



Fireside Park Apartments

Rockville, Maryland

2015 Annual Report

May 1, 2015

Submitted to the City of Rockville Mayor and Council Members
Prepared by Rockville Housing Enterprises and RHE Fireside Park, Inc.



Fireside Park Apartments is a thriving rental community with engaged residents and a Management and Ownership team that are committed to providing outstanding service and quality housing for citizens of Rockville, Maryland.

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Background

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Fireside Park Apartments, located at 735 Monroe St., Rockville, MD, was purchased by RHE Fireside Park, Inc. in December 2012 for \$36,000,000. Montgomery County's Right of First Refusal was utilized to acquire this affordable housing complex. The City of Rockville, Montgomery County and Citi Community Capital provided loans and a grant to RHE Fireside Park to finance the acquisition.

The purchase of Fireside Park Apartments is consistent with **RHE's mission** to *enhance and preserve opportunities for quality, safe, affordable housing for the citizens of the City of Rockville*. The apartment complex is located in the heart of Rockville on 10.78 acres of land and adjacent to Dogwood Park. Fireside has affordable and market rate 1, 2 and 3 bedroom apartments.



Property Description

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- ❑ **Address:** 735 Monroe Avenue
Rockville, MD 20850-2703
- ❑ **Year Built:** 1961
- ❑ **Type:** Multifamily
- ❑ **Lot Size:** 10.78 acres
- ❑ **Property Classification:** B Class
- ❑ **Total Number of Units:** 236
- ❑ **Construction Type:** Brick and Wood Frame
- ❑ **Features:**
 - ❑ Parking, Swimming Pool, Playground, Private Patios and Balconies, Open Kitchens with Breakfast Bars, Pet Friendly Units
- ❑ **Nearby Conveniences:**
 - ❑ Rockville Red Line Metro Station MARC Station
 - ❑ Rockville Town Center Access to I-270 and I-495
 - ❑ Dog Wood Park – Baseball, Basketball, Tennis and Volleyball Courts



Unit Type Distribution

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Unit Type	Quantity	Ave. Net. SF
1 BR/1 Bath	96	669
2 BR/1 Bath	128	813
3 BR/1.5 Baths	12	984
Total	236	



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2014 Successes

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- Occupancy increased from 90% in April 2013 to 99% in December 2014.
- Property received a 98% of 100% score on the HUD Real Estate Assessment Center (REAC) physical property inspection
- All debt service payments were made timely with a residual cash of \$100,273 after all debt service and interest payments were made.

Fireside Park Unit Interior

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2 Bedroom Apartment with 1.5 Baths

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2014 Completed Capital Improvements

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Major Capital Improvements completed in 2014

- ❑ Roof Replacement
- ❑ Tie/Retaining Wall improvements
- ❑ Asphalt and Curbing
- ❑ Tuck-Pointing roof repairs
- ❑ Basement Window replacements
- ❑ Exterior Closets repairs
- ❑ Radon Remediation

2015 Planned Capital Improvements

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- **The following items are capital improvements scheduled to be completed in 2015.**
 - Modify trash receptacle areas to accommodate new larger size dumpsters
 - Replace Entrance Signs
 - Repair cracks in site concrete
 - Power wash the exterior brick
 - Waterproof foundations
 - Repair swimming pool area tie/retaining wall
 - Replace Pool Cover and Pool Furniture

Fireside Park Unit Interior

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Kitchen Cabinetry and Appliances

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Fireside Occupancy

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- Fireside Park Apartments closed out the 2014 Fiscal Year with a **99% occupancy rate**, nearly 8% over the budgeted occupancy rate of 91 %.
- **The current occupancy level is an increase of 10% from the March 2014 annual report.**
- As a result of strategic marketing, efficient property operations and committed on-site staff, the property successfully achieved a **98% occupancy rate** as of April 1, 2015.

Occupancy as of December 2014

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	Affordable @ 50% AMI	Affordable @ 60% AMI	Affordable @ 80% AMI	Market	Total
Total Units	10	84	24	118	236
Occupied Last Month 11/30/14	10	81	22	113	226
# Move-Ins	0	3	2	3	8
# Move-Outs	0	1	0	0	1
Total Units Occupied	10	83	24	116	233
# Units Vacant	0	1	0	2	3
% of Total Units Occupied	100%	98%	100%	98%	99%

Current Occupancy as of April 1, 2015

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	Affordable @ 50% AMI	Affordable @ 60% AMI	Affordable @ 80% AMI	Market	Total
Total Units	10	84	24	118	236
# Move-Ins	0	0	1	1	2
# Move-Outs	0	6	1	4	11
Total Units Occupied	10	82	24	115	231
# Units Vacant	0	2	0	3	7
% of Total Units Occupied	100%	98%	100%	98%	98%

Marketing Strategies

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- On a monthly basis, staff coordinates with RHE to conduct a detailed review of the market, including sales and traffic of the Fireside

- Current advertising sources include, social media marketing opportunities like Facebook, Instagram and People with Pets to ensure that the ownership and management team are current on opportunities and site related issues that impact resident's quality of life.

Community Development Initiatives

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- Resident Council – Staff holds quarterly meetings with residents to listen and share ideas on events and issues that affect resident quality of life. This activity has proven to be extremely insightful and positive for both the management team and the residents.

- Holiday Themed Activities
 - Winter/Holiday Celebration
 - Valentine's Day Celebration
 - St. Patrick's Day Leprechaun Treasure Hunt
 - Easter Egg Hunt



Community Development Initiatives

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- ▣ Fireside Park Apartments Newsletter - prepared to keep residents informed of general property information and upcoming activities and events
- ▣ Insite+ Resident Feedback Service
 - The management team utilizes this on-line software for resident feedback and to allow tenants to evaluate management activities ranging from Move-In experience to maintenance performance.
 - For the period of January 2015 through April, 2015, Fireside scored Superior for Move In experience and Exceptional for Work Order performance.

Community Development Initiatives

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- Recycling Partnership with Montgomery County –
 - Fireside Park Apartments and Montgomery County joined forces in the Recycle More Now Program! Recycling has numerous environmental benefits such as saves energy, conserves natural resources, limits pollution and supports several sectors of the economy.

- Beginning March 2, 2015 Fireside Park Apartments residents started recycling with Recycling Containers.

2014 Financial Summary

Fireside Park Apartments

Condensed Net Cashflow Statement for the period ending December 31, 2014

Income		
Total Rental Income		\$3,523,563
Other Income		\$164,550
Total Effective Gross Income		\$3,688,113
Operating Expenses		
Operating Expenses		\$1,582,516
Total Gross Operating Expenses		\$1,582,516
Net Operating Income		\$2,105,597
Debt Service Expenditures		
Total Debt Service Expenditures		\$1,962,350
Net Cash Flow		\$143,247
Principal Loan Payment Due:		
	Basis	
<i>City of Rockville</i>	15%	\$21,487
<i>Montgomery County</i>	15%	\$21,487
Residual Net Cash Flow		\$100,273

2014 Financial Summary

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- The Financial Overview is based on the 2014 RHE Audited Financials Schedules for the Component Unit, Fireside Apartments.
- The principal payments to the City of Rockville and Montgomery County are calculated against the Net Cash Flow (which includes the Citi Debt Service, City and County Interests payments). The City and County each receive 15% of the Net Cash Flow.