



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

DIAMOND SQUARE DEVELOPMENT CORPORATION AGENDA

March 3, 2021

			Res. #
6:32 p.m. Page 2	I. <u>DIAMOND SQUARE DEVELOPMENT CORPORATION</u>	<ul style="list-style-type: none"> • Approval of Property Management Contract Renewal 	21-001 _{DS} (pg. 5)
6:33 p.m.	<u>ADJOURN</u>		

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 and on the HOC Commission Meeting agenda.*

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

Date Posted Online: March 1, 2021

**Diamond Square - Property Management Contract:
Presentation of request to Renew the Property Management
Contract at Diamond Square Apartments**

March 3, 2021

- The Property Management Contract with Diamond Square Limited Partnership (“Diamond Square”) is expiring June 30, 2021. The contract provides for two one-year renewals.
- Staff requests that the contract for Property Management Services for Diamond Square be renewed for one (1) year with Residential One Management.

MEMORANDUM

TO: Diamond Square Development Corporation

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Jay Berkowitz Division: Property Management Ext. 4857

RE: Renewal of the Property Management Contract for Diamond Square Limited Partnership.

DATE: March 3, 2021

STATUS: Committee Report: Deliberation X

BACKGROUND:

Diamond Square Apartments is a 124-unit high-rise community consisting of 43 market and 81 units at or below 50% the Washington-Arlington-Alexandria, DC-VA-MD-WV Area Median Income (“AMI”), located in Gaithersburg. Diamond Square was constructed in 1985 as a mid-rise hotel, and was converted to apartment homes in 1991. The property was renovated from 2000-2005 and upgrades included construction of a community room and garden. Diamond Square offers fully furnished affordable units with income-based rents. The property has maintained an average occupancy of 99% over the last two years.

The property management contract for Diamond Square is expiring on June 30, 2021. Staff wishes to renew the property management contract for Diamond Square for one year with Residential One Management.

The following table details the property information, including number of units, current property management company, annual contract cost, current contract end date, proposed renewal start and end date and contract terms remaining. The management fee will be performance based.

Property	Units	Current Vendor	Annual Renewal Contract Cost	Contract End Date	Proposed Renewal Start Date/End Date	Contract Terms (Remaining Renewals)
Diamond Square	124	Residential One, LLC	\$55,800	6/30/2021	7/1/2021-6/30/2022	1 Renewal Remaining

ISSUES FOR CONSIDERATION:

Does the Board of Directors of Diamond Square Development Corporation wish to authorize the Executive Director of HOC to execute a one-year renewal of the property management services contract with Residential One Management for property management services at Diamond Square?

BUDGET IMPACT:

The renewal of the property management contract for Diamond Square for one year will not have a budget impact as the costs associated with the services were factored into the FY2021 property budget. Additionally, the renewal will be performance based so the management fee would be lower if revenue declined below budgeted expectations. In addition to occupancy, performance criteria will include REAC scoring.

TIME FRAME:

For formal action at the March 3, 2021 meeting of the Board of Directors.

STAFF RECOMMENDATION & ACTION NEEDED:

Staff requests that the Board of Directors of Diamond Square Development Corporation approve the property management contract renewal with Residential One Management for one year at Diamond Square Apartments through June 30, 2022.

RESOLUTION NO.: 21-001DS

RE: Approval to Renew Property Management Contract for Diamond Square Apartments

WHEREAS, Diamond Square Development Corporation is the general partner of Diamond Square Limited Partnership (“Diamond Square LP”), and Diamond Square LP owns the development known as Diamond Square Apartments located in Gaithersburg, Maryland (“Diamond Square”); and

WHEREAS, staff desires to renew the current property management contract at Diamond Square for one (1) year with Residential One.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Diamond Square Development Corporation, acting for itself and on behalf of Diamond Square LP, as its general partner, that the Executive Director of the Housing Opportunities Commission of Montgomery County, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract for Diamond Square.

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

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of Directors of Diamond Square Development Corporation at an open meeting conducted on March 3, 2021.

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

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