting: Election of Officers and Adoption of FY'25 Operating and Capital Budgets

WHEREAS, the Wheaton Metro Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

WHEREAS, the Corporation's Board of Directors is solely comprised of HOC Commissioners;

WHEREAS, the Corporation desires to elect the officers of the Commission as officers of the Corporation;

WHEREAS, the Corporation needs an annual budget that provides a sound financial and operating plan for operation of MetroPointe (the "Property");

WHEREAS, the Corporation entered into an Asset Management Agreement with the Commission;

WHEREAS, by resolution at the April 23, 1997 Board of Directors meeting, the Corporation agreed to include the Property's annual budget preparation, presentation, and approval process with the Commission's budget process;

WHEREAS, the Corporation's FY'25 Operating and Capital Budgets were presented to the Commission's Budget, Finance and Audit Committee on May 17, 2024;

WHEREAS, the Corporation has reviewed and desires to approve the FY'25 Operating and Capital Budgets for the Property; and

WHEREAS, the Corporation desires to authorize the President/Executive Director of HOC, or their duly authorized designee, to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Wheaton Metro Development Corporation that:

1. The officers of the Commission are elected as the officers of the Corporation.
2. The Corporation approves the FY'25 Operating and Capital Budgets for the Property.
3. The President/Executive Director of HOC, or their duly authorized designee, is authorized to execute any and all documents (including, without limitation, all deeds, mortgages, bonds, and contracts) that have been approved by the Corporation.
4. This resolution shall take effect immediately.

I, HEREBY, CERTIFY that the foregoing resolution was adopted by the Board of Directors of Wheaton Metro Development Corporation at a meeting conducted on June 5, 2024.

S
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Chelsea J. Andrews
Secretary-Treasurer of the Corporation

Adjourn

Reconvene

Adjourn