**EXPANDED AGENDA**

**December 4, 2013**

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<th>Time</th>
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<tr>
<td>2:30 p.m.</td>
<td><strong>EXECUTIVE SESSION</strong></td>
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<td>3:00 p.m.</td>
<td>Longevity Reception</td>
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<td>4:00 p.m.</td>
<td>Longevity Award Ceremony</td>
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<td>4:30 p.m.</td>
<td><strong>CONSENT ITEMS</strong></td>
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<td>A. Approval of Minutes of November 6, 2013</td>
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<td>B. Adoption of Retirement Resolution for Susan Krimer</td>
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<td>C. Approval of New Participating Lenders for the Single Family Mortgage Purchase Program</td>
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<td>4:35 p.m.</td>
<td><strong>INFORMATION EXCHANGE</strong></td>
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<td>A. Report of the Executive Director</td>
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<td>B. Calendar and Follow-up Action</td>
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<td>C. Correspondence and Printed Matter</td>
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<td>D. Commissioner Exchange</td>
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<td>E. Resident Advisory Board</td>
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<td>F. Community Forum</td>
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<td>G. Status Report</td>
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<td>4:45 p.m.</td>
<td><strong>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</strong></td>
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<td>A. Development and Finance Committee – <em>Com. Lindstrom, Chair</em></td>
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<td>1. Approval to Accept DHMH FY14 Grant Funding and Borrow Pre-development Funding for the Acquisition of Two Homes For use and Operation by Jubilee Association of Maryland, Inc.</td>
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<tr>
<td>4:55 p.m.</td>
<td><strong>ITEMS REQUIRING DELIBERATION and/or ACTION</strong></td>
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<tr>
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<td>A.</td>
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<td><strong>FUTURE ACTION ITEMS</strong></td>
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<td>VI.</td>
<td><strong>INFORMATION EXCHANGE (continued)</strong></td>
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<td>A. Community Forum</td>
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<tr>
<td>5:00 p.m.</td>
<td><strong>NEW BUSINESS</strong></td>
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<td>VIII.</td>
<td><strong>EXECUTIVE SESSION FINDINGS</strong></td>
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<td><strong>RECESS</strong></td>
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<td>5:06 p.m.</td>
<td><strong>Limited Partnership Meeting</strong></td>
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<td>52. Shady Grove Apartments Limited Partnership – Approval of Property Management Contract for Shady Grove Apartments</td>
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<td>58. The Willows Limited Partnership – Approval of Property Management Contract for The Willows</td>
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<td>64. Forest Oak Towers – Approval of Property Management Contract for Forest Oak Towers</td>
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<td>64. Wheaton-University Boulevard Limited Partnership – Approval of Property Management Contract for The Ambassador</td>
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<td>5:20 p.m.</td>
<td><strong>ADJOURN</strong></td>
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NOTES:
1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. Times are approximate and may vary depending on length of discussion.
4. *These items are listed “For Future Action” to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.
Consent Items
The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, November 6, 2013 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:10 p.m. Those in attendance were:

Present
Roberto Piñero, Chair
Sally Roman, Vice Chair
Michael Kator, Chair Pro Tem
Jean Banks
Rick Edson
Michael Wiencek

Absent
Pamela Lindstrom

Also Attending
Stacy Spann, Executive Director
Gail Willison
Scott Ewart
Scott Ellinwood
Kayrine Brown
Zachary Marks
Emily Dorfman
Christopher Donald
Regina Mitchell
Fred Swan
Bill Anderson
Marsha Smith
Diana Bird
Gina Smith
Jim Atwell
Dean Tyree
Joy Flood
Tonya Clark
Eugene Spencer
Belle Seyoum

Ken Tecler, Staff Counsel
Lorie Seals
Tara Whicker
Maria Montero
Lola Knights
Jennifer Arrington
Paulette Dudley
Patrick Mattingly
Nate McKinstry
Darcel Cox
Lynn Manning
Savitri Taneja, Landlord

Commission Support
Patrice Birdsong, Spec. Asst. to Commission

IT Support
Dominique Laws
Nick Monaco
Prior to the meeting convening, Scott Ewart, Chief Information Officer, read and presented to Lynn Manning, Mail & Supply Technician, his Retirement Resolution.

The Consent Calendar was approved upon a motion by Vice Chair Roman and seconded by Commissioner Banks. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Edson, and Wiencek. Commissioner Lindstrom was necessarily absent and did not participate in the vote.

I. CONSENT ITEMS

A. Approval of Minutes
   - Approval of Minutes of Regular Meeting of October 2, 2013 – The minutes were approved as submitted.

B. Adoption of Retirement Resolution for Dorel Cazacu – The following resolution was approved.

**RESOLUTION: 13-104**

WHEREAS, the Housing Opportunities Commission of Montgomery County is indebted to Dorel Cazacu for 25 years of loyal service and dedication to the Agency and the citizens of Montgomery County; and

WHEREAS, Dorel began his career with HOC in 1988 as Custodian in the Housing Management Division; and

WHEREAS, in 1989, Dorel was promoted to Courier. In 1996, he was reassigned to the Executive Division and promoted to Mail and Supply Technician; and

WHEREAS, Dorel processed and delivered mail, managed the Agency’s inventory of office supplies including envelopes, letterhead, printer and ink supplies, produced postal use reports, assisted with records management, processed resident and vendor checks for Accounts Payable and maintained mailroom vehicles and mailroom equipment; and

WHEREAS, over the years, Dorel’s careful oversight of the purchasing accounts under his purview saved the Agency considerable amounts of money due to occasional overcharges by vendors; and

WHEREAS, Dorel was reliable and well liked throughout the Agency. He was a team player always ready to help out, often with last-minute requests for special projects; and

WHEREAS, Dorel earned many employee awards over the years for his exemplary support of the Facilities Department workload during staff shortages and for his courage and support during the September 11, 2001 national crisis. At the time, many mail couriers and
postal facilities were concerned with the implications of Anthrax and the safety and health of staff and clients. While HOC implemented significant changes to security protocol in the mail room, Dorel never wavered in his responsibility to handle HOC’s mail in a safe and secure manner. Dorel also monitored an account with Office Depot for Agency office supplies and was recognized for his contributions toward a cost savings of over $3,000 to HOC.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County expresses sincere thanks and appreciation to Dorel for his many contributions and wishes him good health and happiness in his retirement.

C. Adoption of Retirement Resolution for Lynn Manning – The following resolution was approved.

RESOLUTION: 13-105  RE: Adoption of Retirement Resolution for Lynn Manning

WHEREAS, the Housing Opportunities Commission of Montgomery County is indebted to Lynn Manning for 24 years of loyal service and dedication to the Agency and the citizens of Montgomery County; and

WHEREAS, Lynn began his career with HOC in 1988 as Communications Technician in the Housing Management Division; and

WHEREAS, Lynn was promoted to Mail and Supply Technician in 1994 and assigned to the Executive Division; and

WHEREAS, Lynn was responsible for all HOC mail operations, including in-house mail pick-up, sorting and delivery, copy services, delivery of paper and supplies to various Agency departments, and operating and maintaining mailroom equipment. Lynn was well known throughout the Agency and his friendly manner made him a welcome visitor to every HOC office he visited; and

WHEREAS, regardless of the weather, Lynn made sure mail was delivered to more than 50 scattered sites that comprised his route. Lynn was reliable and could be counted on to do his work despite any challenges that arose; and

WHEREAS, Lynn was a valued team member and was always eager to help his co-workers with special projects, often under short deadlines and particularly with last minute courier requests and assistance with Staff Appreciation Day activities; and

WHEREAS, Lynn’s oversight of the Kensington office vehicles ensured they were well-maintained and safe to drive; and
WHEREAS, Lynn earned many employee awards over the years including recognition of
his volunteer work in coordinating donation pick-ups from Wal-Mart in 1997 and for his
courage and support of the Facilities Department during the September 11, 2001 national crisis.
At the time, many mail couriers and postal facilities were concerned with the implications of
Anthrax and the safety and health of staff and clients. HOC implemented significant changes to
security protocol in the mail room. Lynn never wavered in his responsibility to handle HOC’s
mail in a safe and secure manner.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of
Montgomery County expresses sincere thanks and appreciation to Lynn for his many
contributions and wishes him good health and happiness in his retirement.

D. Ratification of Recommendation Adopted by the Budget, Finance and Audit
Committee on October 11, 2013: Approval of CY’14 Tax Credit Partnership Budgets
The following resolution was approved.

RESOLUTION: 13-106 Re: Ratification of Recommendation Adopted
by the Budget, Finance and Audit
Committee on October 11, 2013: Approval
of CY’14 Tax Credit Partnership Budgets

WHEREAS, the Housing Opportunities Commission of Montgomery County is the
General Partner who manages the business and is liable for the debts of 13 Tax Credit
Partnerships; and

WHEREAS, the limited partners in these 13 Tax Credit Partnerships have contributed
money and share in profits but take no part in running the business and incur no liability with
respect to the partnership beyond their contributions; and

WHEREAS, the Tax Credit Partnerships are unique within the Housing Opportunities
Commission’s property portfolio since they are not HOC entities but managed properties and
have no separate Boards; and

WHEREAS, the Housing Opportunities Commission has a financial obligation to cover all
debts, has an interest in the successful performance of these partnerships and, as such, should
review their performances and approve their budgets; and

WHEREAS, as the budgets were due to the limited partners by November 1, 2013, the
Budget, Finance and Audit Committee reviewed and approved the CY’14 Budgets at the
October 11, 2013 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of
Montgomery County that it hereby ratifies the action taken by the Budget, Finance and Audit
Committee to approve the CY’14 Operating Budgets for the 13 Tax Credit Partnerships shown
on Attachment 1 of this resolution.
E. **Approval of New Participating Lender for the Single Family Mortgage Purchase Program** – The following resolution was approved.

**RESOLUTION: 13-107**

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

*WHEREAS,* the Housing Opportunities Commission of Montgomery County approves lenders to participate in the Mortgage Purchase Program; and

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

*WHEREAS,* the Commission has approved an ongoing process for adding new lenders to the Mortgage Purchase Program; and

*WHEREAS,* Movement Mortgage LLC has applied for participation in the Mortgage Purchase Program; and

*WHEREAS,* Movement Mortgage LLC has satisfied the required criteria for admittance to the Mortgage Purchase Program.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Movement Mortgage LLC is approved for participation in the Mortgage Purchase Program, effective immediately.

F. **Approval of Assignment of Property Management Contracts for Greenhills Apartments and Townhomes, Westwood Tower and Brooke Park Apartments** – The following resolution was approved.

**RESOLUTION: 13-108**

**RE:** Approval of Assignment of Property Management Contracts for Greenhills Apartments and Townhomes, Westwood Tower and Brooke Park Apartments

*WHEREAS,* HOC owns Greenhills Apartments and Townhomes, Westwood Tower and Brooke Park Apartments and employs a management company directly without a separate asset management agreement; and
WHEREAS, the Commission authorized the Executive Director to execute contracts for Property Management Services (the “Management Agreements”) with McShea Residential Services (“McShea”) for Greenhills Apartments and Townhomes, Westwood Tower and Brooke Park Apartments; and

WHEREAS, the authorized contract terms are for three (3) years and expire in October 2016; and

WHEREAS, Avison Young is in the process of acquiring McShea Residential Services, Inc.; and

WHEREAS, McShea has requested HOC’s consent and approval to assign its rights, claims, privileges, obligations and responsibilities under the existing Management Agreements to a new entity that will be owned by Avison Young.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission that the Executive Director is hereby authorized to take any and all necessary actions and execute all documents needed to approve the assignment of Management Agreements for Greenhills Apartments and Townhomes, Westwood Tower and Brooke Park Apartments from McShea Residential Services, Inc. to a new entity that will be owned by Avison Young through the duration of the contract.

II. INFORMATION EXCHANGE

A. **Report of the Executive Director** – Mr. Spann reported that the FSS 20th Anniversary Ceremony and 100,000 Homes Campaign can be viewed on U-Tube.

B. **Commissioner Exchange** – Commissioner Banks thanked Executive Director Spann for allowing staff to attend the Resident Advisory Board (RAB) meeting in September to explain and discuss the Rental Assistance Demonstration (RAD) Program. She reported that five of the RAB members attended one of the RAD meetings and felt it was very good. Also she reported that she and Kayrine Brown, Director of Mortgage Finance/Real Estate Development visited some properties, in particular, Holly Hall. Commissioner Banks informed that she enjoyed the tour and it gave her an opportunity to see all areas of the property. She suggested to the Board to take an opportunity to go out and visit some of the sites.

C. **Resident Advisory Board** – None

D. **Community Forum** – Savitri Taneja, Landlord, reported that she’s having problems with the “Go Section 8” online process. There is a fee for the use of the Premium Service. Ms. Taneja feels she’s missing out on renters. Joy Flood, Director of Housing Resources, explained that HOC does use the website but there is no cost to
the landlord. The Premium Service, which allows the landlord to show photos of the property, does require a fee but it’s not a part of the free service HOC offers.

E. **Status Report** – None

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

A. Budget, Finance & Audit Committee – Commissioner Kator, Chair

1. **Authorization to Submit FY’15 County Operating Budget**

Gail Willison, Chief Financial Officer, and Maria Montero, Assistant Budget Officer, presented the FY’15 County Operating Budget.

The following resolution was adopted upon a motion by Chair Pro Tem Kator and seconded by Vice Chair Roman. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Edson, and Wiencek. Commissioners Lindstrom was necessarily absent and did not participate in the vote.

**RESOLUTION: 13-109 RE: Authorization to Submit FY’15 County Operating Budget**

*WHEREAS*, the Housing Opportunities Commission (HOC) of Montgomery County wishes to submit a request for County funds for FY’15; and

*WHEREAS*, the County has instructed HOC to submit a base budget or “MARC” of $6,376,480 for FY’15 by November 7, 2013.

*NOW, THEREFORE, BE IT RESOLVED* by the Housing Opportunities Commission of Montgomery County that it hereby submits a request for FY’15 County funds in the amount of $6,376,480.

2. **Approval of FY’14 First Quarter Budget Amendment**

Gail Willison, Chief Financial Officer, and Maria Montero, Assistant Budget Officer, reported on the FY’14 First Quarter Budget Amendment.

The following resolution was adopted upon a motion by Commissioner Wiencek and seconded by Commissioner Banks. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Edson, and Wiencek. Commissioner Lindstrom was necessarily absent and did not participate in the vote.
Re: Approval of FY’14 First Quarter Budget Amendment

WHEREAS, the Housing Opportunities Commission adopted a budget for FY’14 on June 5, 2013; and

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

WHEREAS, the Commission has reviewed several proposed budget amendments to the FY’14 Budget; and

WHEREAS, the net effect of the FY’14 First Quarter Budget Amendment is a balanced budget.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY’14 Operating Budget by increasing total revenues and expenses for the Agency from $229.3 million to $229.9 million.

BE IT ALSO RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY’14 Capital Budget by increasing revenues and expenses for the Agency from $40.4 million to $40.9 million.

3. Approval of CY’13 Third Quarter Budget Amendment

Gail Willison, Chief Financial Officer, and Maria Montero, Assistant Budget Officer, reported on the CY’13 Third Quarter Budget Amendment.

The following resolution was adopted upon a motion by Chair Pro Tem Kator and seconded by Vice Chair Roman. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Edson, and Wiencek. Commissioner Lindstrom was necessarily absent and did not participate in the vote.

Resolution: 13-111 Re: Approval of CY’13 Third Quarter Budget Amendment

WHEREAS, the Housing Opportunities Commission ratified CY’13 Budget for Hampden Lane LP (Lasko Manor) on November 7, 2012; and

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

WHEREAS, the Commission has reviewed the proposed budget amendment to the CY’13 Budget for Hampden Lane LP (Lasko Manor).
NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the CY’13 budget for Hampden Lane LP (Lasko Manor).

4. Acceptance of HOC FY’13 Audited Financial Statements, Single Audit Report (A-133), and Management Letter

Gail Willison, Chief Financial Officer, and Belle Seyoum, Controller, reported that CliftonLarsonAllen, LLP attended the Budget, Finance and Audit Committee meeting on November 6, 2013 to present the findings of the FY’13 Audited Financial Statements, Single Audit Report and Management Letter.

The following resolution was adopted upon a motion by Chair Pro Tem Kator and seconded by Commissioner Banks. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Edson, and Wiencek. Commissioner Lindstrom was necessarily absent and did not participate in the vote.

RESOLUTION: 13-112

WHEREAS, the independent auditors, CliftonLarsonAllen, LLP, presented their report for FY’13 to the Budget, Finance and Audit Committee; and

WHEREAS, at a meeting held on November 6, 2013, the Budget, Finance and Audit Committee reviewed the FY’13 Audited Financial Statements, Single Audit Report (A-133), and Management Letter.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission accepts the FY’13 Audited Financial Statements, Single Audit Report (A-133), and Management Letter prepared by CliftonLarsonAllen, LLP.

IV. ITEMS REQUIRING DELIBERATION and/or ACTION

A. Authorization to Maintain Current Voucher Payment Standards

Joy Flood, Director of Housing Resources, requested the Board’s authorization to maintain current fair market rent voucher payment standards previously approved by the Board in April 2013.
The following resolution was adopted upon a motion by Vice Chair Roman and seconded by Commissioner Edson. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, Edson and Wiencek. Commissioner Lindstrom was necessarily absent and did not participate in the vote.

RESOLUTION: 13-113  
RE: Authorization to Maintain the Current Voucher Payment Standards

WHEREAS, Federal regulations require HUD to publish Fair Market Rents periodically but not less than annually, adjusted to be effective on October 1st of each year; and

WHEREAS, HOC has been notified of the Fair Market Rents on October 3, 2013; and

WHEREAS, HOC will use these rents to determine the Voucher Payment Standards used in the Housing Choice Voucher and Section 8 programs; and

WHEREAS, the Voucher Payment Standards for 2014 will remain equal to the 2013 standards.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission authorizes the continued use of the Voucher Payment Standards previously established.

B. Approval of Feasibility Budgets for the Rental Assistance Demonstration Portfolio

Kayrine Brown, Director of Mortgage Finance/Real Estate Development, and Zachary Marks, Assistant Director of New Development, requested the approval of the Board to expend Capital Fund Program (CFP) proceeds to complete the feasibility studies.

The following resolution was adopted upon a motion by Chair Pro Tem Kator and seconded by Vice Chair Roman. Affirmative votes were cast by Commissioners Piñero, Roman, Kator, Banks, and Wiencek. Commissioner Edson abstained from the vote. Commissioner Lindstrom was necessarily absent and did not participate in the vote.

RESOLUTION: 13-114  
RE: Approval of Feasibility Budgets for the Rental Assistance Demonstration Portfolio

WHEREAS, HOC manages and controls all the public housing assets through an agency plan filed with HUD; and

WHEREAS, on July 30, 2013 the Commission approved participation in the RAD program; and
WHEREAS, the Commission has authorized evaluation of a portfolio disposition of its entire public housing program in multifamily and senior developments; and

WHEREAS, HOC manages and controls all the public housing assets through an agency plan filed with HUD; and

WHEREAS, the majority of the public housing assets have not been comprehensively rehabilitated since their construction due to limited federal funding; and

WHEREAS, in pursuing the RAD approval, feasibility studies are needed to develop a viable scope of work and financing plan that will meet the portfolio’s immediate and long-term physical needs.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:

1. Performance of a feasibility analysis of each property in the public housing inventory of the Commission is authorized to determine the ultimate scope of work to be conducted in the redevelopment of these properties; and

2. A maximum of $500,000 from the CFP funds may be utilized to pay for feasibility studies and RAD related fees; and

3. RAD fees are to be released for each property contingent upon receipt of the Commitment for a Housing Assistance Payment contract (CHAP); and

4. The Executive Director is authorized to take any actions and execute any documents to conduct the feasibility analysis for each of the properties including, subject to requirements of the Procurement Policy, execution of contracts with consultants and advisors to provide the information necessary to determine the correct scope of work and financing for redevelopment of the public housing portfolio.

V. FUTURE ACTION ITEMS

   None

VI. INFORMATION EXCHANGE (CONT’D)

   None

VII. NEW BUSINESS

   None
Based upon this report and there being no further business to come before this session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

The meeting adjourned at 4:59 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb
ADOPTION OF RETIREMENT RESOLUTION FOR
SUSAN KRIMER

December 4, 2013

- Susan Krimer retired effective November 30, 2013.
RESOLUTION: 13-  

RE: Adoption of Retirement Resolution for Susan Krimer

WHEREAS, the Housing Opportunities Commission of Montgomery County is indebted to Susan Krimer for 15 years of loyal service and dedication to the Agency and to the citizens of Montgomery County; and

WHEREAS, Susan began her career with HOC in 1998 as Assistant Public Affairs Officer; and

WHEREAS, in 1999, Susan established the Housing Resource Service to improve the Agency’s customer service delivery and in this venture launched the HOC website, created a customer service database and began a daily events calendar. She managed the Housing Resource Service for several years and provided oversight of the Kensington reception desk. Susan also was helpful in expanded media interest in HOC programs and initiatives which lead to greater media coverage of HOC events. In 2006, she was instrumental in publicizing the opening of the Housing Choice Voucher and Public Housing waiting lists. In 2007, Susan assumed management of a new Community Advisory Board; and

WHEREAS, Susan’s management of media relations, community relations and event planning programs earned her the respect of colleagues and contributed to the mission and goals of the Housing Opportunities Commission; and

WHEREAS, Susan earned numerous employee awards as a result of her contributions to the success of HOC’s legislative initiatives and special events. She was recognized for her skills in writing speeches, preparing presentations and marketing materials including a Housing Choice Voucher Program highlights video, and her work with Housing Day in Annapolis. In 2003, Susan received the prestigious Montgomery’s Best Honor Award for County Partnerships. She was also recognized for her dedication and teamwork in planning and producing a Housing Forum with a legislative work group. Susan was also instrumental in implementing and coordinating the reopening of Montgomery Arms in 2006. She engaged the Art Deco Society and the Historical Society in the event, reflecting a 1940’s theme with period costumes, music and an antique car. Her leadership and creativity set a new standard for HOC celebrations.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County expresses sincere thanks and appreciation to Susan for her many contributions and wishes her good health and happiness in her retirement.
I HEREBY CERTIFY that the forgoing resolution was unanimously adopted by the Housing Opportunities Commission at a regular meeting conducted on December 4, 2013.

S
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L

Patrice Birdsong
Special Assistant to the Commission
APPROVAL OF NEW PARTICIPATING LENDERS FOR THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM

December 4, 2013

• The Commission has approved continuous lender participation in the Mortgage Purchase Program (MPP) and continuous lender solicitation for new lender participation. Currently, 26 lenders are approved for participation in the MPP.

• Continuous lender participation permits lenders to register only once for participation in the Mortgage Purchase Program and remain a participant without the issuance of bonds or from bond issue to bond issue.

• With the entry of the MPP into the Mortgage Backed Securities (MBS) market, all lenders are required to be approved by U.S. Bank, N.A. (U.S. Bank) which has been approved by the Commission as Master Servicer for the MBS Program.

• Twenty of the previously approved MPP lenders have also been approved by U.S. Bank and one is pending approval.

• The approved MPP lenders are the only lenders who have access to the Revolving County Closing Cost Assistance Program; they also prequalify MPDU applicants.

• Bay Capital Mortgage Corp., Embrace Home Loans and Peoples Home Mortgage, a division of Peoples Bank, have applied for participation in the MPP and have satisfied the criteria for admission.

• Staff recommends approval of Bay Capital Mortgage Corp., Embrace Home Loans and Peoples Home Mortgage as MPP participating lenders, bringing the total of approved lenders to 29.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Kayrine Brown, Director Division: Mortgage Finance Ext. 9589

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

DATE: December 4, 2013

STATUS: Consent ___ X ___ Deliberation ___ Status Report ___ Future Action ______

OVERALL GOAL & OBJECTIVE:
To provide mortgage financing to low-to-moderate income first time home buyers in Montgomery County at below market rates.

BACKGROUND:
The Commission has approved the continuous participation of lenders from program to program and an ongoing admission of new lenders to the Mortgage Purchase Program (MPP). As lenders apply for participation in the MPP, the requests are submitted to the Commission for approval. Increasing lender participation broadens the exposure to the Commission’s mortgage product as well as to the Revolving County Closing Cost Assistance Program because the closing cost assistance loan must be used in conjunction with a MPP first mortgage.

The criteria for participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name and 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank, N.A. (U.S. Bank), HOC’s master servicer for the Mortgage Backed Securities (MBS) program. Bay Capital Mortgage Corp., Embrace Home Loans and Peoples Home Mortgage, a division of Peoples Bank, have submitted requests to participate in the MPP.

The Commission has approved 26 lenders to participate in the MPP. Of that group, 20 have been approved by U.S. Bank and one is pending the bank’s approval (see Attachment). With the approval of Bay Capital Mortgage Corp., Embrace Home Loans and Peoples Home Mortgage, the total number of lenders to participate in the MBS/MPP will increase to 23 approved plus one pending approval by U.S. Bank.

Approved lenders receive training from HOC staff and U.S. Bank before they are allowed to begin originating and closing loans in the MPP. Under the MBS program, HOC underwrites for compliance and the lenders underwrite for credit worthiness.
Lender approval will apply to both the 1979 Single Family Bond Resolution and the 2009 Single Family Bond Resolution.

**Bay Capital Mortgage Corporation**

Bay Capital Mortgage Corp., headquartered in Annapolis, MD, has been committed to lending to low-to moderate-income borrowers since the company was founded in 1994. For over 18 years, they reportedly have been building a strong reputation as an outstanding mortgage banking firm, serving the lending needs of real estate professionals, builders and individual homebuyers throughout the Mid Atlantic Region and Florida.

The company’s commitment to lending to low- and moderate-income home ownership is evident as the percentage of loan activity for purchases during the previous year has been made to median income levels at or below 64% for the Washington DC SMSA. They also offer the Fannie Mae and Freddie Mac programs for low-to moderate-income homebuyers.

Bay Capital Corp. currently participates in the Maryland CDA program, Prince Georges MY Home program, USDA and the North Carolina Housing Finance Administration Bond program. Bay Capital has originated over 253 loans through these programs.

Bay Capital offers application forms that are translated in Spanish & Hindi and have staff fluent in Spanish, Hindi and Malayalam. They also accept online applications use TTY for hearing impaired. Loan Officers will also take loan application at the customer’s home if they have any difficulty with transportation.

Bay Capital Corp. is a FHA approved lender and is already an approved lender with U.S. Bank’s MRBP division.

**Embrace Home Loans (Embrace)**

Established in 1983, Embrace Home Loans is headquartered in Newport, RI but has several branches located throughout the state of Maryland with two in Montgomery County. The management team averages over 18 years of experience with the company. One of the company’s loan officers located at the Rockville branch is a seasoned member of its team who has worked for many years with the HOC program. She has been an advocate of the MPP program and has assisted the single family staff in the past with Homeownership education for HOC’s residents. Embrace is committed to its customers by finding the right mortgage solutions. They have an A+ rating with the Better Business Bureau, among the best in the business. Its streamlined lending process means they can close in half the time of most other lenders.

Embrace Home Loans currently participates in several state bond programs. To name a few, Maryland CDA, VHDA, Delaware State Housing Authority, Pennsylvania, Florida and Georgia bond programs. It currently offers USDA mortgages as well as the Fannie Mae My Community Mortgage.
Within the Washington D.C. area, Embrace Home Loans has originated 2,094 loans with approximately 37% of that lending activity among members of the minority population. Embrace Home Loans is willing to market its lending programs in conjunction with the HOC Mortgage Purchase Program.

Embrace Home Loans is a FHA, Fannie Mae, and Freddie Mac approved lender and is already an approved lender with U.S. Bank’s MRBP division.

**Peoples Home Mortgage (PHM), a division of Peoples Bank**

Peoples Bank was charted back in 1871 in Ottawa, KS. The small bank was purchased in 1974 and planted the seeds for a totally new concept in banking. Today, Peoples Bank remains family owned and still headquartered in Ottawa, KS. It is a full service banking organization with banking, mortgage and wealth management locations in California, Kansas, Missouri, Minnesota, New Mexico, Arizona, Indiana, Ohio, Delaware, Pennsylvania and Maryland. Peoples Bank was approved to sell to FNMA November 2012 and FHLMC January 2002. Peoples Home Mortgage, a division of Peoples Bank, has opened and is in the process of opening offices in the state of Maryland. They currently have an office in Glen Burnie and will open offices in Eldersburg, MD.

PHM understands the moderate income buyer and is committed to devoting the necessary time with these buyers and will commit to outreach efforts to assist non-English speaking customers, hearing impaired and the disabled in the loan process. PHM requires a face-to-face application interview with all first time homebuyers. PHM is committed to actively marketing the MPP product.

PHM has employed a loan officer who has originated many loans through another participating HOC lender and is eager to continue using the HOC product. She has been an advocate of the MPP program and assisted the single family staff in the past with Homeownership education for HOC’s residents. Peoples Home Mortgage also hired other loan originators and underwriters with vast knowledge and experience in single family tax exempt bond programs.

PHM currently participates in the California, Ohio and VHDA Bond programs and has submitted an application for the Maryland CDA program. It currently offers USDA mortgages.

Peoples Home Mortgage is a FNMA, FHLMC and FHA approved lender. PHM is already an approved lender with U.S. Bank’s MRBP division.
**Servicing**
Under the HOC MBS Program, lenders will release servicing and receive a loan origination fee of between 2% and 0% based on when the loan is purchased. Lenders receive a higher origination fee the earlier the loan is purchased. Servicing is handled through U.S. Bank which the Commission has approved as the Master Servicer.

**ISSUES FOR CONSIDERATION:**
Does the Commission wish to approve Bay Capital Mortgage Corp., Embrace Home Loans and Peoples Home Mortgage for participation in the Mortgage Purchase Program?

**PRINCIPALS:**
Bay Capital Mortgage Corp.,
Embrace Home Loans
Peoples Home Mortgage, a division of Peoples Bank
Housing Opportunities Commission

**BUDGET IMPACT:**
None.

**TIME FRAME:**
A decision at the December 4, 2013 meeting of the Commission.

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**
Staff recommends approval of Bay Capital Mortgage Corp., Embrace Home Loans and Peoples Home Mortgage, a division of Peoples Bank, for participation in the Mortgage Purchase Program.
RESOLUTION:                   RE: Approval of New Participating
                             Lenders for the Single Family
                             Mortgage Purchase Program

WHEREAS, the Housing Opportunities Commission of Montgomery County approves
lenders to participate in the Mortgage Purchase Program; and

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

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

WHEREAS, Bay Capital Mortgage Corp., Embrace Home Loans and Peoples Home
Mortgage, a division of Peoples Bank, have applied for participation in the Mortgage Purchase
Program; and

WHEREAS, Bay Capital Mortgage Corp., Embrace Home Loans and Peoples Home
Mortgage, a division of Peoples Bank, have satisfied the required criteria for admittance to the
Mortgage Purchase Program.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of
Montgomery County that Bay Capital Mortgage Corp., Embrace Home Loans and Peoples Home
Mortgage, a division of Peoples Bank, are approved for participation in the Mortgage Purchase
Program, effective immediately.

S
E
A
L

Patrice M. Birdsong
Special Assistant to the Commission
# Approved HOC/U.S. Bank Lenders

<table>
<thead>
<tr>
<th></th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>APEX HOME LOANS, INC.</td>
</tr>
<tr>
<td>2</td>
<td>C &amp; F MORTGAGE CORPORATION</td>
</tr>
<tr>
<td>3</td>
<td>CALIBER FUNDING LLC</td>
</tr>
<tr>
<td>4</td>
<td>EAGLE BANK (pending bond division approval)</td>
</tr>
<tr>
<td>5</td>
<td>FIRST HOME MORTGAGE</td>
</tr>
<tr>
<td>6</td>
<td>HOMESTEAD FUNDING CORP.</td>
</tr>
<tr>
<td>7</td>
<td>MORTGAGE MASTER, INC.</td>
</tr>
<tr>
<td>8</td>
<td>MONARCH MORTGAGE</td>
</tr>
<tr>
<td>9</td>
<td>NVR MORTGAGE</td>
</tr>
<tr>
<td>10</td>
<td>MOVEMENT MORTGAGE, LLC</td>
</tr>
<tr>
<td>11</td>
<td>PRESIDENTIAL BANK, FSB</td>
</tr>
<tr>
<td>12</td>
<td>PRIMELENDING</td>
</tr>
<tr>
<td>13</td>
<td>PROSPECT MORTGAGE</td>
</tr>
<tr>
<td>14</td>
<td>PROSPERITY MORTGAGE</td>
</tr>
<tr>
<td>15</td>
<td>REAL ESTATE MORTGAGE NETWORK, INC. (REMN)</td>
</tr>
<tr>
<td>16</td>
<td>STEARNS LENDING, INC.</td>
</tr>
<tr>
<td>17</td>
<td>THE WASHINGTON SAVINGS BANK</td>
</tr>
<tr>
<td>18</td>
<td>UNION MORTGAGE</td>
</tr>
<tr>
<td>19</td>
<td>UNIVERSAL AMERICAN MORTGAGE CO.</td>
</tr>
<tr>
<td>20</td>
<td>WELLS FARGO HOME MORTGAGE</td>
</tr>
<tr>
<td>21</td>
<td>WEICHERT FINANCIAL SERVICES</td>
</tr>
</tbody>
</table>
Information Exchange
### December 2013

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Legislative and Regulatory Committee (Roman, Banks, Lindstrom) rescheduled</td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>4</td>
<td>Longevity Reception (All) (Atrium)</td>
<td>3:00 p.m.</td>
</tr>
<tr>
<td>4</td>
<td>HOC Regular Meeting</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>12</td>
<td>Budget Finance and Audit Committee (Kator, Piñero, Roman)</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>13</td>
<td>Status/Lunch Meeting w/Executive Director (All) (Location TBD)</td>
<td>12:00 noon</td>
</tr>
<tr>
<td>16</td>
<td>Agenda Formulation (Piñero, Roman)</td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>16</td>
<td>Resident Advisory Board (Banks)</td>
<td>7:00 p.m.</td>
</tr>
<tr>
<td>18</td>
<td>Information and Communication Committee (Banks)</td>
<td>12:30 p.m.</td>
</tr>
<tr>
<td>19</td>
<td>Development and Finance Committee (Lindstrom, Edson)</td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>24-31</td>
<td>Christmas Holiday (HOC Closed)</td>
<td></td>
</tr>
</tbody>
</table>

### January 2014

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New Year’s Day Holiday (HOC Closed)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>HOC Regular Meeting</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>10</td>
<td>Information and Communication Committee (Banks)</td>
<td>12:30 p.m.</td>
</tr>
<tr>
<td>20</td>
<td>Martin Luther King, Jr. Day (HOC Closed)</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Legislative and Regulatory Committee (Roman, Banks, Lindstrom)</td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>23</td>
<td>Development and Finance Committee (Lindstrom, Edson)</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>27</td>
<td>Agenda Formulation (Piñero, Roman)</td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>27</td>
<td>Resident Advisory Board (Banks)</td>
<td>7:00 p.m.</td>
</tr>
</tbody>
</table>

### February 2014

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>HOC Annual Meeting (HOC Annual Meeting Reception, 3:00 p.m.)</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>17</td>
<td>President’s Day (HOC Closed)</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Budget Finance and Audit Committee (2nd Quarter) (Kator, Piñero, Roman)</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td>20</td>
<td>Development and Finance Committee (Lindstrom, Edson)</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>21</td>
<td>Information and Communication Committee (Banks)</td>
<td>12:30 p.m.</td>
</tr>
<tr>
<td>24</td>
<td>Agenda Formulation (Piñero, Roman)</td>
<td>1:00 p.m.</td>
</tr>
<tr>
<td>24</td>
<td>Resident Advisory Board (Banks)</td>
<td>7:00 p.m.</td>
</tr>
</tbody>
</table>

### March 2014

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>HOC Regular Meeting</td>
<td>4:00 p.m.</td>
</tr>
<tr>
<td>14</td>
<td>Information and Communication Committee (Banks)</td>
<td>12:30 p.m.</td>
</tr>
<tr>
<td>18</td>
<td>Legislative and Regulatory Committee (Roman, Lindstrom, Banks)</td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>20</td>
<td>Development and Finance Committee (Lindstrom, Edson)</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td>24</td>
<td>Resident Advisory Board (Banks)</td>
<td>7:00 p.m.</td>
</tr>
</tbody>
</table>
April 2014

2
HOC Regular Meeting
4:00 p.m.

10
Budget Finance and Audit Committee (Kator, Piñero, Roman)
10:00 a.m.

15
Development and Finance Committee (Lindstrom, Edson)
11:30 a.m.

18
Information and Communication Committee (Banks)
12:30 p.m.

28
Agenda Formulation (Piñero, Lindstrom)
1:00 p.m.

May 2014

1
Budget Finance and Audit Committee (Opportunity Housing) (Kator, Piñero, Roman)
10:00 a.m.

7
HOC Regular Meeting
4:00 p.m.

8
Budget Finance and Audit Committee (Mortg. Fin./Real Estate) (Kator, Piñero, Roman)
10:00 a.m.

13
Legislative and Regulatory Committee (Roman, Lindstrom, Banks)
2:00 p.m.

14
Development and Finance Committee (Lindstrom, Edson)
11:30 a.m.

15
Budget Finance and Audit Committee (Wrap-up) (Kator, Piñero, Roman)
10:00 a.m.

16
Information and Communication Committee (Banks)
12:30 p.m.

20
Budget Finance and Audit Committee (Kator, Piñero, Roman)
10:00 a.m.

Activities of Interest

TBD
Joint Meeting with Commission on People with Disabilities

TBD
Joint Meeting with the Planning Board

Hearing Board

TBD
Joint Meeting with Commission on People with Disabilities

TBD
Joint Meeting with the Planning Board

Dec. – Jan. (Edson)
## TO DO / ACTION

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>DUE DATE</th>
<th>ACTION</th>
<th>STAFF</th>
<th>STATUS</th>
</tr>
</thead>
</table>
Committee Reports and Recommendations for Action
APPROVAL TO ACCEPT DHMH FY14 GRANT FUNDING AND BORROW PRE-DEVELOPMENT FUNDING FOR THE ACQUISITION OF TWO HOMES FOR USE AND OPERATION BY JUBILEE ASSOCIATION OF MARYLAND, INC.

December 4, 2013

• HOC is the recipient of a FY14 grant from the Maryland Department of Health and Mental Hygiene (DHMH) Administration-Sponsored Capital Program.

• The grant award, up to $835,000 or 75% of the estimated project costs, is to be used for the purchase and renovation of two single family homes that would each house three low-income, developmentally disabled adults and one live-on aide employed by Jubilee Association of Maryland, Inc. (Jubilee).

• Included in HOC’s grant application was a letter of consideration from the Montgomery County Department of Housing and Community Affairs (DHCA) for funding a minimum match of 25% of estimated project costs.

• As a condition of accepting the award, HOC must obtain a firm commitment from DHCA for the required match of up to $278,306. Staff will continue to pursue a firm commitment from DHCA.

• HOC will serve as owner/landlord and has requested six efficiency project-based vouchers for each home, three of which have already been approved. Jubilee will serve as principal partner agency and service provider.

• Staff presented its recommendation for acceptance of the DHMH funding and short-term pre-acquisition financing to the Development and Finance Committee on November 14, 2013 and also recommended a loan of up to $45,000 from the revolving Opportunity Housing Development Fund (OHDF) to serve as short-term pre-acquisition financing for two homes.

• Staff recommends that the Commission accept the recommendation of the Development and Finance Committee to approve acceptance of the grant of $835,000 from the Maryland DHMH as well as the funding of a pre-acquisition loan of up to $45,000 from the revolving OHDF.
MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Kayrine Brown, Director of Mortgage Finance  Ext. 9589
      Zachary Marks, Assistant Director of New Development  Ext. 9613
      Jay Shepherd, Senior Financial Analyst  Ext. 9437

RE: Approval to Accept DHMH FY14 Grant Funding and Borrow Pre-Development Funding for the Acquisition of Two Homes for use and Operation by Jubilee Association of Maryland, Inc.

DATE: December 4, 2013

STATUS: COMMITTEE REPORT: Deliberation  

OVERALL GOAL & OBJECTIVE:
To obtain Commission authorization to accept FY14 grant funding from the Maryland Department of Health and Mental Hygiene (DHMH) and to obtain approval of a loan of up to $45,000 from the revolving Opportunity Housing Development Fund (OHDF) for pre-acquisition funding to purchase and renovate two homes for developmentally disabled adults.

BACKGROUND:
HOC in partnership with Jubilee Association of Maryland, Inc. (Jubilee) has participated in three (3) projects involving the acquisition and rehabilitation of three single family homes for developmentally disabled adults. Those homes include the following:

Hermitage House
In 2007, HOC received a kick-off grant from DHMH for $492,000 and secured additional funding in the amount of $535,000 from Montgomery County DHCA to purchase and renovate a suitable home to meet the needs of three, low-income developmentally disabled adults. The property is located at 2305 Hermitage Avenue, Wheaton, MD and was delivered for occupancy in 2010.

Woodedge & Falling Creek Homes
In 2009, HOC received a second grant for FY10 from DHMH for up to $1,000,000 and secured a letter of consideration for the local match of $334,000 from DHCA to purchase and renovate two (2) suitable homes to meet the needs of six, low-income developmentally disabled adults.
On July 6, 2011, the Commission authorized the purchase of the first home at 2715 Woodedge Road and on September 7, 2011, the Commission authorized the purchase of the second home located at 2408 Falling Creek Road, both in Silver Spring, Maryland.

Prior to the Woodedge and Falling Creek renovations, DHCA could not commit the local match component because of budgetary constraints and, therefore, at its November 2010 meeting, the Commission authorized borrowing up to $334,000 as matching funds from the county Opportunity Housing Development Fund (OHDF) at 0% interest for a two-year term. The Commission further authorized borrowing up to $548,000 for short-term acquisition bridge financing from the county MPDU/Property Acquisition Fund (MPDU/PAF) at an interest rate of 0% to be repaid from DHMH grant proceeds.

All DHMH grant proceeds have been received and the MPDU/PAF has been refunded. The properties were renovated to meet “visit-ability” requirements and Jubilee’s program needs during 2011 and 2012, and the homes were delivered for occupancy in 2012 and 2013, respectively.

At its August 2012 meeting, the Commission authorized accepting two (2) loans from DHCA to meet the local match. Staff is working in earnest with DHCA to close on the loans, which will reimburse the OHDF in the amount of $271,373, before the end of calendar year 2013. This project has come in under budget, and savings under the FY10 grant may be used with the FY14 grant. Please see the final FY10 grant and project costs below:

Table 1 - FY10 Sources and Uses

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>TOTAL BUDGET</th>
<th>WOODEDGE</th>
<th>FALLING CREEK</th>
<th>ACTUAL COMBINED</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHMH Grant</td>
<td>1,000,000</td>
<td>398,171</td>
<td>352,576</td>
<td>750,748</td>
<td>(249,252)</td>
</tr>
<tr>
<td>Matching Funds</td>
<td>334,000</td>
<td>143,296</td>
<td>128,078</td>
<td>271,373</td>
<td>(62,627)</td>
</tr>
<tr>
<td>TOTAL SOURCES</td>
<td>$ 1,334,000</td>
<td>$ 541,467</td>
<td>$ 480,654</td>
<td>$ 1,022,121</td>
<td>$ (311,879)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USES</th>
<th>TOTAL BUDGET</th>
<th>WOODEDGE</th>
<th>FALLING CREEK</th>
<th>ACTUAL COMBINED</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>881,906</td>
<td>431,774</td>
<td>406,482</td>
<td>838,256</td>
<td>(43,650)</td>
</tr>
<tr>
<td>Hard Costs</td>
<td>403,560</td>
<td>104,174</td>
<td>66,928</td>
<td>171,102</td>
<td>(232,458)</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>48,534</td>
<td>5,519</td>
<td>7,244</td>
<td>12,763</td>
<td>(35,771)</td>
</tr>
<tr>
<td>TOTAL USES</td>
<td>$ 1,334,000</td>
<td>$ 541,467</td>
<td>$ 480,654</td>
<td>$ 1,022,121</td>
<td>$ (311,879)</td>
</tr>
</tbody>
</table>

**FY 14 DHMH Grant Award:**
On October 2, 2013, HOC received notification that it is the recipient of a FY14 grant from DHMH’s Administration-Sponsored Capital Program. The grant award, $835,000 (75%), is to be used for the purchase and renovation of two single-family homes that would each house three low-income developmentally disabled adults and one live-in staff. The grant award requires matching local funds in the amount of $278,306 (25%).
DHCA has provided a letter of consideration for the match requirement. Staff will continue to pursue a firm commitment from DHCA for the purchase of the homes.

The total estimated cost of the project is $1,113,224. Additionally, there is a residual balance from the FY10 funds in the amount of $249,252 that must be used prior to expending the DHMH FY14 grant. The projected Sources and Uses for the FY14 Grant are as follows:

Table 2 - FY14 Projected Sources and Uses

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>BUDGET</th>
<th>HOUSE #1</th>
<th>HOUSE #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14 DHMH Grant</td>
<td>835,000</td>
<td>417,500</td>
<td>417,500</td>
</tr>
<tr>
<td>Matching Funds</td>
<td>278,306</td>
<td>139,153</td>
<td>139,153</td>
</tr>
<tr>
<td>TOTAL SOURCES¹</td>
<td>$1,113,306</td>
<td>$556,653</td>
<td>$556,653</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USES</th>
<th>BUDGET</th>
<th>HOUSE #1</th>
<th>HOUSE #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>900,000</td>
<td>450,000</td>
<td>450,000</td>
</tr>
<tr>
<td>Hard Costs</td>
<td>150,000</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>63,306</td>
<td>31,653</td>
<td>31,653</td>
</tr>
<tr>
<td>TOTAL USES</td>
<td>$1,113,306</td>
<td>$556,653</td>
<td>$556,653</td>
</tr>
</tbody>
</table>

As staff works to close on the county loans for Woodedge and Falling Creek, staff is also working on securing a firm commitment from DHCA for the matching funds necessary for the FY14 DHMH grant.

Third-Party Providers and Pre-development Funding:
In order to achieve the intent of the FY14 grant, staff will be required to utilize third-party providers to identify and service the target acquisitions. Additionally, third party expenses will be necessary for acquisition due diligence, including but not limited to escrow deposits, appraisals, and environmental reports.

To meet short-term interim financing needs, there are two revolving loan funds approved in the County Capital Improvements Program (CIP) for use by HOC for short-term financing. HOC is authorized to borrow up to $4.5 million at any time from the OHDF to carry out development activities. And from the MPDU/PAF, HOC is authorized to use up to $12.5 million at any time for the acquisition of MPDUs and other sites and/or existing properties for low and moderate-income housing facilities to be owned and operated by HOC. As of September 30, 2013, there was $657,455 available in the OHDF and $1,800,054 available in the MPDU/PAF for use by HOC (see Attachment).

Staff is requesting approval to borrow up to $45,000 from the OHDF to serve as short-term pre-

¹ Plus $249,252 of unused proceeds from a prior grant.
acquisition financing for the two homes to be acquired. The short-term financing would be repaid upon receipt of DHMH grant proceeds. The funds would be loaned at an interest rate of 0% and the anticipated repayment would be 30-60 days post-closing, but after receipt of grant proceeds from DHMH.

For the FY14 grant, HOC will partner again with Jubilee, which will serve as the principal partner agency and service provider for the residents.

HOC in its role, will acquire, renovate and serve as landlord for the properties. The program has applied for six efficiency project based vouchers in support of the grant application and the full implementation of the program; however, only three have been awarded to date. The live-on aides will not receive vouchers.

On October 9, 2013, HOC’s Procurement Office issued an RFP for Real Estate Brokerage Services (RFP #1903) to three reputable brokerage firms that service Montgomery County. Responses were due on October 24, 2013. As of the deadline, the sole respondent was Jackie Simon Homes. Jackie Simon is the owner of Jackie Simon Homes and is a licensed broker in Maryland. She has completed over 2,700 successful real estate transactions over a 35-year career in Montgomery County. She has also been involved in fair housing issues for 40 years and is a well-known advocate for disability-rights. Based on Ms. Simon’s experience and overall familiarity with the work, HOC selected Jackie Simon Homes to assist in the identification and acquisition of the next two homes for Jubilee.

Conclusion
While staff has been assured that the DHMH grant funding is secured, there is urgency to move quickly with the various tasks required to identify two suitable homes. Like the previous grant awards, the new funding will be distributed on a first-come, first-served basis. Home selections will be based on purchase price, size, topography, proximity to community amenities including public transportation and shopping, and the feasibility and cost of barrier-free design and implementation. Once identified, staff will return to seek Commission approval for the acquisitions.

ISSUES FOR CONSIDERATION:
Does the Commission wish to accept the recommendation of the Development and Finance Committee and authorize the acceptance of funding from the Maryland Department of Health and Mental Hygiene to be used for the purchase and renovation of two homes for developmentally disabled adults?

Does the Commission wish to accept the recommendation of the Development and Finance Committee and authorize HOC staff to proceed with identifying the two homes and borrowing up $45,000 from the revolving Opportunity Housing Development Fund (OHDF) for pre-development expenses?
PRINCIPALS:
Maryland Department of Health and Mental Hygiene (DHMH)
Housing Opportunities Commission (HOC)
Montgomery County Department of Housing and Community Affairs (DHCA)
Jubilee Association of Maryland, Inc. (Jubilee)

BUDGET IMPACT:
If the Grant award is accepted for 2014, the $835,000 will be incorporated into the HOC FY14 Capital Budget via a budget amendment.

TIME FRAME:
Action at the December 4, 2013 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and authorize the acceptance of FY14 grant funding from the Maryland Department of Health and Mental Hygiene to be used for the purchase and renovation of two homes for developmentally disabled adults.

Staff further recommends the approval of a short-term loan of up to $45,000 from the revolving Opportunity Housing Development Fund (OHDF) to serve as pre-acquisition financing for the two homes to be acquired.
RESOLUTION: RE: Approval to Accept DHMH FY14 Grant Funding and Borrow Pre-Development Funding for the Acquisition of Two Homes for Use and Operation by Jubilee Association of Maryland, Inc.

WHEREAS, the Housing Opportunities Commission of Montgomery County (HOC) is the recipient of a FY14 grant from the Maryland Department of Health and Mental Hygiene (DHMH) Administration-Sponsored Capital Program; and

WHEREAS, the grant award of up to $835,000 or 75% of the estimated project costs is to be used for the purchase and renovation of two single family ranch-type homes that would each house three low income, developmentally disabled adults and one live-on aide employed by Jubilee Association of Maryland, Inc. (Jubilee); and

WHEREAS, as a condition of accepting the award from DHMH, HOC must obtain a firm commitment from Montgomery County Department of Housing and Community Affairs (DHCA) for the required 25% match of up to $278,306; and

WHEREAS, with the funding from the grant from DHMH and DHCA, HOC will acquire and renovate the units and serve as owner/landlord and will provide three efficiency project-based vouchers for each home; and

WHEREAS, Jubilee will serve as principal partner agency and service provider.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that:

1. The Executive Director is authorized to accept a grant award of up to $835,000 from DHMH for the purpose of acquiring and renovating two single family homes to serve developmentally disabled residents and is further authorized to execute any and all necessary documents in connection with obtaining and closing on such funding; and

2. The Executive Director is authorized to pursue a firm commitment and thereafter accept required matching funds and any bridge loans from DHCA for the same purpose and is further authorized to execute any and all necessary documents in connection with obtaining or closing such financing.
3. The Commission authorizes the use up to a maximum of $45,000 from the Opportunity Housing Development Fund for pre-development financing to be repaid upon closing on approved acquisitions.

Patrice M. Birdsong
Special Assistant to the Commission
Deliberation
and/or
Action
Future Action
Information Exchange
New Business
Executive Session
Findings
Recess
Limited Partnership Meeting
SHADY GROVE APARTMENTS LIMITED PARTNERSHIP

APPROVAL OF PROPERTY MANAGEMENT CONTRACT FOR SHADY GROVE APARTMENTS

December 4, 2013

• Shady Grove Apartments is a 144-unit apartment community, constructed in 1980 and located in Gaithersburg. The property is 100% affordable to families at or below 50% of median income under the Section 8 and Low Income Housing Tax Credit program.

• In accordance with the HOC Procurement Policy, a Request for Proposals (RFP) was issued for the management of Shady Grove Apartments.

• Responses were received from six management companies including Edgewood Management, who currently manages the property.

• Staff from the Finance, Real Estate, Compliance and Property Management Divisions interviewed and scored the candidates in accordance with the RFP criteria.

• Based on a review of submitted management proposals and pricing, staff scored the results and determined that Edgewood Management, with the highest cumulative score, is the best candidate for the management of Shady Grove Apartments.

• As the general partner of Shady Grove Apartments Limited Partnership, the Housing Opportunities Commission (HOC) is authorized to engage a third-party to manage the property.

• Staff recommends that the Commission, as general partner of Shady Grove Apartments Limited Partnership, authorize the Executive Director of the Housing Opportunities Commission to execute a management contract with Edgewood Management for property management services at Shady Grove Apartments.
MEMORANDUM

TO: Shady Grove Apartments Limited Partnership

VIA: Stacy L. Spann, Executive Director

FROM: Division: Property Management Staff: Bobbie DaCosta: Ext: 9524
       Regina Stone-Mitchell Ext. 9522

RE: Approval of Property Management Contract for Shady Grove Apartments

DATE: December 4, 2013

STATUS: Consent _____ Deliberation _____ Status Report _____ Future Action _____

OVERALL GOAL & OBJECTIVE:
To authorize the Executive Director of the Housing Opportunities Commission, in its capacity as general partner of Shady Grove Apartments Limited Partnership, to execute a management contract with Edgewood Management for property management services at Shady Grove Apartments.

BACKGROUND:
Shady Grove Apartments is a 144-unit, garden style apartment community consisting of 44 one-bedroom units, 85 two-bedroom and 15 three-bedroom units. The community was constructed in 1980 and is close to shopping centers and major roadways. Property features include onsite laundry facilities, playgrounds, and a community center with computer lab. Shady Grove is 100% Section 8/Tax Credit and serves families earning at or below 50% of median income.

A Request for Proposals (RFP) was issued in accordance with HOC’s Procurement Policy for management of Shady Grove Apartments. HOC received responses from six management companies.

- Edgewood Management Corporation
- Equity Management II, LLC
- Ross Management Services, Inc.
- McShea Management
- Orion Real Estate
- Balfour Beatty Communities/Magnolia Housing
Based on review and scoring of the responses to the RFP criteria, staff determined that all of responding companies possessed the required minimum qualifications.

Staff from Property Management, Real Estate Development, Finance and Compliance served as the review panel. Scoring criteria included the following factors and the assigned relative weight:

- Management of similar properties in Montgomery County (10)
- Experience and qualifications of personnel (10)
- Experience in capital improvements (10)
- Experience in compliance and audits (15)
- Experience planning resident activities (5)
- References and review of submitted materials (20)
- Expected fee and review of submitted materials (30)

Edgewood Management Corporation, who currently manages Shady Grove Apartments, received the highest score and was considered to be best suited to retain management of the property. Although Edgewood did not propose the lowest management fee, we are recommending Edgewood based on the following:

- Strength and efficiency in managing affordable properties in Montgomery County, several within the HOC portfolio
- Positive history with the property, including receipt of two prestigious awards in 2013: PACE and Keep Montgomery County Beautiful.
- Strong compliance record, including a flawless Tax Credit review; a strong corporate compliance division and a 2013 REAC score of 99a.

Orion and Balfour Beatty received lower scores for overall experience, and neither has demonstrated experience in affordable properties within Montgomery County. Ross Management’s proposed pricing structure was considered to be unreasonably low to ensure efficient operations and their management of renovation projects was limited to only five projects. McShea’s pricing was considerably higher and Equity’s proposal did not score high enough to justify a change in management.

Staff is proposing awarding a management contract to Edgewood Management for a term of three years.

**ISSUES FOR CONSIDERATION:**
Does the Commission, as General Partner of Shady Grove Apartments Limited Partnership, wish to authorize the Executive Director to execute a management contract with Edgewood Management for property management services at Shady Grove Apartments?
BUDGET IMPACT:
Edgewood Management Corporation proposed a management fee of $36.00 per unit per month with an additional $4.00 per unit per month for frontline accounting activities and bookkeeping fees.

TIME FRAME:
For Limited Partnership action at the December 4, 2013 meeting. The Budget, Finance and Audit Committee approved the recommendation at the November 22, 2013 Committee meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
To authorize the Executive Director of the Housing Opportunities Commission as General Partner of Shady Grove Apartments Limited Partnership, to execute, on behalf of the limited partnership, a management contract with Edgewood Management for property management services at Shady Grove Apartments.
RESOLUTION NO. _____  RE: Approval of Property Management Contract for Shady Grove Apartments

WHEREAS, Shady Grove Apartments Limited Partnership (the “Partnership”) is the owner of the Shady Grove Apartments located in Gaithersburg, Maryland; and

WHEREAS, the Housing Opportunities Commission is the General Partner of the Partnership authorized to conduct the business of the Partnership; and

WHEREAS, the Housing Opportunities Commission issued a Request for Proposals (RFP) for management of Shady Grove Apartments; and

WHEREAS, based on the criteria included in the RFP, pricing from six responding companies and a review of the responses including, among other factors, experience with similar properties, staffing and affordable housing expertise, Edgewood Management is deemed to be most qualified to manage Shady Grove Apartments.

NOW, THEREFORE, BE IT RESOLVED by Shady Grove Apartments Limited Partnership that the Executive Director of the Housing Opportunities Commission, as General Partner of the Partnership, is hereby authorized to execute a contract for a term of three (3) years with Edgewood Management for property management services at Shady Grove Apartments for a fee as stated in its response to the RFP.

I HEREBY CERTIFY that the foregoing resolution was adopted on behalf of Shady Grove Apartments Limited Partnership on December 4, 2013.

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Patrice Birdsong
Special Assistant to the Commission
# ATTACHMENT A: MANAGEMENT FEE DETAIL

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<tr>
<th>Property</th>
<th>Management Company</th>
<th># of Units</th>
<th>PUPM Rent Rev</th>
<th>Monthly Rent</th>
<th>Annual Rent</th>
<th>Comments</th>
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* accounting software, PO system, utility billing, webmail, data plan, admin costs, resident surveys
THE WILLOWS OF GAITHERSBURG LIMITED PARTNERSHIP

APPROVAL OF PROPERTY MANAGEMENT CONTRACT FOR THE WILLOWS

December 4, 2013

• The Willows is a 195-unit garden style apartment community located in Gaithersburg. The property is 100% affordable to families at or below 50% of median income under the Low Income Housing Tax Credit program, with additional income restrictions under the HOME and RAP program.

• In accordance with the HOC Procurement Policy, a Request for Proposals (RFP) was issued for the management of The Willows of Gaithersburg.

• Responses were received from six management companies including Edgewood Management, who currently manages the property.

• Staff from the Finance, Real Estate, Compliance and Property Management Divisions interviewed and scored the candidates in accordance with the RFP criteria.

• Based on a review of submitted management proposals and pricing, staff scored the results and determined that Edgewood Management, with the highest cumulative score, is the best candidate for the management of The Willows.

• As the general partner of The Willows of Gaithersburg Limited Partnership, the Housing Opportunities Commission (HOC) is authorized to engage a third-party to manage the property.

• Staff recommends that the Commission, as general partner of The Willows of Gaithersburg Limited Partnership, authorize the Executive Director of the Housing Opportunities Commission to execute a management contract with Edgewood Management for property management services at The Willows.
MEMORANDUM

TO: The Willows of Gaithersburg Limited Partnership

VIA: Stacy L. Spann, Executive Director

FROM: Division: Property Management   Staff: Bobbie DaCosta: Ext: 9524
                        Regina Stone-Mitchell  Ext: 9522

RE: Approval of Property Management Contract for The Willows

DATE: December 4, 2013

STATUS: Consent ____ Deliberation ___X___ Status Report ____ Future Action ____

OVERALL GOAL & OBJECTIVE:
To authorize the Executive Director of the Housing Opportunities Commission, in its capacity as general partner of The Willows of Gaithersburg Limited Partnership, to execute a management contract with Edgewood Management for property management services at The Willows.

BACKGROUND:
The Willows is a 195-unit, garden style apartment community located in an established area of Gaithersburg. Consisting of 104 one-bedroom units and 91 two-bedroom units, the community is nearby shopping centers and Interstate 270. Constructed in 1975, interior renovations of all units were completed in 1999 and the property chiller replaced in 2008. The Willows is affordable to families at or below 50% of the median income under the Low Income Housing Tax Credit program, with additional income restrictions under the HOME and RAP programs.

A Request for Proposals (RFP) was issued in accordance with HOC’s Procurement Policy for management of The Willows of Gaithersburg. HOC received responses from six management companies.

- Edgewood Management Corporation
- Equity Management II, LLC
- Ross Management Services, Inc.
- McShea Management
- Orion Real Estate
- Balfour Beatty Communities/Magnolia Housing
Based on review and scoring of the responses to the RFP criteria, staff determined that all of responding companies possessed the required minimum qualifications.

Staff from Property Management, Real Estate Development, Finance and Compliance served as the review panel. Scoring criteria included the following factors and the assigned relative weight:

- Management of similar properties in Montgomery County (10)
- Experience and qualifications of personnel (10)
- Experience in capital improvements (10)
- Experience in compliance and audits (15)
- Experience planning resident activities (5)
- References and review of submitted materials (20)
- Expected fee and review of submitted materials (30)

Edgewood Management Corporation, who currently manages The Willows, received the highest score and was considered to be best suited to retain management of the property. Although Edgewood did not propose the lowest management fee, we are recommending Edgewood based on the following:

- Strength and efficiency in managing affordable properties in Montgomery County, several within the HOC portfolio
- Positive history with the property, including receipt of two prestigious awards in 2013: PACE and Keep Montgomery County Beautiful.
- Strong compliance record, including a flawless Tax Credit review; a strong corporate compliance division and a 2012 REAC score of 92a.

Orion and Balfour Beatty received lower scores for overall experience, and neither has demonstrated experience in affordable properties within Montgomery County. Ross Management’s proposed pricing structure was considered to be unreasonably low to ensure efficient operations and their management of renovation projects was limited to only five projects. McShea’s pricing was considerably higher and Equity’s proposal did not score high enough to justify a change in management.

Staff is proposing a management contract for a term of three years.

**ISSUES FOR CONSIDERATION:**

Does the Commission, as General Partner of The Willows of Gaithersburg Limited Partnership, wish to authorize the Executive Director to execute a management contract with Edgewood Management for property management services at The Willows?
BUDGET IMPACT:
Edgewood Management Corporation proposed a management fee of $36.00 per unit per month with an additional $4.00 per unit per month for frontline accounting activities and bookkeeping fees.

TIME FRAME:
For Limited Partnership action at the December 4, 2013 meeting. The Budget, Finance and Audit Committee approved the recommendation at the November 22, 2013 Committee meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
To authorize the Executive Director of the Housing Opportunities Commission as General Partner of The Willows of Gaithersburg Limited Partnership, to execute, on behalf of the limited partnership, a management contract with Edgewood Management for property management services at The Willows.
THE WILLOWS OF GAITHERSBURG LIMITED PARTNERSHIP

RESOLUTION NO. _____

RE: Approval of Property Management Contract for The Willows

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

WHEREAS, the Housing Opportunities Commission is the General Partner of the Partnership authorized to conduct the business of the Partnership; and

WHEREAS, the Housing Opportunities Commission issued a Request for Proposals (RFP) for management of The Willows; and

WHEREAS, based on the criteria included in the RFP, pricing from six responding companies and a review of the responses including, among other factors, experience with similar properties, staffing and affordable housing expertise, Edgewood Management is deemed to be most qualified to manage The Willows.

NOW, THEREFORE, BE IT RESOLVED by The Willows of Gaithersburg Limited Partnership that the Executive Director of the Housing Opportunities Commission, as General Partner of the Partnership, is hereby authorized to execute a contract for a term of three (3) years with Edgewood Management for property management services at The Willows for a fee as stated in its response to the RFP.

I HEREBY CERTIFY that the foregoing resolution was adopted on behalf of The Willows of Gaithersburg Limited Partnership on December 4, 2013.

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Patrice Birdsong
Special Assistant to the Commission
## ATTACHMENT A: MANAGEMENT FEE DETAIL

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<td>62,208</td>
<td>charges for additional services*</td>
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* accounting software, PO system, utility billing, webmail, data plan, admin costs, resident surveys
FOREST OAK TOWERS LIMITED PARTNERSHIP

APPROVAL OF PROPERTY MANAGEMENT CONTRACT FOR FOREST OAK TOWERS

December 4, 2013

- Forest Oak Towers is a 175-unit ten-story high rise, for residents 62 years or older. The building is 100% Section 8 and 100% Low Income Housing Tax Credit.

- In accordance with the HOC Procurement Policy, a Request for Proposals (RFP) was issued for the management of Forest Oak Towers.

- Responses were received from six management companies including Ross Management Services, Inc., who currently manages the property.

- Staff from the Finance, Real Estate, Compliance and Property Management Divisions interviewed and scored the candidates in accordance with the RFP criteria.

- Based on a review of submitted management proposals and pricing, staff scored the results and determined that Ross Management Services, Inc., with the highest cumulative score, is the best candidate for the management of Forest Oak Towers.

- As the general partner of Forest Oak Towers Limited Partnership, the Housing Opportunities Commission (HOC) is authorized to engage a third-party to manage the property.

- Staff recommends that the Commission, as general partner of Forest Oak Towers Limited Partnership, authorize the Executive Director of the Housing Opportunities Commission to execute a management contract with Ross Management Services, Inc. for property management services at Forest Oak Towers.
MEMORANDUM

TO: Forest Oak Towers Limited Partnership

VIA: Stacy L. Spann, Executive Director

FROM: Division: Property Management       Staff: Bobbie DaCosta: Ext: 9524
                                      Regina Stone-Mitchell       Ext. 9522

RE: Approval of Property Management Contract for Forest Oak Towers

DATE: December 4, 2013

STATUS: Consent _____ Deliberation ___X__ Status Report ___ Future Action ___

OVERALL GOAL & OBJECTIVE:
To authorize the Executive Director of the Housing Opportunities Commission, in its capacity as
general partner of Forest Oak Towers Limited Partnership, to execute a management contract
with Ross Management Services, Inc. for property management services at Forest Oak Towers.

BACKGROUND:
Forest Oak Towers is a 175-unit ten-story high rise, for residents 62 years or older. The building
is 100% Section 8 and 100% Low Income Housing Tax Credit. Constructed in 1981, Forest Oak
Towers underwent major renovation in 2008 and offers residents a business center, community
room, library and garden plots. Located in the City of Gaithersburg, there is a bus stop in front
of the building with grocery, restaurants and Lakeforest Mall all within walking distance.

A Request for Proposals (RFP) was issued in accordance with HOC’s Procurement Policy for
management of Forest Oak Towers. HOC received responses from six management companies.

- Ross Management Services, Inc. Corporation
- Equity Management II, LLC
- Ross Management Services, Inc.
- McShea Management
- Orion Real Estate
- Balfour Beatty Communities/Magnolia Housing
Based on review and scoring of the responses to the RFP criteria, staff determined that all of responding companies possessed the required minimum qualifications.

Staff from Property Management, Real Estate Development, Finance and Compliance served as the review panel. Scoring criteria included the following factors and the assigned relative weight:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Weight</th>
</tr>
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<tbody>
<tr>
<td>Management of similar properties in Montgomery County</td>
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<tr>
<td>Experience and qualifications of personnel</td>
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<td>Experience in capital improvements</td>
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<td>Experience in compliance and audits</td>
<td>15</td>
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<tr>
<td>Experience planning resident activities</td>
<td>5</td>
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<tr>
<td>References and review of submitted materials</td>
<td>20</td>
</tr>
<tr>
<td>Expected fee and additional charges</td>
<td>30</td>
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</tbody>
</table>

Ross Management Services Inc., who currently manages Forest Oak Towers, was considered to be best suited to retain management of the property. Although Ross did not propose the lowest management fee, we are recommending Ross based on the following:

- Positive history with the property
- A proposed management fee that is fair and reasonable
- Strong compliance record, including a flawless Tax Credit review and a 2012 REAC score of 91c.

Orion and Balfour Beatty received lower scores for overall experience, and neither has demonstrated experience in affordable properties within Montgomery County. Pricing from Edgewood, Equity and McShea was considerably higher.

Staff is proposing a management contract for a term of three years.

**ISSUES FOR CONSIDERATION:**
Does the Commission, as General Partner of Forest Oak Towers Limited Partnership, wish to authorize the Executive Director to execute a management contract with Ross Management Services, Inc. for property management services at Forest Oak Towers?

**BUDGET IMPACT:**
Ross Management Services, Inc. proposed a management fee of 2.75% of annual managing revenue.

**TIME FRAME:**
For Limited Partnership action at the December 4, 2013 meeting. The Budget, Finance and Audit Committee approved the recommendation at the November 22, 2013 Committee meeting.
STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
To authorize the Executive Director of the Housing Opportunities Commission as General Partner of Forest Oak Towers Limited Partnership, to execute, on behalf of the limited partnership, a management contract with Ross Management Services, Inc. for property management services at Forest Oak Towers.
RESOLUTION NO. _____  RE: Approval of Property Management Contract for Forest Oak Towers

WHEREAS, Forest Oak Towers Limited Partnership (the “Partnership”) is the owner of the Forest Oak Towers located in Gaithersburg, Maryland; and

WHEREAS, the Housing Opportunities Commission is the General Partner of the Partnership authorized to conduct the business of the Partnership; and

WHEREAS, the Housing Opportunities Commission issued a Request for Proposals (RFP) for management of Forest Oak Towers; and

WHEREAS, based on the criteria included in the RFP, pricing from six responding companies and a review of the responses including, among other factors, experience with similar properties, staffing and affordable housing expertise, Ross Management Services, Inc. is deemed to be most qualified to manage Forest Oak Towers.

NOW, THEREFORE, BE IT RESOLVED by Forest Oak Towers Limited Partnership that the Executive Director of the Housing Opportunities Commission, as General Partner of the Partnership, is hereby authorized to execute a contract for a term of three (3) years with Ross Management Services, Inc. for property management services at Forest Oak Towers for a fee as stated in its response to the RFP.

I HEREBY CERTIFY that the foregoing resolution was adopted on behalf of The Forest Oak Towers Limited Partnership on December 4, 2013.

__________________________________________
Patrice Birdsong
Special Assistant to the Commission
# ATTACHMENT A: MANAGEMENT FEE DETAIL

<table>
<thead>
<tr>
<th>Property</th>
<th>Management Company</th>
<th># of Units</th>
<th>PUPM</th>
<th>% of Net Rent Rev</th>
<th>Monthly</th>
<th>Annual</th>
<th>Comments</th>
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<td>144</td>
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<td>5,760</td>
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<td>4,320</td>
<td>51,840</td>
<td>78,800 as % of net rent revenue</td>
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<td>Balfour/Magnolia</td>
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<td></td>
<td>4,608</td>
<td>55,296</td>
<td>charges for additional services*</td>
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<td>Penrose</td>
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<td>7,614</td>
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* accounting software, PO system, utility billing, webmail, data plan, admin costs, resident surveys
WHEATON-UNIVERSITY BOULEVARD LIMITED PARTNERSHIP

APPROVAL OF PROPERTY MANAGEMENT CONTRACT FOR THE AMBASSADOR

December 4, 2013

- The Ambassador is a 162-unit high-rise located in Wheaton. The building is 100% affordable under the Low Income Housing Tax Credit program.

- In accordance with the HOC Procurement Policy, a Request for Proposals (RFP) was issued for the management of The Ambassador.

- Responses were received from six management companies including Equity Management II, LLC, who currently manages the property.

- Staff from the Finance, Real Estate, Compliance and Property Management Divisions interviewed and scored the candidates in accordance with the RFP criteria.

- Based on a review of submitted management proposals and pricing, staff scored the results and determined that Equity Management II, LLC, with the highest cumulative score, is the best candidate for the management of The Ambassador.

- As the general partner of Wheaton-University Boulevard Limited Partnership, the Housing Opportunities Commission (HOC) is authorized to engage a third-party to manage the property.

- Staff recommends that the Commission, as general partner of Wheaton-University Boulevard Limited Partnership, authorize the Executive Director of the Housing Opportunities Commission to execute a management contract with Equity Management II, LLC for property management services at The Ambassador.
TO: Wheaton-University Boulevard Limited Partnership

VIA: Stacy L. Spann, Executive Director

FROM: Division: Property Management Staff: Bobbie DaCosta: Ext: 9524
Regina Stone-Mitchell Ext: 9522

RE: Approval of Property Management Contract for The Ambassador

DATE: December 4, 2013

OVERALL GOAL & OBJECTIVE:
To authorize the Executive Director of the Housing Opportunities Commission, in its capacity as
general partner of Wheaton-University Boulevard Limited Partnership, to execute a
management contract with Equity Management II, LLC for property management services at
The Ambassador.

BACKGROUND:
The Ambassador is a 162-unit community consisting of 157 efficiency units and 5 one-bedroom
units. The Ambassador was constructed in 1965 as a hotel and converted to apartment homes
in 1994. It is 100% affordable under the Low Income Housing Tax Credit program. The property
is located in Wheaton, a neighborhood in transition with many new rental opportunities.

A Request for Proposals (RFP) was issued in accordance with HOC’s Procurement Policy for
management of The Ambassador. HOC received responses from six management companies.

- Ross Management Services, Inc. Corporation
- Equity Management II, LLC
- Equity Management II, LLC
- Penrose Management
- Orion Real Estate
- Balfour Beatty Communities/Magnolia Housing

Based on review and scoring of the responses to the RFP criteria, staff determined that all of
responding companies possessed the required qualifications. Proposals from each of the
candidates were reviewed and evaluated in accordance with the scoring criteria.
Based on review and scoring of the responses to the RFP criteria, staff determined that all of responding companies possessed the required minimum qualifications.

Staff from Property Management, Real Estate Development, Finance and Compliance served as the review panel. Scoring criteria included the following factors and the assigned relative weight:

- Management of similar properties in Montgomery County (10)
- Experience and qualifications of personnel (10)
- Experience in capital improvements (10)
- Experience in compliance and audits (15)
- Experience planning resident activities (5)
- References and review of submitted materials (20)
- Expected fee and additional charges (30)

Equity Management II, LLC, who currently manages The Ambassador Apartments, was considered to be best suited to retain management of the property. Although Equity Management did not propose the lowest management fee, we are recommending Equity Management based on the following:

- The anticipated redevelopment of the property in the next 24 months does not lend itself well to a change in management at this juncture
- Positive history with the property
- A proposed management fee that is fair and reasonable
- Experience with Yardi software which will be beneficial to HOC’s mission to convert all contract-managed properties to HOC hosted Yardi software

Orion and Balfour Beatty received lower scores for overall experience, and neither has demonstrated experience in affordable properties within Montgomery County. Ross Management’s proposed pricing structure was considered to be unreasonably low to ensure efficient operations and their management of renovation projects was limited to only five projects. Pricing from Edgewood and Penrose was considerably higher.

Staff is proposing a management contract for a term of two years, with possible 1-year renewal.

**ISSUES FOR CONSIDERATION:**
Does the Commission, as General Partner of Wheaton-University Boulevard Limited Partnership, wish to authorize the Executive Director to execute a management contract with Equity Management II, LLC for property management services at The Ambassador?

**BUDGET IMPACT:**
Equity Management II, LLC proposed a management fee of $37.00 per unit per month.
TIME FRAME:
For Limited Partnership action at the December 4, 2013 meeting. The Budget, Finance and Audit Committee approved the recommendation at the November 22, 2013 Committee meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:
To authorize the Executive Director of the Housing Opportunities Commission as General Partner of Wheaton-University Boulevard Limited Partnership, to execute, on behalf of the limited partnership, a management contract with Equity Management II, LLC for property management services at The Ambassador.
WHEREAS, Wheaton-University Boulevard Limited Partnership (the “Partnership”) is the owner of The Ambassador located in Wheaton, Maryland; and

WHEREAS, the Housing Opportunities Commission is the General Partner of the Partnership authorized to conduct the business of the Partnership; and

WHEREAS, the Housing Opportunities Commission issued a Request for Proposals (RFP) for management of The Ambassador; and

WHEREAS, based on the criteria included in the RFP, pricing from six responding companies and a review of the responses including, among other factors, experience with similar properties, staffing and affordable housing expertise, Equity Management II, LLC is deemed to be most qualified to manage The Ambassador.

NOW, THEREFORE, BE IT RESOLVED by Wheaton-University Boulevard Limited Partnership that the Executive Director of the Housing Opportunities Commission, as General Partner of the Partnership, is hereby authorized to execute a contract for a term of two (2) years with Equity Management II, LLC for property management services at The Ambassador for a fee as stated in its response to the RFP.

I HEREBY CERTIFY that the foregoing resolution was adopted on behalf of The Wheaton-University Boulevard Limited Partnership on December 4, 2013.

_______________________________
Patrice Birdsong
Special Assistant to the Commission
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ADJOURN