

**EXPANDED AGENDA**

April 1, 2020

		Res #
3:30 p.m.	<b>Public Hearing:</b> <ul style="list-style-type: none"> <li>• <b>Authorization to Submit HOC's FY21 Annual Public Housing Agency Plan</b></li> </ul>	
4:00 p.m.	<b>I. <u>INFORMATION EXCHANGE</u></b> <ol style="list-style-type: none"> <li>Report of the Executive Director</li> <li>Commissioner Exchange</li> </ol> <p><b>The Resident Advisory Board and Community Forum has been cancelled due to the current state of emergency and social distancing guidelines related to the Coronavirus Disease (COVID-19). Please refer to HOC's website for more information on HOC's State of Emergency Open Meeting Procedures.</b></p>	
4:30 p.m. Page 5  17	<b>II. <u>APPROVAL OF MINUTES</u></b> <ol style="list-style-type: none"> <li>Approval of Minutes of March 4, 2020</li> <li>Approval of Minutes of March 4, 2020 Administrative Session</li> <li>Approval of Minutes of March 25, 2020 Special Session</li> <li>Approval of Minutes of March 25, 2020 Special Administrative Session</li> </ol>	
4:45 p.m.	<b>III. <u>ADMINISTRATIVE AND SPECIAL SESSION RATIFICATION</u></b>	
Page 21  24	<ol style="list-style-type: none"> <li>Approval of the Second Amended and Restated Bylaws of the Housing Opportunities Commission of Montgomery County</li> <li>Authorization to Increase the PNC Bank Line of Credit to Provide for Business Continuity During the Coronavirus Disease (COVID-19) Outbreak</li> </ol>	20-26R (pg 22)  20-27R (pg 25)
4:50 p.m.	<b>IV. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u></b>	
Page 29	<b>A. Legislative and Regulatory Committee – Com. Kelleher, Chair</b> <ol style="list-style-type: none"> <li>Authorization to Submit HOC FY21 Annual Public Housing Agency Plan</li> </ol>	20-28 (pg 32)
62	<b>B. Budget, Finance and Audit Committee – Com. Nelson, Chair</b> <ol style="list-style-type: none"> <li>Approval of Service Contract for HOC Inspections</li> </ol>	20-29 (pg 76)
Page 78  89  103	<b>C. Development and Finance Committee – Com. Simon, Chair</b> <ol style="list-style-type: none"> <li><b>Stewartown:</b> Authorization to Select Boston Capital as Tax Credit Investor and Authorization for the Executive Director to Negotiate an Operating Agreement</li> <li><b>Willow Manor:</b> Approval of a Predevelopment Plan and Funding for the Willow Manor Properties and Approval to Pursue Low-Income Housing Tax Credit (LIHTC) Resyndication as a Scattered Site Transaction</li> <li><b>Construction Management Services Pool:</b> Authorization to Create a Construction Management Services Pool in Accordance with the Procurement Policy and Pursuant to Request for Qualification #19-2153</li> </ol>	20-30 (pg 87)  20-31 (pg 100)  20-32 (pg 111)
5:40 p.m.	<b>V. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u></b>	

Page 114	1. Presentation of the Executive Director’s FY21 Recommended Budget	
132	2. Approval of Actions Taken by the Housing Opportunities Commission of Montgomery County Pursuant to COVID-19 and Authorization of Future Actions Taken in Response to COVID-19	20-33 (pg 136)
6:00 p.m.	<b><u>ADJOURN</u></b>	
6:20 p.m.	<b><u>ADMINISTRATIVE SESSION</u></b> <i>A closed Administrative Session will be called to order pursuant to Section 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland</i>	

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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.

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# Information Exchange

# Minutes

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

March 4, 2020

20-03

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, March 4, 2020 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:01 p.m. Those in attendance were:

**Present**

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

**Absent**

Pamela Byrd

**Also Attending**

Stacy L. Spann, Executive Director  
Cornelia Kent  
Charnita Jackson  
Christina Autin  
Eugenia Pascual  
John Vass  
Darcel Cox  
Vivian Benjamin  
Ian Williams  
Fred Swan  
Lynn Hayes  
Gio Kaviladze  
Derrick McLaughlin  
Karshia Farrow-Butler

Aisha Memon, General Council  
Kayrine Brown  
Terri Fowler  
Nathan Bovelie  
Jay Berkowitz  
Zachary Marks  
Ian-Terrell Hawkins  
Nargiza Polvanova  
Patrick Mattingly  
Millicent Anglin  
Bonnie Hodge  
Hyunsuk Choi  
Shirdell Sellman

**Resident Advisory Board**

Yvonne Caughman, Vice President

**IT Support**

Gabriel Taube  
Arthur Owens  
Karlos Taylor

**Guest**

Kevin Berendi, Moses African Cemetery  
Chris Rigaux, Moses Cemetery

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Commission

I. **Information Exchange**

**Resident Advisory Board (RAB)**

- Yvonne Caughman, Vice Chair, updated on activities of the Resident Advisory Board. The RAB continues to welcome Division presentations. They are working with the IT Department in creating more visibility on HOC's webpage.

**Community Forum**

- Macedonia Baptist Church/Moses African American Cemetery Group continues to address the Board.

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

**A. Approval of Minutes of February 5, 2020**

III. **Consent Items**

**A. Approval of the Nomination of Donna J. Boxer and Yvonne C. Caughman to the Board of Directors of Housing Opportunities Community Partners, Inc.**

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-15**

**RE: Approval of the Nomination of Donna J. Boxer and Yvonne C. Caughman to the Board of Directors of Housing Opportunities Community Partners, Inc.**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("Commission") approved the creation of the non-profit, Housing Opportunities Community Partners, Inc. ("Community Partners"), in 1999 to support the residents and programs of the Commission; and

**WHEREAS**, the Board of Community Partners has unanimously nominated Donna J. Boxer and Yvonne C. Caughman to fill vacancies on the Community Partners Board; and

**WHEREAS**, the Commission is required, by the Community Partners' bylaws, to approve nominees to the Board of Directors of Community Partners.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Donna J. Boxer and Yvonne C. Caughman are hereby approved and appointed to serve on the Board of Directors of Housing Opportunities Community Partners, Inc.

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

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

IV. **Information Exchange Continued**

**Report of the Executive Director**

- Mr. Spann acknowledged the newly elected officers of the Housing Opportunities Commission Board: Chair - Roy Priest, Vice Chair - Frances Kelleher, and Chair Pro Tem – Richard Y. Nelson. He also acknowledged the 2020 Housing Honor Roll Recipient: The Tacy Foundation, and Special Recognition recipients: Anika Yardi and Brandon McCloud. During this time Mr. Spann presented the Agency’s Year in Review.

**Commissioner Exchange**

- Commissioner Kelleher shared that she has received her NAHRO Commissioners Certification.

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

**A. Budget, Finance and Audit Committee – *Com. Nelson, Chair***

**1. Acceptance of Second Quarter FY’20 Budget to Actual Statements**

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-16**

**RE: Acceptance of Second Quarter FY’20 Budget to Actual Statements**

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

**WHEREAS**, the Commission reviewed the Second Quarter FY’20 Budget to Actual Statements during its March 4, 2020 meeting.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Second Quarter FY’20 Budget to Actual Statements.

**2. Approval of FY’20 Second Quarter Budget Amendment**

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-17**

**Re: Approval of FY’20 Second Quarter Budget Amendment**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted a budget for FY'20 on June 5, 2019;

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

**WHEREAS**, the net effect of the FY'20 Second Quarter Budget Amendment is a balanced budget;

**WHEREAS**, the total FY'20 Operating Budget increased from \$276,361,036 to \$279,683,636;

**WHEREAS**, the total FY'20 Capital Budget increased from \$155,206,111 to \$155,388,946;  
and

**WHEREAS**, approval of the budget amendments to revise the FY'20 budget will reflect an accurate plan for the use of the Commission's resources for the remainder of FY'20.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'20 Operating Budget by increasing total revenues and expenses for the Commission from \$276,361,036 to \$279,683,636.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County hereby amends the FY'20 Capital Budget by increasing revenues and expenses for the Commission from \$155,206,111 million to \$155,388,946.

### **3. Approval of CY'20 First Quarter Budget Amendment**

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-18-A**

**RE: Approval of the CY'20 First Quarter Budget  
First Quarter Budget Amendment for  
Georgian Court Silver Spring LP, Barclay One  
Associates LP, and MV Affordable Housing  
Associates LP**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") is the general partner of Georgian Court Silver Spring Limited Partnership ("Georgian Court"), Barclay One Associates Limited Partnership ("Barclay"), and MV Affordable Housing Associates Limited Partnership ("Stewartown", together with Georgian Court and Barclay, the Partnerships");

**WHEREAS**, the limited partners of the Partnerships of assigned their interests in the Partnerships to HOC YR15, LLC ("HOC YR15"), a wholly owned and controlled HOC affiliate, following the expiration of their 15-year compliance periods, and no longer have any ownership interests in the Partnerships;

**WHEREAS**, after the limited partners transferred their respective interests in the Partnerships to HOC YR15, HOC can now operate the properties on a fiscal year basis; and



**WHEREAS**, the Commission desires to amend the CY'20 budget to remove the period of January 1, 2020 through December 31, 2020 for Georgian Court and Barclay; and

**WHEREAS**, the Commission desires to amend the CY'20 budget to remove the period of February 1, 2020 through December 31, 2020 Stewartown; and

**WHEREAS**, the Budget, Finance and Audit Committee reviewed this budget amendment on February 18, 2020.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Georgian Court Silver Spring Limited Partnership, as its general partner, that it hereby approves amending the CY'20 Budget to remove the period of January 1, 2020 through December 31, 2020.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Barclay One Associates Limited Partnership, as its general partner, that it hereby approves amending the CY'20 Budget to remove the period of January 1, 2020 through December 31, 2020.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of MV Affordable Housing Associates Limited Partnership, as its general partner, that it hereby approves amending the CY'20 Budget to remove the period of February, 2020 through December 31, 2020.

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The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-18-B**

**RE: Approval of the CY'20 First Quarter Budget  
Amendment 900 Thayer LP (Fenton  
Apartments)**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("HOC") is the general partner in 900 Thayer LP (Fenton Apartments); and

**WHEREAS**, the Commission desires to add the CY'20 budget for the Partnerships for 900 Thayer LP (Fenton Apartments); and

**WHEREAS**, the Budget, Finance and Audit Committee reviewed this budget amendment on February 18, 2020.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of 900 Thayer LP (Fenton Apartments), that it hereby approves adding a CY'20 Operating Budget of \$1,357,727 for the period of January 1, 2020 through December 31, 2020.

**BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of 900 Thayer LP (Fenton Apartments), that it hereby approves adding a CY'20 Capital Budget of \$15,000 for the period of January 1, 2020 through December 31, 2020.

**4. Authorization to Write-off Uncollectible Tenant Accounts Receivable**

Cornelia Kent, Chief Financial Officer, and Eugenia Pascual, Controller, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-19**

**RE: Authorization to Write-off Uncollectible  
Tenant Accounts Receivable**

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

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

**WHEREAS**, the proposed write-off of former tenant accounts receivable balances for the period October 1, 2019 – December 31, 2019 is \$66,218, consisting of \$62,800 from Opportunity Housing properties, \$1,154 from the Supportive Housing program, \$2,264 from RAD properties.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all actions necessary and proper to write off \$66,218 in uncollectible accounts receivable related to (i) tenant balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

**5. Approval to Renew the Property Management Contract at Tanglewood and Sligo Hills Apartments, Dale Drive, Southbridge Apartments, and Manchester Manor**

Charnita Jackson, Director of Property Management, and Jay Berkowitz, Asset Manager, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-20**

**RE: Approval to Renew Property Management  
Management Contract for Tanglewood and  
Sligo Hills Apartments, Dale Drive,  
Southbridge Apartments, and Manchester  
Manor**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC”) is the sole member of HOCCMC, LLC, the general partner of Tanglewood and Sligo LP (“Tanglewood LP”), and Tanglewood LP owns the development known as Tanglewood and Sligo Hills Apartments located in Silver Spring, Maryland (“Tanglewood and Sligo”);

**WHEREAS**, HOC owns the development known as Dale Drive located in Silver Spring, Maryland (“Dale Drive”);

**WHEREAS**, HOC owns the development known as Southbridge Apartments located in Takoma Park, Maryland (“Southbridge”);

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

**WHEREAS**, staff desires to renew the current property management contract at Tanglewood and Sligo, Dale Drive, Southbridge, and Manchester for one year with Residential One Management.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOCCMC, LLC, as its sole member, acting for itself and on behalf of Tanglewood LP, as its general partner, that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Tanglewood and Sligo.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Dale drive.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Southbridge.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Manchester LP, as its general partner, that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Manchester.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, 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.

## **6. Approval to Renew Property Management Contract for The Willows Apartments**

Charnita Jackson, Director of Property Management, and Millicent Anglin, Asset Manager, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-21**

**RE: Approval to Renew Property Management  
Contract for The Willows Apartments**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC”) is the general partner of The Willows of Gaithersburg Associates Limited Partnership (“The Willows LP”), and The Willows LP owns the development known as The Willows Apartments (the “Property”); and

**WHEREAS**, HOC’s staff desires to renew the current property management contract at the Property through January 14, 2021 with Edgewood Management.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of The Willows LP, as its general partner, that the Executive Director is hereby authorized and directed to execute a renewal of the property management contract at the Property through January 14, 2021 with Edgewood Management.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, 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 transaction contemplated herein, including the execution of any documents related thereto.

**7. Approval to Extend the Property Management Contract for CCL Multifamily LLC (The Lindley)**

Charnita Jackson, Director of Property Management, and Millicent Anglin, Asset Manager, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-22**

**RE: Approval to Extend Property Management  
Contract for The Lindley**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC”) is the managing member of CCL Multifamily LLC, which owns the development known as The Lindley located in Chevy Chase, Maryland (the “Property”); and

**WHEREAS**, HOC staff desires to extend the current property management contract at the Property through September 30, 2020 with Bozzuto Management Company.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of CCL Multifamily LLC, as its managing member, that the

Executive Director is hereby authorized and directed to execute an extension of the property management contract at the Property through September 30, 2020 with Bozzuto Management Company.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, 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 transaction contemplated herein, including the execution of any documents related thereto.

**B. Development and Finance Committee – Com. Simon, Chair**

**1. Brooke Park: Approval to Accept Additional Loan from Department of Housing and Community Affairs (DHCA) to Complete Renovation of Brooke Park**

Kayrine Brown, Chief Investment and Real Estate Officer, and Gio Kaviladze, Senior Financial Analyst, were the presenters.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-23**

**RE: Authorization to Accept a Financing Package provided by DHCA to Complete Renovation of Brooke Park Apartments**

**WHEREAS**, in 2013 the Montgomery County Department of Housing and Community Affairs (“DHCA”) exercised its right of first refusal and assigned the right to the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) to purchase Brooke Park Apartments (“the Property”) to preserve affordability; and

**WHEREAS**, DHCA provided an acquisition and development loan of \$5,200,000 at the time of the acquisition and committed to provide additional funding as needed to complete the renovation; and

**WHEREAS**, prior to the acquisition by HOC, the Property was planned for demolition, to be replaced with 10 townhomes; and

**WHEREAS**, HOC underwent a lengthy entitlement process to amend the Preliminary Plan to preserve 17 apartment units; and

**WHEREAS**, the Planning Board approved the Preliminary Plan amendment in July 2018, and the project entitlement was fully complete and construction permits were obtained in 2019; and

**WHEREAS**, in February 2019, HOC issued an RFP for general contracting services for the renovation of the Property, and in May 2019, the Commission approved the selection of Hooten Construction as the general contractor to complete the renovation; and

**WHEREAS**, the total final project cost is \$9,004,390 and therefore, in addition to the original \$5,200,000 DHCA loan, \$3,804,390 million is needed to complete the renovation, with a net funding need, taking into consideration \$56,561 in available property reserves, of \$3,747,829; and

**WHEREAS**, DHCA proposes to fund the net funding need of \$3,747,829 through a combination of HOME, HIF, and, potentially, energy-efficiency improvement related funding sources.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to accept a financing package in the amount of \$3,747,829 from DHCA to complete renovation of the Property.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is authorized and directed, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, without limitation, the negotiation and execution of related documents.

**2. Elizabeth House III (EH III): Authorization to Increase the Contract Value for CDC Capital, LLC to Assist with the Management of Agreements between Housing Opportunities Commission (HOC) and Montgomery County for the Construction of the South County Regional and Recreation Center at Elizabeth Square**

Kayrine Brown, Chief Investment and Real Estate Officer, and Hyunsuk Choi, Senior Financial Analyst, were the presenters.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20-24**

**Re: Elizabeth House III (EH III): Authorization to Increase the Contract Value for CDC Capital, LLC to Assist with the Management of Agreements between HOC and Montgomery County for the Construction of the South County Regional Recreation Center at Elizabeth Square**

**WHEREAS**, Elizabeth House III is currently under construction and will be a 267-unit development for seniors and will include the South County Regional Recreation and Aquatic Center (the "SCRRAC"), totaling approximately 120,000 square feet, and a 7,500 square feet Senior Resource Center/Primary Care Facility that will be operated by Holy Cross Hospital; and

**WHEREAS**, on January 3, 2017, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") engaged CDC Capital, LLC ("CDC") as the lead project manager of the Elizabeth Square Development (which includes Alexander House, Elizabeth House III, and the SCRRAC) for an initial term of twenty-four months; and

**WHEREAS**, on November 7, 2018, the Commission approved the final development budget, which included fees related to development consulting and construction management services in order to assist HOC in completing the design and construction of the Elizabeth Square Development; and

**WHEREAS**, on February 6, 2019, the Commission approved task orders with CDC for continuation of development consulting services for the Elizabeth Square Development; and

**WHEREAS**, On October 31, 2019, HOC executed a General Development Agreement (“GDA”), Gross Maximum Price Contract (“GMP”), and Design Build Contract (“DBC,” together with the GDA and GMP, the “County Contracts”) with Montgomery County to act as the “Turnkey” developer for the SCRRAC; and

**WHEREAS**, the County Contracts place substantial requirements and obligations on HOC that were not fully anticipated when CDC was initially engaged; and

**WHEREAS**, staff proposes executing a change order to the existing contract with CDC in the amount of Six Hundred Thirty Thousand Dollars (\$630,000), to be effective November 1, 2019, to allow CDC to manage HOC’s obligations under the County Contracts.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County hereby authorizes and directs the Executive Director, without any further action on its part, to execute a change order to the existing CDC contact in the amount of Six Hundred Thirty Thousand Dollars (\$630,000), to be effective November 1, 2019, to allow CDC to provide management of the County Contracts.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the change order shall be funded by the Elizabeth House III development budget.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized to take any and all other actions necessary and proper to carry out the transactions and activities contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 5:18 p.m. and reconvened in closed session at approximately 5:28 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County’s closed session held on March 4, 2020 at approximately 5:28 p.m. at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(3) and Section 3-305(b)(13) to discuss a potential real property acquisition and confidential financial and commercial terms related to a potential real property project.

The meeting was closed on a motion by Vice Chair Kelleher, seconded by Chair Pro Tem Nelson, with Commissioners Priest, Kelleher, Nelson, Croom, and Simon unanimously voting in approval. Commissioner Byrd was necessarily absent and did not participate in the vote. The following persons were present: Roy Priest, Frances Kelleher, Richard Y. Nelson, Linda Croom, Jackie Simon, Stacy Spann, Aisha Memon, Kayrine Brown, Christina Autin, Zachary Marks, Cornelia Kent, Jay Shepherd, and Patrice Birdsong.

In closed session, the Commission discussed a potential real property acquisition and confidential financial and commercial terms related to a potential real property project. The following action was taken:

1. With a quorum present, the Commission duly adopted Resolution 20-25AS, with Commissioners Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Linda Croom, and Jackie Simon voting in approval, which approved feasibility financing for a potential real property project located in Montgomery County. Commissioner Byrd was necessarily absent and did not participate in the vote.
2. Zachary Marks, Director of Development, discussed a potential real property acquisition. No resolution was presented.

The closed session was adjourned at 6:41 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Special Session Minutes**

**March 25, 2020**

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, March 25, 2020, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland, beginning at 12:04 p.m. Those in attendance were:

**Via Teleconference**

Roy Priest, Chair  
Frances Kelleher, Vice Chair  
Richard Y. Nelson, Vice Chair  
Pamela Byrd  
Jackie Simon

**Absent**

Linda Croom

**Also Attending/Teleconference**

Stacy Spann, Executive Director  
Christina Autin  
Terri Fowler  
Zachary Marks

Aisha Memon, General Council  
Cornelia Kent  
Kayrine Brown  
Eugenia Pascual

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Commission

**I. ITEMS REQUIRING DELIBERATION and/or ACTION**

1. Approval of the Second Amended and Restated Bylaws of the Housing Opportunities Commission of Montgomery County

Aisha Memon, General Council, was the presenter.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, and Simon. Commissioner Croom was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 20 -26**

**RE: Approval of the Second Amended and Restated Bylaws of the Housing**

**Opportunities Commission of  
Montgomery County**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly created, organized, and existing under the laws of the State of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland (the “Act”), to carry out and effectuate the purpose of providing affordable housing and is governed by the Act and its bylaws;

**WHEREAS**, the Commission’s bylaws provide that at HOC’s regular monthly open meetings, one or more Commissioners may participate and vote on matters by teleconference or electronic medium as long as a quorum of the Commission participates, with at least two (2) Commissioners physically present;

**WHEREAS**, taking into account the technological advancements in remote meetings and potential situations wherein it is advisable to participate in meetings remotely, including states of emergency and other similar constraints, staff recommends amending HOC’s bylaws; and

**WHEREAS**, Article III, Section 2 of HOC’s bylaws shall be amended as follows: *“Regular Monthly Open Meetings.* The Commission shall hold regular monthly open meetings for the purpose of conducting any or all of its business at such time and location as it may determine by resolution or subject to a call by the Chair, provided that no less than one such regular meeting shall be held each month; provided, however, that the Chair and Executive Director may agree not to convene a regular monthly meeting in a specific month so long as the Commission provides the public with reasonable advance notice thereof in accordance with the State Open Meetings Act, Section 3-101 et seq. of General Provisions Article of the Maryland Annotated Code (the “Open Meetings Act”). One or more Commissioners may participate and vote on matters at a regular open meeting by teleconference or electronic medium as long as (i) a quorum of the Commission participates, ~~with at least two (2) Commissioners physically present and the remainder of the quorum participating through a teleconference or other electronic medium;~~ and (ii) all Commissioners, staff and members of the public can communicate and interact with each other clearly during the period of time scheduled for the deliberation and action, as well as view materials clearly, including the meeting agenda and all documents and materials to be considered or acted upon at the meeting. Notwithstanding the above, at the Annual Meeting, a quorum must consist of four (4) Commissioners physically present.”

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County hereby approves and adopts the Second Amended and Restated Bylaws.

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 12:23 p.m. and reconvened in closed session at approximately 12:39 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County’s closed special administrative session held on March 25, 2020 at approximately 12:39 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(13) to discuss confidential commercial and financial terms of a potential financial transaction.

The meeting was closed on a motion by Vice Chair Kelleher, seconded by Chair Pro Tem Nelson, with Commissioners Priest, Kelleher, Nelson, Byrd, and Simon unanimously voting in approval. Commissioner Croom was necessarily absent and did not participate in the vote. The following persons were present during the closed session: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Jackie Simon, Stacy Spann, Kayrine Brown, Cornelia Kent, Aisha Memon, Eugenia Pascual, Zachary Marks, Christina Autin, Ian-Terrell Hawkins, and Patrice Birdsong.

In closed session, the Commission discussed the commercial and financial terms of a potential financial transaction. The following action was taken:

1. With a quorum present, the Commission duly adopted Resolution 20-27AS with Commissioners Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, and Jackie Simon voting in approval, which approved increasing the PNC Bank, National Association Line of Credit to meet HOC's potential cash flow needs that may arise from the COVID-19 pandemic. Commissioner Croom was necessarily absent and did not participate in the vote.

The closed session was adjourned at 12:48 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

# Administrative Session Ratifications

**RATIFICATION OF ACTION TAKEN IN SPECIAL SESSION ON  
MARCH 25, 2020:**

**APPROVAL TO AMEND THE BYLAWS OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

**APRIL 1, 2020**

- At a Special Session held on March 25, 2020, the Commission adopted option 2 of Resolution 20-26 in which the Commission approved the Second Amended and Restated Bylaws of the Housing Opportunities Commission of Montgomery County.
- The approved amendment amended Article III, Section 2 of the bylaws to remove the requirement that at least two (2) Commissioners be physically present at a regular monthly open meeting.
- Consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken at the March 25, 2020 Special Session. Additionally, the Commission wishes to ratify any action taken since the Special Session with respect to the approved action.

**RESOLUTION: 20-26R**

**RE: Approval of the Second Amended  
and Restated Bylaws of the Housing  
Opportunities Commission of  
Montgomery County**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly created, organized, and existing under the laws of the State of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland (the “Act”), to carry out and effectuate the purpose of providing affordable housing and is governed by the Act and its bylaws;

**WHEREAS**, the Commission’s bylaws provide that at HOC’s regular monthly open meetings, one or more Commissioners may participate and vote on matters by teleconference or electronic medium as long as a quorum of the Commission participates, with at least two (2) Commissioners physically present;

**WHEREAS**, taking into account the technological advancements in remote meetings and potential situations wherein it is advisable to participate in meetings remotely, including states of emergency and other similar constraints, staff recommends amending HOC’s bylaws; and

**WHEREAS**, Article III, Section 2 of HOC’s bylaws shall be amended as follows: *“Regular Monthly Open Meetings*. The Commission shall hold regular monthly open meetings for the purpose of conducting any or all of its business at such time and location as it may determine by resolution or subject to a call by the Chair, provided that no less than one such regular meeting shall be held each month; provided, however, that the Chair and Executive Director may agree not to convene a regular monthly meeting in a specific month so long as the Commission provides the public with reasonable advance notice thereof in accordance with the State Open Meetings Act, Section 3-101 et seq. of General Provisions Article of the Maryland Annotated Code (the “Open Meetings Act”). One or more Commissioners may participate and vote on matters at a regular open meeting by teleconference or electronic medium as long as (i) a quorum of the Commission participates, ~~with at least two (2) Commissioners physically present and the remainder of the quorum participating through a teleconference or other electronic medium;~~ and (ii) all Commissioners, staff and members of the public can communicate and interact with each other clearly during the period of time scheduled for the deliberation and action, as well as view materials clearly, including the meeting agenda and all documents and materials to be considered or acted upon at the meeting. Notwithstanding the above, at the Annual Meeting, a quorum must consist of four (4) Commissioners physically present”;

**WHEREAS**, at a Special Session duly called and held on March 25, 2020, with a quorum participating, the Commission duly adopted Resolution 20-26, with Commissioners Simon, Nelson, Byrd, Priest, and Kelleher voting in approval, and Commissioner Croom being necessarily absent and not participating in the vote;

**WHEREAS**, by adopting Resolution 20-26, the Commission approved the Second Amended and Restated Bylaws;

**WHEREAS**, consistent with the Commission’s Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commission in adopting Resolution 20-26 and any action taken since March 25, 2020 to effectuate the action contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolution 20-26 and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on April 1, 2020.

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Patrice M. Birdsong  
Special Assistant to the Commission

**RATIFICATION OF ACTION TAKEN IN SPECIAL ADMINISTRATIVE  
SESSION ON  
MARCH 25, 2020:**

**AUTHORIZATION TO INCREASE THE PNC BANK LINE OF CREDIT TO  
MEET POTENTIAL CASH FLOW NEEDS THAT MAY ARISE FROM THE  
COVID-19 PANDEMIC**

**APRIL 1, 2020**

- At a Special Administrative Session held on March 25, 2020, the Commission adopted Resolution 20-27AS in which the Commission approved increasing the PNC Bank Line of Credit to meet potential cash flow needs that may arise from the COVID-19 pandemic.
- Consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken at the March 25, 2020 Special Administrative Session. Additionally, the Commission wishes to ratify any action taken since the Special Administrative Session with respect to the approved action.



**RESOLUTION: 20-27R**

**RE: Authorization to Increase the PNC Bank Line of Credit to Meet Potential Cash Flow Needs that May Arise from the COVID-19 Pandemic**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for rental subsidy payments as a public purpose;

**WHEREAS**, the COVID-19 pandemic is affecting millions of people across many nations and having a growing impact on the global and local economy;

**WHEREAS**, staff has been evaluating the potential effects of the downturn in the economy on our customers and the ultimate impact to HOC's operations, with two areas of operations that may be significantly impacted: the Housing Choice Voucher ("HCV") Program and customer rent collections;

**WHEREAS**, in the event that the Department of Treasury is unable to fund monthly Housing Assistance Payments and administrative fees to HOC, the Commission will not receive the funds necessary to pay the Housing Assistance Payments to landlords each month under the HCV Program;

**WHEREAS**, as businesses close and lay-off workers, HOC's customers may be unable to pay their monthly rent and all evictions at HOC-owned properties are postponed during the COVID-19 pandemic;

**WHEREAS**, the Commission wishes to make provisions for the continuity of Housing Assistance Payments to landlords participating in the HCV Program, and continuity of HOC operations in the event customers are unable to make monthly rental payments;

**WHEREAS**, there may be other areas of HOC's operations that are significantly impacted by the COVID-19 pandemic that will require available cash flow to allow HOC to continue to meet the needs of the community;

**WHEREAS**, the Commission has an existing Line of Credit with PNC Bank, National Association (the "PNC LOC") that may be used to provide for the operational cash flow needs of HOC;

**WHEREAS**, the Commission has a General Fund Operating Reserve ("GFOR") which may also be used to meet the operational cash flow needs of the Commission;

**WHEREAS**, the PNC LOC and GFOR may not be sufficient to meet HOC’s potential cash flow needs, therefore staff recommends increasing the PNC LOC;

**WHEREAS**, at a Special Administrative Session duly called and held on March 25, 2020, with a quorum participating, the Commission duly adopted Resolution 20-27AS, with Commissioners Nelson, Byrd, Priest, and Kelleher voting in approval, Commissioner Croom being necessarily absent and not participating in the vote, and Commissioner Simon being temporarily away from the meeting and not participating in the vote;

**WHEREAS**, by adopting resolution 20-27AS, the Commission approved increasing the PNC LOC to meet HOC’s potential cash flow needs that may arise from the COVID-19 pandemic, provided that staff will return to the Commission for approval prior to drawing on the PNC LOC; and

**WHEREAS**, consistent with the Commission’s Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 20-27AS and any actions taken since March 25, 2020 to effectuate the actions contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolution 20-27AS and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on April 1, 2020.

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Patrice M. Birdsong  
Special Assistant to the Commission

# Committee Reports and Recommendations for Action

# Legislative and Regulatory Committee

# **AUTHORIZATION TO SUBMIT HOC'S FISCAL YEAR 2021 ANNUAL PUBLIC HOUSING AGENCY PLAN**

**April 1, 2020**

- The Quality Housing and Work Responsibility Act of 1998 requires that Public Housing Agencies (“PHAs”), such as the Housing Opportunities Commission of Montgomery County (“HOC”), draft Annual and Five-Year PHA Plans.
- The PHA Plan (serves as a comprehensive guide to HOC’s policies, programs, operations, and strategies for meeting local housing needs and goals. The Plan informs the U.S. Department of Housing and Urban Development (HUD), residents, and the public of HOC’s mission for serving the needs of low-income and very low-income families as well as HOC’s overarching strategy for addressing those needs.
- HOC is submitting a Fiscal Year (FY) 2021 Annual Plan, which provides updates on details that were outlined in HOC’s FY 2020-2024 Five-Year PHA Plan. The Annual Plan provides further clarifications, any revisions, and anticipated action steps that align with the plan. Additionally, the plan may have HOC’s primary policies and plans for the Housing Choice Voucher and Public Housing programs for the coming fiscal year.
- The 45 days’ public comment period for HOC’s FY 2021 PHA Plan began on February 5, 2020.
- At this time, staff is requesting authorization to submit HOC’s FY 2021 PHA Plan to HUD by no later than April 17, 2020.

**M E M O R A N D U M**

**TO:** Housing Opportunities Commission of Montgomery County

**VIA:** Stacy L. Spann, Executive Director

**FROM:** Staff: Darcel Cox    Division: Compliance    Ext. 9427

**RE:** Authorization to Submit HOC’s Fiscal Year 2021 Annual Public Housing Agency Plan

**DATE:** April 1, 2020

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**STATUS:**        Consent        Deliberation   X   Status Report        Future Action       

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**OVERALL GOAL & OBJECTIVE:**

To authorize the Executive Director, or his designee, to submit the Fiscal Year (FY) 2021 Annual Public Housing Agency (PHA) Plan.

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**BACKGROUND:**

The Public Housing Agency (PHA) Plan informs the U.S. Department of Housing and Urban Development (HUD), residents, and the public of HOC’s mission for serving the needs of low - to very low-income families and the Agency’s strategy for addressing those needs. In accordance with HUD requirements, HOC must submit a five-year plan discussing its Housing Choice Voucher (HCV) and Public Housing (PH) programs. HOC must also submit an annual plan each year to outline any updates to the Five-Year PHA Plan.

The Quality Housing and Work Responsibility Act of 1998 (QHWRA) became law on October 21, 1998. QHWRA, also known as the Public Housing Reform Law, created the PHA Plan. This year, HOC is submitting its twenty first Annual PHA Plan, which will cover HOC’s Fiscal Year (FY) 2021. FY 2021 begins on July 1, 2020 and ends on June 30, 2021.

HOC’s Annual PHA Plan provides details about immediate operations, program participants, programs and services, as well as the Agency's strategy for addressing the housing needs of Montgomery County residents in the upcoming fiscal year. HOC submitted its fifth Five-Year PHA Plan last year, which covers the period of FY 2020-2024. The Five-Year PHA Plan describes HOC’s mission as well as its long-range goals and objectives for achieving its mission over the five years discussed in the Plan. Much of the last Five-Year PHA Plan focused on HOC’s use of the Rental Assistance Demonstration (RAD) program to convert the Agency’s Public Housing portfolio to Project-Based Rental Assistance (PBRA) and Project-Based Vouchers (PBV) during the five years covered by the Plan. HOC’s FY 2021 Annual PHA Plan is due to HUD 75 days before the beginning of the fiscal year covered in the Plan. For HOC, that date is April 17, 2020.

The substantive changes to this year's FY 2021 PHA Plan from the Annual Plan submitted last year are to the sections discussing HOC's use of the Rental Assistance Demonstration (RAD) program. The FY 2021 PHA Plan features an updated description of the RAD accomplishments from this past year as well as those expected in the upcoming year. As a result of the RAD conversion project, additional guidance discussing the goals, objectives, and program regulations specific to the converted RAD units are described in this Annual Plan. At the completion of HOC's RAD conversions, no public housing (PH) units will remain in HOC's portfolio. HOC's RAD conversion project is expected to finish with the 2020 conversion of Elizabeth House. At that time, the content described in the PHA Plan regarding PH will cease to apply to the converted units. In place of the PH policies for these converted units will be the RAD conversion policies detailed in the Plan.

Staff released a draft of the FY 2021 PHA Plan to the public on February 15, 2020. Staff discussed the FY 2021 PHA Plan with the HOC's Resident Advisory Board (RAB) on February 24, 2020. During this time the board submitted the letter of endorsement for the PHA Plan which will be submitted along with the Plan to HUD on, or before, April 17, 2020. To date, HOC has received no public comments on the FY 2021 PHA Plan. A public hearing on the FY 2021 PHA Plan will be held on April 1, 2020.

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**ISSUES FOR CONSIDERATION:**

Does the Housing Opportunities Commission of Montgomery County wish to accept the recommendation of the Legislative and Regulatory Committee to authorize the Executive Director, or his designee, to submit HOC's FY 2021 Annual PHA Plan to HUD on, or before, April 17, 2020?

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**PRINCIPALS:**

Housing Resources Division  
Property Management Division

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**BUDGET IMPACT:**

None.

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**TIME FRAME:**

The Legislative and Regulatory Committee reviewed this item at its meeting on March 16, 2020 and recommended it for Commission action on April 1, 2020.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Housing Opportunities Commission of Montgomery County accept the recommendation of the Legislative and Regulatory Committee to authorize the Executive Director, or his designee, to submit HOC's FY 2021 Annual PHA Plan to HUD on, or before, April 17, 2020.

**RESOLUTION NO.: 20-28**

**RE: Authorization to Submit HOC's Fiscal  
Year 2021 Annual Public Housing Agency  
Plan**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("HOC") seeks to implement the mandatory Annual PHA Plan requirements of the Quality Housing and Work Responsibility Act of 1998 (QHWRA); and

**WHEREAS**, the submission of the FY 2021 Annual PHA Plan was prepared in accordance with 24 CFR Part 903 regulations and requirements for submission to the U.S. Department of Housing and Urban Development ("HUD"); and

**WHEREAS**, HOC worked in collaboration with HOC's Resident Advisory Board to obtain recommendations in the development of the proposed Annual PHA Plan Submission; and

**WHEREAS**, HOC obtained certification from local government officials that the proposed Annual PHA Plan Submission is consistent with the jurisdiction's Consolidated Plan; and

**WHEREAS**, HOC will conduct a Public Hearing on April 1, 2020 to obtain public comments regarding the proposed Annual PHA Plan Submission; and

**WHEREAS**, HOC has considered all comments and recommendations received and has incorporated all relevant changes in the proposed Annual PHA Plan Submission.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the FY 2021 Annual PHA Plan and its submission to HUD no later than April 17, 2020, as required by federal regulation.

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

**I HEREBY CERTIFY** that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 1, 2020.

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**Patrice M. Birdsong  
Special Assistant to the Commission**



**Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan or  
State Consolidated Plan  
(All PHAs)**

U. S Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 2/29/2016

**Certification by State or Local Official of PHA Plans  
Consistency with the Consolidated Plan or State Consolidated Plan**

I, Timothy J. Goetzinger, the Chief, Finance and Administration  
*Official's Name* *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the

Housing Opportunities Commission of Montgomery County, Maryland  
*PHA Name*

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of  
Impediments (AI) to Fair Housing Choice of the


Montgomery County Department of Housing and Community Affairs  
*Local Jurisdiction Name*

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State  
Consolidated Plan and the AI.

The activities to be undertaken by HOC in FY 2021 are consistent with the Montgomery County  
Consolidated Plan. These include the continued conversion of HOC's Public Housing (PH) portfolio to  
Project-Based Rental Assistance (PBRA) and Project-Based Voucher (PBV) units under the RAD program.  
HOC's RAD conversion project is expected to finish in 2020. All activities will comply with HOC's  
commitment to affirmatively further fair housing.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official <b>Timothy J. Goetzinger</b>	Title <b>Chief, Finance and Administration</b>
Signature 	Date <b>2/21/20</b>

**Certifications of Compliance with  
PHA Plans and Related Regulations  
(Standard, Troubled, HCV-Only, and  
High Performer PHAs)**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 02/29/2016

**PHA Certifications of Compliance with the PHA Plan and Related Regulations including  
Required Civil Rights Certifications**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the \_\_\_ 5-Year and/or  Annual PHA Plan for the PHA fiscal year beginning \_\_\_\_\_, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

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PHA Name

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PHA Number/HA Code

\_\_\_\_\_ Annual PHA Plan for Fiscal Year 20\_\_\_\_\_

\_\_\_\_\_ 5-Year PHA Plan for Fiscal Years 20\_\_\_\_\_ - 20\_\_\_\_\_

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I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

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Name of Authorized Official

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Title

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Signature

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Date

<b>Annual PHA Plan</b> <i>(Standard PHAs and Troubled PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

**Applicability.** Form HUD-50075-ST is to be completed annually by **STANDARD PHAs** or **TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

**Definitions.**

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A. PHA Information.						
A.1	PHA Name: <u>Housing Opportunities Commission of Montgomery County</u> PHA Code: <u>MD004</u> PHA Type: <input checked="" type="checkbox"/> Standard PHA <input type="checkbox"/> Troubled PHA PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/2021</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units <u>106</u> Number of Housing Choice Vouchers (HCVs) <u>7,119</u> Total Combined Units/Vouchers <u>7,225</u> PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission					
<p><b>Availability of Information.</b> PHAs must have the elements listed below in sections B and C readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p>						
<input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a Joint PHA Plan and complete table below)						
	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
					PH	HCV
	Lead PHA:					

B.	Annual Plan Elements
B.1	<p><b>Revision of PHA Plan Elements.</b></p> <p>(a) Have the following PHA Plan elements been revised by the PHA?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Operation and Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Grievance Procedures.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Community Service and Self-Sufficiency Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Asset Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):</p> <p>During FY 2018, HOC made multiple changes to its Housing Choice Voucher Administrative Plan. These changes included: (1) Adding a local wait list preference of 10 vouchers for families with histories of homelessness; (2) Adding wait list related changes to the Application for Admission chapter of the Administrative Plan; and (3) Adding a non-competitive selection process for Project-Based Voucher assistance to award 40 Project-Based Vouchers for use at the Park View apartment project. Please see the enclosed narrative for more details.</p> <p>(c) The PHA must submit its Deconcentration Policy for Field Office review.</p>
B.2	<p><b>New Activities</b></p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Demolition and/or Disposition.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Designated Housing for Elderly and/or Disabled Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant-Based Assistance.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Project-Based Assistance under RAD.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Over-Income Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Police Officers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Non-Smoking Policies.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Project-Based Vouchers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p>
B.3	<p><b>Civil Rights Certification.</b></p> <p>Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
B.4	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N</p> <p><input type="checkbox"/> <input type="checkbox"/> Y</p> <p>(b) If yes, please describe:</p> <p>There were two findings in HOC's 2019 Year Audit. All recommendations have been followed to remedy these findings. Please see enclosed Narrative for more detail information.</p>

<p><b>B.5</b></p>	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p> <p>HOC continues to make positive strides toward meeting the mission and goals described in its FFY2019 - 2023 (HOC FY2020 - 2024) Five-Year PHA Plan. Please see the enclosed Narrative for more details including some highlights of HOC's efforts over this past year.</p>
<p><b>B.6</b></p>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y    N  <input type="checkbox"/>   <input checked="" type="checkbox"/></p> <p>(c) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p>HOC staff met with the HOC Resident Advisory Board (RAB) in February 24, 2020 to review the contents of this PHA Plan. After explaining the Plan to the RAB in detail, the RAB endorsed this Plan. The RAB provided a letter indicating they endorsed the Plan.</p>
<p><b>B.7</b></p>	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD 50077-SL</a>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p><b>B.8</b></p>	<p><b>Troubled PHA.</b></p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place?</p> <p>Y    N    N/A  <input type="checkbox"/>   <input type="checkbox"/>   <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
<p><b>C.</b></p>	<p><b>Statement of Capital Improvements.</b> Required for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>
<p><b>C.1</b></p>	<p><b>Capital Improvements.</b> Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.</p> <p>Please see HUD Form 50075.2, submitted for HUD approval on February 18, 2020. This Capital Fund Program Five- Year Action Plan describes the capital improvements necessary to ensure the long-term physical and social viability of HOC's Public Housing projects.</p>

**Instructions for Preparation of Form HUD-50075-ST  
Annual PHA Plan for Standard and Troubled PHAs**

**A. PHA Information.** All PHAs must complete this section.

**A.1** Include the full **PHA Name, PHA Code, PHA Type, PHA Fiscal Year Beginning (MM/YYYY), PHA Inventory, Number of Public Housing Units and or Housing Choice Vouchers (HCVs), PHA Plan Submission Type,** and the **Availability of Information,** specific location(s) of all information relevant to the public hearing and proposed PHA Plan. ([24 CFR §903.23\(4\)\(e\)](#))

**PHA Consortia:** Check box if submitting a Joint PHA Plan and complete the table. ([24 CFR §943.128\(a\)](#))

**B. Annual Plan.** All PHAs must complete this section.

**B.1 Revision of PHA Plan Elements.** PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.” ([24 CFR §903.7](#))

**Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA’s strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income), (ii) elderly families and families with disabilities, and (iii) households of various races and ethnic groups residing in the jurisdiction or on the waiting list based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. ([24 CFR §903.7\(a\)\(1\)](#)) Provide a description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. ([24 CFR §903.7\(a\)\(2\)\(ii\)](#))

**Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.** PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see [24 CFR 903.2](#), ([24 CFR §903.23\(b\)](#)) Describe the PHA’s admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA’s policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR §903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements. ([24 CFR §903.7\(b\)](#)) Describe the PHA’s procedures for maintain waiting lists for admission to public housing and address any site-based waiting lists. ([24 CFR §903.7\(b\)](#)). A statement of the PHA’s policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV. ([24 CFR §903.7\(b\)](#)) Describe the unit assignment policies for public housing. ([24 CFR §903.7\(b\)](#))

**Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA’s anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. ([24 CFR §903.7\(c\)](#))

**Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. ([24 CFR §903.7\(d\)](#))

**Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance and management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA. ([24 CFR §903.7\(e\)](#))

**Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants. ([24 CFR §903.7\(f\)](#))

**Homeownership Programs.** A description of any Section 5h, Section 32, Section 8y, or HOPE I public housing or Housing Choice Voucher (HCV) homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. ([24 CFR §903.7\(k\)](#))

**Community Service and Self Sufficiency Programs.** Describe how the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. ([24 CFR §903.7\(l\)](#)) A description of: **1)** Any programs relating to services and amenities provided or offered to assisted families; and **2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS. ([24 CFR §903.7\(l\)](#))

**Safety and Crime Prevention.** Describe the PHA’s plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must provide development-by-development or jurisdiction wide-basis: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities. ([24 CFR §903.7\(m\)](#)) A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and **3)** Any activities, services, or programs

provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families. (24 CFR §903.7(m)(5))

**Pet Policy.** Describe the PHA's policies and requirements pertaining to the ownership of pets in public housing. (24 CFR §903.7(n))

**Asset Management.** State how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory. (24 CFR §903.7(q))

**Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan. (24 CFR §903.7(r)(2)(i))

**Significant Amendment/Modification.** PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan. Should the PHA fail to define 'significant amendment/modification', HUD will consider the following to be 'significant amendments or modifications': a) changes to rent or admissions policies or organization of the waiting list; b) additions of non-emergency CFP work items (items not included in the current CFP Annual Statement or CFP 5-Year Action Plan) or change in use of replacement reserve funds under the Capital Fund; or c) any change with regard to demolition or disposition, designation, homeownership programs or conversion activities. See guidance on HUD's website at: [Notice PIH 1999-51](#). (24 CFR §903.7(r)(2)(ii))

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

**B.2 New Activities.** If the PHA intends to undertake any new activities related to these elements in the current Fiscal Year, mark "yes" for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark "no."

**Hope VI or Choice Neighborhoods. 1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Choice Neighborhoods; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Hope VI or Choice Neighborhoods is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>. (Notice PIH 2010-30)

**Mixed Finance Modernization or Development. 1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for Mixed Finance Modernization or Development; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Mixed Finance Modernization or Development is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>. (Notice PIH 2010-30)

**Demolition and/or Disposition.** Describe any public housing projects owned by the PHA and subject to ACCs (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and **(2)** A timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed as described in the PHA's last Annual and/or 5-Year PHA Plan submission. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: [http://www.hud.gov/offices/pih/centers/sac/demo\\_dispo/index.cfm](http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm). (24 CFR §903.7(h))

**Designated Housing for Elderly and Disabled Families.** Describe any public housing projects owned, assisted or operated by the PHA (or portions thereof), in the upcoming fiscal year, that the PHA has continually operated as, has designated, or will apply for designation for occupancy by elderly and/or disabled families only. Include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, and; **5)** the number of units affected. **Note:** The application and approval process for such designations is separate from the PHA Plan process, and PHA Plan approval does not constitute HUD approval of any designation. (24 CFR §903.7(i)(C))

**Conversion of Public Housing.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; **2)** An analysis of the projects or buildings required to be converted; and **3)** A statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>. (24 CFR §903.7(j))

**Conversion of Public Housing.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA plans to voluntarily convert to project-based assistance under RAD. See additional guidance on HUD's website at: [Notice PIH 2012-32](#)

**Occupancy by Over-Income Families.** A PHA that owns or operates fewer than two hundred fifty (250) public housing units, may lease a unit in a public housing development to an over-income family (a family whose annual income exceeds the limit for a low income family at the time of initial occupancy), if all the following conditions are satisfied: (1) There are no eligible low income families on the PHA waiting list or applying for public housing assistance when the unit is leased to an over-income family; (2) The PHA has publicized availability of the unit for rental to eligible low income families, including publishing public notice of such availability in a newspaper of general circulation in the jurisdiction at least thirty days before offering the unit to an over-income family; (3) The over-income family rents the unit on a month-to-month basis for a rent that is not less than the PHA's cost to operate the unit; (4) The lease to the over-income family provides that the family agrees to vacate the unit when needed for rental to an eligible family; and (5) The PHA gives the over-income family at least thirty days notice to vacate the unit when the unit is needed for rental to an eligible family. The PHA may incorporate information on occupancy by over-income families into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7](#). (24 CFR 960.503) (24 CFR 903.7(b))

**Occupancy by Police Officers.** The PHA may allow police officers who would not otherwise be eligible for occupancy in public housing, to reside in a public housing dwelling unit. The PHA must include the number and location of the units to be occupied by police officers, and the terms and conditions of their tenancies; and a statement that such occupancy is needed to increase security for public housing residents. A "police officer" means a person determined by the PHA to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State or local government or by any agency of these governments. An officer of an accredited police force of a housing agency may qualify. The PHA may incorporate information on occupancy by police officers into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7](#). (24 CFR 960.505) (24 CFR 903.7(b))



**Non-Smoking Policies.** The PHA may implement non-smoking policies in its public housing program and incorporate this into its PHA Plan statement of operation and management and the rules and standards that will apply to its projects. See additional guidance on HUD's website at: [Notice PIH 2009-21](#). (24 CFR §903.7(e))

**Project-Based Vouchers.** Describe any plans to use Housing Choice Vouchers (HCVs) for new project-based vouchers, which must comply with PBV goals, civil rights requirements, Housing Quality Standards (HQS) and deconcentration standards, as stated in 983.57(b)(1) and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. If using project-based vouchers, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan. (24 CFR §903.7(b))

**Units with Approved Vacancies for Modernization.** The PHA must include a statement related to units with approved vacancies that are undergoing modernization in accordance with [24 CFR §990.145\(a\)\(1\)](#).

**Other Capital Grant Programs** (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

For all activities that the PHA plans to undertake in the current Fiscal Year, provide a description of the activity in the space provided.

**B.3 Civil Rights Certification.** Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulation*, must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o))

**B.4 Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. (24 CFR §903.7(p))

**B.5 Progress Report.** For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.7(r)(1))

**B.6 Resident Advisory Board (RAB) comments.** If the RAB provided comments to the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)

**B.7 Certification by State of Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.

**B.8 Troubled PHA.** If the PHA is designated troubled, and has a current MOA, improvement plan, or recovery plan in place, mark "yes," and describe that plan. If the PHA is troubled, but does not have any of these items, mark "no." If the PHA is not troubled, mark "N/A." (24 CFR §903.9)

**C. Statement of Capital Improvements.** PHAs that receive funding from the Capital Fund Program (CFP) must complete this section. (24 CFR 903.7 (g))

**C.1 Capital Improvements.** In order to comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan. PHAs can reference the form by including the following language in Section C. 8.0 of the PHA Plan Template: "See HUD Form- 50075.2 approved by HUD on XX/XX/XXXX."

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan.

Public reporting burden for this information collection is estimated to average 9.2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

Fiscal Year (FY) 2021 Annual Public Housing Agency (PHA) Plan Submission  
Housing Opportunities Commission of Montgomery County

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**Narrative and Additional Information**

**A. 1** The Public may view the PHA Plan, supporting documentation, and obtain information regarding any of the activities outlined in this plan at HOC's main administrative offices (10400 Detrick Avenue, Kensington, Maryland 20895) and at the following three satellite offices:

HOC Gaithersburg Customer Service Center  
101 Lakeforest Blvd.  
#200  
Gaithersburg, Maryland 20877

HOC Silver Spring Customer Service Center  
880 Bonifant Street  
Silver Spring, Maryland 20910

HOC East Deer Park Offices  
231 East Deer Park Drive  
Gaithersburg, Maryland 20877

Additional documents and supporting documents for this PHA Plan, that are also available for viewing at the above locations, are listed below:

- Form HUD-50077-ST-HCV-HP: PHA Certifications of Compliance with the PHA Plans and Related Regulations (MD004a01.pdf)
- Resident Advisory Board (RAB) comments on PHA Plan (MD004f01.pdf)
- Form HUD-50077-CR, Civil Rights Certifications (MD004j01.pdf)
- Form HUD-50077-SL - Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan

The Plan and its supporting documents are also available for review on HOC's web site:  
[www.hocmc.org/about-hoc/public-housing-agency-plans.html](http://www.hocmc.org/about-hoc/public-housing-agency-plans.html).

Staff met with the Resident Advisory Board (RAB) on February 24, 2020 to discuss this PHA Plan and receive any comments from the RAB.

A public hearing regarding this PHA Plan will be held on April 1, 2020 at 3:30 p.m. in the Hearing Room at HOC's main administrative offices (10400 Detrick Avenue, Kensington, Maryland 20895).

**B.1** Revision of PHA Plan Elements

(b) HOC's Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) programs are governed by HOC's Administrative Plan. The Administrative Plan derives its layout and much of its content from the Code of Federal Regulations (CFR), Title 24, Part 982 – Section 8 Tenant-Based Assistance: Housing Choice Voucher Program and Title 24, and Part 983 – Project-Based Voucher Program.

- HOC’s policies for HCV admission eligibility are established in Chapter 2 of the HOC Administrative Plan.
- HOC’s policies for persons applying for HCV admission are established in Chapter 3 of the HOC Administrative Plan.
- HOC’s HCV wait list and selection processes are established in Chapter 4 of the HOC Administrative Plan.
- All of HOC’s PBV policies are established in Chapter 22 of the HOC Administrative Plan.

HOC’s Public Housing (PH) program is governed by HOC’s Public Housing Admissions and Continued Occupancy Policy (ACOP).

- HOC’s policies for PH eligibility and admissions are established in Chapter 8 of the HOC ACOP.
- HOC’s PH wait list and selection processes are established in Chapters 9 and 10 of the HOC ACOP.

1. HCV Eligibility and Selection Criteria

Eligibility for HOC’s HCV program is determined when an applicant is called from the wait list. HOC uses the following criteria for screening applicants:

- a. An applicant must be a “family”.
- b. An applicant must be within the appropriate Income Limits.
- c. An applicant must furnish Social Security Numbers for all family members.
- d. An applicant must furnish Declaration of Citizenship or Eligible Immigrant Status and verification where required.
- e. At least the head of household or spouse of the applicant family must be either a U.S. citizen or have eligible immigration status before the PHA may provide any financial assistance.
- f. Criminal or drug related activity only to the extent required by law or regulation including criminal records from local and state law enforcement agencies. HOC checks national and state sex offender registries and will deny persons subject to lifetime registration. HOC will review, on a case by case basis, the issues related to any applicant who is registered as a sex offender for other than their lifetime.

2. PH Eligibility and Selection Criteria

Eligibility for HOC’s PH program is determined when an applicant is called from the wait list. HOC uses the following criteria for screening applicants:

- a. Family status
- b. Income eligibility
- c. Citizenship/eligibility status
- d. Social Security Number documentation
- e. Signing consent forms
- f. Criminal or drug related activity only to the extent required by law or regulation including criminal records from local and state law enforcement agencies. HOC checks national and state sex offender registries and will deny person subject to lifetime

registration. HOC will review, on a case by case basis, the issues related to any applicant who is registered as a sex offender for other than their lifetime.

3. In May of 2017, HOC added to Chapter 4 of its Administrative Plan a wait list preference for up to 10 Housing Choice Vouchers to be allocated for families with histories of homelessness who are currently housed within the Montgomery County Homeless Continuum of Care (CoC). The Montgomery County Homeless CoC is a collaboration of public and private groups working to prevent and end homelessness in Montgomery County, Maryland. Support for the CoC's efforts include federal, state, local and private funds.

Continuing its efforts to end homelessness in Montgomery County, the Montgomery County Government requested that HOC allocate up to 10 vouchers for families with histories of homelessness who are currently housed within the Montgomery County Homeless CoC. These families have achieved stability and are, therefore, no longer in need of the supportive services that are currently provided by the programs in which they participate. By providing these families with vouchers, they will be able to fully integrate into the community with long-term housing assistance. As a result of these families exiting the CoC, approximately 12-15 new chronically homeless persons will be housed and provided the supportive services they need to transition into stable housing situations.

New vouchers were not allocated to HOC by HUD for this purpose nor were vouchers taken from any existing HOC residents. Rather, the 10 vouchers set aside by HOC for housing families with histories of homelessness became available through attrition within HOC's existing voucher allocation and then were held for this purpose.

4. In December of 2017, HOC added to Chapter 3 of its Administrative Plan wait list related changes to the admissions process. These changes followed those made in July of 2015, to completely revise Chapter 4 of HOC's Administrative Plan which is entitled Establishing Preferences and Maintaining the Wait List. The July 2015 revisions focused on providing customers and staff with a guidance document that explains the functionality of HOC's new, fully electronic wait list, Housing Path.

While the July 2015 revisions to Chapter 4 were comprehensive and detailed, they were limited in their scope in that they only addressed the information contained in Chapter 4. Chapter 3 of the Administrative Plan is entitled Applying for Admission. In this chapter, the Administrative Plan describes the admissions and application process for the voucher program, including the functionality of the wait list as it pertains to initial call-ups. In order to ensure consistency and accuracy within the Administrative Plan for its description of the Housing Path wait list, HOC made these revisions to Chapter 3.

5. Also in December of 2017, HOC added to Chapter 22 of its Administrative Plan a non-competitive selection process for Project-Based Voucher (PBV) assistance. These changes were developed based on the latest statutory changes to the PBV program in the Housing Opportunity Through Modernization Act of 2016 (HOTMA). The details of the HOTMA changes, and further guidance, are provided in PIH Notice 2017-21, published on October 30, 2017.

Among the most significant changes described in PIH Notice 2017-21 is the ability of PHAs to add a non-competitive selection process for PBV assistance. In order to utilize this provision, the

PBV assistance must be added to a project in which HOC has an ownership interest or over which the Agency has control. Importantly, use of this non-competitive selection exception also requires HOC's engagement in an initiative to improve, develop, or replace a public housing property or site.

As mentioned above, in order to qualify for this exception to use a non-competitive selection process for receipt of PBV assistance, the units which receive the assistance must be in a project in which HOC has an ownership interest or over which HOC has control. Additionally, HOC must meet the following conditions in order to qualify for use of the non-competitive selection exception:

- a. HOC must be engaged in an initiative to improve, develop, or replace public housing properties or sites. The public housing properties or sites may be in HOC's existing public housing inventory or they may be from those previously removed from the public housing inventory through any available legal removal tool within five years of the date on which HOC entered into the Agreement to Enter a Housing Assistance Payments (AHAP) contract or Housing Assistance Payments (HAP) contract, pursuant to the non- competitive selection.
- b. If HOC plans rehabilitation or new construction, a minimum threshold of \$25,000 in hard costs per-unit is required.
- c. If HOC plans to replace public housing by attaching project-based assistance to existing housing in which the Agency has an ownership interest or over which HOC has control, then the \$25,000 per-unit minimum threshold does not apply as long as the existing housing substantially complies with HUD's housing quality standards (HQS). Please see Chapter 10 of HOC's Administrative Plan for further information on what it means to substantially comply with HUD's housing quality standards.
- d. HOC must explain in its Administrative Plan the work it plans to do on the property or site and how many units of PBV the Agency plans to add via non-competitive selection. These explanations are added on an as needed basis at the end of Chapter 22 of HOC's Administrative Plan, in Section G.
- e. All of the units identified by HOC for non-competitive selection must be eligible for PBV assistance in accordance with 24 CFR 983.53. Furthermore, selection of the units must satisfy all other statutory and regulatory requirements of the PBV program as per HUD guidance and this chapter of HOC's Administrative Plan.

As per this guidance from Housing Opportunity Through Modernization (HOTMA) Act, HOC added the required criteria described herein to HOC's Administrative Plan. HOC also added to its Administrative Plan the required explanation of the work it plans to do on the property or site and how many units of PBV HOC plans to add via non- competitive selection. That explanation is as follows:

In December of 2017, HOC used the non-competitive selection process provided for herein to award HOC 40 Project-Based Vouchers (PBV). These vouchers are reserved for use at HOC's Park View apartment project. Park View is a new construction, age- restricted property which is currently under development, and was open for

occupancy in April of 2019. Park View is located at 3132 Bel Pre Road in Aspen Hill, Maryland. HOC is developing Park View as a mixed-income property with a total of 120 units. HOC expects to exceed the required minimum threshold of \$25,000 in hard costs per unit during construction of Park View. At closing, Park View had an estimated hard cost per unit of \$142,610.

(c) HOC's Public Housing Deconcentration Policy is described in Chapter 10 of the Agency's Admissions and Continued Occupancy Policy (ACOP). More specifically, Sections 10.4 and 10.5 state the following:

#### ***10.4 DECONCENTRATION POLICY***

It is the Housing Opportunities Commission's policy to provide for deconcentration of poverty and encourage income mixing by bringing higher income families into lower income developments and lower income families into higher income developments. Toward this end, we may skip families on the wait list to reach other families with a lower or higher income. Additionally, the Housing Opportunities Commission may use flat rents to encourage higher-income eligible residents to lease or remain in a public housing unit. We will accomplish this in a uniform and non-discriminating manner.

The Housing Opportunities Commission will affirmatively market our housing to all eligible income groups. Lower income residents will not be steered toward lower income developments and higher income people will not be steered toward higher income developments.

#### ***10.5 DECONCENTRATION INCENTIVES***

Subject to its annual deconcentration analysis, the Housing Opportunities Commission may offer one or more incentives to encourage applicant families whose income classification would help to meet the deconcentration goals of a particular development.

Various incentives may be used at different times, or under different conditions, but will always be provided in a consistent and nondiscriminatory manner.

### **B.2 New Activities**

(b) Beginning in 2014 and continuing into FY 2021, HOC is using the Rental Assistance Demonstration (RAD) program to convert its Public Housing (PH) portfolio to Project-Based Rental Assistance (PBRA) units and Project-Based Voucher (PBV) units. As a result of the RAD conversion project, additional guidance discussing the goals, objectives, and program regulations specific to the converted RAD units have been added to this Annual Plan. At the completion of HOC's RAD conversions, no PH units will remain in HOC's portfolio. As HOC's RAD conversions finish during this fiscal year (FY 2020), the PHA Plan content described herein regarding PH will cease to be applicable to the converted units. In place of the PH policies for these converted units will be the RAD conversion policies detailed in this Plan and in HOC's Administrative Plan for those units converted to PBVs.

As identified above, HOC is currently in the process of converting all of its existing PH units to either PBRA or PBV through HUD's RAD program. Of the 11 PH properties scheduled for conversion, the actual conversions have occurred in a staggered format over the last four fiscal years. HOC has received

Commitments to Enter into Housing Assistance Payments Contracts (“CHAP”) for all eleven (11) public housing developments and the final PH property will convert in FY 2020. These public housing properties are grouped into multiple Asset Management Projects (the “RAD AMPs”), as follows:

<b>Properties Comprising RAD AMPs</b>
Seneca Ridge (aka Middlebrook Square)
Parkway Woods and Ken Gar
Towne Centre Place and Sandy Spring Meadow
Washington Square and Emory Grove
Arcola Towers
Waverly House
Elizabeth House
Holly Hall

A number of these RAD AMPs have been re-grouped (consolidated and/or divided) into one or more properties under common ownership by an affiliate of HOC and under a common financing scheme following their RAD conversions (each a “RAD Property” and collectively, the “RAD Properties”). Further, some of the Assistance Transfer Units from some of the RAD AMPs or sites were consolidated into other RAD properties. The following table illustrates these re-groupings.

<b>RAD Properties</b>
Seneca Ridge, Parkway Woods, Ken Gar, Towne Centre Place, Sandy Spring Meadow, and Washington Square
Emory Grove (scattered site single-family homes)
Arcola Towers
Waverly House
Elizabeth House
Holly Hall

As HOC’s RAD conversions finish during this fiscal year (FY 2020), the PH content from this PHA Plan will become inapplicable to the converted units. Importantly, the following eligibility, selection, admissions policies, deconcentration, and wait list procedures apply to the units converted and converting from PH units to either PBRA or PBV units through the RAD program.

1. RAD Eligibility and Selection Criteria Modifications

- I. Occupied Units to be Converted Under RAD. Any tenant residing in a PH unit at any of the RAD properties at the time of conversion, shall be eligible for tenancy in a post-conversion unit. These tenants will be eligible for either PBRA units or PBV units. The PBRA RAD units will be located either (i) on-site, after a rehabilitation of the property (the “On-Site PBRA Units”), or (ii) at a new location as new construction replacement units (the “Replacement

RAD Units”). The PBV RAD units will be units for which the assistance is transferred to other properties owned by an affiliate of HOC (the “Assistance Transfer PBV Units”, referenced jointly with the On-Site PBRA units and the Replacement RAD units as the “RAD units”). Beginning in FY 2015, HOC’s plan was to convert 508 public housing units as On-Site PBRA units, convert 256 public housing units to Replacement RAD units (for the Elizabeth House and Holly Hall properties), and transfer assistance for 113 public housing units. In all cases, each of the 877 public housing units converted under RAD would continue to receive a subsidy.

During FY 2015, HOC completed the above described Assistance Transfer PBV Unit process with all 113 units that were planned to have their PH assistance transferred off-site to PBV assistance. Also during FY 2015, HOC completed the above described On-Site PBRA Unit process for 209 units that were planned to have their PH assistance converted to on-site PBRA assistance. This process included four RAD AMPs: (1) Seneca Ridge, (2) Parkway Woods and Ken Gar, (3) Towne Centre Place and Sandy Spring Meadow, and (4) Washington Square and Emory Grove.

During FY 2016, HOC completed the conversion of all of the units at Arcola Towers (141) and Waverly House (145) RAD AMPs to PBRA.

During FY 2018, HOC completed the conversion of all of the units at Holly Hall (96) and 24 of the 160 units at Elizabeth House.

During FY 2020, HOC completed conversion of 30 of the 160 units at Elizabeth House.

Accordingly, the only remaining RAD conversion, which will take place in FY 2020, is for the remaining 106 units at Elizabeth House. During its conversion from PH to project-based rental subsidy programming, all of the units from Elizabeth House property will be transferred fully offsite as Replacement RAD Units.

<b>RAD AMP</b>	<b>Current Public Housing Units</b>	<b>On-Site PBRA Units</b>	<b>Replacement RAD Units</b>	<b>Assistance Transfer PBV Units</b>
Elizabeth House	106	-	106	-

A. On-Site PBRA Units and Replacement RAD Units. This list enumerates the rights of those existing residents who occupy a RAD unit at the time of conversion and who either remain on-site at the RAD property after conversion or who relocate to a newly constructed Replacement RAD Unit. Occupants of these RAD units will receive PBRA. All PH units that are converting to PBRA through RAD will use Form HUD 90105-A Model Lease for Subsidized Programs with an initial lease term of one year. Complete information on these matters may be found under the heading of “Special Provisions Affecting Conversions to PBRA” in HUD’s PIH Notice 2012-32 (Section 1.7.B & C), which are incorporated herein by reference and summarized below:

- a. No re-screening of tenants upon conversion.



- b. Resident right to return to the property (or, in the case of Elizabeth House and Holly Hall, the newly constructed replacement property) if relocated as a result of conversion, irrespective of income level.
- c. Phase-in of tenant rent increase: If the rent increase is the greater of 10 percent or \$25, the increase will be phased in over three (3) years or five (5) years, as determined by HOC.
- d. Continued eligibility for Public Housing-Family Self-Sufficiency (“PH-FSS”) and Resident Opportunities and Self-Sufficiency- Service Coordinators (“ROSS-SC”) programs; provided, however, that these tenants will be given first priority for Assistance Transfer Units.
- e. Resident Participation and Funding: Residents will have the right to establish and operate a resident organization and be eligible for resident participation funding (see Attachment 1B of PIH Notice 2012-032).
- f. Termination notification: HOC must provide written notification of termination of lease within a reasonable time:
  - i. Not to exceed 30 days if health or safety of other tenants, HOC employees, or persons residing in the vicinity are threatened or in the event of drug- related or violent criminal activity or any felony conviction;
  - ii. 14 days for non-payment of rent; and
  - iii. In all other cases, the requirements at 24 CFR §880.603, as revised for RAD in PIH Notice 2012-32, the Multifamily HUD Model Lease and any other HUD multifamily administrative guidance shall apply.
- g. Grievance process: See PIH Notice 2012-32 Section 1.7.B.6. In addition to program rules that require that tenants are given notice of covered actions under 24 CFR Part 245 (including increases in rent, conversions of a project from project-paid utilities to tenant-paid utilities, or a reduction in tenant paid utility allowances), HUD is incorporating resident procedural rights to comply with the requirements of section 6 of the United States Housing Act of 1937 (the “Act”). The RAD program will require that:
  - i. Residents be provided with notice of the specific grounds of the proposed owner adverse action, as well as their right to an informal hearing with HOC (as owner);
  - ii. Residents will have an opportunity for an informal hearing with an impartial member of HOC’s staff (as owner) within a reasonable period of time;
  - iii. Residents will have the opportunity to be represented by another person of their choice, to ask questions of witnesses, have others make statements at the hearing, and to examine any regulations and any evidence relied upon by the owner as the basis for the adverse action. With reasonable notice to HOC (as owner), prior to a hearing and at the residents’ own cost, the resident may copy any documents or records related to the proposed adverse action;
  - iv. HOC (as owner) will provide the resident with a written decision within a reasonable period of time stating the grounds for the adverse action, and the evidence HOC (as owner) relied upon as the basis for the adverse action; and

- v. HOC (as owner) will be bound by decisions from these hearings, except if the:
  - 1) Hearing concerns a matter that exceeds the authority of the impartial party conducting the hearing.
  - 2) Decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.
  - 3) If HOC (as owner) determines that it is not bound by a hearing decision, HOC must promptly notify the resident of this determination, and of the reasons for the determination.
  
- h. Establishment of Wait List. Wait lists will be kept in accordance with PIH Notice 2012-32 Section 1.7.C.
  
- i. Earned Income Disregard (“EID”). Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 960.255. If a tenant requests that the EID cease, or upon the expiration of the EID for such tenants, the tenant will no longer receive the EID exclusion and the Owner will no longer be subject to the provisions of 24 CFR §960.255. Furthermore, tenants whose EID ceases or expires after conversion shall not be subject to the rent phase-in provision, as described in Section 1.7.B.3; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time (please See PIH Notice 2012-32, Section 1.7.B.7).
  
- B. Assistance Transfer PBV Units. HOC has determined that it will be advantageous to transfer the assistance from some of the RAD AMPs to units of similar bedroom count located at other properties controlled by HOC (or its wholly owned affiliate). During FY 2015, HOC transferred the assistance of 113 units from four RAD AMPs to become PBV subsidized units. These RAD AMPs are: (1) Seneca Ridge, (2) Parkway Woods and Ken Gar, (3) Towne Centre Place and Sandy Spring Meadow, and (4) Washington Square and Emory Grove. For a specific breakdown of the units transferred from each AMP, please see the chart below:

<b>RAD AMP</b>	<b>Units</b>
Seneca Ridge (Middlebrook Square)	16
Parkway Woods and Ken Gar	4
Towne Centre Place and Sandy Spring Meadow	9
Washington Square and Emory Grove	84

Any resident of a RAD AMP (at time of conversion) who is offered and accepts the transfer of the rental assistance to an Assistance Transfer PBV Unit is entitled to the same rights as a current resident remaining at the converted RAD Property. The assistance available at Assistance Transfer PBV Units will be PBV. Complete information on these matters may be found under the heading of “Special Provisions Affecting

Conversions to PBV” in HUD’s PIH Notice 2012-32 (Section 1.6.C & D), which are incorporated herein by reference and summarized below:

- a. No re-screening of tenants upon conversion.
- b. Resident right to an assisted unit, irrespective of income level; residents of Assistance Transfer Units waive the right to return to their prior units.
- c. Phase-in of tenant rent increase: If the rent increase is the greater of 10% or \$25, the increase will be phased in over three (3) years or five (5) years, as determined by HOC.
- d. Continued eligibility for Public Housing-Family Self-Sufficiency (“PH-FSS”) and Resident Opportunities and Self-Sufficiency- Service Coordinators (“ROSS-SC”) programs.
- e. Resident Participation and Funding: Residents will have the right to establish and operate a resident organization and be eligible for resident participation funding (see Attachment 1B of PIH Notice 2012-032).
- f. Termination notification: HOC must provide written notification of termination of lease within a reasonable time:
  1. Not to exceed 30 days if health or safety of other tenants, HOC employees, or persons residing in the vicinity are threatened or in the event of drug- related or violent criminal activity or any felony conviction;
  2. 14 days for non-payment of rent; and
  3. In all other cases, the requirements at 24 CFR §880.603, as revised for RAD in PIH Notice 2012-32, the Multifamily HUD Model Lease and any other HUD multifamily administrative guidance shall apply.
- g. Grievance process. See PIH Notice 2012-32 Section 1.6.C.7.b. In addition to program rules that require that tenants are given notice of covered actions under 24 CFR Part 245 (including increases in rent, conversions of a project from project-paid utilities to tenant-paid utilities, or a reduction in tenant paid utility allowances), HUD is incorporating resident procedural rights to comply with the requirements of section 6 of the Act. RAD will require that:
  1. Residents be provided with notice of the specific grounds of the proposed owner adverse action, as well as their right to an informal hearing with the HOC (as owner);
  2. Residents will have an opportunity for an informal hearing with an impartial member of HOC’s staff (as owner) within a reasonable period of time;
  3. Residents will have the opportunity to be represented by another person of their choice, to ask questions of witnesses, have others make statements at the hearing, and to examine any regulations and any evidence relied upon by the owner as the basis for the adverse action. With reasonable notice to the HOC (as owner), prior to hearing and at the residents’ own cost, resident may copy any documents or records related to the proposed adverse action;
  4. HOC (as owner) will provide the resident with a written decision within a reasonable period of time stating the grounds for the adverse action, and the evidence HOC (as owner) relied on as the basis for the adverse action.

5. HOC (as owner) will be bound by decisions from these hearings, except if the:

- i. Hearing concerns a matter that exceeds the authority of the impartial party conducting the hearing.
- ii. Decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.
- iii. If HOC (as owner) determines that it is not bound by a hearing decision, HOC must promptly notify the resident of this determination, and of the reasons for the determination.

h. Establishment of Wait List. See PIH Notice 2012-32 Section 1.6.D.4.

i. Earned Income Disregard (“EID”). Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 960.255. If a tenant requests that the EID cease, or upon the expiration of the EID for such tenants, the tenant will no longer receive the EID exclusion and the Owner will no longer be subject to the provisions of 24 CFR §960.255. Furthermore, tenants whose EID ceases or expires after conversion shall not be subject to the rent phase-in provision, as described in Section 1.6.C.8; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time. (Please See PIH Notice 2012-32, Section 1.6.C.8)

C. Relocation. There is no planned offsite relocation with the exception of the Assistance Transfer Units described above. During the rehabilitation of each RAD AMP, residents may be relocated to facilitate the rehabilitation work within the RAD AMP. All relocations will be subject to the Uniform Relocation Act (“URA”) and HOC will arrange for and assume all costs of relocation either on-site or off-site.

II. Vacant Units Converted Under RAD and New Tenants. After conversion under the RAD program, any new tenant of a vacant RAD Unit (whether an On-Site RAD Unit or an Assistance Transfer Unit), will be subject to the terms of HUD regulations for Project-Based Section 8. This includes the requirement that tenants have incomes no greater than eighty percent (80%) of AMI. These RAD units and their tenants will not be governed by HOC’s Admissions and Continued Occupancy Policy (“ACOP”) for its PH units. Each RAD Property will have its own Tenant Selection Plan developed to be consistent with efforts to Affirmatively Further Fair Housing and the provisions of HUD Handbook 4350.3 REV-1.

Arcola Towers, Elizabeth House, and Waverly House are each designated for occupancy by only the elderly. Holly Hall is designated for occupancy by the elderly and/or non-elderly disabled (NED) families/ individuals. Except with respect to these four properties the RAD properties and RAD units are not designated as elderly-only and there will be no age restrictions or other preferences in the admission for tenancy.

Future applicants after the RAD conversion will be screened to ensure that they meet project eligibility requirements including citizenship requirements, disclosure and documentation of social security numbers, and income limitations. They will also be screened to determine that they will be responsible residents, which will include, but not be

limited to, a review of references from previous landlords, credit history, and criminal and eviction history. In addition, Resident Selection Criteria incorporates screening requirements as established for the Section 8 program in HUD Handbook 4350.3, Occupancy Requirements for Subsidized Multi-Family Housing Programs.

After conversion of the RAD Units, future applicants for units at each RAD Property will be placed on a wait list, processed for immediate occupancy or rejected. All eligibility factors will be verified in writing and will be kept in the applicant's file. The following procedure will be used if an applicant is found to be unacceptable:

- A. The applicant will be immediately notified if it is found that the applicant is ineligible because their income exceeds the appropriate income limits or because the applicant's family size is not suitable for the size of the available unit(s).
- B. If the applicant meets the eligibility criteria, they will be offered a unit or placed on a wait list.
- C. The applicant will be promptly notified, in writing, of the determination of their ineligibility. The letter will explain why the applicant is not eligible.
- D. The rejection letter will advise the applicant that they have fourteen (14) days to respond in writing or request a meeting with a representative of the owner not involved in the original determination process.
- E. The rejection letter will also inform the applicant that responding to the rejection letter does not preclude the applicant from exercising other avenues available if they feel they are being discriminated against.
- F. If the applicant responds in writing and/or after a meeting is held, the applicant will be advised, in writing, whether or not the decision has changed. The letter will be sent within five (5) days from the date of the applicant's letter or from the date of the meeting.

- III. On-Site Unassisted Units. As a result of the transfer of assistance to off-site Assistance Transfer Units, there will be a commensurate number and type of non-RAD units located at the RAD Property (the "On-Site Unassisted Units"). The On-Site Unassisted Units allow HOC to make units at the RAD Properties available to tenants without rental assistance and, at HOC's discretion, without income restrictions, which not only promotes the economic viability of the converted properties, but also furthers HOC's goal to deconcentrate poverty. HOC has set an initial rent level for these On-Site Unassisted Units at or below the eighty percent (80%) AMI level. There will be no difference in unit quality or amenities between the On-Site RAD Units and the On-Site Unassisted Units. Additionally, HOC will not require any resident to move from a RAD Property. Subsidy will be transferred to the Assistance Transfer Units for those units which are currently occupied by families participating in the PH-FSS program and for vacant units. In the former case, HOC will pay the costs of relocation. As previously discussed with HUD, subsidy will be transferred to these off-site Assistance Transfer Units in the form of PBV. The Assistance Transfer Units were formerly part of one of HOC's scattered site public housing developments that recently underwent disposition under Section 18 of the Act and are now owned by a wholly-owned affiliate of HOC. These scattered site units are currently undergoing substantial renovations. There is no external financing required for the renovation.

## 2. RAD Wait List Modifications

HOC opened its wait list (Housing Path) in August of 2015. In advance of the opening of the wait list, HOC undertook a comprehensive process of combining all of the Agency's wait lists into one single list for all HOC programs. Prior to the opening of the new wait list, all applicants on HOC's PH wait lists received notification that the lists were being purged and that they will be given priority on new site-based wait lists for the converted RAD Properties, which will be developed based upon direction provided within and in conformity with HUD Notice PIH-2012-32 (HA), REV-1 Sections 1.6.D.4 and 1.7.C.3. HOC's new wait list policies are described in Chapter 4 of HOC's Administrative Plan for the Housing Choice Voucher Program and in Chapter 9 of HOC's Admissions and Continued Occupancy Policy (ACOP).

Previously, HOC's Public Housing wait lists were not site-based or project specific, but separated into four regional lists by bedroom size with preferences for families designated as "Federal Emergency Assisted" and residents who live and/or work, or have been offered to work in the jurisdiction. The selection process for each list was by preference and then random selection by lottery. After the RAD conversions, there will be site-based wait lists for the RAD Properties (or definable portion of such property, where geographic proximity is lacking). The wait lists for each RAD Property will then be opened to the public. Opening of the RAD Properties' wait list(s) will be announced on HOC's website and, where required, with a public notice stating that applications for the RAD Properties will be accepted. The public notice will state where, when, and how to apply. The public notice will be published in a local newspaper of general circulation and also by any available minority media. The public notice will state any limitations as to who may apply.

Once applications are received, date and time of receipt will be recorded. The applications will be evaluated using the criteria for admission. Any applications meeting the eligibility criteria will be placed on the wait list. Applications not meeting these requirements will be rejected and not placed on the wait list. In the event that an applicant is rejected, the applicant will receive written notification. The applicant shall have fourteen (14) days from the date of the letter to respond in writing or to request a meeting to discuss the rejection. Each applicant's position on the wait list will be determined by the date and time on which all of the applicant's application materials are received at the office. Importantly, however, acceptance to the wait list does not automatically guarantee eligibility for a unit. Further screening as described under the eligibility section (above) will be completed at the time a unit is offered. Units will be rented to eligible applicants in accordance with the applicants' place on the wait list.

## 3. RAD Assignment Modification

- A. All tenants currently participating and residing in PH units at the RAD AMPs will be admitted into converted RAD Units. After the RAD conversion, admission and selection of future tenants at these RAD Properties will be governed by HUD regulations as detailed above.
- B. Residents of RAD Units will be required to meet the following occupancy standards (as further depicted in the table below):

- i. A single head of household or a head of household with a spousal relationship or significant other will be assigned one bedroom.
- ii. Two members of the same gender, regardless of age, will be assigned one bedroom.
- iii. A live-in aide will get a separate bedroom.

<u>Unit Bedroom Size</u>	<u>Family Size</u>
Efficiency	1 person
1 Bedroom	1 – 2 persons
2 Bedrooms	2 – 4 persons
3 Bedrooms	3 – 6 persons
4 Bedrooms	5 – 8 persons

- iv. Exceptions to normal bedroom size standards include the following:
  - a. Units smaller than assigned through the above guidelines – A family may request a smaller unit size than the guidelines allow. HOC will allow the smaller size unit so long as generally no more than two (2) people per bedroom are assigned.
  - b. Units larger than assigned through the above guidelines – A family may request a larger unit size than the guidelines allow. HOC will allow the larger size unit if the family provides a verified medical need that the family be housed in a larger unit.
  - c. If there are no families on the wait list for a larger size, smaller families may be housed if they sign a release form stating they will transfer (at the family’s own expense) to the appropriate sized unit when an eligible family needing the larger unit applies.
  - d. Larger units may be offered in order to improve the marketing of a development suffering a high vacancy rate.
- C. If a RAD unit with accessible features becomes vacant, management will offer the unit in the following order of priority: first, to a current resident of the RAD property who requires the accessible feature; then second, to an eligible qualified applicant on the RAD property’s wait list who requires the feature; and third, to an eligible qualified applicant on the RAD property’s wait list without a disability.

4. Deconcentration of Poverty

As a result of the transfer of assistance to off-site Assistance Transfer Units, there will be a commensurate number and type of On-Site Unassisted Units. These On-Site Unassisted Units allow HOC to make units at the RAD properties available to tenants without rental assistance and, at HOC’s discretion, without income restrictions, which not only promotes the economic viability of the converted properties, but also furthers HOC’s goal to deconcentrate poverty.

5. Conversion of Public Housing

HOC’s conversion of PH units to RAD Units under the RAD program was designed to entail (i) the renovation of 268 single family and townhome units in 3 RAD AMPs, (ii) the renovation of 141

units at two elderly properties in 2 RAD AMPs, (iii) the construction of 256 new units to replace the existing units which will be demolished at an elderly property and property designated for elderly and Non-Elderly Disabled (NED) residents in 2 RAD AMPs, and (iv) the transfer of assistance for 113 units from four separate RAD AMPs to newly renovated single-family homes.

During FY 2015, HOC completed the above described transfer of assistance step with all 113 units that were planned to have their PH assistance transferred off-site to PBV assistance. This process included four RAD AMPs: (1) Seneca Ridge, (2) Parkway Woods and Ken Gar, (3) Towne Centre Place and Sandy Spring Meadow, and (4) Washington Square and Emory Grove.

During FY 2016, HOC completed the conversion of all of the units at the Arcola Towers (141) and Waverly House (158) RAD AMPs to PBRA.

Arcola Towers is a 141 unit elderly high-rise property consisting of 141 one-bedroom units. It is located at 1135 University Boulevard in Silver Spring, MD 20902. The Arcola Towers units were substantially rehabilitated during FY 2017 and FY 2018. The building and housing units now meet Enterprise Green Communities standards. All work performed was completed under the International Existing Building Code (IEBC) and all applicable Montgomery County construction codes.

Waverly House is a 158 unit elderly high-rise property consisting of 156 one-bedroom units and 2 two-bedroom units, originally constructed in 1978. It is located at 4521 East West Highway in Bethesda, MD 20814. The Waverly House units were substantially rehabilitated during FY 2017 and FY 2018. The building and housing units now meet Enterprise Green Communities standards. All work performed was completed under the International Existing Building Code (IEBC) and all applicable Montgomery County construction codes.

During FY 2018, HOC completed the conversion of all of the units at the Holly Hall (96) RAD AMP to PBRA and converted 24 of the 160 units at the Elizabeth House RAD AMP. During FY 2019, HOC completed the conversion of 36 of the 106 units at the Elizabeth House RAD AMP to PBRA. The remaining 106 units at Elizabeth House are scheduled for RAD conversion in FY 2020. Upon their conversion HOC will complete its RAD conversion process.

Holly Hall is a 96 unit property consisting of one efficiency unit, 53 one-bedroom units, and 42 two-bedroom units, originally constructed in 1965. It is located at 10110 New Hampshire Avenue in Silver Spring, MD 20903. This property is designated exclusively for elderly and non-elderly disabled residents. The former public housing units at Holly Hall are scheduled for demolition and will be replaced with newly constructed units at multiple properties in Montgomery County. All of the former PH residents from Holly Hall are moving to a combination of the following new properties:

Property Name	Property Location
Fenton Silver Spring (900 Thayer)	8240 Fenton Street, Silver Spring, MD 20910
Pointe View at Aspen Hill	3136 Bel Pre Road, Silver Spring, MD 20906
Victory Crossing	1090 Milestone Drive, Silver Spring, MD 20904
Victory Haven	9616 Main Street, Damascus, MD 20872

The final HOC property scheduled for RAD conversion is Elizabeth House. Elizabeth House is a 160



unit elderly high-rise property consisting of 40 efficiencies, 100 one-bedroom units, and 20 two-bedroom units, originally constructed in 1966. It is located at 1400 Fenwick Lane in Silver Spring, MD 20910. Fifty-four of the 160 PH units at Elizabeth House completed their conversion to PBRA or PBV in FY 2018. All 54 of the former PH residents from Elizabeth House are moving to a combination of the same four new properties as the former residents of Holly Hall described above.

All of the former public housing units at Elizabeth House are scheduled for demolition. A replacement building, Elizabeth House III, will be constructed on an adjacent site. The final scope for the new construction will be developed in conjunction with HOC’s selected architect. After construction, the building and housing units are expected to meet Enterprise Green Communities standards. All work to be performed will be completed under the International Existing Building Code (IEBC) and all applicable Montgomery County construction codes. The 106 remaining PH residents at Elizabeth House 111 will move to a combination of the new Elizabeth House III property and the same four new properties as the former PH residents of Holly Hall and the 54 already converted residents of Elizabeth House.

6. Designated Housing for Elderly and/or Disabled Families

HOC has approved the following developments for Designated Housing:

<b>Designation of Public Housing Activity Description</b>
Development name: Elizabeth House
Development (project) number: MD004511402
Designation type: Occupancy by only the elderly
Application status: Approved
Date this designation was Approved: 1/2015
Number of units affected: 158

7. Project-Based Vouchers

HOC currently operates a Project-Based Voucher (PBV) program within its Housing Choice Voucher (HCV) program. The rules governing HOC’s PBV program are enumerated in Chapter 22 of HOC’s Administrative Plan for the Housing Choice Voucher Program. As described in HOC’s Administrative Plan, the program goals for the Project-Based Voucher (PBV) Program are as follows:

- a. To contribute to the improvement and long-term viability of the area’s housing stock.
- b. To increase the supply of affordable housing and location choice for very low-income households.
- c. To integrate housing and supportive services such as education, case management, job training, and day care to help families and individuals achieve stability and self-reliance.
- d. To promote the coordination and leveraging of resources of public, semi-public, or nonprofit agencies with compatible missions.

During FY 2017, HOC posted a Request for Proposals (RFP) for its PBV program. HOC received requests for a total of 90 units, of which 56 were approved. This competitive selection process utilized the selection criteria described in HOC’s Administrative Plan ensuring compliance with PBV goals, civil rights requirements, Housing Quality Standards (HQS) and deconcentration standards, as stated in 24 CFR 983.57 and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions for the Housing Choice Voucher program.

As per the Code of Federal Regulations (CFR) at 24 CFR 983.6 and HOC’s Administrative Plan, the maximum amount of PBV assistance that HOC may provide is up to 20 percent of the amount of budget authority allocated to the Agency by HUD. HOC currently has 683 PBV units located throughout Montgomery County, Maryland, including Silver Spring, Aspen Hill, Bethesda, Montgomery Village, Gaithersburg, Rockville, Germantown, Chevy Chase, Wheaton, Takoma Park, Clarksburg, and Boyds.

**B.4 Most Recent Fiscal Year Audit**

(b) There were two findings in HOC’s 2019 Year Audit. All recommendations have been followed to remedy these findings. Excerpted Below are the details of the findings.

1. Condition/Context: 2019 - 1

During our testing, we noted that the Commission’s internal controls did not always ensure that tenant files included all required documentation. We also noted that income and expenses were not always properly calculated, and as a result, HAP expense was not always properly calculated.

Context: During our testing of 40 tenant files, exceptions were noted in 7 files.

2. HOC Corrective Action

The Commission acknowledges the eligibility finding and continues to address the issue. The HRD Management Team along with the Compliance Team will continue to conduct monthly trainings and quality control reviews. Systemic findings will be discussed in monthly staff meetings and non-systemic errors will be addressed individually. Staff with poor performance will be held accountable for their work and counseled pursuant to the HOC Collective Bargaining Agreement and Personnel Policy. Staff have demonstrated improvement in the quality of work, as three of the seven identified errors were for actions processed in fiscal year 2018 though reflected on the fiscal year 2019 HAP register.

Planned completion date for corrective action plan: Ongoing

3. Condition/Context: 2019 – 2

During our testing, we noted that the Commission’s internal controls did not always ensure that annual inspections were performed timely and/or properly documented.

Context: Out of 40 units tested for annual HQS testing requirements, exceptions were noted for 5 units

4. HOC Corrective Action:

The Commission has continued to make modifications to the inspection procedures. The modifications include, but are not limited to: Regularly meeting with and working close to our

HOC FY 2021 Annual PHA Plan  
third party vendor(s). Providing all internal staff with HQS Training. Ensuring inspections are scheduled timely. Weekly reporting on inspection schedules. Upgrading the mailing policy to ensure notices are mailed, emailed and detailed inspection information is provided via our external client portal.

Planned completion date for corrective action plan: Ongoing

## **B.5** Progress Report

HOC continues to make positive strides toward meeting the mission and goals described in its FY 2020 – 2024 Five-Year Plan. Below are some highlights of HOC’s efforts over this past year:

- HOC has developed and is developing affordable, mixed-use developments in Montgomery County.
- HOC continued to utilize and improve its resident services and customer service through its two customer service centers, one down-County in Silver Spring and the second up-County in Gaithersburg.
- HOC has used the RAD program to begin converting its PH portfolio, already converting nine former PH properties to PBRA and/or PBV assistance.
- HOC continues its efforts through newsletters and forums to reach out to landlords for the voucher program.
- HOC has continued to work with staff, other local agencies, and outside partners to enhance its fair housing efforts.

### Violence Against Women Act (VAWA):

To help meet the goals of the Violence Against Women Act (VAWA), HOC provides support and referrals to counseling for victims of domestic violence, dating violence, sexual assault, or stalking. HOC’s partner, the Montgomery County Department of Health and Human Services, features an Abused Persons Program (240-777-4673) which provides 24-hour services, including access to counseling and shelters. HOC has an Agency-wide VAWA Policy which clearly defines and describes HOC’s efforts to ensure that VAWA victims retain their housing assistance. HOC also assists victims with referrals to obtain restraining orders.

On November 16, 2016, the U.S. Department of Housing and Urban Development (HUD) published a new Final Rule implementing the housing protections authorized in the Violence Against Women Reauthorization Act of 2013 (“VAWA 2013” or “2013 Act”). Despite the VAWA 2013 Final Rule’s identification that a formal PHA policy is not required in order to implement the provisions of VAWA 2013, HOC’s Commission chose to develop a single, stand-alone VAWA policy which describes HOC’s commitment to VAWA adherence and enforcement.

HOC’s new VAWA Policy has the following principal goals and objectives:

- A. Maintaining compliance with all applicable legal requirements imposed by VAWA;
- B. Ensuring the physical safety of victims of actual or threatened domestic violence, dating violence, sexual assault, or stalking who are assisted by HOC;
- C. Providing and maintaining housing opportunities for victims of domestic violence, dating violence, sexual assault, or stalking;

- D. Creating and maintaining collaborative arrangements between HOC, law enforcement authorities, victim service providers, and others to promote the safety and well-being of victims of actual and threatened domestic violence, dating violence, sexual assault, or stalking, who are assisted by HOC; and
- E. Taking appropriate action in response to an incident or incidents of domestic violence, dating violence, sexual assault, or stalking, affecting individuals who HOC assists.

Additionally, HOC's new VAWA Policy states the Agency's commitment to cooperate with organizations and entities, both private and governmental, which provide shelter and/or services to victims of domestic violence. If HOC staff becomes aware that an HOC assisted individual is a victim of domestic violence, dating violence, sexual assault, or stalking, HOC will refer the victim to such providers of shelter or services as appropriate. While HOC's VAWA Policy does not create any legal obligation requiring HOC either to maintain a relationship with any particular provider of shelter or services to victims of domestic violence, dating violence, sexual assault, or stalking or to make a referral in any particular case, HOC's Emergency Transfer Plan does describe providers of shelter or other services to victims of domestic violence, dating violence, sexual assault, or stalking with which HOC has referral or other cooperative relationships.

Lastly, HOC's new VAWA Policy incorporates and explains the Agency's use of the following four HUD documents required as per the VAWA 2013 Final Rule:

1. Notice of Occupancy Rights under the Violence Against Women Act
2. Model Emergency Transfer Plan for Victims of Domestic Violence
3. Certification of Domestic Violence
4. Emergency Transfer Request for Victims of Domestic Violence

# Budget, Finance & Audit Committee

# APPROVAL OF SERVICE CONTRACT FOR HOC INSPECTIONS

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STACY L. SPANN, EXECUTIVE DIRECTOR

Renee Harris

April 01, 2020

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# EXECUTIVE SUMMARY

- In December 2019, the Housing Opportunities Commission (HOC) solicited bids from qualified firms, which are licensed, insured, and bonded to conduct multiple inspection types in the state of Maryland. The inspections to be conducted under the new RFP are as follows:
  - HUD Housing Quality Standard Inspections (HQS)
  - Montgomery County Chapter 26 Inspections
  - Radon Inspections; and
  - Lead Based Paint Inspections
- The inspections will be conducted at various property types including single family homes, townhouses, multifamily, garden, mid-rise, and high-rise dwelling units located throughout Montgomery County.
- The existing contract between HOC and CVR Associates was executed in February 2018 and covers only one required inspection type, the HUD HQS Inspection.
- In an attempt to provide a healthy living conditions to all residents and to meet Montgomery County required living standards, HOC has added new inspections to this RFP, expanding the housing Inspection Scope of Work.



# EXECUTIVE SUMMARY

- The RFP was issued in accordance with the HOC Procurement Policy in place. A pre-proposal conference was held on December 5, 2019 at 9:00 am at HOC's headquarters. During the Pre-Proposal Conference, potential offerors were given an overview of the Scope of Work, an opportunity to ask questions and obtain clarification about any aspect of the RFP.
- HOC received responses from two inspection companies – Alban Inspections and Inspections Experts Inc.
- Staff is recommending to the Commission the selection of Inspection Experts Inc. as the new contractor to conduct all the inspections referenced in RFP #2184.

# BACKGROUND

- HOC administers around 15,000 initial inspections, annual and special inspections, and re-inspections on annual basis. Additionally, HOC will administer approximately 80 Lead Based Paint inspections, 3,500 Radon Inspections, and 3,012 Montgomery County Chapter 26 Inspections.
- The Scope of Work under this RFP encompasses multiple inspection types requiring specialized qualifications and licensing.
- HOC sought proposals from highly qualified, licensed, insured, and bonded firms, to provide the inspection services listed herein.
- Two firms responded to the RFP - IEI and Alban Inspections.
- As part of HOC procurement requirements, Staff interviewed IEI and Alban Inspections to identify the most qualified organization for the work. The selection panel included staff from Client Services, Property Management, and Maintenance.
- Staff recommends that HOC award the inspection contract to IEI to perform the inspection work under this RFP.

# IEI PROPOSAL ANALYSIS



Inspection Experts Inc.

IEI is an approved Woman-Owned Small Business (WOSB) which excel in solid contract performance with several federal government agencies as well as private sector clients. They provide a broad range of services that can be categorized in two main areas:

1. Facilities Management:
  - Facilities operation
  - Maintenance and preventive maintenance
  - Building management services
2. Environment and Safety:
  - Environmental planning and compliance
  - HQS Inspection
  - Radon Inspection
  - Lead based paint inspection
  - Site characterization and remediation
  - Hazardous material management
  - Industrial hygiene
  - Consulting services

# IEI PROPOSAL ANALYSIS



Inspection Experts Inc.

IEI submitted a proposal with a total annual cost estimated at \$948,740. The estimated 15,000 HQS related inspections represent \$583,200 of the total cost, which is 19.85% lower than the cost of the current CVR contract of \$637,800 for just 13,000 HQS related inspections.

It is worth noting that IEI is the current subcontractor that conducts HOC's HQS Inspections on behalf of CVR Associates. Consequently, IEI has extensive knowledge of the HOC housing portfolio, as well as the privately owned properties participating in the Housing Choice Voucher program deep territory with the HQS Inspections process.

# IEI – PROPOSAL COST ANALYSIS

Description Inspections	Number of Inspections	Rate	Total
Initial Annual Inspections	8,000	\$ 42.00	\$ 336,000.00
Schedule and Conduct Initial Move-in Inspection	2,800	\$ 42.00	\$ 117,600.00
Conduct Initial Move-in Inspection (HOC Schedule)	200	\$ 40.00	\$ 8,000.00
Reinspection	3,500	\$ 30.00	\$ 105,000.00
No Show Inspection	500	\$ 20.00	\$ 10,000.00
Schedule and Conduct Special/Emergency Inspection	100	\$ 34.00	\$ 3,400.00
Conduct Special/Emergency Inspection (HOC Schedule)	100	\$ 32.00	\$ 3,200.00
<b>TOTAL HQS INSPECTIONS</b>			<b>\$ 583,200.00</b>
Chapter 26 Inspections	3,012	\$ 45.00	\$ 135,540.00
Lead Base Paint Inspection	80	\$ 250.00	\$ 20,000.00
Radon Inspection	3,500	\$ 60.00	\$ 210,000.00
<b>TOTAL OTHER INSPECTIONS</b>			<b>\$ 365,540.00</b>
<b>GRAND TOTAL</b>			<b>\$ 948,740.00</b>

# ALBAN INSPECTIONS PROPOSAL ANALYSIS



**alban inspections** Alban Inspections

Alban Inspections, Inc. has been in the home inspections business for the past 23 years, performing over 25,000 inspections. Additionally, Alban Inspections, Inc. provides the following services type:

1. Mold investigations
2. Radon testing
3. Water and septic system testing
4. Lead based paint inspections
5. Commercial inspections

Alban Inspections proposal has a price tag estimated at \$3,196,500. The HQS Inspections portion of that total cost is \$2,357,500, which is four times the HQS Inspections cost included in IEI proposal.

It is worth noting that Alban Inspections Inc., has no reported experience administering the HUD HQS inspection for a Housing Authority or a private company.

# ALBAN INSPECTIONS – PROPOSAL COST ANALYSIS

Description Inspections	Number of Inspections	Rate	Total
Initial Annual Inspections	8,000	\$ 175.00	\$ 1,400,000.00
Schedule and Conduct Initial Move-in Inspection	2,800	\$ 150.00	\$ 420,000.00
Conduct Initial Move-in Inspection (HOC Schedule)	200	\$ 150.00	\$ 30,000.00
Reinspection	3,500	\$ 125.00	\$ 437,500.00
No Show Inspection	500	\$ 100.00	\$ 50,000.00
Schedule and Conduct Special/Emergency Inspection	100	\$ 100.00	\$ 10,000.00
Conduct Special/Emergency Inspection (HOC Schedule)	100	\$ 100.00	\$ 10,000.00
<b>TOTAL HQS INSPECTIONS</b>			<b>\$ 2,357,500.00</b>
Chapter 26 Inspections	3,012	\$ 175.00	\$ 527,100.00
Lead Base Paint Inspection	80	\$ 180.00	\$ 14,400.00
Radon Inspection	3,500	\$ 85.00	\$ 297,500.00
<b>TOTAL OTHER INSPECTIONS</b>			<b>\$ 839,000.00</b>
<b>GRAND TOTAL</b>			<b>\$ 3,196,500.00</b>

# PROPOSAL EVALUATION CRITERIA

Two firms responded to RFP 2184: Inspections Experts Inc. (IEI), and Alban Inspections. The Respondents were scored based on the following scoring criteria:

## **Background and Related Experience (25%):**

The evaluation of the background and related experience is based on the organization's current and prior experience conducting (i) HQS Inspections, (ii) Montgomery County Chapter 26 Inspections, (iii) The Lead based Paint Inspections (iv) and The Radon Inspections

## **Methodology (30%):**

An evaluation of how the organization intends to perform the services described in the RFP. They should address coordination of inspections, staff required to conduct the inspections, and the scheduling and notification process

## **Staffing and Management Plan (15%):**

An evaluation of the organizational chart, highlighting credentials, and qualifications, and roles of key staff and subcontractors who will be assigned to directly or indirectly work on this contract.

## **Section 3/Small Business, Minority, Disadvantage, Female Status/Subcontracting Plan (10%):**

The proposal should include a completed Section 3 Opportunity Plan.

## **Price (20%):**

All prices should be listed and clearly outlined with inclusive prices for performing inspections.



# PROPOSAL SCORING

## INSPECTION EXPERTS INC.

	<u>Criteria 1</u>	<u>Criteria 2</u>	<u>Criteria 3</u>	<u>Criteria 4</u>	<u>Criteria 5</u>	<u>TOTAL</u>
STAFF	Background and Related Experience	Methodology	Staffing and Management Plan	Section 3 Opportunities Plan	Price	
	(25%)	(30%)	(15%)	(10%)	(20%)	(100%)
Client Services Department	20	28	15	10	20	93
Property Management	23	28	15	10	18	94
Maintenance	20	25	13	9	18	85

# PROPOSAL SCORING

## ALBAN INSPECTIONS

	<u>Criteria 1</u>	<u>Criteria 2</u>	<u>Criteria 3</u>	<u>Criteria 4</u>	<u>Criteria 5</u>	<u>TOTAL</u>
STAFF	Background and Related Experience	Methodology	Staffing and Management Plan	Section 3 Opportunities Plan	Price	
	(25%)	(30%)	(15%)	(10%)	(20%)	(100%)
Client Services Department	20	28	15	0	10	73
Property Management	25	28	15	0	10	78
Maintenance	21	20	8	3	12	64

# SUMMARY AND RECOMMENDATIONS

## ISSUES FOR CONSIDERATION

Does the Commission wish to authorize the Executive Director of the Housing Opportunities Commission to execute a service contract with Inspections Experts Inc. (IEI), a Women-Owned Small Business, as the company to conduct all housing inspections as referenced in the RFP, including the HUD Housing Quality Standards inspections?

## BUDGET IMPACT

The total cost of the proposal submitted by IEI is estimated at \$948,740. If approved, the annual impact to the operating budget is an increase of \$310,940 in non-HQS inspections charges. However, this contract will be effective as of June 1, 2020 thus one month prior to the end of the Fiscal Year 2020. The FY20 budget include funding for non HQS inspections, costs sufficient to cover the remaining one month in FY20. The full cost of the new inspections charges will be reflected in the FY21 budget.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

The Budget, Finance and Audit Committee recommends to the full Commission to authorize the Executive Director of the Housing Opportunities Commission to execute a service contract with Inspections Experts, Inc. for Housing Quality Standards inspections services and all housing inspections as referenced in the RFP, at HOC properties.

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC”) is required to perform Housing Quality Standards Inspections per the U.S. Department of Housing and Urban Development, Montgomery County Chapter 26 Inspections, Radon Inspections, and Lead Based Paint Inspections (collectively, “Inspections”);

**WHEREAS**, in December 2019, staff solicited a Request for Proposals #2184 (the “RFP”) to solicit proposals from firms interested in performing the Inspections, to which staff received two responses ;

**WHEREAS**, the RFP contained five categories of evaluation criteria;

**WHEREAS**, each of the two proposals were evaluated, assigning numerical values to the firms, based on the following categories: background and related experience; methodology; staffing and management plan; section 3/small business, minority, disadvantage, female status/subcontracting plan; and price; and

**WHEREAS**, applying the criteria described above, staff recommends executing a contract with Inspections Experts, Inc. to complete the Inspections for a term of two years with two one-year renewals.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized and directed, without any further action on its part, to execute a contract with Inspections Experts, Inc. for a term of two years with two one-year renewals for the Inspections.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on April 1, 2020 .

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**Patrice M. Birdsong**  
**Special Assistant to the Commission**

# Development and Finance Committee

# STEWARTOWN HOMES: AUTHORIZATION TO SELECT BOSTON CAPITAL AS TAX CREDIT INVESTOR AND AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO NEGOTIATE AN OPERATING AGREEMENT

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**STEWARTOWN HOMES**



**Stacy L. Spann, Executive Director**

**Kayrine Brown  
Zachary Marks  
Gio Kaviladze**

**April 1, 2020**

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# Executive Summary

- Stewartown (“Property”) was constructed in 1977 in Gaithersburg. The property contains 94 townhome units within 12 structures. Stewartown has not undergone any major renovation since 2000, other than replacements at failure and scheduled capital improvements.
- Stewartown has reached the end of its initial 15-year LIHTC compliance period and the project team is currently preparing for the property’s upcoming LIHTC re-syndication and comprehensive renovation. The transaction is projected to close in the fall of CY2020, with renovation to start soon after. Previous tax credit investor exit process has been concluded and the property is now fully owned by HOC.
- In January 2020 the Commission approved the selection of Harkins Builders as the General Contractor for the renovation. At the same time, the Commission also authorized the property to freeze leasing and hold any upcoming vacancies, up to 16 vacant units required for each phase of renovation, for the duration of the renovation.
- The projected Total Development Cost is approximately \$29 million, to be funded with HOC-issued tax-exempt bonds enhanced with an FHA Risk Share mortgage (~\$12 million), property’s available cash balance (~\$1 million), HOC seller note (~\$6.9 million), deferred developer fee (~\$2.6 million), and 4% Low Income Housing Tax Credit (“LIHTC”) equity (~\$6.3 million).
- In February 2020, staff solicited proposals from 14 LIHTC investors/syndicators to select an equity investor. Three (3) syndicators’ Letters of Interest (“LOI”) were received: Boston Capital, Enterprise Community Investment, and R4 Capital. HOC has good working relationship and project history with all three syndicators.
- After the review of proposed pricing, equity pay-in timing, and transaction exit and other terms, Staff recommends approving Boston Capital as the tax credit equity syndicator for the transaction. Boston Capital’s proposal offers the most advantageous combination of equity price, equity pay-in schedule, transaction underwriting assumptions and conditions, and year 15 partnership exit terms and projections.



# Project Summary

<b>Project Name</b>	Stewartown Homes	<b>Units</b>	94	<b>Expected Closing Date</b>	Q4 FY20-Q1 FY21
<b>Location</b>	Gaithersburg, MD	<b>Average Unit Size (SF)</b>	972	<b>Stabilization Date</b>	Q4 FY2022
<b>Product Type</b>	Townhomes	<b>Occupancy (12/2019)</b>	100%	<b>Recapitalization Strategy</b>	Rehabilitation
<b>Year Built</b>	1977	<b>Total Rentable Sqft</b>	91,324	<b>Funding Strategy</b>	4% LIHTC/Bonds

Stewartown (“Property”) was constructed in 1977 in Gaithersburg. The property contains 94 townhome units within 12 structures. A community room/leasing is located on site. Units are outfitted with the typical amenities, all of which would be upgraded during the renovation. As a result of renovation, the property will see improvements to energy efficiency, the common areas and exterior grounds will be enhanced, and residents’ units will be modernized.



Stewartown has not undergone any major renovation, other than replacements at failure and scheduled capital improvements, since 2000, when HOC acquired the Property. Staff has developed a renovation scope that includes the following:

- Upgrading of interior kitchen and bathroom, including but not limited to energy efficient appliances, new cabinets, countertops, fixtures, flooring, painting, and lighting.
- Installation of modern HVAC units, hot water heaters, furnaces.
- Conversion of half baths in four bedroom units to full baths.
- Replacement of roofs not yet replaced by scheduled capital improvements.
- Replacement of siding, gutters, windows, and doors.
- Addition of five UFAS units to conform with LIHTC requirements.
- Improvements to the site including paving, site lighting, landscaping, a new playground, and signage.

# Investor Solicitation

- Staff solicited proposals from fourteen (14) LIHTC investors/syndicators to select an equity investor.
- Three (3) syndicators Letters of Interest (“LOI”): Boston Capital, Enterprise Community Investment, and R4 Capital.
- Wells Fargo, as the previous LIHTC Investor of the project, could not claim acquisition credits and offer competitive pricing; therefore they notified HOC staff that for this reason they would not submit an offer.

1	Aegon Real Assets US
2	Bank of America Merrill Lynch
3	Boston Capital
4	Citi Community Capital
5	Community Affordable Housing Equity Corporation
6	Enterprise Community Investment, Inc
7	Hudson Housing Capital
8	M&T Bank
9	PNC
10	Raymond James
11	RBC Capital Markets
12	Riverside Capital
13	R4 Capital
14	Wells Fargo Community Lending and Investment



R4 CAPITAL

- Founded in 2011
- Since May 2012 raised more than \$1.6 billion of equity
- Approximately 178 properties located in 39 states
- Team has on average over 25 years of Housing Tax Credit experience with a track record that includes over \$15 billion of Housing Tax Credit investments on behalf of more than 200 corporate investors
- Commission approved R4 as the investor for Waverly House, Alexander House, and Elizabeth House III

**Boston Capital**

- Founded in 1974
- A real estate investment and advisory firm specializing in equity investments in affordable multifamily housing and market rate apartment communities.
- Has more than 2,110 multifamily apartment properties in 49 states and the District of Columbia
- Constituting nearly 213,000 apartment developments with a development cost in excess of \$18.7 billion
- Commission approved Boston Capital as the investor for Arcola Towers



**Enterprise**

- Syndicator founded in 1984 and based in Columbia, MD.
- Enterprise Community Investment, Inc. finances, develops, and acquires housing and other community development initiatives in underserved neighborhoods in the U.S.
- Involved in financing nearly 529,000 multifamily developments in 49 states and the District of Columbia.
- Commission approved Enterprise Community Investment as the investor for Bauer Park Apartments.

# Syndicator Proposal Terms

Eligible Basis, Acquisition	\$7,956,252
Eligible Basis, Construction	\$12,438,898
<b>Total Eligible Basis</b>	<b>\$20,395,151</b>
Applicable Percentage <sup>1</sup>	3.20%
<b>Est. Max Tax Credit Amount</b>	<b>\$6,534,946</b>

- Enterprise offered the highest credit price at \$0.97, with Boston Capital close behind at \$0.965. All three LOIs have relatively comparable equity pay-in schedules. Pay-in schedules can be further negotiated to take into account HOC preferences.
- Overall, Enterprise offers the smallest reduction of equity proceeds due to pricing and pay-in timing. However, its offer is based on riskier underwriting and exit assumptions. Enterprise structures the project debt more aggressively, driving the investor yield higher but also potentially creating underwriting risks that may reduce the equity proceeds or result in higher year 15 liabilities.

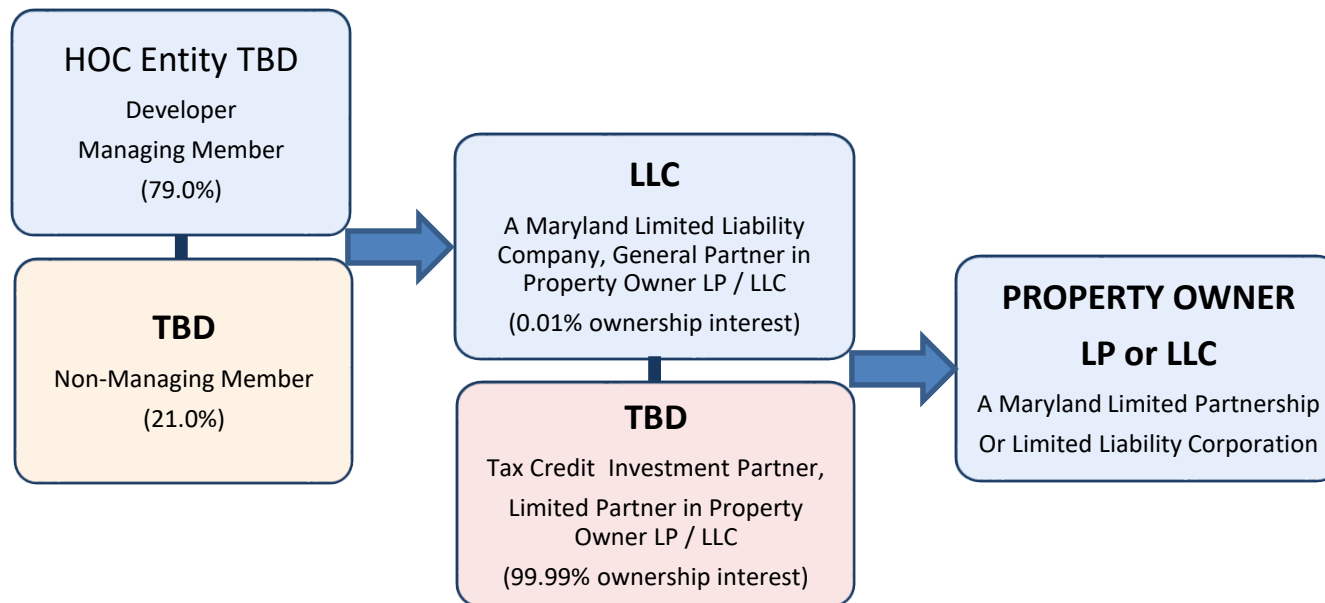
	Boston Capital	Enterprise	R4 Capital
<b>Tax Credit Pricing</b>	<b>\$0.965</b>	<b>\$0.970</b>	<b>\$0.950</b>
<b>Equity Pay-In Schedule</b>			
Construction Closing	20.00%	20.00%	20.00%
During Construction	0.00%	17.34%	15.00%
Construction Completion	20.00%	0.00%	20.00%
Permanent Closing	55.00%	54.60%	35.00%
Rental Achievement	5.00%	0.00%	0.00%
Form 8609	0.00%	8.05%	10.00%
Tax Credit % Lost to Equity Pricing	3.50%	3.00%	5.00%
Tax Credit % Lost to Pay-In Timing	3.74%	3.52%	3.29%
<b>% Tax Credit Ceded to Investor Yield</b>	<b>7.24%</b>	<b>6.52%</b>	<b>8.29%</b>
Seller / Sponsor Note Interest Rate	3.00%	6.75%-8%	4.50%
HOC Disaffiliation Required? <sup>2</sup>	Yes	Yes	Yes
Est. LP Minimum Gain in Year 15	\$7,300,000	\$14,800,000	\$8,100,000
<b>Est. Exit Taxes in Year 15</b>	<b>\$1,533,000</b>	<b>\$3,108,000</b>	<b>\$1,700,000</b>

1. Average applicable rate over the last 12 months; the actual rate at the time of underwriting, and the resulting actual maximum equity, may be different.
2. Disaffiliation enables investor to maximize deductions for depreciation and debt interest expense and therefore maximize yield on investment and offer better equity pricing.

- Under Enterprise's terms, HOC seller note other funding sources bear 6.75%-8% interest rates, which are higher than customary and will require HUD waiver; Enterprise cannot guarantee that such waiver will be obtained or that a failure to obtain it will not impact the equity pricing.
- Enterprise's approach results in larger LP's negative capital account balance at year 15, on the one hand driving the investor yield higher and enabling the syndicator to offer slightly better pricing, but on the other hand exposing HOC to potentially large exit liability.
- To mitigate this potential liability, Enterprise has indicated that it will pay its own exit taxes at the Fund level and that HOC will not be liable for them. However, such stipulations are based on multiple underwriting assumptions and may not be guaranteed. The actual buyout cost to HOC may vary depending on underwriting conditions and the property's future operating performance.
- Boston Capital's offer is comparable in pricing and other terms but is based on less risky terms and assumption. Boston Capital's projected LP's minimum gain at year 15, and consequently the potential exit tax liability, is the lowest of the three offers.
- Selecting Boston Capital slightly lower priced offer will not negatively impact the project underwriting in a significant way, while at the same time avoiding potential underwriting and year 15 buyout risks. For this reason, **Staff recommends selecting Boston Capital as the tax credit investor for the project.**

# Ownership Structure

- HOC controlled single purpose entity (type TBD), together with non-managing member / partner, will form a General Partner LLC.
- The LLC, together with tax credit investment partner / syndicator's single purpose entity, will form the property owner limited partnership or limited liability corporation and be the General Partner of this entity.
- Limited Partnership / Limited Liability Corporation will be the single purpose entity that will own Stewarttown Homes.
- Three-tiered ownership structure is needed for disaffiliating HOC from the property owner LP / LLC and therefore making the seller note, deferred developer fee, and potentially other loans extended by HOC to the limited partnership non-recourse liabilities.
- This structure will allow the tax credit investor / limited partner to maximize future tax deductions related to loan interest costs and therefore enhance investor yield. Without such disaffiliation, investor yield on the transaction, and consequently tax credit equity price, will be lower.



# Summary and Recommendations

## ISSUES FOR CONSIDERATION

Does the Commission wish to:

1. Approve the selection of Boston Capital as Low Income Housing Tax Credit Investor for Stewarttown Homes transaction and authorize the Executive Director to negotiate the terms of Limited Partnership Agreement (“LPA”)?

## BUDGET / FISCAL IMPACT

There is no adverse impact for the Agency’s FY2020 budget.

The investment will raise approximately \$6.3 million of tax credit equity for the renovation of Stewarttown Homes. The Commission will earn Development Fee (deferred) of \$2.65 million and Commitment Fees of \$241,000. The Commitment Fee is projected to be received by the Commission in Q2 of FY2021.

## TIME FRAME

For action at the April 1, 2020 meeting of the Commission.

# Summary and Recommendations

## PREVIOUS COMMISSION APPROVALS

**Resolution 17-23** - Approval to Advance Funds from the Opportunity Housing Reserve Fund (OHRF) to Fund Predevelopment Expenses for Bauer Park, Town Center, and Stewartown Homes through the Submission of Low Income Housing Tax Credit Applications

**Resolution 18-52** - Approval to Withdraw from the PNC Bank, N.A. Real Estate Revolving Line of Credit (RELOC) to Prepay Existing Mortgages for Georgian Court Apartments, Shady Grove Apartments, Stewartown Homes, and the Willows.

**Resolution 18-29** - Approval of Preliminary Development Plans and Predevelopment Funding for Georgian Court Apartments, Shady Grove Apartments, and Stewartown Homes.

**Resolution 20-07** - Authorization to Select General Contractor for the Renovation of Stewartown Homes in Accordance with RFQ #2121 and RFP #2121-01; Approval to Freeze Leasing to Facilitate Renovation; and Approval of Request for Additional Predevelopment Funds

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission :

1. Approve the selection of Boston Capital as Low Income Housing Tax Credit Investor for Stewartown Homes transaction and authorize the Executive Director to negotiate the terms of LPA.

After negotiations are complete, staff will return to the Commission with a request for approval of the Executive Director to execute the LPA.

**RESOLUTION No.: 20-30**

**RE: Authorization to Select Low Income Housing Tax Credit Syndicator for the Renovation of Stewartown Homes and Authorization for the Executive Director to Negotiate an Operating Agreement**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) seeks to preserve Montgomery County’s existing affordable housing, including that subsidized by Rental Assistance Payment (“RAP”) contracts and Section 236 financing facing growing sustainability challenges; and

**WHEREAS**, Stewartown Homes (the “Property”), located at 9310 Merust Lane, Gaithersburg, was built in 1977 under the Section 236 Program and consists of 94 townhome units, 19 of which were subsidized by a RAP contract, in twelve (12) buildings on three (3) parcels totaling 15 acres of land; and

**WHEREAS**, the Property, with the exception of ongoing capital improvements, has not had major renovations within the last twenty years; and

**WHEREAS**, the Commission approved a predevelopment plan at the May 2, 2018 Commission meeting to comprehensively renovate the Property in order to maximize its life and public purpose it delivers; and

**WHEREAS**, the Property reached the end of its initial 15-year Low Income Housing Tax Credit (“LIHTC”) compliance period, and staff recommends re-syndicating in order to raise additional capital to finance the proposed renovation; and

**WHEREAS**, to select the LIHTC investor for the transaction, staff solicited proposals from fourteen (14) tax credit investors and syndicators and received Letters of Interest from Boston Capital, Enterprise Housing Credit Investment, and R4 Capital; and

**WHEREAS**, Boston Capital submitted the most advantageous proposal in response to the solicitation, therefore staff recommends that Boston Capital be selected as LIHTC syndicator for the transaction, and that the Executive Director begin negotiating the terms of an operating agreement; and

**WHEREAS**, staff will return to the Commission to present (1) the final terms of the operating agreement prior to the execution thereof (2) a Final Development Plan after the construction costs and budget are finalized, (3) a Financing Plan after potential capital providers, amounts, and terms are assessed, and such plans will identify the sources of funds to finance all expected predevelopment and development costs.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County approves the selection of Boston Capital as the LIHTC syndicator for renovation of the Property, and authorizes the Executive Director to begin negotiating the terms of an operating agreement with Boston Capital.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is authorized and directed, without further action on the part of the Commission, to take any and all other actions necessary and proper to carry out the transaction contemplated herein including, without limitation, the negotiation and execution of related documents.

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular meeting on April 1, 2020.

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Patrice M. Birdsong  
Special Assistant to the Commission



# **Willow Manor Properties: Approval of a Predevelopment Plan and Funding for the Willow Manor Properties and Approval to Pursue LIHTC Resyndication as a Scattered Site Transaction**

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Silver Spring, Germantown and Olney, MD



**STACY L. SPANN, EXECUTIVE DIRECTOR**

**KAYRINE V. BROWN  
ZACHARY MARKS  
KATHRYN HOLLISTER**

April 1, 2020  
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# Executive Summary

- On November 1, 2018, HOC acquired the following properties (collectively, the “Willow Manor Properties”) under Article 53A of the Montgomery County Code, the Right of First Refusal (“ROFR”) Ordinance:
  1. Willow Manor at Clopper’s Mill (“Clopper’s Mill”), consisting of 102 age-restricted (62+) Low Income Housing Tax Credit (“LIHTC”) and market-rate apartments in Germantown;
  2. Willow Manor at Fair Hill Farm (“Fair Hill Farm”), consisting of 101 age-restricted (62+) LIHTC apartments in Olney; and
  3. Willow Manor at Colesville (“Colesville”), consisting of 83 age-restricted (62+) LIHTC apartments in Silver Spring.
- HOC financed each property acquisition using short-term loans: conventional first mortgages from PNC Bank, N.A. and subordinate loans from the County’s Housing Initiative Fund (“HIF”). The PNC and County HIF loans mature on October 31, 2020. The purpose of the short-term acquisition financing was to allow HOC to close quickly on the transactions (pursuant to the statutory timelines under the ROFR Ordinance), and provide time for staff to explore and evaluate permanent financing options.
- Staff has analyzed three permanent financing options: (1) HUD 223(f) loans, (2) governmental bonds issued by HOC, and (3) LIHTC resyndications with HOC-issued private activity bonds. While the properties are well maintained with little deferred maintenance, the properties are 15 years old and are in need of updates and repairs in order to remain marketable and sustainable and qualify for LIHTC. Under each financing scenario staff examined, the properties would be able to support enough debt to repay the PNC loans and fund needed renovations; however, none of the scenarios allow for the full repayment of the County HIF loans. Staff recommends pursuing a LIHTC resyndication, as it would 1) provide the most public good from commitment and developer fee income to HOC, and 2) generate more proceeds (debt and equity) to repay a larger amount of the outstanding County loans.
- Given the similarities among the three properties (date of construction, construction type, population served, shared management company, shared services, etc.), staff is proposing to finance the properties as one “scattered site” transaction. A single scattered site transaction may also result in savings, such as reduced financing and transactional costs (e.g. one LIHTC application and one ownership structure versus three), reduced ongoing operational costs due to economies of scale, and potentially higher LIHTC equity pricing (under a LIHTC resyndication scenario) because of the larger, more attractive transaction size.

# Map Overview



1. Willow Manor at Clopper's Mill, 18003 Mateny Rd, Germantown, MD 20874
2. Willow Manor at Fair Hill Farm, 18301 Georgia Ave, Olney, MD 20832
3. Willow Manor at Colesville, 601 E Randolph Rd, Silver Spring, MD 20904

# Overview of the Willow Manor Properties



- HOC knows the Willow Manor Properties well. Prior to acquiring the properties in 2018, HOC issued bonds in 2003 and 2004—the proceeds of which financed the mortgages for the development of all three properties—and has monitored the properties as part of its bond portfolio ever since.
- All three Willow Manor properties are senior (62+) rental communities that have reached or are near the end of their initial 15-year LIHTC compliance period. Colesville’s initial 15-year compliance period ended on December 31, 2019; Clopper’s Mill and Fair Hill Farm initial compliance periods will end on December 31, 2020.
- The properties are of similar construction and design; are well maintained and are in good condition. Property amenities include: fitness center, library, business center, community room, kitchen, billiards room, movie room, health room, hospitality suite, laundry room and shuttle service. In addition, Clopper’s Mill and Fair Hill Farm have on-site hair salons. All properties are pet-friendly.
- Habitat America (“Habitat”) manages all three properties. Habitat was formed in 1988 and is a woman-owned and operated third-party property management firm with over 30 years of experience. Habitat America manages more than 85 senior, affordable and market-rate apartment communities in Maryland, Delaware, Pennsylvania, Virginia and Washington, DC.
- All three properties receive a County PILOT proportional to the properties’ affordability. Clopper’s Mill receives an 80% PILOT and Fair Hill Farm and Colesville receive 100% PILOTS.
- All three properties have six (6) units that are Americans with Disabilities Act (“ADA”) accessible (18 total ADA units).
- The properties include water and sewer in the rent. Tenants are responsible for in-unit electric, electric cooking, and electric heat.

# Affordability Mix

## Clopper's Mill

- The 102-unit property consists of 16 one-bedroom and 86 two-bedroom apartments.
- Eighty-two (82) units, or 80% of the property, are income-restricted; the remaining 20 units (20% of the property) are market rate.
  - 20% of the property is restricted to households earning 40% or less of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area Median Income ("AMI")
  - 20% of the property is restricted to households earning 50% AMI or less.
  - 41% of the property is restricted to households earning 60% AMI or less.
  - Although unrestricted, the rents on the market-rate units are at a level comparable to 70% AMI rents.
- Occupancy as of March 5, 2020 was 97%.

Clopper's Mill Affordability Mix		
Unit Type	Affordability	Unit Count
1 Bed / 1 Bath	40% AMI	9
1 Bed / 1 Bath	50% AMI	5
1 Bed / 1 Bath	60% AMI	2
2 Bed / 1 Bath	40% AMI	11
2 Bed / 1 Bath	50% AMI	15
2 Bed / 1 Bath	60% AMI	28
2 Bed / 1 Bath	Market	2
2 Bed / 2 Bath	60% AMI	12
2 Bed / 2 Bath	Market	18
<b>TOTAL</b>		<b>102</b>

## Fair Hill Farm

- Willow Manor at Fair Hill Farm is a 101-unit property consisting of 32 one-bedroom and 69 two-bedroom apartments.
- All units are income-restricted
  - 20% of the property is restricted to households earning 40% AMI or below.
  - 80% of the property is restricted to households earning 60% AMI or below.
- Occupancy as of March 5, 2020 was 97%.

Fair Hill Farm Affordability Mix		
Unit Type	Affordability	Unit Count
1 Bed / 1 Bath	40% AMI	20
1 Bed / 1 Bath	60% AMI	12
2 Bed / 1 Bath	60% AMI	39
2 Bed / 2 Bath	60% AMI	30
<b>TOTAL</b>		<b>101</b>



## Colesville

- Willow Manor at Fair Hill Farm is a 101-unit property consisting of 32 one-bedroom and 69 two-bedroom apartments.
- All units are income-restricted.
  - 20% of the property is restricted to households earning 40% AMI or below.
  - 80% of the property is restricted to households earning 60% AMI or below.
- Occupancy as of March 5, 2020 was 93%.

Colesville Affordability Mix		
Unit Type	Affordability	Unit Count
1 Bed / 1 Bath	40% AMI	17
1 Bed / 1 Bath	60% AMI	6
2 Bed / 1 Bath	60% AMI	42
2 Bed / 2 Bath	60% AMI	18
<b>TOTAL</b>		<b>83</b>

# Permanent Financing Options

Staff has conducted a preliminary analysis of three potential permanent financing options for the Willow Manor properties:

**HUD Section 223(f) Financing:** The program allows for long-term mortgages that can be financed with Government National Mortgage Association (“GNMA”) Mortgage-Backed Securities. This eligibility for purchase in the secondary mortgage market improves the availability of loan funds and permits more favorable interest rates. Section 223(f) insures private lenders against loss on mortgage defaults. HOC does not earn an origination or servicing fee – the lender earns these fees of approximately \$484,996.

**Governmental Bond Financing:** Governmental bonds are intended for governmental projects and restrict private use, ownership and activity in the financed project. Governmental bonds are tax-exempt with mortgage insurance provided by the FHA Risk Share Program, providing low cost funds compared to taxable obligations, but not as favorable as HUD 223(f) loans. As a result, the maximum supportable debt under a governmental bond issuance would be approximately \$3 million less than a HUD 223(f) loan. Governmental bonds have higher financing fees and costs versus HUD 223(f) loans, primarily due to the cost of issuance. HOC, as the issuer of the governmental bonds, can earn a net amount of \$911,758 at closing and loan management fees in the amount of \$2,241,051 over the term.

**LIHTC Resyndication and Issuance of Private Activity Bonds:** Private activity bonds are similar to governmental bonds in terms of rates, fees, tax-exempt status and FHA Risk Share mortgage insurance. The benefit of private activity bonds is the ability to attract private investment for projects that have public benefit. Under the LIHTC program, in order to receive 4% credits, at least 50 percent of eligible project costs must be financed with private-activity bonds. Private activity bonds, especially when combined lower-cost equity (such as 4% LIHTC), can be a powerful way to expand the resources available for a transaction. HOC, as the developer of a LIHTC development and issuer of the private activity bonds, can earn developer fees in the amount of \$3,703,559, a net amount of \$911,758 at closing and loan management fees in the amount of \$2,241,051.

Debt Sizing	HUD 223(f) Loan	Governmental and Private Activity Bonds
	<b>Term</b>	35
<b>Amortization</b>	35	35
<b>Base Interest Rate</b>	2.30%	2.62%
<b>Loan Management Fee</b>	0.25%	0.35%
<b>Mortgage Insurance Premium</b>	0.25%	0.25%
<b>Trustee Fee</b>	N/A	0.03%
<b>Cushion</b>	0.75%	0.75%
<b>All-In Rate</b>	<b>3.55%</b>	<b>4.00%</b>
<b>Minimum DSCR</b>	1.15	1.15
<b>Loan to Value</b>	Up to 87%	Up to 100%
<b>Maximum Permanent Debt Proceeds</b>	<b>\$48,499,582</b>	<b>\$45,587,915</b>
<i>Debt Proceeds at 1.2 DSCR</i>	<i>\$46,478,766</i>	<i>\$43,688,418</i>

Financing Fees and Costs	HUD 223(f) Loan	Governmental and Private Activity Bonds
	<b>Upfront MIP</b>	0.25% of Loan Amount
<b>HUD Application Fee</b>	0.30% of Loan Amount	N/A
<b>HUD Inspection Fee</b>	1.0% of Repairs	N/A
<b>Financing Fee</b>	1.0% of Loan Amount	2.0% of Loan Amount
<b>GNMA/Placement Fee</b>	0.11% of Loan Amount	N/A
<b>Issuance Costs</b>	N/A	2.0% of Loan Amount (approximately)
<b>Estimated Financing Fees and Costs</b>	<b>\$876,593</b>	<b>\$1,937,486</b>
<b>Net Amount to HOC</b>	<b>\$0</b>	<b>\$911,758</b>
<b>Financing Fees and Costs Less Net Amount to HOC</b>	<b>\$876,593</b>	<b>\$1,025,728</b>

# Sources and Uses: LIHTC Resyndication

USES OF FUNDS	LIHTC and Private Activity Bonds	Governmental Bonds	HUD 223(f)
(1) Repay Outstanding PNC Debt	\$30,175,259	\$30,175,259	\$30,175,259
(1) Repay Outstanding HIF	\$19,801,587	\$19,801,587	\$19,801,587
(2) Construction Costs	\$9,791,441	\$9,791,441	\$9,791,441
Fees Related To Construction Costs	\$649,630	\$649,630	\$649,630
Financing Fees and Charges	\$2,890,851	\$2,890,851	\$876,593
Developer's Fees	\$3,703,559	\$0	\$0
Syndication Related Costs	\$276,052	\$0	\$0
Guarantees and Reserves	\$1,406,489	\$1,406,489	\$1,406,489
<b>TOTAL</b>	<b>\$68,694,869</b>	<b>\$64,715,257</b>	<b>\$62,700,999</b>
SOURCES OF FUNDS	LIHTC and Private Activity Bonds	Governmental Bonds	HUD 223(f)
(3) Mortgage Proceeds	\$45,587,915	\$45,587,915	\$48,499,582
Deferred County HIF	\$6,296,419	\$19,127,342	\$14,201,417
(4) Low Income Housing Tax Credits	\$16,810,535	\$0	\$0
<b>TOTAL</b>	<b>\$68,694,869</b>	<b>\$64,715,257</b>	<b>\$62,700,999</b>

## Assumptions:

- (1) Loan balances as of January 2020
- (2) Includes hard costs, soft costs and contingency. Hard construction costs are estimated to be \$25,000 per unit.
- (3) Based on debt sizing assumptions per previous slide
- (4) Assumes LIHTC equity pricing of \$0.97 per \$1.00 and current affordability mix.

Initial analysis estimates that a LIHTC resyndication of the Willow Manor properties could generate \$16.8 million in LIHTC equity. The LIHTC equity, in conjunction with tax-exempt bond proceeds, would generate enough sources to: 1) fully repay the outstanding PNC loans; 2) fully fund renovations; 3) generate a Developer Fee for HOC in the amount of \$3.7 million; and 4) repay approximately 68% of the outstanding County HIF loans. Under the governmental bonds and HUD 223(f) scenarios, HOC would not earn a developer fee and only a fraction (3% and 28%, respectively) of the County loans would be repaid.

The analysis above also assumes current affordability mix. If market-rate units at Clopper's Mill were restricted to 80% AMI via Income Averaging, it would allow for a higher applicable fraction for the transaction and generate a total of \$18,247,728 in LIHTC equity, \$1,437,193 more than the current affordability mix. Given that the market-rate rents at Clopper's Mill are currently priced around 70% AMI levels, staff recommends that the Commission consider restricting these units to 80% AMI. Staff will review the incomes for current market-rate households at Clopper's Mill to determine if any residents would be displaced if their units were restricted to 80% AMI, and will return to the Commission for formal approval to restrict any additional units prior to its LIHTC application submission.

Staff is currently in discussions with Maryland's Department of Housing and Community Development's ("DHCD") Community Development Administration ("CDA") to seek a special allocation of volume cap for 2020. Under the County's formulaic allocation, only two projects (Bauer Park and Stewartown) will be able to be financed with private activity bonds in 2020. If additional bond cap is not allocated to the County, HOC would be unable to pursue a resyndication of the Willow Manor properties this year.



# Predevelopment Budget and Next Steps

Predevelopment Budget	Price
Due Diligence and Feasibility Reports (Appraisal, Market Study, Phase 1 ESA, Capital Needs Assessments, Survey, etc.)	\$100,000
Consultants (Energy Consultant, Legal Counsel, Etc.)	\$100,000
Fees (LIHTC Application Fee, Reservation Fee, Etc.)	\$150,000
Contingency	\$50,000
<b>TOTAL</b>	<b>\$400,000</b>

## **Predevelopment Phase Objectives:**

- Hire third-party due diligence and feasibility consultants
- Conduct site due diligence
- Determine immediate, short term and long term capital needs
- Seek a special allocation of volume cap from CDA
- Build project team
- Obtain FHA number for/approval of scattered site transaction

Staff proposes utilizing the Opportunity Housing Reserve Fund (“OHRF”) as the source of this feasibility funding, to be repaid upon closing of the financing. The unobligated OHRF had a balance of \$3,165,690 as of March 16, 2020.

# Summary and Recommendations

## Issues for Consideration

Does the Commission wish to accept the recommendation of the Development and Finance Committee and authorize the following actions:

- Approval of a Predevelopment Plan for the Willow Manor Properties, which includes:
  1. Approval to permanently finance the three Willow Manor Properties as a single scattered site transaction?
  2. Approval to pursue LIHTC resyndication of the properties?
  3. Approval to evaluate and recommend, if feasible, the introduction of Income Averaging at Clopper's Mill thereby restricting the market-rate units to 80% AMI as part of the resyndication?
  4. Approval to fund a predevelopment budget in the amount of \$400,000?
  5. Approval to fund the predevelopment budget from the OHRF, which will be repaid upon closing of permanent financing?

## Time Frame

For Action at the Regular Session of the Commission on April 1, 2020.

## Committee Recommendation

The Development and Finance Committee met on March 20, 2020 and voted to advance these items to the full Commission for approval.

## Budget /Fiscal Impact

Approval of a predevelopment budget would reduce the balance of the OHRF by \$400,000.

# Summary and Recommendations

## Staff Recommendation and Commission Action Needed

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and authorize the following actions:

1. Approval to permanently finance the three Willow Manor Properties as a single scattered site transaction.
2. Approval to pursue LIHTC resyndication of the properties.
3. Approval to evaluate and recommend, if feasible, the introduction of Income Averaging at Clopper's Mill thereby restricting the market-rate units to 80% AMI as part of the resyndication.
4. Approval to fund a predevelopment budget in the amount of \$400,000.
5. Approval to fund the predevelopment budget from the OHRF, which will be repaid upon closing of permanent financing.

**RESOLUTION No.: 20-31**

**RE: Approval of Predevelopment Plan and Funding for the Willow Manor Properties and Approval to Pursue Low Income Housing Tax Credit Resyndication as a Scattered Site Transaction**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) is the sole member of three individual single-purpose entities: The Manor at Cloppers Mill, LLC, The Manor at Fair Hill Farm, LLC, and The Manor at Colesville, LLC (collectively the “Willow Manor Single-Purpose Entities”), which own Willow Manor at Clopper’s Mill, Willow Manor at Fair Hill Farm, and Willow Manor at Colesville, respectively; and

**WHEREAS**, Willow Manor at Clopper’s Mill consists of 102 age-restricted Low Income Housing Tax Credit (“LIHTC”) and market-rate apartments in Germantown, MD (“Clopper’s Mill”); Willow Manor at Fair Hill Farm consists of 101 age-restricted LIHTC apartments in Olney, MD (“Fair Hill Farm”); and Willow Manor at Colesville consists of 83 age-restricted LIHTC apartments in Silver Spring, MD (“Colesville”), (collectively, the “Willow Manor Properties” or “Properties”); and

**WHEREAS**, the Commission, on behalf of the Willow Manor Single-Purpose Entities, accepted short-term acquisition loans for the Willow Manor Properties (“Acquisition Financing”), which included the acceptance of first mortgage loans from PNC Bank N.A. (“First Mortgages”) and subordinate loans from Montgomery County’s Department of Housing and Community Affairs (“County Loans”); and

**WHEREAS**, the Acquisition Financing matures on October 31, 2020; and

**WHEREAS**, the Commission wishes to apply for permanent financing for the Properties as a single scattered site transaction, which may result in reduced transactional and operational costs and may generate higher financing proceeds for the Properties; and

**WHEREAS**, the Commission has explored permanent financing options for the Willow Manor Properties and believes a LIHTC resyndication of the Properties will yield the most proceeds, which can be used to repay the outstanding First Mortgages and County Loans, finance improvements to the properties, pay financing and development fees, and fund required reserves; and

**WHEREAS**, the Commission desires, as part of the LIHTC resyndication application, to restrict the market-rate units at Clopper’s Mill to households earning 80% or less of the Washington Metropolitan Statistical Area Median Income (“AMI”) so that all units meet the average income test, which would allow the transaction to generate additional equity proceeds; and

**WHEREAS**, the Commission understands a LIHTC resyndication of the Properties requires a special allocation of private activity bond volume cap (“Additional Volume Cap”) from Maryland’s Department of Housing and Community Development (“DHCD”), which may not be provided; and

**WHEREAS**, in the event DHCD does not provide Additional Volume Cap, staff will return to the Commission with an alternate permanent financing plan; and

**WHEREAS**, the Commission desires to approve a predevelopment budget in an amount up to \$400,000 to cover predevelopment costs related to the Properties' permanent financing, and fund the predevelopment budget from the Opportunity Housing Reserve Fund ("OHRF"), which will be repaid upon closing of permanent financing; and

**WHEREAS**, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to refinance the acquisition cost, finance certain property improvements, and fund reserves for the Willow Manor Properties in an amount not to exceed \$100,000,000, all or a portion of which may reimburse the Commission for the portion of such expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission's expenditures within 18 months of the later of the date of such expenditures or the date that the Willow Manor Properties are placed in service as part of the LIHTC resyndication (but in no event more than 3 years after the date of the original expenditure of such moneys); and

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

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Commission authorizes the submission of LIHTC application for the resyndication of the Willow Manor Properties as a single scattered site transaction.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves a predevelopment budget in an amount up to \$400,000 to cover predevelopment costs related to the permanent financing of the Willow Manor Properties, and to fund the predevelopment budget from the OHRF, which will be repaid upon closing of permanent financing

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and as sole member of The Manor at Cloppers Mill, LLC, that the following actions are hereby approved:

1. That Willow Manor at Clopper's Mill be included in a scattered site LIHTC application with Willow Manor at Fair Hill Farm and Willow Manor at Colesville;
2. That the LIHTC application include a restriction of the market-rate units at Willow Manor at Clopper's Mill to households earning 80% or less of the Washington Metropolitan Statistical Area Median Income ("AMI") so that 100% of the units meet the average income test; and
3. That the Executive Director, Stacy L. Spann, or his designee, is authorized to execute any and all documents, and act as necessary, on behalf of The Manor at Cloppers Mill, LLC to effectuate the permanent financing of Willow Manor at Clopper's Mill.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and as sole member of The Manor at Fair Hill Farm, LLC, that the following actions are hereby approved:

1. That Willow Manor at Fair Hill Farm be included in a scattered site LIHTC application with Willow Manor at Clopper's Mill and Willow Manor at Colesville; and
2. That the Executive Director, Stacy L. Spann, or his designee, is authorized to execute any and all documents, and act as necessary, on behalf of The Manor at Fair Hill Farm, LLC to

effectuate the permanent financing of Willow Manor at Fair Hill Farm.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and as sole member of The Manor Colesville, LLC, that the following actions are hereby approved:

1. That Willow Manor at Colesville be included in a scattered site LIHTC application with Willow Manor at Clopper's Mill and Willow Manor at Fair Hill Farm; and
2. That the Executive Director, Stacy L. Spann, or his designee, is authorized to execute any and all documents, and act as necessary, on behalf of The Manor at Colesville, LLC to effectuate the permanent financing of Willow Manor at Colesville.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds, in an amount not to exceed \$100,000,000, will be applied to reimburse the Commission for its expenditures in connection with the Willow Manor Properties.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to refinance the acquisition cost, finance certain property improvements, and fund reserves for the Willow Manor Properties from the proceeds of a tax-exempt bond issuance and that all of the acquisition and financing expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings were made not earlier than 60 days prior to the date of this Resolution, except preliminary expenditures related to the project as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that all prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the permanent financing of the Willow Manor Properties, shall be and hereby are in all respects ratified, approved and confirmed.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County authorizes the Executive Director, or his designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 1, 2020.

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Patrice M. Birdsong  
Special Assistant to the Commission

CONSTRUCTION MANAGEMENT SERVICES: AUTHORIZATION TO  
CREATE A CONSTRUCTION MANAGEMENT SERVICES POOL IN  
ACCORDANCE WITH THE PROCUREMENT POLICY AND  
PURSUANT TO REQUEST FOR QUALIFICATION #19-2153

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STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN  
ZACHARY MARKS  
PAUL VINCIGUERRA

April 1, 2020

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# Executive Summary

- To ensure the efficient, effective, and timely execution of the Commission's construction projects providing safe, high quality, amenity rich, and affordable housing, staff recommends the use of construction management vendors to supervise, manage, and monitor the construction process.
- HOC's Construction Department is comprised of three staff members to oversee all of the construction activities that are in progress and to be undertaken by the Real Estate Development Division. In 2014, HOC created a Construction Management Services pool and issued contracts to provide construction management services under Contract #15-1902. The goal of the #15-1902 contracts was to leverage HOC's in-house resources and to efficiently provide high quality construction management on an as needed basis for a wide variety of HOC renovation, new construction, and redevelopment projects. Those contracts have been used successfully since that time and have now exceeded their renewal limits. The support of the pool of construction management vendors has allowed HOC staff to manage and monitor multiple projects at a higher level, thereby increasing efficiency, flexibility, and productivity. They have also helped HOC to manage construction risk and contain costs.
- On October 9, 2019, staff issued RFQ #19-2153 for Construction Management Services and received five responses. The RFQ was structured to include HOC's Section 3/HOC Works requirements and to encourage participation of Minority Business Enterprise ("MBE") certified firms.
- The procurement process for construction management services is a two phase process. RFQ #19-2153 is the first stage and is designed to select a pool of vendors who have the qualifications and experience to provide the services that HOC require. The first phase will result in zero dollar contracts issued to up to five qualified vendors.
- After the vendors in the pool have been placed under contract, HOC will identify upcoming projects that require construction management services and will initiate the second phase of procurement for each individual project. The second phase will consist of issuing a competitive request for proposals to the vendors in the pool for the specific services HOC requires for the individual upcoming construction project. HOC will evaluate the proposals and issue a construction management services contract to the successful vendor on an individual project basis. The second phase of procurement will require separate authorization as specified by Commission procurement policy.
- Staff has reviewed the responses to RFQ #19-2153 and today is requesting that the Development and Finance Committee recommend that the Commission authorize completion of the first phase of the procurement process and issue zero dollar contracts to the five firms that staff recommend be included in the pool.
- Approval of the pool has no financial impact on the Agency's operating budget as construction management services will be sought on an as needed basis and built into each project's development budget.

# Scope of Work

Construction management services carried out under these contracts may include all typical management tasks including but not limited to the following:

- Assist with the development of project specifications, review of construction and contract documents, and development of project budgets;
- Participate in pre-bid, pre-construction, and construction status meetings;
- Review and evaluate bids and provide recommendations
- Review and evaluate submittals and provide recommendations including value engineering;
- Review and evaluate proposed change orders and provide recommendations. Maintain potential change order (PCO) log and track change orders and project budgets;
- Carry out frequent field inspections and function as HOC's on site representative. Confirm that all work is being carried out in compliance with industry and HOC standards and contract documents. Alert general contractor, HOC, and design team to significant issues that need to be addressed;
- Closely monitor the construction schedule and alert general contractor, HOC, and design team of issues and concerns;
- Be an active participant in recurring project status meetings. Represent HOC, investigate and research problems and negotiate solutions with the project team;
- Carry out owner's punch walk and final walk and acceptance. Monitor general contractor's completion of outstanding punch out tasks;
- Review and evaluate contractor's pay applications.

# Qualifications and Experience

RFQ #19-2153 requested that vendors provide extensive information regarding their qualifications and experience related to the following categories:

- Renovation and new construction of single family and multifamily residential developments, with tenant in place or vacant;
- Experience with a variety of the types of residential buildings in HOC's inventory including low rise multifamily, high rise multifamily, townhome, and single family;
- Completion of projects with values ranging between \$2.5 million to \$100 million;
- Experience with environmental remediation including asbestos containing materials, lead based paint, and mold removal and remediation;
- Experience working with local utilities and with major utility upgrades and utility coordination;
- Experience with local and utility permit and inspection process;
- Experience working with affordable housing, Public Housing Authorities ("PHAs"), and government agencies;
- Description of company's staffing and approach to project delivery;
- It is HOC's goal to achieve 20% Minority Business Enterprise certified participation.

# Scoring Summary

## RFQ #19-2153

Rank	Vendor	Qualifications and Experience (60 points)	Supporting Materials and Narrative Description (30 points)	References (10 points)	Total Points
1	CFI Construction Corp.	56.67	30	10	96.67
2	JDC Construction Project Management	56.33	30	10	96.33
3	Owner Rep Consulting	51.33	28.33	10	89.66
4	Carlson Construction	52.33	26.67	10	89.00
5	Davey Mackison & Reid, LLC	51.67	22.33	10	84.00

Evaluated by: Real Estate Development and Mortgage Finance

April 1, 2020



# Respondent Analysis

## RFQ #19-2153

Respondent	Comments
CFI Construction Corp.	<ul style="list-style-type: none"><li>▪ Experience as a General Contractor as well as a Construction Manager</li><li>▪ Over six years of experience on HOC projects</li></ul>
JDC Construction Project Management	<ul style="list-style-type: none"><li>▪ Extensive experience in high rise multifamily and mixed use residential projects</li><li>▪ Over six years of experience on HOC projects</li><li>▪ Certified by MD Department of Transportation as a Minority Business Enterprise</li></ul>
Owner Rep Consulting	<ul style="list-style-type: none"><li>▪ Exclusive focus on providing construction management services</li><li>▪ Experience in a wide range of project types including residential and commercial</li><li>▪ No prior HOC experience</li></ul>
Carlson Construction	<ul style="list-style-type: none"><li>▪ Experience as a General Contractor as well as providing Construction Management services</li><li>▪ Experience with moderate price housing developments</li><li>▪ No prior HOC experience</li></ul>
Davey Mackison & Reid, LLC	<ul style="list-style-type: none"><li>▪ Extensive experience with managing construction projects cost and estimating for local government projects</li><li>▪ Certified by the MD Department of Transportation as a Minority Business Enterprise</li><li>▪ No prior HOC experience</li></ul>

# Summary and Recommendations

## ISSUES FOR CONSIDERATION

Does the Commission wish to accept the recommendation of the Development and Finance Committee and authorize the creation of a pool of construction management service professionals to provide construction management services to the Commission on an as needed basis to leverage in house staff resources on related transactions?

## FISCAL / BUDGET IMPACT

There is no direct impact on the Agency's operating budget. Services will be sought on an as needed transaction specific basis and funded from respective development budgets that have been approved by the Commission.

## TIME FRAME

Action at the meeting of the Commission on April 1, 2020.

## COMMITTEE RECOMMENDATION

On March 20, 2020 the Development and Finance Committee approved this action to advance to the Commission meeting on April 1, 2020.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and:

- Approve the selection of CFI Construction, JDC Construction, Owner Rep Consulting, Davey Mackison & Reid, and Carlson Construction to create a pool of five construction management services professionals qualified to provide construction management services, as described by RFQ #19-2153, for future any existing renovation and constructions transactions as needed by the Commission.
- Authorize the Executive Director, without further action on its part, to execute five individual zero dollar contracts for construction management services with CFI Construction, JDC Construction, Owner Rep Consulting, Davey Mackison & Reid, and Carlson Construction for an initial term of one-year each with two optional one-year renewals as permitted under HOC's procurement policy.

**RESOLUTION: 20-32**

**RE: Authorization to Create a Construction Management Services Pool in Accordance with the Procurement Policy and Pursuant to Request for Qualification #19-2153**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) continues to review its entire real estate portfolio and anticipates that it will rehabilitate and/or redevelop a significant portion of the properties it owns, including those it will acquire and new construction projects, and this will require manpower and operational support to augment HOC’s current staff; and

**WHEREAS**, the use of construction management firms will help ensure the efficient and effective execution of the Commission’s goal of providing safe, high quality, and affordable housing to its residents; and

**WHEREAS**, on October 19, 2019, staff issued a Request for Qualifications (#19-2153) (the “RFQ”) to solicit qualifications from construction management firms interested in providing these services on an as needed basis, to which five firms replied and met the submission requirements; and

**WHEREAS**, the RFQ attached distinct weight to three categories of qualifications; and

**WHEREAS**, each of the five proposals were evaluated, assigning numerical values to the firms based on the following three categories: qualifications and experience, supporting materials and narrative description, and references; and

**WHEREAS**, applying the criteria described above, the following five firms are being recommended as qualified for selection, having received from HOC staff overall scores above 80: CFI Construction Corp., JDC Construction Project Management, Owner Rep Consulting, Carlson Construction, and Davey Mackison & Reid, LLC.

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

1. Authorizes the selection of CFI Construction Corp., JDC Construction Project Management, Owner Rep Consulting, Carlson Construction, and Davey Mackison & Reid LLC, for inclusion in a single pool of construction management services firms;
2. Authorizes the use of these firms for pre-development activities as well as on Commission-authorized development projects;
3. Authorizes the Executive Director, or his designee, to execute zero dollar contracts with each selected firm for an initial one-year term with two optional one-year renewals.

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 1, 2020.

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Patrice M. Birdsong  
Special Assistant to the Commission



# Deliberation and/or Action

# **PRESENTATION OF THE EXECUTIVE DIRECTOR'S FY'21 RECOMMENDED BUDGET**

**April 1, 2020**

- The Executive Director's FY'21 Recommended Budget reflects the Housing Opportunities Commission of Montgomery County's ("HOC", the "Commission", or the "Agency") priorities and strategic objectives.
- The Recommended Operating Budget for FY'21 is \$278.2 million.
- The Recommended Capital Budget for FY'21 is \$261.1 million.
- The Budget, Finance and Audit Committee will review this budget proposal in detail and recommend the FY'21 Budget, as amended, to the full Commission for adoption at the June 3, 2020 Commission meeting.



interaction between neighbors.

Furthermore, Community Connected Housing requires an approach that recognizes both the social and fiscal benefits of creating truly socioeconomically diverse communities. If you've paid attention to national or local politics lately, you've seen affordable housing emerge as a major topic for discussion and legislation.

One of Montgomery County's own – Delegate Vaughn Stewart – has introduced legislation inspired by the Vienna Social Housing Model, closely related to the mixed-income model HOC and Montgomery County have championed for many years now. It's a model that acknowledges the true value of diverse neighborhoods of individuals and families – how strategies around **people** and **place** work in tandem to create the kind of dynamic communities we **all** want to live in.

### How We Address Place

As we all know, **where** we live **matters**. It deeply impacts our growth and development as children and stays with us as we seek to age in place, in communities that keep us connected to healthcare and other essential resources. And in discovering the importance of place, we now know that the old Public Housing model – which isolated communities in pockets of poverty – simply does not work to help families climb the socioeconomic ladder.

Nothing demonstrates that more definitively than our joint ribbon cutting and groundbreaking celebration at Elizabeth Square in the fall. With the progress made at Elizabeth Square, HOC has successfully converted our entire Public Housing portfolio in favor of a more sustainable mixed-income model all while working to continue serving the same families and extending the depth and breadth of our affordable housing reach. Elizabeth Square demonstrates how we as an agency are re-imagining affordable housing while staying true to the value and practice of inclusivity that this County pioneered.

But we're not just breaking ground on new communities, we're ensuring that we invest in the communities we're already in. Completing the Year 15 buy back at Strathmore Court, The Metropolitan, Georgian Court, the Barclay Apartments and Stewartown Homes has allowed us to embark on recapitalization and renovation of these properties – ensuring we reinvest in these communities while keeping units affordable for the long term.

Furthermore, the allocation of new Project Based Vouchers helped us serve customers, including many seniors, with deeper subsidies to help them stay in their communities – while a Project Based Voucher competition anticipated for this summer will ensure we create more housing opportunities for Montgomery County residents on the private market.

Finally, we recognize the critical importance of meeting families where they are on the spectrum of housing need. It's why we look beyond rental opportunities toward creating pathways to homeownership for customers who are ready to embark on that journey.

In June 2019, DHCA dedicated \$1 million to Phase I of the Montgomery County Homeownership Assistance Fund administered by HOC. Before the end of July 2019, all funds were expended, providing 44 households with an average secondary loan of \$22,727. Households that received McHAF assistance had incomes ranging from \$45,000 to \$152,303.

The oversubscription led the County to its second commitment of \$1 million in Fiscal Year 2020 – helping to support more than \$4,500,000 worth of first mortgages for families pursuing homeownership in our community.

We're proud to continue this partnership with the County to provide homeownership tools to Montgomery County residents. We know Montgomery County is an exceptional place for families to live, work and grow and downpayment and closing cost assistance helps people take advantage of those opportunities.

At HOC, **we are Housers** – but that involves much more than the development of affordable housing. It takes more than tools that address the bricks and mortar to provide families with a pathway out of poverty. It means that when we serve a customer, we serve **the whole customer**, using housing as a platform to address their health, educational, workforce and myriad other needs.

### **How We Address People**

Any successful approach for solving affordable housing issues also requires strategies for reducing poverty and increasing access to opportunity, focused on whole-family outcomes. Whole-family, or "2Gen" outcomes are at the center of education and housing. Leading research reveals children experience better life outcomes when they relocate to high-opportunity areas. Additionally, children of families who move using housing vouchers generate significantly greater earnings later in life.

Despite this evidence, we cannot solve multi-generational poverty solely by moving families to high income communities. **Place alone is not a panacea.** Developing and maintaining service connections and programs focused on the comprehensive and interwoven needs of both parents and children is an equally important lever. This 2Gen approach calls for focusing on opportunity creation and addressing needs for both children and adults simultaneously.

In keeping with that principle, we at HOC continue to re-imagine our selection of services to include support for children as well as their parents and guardians. Moreover, we are working

to ensure that these services are impactful and measurable. When families move to communities of opportunity, strong service connections to career, educational, and recreational resources are paramount in ensuring they can reach their fullest potential.

Providing families with the highest level of service requires taking a whole-family approach – focusing on creating opportunities for and addressing the needs of both children and parents in their lives together. This approach recognizes that families come in all different shapes and sizes and that families define themselves and the goals they hope to achieve. It means recognizing and respecting that success looks different for everyone and requires meeting families where they are along that continuum.

HOC honors the diverse experiences of the families we serve by acknowledging that our customers are the experts in their own lives. Adult programming, such as our Family Self-Sufficiency and Fatherhood Initiative programs, center around (a) helping individuals identify goals; (b) creating a plan of action to accomplish those goals; and (c) offering customized supports along the way. These programs maintain elements of a whole-family approach, intentionally focusing on outcomes for both parents and children such as financial literacy, tuition assistance and healthy parenting skills.

As an agency, we are **LEADING** in how we provide customer programming and services that have impact at scale – not because of the individuals we touch, but how that interaction impacts how they show up in their communities and in their families.

But providing stable housing and programming for parents **also** allows us to address child well-being. HOC Academy offers after-school tutoring, homework clubs, and a multitude of STEM enrichment opportunities that help kids focus on attaining their own goals. The work we are doing with STEM and robotics programming has transformed our students' outlooks on their education and career paths from a single afterschool or camp experience.

While housing assistance gets families in the door, it is our ability to provide comprehensive 2Gen programming that puts them on the path to reaching their fullest potential.

As government resources for our work continue to diminish, we will have to work harder and smarter to develop housing and deliver services at a level our customers deserve. If we hope to remain leaders in innovation in the affordable housing and community development space, then we have to be willing to step outside ourselves and think creatively about how to serve more residents of this county better.

As we embark on this new year ahead, we will not rest on our laurels. We will keep our focus on doing what's right. We will continue to provide more services and more convenience for our customers.

We will seek to help more people in our community get on solid ground through our programming and services coordination. And through it all, we will choose to lead and focus on people, as well as place.

Crucial to this work are the partners and volunteers who demonstrate an enduring sense of duty to Montgomery County and its residents. Their passion helps drive our work, and will help propel our mission forward. Our ability to continue innovating and investing in Montgomery County requires strong partnerships and collaboration with the County Executive and County Council. Finally, with the steady guidance of our Commissioners and the hard work of our staff, HOC will continue to pursue a vision of Montgomery County where individuals can improve their economic status, remain stably housed and reach their definition of success.

This budget supports these priorities and objectives and endeavors to honor the support we continue to receive from all of our partners.

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**ISSUES FOR CONSIDERATION:**

The Recommended Operating Budget for FY'21 is \$278.2 million. In addition, the Capital Budget for FY'21 is \$261.2 million.

The FY'21 Recommended Budget reflects the Agency's continued commitment to **Getting** people housed; **Keeping** people housed; and **Helping** people reach their fullest potential. Through the use of innovative financing and development tactics, HOC has created a new, more sustainable model for affordable housing development that will help us integrate neighborhoods and bring critical resources to the families that need them. To this end, the FY'21 budget reflects ongoing investment in personnel and systems to successfully manage and maintain our properties. In addition to the Agency's focus on efficiently developing, managing and maintaining our real estate portfolio, we continue to deliver cutting-edge services to our clients through HOC Academy and HOC Works.

The Agency's development activities continue to generate commitment and development fees that support the Agency's operations and the Opportunity Housing Reserve Fund (OHRF), which provides funding for future development activities.

While redevelopment and renovation of HOC's aging mixed-income properties continues to improve the ability to attract market rate renters to offset the affordable units and support the financial viability of the Agency's portfolio, the generation of income on the market units in the FY'21 Recommended budget is suppressed as a result of the County's Voluntary Rent Guidelines of 2.6 percent.

The FY'21 Recommended Budget continues to rely on fees from development activity that are one time in nature to support operations. Therefore, the development of the budget required each division to continue the practice of monitoring discretionary spending and introducing appropriate cost savings measures to ensure the long term viability of the Agency. It is likely that additional plans for cost containment and re-envisioning of business practices will be implemented before the budget is adopted.

Detailed discussions will be held with the Budget, Finance and Audit Committee during April and May. During these meetings, the specifics of each fund will be discussed. It should be noted that staff anticipates significant changes between the Recommended Budget and the Adopted Budget.

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**BUDGET IMPACT:**

None for FY'20. This budget, when adopted on June 3, 2020, will set the financial plan for the Agency for FY'21.

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**TIME FRAME:**

During April and May, the Budget, Finance and Audit Committee will review this budget proposal in detail and recommend the FY'21 Budget, as amended, to the full Commission for adoption at the June 3, 2020 meeting. The Commission must adopt a budget for FY'21 before the fiscal year begins on July 1, 2020.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

No action is asked of the Commission at this meeting. The following is the meeting schedule for the review and adoption of the FY'21 Budget:

- April 16<sup>th</sup>,
- April 21<sup>st</sup>,
- April 28<sup>th</sup>, and
- May 12<sup>th</sup>

All meetings will be held in the Hearing Room.

The Budget, Finance and Audit Committee will present the revised FY'21 Budget to the full Commission for adoption at the June 3, 2020 Meeting.



# **Spreadsheets Highlighting FY'21 Recommended Operating and Capital Budgets**



# Commission Meeting FY 2021 Recommended Budget

April 1, 2020

# FY 2021 – Budget Overview

## Recommended Budget

Fund Summary Overview		FY 2021 Recommended Budget		
		Revenues	Expenses	Net
General Fund		\$24,790,592	\$27,273,050	(\$2,482,458)
	Restrict to GFOR	\$0	\$500,000	(\$500,000)
	Restrict to OHRP	\$0	\$500,000	(\$500,000)
Multifamily Bond Funds		\$16,373,524	\$16,373,524	\$0
Single Family Bond Funds		\$9,050,944	\$9,050,944	\$0
Opportunity Housing Fund	Opportunity Housing Reserve Fund (OHRF)	\$3,427,648	\$1,603,312	\$1,824,336
	Restrict to OHRF	\$0	\$1,824,336	(\$1,824,336)
	Opportunity Housing & Development Corporation Properties	\$99,407,903	\$96,014,520	\$3,393,383
	Draw from GFOR for MetroPointe Deficit	\$89,075	\$0	\$89,075
Public Fund	Housing Choice Voucher Program (HCVP)	\$107,239,451	\$107,872,021	(\$632,570)
	County Contributions towards HCVP Administration	\$632,570	\$0	\$632,570
	Federal, State, and County Grants	\$17,228,377	\$17,228,377	\$0
<b>TOTAL - ALL FUNDS</b>		<b>\$278,240,084</b>	<b>\$278,240,084</b>	<b>\$0</b>

\* Revenues and Expenses include inter-company Transfer Between Funds

# FY 2021 – Revenue and Expense Summary

## Recommended Budget

### FY 2021 Revenue and Expense Statement

Operating Budget		Non-Operating Budget	
<b>Operating Income</b>		<b>Non-Operating Income</b>	
Tenant Income	\$98,149,439	Investment Interest Income	\$22,442,515
Non-Dwelling Rental Income	\$785,652	FHA Risk Sharing Insurance	\$858,817
Federal Grant	\$111,184,467	Transfer Between Funds	\$8,110,882
County Grant	\$11,131,374		
Management Fees	\$25,442,806		
Miscellaneous Income	\$134,132		
<b>TOTAL OPERATING INCOME</b>	<b>\$246,827,870</b>	<b>TOTAL NON-OPERATING INCOME</b>	<b>\$31,412,214</b>
<b>Operating Expenses</b>		<b>Non-Operating Expenses</b>	
Personnel Expenses	\$47,761,947	Interest Payment	\$37,776,129
Operating Expenses - Fees	\$18,787,256	Mortgage Insurance	\$1,141,120
Operating Expenses - Administrative	\$9,076,028	Principal Payment	\$11,113,142
Tenant Services Expenses	\$7,017,498	Debt Service, Operating and Replacement Reserves	\$10,863,328
Protective Services Expenses	\$807,076	Restricted Cash Flow	\$5,281,170
Utilities Expenses	\$5,894,845	Development Corporation Fees	\$6,736,072
Insurance and Tax Expenses	\$2,788,977	Miscellaneous Bond Financing Expenses	\$84,451
Maintenance Expenses	\$8,531,331	FHA Risk Sharing Insurance	\$858,817
Housing Assistance Payments (HAP)	\$99,447,464	Transfer Out Between Funds	\$4,273,433
<b>TOTAL OPERATING EXPENSES</b>	<b>\$200,112,422</b>	<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$78,127,662</b>
<b>NET OPERATING INCOME</b>	<b>\$46,715,448</b>	<b>NET NON-OPERATING ADJUSTMENTS</b>	<b>(\$46,715,448)</b>

# FY 2021 – Operating Budget: Source of Funds

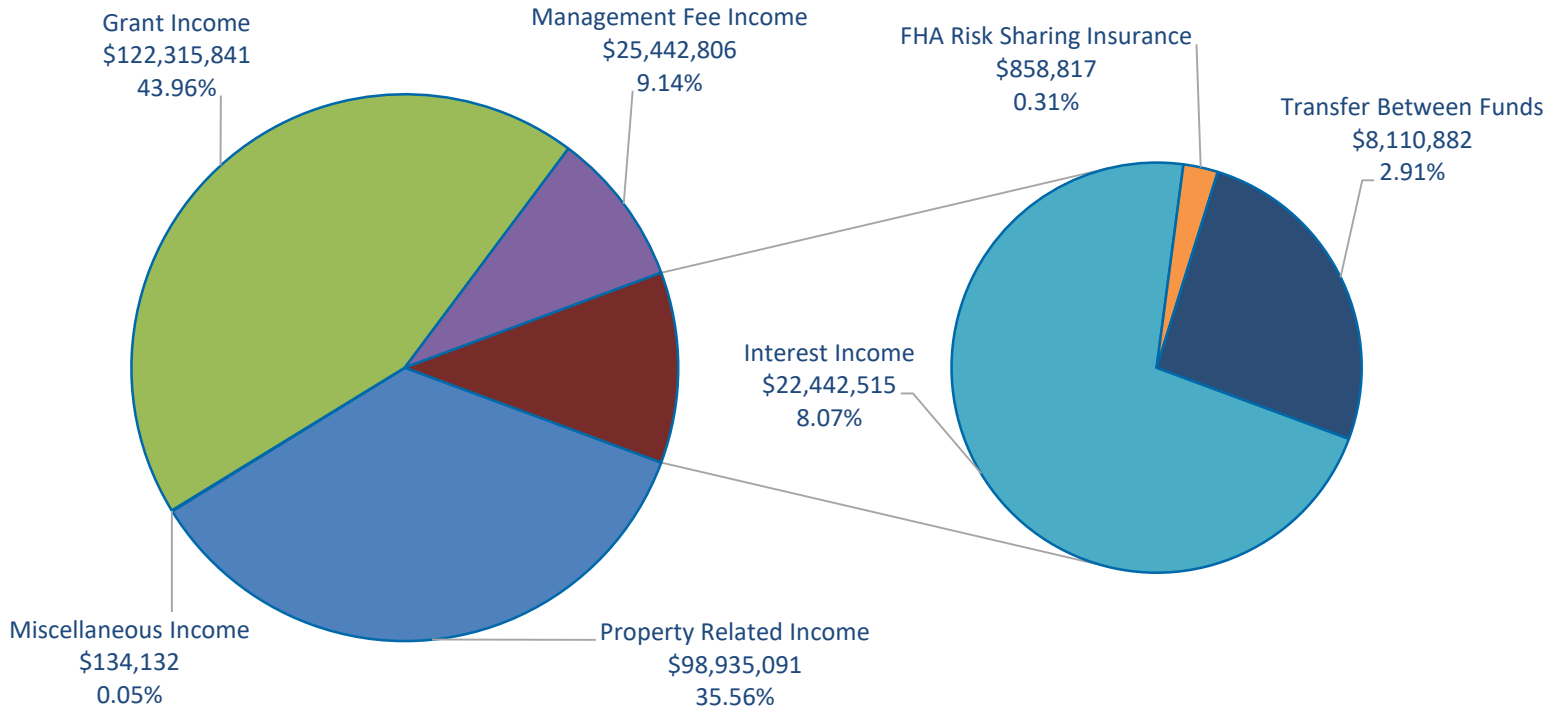
## Total Income – Proposed – \$278,240,084

### Operating Income

\$246,827,870

### Non-Operating Income

\$31,412,214

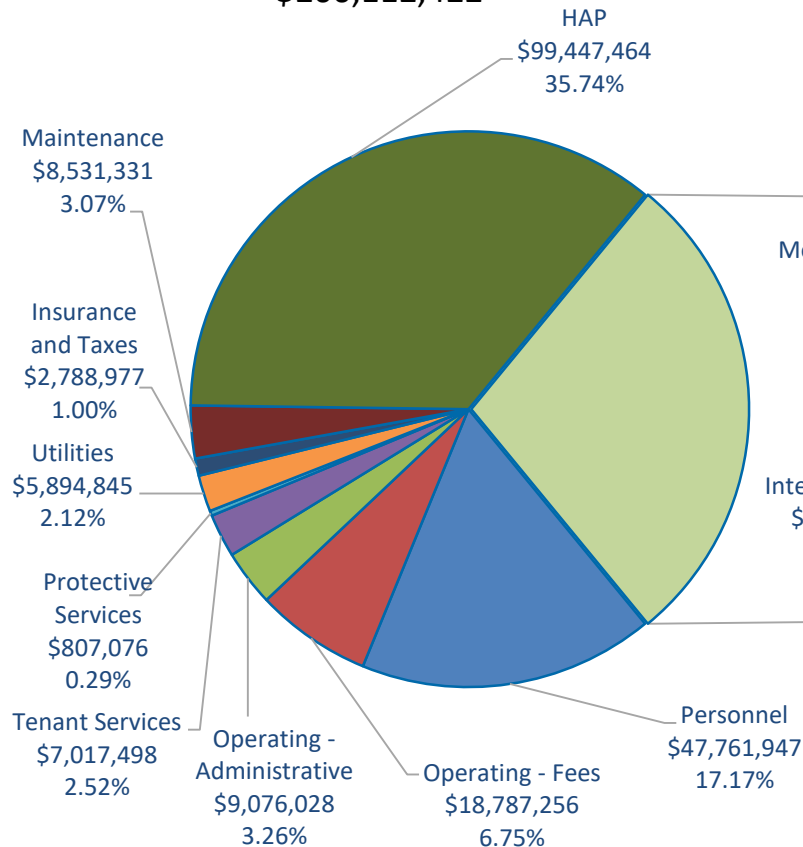


# FY 2021 – Operating Budget: Use of Funds

## Total Expenses – Proposed – \$278,240,084

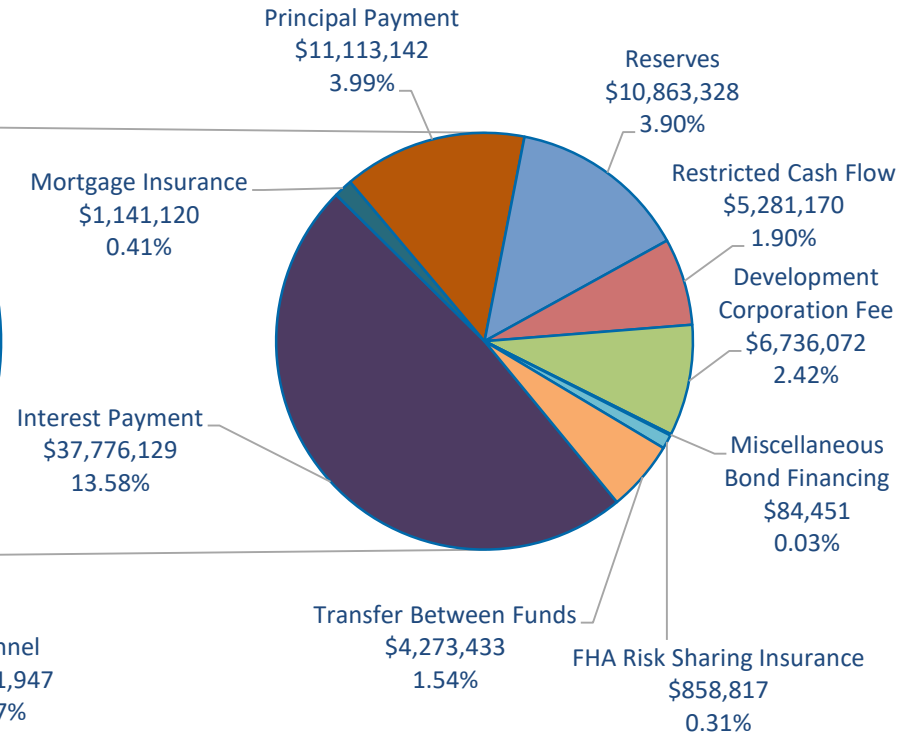
### Operating Expenses

\$200,112,422



### Non-Operating Expenses

\$78,127,662



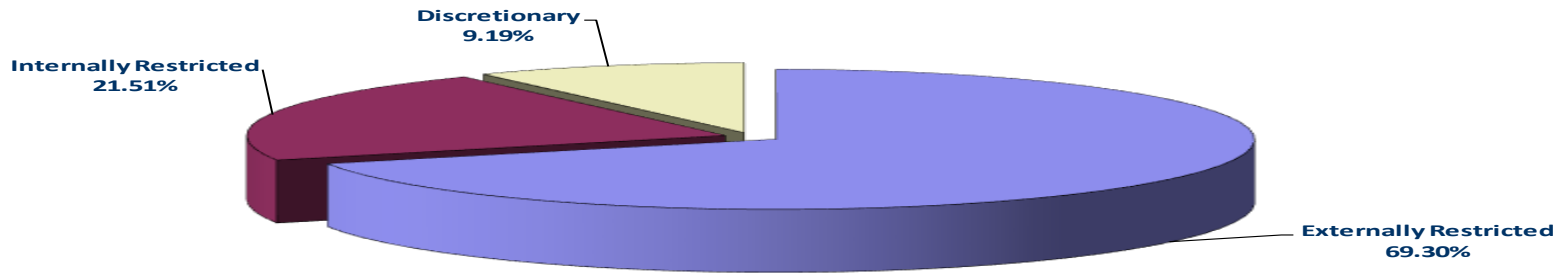
# Total Agency Operating Budget Summary – FY 2017 through FY 2021

## Total Revenue and Expense Statement

Total Revenue and Expense Statement	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Amended Budget	FY 2021 Recommended Budget
<b>Operating Income</b>					
Tenant Income	\$67,333,831	\$76,823,091	\$90,898,929	\$99,574,734	\$98,149,439
Non-Dwelling Rental Income	\$1,150,050	\$1,402,219	\$1,088,218	\$740,089	\$785,652
Federal Grant	\$97,705,641	\$103,892,095	\$111,759,315	\$110,117,614	\$111,184,467
State Grant	\$184,480	\$105,990	\$24,370	\$0	\$0
County Grant	\$9,877,142	\$9,750,971	\$10,063,003	\$10,821,325	\$11,131,374
Management Fees	\$17,879,325	\$20,493,087	\$20,146,249	\$27,972,345	\$25,442,806
Miscellaneous Income	\$1,642,884	\$181,601	\$496,816	\$141,152	\$134,132
<b>TOTAL OPERATING INCOME</b>	<b>\$195,773,353</b>	<b>\$212,649,054</b>	<b>\$234,476,900</b>	<b>\$249,367,259</b>	<b>\$246,827,870</b>
<b>Operating Expenses</b>					
Personnel Expenses	\$37,420,400	\$40,021,952	\$42,438,284	\$47,903,873	\$47,761,947
Operating Expenses - Fees	\$13,787,927	\$15,908,908	\$17,735,370	\$17,790,181	\$18,787,256
Operating Expenses - Administrative	\$8,000,361	\$7,080,545	\$9,178,208	\$8,750,780	\$9,076,028
Tenant Services Expenses	\$5,540,710	\$6,146,396	\$6,390,914	\$6,929,084	\$7,017,498
Protective Services Expenses	\$678,418	\$812,364	\$789,721	\$856,720	\$807,076
Utilities Expenses	\$4,962,367	\$5,567,031	\$6,135,729	\$6,422,870	\$5,894,845
Insurance and Tax Expenses	\$1,553,706	\$1,846,557	\$2,706,517	\$2,901,077	\$2,788,977
Maintenance Expenses	\$6,211,113	\$7,605,304	\$9,974,062	\$8,799,889	\$8,531,331
Housing Assistance Payments (HAP)	\$84,763,551	\$91,157,649	\$97,568,970	\$96,647,339	\$99,447,464
<b>TOTAL OPERATING EXPENSES</b>	<b>\$162,918,553</b>	<b>\$176,146,706</b>	<b>\$192,917,775</b>	<b>\$197,001,813</b>	<b>\$200,112,422</b>
<b>NET OPERATING INCOME</b>	<b>\$32,854,800</b>	<b>\$36,502,348</b>	<b>\$41,559,125</b>	<b>\$52,365,446</b>	<b>\$46,715,448</b>
<b>Non-Operating Income</b>					
Investment Interest Income	\$23,439,972	\$24,414,275	\$29,740,796	\$22,521,885	\$22,442,515
FHA Risk Sharing Insurance	\$609,502	\$697,624	\$890,294	\$713,107	\$858,817
Transfer Between Funds	\$7,398,074	\$7,674,456	\$8,891,771	\$7,081,385	\$8,110,882
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$31,447,548</b>	<b>\$32,786,355</b>	<b>\$39,522,861</b>	<b>\$30,316,377</b>	<b>\$31,412,214</b>
<b>Non-Operating Expenses</b>					
Interest Payment	\$28,212,630	\$33,006,794	\$42,540,438	\$38,995,832	\$37,776,129
Mortgage Insurance	\$816,079	\$832,655	\$881,485	\$913,365	\$1,141,120
Principal Payment	\$7,111,496	\$7,356,662	\$9,340,623	\$11,557,383	\$11,113,142
Debt Service, Operating and Replacement Reserves	\$13,365,814	\$8,216,656	\$9,998,074	\$12,793,487	\$10,863,328
Restricted Cash Flow	\$6,333,253	\$8,626,603	\$5,076,563	\$8,191,377	\$5,281,170
Development Corporation Fees	\$5,592,375	\$6,435,449	\$6,338,023	\$6,076,441	\$6,736,072
Miscellaneous Bond Financing Expenses	\$511,025	\$585,994	\$415,277	\$29,424	\$84,451
FHA Risk Sharing Insurance	\$609,502	\$618,857	\$890,294	\$713,107	\$858,817
Transfer Out Between Funds	\$4,301,071	\$3,790,711	\$5,429,173	\$3,411,407	\$4,273,433
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$66,853,245</b>	<b>\$69,470,381</b>	<b>\$80,909,950</b>	<b>\$82,681,823</b>	<b>\$78,127,662</b>
<b>NET NON-OPERATING ADJUSTMENTS</b>	<b>(\$34,405,697)</b>	<b>(\$33,284,026)</b>	<b>(\$41,387,069)</b>	<b>(\$30,265,446)</b>	<b>(\$46,715,448)</b>
<b>NET CASH FLOW</b>	<b>(\$2,550,897)</b>	<b>(\$181,678)</b>	<b>\$172,036</b>	<b>\$0</b>	<b>\$0</b>

## FY 2021 – Revenue Restrictions

Revenue Restriction (Showing externally placed restrictions)	FY 2021 Recommended Budget			
	Externally Restricted	Internally Restricted	Discretionary	TOTAL
<b>Operating Income</b>				
Property Related Income	\$39,020,411	\$56,432,222	\$3,482,458	\$98,935,091
Federal Grant	\$111,184,467	\$0	\$0	\$111,184,467
County Grant	\$11,131,374	\$0	\$0	\$11,131,374
Management Fees	\$0	\$3,427,648	\$22,015,158	\$25,442,806
Miscellaneous Income	\$126,632	\$0	\$7,500	\$134,132
<b>TOTAL OPERATING INCOME</b>	<b>\$161,462,884</b>	<b>\$59,859,870</b>	<b>\$25,505,116</b>	<b>\$246,827,870</b>
<b>Non-Operating Income</b>				
Interest Income	\$22,374,785	\$0	\$67,730	\$22,442,515
FHA Risk Sharing	\$858,817	\$0	\$0	\$858,817
Transfer Between Funds	\$8,110,882	\$0	\$0	\$8,110,882
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$31,344,484</b>	<b>\$0</b>	<b>\$67,730</b>	<b>\$31,412,214</b>
<b>TOTAL - ALL REVENUE SOURCES</b>	<b>\$192,807,368</b>	<b>\$59,859,870</b>	<b>\$25,572,846</b>	<b>\$278,240,084</b>





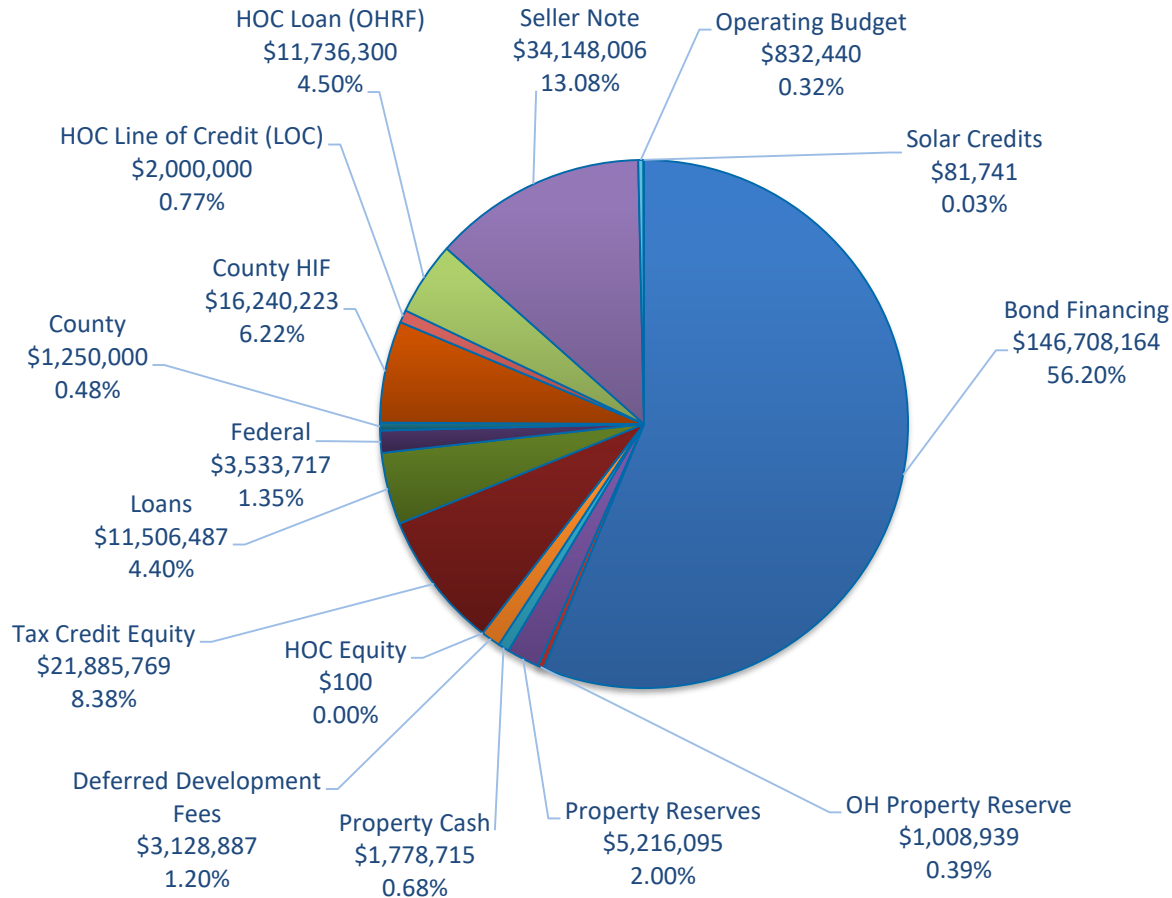
# FY 2021 – Capital Budget

## Capital Budget Overview

Capital Budget Summary	FY 2021 Recommended Budget
<b>Capital Improvements</b>	
East Deer Park	\$195,000
Kensington Office	\$50,000
880 Bonifant	\$255,000
Information Technology	\$532,440
Opportunity Housing Properties	\$6,453,339
<b>Subtotal</b>	<b>\$7,485,779</b>
<b>Capital Development Projects</b>	
Fenton Silver Spring (formerly 900 Thayer)	\$10,379,386
Alexander House	\$4,937,678
Bauer Park Apartments	\$9,245,374
Brooke Park Apartments	\$9,004,390
Deeply Affordable Units	\$1,250,000
Elizabeth House III	\$36,506,742
Georgian Court	\$25,391,652
Hillandale Gateway, Senior Portion	\$23,617,905
Shady Grove	\$17,630,079
Stewarttown	\$15,386,040
Upton II	\$17,284,646
West Side Shady Grove	\$28,746,407
Willow Manor Resyndication	\$54,189,505
<b>Subtotal</b>	<b>\$253,569,804</b>
<b>TOTAL</b>	<b>\$261,055,583</b>

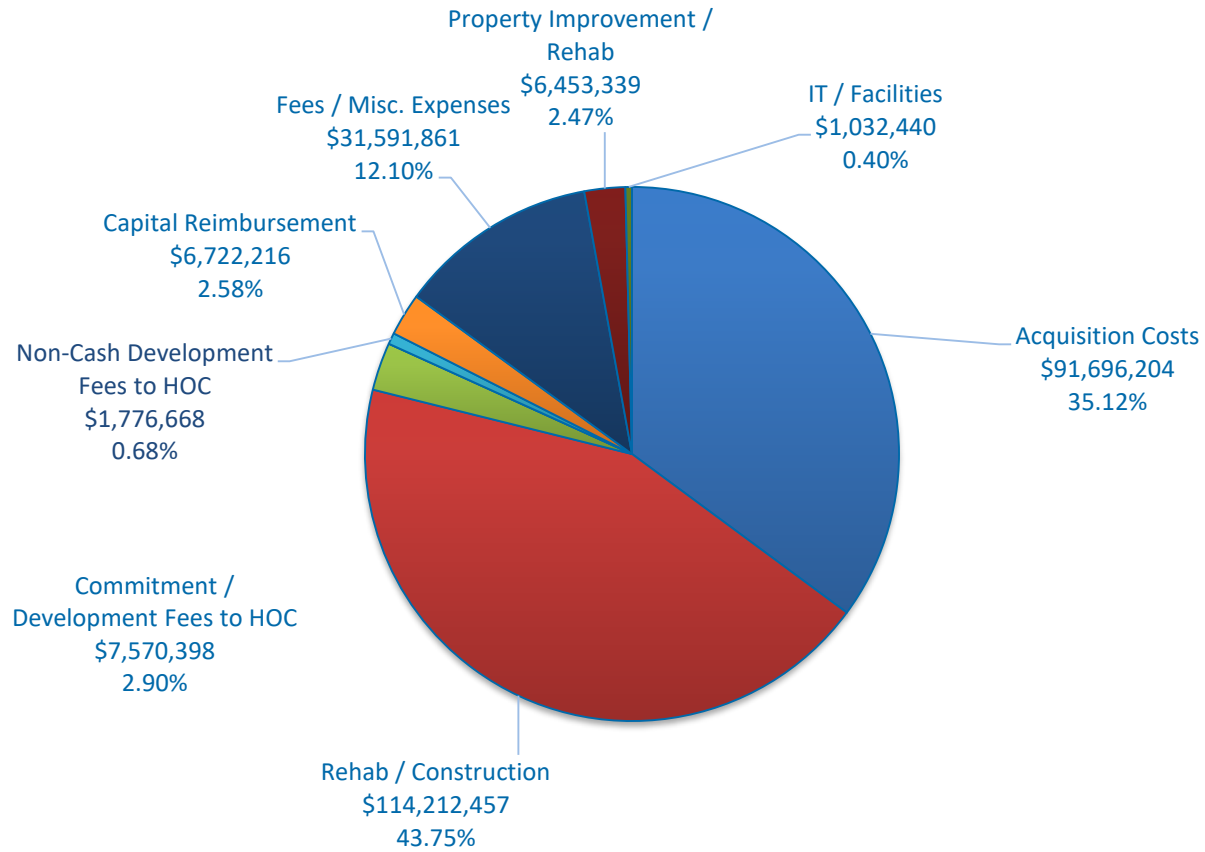
# FY 2021 – Capital Budget

## Source of Funds - Recommended – \$261,055,583



# FY 2021 – Capital Budget

## Use of Funds - Recommended – \$261,055,583



# **APPROVAL OF ACTIONS TAKEN BY HOC PURSUANT TO COVID-19 AND AUTHORIZATION OF FUTURE ACTIONS TAKEN IN RESPONSE TO COVID-19**

**APRIL 1, 2020**

- The COVID-19 outbreak is affecting millions of people across many nations and is having a growing impact on the global economy.
- As a result, in March 2020 Governor Larry Hogan declared a State of Emergency for Maryland and the President of the United States proclaimed the outbreak of COVID-19 a national emergency.
- A growing number of government orders, directives, and guidelines have closed government buildings and private businesses, and have generally promoted social distancing measures and remote working capabilities. For instance, on March 16, 2020, Governor Larry Hogan issued an order that temporarily prohibits the eviction of tenants that cannot meet their rental obligations due to COVID-19 related circumstances.
- HOC's customers are particularly at risk from being financially impacted by COVID-19, and staff desires to take all necessary steps to prevent undue hardship.
- HOC undergoes regular audits and some of the actions taken by HOC related to COVID-19 may result in audit findings. In order to provide support for such decision to the auditors (CliftonLarsonAllen), the U.S. Department of Housing and Urban Development, Montgomery County, and other interested parties, HOC desires to document its approval of various actions related to COVID-19.



## **HOC'S RESPONSE TO-DATE:**

HOC has temporarily suspended all tenant evictions until further notice.

HOC has temporarily suspended the inspections for each unit, including the Project-Based Rental Assistance ("PBRA") units, at the below listed properties until late May 2020, or until further notice.

- Arcola Towers
- Waverly House
- RAD 6 (Parkway Woods, Town Centre Place, Washington Square, Seneca Ridge, KenGar, Sandy Spring Meadows)
- Bauer Park
- Town Center Rockville
- Pomander Court
- Paint Branch
- Camp Hill
- Elizabeth House
- Magruder's Discovery
- Chelsea Towers
- Avondale Apartments
- Lasko Manor
- Holiday Park
- HOC's Scattered Site Properties

Under the HCV Program:

- HOC has temporarily suspended all annual inspections, re-inspections, and quality control inspections.
- HOC has temporarily suspended all future Housing Assistance Payment abatements to HCV Program landlords.
- Until further notice, HOC is continuing to process and send out notices for recertifications. If a client requests more time to submit recertification paperwork, HOC is granting the request and anticipates accepting delinquent recertification packets. For interim re-certifications, HOC is currently processing changes submitted in writing (including emails) and anticipates accepting changes made by phone.
- HOC anticipates, with the exception of emergencies, suspending new voucher issuances.

HOC's Maintenance Team has shifted focus to completing emergency priority work orders, followed by exigent, high priority work orders. All other maintenance work orders are temporarily on hold.

**FUTURE ACTIONS:**

The COVID-19 crisis is ongoing and there are new developments daily. It is likely that additional governmental legislation, orders, regulations, and guidelines will be issued in the coming weeks and months. In order to provide for such inevitability, staff recommends that the Commission authorize the Executive Director to take any actions necessary and proper pursuant to future federal, state, and/or local legislation, orders, regulations, and guidelines.

**HOC AUDITS:**

HOC is primarily audited by CliftonLarsonAllen (“CLA”) and the U.S. Department of Housing and Urban Development (“HUD”). The County Executive and County Council may also require an audit.

In order to provide documentation for future audits and to potentially prevent a “finding,” staff recommends documenting the Commission’s approval of HOC’s response to the COVID-19 crisis.

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**ISSUES FOR CONSIDERATION:**

Does the Commission wish to (1) approve the actions taken to-date by HOC pursuant to the various COVID-19 orders, legislation, regulations, guidelines, and concerns, and (2) authorize the Executive Director to take necessary and proper future actions pursuant to federal, state, and/or local legislation, orders, regulations, and guidelines?

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**BUDGET IMPACT:**

HOC has no way of knowing how many customers are currently impacted by job loss and the inability to pay rent, but anticipates that some delinquencies will occur. HOC will first access any excess cash held at each property to supplement cash flow loss from delinquencies before accessing other sources. In addition, HOC will work with all delinquent customers on a case-by-case basis to create repayment plans to try to minimize the loss of cash flow to the agency. HOC is also tracking expenses incurred as a result of COVID-19 and will look to any federal, state or local resources for reimbursement if the opportunity arises.

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**TIME FRAME:**

Action to approve the actions taken to-date by the Executive Director in response to COVID-19, and authorization of future actions is requested at the April 1, 2020 regular open meeting.

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**COMMISSION ACTION REQUESTED:**

Staff requests that the Commission approves the actions taken to-date by the Executive Director pursuant in response to COVID-19, and authorizes the Executive Director to take future actions in response to COVID-19 pursuant to federal, state, and/or local legislation, orders, regulations, and guidelines.

**RESOLUTION: 20-33**

**RE: Approval of Actions Taken by HOC Pursuant to COVID-19 and Authorization of Future Actions Taken in Response to COVID-19**

**WHEREAS**, the COVID-19 pandemic is affecting millions of people across many nations and having a growing impact on the global and local economy, and, as a result, in March 2020, Maryland Governor Larry Hogan declared a State of Emergency and the President of the United States proclaimed the outbreak of COVID-19 a national emergency;

**WHEREAS**, an increasing number of governmental orders, directives, and guidelines have been issued, which have closed various businesses and have generally promoted social distancing measures, and on March 16, 2020, Governor Larry Hogan issued an order temporarily prohibiting the eviction of tenants that cannot meet their rental obligations due to COVID-19 related reasons;

**WHEREAS**, HOC's customers are particularly at risk from being financially impacted by COVID-19, and the Executive Director has taken several actions to prevent undue hardship to HOC's customers;

**WHEREAS**, the actions the Executive Director has taken in response to the COVID-19 crisis include, but are not limited to, the following temporary actions: (1) suspending all tenant evictions; (2) suspending all maintenance work orders that are not emergency or exigent high priority work orders; (3) suspending the initial and annual inspections for each unit, including the project-based rental assistance units, at the following properties: Arcola Towers, Waverly House, the RAD 6 properties (Parkway Woods, Town Centre Place, Washington Square, Seneca Ridge, KenGar, and Sandy Spring Meadows), Bauer Park, Town Center Rockville, Pomander Court, Paint Branch, Camp Hill, Elizabeth House, Magruders Discovery, Chelsea Towers, Avondale Apartments, Lasko Manor, Holiday Park, and HOC's Scattered Sites; and (4) under the Housing Choice Voucher Program ("HCVP"), suspending all regular annual inspections, re-inspections, and quality control inspections; suspending all future Housing Assistance Payment abatements; and allowing clients additional time, if requested, to submit their recertification packets, which may result in delinquencies (the "HOC COVID-19 Response");

**WHEREAS**, as additional information becomes available, staff anticipates there will be additional federal, state, and/or local orders, legislation, regulations, and guidelines which will require HOC to take further action, including potentially suspending new voucher issuances and accepting interim changes by telephone under the HCVP;

**WHEREAS**, HOC is audited by several entities, including CliftonLarsonAllen and the U.S. Department of Housing and Urban Development;

**WHEREAS**, the Commission desires to documents its approval of the HOC COVID-19 Response and to authorize additional actions that may be necessary in response to future additional federal, state, and/or local orders, legislation, regulations, and guidelines.



**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County approves the HOC COVID-19 Response.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes the Executive Director, or his designee, without any further action on its part, to take any and all other actions necessary and proper to comply with any federal, state, and/or local orders, legislation, regulations, and guidelines pertaining to COVID-19, including the execution of any documents related thereto, provided that the Executive Director provide notice to the Commission of any and all actions taken.

**I HEREBY CERTIFY** that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 1, 2020.

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**Patrice M. Birdsong**  
**Special Assistant to the Commission**

# Adjourn

# Administrative Session