

EXPANDED AGENDA

September 5, 2018

		Res #
3:30 p.m.	<p><u>Public Hearing</u></p> <ul style="list-style-type: none"> • Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Wait List Related Changes to the Plan • Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Additional Choice Mobility Language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) Customers in Accordance with HUD Notice PIH-2012-32 (HA), REV-2 	
4:00 p.m.	<p>I. <u>CONSENT ITEMS</u></p>	
Page 4 15	<p>A. Approval of Minutes of July 11, 2018</p> <p>B. Approval of Minutes of August 14, 2018 Special Session</p>	
4:10 p.m.	<p>II. <u>INFORMATION EXCHANGE</u></p>	
Page 19 23	<p>A. Report of the Executive Director</p> <p>B. Calendar</p> <p>C. Commissioner Exchange</p> <p>D. Resident Advisory Board</p> <p>E. Community Forum</p>	
4:20 p.m. Page 26 28 30	<p>III. <u>ADMINISTRATIVE AND SPECIAL SESSION RATIFICATION</u></p> <p>A. Ratification of Action taken in Administrative Session on July 11, 2018: Authorization to Complete the Acquisition of the 880 Bonifant Street Site and Approval of the Final Development Plan</p> <p>B. Ratification of Action taken in Administrative Session on July 11, 2018: Approval for the Commission to Accept a County Loan for Cider Mill Apartments and Issue a Loan to MV Gateway LLC in the Amount of the County Loan; and Approval for MV Gateway LLC to Accept a Commission Loan in the Amount of the County Loan and Accept a Mezzanine Loan to Complete the Financing</p> <p>C. Ratification of Action taken in Administrative Session on August 14, 2018: Authorization for the Executive Director to Negotiate and Execute a Purchase and Sale Agreement for the Acquisition of Real Property and Approval of Predevelopment Funding and the Formation of an Ownership Entity</p>	<p>18-58R(pg 27)</p> <p>18-59R(pg 29)</p> <p>18-60R(pg 31)</p>
4:35 p.m.	<p>IV. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u></p>	
Page 34 40	<p>A. Budget, Finance and Audit Committee – Com. Nelson, Chair</p> <p>1. Authorization to Submit County FY 20-25 Capital Improvement Program (CIP) Budget</p> <p>2. Authorization to Add the Chief Operating Officer as a Fourth Signer to HOC’s Bank Accounts</p>	<p>18-62(pg 39)</p> <p>18-63(pg 43)</p>
4:55 p.m. Page 45	<p>B. Development and Finance Committee – Com. Simon, Chair</p> <p>1. Approval to Select a Pool of General Contractors for Renovations and Unit Turns of Various Scattered Site Properties in Accordance with Request for Qualification (“RFQ”) #2110</p>	<p>18-64(pg 56)</p>

5:15 p.m. Page 60 83	C. Legislative and Regulatory Committee – Com. Byrd, Chair 1. Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Wait List Related Changes to the Plan 2. Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Additional Choice Mobility Language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) Customers in Accordance with HUD Notice PIH-2012-32 (HA), REV-2	18-66(pg 64) 18-67(pg 88)
5:30 p.m.	V. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u>	
	1. None	
	VI. <u>*FUTURE ACTION ITEMS</u> 1. None	
Page 110	VII. <u>NEW BUSINESS</u> • Approval of Morgan G. Smith to the Board of Directors of The Housing Opportunities Community Partners, Inc.	18-71(pg 113)
5:35 p.m.	<u>RECESS</u>	
5:40 p.m.	<u>DEVELOPMENT COPORATION MEETING</u>	
Page 115	METROPOLITAN DEVELOPMENT CORPORATION • Authorization to Transfer \$1,000,000 from the Metropolitan Development Corporation Operating Account to the Reserve for Replacement (RfR) Account	18-001ME (pg 118)
5:50 p.m.	<u>ADJOURN</u>	
6:00 p.m.	VIII. <u>ADMINISTRATIVE SESSION</u> <i>This Administrative Session will be called to order pursuant to Section 3-305(b) (3)(Real Estate), (13)(to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter)</i>	

NOTES:

1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. ***Times are approximate and may vary depending on length of discussion.***
4. *These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

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

Consent Items

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

July 11, 2018

18-07

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, July 11, 2018 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Richard Y. Nelson, Jr., Vice Chair
Margaret McFarland
Pamela Byrd
Roy Priest

Absent

Edgar Rodriguez, Chair Pro Tem
Linda Croom

Also Attending

Stacy L. Spann, Executive Director
Patrick Mattingly
Louis Chaney
Victoria Dixon
Ethan Cohen
Melody Stanford
Rita Harris
Zachary Marks
Jim Atwell
Contessa Webster
Laurie Seals
Cornelia Kent
Darcel Cox
Christina Autin
Kenneth Tecler
Kevin Seawright
Sherraine Rawlins

Aisha Memon, Associate General Counsel
Natalie Craver
Eugenia Pascual
Shauna Sorrells
Jennifer Arrington
Gail Willison
Lynn Hayes
Ellen Goff
Vivian Benjamin
Sheryl Hammond
Jay Shepherd
Gio Kaviladze
Francisco Vega
Arthur Tirsky
Charnita Jackson
Heather Grendze

IT Support

Karlos Taylor
Irma Rodriguez
Rony Joseph

Commission Support

Patrice Birdsong

Resident Advisory Board

Yvonne Caughman

The meeting began with Chair Simon acknowledging the recipients of the 2018 Tony Davis Scholarship Award. A reception was held honoring the following recipients: Melat Assaye was named this year's winner and was awarded a \$5,000 scholarship. Armoni Jackson, Aiyana Cobbs, Samrawit Kelkay, and Grace Kpetemey each received a \$2,000 scholarship. This scholarship award marks the significance of high academic achievements, school and community contributions, outstanding references and acceptance to four year colleges.

Consent Calendar was adopted, as amended, upon a motion by Commissioner Byrd and seconded by Vice Chair Nelson.

I. CONSENT ITEMS

- A. Approval of Minutes of June 6, 2018 regular meeting** - The minutes were approved with amendment deleting Resolution 18-42 from the records. There was discussion on how minutes should be voted on and whether "Whereas" clauses should be recorded as part of the record. Staff will research.
- B. Approval of Minutes of June 6, 2018 Administrative Session** – The minutes were approved.
- C. Approval of Collective Bargaining Agreement Wage Re-opener Between The Housing Opportunities Commission and Municipal and County Government Employees Organization for the Period of July 1, 2018 through June 30, 2019**

The following resolutions were adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Byrd, and Priest. Commissioner McFarland abstained. Commissioners Rodriguez and Croom were necessarily absent.

RESOLUTION: 18-50

RE: Approval of Collective Bargaining Agreement Wage Re-opener between the Housing Opportunities Commission and Municipal and County Government Employees Organization For the period of July 1, 2018 through June 30, 2019

WHEREAS, the Housing Opportunities Commission of Montgomery County is required by law to enter into a collective bargaining agreement for those employees of the Commission who are covered under the Collective Bargaining Law that went into effect as of October 1, 1999; and

WHEREAS, the Commission and the Municipal County Government Employees Organization (MCGEO), who is the exclusive union representative for those employees in the bargaining units of Service, Labor, and Trades (SLT) and Office, Professional, and Technical (OPT), have successfully negotiated the sixth Collective Bargaining Agreement which is a four-year agreement for the period of July 1, 2016 through June 30, 2020; and

WHEREAS, the Collective Bargaining Agreement stipulates that there will be Wage Re-opener negotiations for years three and four of the Agreement to address wage adjustments; and

WHEREAS, the Wage Re-opener negotiations for wage adjustments for Fiscal Year 2019 of the Agreement began on March 1, 2018 and were completed on June 6, 2018; and

WHEREAS, the union membership unanimously ratified the re-opener negotiated wage adjustments for Fiscal Year 2019 of the Agreement in meetings held on June 18, 2018 and June 19, 2018 respectively; and

WHEREAS, the Collective Bargaining Law stipulates that "A Collective Bargaining Agreement shall be effective upon the approval of the Commission and the membership of the Union representing the Bargaining Unit".

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Fiscal Year 2019 Wage Re-opener Agreement is approved. Effective the first full pay period after July 1, 2018, Bargaining Unit Members shall receive a 1.95% general wage adjustment.

BE IT FURTHER RESOLVED, that for Fiscal Year 2019, Bargaining Unit Members who receive a fully satisfactory annual performance evaluation shall receive a 3.5% annual pay increment effective the first pay date in September 2018; and for Fiscal Year 2019 all actively employed Bargaining Unit Members who reached the top of grade prior to September 1, 2018 and who receive a fully satisfactory Fiscal Year 2018 performance evaluation will receive a one percent (1.0%) lump sum payment.

D. Approval of Fiscal Year 2019 Wage Adjustment and Service Increment for

The following resolutions were adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Byrd, and Priest. Commissioner McFarland abstained. Commissioners Rodriguez and Croom were necessarily absent.

RESOLUTION NO.: 18-51

**RE: Approval of FY 2019 Wage Adjustment
And Service Increment for
Unrepresented Staff for The Period of
July 1, 2018 Through June 30, 2019**

WHEREAS, the Commission wishes to award a compensation package for unrepresented staff for Fiscal Year 2019 that is fair, equitable and consistent with that of represented employees.

NOW, THEREFORE, BE IT RESOLVED, by the Housing Opportunities Commission that it hereby authorizes the following compensation package for unrepresented staff for Fiscal Year 2019:

- 1.95% general wage adjustment effective the first pay period after July 1, 2018.
- 3.5% annual pay increment effective the first pay date in September 2018.
- 1.0% percent lump sum payment to all actively employed unrepresented staff who reached the top of grade prior to September 1, 2018.

II. ADMINISTRATIVE AND SPECIAL SESSION RATIFICATIONS

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

A. Ratification of Action Taken in Administrative Session on June 6, 2018: Approval to Extend the Temporary Increase in a Line of Credit; Approval to Establish an Expiration Date for Remaining Funds Drawn on Line of Credit and Bridge Loan in Association with the Acquisition of a Residential Multifamily Development

RESOLUTION: 18-49R

**RE: Approval to Extend the Temporary
Increase in a Line of Credit; Approval to
Establish an Expiration Date for Remaining
Funds Drawn on Line of Credit and Bridge
Loan in Association with the Acquisition of a
Residential Multifamily Development**

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

including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at an Administrative Session duly called and held on June 6, 2018, with a quorum present, the Commission duly adopted Resolution 18-49AS, Commissioners Simon, Nelson, Rodriguez, McFarland, Croom, Priest, and Byrd voting in approval, which approved the extension of a temporary increase in a line of credit, and approved the establishment of an expiration date for the remaining funds drawn on the line of credit and bridge loan for the acquisition of a residential multifamily development.

WHEREAS, consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 18-49R and any action taken since June 6, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-49R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

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

Zachary Marks, Director of Development, and Gio Kaviladze, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO.: 18-52

RE: 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

WHEREAS, Georgian Court Apartments consists of 147 garden apartments built in 1976 and located upon a 6.7 acre parcel in Silver Spring; Shady Grove Apartments consists

of 144 garden apartments built in 1980 and located upon two parcels totaling 11.87 acres in Derwood; Stewartown Homes built in 1977 consists of 94 townhome units and located upon three parcels totaling 15 acres, and the Willows built in 1975 totaling 8.9 acres in Gaithersburg consisting of 195-garden units (collectively, the “Properties”); and

WHEREAS, Shady Grove Apartments and the Willows are wholly-owned by the Housing Opportunities Commission (HOC) and Georgian Court Apartments and Stewartown Homes are owned by existing Limited Partnerships (“LP”) for Low Income Housing Tax Credit (LIHTC) purposes, and are in the process of being repurchased by HOC; and

WHEREAS, with the exception of ongoing capital improvements there have been no major renovations to the buildings within the last ten years; and

WHEREAS, HOC staff have formulated a predevelopment plan, approved at the May 2, 2018 Commission meeting to renovate and improve the Properties in order to maximize their life, public purpose and financial contribution to HOC; and

WHEREAS, the Properties are currently financed with \$10,910,561 of fixed-rate bonds comprised of \$2,666,306 – Georgian Court; \$4,597,448 – Shady Grove; \$1,817,646 – Stewartown; and \$1,829,161 – The Willows (collectively, the “Existing Mortgages”); and

WHEREAS, funds in the amount of \$10,910,561 are needed to prepay the existing mortgages for the Properties from the PNC Bank, N.A. Real Estate Line of Credit (“RELOC”), which would be repaid upon the refinancing and/or re-syndication of the Properties; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission authorizes the withdrawal of \$10,910,561 from the PNC Bank, N.A. Real Estate Line of Credit (“RELOC”) to prepay the existing mortgages, which would be repaid upon the refinancing and/or re-syndication of the Properties;

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Executive Director, 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.

2. Approval of the Preliminary Development Plan and Funding for Bauer Park Apartments

Zachary Marks, Director of Development, and Jay Shepherd, Senior Financial Analyst, were the presenters.

The following resolution was adopted, as amended, upon a motion by Commissioner McFarland and seconded by Vice Chair Nelson. Affirmative votes were cast by Commissioners

Simon, Nelson, McFarland, Byrd, and Priest. Commissioners Rodriguez and Croom were necessarily absent and did not participate in the vote.

RESOLUTION No.: 18-54

**RE: Approval of Preliminary Development
Plan and Funding for Bauer Park
Apartments**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) seeks to preserve Montgomery County’s existing affordable housing, including those subsidized by Rental Assistance Payment (“RAP”) contracts and Section 236 financing facing growing sustainability challenges – most prominently, functional obsolescence and pervasive systems issues as a result of age; and

WHEREAS, Bauer Park Apartments (the “Property”) at 14635/39/43 Bauer Drive consists of 142 units in three (3) buildings on 3.88 acres of land on the southeast corner of the intersection of Bauer Drive and Norbeck Road in Rockville, MD; and

WHEREAS, the Property was originally built in 1977 under the Section 236 Program and is owned by Banor Housing, Inc., a non-profit corporation that is managed by a Policy Board that consists of seven (7) directors, three (3) of which are required to be Commissioners of HOC; and

WHEREAS, the Property currently receives subsidy via RAP contracts and interest reduction payments, which are still outstanding; and

WHEREAS, the RAP contracts for the Property will discontinue at maturity of the Property’s Section 236 senior mortgages, which is set to occur at the end of the 2018 calendar year; and

WHEREAS, the United States Department of Housing and Urban Development (“HUD”) offers the second component of its Rental Assistance Demonstration program (the “RAD Program”), which presents the Property with the opportunity to secure project-based Section 8 subsidy providing for its rehabilitation and permanent financing; and

WHEREAS, On August 5, 2015, HOC passed Resolution 15-69 approving the core terms of the Letter of Intent with Victory Housing, Inc. (“VHI”) for development services related to the renovation of the Property; and

WHEREAS, On April 5, 2017, HOC passed Resolution 17-23 approving the advance of \$850,000 in aggregate from the Opportunity Housing Reserve Fund to reimburse VHI for predevelopment costs as they are incurred to prepare and submit tax credit applications for the Property for up to \$350,000; and

WHEREAS, VHI has performed certain feasibility studies and engaged consultants in predevelopment work related to the tax credit application for the Property, pursuant to which

VHI is projected to incur expenditures in excess of the \$350,000 and will need to be reimbursed before the Final Development Plan Closing, expected in December 2018.

WHEREAS, HOC has prepared a preliminary development plan by which the architects can develop a viable scope of work and development plan for the Property that will meet the Property's immediate and long-term physical needs.

WHEREAS, HOC staff has prepared a budget to complete the final development plan phase of the project and estimates the cost of consultants and fees to be \$100,000.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the preliminary development plan for the rehabilitation, with tenants in place, of Bauer Park Apartments is hereby approved; and

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County is authorized to incur up to One Hundred Thousand Dollars (\$100,000) in additional costs for the final development plan, which shall be funded from the Opportunity Housing Reserve Fund.

3. Approval of the Election of Commissioner Simon and Commissioner Priest to the Policy Board of Banor Housing, Inc.

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

RESOLUTION NO.: 18-55

RE: Approval of the Election of Commissioners Jackie Simon and Roy O. Priest to the Policy Board of Banor Housing, Inc.

WHEREAS, pursuant to its Articles of Incorporation and its Bylaws, Banor Housing, Inc. is managed by a Policy Board that is comprised of seven (7) directors, three (3) of which are required to be Commissioners of the Housing Opportunities Commission of Montgomery County ("HOC").

WHEREAS, the Commissioners are to be elected to the Policy Board by HOC.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Jackie Simon and Roy O. Priest are hereby elected to serve on the Policy Board of Banor Housing, Inc.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that its Executive Director 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 but not limited to the execution of any and all documents related thereto.

B. Legislative and Regulatory Committee – Com. Byrd, Chair

1. Authorization to Submit FY 2018 Section Eight Management Assessment Program (SEMAP) Certification to HUD

Ethan Cohen, Housing Programs Coordinator, and Lynn Hayes, Director of Housing Resources, were the presenters.

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

RESOLUTION NO.: 18-56

**RE: Authorization to Submit FY 2018
Section Eight Management
Assessment Program (SEMAP)
Certification to HUD**

WHEREAS, the regulations of the U.S. Department of Housing and Urban Development (HUD) require that the Housing Opportunities Commission of Montgomery County (HOC) submit the Section Eight Management Assessment Program (SEMAP) certification annually; and

WHEREAS, the SEMAP certification, which measures the status of HOC's administration of the Section Eight Program for Fiscal Year 2018, must be submitted to HUD within 60 days of the end of the fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized to submit the Fiscal Year 2018 SEMAP Certification to HUD.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed, without any further action on its part, to take all other actions necessary and proper to submit the Fiscal Year 2018 SEMAP Certification to HUD.

IV. ITEMS REQUIRING DELIBERATION and/or ACTION

1. Approval for the Commission to Accept Financing in the Form of a County HIF Loan for Interim Repairs to Town Center Apartments; Authorization for the Executive Director to Execute all Documentation Related to the Financing; Approval to Gift County HIF Loan Proceeds to Town Center Apartments, Inc. for Interim Repairs

Melody Stanford, Asset Manager, and Jay Shepherd, Senior Financial Analyst, were the presenters.

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

RESOLUTION NO.: 18-57

RE: Approval for the Commission to Accept Financing in the Form of a County HIF Loan for Interim Repairs to Town Center Apartments; Approval to Gift County HIF Loan Proceeds to Town Center Apartments, Inc. for Interim Repairs; Authorization for the Executive Director to Execute all Documents Related to the Financing

WHEREAS, Town Center Apartments (the “Property”) has experienced system failures over the past few years which including the boiler and chiller, shower diverters, cooling tower, and hot water tank; and

WHEREAS, to maintain daily operations, several capital improvements are needed including replacement boilers, chiller compressors, two elevator drivers, an air handler unit, hydronic convection units, fan coil units, and roof patching; and

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) will accept a Housing Initiative Fund loan from Montgomery County in an amount of \$287,613 (the “Loan”) for the capital improvements at the Property; and

WHEREAS, the Commission will gift the Loan proceeds (the “Gift”) to Town Center Apartments, Inc. (the “Entity”) to complete the capital improvements at the Property; and

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

1. The Commission authorizes the acceptance of the Loan and authorizes the Executive Director to execute any documents necessary to receive the Loan.
2. The Commission authorizes gifting the Loan proceeds to the Entity to commence capital improvements to the Property.

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

Based upon this report and there being no further business to come before this session of the Commission, a motion was made by Vice Chair Nelson, seconded by Commissioner Priest, and unanimously adopted to adjourn.

The open session adjourned at 5:10 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

August 14, 2018

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted on Tuesday, August 14, 2018 at 10400 Detrick Avenue, Kensington, Maryland beginning at 12:05 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Richard Y. Nelson, Jr., Vice Chair
Roy Priest

Via Phone

Margaret McFarland

Absent

Edgar Rodriguez, Chair Pro Tem
Linda Croom
Pamela Byrd

Also Attending

Stacy Spann, Executive Director
Kayrine Brown
Cornelia Kent
Heather Grendze

Shauna Sorrells
Gail Willison
Eugenia Pascual

Via Phone

Kenneth B. Tecler

Commission Support

Patrice Birdsong, Spec. Asst. to Commission

I. ITEMS REQUIRING DELIBERATION AND/OR ACTION

A. Approval to Make a \$374, 150 Capital Contribution to MHLP IX, LP to Pay the Deferred Developer Fee

Cornelia Kent, Chief Financial Officer, was the presenter.

The foregoing resolutions were adopted upon a motion by Vice Chair Nelson and seconded by Commissioner McFarland. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, and Priest. Commissioners Rodriguez, Croom, and Byrd were necessarily absent and did not participate in the vote.

RESOLUTION NO.: 18-61

**RE: Approval to Make a \$374,130.00
Capital Contribution to MHLP IX, LP
to Pay the Deferred Developer Fee**

WHEREAS, Montgomery Homes Limited Partnership IX, (a Maryland limited partnership (“MHLP IX” or the “Partnership”)), was organized as of July 27, 1995, for the purpose of acquiring 76 moderately priced dwelling units (“MPDUs”) in various parts of Montgomery County, Maryland and constructing 40 MPDUs at Pond Ridge in Olney, Maryland; and

WHEREAS, HOC is the General Partner, and Wells Fargo Affordable Housing Community Development Corporation is the “Investor Limited Partner” of MHLP IX; and

WHEREAS, pursuant to the terms of the Partnership, General Partner (HOC) earned a developer fee for services rendered in the development of the project, of which \$374,130.00 was deferred; and as of December 31, 2017, the deferred developer fee remains payable on the books of MHLP IX; and

WHEREAS, Investor Limited Partner desires to assign all of its rights, title, interest and obligations and requires that the deferred developer fee be paid prior to the assignment; and

WHEREAS, The HOC 15 YR Consultant has advised that HOC, as General Partner, make a capital contribution to MHLP IX for the full amount of the deferred developer fee, which MHLP IX will then use to pay the outstanding deferred developer fee due to HOC; and

WHEREAS, HOC, as General Partner, is requesting that a \$374,130.00 capital contribution be made from the OHRF to pay off the deferred developer fee.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, Maryland, that \$374,130.00 be made as a capital contribution to Montgomery Homes Limited Partnership IX.

BE IT FURTHER RESOLVED that the capital contribution of \$374,130.00 be then used by MHLP IX to pay the outstanding deferred developer fee to HOC, the General Partner.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, Maryland that its Executive Director is authorized, without any further action on its part, to take any and all other actions necessary and proper to carry out the action contemplated herein, including but not limited to the execution of any and all documents related thereto.

Special Session
August 14, 2018
Page 3 of 3

Based upon this report and there being no further business to come before this Administrative Session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

The meeting adjourned at 12: 10 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Information Exchange

HOC Equips Students Heading Back to School



On Friday, August 24, 2018 HOC hosted the annual Back to School Fest for HOC youth entering grades K – 12 at Rockin’ Jump Trampoline Park in Gaithersburg. The event capped a month-long school supply drive, where children from across the county gathered for one last day of play and received a backpack filled with supplies for the new school year.

Donation boxes were placed at HOC Service Centers and offices throughout the county. Last year, the drive provided over 850 backpacks filled with school essentials for students. This year, over 1,000 students registered to enjoy one hour of jump time at Rockin’ Jump and left with the supplies they needed to start the school year off right.

Many organizations, such as Montgomery County Public Schools, were instrumental in helping HOC once again provide a record number of backpacks and school supplies to students. Top contributors included Alpha Kappa Alpha Sorority Inc.’s Pearls of Hope Community Foundation, Benjamin Office Supply and Services Inc., and Rockin’ Jump Trampoline Park in Gaithersburg, among others.

For over 25 years, HOC staff have collected school supply donations throughout the summer to offer to students who request assistance. At HOC, our partners play a critical role in supporting the programming and services we provide to families and communities across the county. We are proud to once again partner with these great organizations to equip our youth for another year of success in the classroom.

First Annual Germantown Community Day

On Saturday, August 25, 2018 the Athletes for Community Excellence Project (ACE) together with HOC, Montgomery Public Schools, the Montgomery County Police Department, and more than 30 other vendors hosted the first annual Germantown Community Day, providing a positive venue for families in the community to mingle and engage with local agencies and organizations.

The event hosted music from local school bands, food from local vendors, and provided a great experience for the entire family. The Fatherhood Initiative, HOC Academy and Family Self Sufficiency program staff were on site to answer questions and provide information about the various programs and services HOC offers. Staff was able to provide 35 additional families with school supplies; register several fathers to participate in our programs; and share information about affordable housing in the county.

Councilmembers Floreen and Rice were present to welcome families to the event. Many individuals – both adults and youth – visited the HOC tables to get more information about the housing we provide and the programs they may be eligible for even before they are selected from a wait list.

HOC Acquires 880 Bonifant

HOC completed the acquisition of 880 Bonifant St. in Silver Spring on Monday, August 20, 2018. 880 Bonifant will serve as the permanent new home for our Silver Spring Service Center ("SSSC"). The existing building is a three-story, above grade, mixed-use office/assembly space with a basement and stucco veneer. The building was originally constructed circa 1958 for commercial office use, and was renovated in 2005 to accommodate an A3 (church) use on the third floor. The building is located just outside of the Silver Spring Central Business District (CBD) Master Plan. Its location adjacent to a County-owned parking lot enables HOC to bank this site for future redevelopment to expand the affordable housing supply in the heart of the Silver Spring CBD.

HOC staff met with Department of Permitting Services ("DPS") staff on August 14, 2018 to discuss 1) the building's past use versus proposed, 2) applicable codes, address specific scope questions pertaining to the existing stairs and exterior modifications, which would include a front entry ramp/stairs, and minor exterior modifications, & 4) permit review timelines. Our plan is to have construction documents available for submission and review of DPS by this coming December with at least one round of revisions and final approval by early Spring to begin construction. Staff continues to work with the architect, Karl Riedel to finalize the space planning and programming of the building, which will be able to accommodate a maximum occupancy of approximately 331 persons upon completion.

Partners and Officials Get First Look at The Lindley



On Wednesday, August 8, 2018 HOC partners, Commissioners, and elected officials experienced a first-look construction tour of The Lindley at Chevy Chase Lake. The Lindley – formerly the site of a 68-unit low-rise apartment community – is a prime example of HOC's commitment to creating amenity-rich, mixed-income communities and increasing the supply of affordable units throughout Montgomery County. The Lindley was designed to capitalize on the community's assets, inspiration, and potential, with the intention of creating public spaces that promote residents' health,

happiness, and well-being.

Tour groups were able to preview the many amenities The Lindley will have to offer and toured a furnished model unit. Participants also received information about the impact the property will have on the community – both economically and by way of providing families with access to affordable housing, green space, transit and more.

Mr. Bob Youngentob from EYA and Mr. Calvin Cafritz from the Cafritz Foundation helped open the event, and partners from EYA, the Cafritz Foundation, and lender United Bank were in attendance. Representatives from the offices of Senator Van Hollen, Councilmembers Leventhal and Elrich, and State Delegate Al Carr also joined us for the afternoon.

We are extremely pleased to be part of this excellent example of what is possible through public-private partnerships and are eager to share The Lindley with the rest of the community when it opens this fall.



HOC Hosts National Night Out Community Event



On Tuesday, August 7, 2018 HOC in partnership with the Montgomery County Department of Recreation coordinated a National Night Out event at the Emory Grove HUB in Gaithersburg. National Night Out is an annual community-building campaign that promotes police-community partnerships and neighborhood camaraderie to make neighborhoods safer, more caring places to live. National Night Out provides an opportunity to bring police and neighbors together under positive circumstances and to encourage community members to become more active in their

respective communities.

Families gathered from across Upper County and Everyone enjoyed an evening of food and music. They played carnival games, bingo, video games, face painting and competed for door prizes from the various vendors present. Vendors included HOC Academy, the Fatherhood Initiative, Montgomery County Police Explorers, Head Start, Amerigroup, Montgomery County Department of Recreation, and PNC Bank.



HOC Holds Single Family Homeownership Workshop

On July 14, 2018, HOC's Homeownership Program (HOC/HOP) held a Homeownership Workshop for approximately 65 Opportunity Housing residents who are interested in becoming first-time homebuyers. Three quarters of those who registered attended and participated in the workshop. Workshop attendees learned about the importance of budgeting, how to analyze credit, and what to expect during the home purchase process. Residents who are income and credit qualified and receive a prequalification from an approved HOC lender will work with staff toward their future purchase of an available MPDU in HOC's inventory or other properties on the market.

Five Students Awarded 2018 Tony Davis Memorial Scholarship



On Wednesday, July 11, 2018 HOC families, staff and Commissioners celebrated the recipients of the 2018 Tony Davis Memorial Scholarship. HOC established the Tony Davis Scholarship as a tribute to the extensive community service record of former staff member Tony S. Davis, who passed in 2000. Mr. Davis was widely recognized for his years of volunteer work in the Seneca Ridge community in Germantown, where he worked tirelessly to improve the lives of residents and served as a role model to many who lived there.

Scholarship winners were chosen based on excellent academic achievement, active participation in extra-curricular activities, good school attendance, and an exemplary record of service to their community. Five young women were chosen from high schools across Montgomery County and presented with honorary plaques and scholarship checks at a ceremony in the Kensington Office atrium. The 2018 Tony Davis Scholarship recipients were: Ms. Melat Assaye from Springbrook High School; Ms. Armoni Jackson from Clarksburg High School; Ms. Aiyana Cobbs from Watkins Mill High School; Ms. Samrawit Kelkay from Montgomery Blair High School; and Ms. Grace Kpetemey from Connelly School of the Holy Child.

At HOC, a core tenet of our work is helping folks reach their fullest potential – providing opportunities and access that support people in achieving the goals they have identified for themselves, whether they be career, educational, or otherwise. The 2018 Tony Davis winners have taken their first steps toward attaining those goals and we could not be prouder to be just a small part of that success and the incredible journey ahead for these students.



HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

September 2018

3	Labor Day – HOC Offices Closed	
5	HOC Regular Meeting (<i>All</i>)	4:00 p.m.
10	Legislative and Regulatory Committee Meeting (<i>Byrd, Croom, Rodriguez</i>)	4:00 p.m.
13	Banor Board Meeting (<i>Simon, Nelson, Priest</i>) – Bauer Park Apt. Community Rm., 14635 Bauer Dr., Rockville, MD 20853	2 – 4 p.m.
18	Budget, Finance and Audit Committee Meeting – re: Budget (<i>Nelson, Simon, Priest</i>)	10:00 a.m.
18	Town Center Board Meeting (<i>Simon, Rodriguez</i>) - Teleconference	1:00 p.m.
20	HOC and Planning Board Joint Meeting (<i>All</i>) – The Lindley, 3717 Chevy Chase Lake, Dr., Chevy Chase, MD 20815	6:00 p.m.
21	Development and Finance Committee Meeting (<i>Simon, McFarland, Nelson</i>)	10:00 a.m.
24	Agenda Formulation (<i>Simon, Croom</i>)	12:00 noon
24	Resident Advisory Board (<i>Croom</i>)	6:00 p.m.
26	HOCP - Inspire Gala (<i>All</i>) – The Filmore - 8656 Colesville Rd., Silver Spring, MD	6:00 p.m.

October 2018

3	HOC Regular Meeting (<i>All</i>)	4:00 p.m.
15	Resident Advisory Board (<i>Croom</i>)	6:00 p.m.
16	Budget, Finance and Audit Committee Meeting – re: Tax Credit & County Operating Budget) (<i>Nelson, Simon, Priest</i>)	10:00 a.m.
26	Development and Finance Committee Meeting (<i>Simon, McFarland, Nelson</i>)	10:00 a.m.
26	Status/Lunch Meeting w/Executive Director (<i>All</i>) – Location TBD	12:00 noon
29	Agenda Formulation (<i>Simon, Byrd</i>)	12:00 noon

November 2018

7	Budget, Finance and Audit Committee Meeting – re: Audit Review (<i>Nelson, Simon, Priest</i>)	2:00 p.m.
7	HOC Regular Meeting (<i>All</i>)	4:00 p.m.
12	Veterans Day (<i>HOC Offices Closed</i>)	
14	Legislative and Regulatory Committee Meeting (<i>Byrd, Croom, Rodriguez</i>)	4:00 p.m.
16	Development and Finance Committee Meeting (<i>Simon, McFarland, Nelson</i>)	10:00 a.m.
19	Agenda Formulation (<i>Simon, Byrd</i>)	12:00 noon
22-23	Thanksgiving Holiday (<i>HOC Office Closed</i>)	

December 2018

5	HOC Regular Meeting (<i>All</i>)	4:00 p.m.
11	Budget, Finance and Audit Committee Meeting – re: 1 st Quarter (<i>Nelson, Simon, Priest</i>)	10:00 a.m.
12	Budget, Finance and Audit Committee Meeting – re: 1 st Quarter (<i>Nelson, Simon, Priest</i>)	10:00 a.m.
14	Development and Finance Committee Meeting (<i>Simon, McFarland, Nelson</i>)	10:00 a.m.
14	Status/Lunch Meeting w/Executive Director (<i>All</i>) – Location TBD	12:00 noon
17	Agenda Formulation (<i>Simon, Rodriguez</i>)	12:00 noon
25	Christmas Holiday (<i>HOC Offices Closed</i>)	

Activities of Interest

- 1 – Follow-up Meeting w/Housing for People with Disabilities Group
 - 2 – Property Tour
-

Administrative and Special Session Ratifications

RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON

JULY 11, 2018:

RATIFICATION OF ACTION AUTHORIZING TO COMPLETE THE ACQUISITION OF THE 880 BONIFANT STREET SITE AND APPROVAL OF THE FINAL DEVELOPMENT PLAN

SEPTEMBER 5, 2018

- At an Administrative Session held on July 11, 2018, the Commission adopted Resolution 18-58AS, authorizing the Executive Director to complete the acquisition of a building located at 880 Bonifant Street in Silver Spring, Maryland, and approving the final development plan.
- Consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the July 11, 2018 Administrative Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.

RESOLUTION No.: 18-58R

RE: Authorization to Complete the Acquisition of the 880 Bonifant Street Site and Approval of the Final Development Plan

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, to carry out and effectuate the purpose of providing affordable housing including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, to effectively carry out its business of delivering affordable housing to persons of eligible income, the Commission requires appropriate office space from which to conduct business; and

WHEREAS, at an Administrative Session duly called and held on July 11, 2018, with a quorum present, the Commission duly adopted Resolution 18-58AS, Commissioners McFarland, Priest, and Byrd voting in approval, which authorized the Executive Director to execute and complete of the acquisition of all real property located at 880 Bonifant Street in Silver Spring, Maryland, and approved the final development plan. Commissioner Nelson voted no, Commissioner Simon abstained, and Commissioners Rodriguez and Croom were necessarily absent and did not participate in the vote.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-58R 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 September 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission

RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON

JULY 11, 2018:

RATIFICATION OF APPROVAL FOR THE COMMISSION TO ACCEPT A COUNTY LOAN FOR CIDER MILL APARTMENTS AND ISSUE A LOAN TO MV GATEWAY LLC IN THE AMOUNT OF THE COUNTY LOAN; AND APPROVAL FOR MV GATEWAY LLC TO ACCEPT A COMMISSION LOAN IN THE AMOUNT OF THE COUNTY LOAN AND TO ACCEPT A MEZZANINE LOAN TO COMPLETE THE FINANCING

SEPTEMBER 5, 2018

- At an Administrative Session held on July 11, 2018, the Commission adopted Resolution 18-59AS, which authorized the Commission to accept a County Loan for Cider Mill Apartments and to issue a loan to MV Gateway LLC in the amount of the County loan; to act in its own capacity and as the sole member of MV Gateway LLC to accept the County loan and accept a mezzanine loan to complete the financing; and to authorize the Executive Director to negotiate and execute all documentation related to the financing.
- Consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the July 11, 2018 Administrative Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.

RESOLUTION NO.: 18-59R

RE: Approval for the Commission to Accept a County Loan for Cider Mill Apartments and Issue a Loan to MV Gateway LLC in the Amount of the County Loan; and Approval for MV Gateway LLC to Accept a Commission Loan in the Amount of the County Loan and to accept a Mezzanine Loan to Complete the Financing

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

WHEREAS, at an Administrative Session duly called and held on July 11, 2018, with a quorum present, the Commission duly adopted Resolution 18-59AS, Commissioners Simon, Nelson, McFarland, Byrd, and Priest voting in approval, which approved the Commission’s acceptance of a County loan and the issuance of a financing commitment in the amount of the County loan to MV Gateway LLC (“MV Gateway”); and, acting in its own capacity and as the sole member of MV Gateway, approved the acceptance by MV Gateway of both a Commission loan in the amount of the County loan and a mezzanine loan for the permanent financing of Cider Mill Apartments. Commissioners Rodriguez and Croom were necessarily absent and did not participate in the vote.

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commission in adopting Resolution 18-59R and any action taken since July 11, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-59R 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 September 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission

RATIFICATION OF ACTION TAKEN IN ADMINISTRATIVE SESSION ON

AUGUST 14, 2018:

RATIFICATION OF AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT FOR THE ACQUISITION OF REAL PROPERTY AND APPROVAL OF PREDEVELOPMENT FUNDING AND THE FORMATION OF AN OWNERSHIP ENTITY

SEPTEMBER 5, 2018

- At an Administrative Session held on August 14, 2018, the Commission adopted Resolution 18-60AS in which the Commission authorized the execution of a Purchase Agreement for the acquisition of real property; a loan from the Opportunity Housing Reserve Fund for the earnest money deposit and due diligence costs; the deposit of earnest money funds; and the creation of a single purpose entity for the purposes of acquiring and holding the property.
- Consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken at the August 14, 2018 Administrative Session to provide notice to the public under the Maryland Open Meetings Act. Further, the Commission wishes to ratify any action taken since the Administrative Session with respect to the approved transaction.

RESOLUTION NO.: 18-60R

RE: Authorization for the Executive Director to Negotiate and Execute a Purchase and Sale Agreement for the Acquisition of Real Property and Approval of Predevelopment Funding and the Formation of an Ownership Entity

WHEREAS, the Housing Opportunities Commission of Montgomery County, Maryland (the “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, to carry out and effectuate the purpose of providing affordable housing; and

WHEREAS, to effect its corporate purpose, the Commission routinely acquires land and buildings in Montgomery County, Maryland for the development or preservation of multifamily housing developments that serve eligible households; and

WHEREAS, at an Administrative Session duly called and held on August 14, 2018, with a quorum present, the Commission duly adopted Resolution 18-60AS, Commissioners Simon, McFarland, and Priest voting in approval, which approved the execution of the Purchase Agreement, approved a loan of from the Opportunity Housing Reserve Fund for an earnest money deposit and due diligence costs, approved the deposit of earnest money, and approved the creation of a single purpose entity for the purposes of acquiring and holding the property. Commissioner Nelson abstained and Commissioners Rodriguez, Croom, and Byrd were necessarily absent and did not participate in the vote.

WHEREAS, consistent with the Commission’s Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 18-60R and any action taken since August 14, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-60R 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 September 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission

Committee Reports and Recommendations for Action

Budget, Finance & Audit Committee

AUTHORIZATION TO SUBMIT COUNTY FY'20-25 CAPITAL IMPROVEMENTS PROGRAM BUDGET

September 5, 2018

- The County Capital Improvements Program (CIP) Budget is prepared biennially.
- This year, only amendments to the program will be considered by the County Executive and County Council.
- HOC is required to submit requests for any amendments to its capital funding for FY'20-25 to the County by September 11, 2018.
- The submission requests that the County continue funding our current Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements at the \$1,250,000 annual level for FY'20-25 and maintain the current \$1,900,000 funding for the demolition of the Ambassador Apartments and Emory Grove Apartments.

MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Cornelia Kent Division: Finance Ext. 9574
 Terri Fowler Ext. 9507
 Nilou Razeghi Ext. 9494

RE: Authorization to Submit County FY'20-25 Capital Improvements Program Budget

DATE: September 5, 2018

STATUS: Consent [] Deliberation [] Committee [X]

OVERALL GOAL & OBJECTIVE:

Authorization of HOC's submission of the County FY'20-25 Capital Improvements Program Budget

BACKGROUND:

The County Capital Improvements Program (CIP) Budget is prepared biennially. This year, only amendments to the program will be considered by the County Executive and County Council. HOC is required to submit requests for any amendments to its capital funding for FY'20-25 to the County by September 11, 2018.

In light of the continuing economic challenges that the County is facing, HOC does not plan to ask the County Executive to approve any amendments to our existing projects. However, it is prudent to remind the County of the importance in maintaining our current allocations in the following projects.

1) Continued Support of \$1,250,000 annually for FY'20-25 of the Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements

- Historically, this project was used to supplement the funds received from the Department of Housing and Urban Development (HUD) for improvements to our Public Housing stock. In 2014, HOC requested that the original project title, "Supplemental Funds for Public Housing Improvements", be expanded to allow these funds to be used for "Deeply Subsidized HOC Owned Unit Improvements" to allow the funds to be used on the Public Housing units both pre- and post- conversion.

- The project was further expanded to allow the funds to be used on HOC and Affiliate Owned income-restricted scattered site units.
- The Commission’s portfolio includes hundreds of income-restricted scattered site units throughout the County, most approximately 30 years of age. Many of these units were acquired into a Low Income Housing Tax Credit (“LIHTC”) limited partnership more than 15 years ago and are subject to continued affordability restrictions under the LIHTC program. In addition, there are limited partnerships that are expected to contribute units to HOC and, upon doing so, HOC becomes the sole owner of these units. Finally, other units are simply older Moderately Priced Dwelling Units (MPDUs) that continue to be restricted to low- and moderate-income households.
- These units are in need of renovation in order to continue to serve eligible households. With significant debt remaining on these units, the net operating income from the affordably priced units cannot support both the repayment of that debt and the additional proceeds needed to complete a comprehensive scope of renovation which includes new windows, roof replacement, installation of energy-efficient heating and air conditioning systems, electrical and plumbing repairs, new flooring, new lighting, new cabinetry, installation of energy-efficient appliances, and new bathrooms.
- It was anticipated that renovations would have begun in FY’18; however, development of the final scope and the procurement process delayed the renovations. HOC is finalizing a new pool of contractors to perform scattered site renovations and we anticipate that work in units will begin in October 2018. CIP funds will be used to focus on repairs and renovation of those units where renovations are required and the properties cannot support additional debt.
- Approximately \$3.265 million remains unspent from the FY’16-19 allocations. The average cost for units requiring full interior and exterior renovations is approximately \$60,000. The available funds would allow for full renovations of approximately 54 units; however, more units may be addressed if full renovations are not required.
- Staff is bringing forth a recommendation to the Commission at the September meeting to create a pool of contractors that will be awarded contracts to complete unit renovations and plans to award zero-dollar contracts and assign Task Orders for amounts that will fully obligate the \$3.265 million to be spent in FY’19

- Continued funding at the \$1.25 million level will support an additional 20 plus units, at full renovation level, per year for FY'20-25.
- This project is directly related to accomplishing the following County Executive priorities:
 - A Responsive and Accountable County Government
 - Affordable Housing in an Inclusive Community
 - Healthy and Sustainable Neighborhoods
 - Safe Streets and Secure Neighborhoods
 - Vital Living for all of our Residents

2) Continued Funding for the Demolition Fund - \$1,900,000

- The Commission and County previously approved \$1,900,000 for demolition of the Ambassador Apartments (\$1.3 million) and Emory Grove Apartments (\$0.6 million); both properties are vacant and present blight and safety concerns.
- The \$1.3 million for Ambassador was originally included in the FY'18 budget and expected to be expended by the end of FY'18. As a part of the County's FY'18 Savings Plan, \$0.6 million of the funds requested for the Ambassador was deferred to FY'20. It was agreed that HOC would fund the demolition of the Ambassador in FY'18 and be fully reimbursed by the County in FY'20. The \$0.6 million CIP funding for Emory Grove's demolition is currently in the FY'19 CIP budget.
- Staff is in the process of getting all studies and permitting completed for the Ambassador so that demolition can begin once an agreement is finalized with Wilco who are the owners of the ground floor. It is hoped that the demolition will occur before the end of the calendar year 2018.
- Demolition of Emory Grove is also estimated to be completed by December 2018 assuming all permits are obtained and utilities disconnected.
- This project is directly related to accomplishing the following County Executive priorities:
 - A Responsive and Accountable County Government
 - Affordable Housing in an Inclusive Community
 - Healthy and Sustainable Neighborhoods
 - Safe Streets and Secure Neighborhoods
 - Vital Living for all of our Residents

ISSUES:

Does the Commission wish to authorize the submission of the County FY'20-25 Capital Improvements Program Budget which requests that the County continue funding our current Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements at the \$1,250,000 annual level for FY'20-25 and maintain the current \$1,900,000 funding for the demolition of the Ambassador Apartments and Emory Grove Apartments?

BUDGET IMPACT:

There is no budget impact on the FY'19 Adopted Budget. Funds that are appropriated by the County Council will be included in the FY'20 Amended Budget.

TIME FRAME:

The Budget, Finance and Audit Committee reviewed the submission at the August 14, 2018 meeting. Commission action is requested at the September 5, 2018 Commission meeting.

RECOMMENDATION:

The Budget, Finance and Audit Committee recommends to the full Commission authorization to submit the County FY'20-25 Capital Improvements Program Budget.

RESOLUTION NO.: 18-62

Re: Authorization to Submit County
FY'20-25 Capital Improvements
Program (CIP) Budget

WHEREAS, the Housing Opportunities Commission of Montgomery County, Maryland (“HOC”), 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, to carry out and effectuate the purpose of providing affordable housing including providing for the construction and rehabilitation of rental housing properties which provide a public purpose; and

WHEREAS, the Capital Improvements Program (CIP) is a program administered by Montgomery County that provides funds for larger long-term investments in facilities & infrastructure, and affordable housing; and

WHEREAS, HOC receives funds from the CIP to further its purpose in providing affordable housing; and

WHEREAS, the County is considering amendments to the Capital Improvement Plan (CIP) Budget for FY'20-25 (the “Budget”), and requests are due to the Office of Management and Budget by September 11, 2018; and

WHEREAS, HOC has reviewed and desires to submit a request to the County that the Budget (i) continues to fund our current Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements at the \$1,250,000 annual level and, (ii) maintains the current \$1,900,000 funding for the demolition of the Ambassador Apartments and Emory Grove Apartments.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, that it authorizes the submission to the County of a request that the Capital Improvements Program (CIP) Budget for FY'20-25 continue to fund the current Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements at the \$1,250,000 annual level, and maintains the current \$1,900,000 funding for the demolition of the Ambassador Apartments and Emory Grove Apartments.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on Wednesday, September 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission

AUTHORIZATION TO ADD THE CHIEF OPERATING OFFICER AS A FOURTH SIGNER TO HOC'S BANK ACCOUNTS

September 5, 2018

- The Commission has numerous bank accounts with several banks.
- Historically, there have been three authorized check signers. Currently, the authorized signers are limited to the Executive Director, the Chief Financial Officer and the Chief Investment and Real Estate Officer.
- In order to insure an authorized signer is available, staff recommends that the Commission authorize the addition of the Chief Operating Officer as a fourth signer to HOC's bank accounts.
- Staff has consulted with Clifton Larson Allen, HOC's independent external auditors and they have no objection to adding the Chief Operating Officer as a fourth signer to HOC's bank accounts.
- The number of authorized signers to HOC's managed bank accounts will be limited to a maximum of four signers at any one point in time.
- The additional signer for the managed HOC bank accounts will be limited to members of Executive Staff.

MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L Spann, Executive Director

FROM: Staff: Cornelia Kent Division: Finance Ext. 9754
 Eugenia Pascual Finance Ext. 9478

RE: Authorization to Add the Chief Operating Officer as a Fourth Signer to HOC's Bank Accounts

DATE: September 5, 2018

STATUS: Consent [] Deliberation [] Committee [X]

OVERALL GOAL & OBJECTIVE:

To authorize the addition of the Chief Operating Officer as a fourth signer to HOC's bank accounts.

BACKGROUND:

The Commission has numerous bank accounts with several banking institutions. Currently, the number of authorized signers to HOC's bank accounts is limited to a maximum of three signers at any one point in time and is limited to members of Executive Staff. Currently, the authorized signers are the Executive Director, the Chief Financial Officer and the Chief Investment and Real Estate Officer.

In an effort to avoid the issue of not having an authorized signer available, staff is requesting to add the Chief Operating Officer as a fourth signer on HOC's bank accounts. The number of authorized signers to HOC's bank accounts will be limited to a maximum of four signers at any one point in time. The additional authorized signer for the managed HOC bank accounts will be limited to members of Executive Staff. Staff has consulted with Clifton Larson Allen, HOC's independent external auditors and they have no objection to adding the Chief Operating Officer as a fourth signer to HOC's bank accounts.

ISSUES FOR CONSIDERATION:

Does the Commission wish to authorize the addition of the Chief Operating Officer as a fourth signer to HOC's bank accounts?

PRINCIPALS:

HOC
PNC Bank (primarily)

BUDGET IMPACT:

There is no budget impact from this request.

TIME FRAME:

The Budget, Finance and Audit Committee reviewed the authorization to add the Chief Operating Officer to HOC's bank accounts. For Commission action at the September 5, 2018 Commission Meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

The Budget, Finance and Audit Committee recommends to the full Commission approval to authorize the addition of the Chief Financial Officer to HOC's bank accounts.

RESOLUTION NO: 18-63

RE: Authorization to add the Chief Operating Officer as a Fourth Signer to HOC’s Bank Accounts

WHEREAS, the Housing Opportunities Commission of Montgomery County, Maryland (“HOC”) has several bank accounts with various banking institutions (the “Accounts”); and

WHEREAS, HOC’s Accounts currently have three (3) authorized signatories; the Executive Director, the Chief Financial Officer, and the Chief Investment and Real Estate Officer; and

WHEREAS, a fourth (4) authorized signer should be added to the Accounts in order to ensure an authorized signer is always available; and

WHEREAS, the fourth (4) authorized signer shall be limited to members of the Executive Staff; and

WHEREAS, the Chief Operating Officer is a member of the Executive Staff; and

WHEREAS, the Accounts shall have a maximum of four (4) authorized signers at any point in time.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to add the Chief Operating Officer as an authorized signer to the Accounts, provided that the Accounts shall have a maximum number of four authorized signers at any point in time, all of whom shall be members of the Executive Staff.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on September 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission

Development and Finance Committee

APPROVAL TO SELECT A POOL OF GENERAL CONTRACTORS FOR RENOVATIONS AND UNIT TURNS OF VARIOUS SCATTERED SITE PROPERTIES IN ACCORDANCE WITH RFQ #2110

VARIOUS HOC SCATTERED SITE PROPERTIES



STACY L. SPANN, EXECUTIVE DIRECTOR

ZACHARY MARKS
PAUL VINCIGUERRA
SHERYL HAMMOND

September 5, 2018

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Executive Summary

- HOC owns and manages over 1,600 scattered site units within:
 - 19 different Opportunity Housing and Low Income Housing Tax Credit (“LIHTC”) ownership entities, and
 - 190 Home Owner Associations (“HOA”).
- The scattered site units are located throughout the County, consisting mostly of townhomes and condominiums with some single family homes which HOC has purchased over the years under the County’s Moderately Priced Dwelling Unit (“MPDU”) program.
- Approximately 900 of these units have not had significant updates or undergone renovation since acquisition.
- In accordance with HOC’s current Procurement Policy, on April 23, 2018, staff issued a solicitation for General Contractor Request for Qualifications #2110 for the Renovation of Scattered Site Properties (Part 1A: Unit Renovations and Part 1B: Unit Turns), with responses due on June 1, 2018.
- Upon receipt of the 19 responses to the RFQ, staff reviewed and evaluated the proposals to recommend firms to be selected for Part 1A: Unit Renovations and Part 1B: Unit Turns.

Executive Summary

- Staff recommends that the Commission accept the recommendation of the Development and Finance Committee which met on August 23, 2018, and approve the selection of the following respondents who scored over 50 points:

Part 1A: Unit Renovations	
RANK	RESPONDENTS
1	CBP Constructors, LLC
2	Consolidated Commercial Services, LLC
3	SNG Engineering, Inc. (SBE)
4	Sago Building Management, LLC
5	D&A Contractor's, Inc. (SBE)
6	Visionary Construction Consultants
7	OMF Contractors, Inc. (SBE)
8	TNC Implementation Group, LLC
9 - Tie	Colossal Contractors, Inc. (MBE)
9 - Tie	FLB Construction, LLC
10	Earn Contractors, Inc.
11	Tito Contractors, Inc.

Part 1B: Unit Turns	
RANK	RESPONDENTS
1	CBP Constructors, LLC
2	Sago Building Management, LLC
3	SNG Engineering, Inc. (SBE)
4	Visionary Construction Consultants
5	OMF Contractors, Inc. (SBE)
6	Tito Contractors, Inc. (TCI)
7	D.R.S. Remodeling General Contractor, LLC
8	TOOSI & Associates, Inc.
9	TNC Implementation Group, LLC
10	FLB Construction, LLC
11	Colossal Contractors, Inc. (MBE)
12	Earn Contractors, Inc.
13	J B Antar Improvements, LLC

- Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and authorize the Executive Director to execute contracts with the firms listed above. Each contract will be for zero-dollars and issued initially for two years from the date of Contract Award with up to three one-year renewals in accordance with the Commission's Procurement Policy.
- Funding for Unit Renovations will be from appropriated Montgomery County Capital Improvement Program ("CIP") funds for deeply subsidized HOC owned units with \$3,265,000 currently available. Additionally, \$1,250,000 is included in the CIP for the next four years, but those funds are appropriated annually. These available funds will be used to focus on units that need immediate renovations but cannot raise debt to meet their capital needs. Staff proposes that the aggregate of all Unit Renovation Task Orders shall not exceed \$3,265,000 initially, but shall increase to reflect future appropriated CIP funding.
- For units that have no current funding and cannot be funded with CIP funds and for which renovation costs exceed the Executive Director's \$250,000 approval limit, staff must return to the Commission for approval prior to awarding a contract. Unit Turns will be funded from the respective property's current and future Commission-approved capital and operating budgets.
- Staff will solicit bids, in the form of a Task Order, from contractors based on scope of work.

Qualification Requirements and Scoring Criteria

HOC issued a Request for Qualifications #2110 for a Pool of General Contractors for Unit Renovations (Part 1A) and Unit Turns (Part 1B) at Various Scattered Site Properties to assist on an as-needed basis in the renovation, repair and unit turns of various scattered site units within Montgomery County. Three reviewers from different divisions completed its evaluation of the responses on July 31, 2018 based on the following criteria and scoring:

Item	Key Requirements
Minimum Qualifications	<ul style="list-style-type: none"> • Properly licensed • Insurance coverage meets or exceed our coverage (and agrees to list HOC as an additional insured) • Payment and Performance bonding capacity of 75K (to cover 100% of the renovation cost) for Unit Renovations only) in lieu of financial statements • Willingness to participate in special programs (HUD/LIHTC funding, Davis Bacon, Section 3/HOC Works, etc.)
Non-Qualifying / Non-Scoring Material	<p>This information is not being scored; however, the rates will be locked into the contracts for:</p> <ul style="list-style-type: none"> • Hourly rates (Contractor’s staff) • Pricing (installed painting and flooring costs)
Management Skills (50 Points)	<ul style="list-style-type: none"> • Project scheduling • Day to day management
Renovation Experience (30 Points)	<ul style="list-style-type: none"> • Property type • Special programs (only ½ point was given for experience with each - HUD, LIHTC, Davis Bacon, Section 3/HOC Works etc. for a total of 3 points) • Budget and change order management • Renovation team (for reference information) • Scope of work and permit knowledge
Historical Operations (20 Points)	<ul style="list-style-type: none"> • List of applicable “Doing Business As” names • Any current or anticipated bankruptcy filings • Any current or anticipated lawsuits • Years of operation

Scoring Summary – RFQ # 2110 Part 1A: Unit Renovations

Recommended

RANK	RESPONDENTS	Renovation Experience	Management Skills	Historical Operations	Total
		(30 Points)	(50 Points)	(20 Points)	(100 Points)
1	CBP Constructors, LLC	28.00	46.00	20.00	94.00
2	Consolidated Commercial Services, LLC	27.00	46.00	20.00	93.00
3	SNG Engineering, Inc. (MBE/DBE/SBE)	28.00	32.00	20.00	80.00
4	Sago Building Management, LLC (MBE/DBE/SBE)	23.50	32.00	20.00	75.50
5	D&A Contractor's, Inc. (SBE)	22.00	33.00	20.00	75.00
6	Visionary Construction Consultants (MBE/DBE/SBE)	25.00	28.00	20.00	73.00
7	OMF Contractors, Inc.	25.50	26.00	20.00	71.50
8	TNC Implementation Group, LLC	27.00	19.00	20.00	66.00
9 - Tie	Colossal Contractors, Inc. (MBE/DBE/SBE)	25.00	17.00	20.00	62.00
9 - Tie	FLB Construction, LLC (MBE/DBE/SBE)	23.00	19.00	20.00	62.00
10	Earn Contractors, Inc.	23.00	13.00	20.00	56.00
11	Tito Contractors, Inc. (TCI) (MBE)	16.00	18.00	20.00	54.00

Non-Responsive

n/a	Trinity Construction Company LLC	Non – Responsive Contractors did not provide the required documents and/or respond to requests for additional information.			
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- Out of 19 Respondents, 13 applied for the Unit Renovation pool.

Scoring Summary – RFQ # 2110 Part 1B: Unit Turns

Recommended

RANK	RESPONDENTS	Renovation Experience (30 Points)	Management Skills (50 Points)	Historical Operations (20 Points)	Total (100 Points)
1	CBP Constructors, LLC	28.00	46.00	20.00	94.00
2	Sago Building Management, LLC (MBE/DBE/SBE)	25.50	48.00	20.00	93.50
3	SNG Engineering, Inc. (MBE/DBE/SBE)	28.00	45.00	20.00	93.00
4	Visionary Construction Consultants (MBE/DBE/SBE)	25.00	46.00	20.00	91.00
5	OMF Contractors, Inc. (SBE)	25.50	41.00	20.00	86.50
6	Tito Contractors, Inc. (TCI) (MBE)	16.00	39.00	20.00	75.00
7	D.R.S. Remodeling General Contractor, LLC	26.00	27.00	20.00	73.00
8	TOOSSI & Associates, Inc.	18.50	34.00	20.00	72.50
9	TNC Implementation Group, LLC	27.00	20.50	20.00	67.50
10	FLB Construction, LLC (MBE/DBE/SBE)	25.00	16.00	20.00	61.00
11	Colossal Contractors, Inc. (MBE/DBE/SBE)	25.00	14.00	20.00	59.00
12	Earn Contractors, Inc.	23.00	13.00	20.00	56.00
13	J B Antar Improvements, LLC	23.00	12.00	20.00	55.00

Non-Responsive

n/a	Estrada's LLC	Non – Responsive Contractors did not provide the required documents and/or respond to requests for additional information.			
n/a	Hernandez Jesusus, LLC				
n/a	Independent General Contractor				
n/a	Trinity Construction Company LLC				

- Out of 19 Respondents, 17 applied for the Unit Turn pool.

Funding, Contracts and Subsequent Solicitations

Funding

- Funding for Unit Renovations will be from appropriated Montgomery County Capital Improvement Program (“CIP”) funds for deeply subsidized HOC owned units. Currently, \$3,265,000 is available from prior appropriations and future CIP funding of \$1,250,000 is estimated, but is subject to annual appropriation. All current and future CIP funding will be used to focus on units that need immediate renovations but cannot raise debt to meet their capital needs.
- Unit Turns will be funded from the respective property’s current and future Commission-approved capital and operating budgets.

Contracts

- Staff proposes the award of zero-dollar contracts. Each contract will be issued initially for two years from the date of Contract Award with up to three one-year renewals in accordance with the Commission’s Procurement Policy.
- Staff proposes that the aggregate of all Unit Renovation Task Orders shall not exceed \$3,265,000 initially, but shall be increased to reflect annual future appropriation of CIP funds.

Subsequent Solicitations

- Subsequent solicitations may be issued throughout the duration of the renovations, in accordance with the Procurement Policy, to expand and refresh the vendor list for the purpose of maintaining adequate coverage and continue to allow start up / SBE companies the opportunity to participate; however, solicitations will not be limited to any particular type of company.
- Vendors who have already been accepted into the pool will not need to re-submit documentation and their existing contract(s) will remain active with their original renewal and expiration dates in place. Vendors who have submitted but were not recommended will be allowed to submit full packet submissions for review and consideration. New vendor addition(s) that result from subsequent solicitations will be brought to the Commission for approval.

Selection of Contractors within the Pool

Selection Process		
Item	Unit Renovations	Unit Turns
Contractor Solicitation	Staff will submit a written scope of work to the Procurement Office, which will then solicit bids from contractors within the pool and ensure that all vendors are given opportunities to bid on scopes that are appropriate for their company.	
Release of Units	Batches will be created per approved renovation plans in the form of a Task Order.	Units will be released on an as needed basis as they turn over.
Task Order Requests	<ul style="list-style-type: none"> – Batch/Unit details (Batch number, the number of units and addresses of all units) – Funding type and program requirements (Davis Bacon, Section 3 / HOC Works, background checks etc.) – Anticipated scope of work (as determined by HOC staff or construction consultant) – Pre-Bid Unit Walk and determination of final scope – Required completion date(s) 	
Criteria	When making selections, staff will consider (but is not limited to) the contractor's: pricing (where applicable), project schedule, firm's capacity and staff availability as outlined in RFQ #2110.	
Contracts	Agreement of Service (zero-dollar contract) will be supplemented by industry standard AIA Contracts.	Agreement of Service (zero-dollar contract) will be supplemented by Purchase Orders.

- Contractors selected for Unit Turns may submit the required qualification documents (as outlined in RFQ# 2110) for review and scoring for Unit Renovations in the future. Prior to the submission of documents, staff may conduct individual meetings or consultations with the Contractors to ensure a comprehensive understanding of the process and management expectations. Staff recommends that Contractors who score above 50 points and are subsequently approved by the Executive Director would then be added to the Unit Renovations Pool without further Commission approval.

Summary and Recommendations

Issues for Consideration

Does the Commission wish to accept the recommendation of the Development and Finance Committee and provide approval or authorization for:

1. The selection of: CBP Constructors, LLC; Consolidated Commercial Services, LLC; SNG Engineering, Inc.; Sago Building Management, LLC; D&A Contractors, Inc.; Visionary Construction Consultants; OMF Contractors, Inc.; TNC Implementation Group, LLC; Colossal Contractors, Inc.; FLB Construction, LLC; Earn Contractors, Inc. and Tito Contractors, Inc. to create the Unit Renovation - Part 1A pool of (12) twelve General Contractors?
2. The selection of: CBP Constructors, LLC; Sago Building Management, LLC; SNG Engineering, Inc.; Visionary Construction Consultants; OMF Contractors, Inc.; Tito Contractors, Inc.; D.R.S. Remodeling General Contractor, LLC; Toossi & Associates, Inc.; TNC Implementation Group, LLC; FLB Construction, LLC; Colossal Contractors, Inc.; Earn Contractors, Inc.; and J B Antar Improvements, LLC to create the Unit Turns - Part 1B pool of (13) thirteen Contractors?
3. The Executive Director to execute contracts with the Contractors noted above and that such contracts would be for zero-dollars and be issued for a period of two years from the date of Contract Award with up to three one-year renewals in accordance with the Commission's Procurement Policy?
4. The Executive Director to assign Task Orders so long as the aggregate contract amounts for Unit Renovations shall not exceed \$3,265,000 initially, but will increase to reflect future CIP appropriation for this program?
5. Contractors selected for the Units Turns to be added to the pool of contractors for Unit Renovations by providing documentation for staff's review and approval by the Executive Director?

Fiscal / Budget Impact

There is no adverse impact on the Agency's FY19 operating budget. Funding will be from appropriated CIP funds for Unit Renovation and from each property's current and future approved capital or operating budgets for Unit Turns.

Time Frame

Action at the September 5, 2018 meeting of the Commission.

Summary and Recommendations

Staff Recommendation

Staff recommends that the Commission accept the recommendation of the Development & Finance Committee and give its approval or authorization for:

1. The selection of: CBP Constructors, LLC; Consolidated Commercial Services, LLC; SNG Engineering, Inc.; Sago Building Management, LLC; D&A Contractors, Inc.; Visionary Construction Consultants; OMF Contractors, Inc.; TNC Implementation Group, LLC; Colossal Contractors, Inc.; FLB Construction, LLC; Earn Contractors, Inc. and Tito Contractors, Inc. to create the Unit Renovations - Part 1A pool of (12) twelve General Contractors.
2. The selection of: CBP Constructors, LLC; Sago Building Management, LLC; SNG Engineering, Inc.; Visionary Construction Consultants; OMF Contractors, Inc.; Tito Contractors, Inc.; D.R.S. Remodeling; Toossi & Associates, Inc.; TNC Implementation Group, LLC and FLB Construction, LLC; Colossal Contractors, Inc.; Earn Contractors, Inc.; and J B Antar Improvements, LLC to create the Unit Turns - Part 1B pool of (13) thirteen Contractors.
3. The Executive Director to execute contracts with the Contractors noted above and that such contracts would be for zero-dollars and be issued for a period of two years from the date of Contract Award with up to three one-year renewals in accordance with the Commission's Procurement Policy.
4. The Executive Director to award Task Orders so long as the aggregate contract amounts for Unit Renovations shall not exceed \$3,265,000 initially, but will increase to reflect future CIP appropriation for this program.
5. Contractors selected for Unit Turns may be added to the pool of contractor for Unit Renovations by providing documentation for staff's review and approval by the Executive director.

RESOLUTION No:18-64

RE: Approval to Select a Pool of General Contractors for Renovations and Unit Turns of Various Scattered Site Properties in Accordance with RFQ 2110.

WHEREAS, in furtherance of its mission to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland to ensure that no one in Montgomery County is living in substandard housing, the Housing Opportunities Commission of Montgomery County, Maryland (“HOC”) has begun a renovation program for its scattered site units (“Scattered Sites”); and

WHEREAS, HOC owns and operates approximately 1,600 Scattered Sites throughout Montgomery County, of which approximately 900 units have not had significant updates nor undergone renovation since acquisition and now require differing level of rehabilitation, including full unit renovation (“Unit Renovations”); and

WHEREAS, all Scattered Sites in the portfolio will require some level of renovation upon tenant turnover to prepare the unit for new leases (“Unit Turns”), but such renovation is not expected to be comprehensive nor be completed at the level anticipated for Unit Renovations; and

WHEREAS, to meet the comprehensive Unit Renovations and the ongoing Unit Turns maintenance needs of the Scattered Sites, staff proposed creating a pool of General Contractors to perform required construction services, and as a consequence issued Request for Qualifications No. 2110 (the “RFQ”) on April 23, 2018, soliciting proposals from General Contractors interested in providing these services on an as-needed basis; and

WHEREAS, proposals were timely received from 19 firms and evaluated with numerical points allocated as outlined in the RFQ for Management Skills (50%), Renovation Experience (30%), and Historical Operations (20%); and

WHEREAS, applying the criteria described above to the Unit Renovations submissions, the following 12 firms received a score of 50 or higher: CBP Constructors, LLC; Colossal Contractors, Inc.; Consolidated Commercial Services, LLC; D&A Contractors, Inc.; Earn Contractors, Inc.; FLB Construction, LLC; OMF Contractors, Inc.; Sago Building Management, LLC; SNG Engineering, Inc.; Tito Contractors, Inc.; TNC Implementation Group, LLC; and Visionary Construction Consultants; and

WHEREAS, applying the criteria described above to the Unit Turns submissions, the following 13 firms received a score of 50 or higher: CBP Constructors, LLC; Colossal Contractors, Inc.; D.R.S. Remodeling General Contractor, LLC; Earn Contractors, Inc.; FLB Construction, LLC; J B Antar Improvements, LLC; OMF Contractors, Inc.; Sago Building Management, LLC; SNG Engineering, Inc.; Tito Contractors, Inc.; TNC Implementation Group, LLC; Toossi & Associates, Inc.; and Visionary Construction Consultants; and

WHEREAS, contractors accepted into the Unit Turns pool may submit the required documents for consideration for the Unit Renovations pool and upon scoring 50 or above using the criteria previously described and outlined in the RFQ, and with the approval of the Executive Director, may be added to the Unit Renovations pool; and

WHEREAS, initial funding for Unit Renovations will be from the Montgomery County Capital Improvement Program for deeply subsidized units (CIP #P091501), which currently has \$3,265,000 in available funds from prior appropriations, and if future annual appropriation of approximately \$1,250,000 is funded during the Montgomery County budget preparation, the available funds will increase accordingly; and

WHEREAS, funding for the Unit Turns will be from the respective property's current and future Commission-approved capital and operating budgets.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: CBP Constructors, LLC; Colossal Contractors, Inc.; Consolidated Commercial Services, LLC; D&A Contractors, Inc.; Earn Contractors, Inc.; FLB Construction, LLC; OMF Contractors, Inc.; Sago Building Management, LLC; SNG Engineering, Inc.; Tito Contractors, Inc.; TNC Implementation Group, LLC; and Visionary Construction Consultants to create a pool of General Contractors to provide Unit Renovations services as-needed for annual zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: CBP Constructors, LLC; Colossal Contractors, Inc.; D.R.S. Remodeling General Contractor, LLC; Earn Contractors, Inc.; FLB Construction, LLC; J B Antar Improvements, LLC; OMF Contractors, Inc.; Sago Building Management, LLC; SNG Engineering, Inc.; Tito Contractors, Inc.; TNC Implementation Group, LLC; Toossi & Associates, Inc.; and Visionary Construction Consultants; to create a pool of General Contractors to provide Unit Turns services as-needed for annual zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to include respondents from the Unit Turns pool who have demonstrated successful Unit Turns performance, submitted the required documents as outlined in the RFQ, and scored 50 points or higher into the Unit Renovations pool.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves initial funding for Unit Renovations in the aggregate amount \$3,265,000 from prior years appropriations of Montgomery County Capital Improvement Program ("CIP") funds, plus any future annual appropriation; and approves the funding of Unit Turns contracts from current and future Commission-approved capital and operating budgets for each property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that if a General Contractor's proposed aggregate scope of work for Unit Renovations exceeds the Executive Director's \$250,000 authorization limit, and the units have no previously approved funding, and the renovations cannot be funded with CIP funds, staff must return to the Commission for approval prior to awarding a contract.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized 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 adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on September 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Commission

Legislative and Regulatory Committee

**REVISION OF HOC'S ADMINISTRATIVE PLAN
FOR THE HOUSING CHOICE VOUCHER PROGRAM
TO ADD WAIT LIST RELATED CHANGES TO THE PLAN**

SEPTEMBER 5, 2018

- The Code of Federal Regulations (CFR) requires that Public Housing Agencies (PHAs) such as the Housing Opportunities Commission of Montgomery County (HOC) adopt written plans and policies that describe the federal regulations and establish the local policies for administration of the voucher programs of the given PHA. For the Housing Choice Voucher (HCV) program, this governing document is termed the Administrative Plan.
- The CFR also requires that PHAs such as HOC revise their Administrative Plan as needed in order to comply with federal requirements. Optional changes unique to a specific PHA may also be added, provided that they do not conflict with the federal regulations.
- At this time, HOC has developed a proposed revision to its Administrative Plan as is consistent with the processes and procedures outlined in the CFR. The proposed revision would add wait list related changes to the Plan.
- A public comment period for this proposed revision began on June 11, 2018 and will conclude on September 5, 2018 with a public hearing at HOC's Kensington office.
- Staff is requesting that the Commission adopt the proposed revisions to HOC's Administrative Plan and incorporate them formally as part of this governing document.

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: Lynn Hayes Division: Housing Resources Ext. 9622
 Zachary Marks Real Estate Development Ext. 9613
 Darcel Cox Compliance Ext. 9427
 Ethan Cohen Compliance Ext. 9764

RE: Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Wait List related changes to the Plan

DATE: September 5, 2018

STATUS: **Committee Report: Deliberation** X

OVERALL GOAL & OBJECTIVE:

To request that the Housing Opportunities Commission of Montgomery County adopt revisions to HOC’s Administrative Plan for the Housing Choice Voucher program to add wait list related changes to the Plan (the “Revisions”), and authorize the Executive Director, or his designee, to implement the revisions to the Administrative Plan for the Housing Choice Voucher Program (“Administrative Plan”).

BACKGROUND:

Staff proposes the following two changes to Chapter 4 of the Administrative Plan for the Housing Choice Voucher Program:

1. On July 8, 2015, the Housing Opportunities Commission of Montgomery County completely revised Chapter 4 of its Administrative Plan. Chapter 4 is entitled Establishing Preferences and Maintaining the Wait List. The July 2015 revisions focused on providing customers and staff with a guidance document which explains the functionality of HOC’s new wait list, Housing Path.

While the July 2015 revisions to Chapter 4 were comprehensive and detailed, the functionality of Housing Path continued to change over the last three years. Accordingly, staff is now proposing new updates to Chapter 4 of the Administrative Plan in order to ensure consistency and accuracy within the Administrative Plan for its description of the

Housing Path wait list. The specific recommended changes are detailed in the materials attached to this memorandum.

2. On May 4, 2016, the Housing Opportunities Commission of Montgomery County revised Chapter 4 of its Administrative Plan. Resolution 16-31 added language regarding HOC's provision of wait list priority consideration to applicants formerly on HOC's Public Housing (PH) wait lists. Prior to the launch of Housing Path and the RAD conversions of HOC's PH properties, each PH property had its own wait list. In May of 2016, HOC amended the Administrative Plan to ensure that these PH wait list customers would receive first priority at HOC properties ahead of new applicants who only signed up for Housing Path after its launch.

At this time, staff recommends the expansion of this preference for former PH applicants to also include former PH residents. In this way, the residents of properties such as Holly Hall and Elizabeth House will receive priority consideration for the new units coming online at properties such as Victory Crossing, Victory Haven, and at properties with Project-Based Voucher (PBV) assistance provided using the non-competitive selection process created by the Housing Opportunities Through Modernization Act (HOTMA), and described in Chapter 22, Section G of this Administrative Plan. Former PH applicants and residents are eligible for this priority consideration. The recommended changes are detailed in the materials attached to this memorandum.

As part of the process for making revisions to a PHA's Administrative Plan, public comment is required. Accordingly, HOC provided a public comment period which was concluded with a public hearing on September 5, 2018, on the Administrative Plan revisions. During the comment period, HOC made a draft of the proposed revisions to the Administrative Plan available on the Agency's website as well as in hard copy form at all four of HOC's primary offices. Also during the comment period, HOC staff met and discussed these proposed revisions with HOC's Resident Advisory Board (RAB), seeking the RAB's comments and endorsement of these proposed changes. Notice of the comment period and public hearing were advertised in a local newspaper in Montgomery County.

ISSUES FOR CONSIDERATION:

Does the Housing Opportunities Commission of Montgomery County wish to adopt revisions to HOC's Administrative Plan for the Housing Choice Voucher program to add wait list related changes to the Plan (the "Revisions"), and authorize the Executive Director, or his designee, to implement the revisions to the Administrative Plan for the Housing Choice Voucher Program ("Administrative Plan")?

PRINCIPALS:

Housing Resources Division
Real Estate Development Department

BUDGET IMPACT:

None.

TIME FRAME:

The Legislative and Regulatory Committee reviewed this item at its meeting on May 21, 2018. For Commission action on September 5, 2018.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Housing Opportunities Commission of Montgomery County adopt revisions to HOC's Administrative Plan for the Housing Choice Voucher program to add wait list related changes to the Plan (the "Revisions"), and authorize the Executive Director, or his designee, to implement the revisions to the Administrative Plan for the Housing Choice Voucher Program ("Administrative Plan").

RESOLUTION: 18-66

RE: Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Wait List Related Changes to the Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County (Commission) desires to revise its Administrative Plan for the Housing Choice Voucher Program to add wait list related changes to the Plan; and

WHEREAS, a public comment period for this revision to HOC’s Administrative Plan for the Housing Choice Voucher Program to add wait list related changes to the Plan began on June 11, 2018 and concluded on September 5, 2018 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County to adopt provisions for wait list related changes to the Plan;

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed, without any further action on its part, to take all actions necessary and proper to incorporate the revisions adopted hereby into the HOC Administrative Plan for the Housing Choice Voucher program and make the wait list related changes to the Plan as 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 September 5, 2018.

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Patrice Birdsong
Special Assistant to the Commission

Proposed Revisions to
HOC's Administrative Plan for the Housing Choice Voucher Program

Please note: Existing language is in **BLACK** and proposed changes are in **RED**.

Chapter 4

ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST

[24 CFR Part 5, Subpart D; 982.54(d)(1); 982.204, 982.205, 982.206]

INTRODUCTION

It is ~~the PHA~~HOC's objective to ensure that families are placed in the proper order on the waiting list and selected from the waiting list for admission in accordance with the policies in this Administrative Plan.

This chapter explains how ~~the Public Housing Authority (PHA)~~HOC will administer its consolidated waiting list for all of its housing programs, including the tenant-based and project-based voucher waiting lists, hereinafter referred to as the consolidated list or master list. The tenant-based waiting list has ~~five~~our local preferences that ~~the PHA has~~HOC adopted to meet local housing needs, define the eligibility criteria for the preferences, and explain ~~the PHA~~HOC's system of applying them. The waiting list for housing subsidized with project-based vouchers ~~will be~~is maintained as a sub list within the consolidated list. Any family selected to be housed utilizing a project-based voucher is only eligible for a specific bedroom sized unit based on ~~their~~ family size.

By maintaining an accurate waiting list, ~~the PHA~~HOC ~~is~~will be able to perform the activities which ensure that an adequate pool of qualified applicants ~~is~~will be available, so that program funds are used in a timely manner. Each family on the tenant-based waiting list may also have its name on the project-based waiting list.

A. MANAGING THE WAITING LIST

Opening and Maintaining the Wait List

Opening of the waiting list will be announced with a public notice stating that applications for public housing, Housing Choice Voucher and all other waiting lists maintained by the **Housing Opportunities Commission of Montgomery County (HOC)** will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation and also by any available minority media, including social media. The public notice will state any limitations on who may apply. Waiting lists for all sub-jurisdictions and Countywide will be opened and closed at the same time.

The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program and such applicants will not lose their place on other waiting

lists when they apply for public housing. The notice will include the Fair Housing logo and slogan, and will be in compliance with Fair Housing requirements.

HOC intends for the waiting list to remain open indefinitely; however, if the Executive Director decides to close the list, the closing of the waiting list will also be announced with a public notice. This public notice will state the date the waiting list will be closed, and it will be published in a local newspaper of general circulation and by any available minority media, including social media.

Organization of the Waiting List

~~In Effective~~ July 2015, ~~the Housing Opportunities Commission~~ HOC ~~will~~ merged its existing sub-jurisdictional waiting lists for the Housing Choice Voucher program and all other housing programs into one combined waiting list, referred to herein interchangeably as merged list, master list, merged master list, or waiting list, except as specifically noted.

In conjunction with the merging of all of ~~the Housing Opportunity Commission~~ HOC's waiting lists, ~~the Housing Opportunities Commission~~ HOC ~~will~~ opened its merged master waiting list for all programs, and ~~left~~ the merged list open indefinitely or until such time as a determination is made by the Executive Director that there is cause to close the waiting list, at which time proper notice will be posted in a local newspaper of general circulation and by any available minority media, including social media.

Only one application may be submitted and it must be submitted by the head of household or his/her designee.

The waiting list ~~will be~~ maintained in accordance with the following guidelines:

1. The application will be a permanent file. Any contact between ~~the Housing Opportunities Commission~~ HOC and the applicant will be documented in the electronic applicant file.
2. All applications will be maintained in order of date and time of application, and applicable preference(s).
3. Under the merged waiting list, one master list ~~will be~~ maintained electronically through a proprietary program. All applications and updates to an application ~~must be~~ submitted electronically through a proprietary on-line web portal. Paper and telephone submissions ~~will be~~ not ~~be~~ permitted. To the extent an applicant requires assistance, upon request, staff from ~~the Housing Opportunities Commission~~ HOC ~~will be~~ available to assist with electronic submissions.
4. All applicants must give notice of any changes to their application within two weeks of a change. Changes include: change of mailing address, change of email address, change of phone number, change in family composition, change in income, or changes in factors affecting preference points. As noted in paragraph 3,

all changes must be done electronically because paper and telephone submissions ~~will be~~ not ~~be~~ accepted. To the extent an applicant requires assistance, upon request, staff from ~~the Housing Opportunities Commission~~HOC ~~will be~~ is available to assist with electronic update submissions.

5. The master waiting list ~~will be~~ is updated daily and applicants' wait list profiles are accessible ~~placement on the list can be retrieved~~ via the internet on a 24-hour basis.
6. For the first 365 days following the opening of the waiting list, selection from the waiting list ~~will continue to be~~ was made by random lottery. Thereafter, all selections ~~will~~ occur based on a combination of date-time order and listed preferences on the respective master waiting list. HOC ~~will send~~ a notice to all applicants informing them of when the random lottery system ~~will be~~ was discontinued and when the date-time stamp selection system ~~will be~~ was implemented.
7. ~~The Housing Opportunities Commission~~HOC ~~will maintain~~ s one merged master list in order of date-time and any applicable preference(s). However within the master list there ~~will be~~ are sub-sorted separate lists for certain programs and properties.
8. ~~The Housing Opportunities Commission~~HOC ~~has~~ entered into HAP contracts to subsidize units at several properties that are operated by third--party managers and/or owners. ~~The individual~~, property-specific waiting lists for these properties ~~will be~~ are included within the master list but ~~will be~~ are sorted separately to only reflect applicants who satisfy the various property and programmatic eligibility criteria. More specifically, the details regarding these property-specific waiting lists are as follows:
 - i. ~~The Housing Opportunities Commission~~HOC ~~will maintain~~ s separate lists for Arcola Towers, Elizabeth House, Holly Hall, and Waverly House, which are ~~public~~ housing facilities operated for the benefit of ~~the~~ senior and/or ~~the~~ disabled customers.
 - ii. ~~The Housing Opportunities Commission~~HOC ~~has~~ entered into a HAP contract to subsidize units at Emory Grove, Ken-Gar, Parkway Woods, Sandy Spring Meadow, Seneca Ridge, Town Centre Place, and Washington Square as required as part of the Rental Assistance Demonstration (RAD) program, and ~~will require~~ d Housing Choice Vouchers. These individual lists created for these RAD properties ~~will be~~ are included in the merged master list but sorted separately to reflect only those applicants who may be eligible for these properties.
 - iii. ~~The Housing Opportunities Commission~~HOC ~~has~~ entered into HAP contracts to subsidize units at several properties that are managed by third-

party managers and/or owners. These properties provide supportive services to at-risk populations in the form of Housing Choice Vouchers. Applicants for these programs must meet stringent requirements and ~~will be~~ ranked by date and time of application only, and sorted separately to only reflect applicants who qualify for these specific properties.

9. ~~Any e~~Contact between ~~the Housing Opportunities Commission~~HOC and ~~the wait list~~ applicants ~~for the purposes of selection from the list~~ ~~will be~~ documented in the applicant's wait list file.

Implementation of RAD ~~Waiting~~ List Provisions

Former public housing (PH) applicants ~~and residents~~ ~~will~~ receive priority consideration on the ~~new~~ site-based ~~waiting~~ lists created within *HOC Housing Path*, HOC's electronic ~~waiting~~ list. Prior to the opening of the ~~new~~ HOC Housing Path ~~waiting~~ list, HOC mailed to all former ~~public housing~~PH ~~waiting~~ list applicants a post card notifying them of the new ~~waiting~~ list and instructing them to submit an application. The following policies ~~will~~ describe how ~~those~~ former PH applicants ~~and residents~~ ~~will~~ receive priority consideration for housing at all of HOC's RAD-converted properties and at properties with Project-Based Voucher (PBV) assistance provided using the non-competitive selection process created by the Housing Opportunities Through Modernization Act (HOTMA), and described in Chapter 22, Section G of this Administrative Plan.

In order to provide former PH applicants with the best opportunity to be housed at one of the RAD properties, HOC ~~will~~ ~~adopted~~ and follows the procedures listed below:

- Analyze HOC Housing Path to identify former PH ~~waiting~~ list applicants and residents that have submitted a new application.
- Issue notices to former ~~public housing~~PH ~~waiting~~ list applicants and residents informing them that they are eligible to receive priority consideration for housing at RAD properties, and instruct them to respond to the notice if they would like to be considered.
- Former PH applicants and residents ~~that-who~~ respond, but have not submitted a new HOC Housing Path application will be instructed to do so.
- For those families ~~that-who~~ respond to the notice and/or have submitted a new HOC Housing Path application, HOC will create a separate pool of applications that will receive priority consideration for vacancies at the HOC's RAD properties.
- As vacancies become available at RAD properties, applicants will be selected from the priority pool ~~utilizing the Agency's current lottery process, which accounts for any preferences in the random selection process~~ based on their date and time of application to Housing Path.

B. WAIT LIST CUSTOMERS (FAMILIES)

All wait list applicants are required to maintain an e-mail address. To the extent an applicant chooses to use the e-mail address of another person, the applicant is solely responsible for receiving information sent to the listed email address and lack of access to that account ~~shall is~~

not ~~be~~ considered a valid excuse for missing notices. To the extent a family does not have an e-mail address, ~~the Housing Opportunities Commission~~HOC can assist the family in obtaining a free email account. The applicant is responsible for notifying ~~the Housing Opportunities Commission~~HOC of any change in their e-mail address. ~~The Housing Opportunities Commission~~HOC maintains public use computers at all of its HUB locations. Public use computers are also widely available at other public locations such as local libraries. To the extent an applicant requires assistance, upon request, staff from ~~the Housing Opportunities Commission~~HOC ~~will be~~is available to assist with electronic submissions ~~and may issue postcard notification of the need to certify continued interest in housing programs.~~

All wait list applicants are required to list an address in their Housing Path application. If the applicant is homeless or does not have a permanent address, the applicant can choose to list the address of another person, so long as it is not the address of a current voucher holder. This address is used to send any paper correspondence to the applicant, including required paperwork as part of the selection process. The applicant is solely responsible for receiving information sent to the listed address and lack of access to mail at that address is not considered a valid excuse for missing notices or paperwork. The applicant is responsible for notifying HOC of any change in address.

Treatment of Single Applicants

Single applicants are treated as any other eligible family on the wait list for the tenant-based and project-based voucher wait lists.

C. WAITING LIST [24 CFR 982.204]

Tenant-Based Voucher

~~The PHA~~HOC uses a consolidated waiting list for the admission of all of its housing programs. The consolidated list ~~will include~~s a sub list for admissions to the tenant-based voucher assistance program ~~of the Housing Opportunities Commission of Montgomery County, Maryland.~~

Except for Special Admissions, applicants ~~will be~~are selected from the consolidated waiting list in accordance with the policies, preferences, and income targeting requirements defined in this Administrative Plan.

~~The PHA~~HOC will maintain information that permits proper selection from the waiting list.

The waiting list contains the following information for each applicant listed:

- Applicant Name
- Family Unit Size (number of bedrooms family qualifies for under ~~PHA~~HOC's subsidy standards)
- Date of application

- Qualification for any local preference(s)
- Racial or ethnic designation of the head of household
- Targeted program qualifications

Project-Based Voucher

~~The PHA~~HOC ~~will create~~maintains separate sub lists for admissions to the project-based voucher (PBV) assistance program ~~of the Housing Opportunities Commission of Montgomery County, Maryland.~~ Any applicant that submits an application to the master waiting list ~~will be~~is also considered for inclusion on the ~~project-based voucher~~PBV waiting list.

Except for Special Admissions, applicants ~~will be~~are selected from ~~the PHA~~HOC's waiting list in accordance with the policies, preferences, and income targeting requirements defined in this Administrative Plan.

Families ~~will be~~are selected from the ~~project-based voucher~~PBV waiting list based on the bedroom size of the unit available at the time of selection.

~~The PHA~~HOC must maintain information that permits proper selection from the waiting list.

The waiting list contains the following information for each PBV applicant listed:

- Applicant Name
- Family Unit Size (number of bedrooms family qualifies for under ~~PHA~~HOC's subsidy standards)
- Date of application
- Qualification for any local preference(s)
- Racial or ethnic designation of the head of household
- Targeted program qualifications

D. SPECIAL ADMISSIONS [24 CFR 982.54(d)(e), 982.203]

If HUD awards ~~a PHA~~HOC program funding that is targeted for specifically named families, ~~the PHA~~will HOC must admit these families under a Special Admission procedure.

Special admissions families ~~will be~~are admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. ~~The PHA~~HOC maintains separate records of these admissions.

The Family Unification Program (FUP) qualifies for special admissions as long as the individuals referred to HOC meet the program definition.

Family Unification Program-Eligible Family (A family that the Public Child Welfare Agency (PCWA) has certified as a family for whom a lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care, or in the delay of discharge of a child, or children, to the family from out-of-home care, and that the HOC has determined is eligible for a Housing Choice Voucher.)

Family Unification Program-Eligible Youth (A youth that the Public Child Welfare Agency (PCWA) has certified to be at least 18 years old and not more than 21 years old (has not reached his/her 22nd birthday) who left foster care at age 16 or older and who does not have adequate housing, and that HOC has determined is eligible for a Housing Choice Voucher.)

The following are examples of types of program funding that may be designated by HUD for families living in a specified unit.

1. A family displaced because of demolition or disposition of a public or Indian housing project;
2. A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
3. For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;
4. A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term; and
5. A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

Applicant's who are admitted under Special Admissions, rather than from the waiting list, are identified in ~~the PHA~~HOC's database with special codes.

At turnover:

If a voucher issued to an FUP-eligible family or FUP-eligible youth under the FUP program is terminated, the voucher ~~will be~~is reissued to the extent practicable, to another FUP-eligible family or FUP-eligible youth. If the award on turnover is not practicable, FUP vouchers may be used by HOC for such families based upon local needs.

If a ~~client~~customer served through Special Admissions in the FUP program is on an HOC Program Admissions Waiting List (Tenant Based Voucher or Project Based Voucher), the client ~~will~~remains eligible on the waiting list for the period of time the list is active. If a client is selected from the Program Waiting List and utilizes the voucher, the FUP voucher ~~will be~~is reissued, to the extent practicable, to another FUP-eligible family or FUP-eligible youth.

E. WAITING LIST PREFERENCES [24 CFR 982.207]

When a family ~~appears to be near being offered a unit~~ is selected from the wait list, the family ~~will be~~ invited to an interview and the verification process ~~will begin~~. ~~This process is known as selection from the wait list.~~ It is at this point in time that the family's waiting list preference(s) ~~will be~~ verified. To qualify for ~~the a~~ preference, an applicant must provide verification that shows he or she qualified either at the time of the initial application or at the time of selection from the waiting list. ~~H~~However, placement based upon preference is dependent on the family still qualifying for the preference at the time of selection.

If the family no longer qualifies to be near the top of the list, because the family does not qualify for a preference, then the family's preference status ~~will be~~ removed. Importantly, however, the family will remain on the waiting list based upon their original date and time of application. ~~The Housing Opportunities Commission~~ HOC must notify the family in writing of this determination and give the family the opportunity for an informal hearing to appeal the decision.

Once ~~the a~~ preference ~~has been~~ verified, the family ~~will~~ complete a full application, present Social Security number information, citizenship/eligible immigrant information, and sign the Consent for Release of Information forms.

An applicant ~~will is not be~~ granted any Local preference for the tenant-based and project-based voucher waiting lists if any member of the family ~~has been~~ was evicted from housing assisted under a HUD 1937 Housing Act program during the past three years because of drug-related criminal activity or felonious charged criminal activity.

The PHA HOC will grant an exception to such a family if:

- The responsible member has successfully completed a rehabilitation program;
- The evicted person clearly did not participate in or know about the drug-related activity; and/or;
- The evicted person no longer participates in any drug related criminal activity.

If an applicant makes a false statement in order to qualify for a Local preference, ~~the PHA~~ HOC will deny the Local preference.

F. LOCAL PREFERENCES [24 CFR 5.410]

~~The PHA will~~ HOC offers public notice when changing its preference system and the notices ~~will be~~ publicized using the same guidelines as those for opening and closing the waiting list.

The PHA HOC uses the following Local pPreference system:

First Local Preference – Displacement: Families who are displaced as a result of a State or County redevelopment project, or a change in the nature of a project that is part of the County plan for maintaining affordable housing, and who are referred by the County Executive's Office. A signed certification from the County Executive's office is required for the family to qualify for this preference. [Two Points]

Second Local Preference – Residency preference for families who live, work, or have a bona fide offer to work in Montgomery County. To qualify for this preference, evidence is required either at the time of application or at the time of selection from the waiting list. HOC will treat graduates of, or active participants in, education or training programs in Montgomery County as residents of Montgomery County if the education or training program is designed to prepare individuals for the job market. To qualify and satisfy this preference, graduates must have graduated after the initial application for housing. [One Point]

Third Local Preference – HUD funded 2006 Main Stream Disabled (MSD) program; 15 units. [Two Points]

Fourth Local Preference – Veterans: Preference is given for ten (10) veterans and their families. The applicant must be at least 18 years old and a veteran.

HOC ~~will~~verifiesy the preference with a list of homeless veterans and their families provided by the Montgomery County Department of Health and Human Services (DHHS). [Three Points]

Fifth Local Preference – Families with Histories of Homelessness: Preference is given for ten (10) families with histories of homelessness who are currently housed within the Montgomery County Homeless Continuum of Care. The applicant must be at least 18 years old and have at least one minor child (under the age of 18) within the household.

HOC ~~will~~verifiesy the preference by receiving direct referrals from the Montgomery County Department of Health and Human Services (DHHS). [Three Points]

Treatment of Single Applicants

Single applicants ~~will~~bearc treated as any other eligible family on the waiting list for the tenant-based and project-based voucher waiting lists.

G. INCOME TARGETTING

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year ~~the PHAHOC will~~reserves a minimum of seventy-five (75) percent of its Section 8 new admissions for families whose incomes do not exceed thirty (30) percent of the area median income (AMI). HUD refers to these families as “extremely low-income families.” ~~The PHA will~~HOC must admit families who qualify under the Extremely Low-Income limit to meet the income targeting requirement, regardless of preference. This policy applies to the tenant-based and project-based voucher waiting lists.

~~The PHAHOC’s~~ income targeting requirement does not apply to low-income families continuously assisted, as provided for under the 1937 Housing Act.

~~The PHA HOC~~ is also exempted from this requirement ~~where when HOC the PHA is providing~~ assistance to low income or moderate-income families entitled to preservation assistance under the tenant-based voucher program as a result of a mortgage prepayment or opt-out.

H. INITIAL DETERMINATION OF LOCAL PREFERENCE QUALIFICATION

[24 CFR 5.415]

May 2017

At the time of application, an applicant's entitlement to a ~~Local~~ ~~Preference~~ may be made on the following basis:

An applicant's certification that they qualify for a preference ~~will be~~ accepted without verification at the ~~pre-application~~ ~~initial application~~. When the family is selected from the ~~waiting~~ list for the final determination of eligibility, the preference ~~will be~~ verified. To Qualify for the preference, an applicant must provide verification that shows he or she qualified either at the time of the ~~initial pre~~-application or at the time of certification.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant ~~will be~~ returned to the ~~waiting~~ list (tenant-based or project-based) without the ~~Local~~ ~~Preference~~, and given an opportunity for an office meeting.

I. TARGETED FUNDING [24 CFR 982.203]

When HUD awards special funding for certain family types, families who qualify are placed on the regular ~~waiting~~ list. When a specific type of funding becomes available, the tenant-based and project-based voucher ~~waiting~~ lists are searched for the first available family meeting the targeted funding criteria. ~~The PHA HOC~~ reserves the right to use this assistance under the "Interim Use" policy. [See Glossary under "Interim Use" for definition].

Applicants who are admitted under targeted funding which are not identified as a Special Admission are identified by codes in the automated system. ~~The PHA HOC~~ has the following "Targeted" Programs:

- Veterans Affairs Supportive Housing (VASH)
- Mainstream Allocation Plan for Persons with Disabilities
- Shelter Plus Care
- Welfare-to-Work
- Voucher allocation for Non-Elderly Persons with Disabilities in Support of Designated Housing Plans

For any ~~v~~Voucher allocation for Non-Elderly Persons with Disabilities (NED) in Support of Designated Housing Plans, ~~the PHA will~~ ~~HOC~~ identifies a non-elderly disabled family, as defined by HUD, on ~~the PHA HOC's~~ ~~waiting~~ list that will not be housed due to an approved or submitted Designated Housing Plan.

At turnover:

If a voucher issued to a FUP-eligible family under the 2008 FUP program is terminated, the voucher will be reissued, to the extent practicable, to another FUP eligible family. If the award on turnover is not practicable, FUP vouchers may ~~be~~ used by HOC for such families based upon local needs.

Re-issuance upon turnover of vouchers in the Non-Elderly Persons with Disabilities in Support of Designated Housing Plans 2008 allocation will be to Non-Elderly Persons with Disabilities on the waiting list.

J. PREFERENCE AND INCOME TARGETING ELIGIBILITY [24 CFR 5.410]

Change in Circumstances

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to update their on-line application when their circumstances of change.

Cross-Listing of Different Housing Programs and Section 8 [24 CFR 982.205(a)]

~~The PHAHOC will~~ maintains a consolidated master waiting list for all of its housing programs. An applicant ~~will be~~ considered for admission to any program for which they are eligible until such time that documentation is presented ~~that which~~ establishes a ~~client-customer in as~~ ineligible for a given housing program(s). If a ~~client-customer~~ is determined ~~to be~~ ineligible for the voucher program, their application ~~will be~~ maintained on the consolidated waiting list so that they may continue to be considered for other housing opportunities.

Other Housing Assistance [24 CFR 982.205(b)]

Other housing assistance means a federal, State, or local housing subsidy, as determined by HUD, including public housing.

~~The PHAHOC~~ may not take any of the following actions because an applicant has applied for, received, or refused other housing: [24 CFR 982.205(b)]

- Refuse to list the applicant on the ~~PHA~~-waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant is currently qualified;
- Change the applicant's place on the waiting list based on a preference, date of application, or other factors affecting selection under ~~the PHAHOC's~~ selection policy; or
- Remove the applicant from the waiting list.

However, ~~the PHAHOC~~ may remove the applicant from the waiting list for tenant-based assistance if ~~the PHAHOC~~ has offered the applicant assistance under the Project-Based Voucher program.

K. ORDER OF SELECTION [24 CFR 982.207(e)]

~~The PHAHOC~~'s method for selecting applicants from a preference category leaves a clear audit trail ~~that which~~ can be used to verify that each applicant ~~has been~~was selected in accordance with the method specified in the Administrative Plan.

Tenant-Based Voucher Waiting List

Local Preferences

~~The PHA has~~HOC selected provides the following system to apply local preferences:

~~Local preferences will be aggregated using the following system:~~

Each preference ~~will~~receives an allocation of points. The more preference points an applicant receives, the higher the applicant's position on the waiting list.

Among Applicants with Equal Preference Status

Among applicants with equal preference status, the tenant-based voucher waiting list ~~will be~~is organized by the lottery selection process for the first 365 days after the wait list ~~is~~was opened in the summer of 2015. Thereafter, applicants with equal preference status on the tenant-based voucher waiting list ~~will be~~are organized by date and time stamp.

Project-Based List

~~The PHAHOC has selected~~provides the following system to apply local preferences:

~~Local preferences will be aggregated using the following system:~~

Each preference ~~will~~receives an allocation of points. The more preference points an applicant receives, the higher the applicant's position on the waiting list.

The ~~project-based voucher~~PBV sub list ~~will be~~is organized by family size and the corresponding bedroom size as follows:

- One and two person families are eligible for a one-bedroom unit.
- Three and four person families are eligible for a two bedroom unit.
- Five and six person families are eligible for a three bedroom unit.
- Seven and eight person families are eligible for a four bedroom unit.

Exceptions to this policy ~~will be~~ made in accordance with HOC's policies of reasonable accommodation for persons with disabilities.

The number of persons per bedroom is subject to compliance with the Montgomery County Code, Chapter 26-5, Space, Use, and Location. Paragraph (b) of Chapter 26-5 is shown below:

b) *Floor area, sleeping.* In every dwelling unit of ~~2~~-two or more rooms, every room occupied for sleeping purposes by one occupant must contain at least 70 square feet of habitable space, and every room occupied for sleeping purposes by more than one occupant must contain at least 50 square feet of habitable space for each occupant. However, in a mobile home every room occupied for sleeping purposes by one occupant must contain at least 50 square feet of habitable space; by 2 occupants, at least 70 square feet of habitable space; and by more than 2 occupants, at least an additional 50 square feet of habitable space for each additional occupant."

Among Applicants with equal preference status, the ~~project-based voucher~~PBV waiting list ~~will be~~ organized by the regular date-time selection process for each bedroom size.

L.1 PROJECT-BASED VOUCHER REFERRALS

Applicants referred to HOC for housing subsidy through ~~Project-Based Voucher~~PBVs by way of Offender Reentry programs sponsored by the Silver Spring Interfaith Housing Coalition and Threshold Services, Inc. ~~will be~~ granted an eligibility criminal background exception. The participant does not have rights to the HOC Grievance Procedures.

The eligibility exception ~~would be~~ not ~~be~~ extended to the following individuals:

1. Persons convicted of manufacturing or producing methamphetamine;
2. Any person ~~having been~~ evicted from federally assisted housing for a serious violation of the lease (~~and~~ for three years following the eviction);
3. Any person who fails to sign and submit consent forms to obtain~~ing~~ information in accordance with the Administrative Plan Part 5, subparts B and F;
4. Any person required under HUD regulation to establish citizenship or eligible immigration status;
5. Any person subject to a life time registration requirement under a state sex offender registration program; and
6. Any persons convicted for violent felonies.

L.2 PROJECT-BASED VOUCHER REFERRALS

In an effort to minimize displacement of families, if a unit that is to be included in the ~~Project-Based Voucher~~PBV contract is occupied by an eligible family, the in-place family must be placed on the program waiting list. When eligibility is determined, the family must be given an absolute selection preference and referred to the project owner for an appropriately size ~~Project-Based Voucher~~PBV contract.

A preference will be extended through the ~~Project-Based Voucher~~PBV program (only) for services offered. In selecting families, ~~the Housing Opportunities Commission~~HOC may give a preference to disabled families who need services offered at a particular project. This preference (more specifically a referral) is limited to the population of families with disabilities that significantly interfere with their ability to obtain and maintain themselves in housing who, without appropriate supportive services, ~~will be~~are not be able to maintain themselves in housing.

Selection of applicants in the targeted funding Family Unification Program (FUP) 2008 allocation ~~will be~~are completed in conjunction with referrals from ~~the~~ Montgomery County ~~Department of~~ Health and Human Services (MCHHS). HOC will accept families certified by the MCHHS as eligible applicants for FUP. HOC will compare the names provided with the names on the current HOC waiting list. Any referred family on the HOC waiting list ~~will be~~is served first. Those families referred and not on the HOC waiting list will be added to the waiting list and served based on date of referral or on a first come first served basis.

M. FINAL VERIFICATION OF PREFERENCES [24 CFR 5.415]

Preference information on pre-applications ~~will be~~is updated as applicants are selected from the waiting list. At that time, ~~the PHA~~HOC will obtain necessary verifications of preference(s) at the interview and by third party verification.

Subsection A – Secondary Review/Credit Checks

Before issuing vouchers to applicant families, ~~the Housing Authority~~HOC requests a credit report of all new applicant families, all adults (persons 18 years of age and older) who will reside in the assisted household. The credit report ~~will be~~is reviewed by ~~the Housing Authority~~HOC. Applicant households claiming they have zero income ~~will~~automatically undergo a credit check review. The information contained in the credit check ~~will be~~is used to confirm the information provided to ~~the Housing Authority~~HOC by the family. Specially, the credit report ~~will be~~is used to confirm:

1. **Employment:** A credit report will list any employers the applicant has listed in any recent credit applications. If the credit report reveals employment for any adult household member within the last 12 months that was not disclosed, the family will be asked to provide additional documentation to resolve the discrepancy. Failure to disclose current employment may result in denial of participation in the Housing Choice Voucher and Section 8 programs.
2. **Aliases:** A credit report can provide information on other names that have been used for the purposes of obtaining credit. Common reasons for use of other names include a recent marriage or a divorce. If an alias has not been disclosed to ~~the~~

~~Housing Authority~~HOC, the family will be asked to provide additional evidence of the legal identity of all adult family members.

3. **Current and previous addresses:** A credit report can provide a history of where the family has lived. This is particularly important because ~~the Housing Authority~~HOC provides a residency preference. If the family has provided one address to ~~the Housing Authority~~HOC and the credit report indicates a different address, the family will be asked to provide additional proof of residency. This may include a history of utility bills, bank statements, school enrollment records for children, credit card statements, and/or other relevant documentation. Failure to provide adequate proof could result in denial of the residency preference.
4. **Credit card and loan payments:** A credit report will usually include a list of the family's financial obligations. Examples of the items that may show up include car loans, mortgage loans, student loans, and credit cards payments. ~~The Housing Authority~~HOC will review this information to confirm the income and asset information provided by the family. If the family's current financial obligations (total amount of current monthly payments) exceed the amount of income reported by the family, ~~the Housing Authority~~HOC will ask the family to disclose how they are currently meeting their financial obligations. Accounts that have been charged off or are significantly delinquent are not included in this calculation. Failure to provide adequate proof of income could result in denial of participation in the Housing Choice Voucher and Section 8 programs.
5. **Multiple Social Security Numbers:** A credit report may list multiple Social Security numbers if an adult family member has used different Social Security numbers to obtain credit. If the credit report information does not match the information provided by an adult family member, the family member or head of household will be required to obtain written confirmation of the Social Security number that was issued to him/her from the Social Security Administration.

~~Applicant~~ families ~~will are~~ not ~~be~~ issued a vouchers until all discrepancies between the information provided by the applicant family and the information contained in the credit report have been cleared by the applicant family and approved by ~~the Housing Authority~~HOC.

When discrepancies are found, the family will be contacted by ~~the Housing Authority~~HOC. In most cases, the family will be allowed a maximum of ten (10) business days to provide the additional information. On a case-by-case basis, as a reasonable accommodation, the family may be granted additional time. If additional time is granted, the family receives written notification of the new deadline. No second or additional extensions will be granted. Failure to provide the required information to ~~the Housing Authority~~HOC could result in denial of participation in the Housing Choice Voucher and Section 8 Programs.

When the credit report reveals multiple discrepancies which require interview appointments, ~~the Housing Authority~~HOC will schedule up to two interview appointments. An additional appointment may be scheduled as a reasonable accommodation. Failure to appear at the interview

session could result in denial of participation in the Housing Choice Voucher and Section 8 Programs.

N. PREFERENCE DENIAL [24 CFR 5.415]

If ~~the PHAHOC~~ denies a preference, ~~the PHAHOC will notify~~ the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review to appeal the decision. If the preference denial is upheld as a result of the review, or the applicant does not request a review, the preference ~~will be~~ removed from the applicant's entry on the ~~waiting~~ list, returning the applicant to their regular date-time positioning. Applicants may exercise other rights if they believe they ~~have been~~ are a victim of discrimination ~~against~~.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the ~~waiting~~ list.

O. REMOVAL FROM THE WAITING LIST AND PURGING [24 CFR 982.204(c)]

~~The Housing Opportunities Commission~~ HOC will not remove an applicant's name from the ~~waiting~~ list unless:

1. The applicant requests in writing that their name be removed;
2. The applicant fails to respond to an electronic or written request for information or a request to declare their continued interest in the program; or
3. The applicant does not meet either the eligibility or suitability criteria for the program.
4. The applicant refuses two housing units without good cause.

Obligation to Annually Confirm Application Information

Each year, or at such time as ~~the Housing Opportunities Commission~~ HOC determines reasonable, ~~the Housing Opportunities Commission~~ HOC will issue notice to all applicants on the wait list requesting that each applicant ~~update their application information~~ confirm their continued interest in remaining on the wait list. Failure to ~~update-renew~~ the information in a timely manner will result in removal from the ~~waiting~~ list.

~~The Housing Opportunities Commission~~ HOC will provide notice to wait list applicants to update confirm their continued interest ~~the information~~ and set a date by which ~~that their information renewal~~ must be updated-completed or confirmed as having not changed. ~~The Housing Opportunities Commission~~ HOC will send notices thirty days, fifteen days, five days, and one day prior to the date when that ~~update-renewal~~ or confirmation is due.

All notices under this Section ~~shall be~~ sent by ~~the Housing Opportunities Commission~~ HOC electronically to the last known e-mail address ~~and by SMS text to the mobile number~~ listed on the application. Wait list applicants may also request text message notifications. ~~To the extent~~ If a

family does not have an e-mail address, ~~the Housing Opportunities Commission~~HOC can assist the family in obtaining a free email account. It will be the applicant's sole responsibility to check that email account from time to time and to respond to any email and/or SMS text from ~~the Housing Opportunities Commission~~HOC. To the extent an applicant requires assistance, upon request, staff from ~~the Housing Opportunities Commission~~HOC ~~will be~~ available to assist with electronic submissions ~~and may issue postcard notification of the need to certify continued interest in housing programs.~~

Should an applicant not respond to the request to confirm their continued interest in remaining on the wait list by renewing their application for updated information or to their notification of selection for the a program for any reason, prior to the established deadline, the applicant ~~will be~~ ~~deleted~~ ~~removed~~ from the waiting list. Reasons for non-response, resulting in ~~deletion~~ ~~removal~~ from the list, include (but are not limited to) negligence in completing the electronic update/application in a timely manner and relocation resulting in a return of the e-notice to ~~the Housing Opportunities Commission~~ HOC with no forwarding e-mail address provided. Applicants removed from the wait list will receive a notification identifying their removal from Housing Path.

Missed Appointments

All applicants who fail to keep a scheduled appointment with ~~the Housing Opportunities Commission~~HOC ~~will be~~ sent a written notice of termination of the process for eligibility. That written notification of termination may be sent as an attachment to an e-mail.

~~The Housing Opportunities Commission~~HOC will allow the family to reschedule an appointment for good cause. Generally, no more than one opportunity ~~will be~~ given to reschedule without good cause, and no more than two opportunities ~~will be~~ given for good cause. When good cause exists for missing an appointment, ~~the Housing Opportunities Commission~~HOC will work closely with the family to find a more suitable time. Applicants ~~will be~~ advised of their right to an informal review before being removed from the waiting list.

Notification of Negative Actions

Any applicant whose name is being removed from the waiting list will be notified by ~~the Housing Opportunities Commission~~HOC, in writing, that they have ten (10) calendar days from the date of the written correspondence to present mitigating circumstances or request an informal review. The letter will also indicate that their name will be removed from the waiting list if they fail to respond within the timeframe specified. ~~The Housing Opportunities Commission~~HOC's system of removing applicant names from the waiting list will not violate the rights of persons with disabilities. If an applicant claims that their failure to respond to a request for information or updates was caused by a disability, ~~the Housing Opportunities Commission~~HOC will verify that there is in fact a disability, that the disability is what caused the failure to respond, and then provide a reasonable accommodation. An example of a reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of their original application.

Purging the Waiting List

~~The Housing Opportunities Commission~~HOC will update and purge its waiting list as needed to ensure that the pool of applicants reasonably represents the interested families for whom ~~the Housing Opportunities Commission~~HOC has current information, i.e. applicant's address, family composition, income category, and preferences.

**REVISION OF HOC'S ADMINISTRATIVE PLAN
FOR THE HOUSING CHOICE VOUCHER PROGRAM
TO ADD ADDITIONAL CHOICE MOBILITY LANGUAGE
AND A RAD TURNOVER CAP FOR PROJECT-BASED VOUCHER (PBV)
AND PROJECT-BASED RENTAL ASSISTANCE (PBRA) CUSTOMERS
IN ACCORDANCE WITH HUD NOTICE PIH-2012-32 (HA), REV-2**

SEPTEMBER 5, 2018

- The Code of Federal Regulations (CFR) requires that Public Housing Agencies (PHAs) such as the Housing Opportunities Commission of Montgomery County (HOC) adopt written plans and policies that describe the federal regulations and establish the local policies for administration of the voucher programs of the given PHA. For the Housing Choice Voucher (HCV) program, this governing document is termed the Administrative Plan.

- The CFR also requires that PHAs such as HOC revise their Administrative Plan as needed in order to comply with federal requirements. Optional changes unique to a specific PHA may also be added, provided that they do not conflict with the federal regulations.

- At this time, HOC has developed a proposed revision to its Administrative Plan as is consistent with the processes and procedures outlined in the CFR. The proposed revision would add additional Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2

- A public comment period for this proposed revision began on June 11, 2018 and will conclude on September 5, 2018 with a public hearing at HOC's Kensington office.

- Staff is requesting that the Commission adopt the proposed revisions to HOC's Administrative Plan and incorporate them formally as part of this governing document.

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: Shauna Sorrells	Division: Executive	Ext. 9461
	Lynn Hayes	Housing Resources	Ext. 9622
	Ethan Cohen	Compliance	Ext. 9764
	Darcel Cox	Compliance	Ext. 9427

RE: Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Additional Choice Mobility Language and A RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) Customers in Accordance with HUD Notice PIH-2012-32 (HA), REV-2

DATE: September 5, 2018

STATUS: Committee Report: Deliberation X

OVERALL GOAL & OBJECTIVE:

To request that the Housing Opportunities Commission of Montgomery County adopt revisions to HOC’s Administrative Plan for the Housing Choice Voucher program to add additional Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2 (the “Revisions”), and authorize the Executive Director, or his designee, to implement the revisions to the Administrative Plan for the Housing Choice Voucher program (“Administrative Plan”).

BACKGROUND:

Staff recommends making changes to the Administrative Plan regarding the Choice Mobility and RAD turnover cap options which are available for Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2. The subject of this HUD Notice is HUD’s Rental Assistance Demonstration (RAD) program. In this Notice, HUD provides the outline of basic policy and procedures for the administration of the RAD program, including eligibility and selection criteria.

In its implementation of the RAD program, HOC is converting its existing Public Housing (PH) portfolio into a combination of Project-Based Rental Assistance (PBRA) and Project-Based Voucher (PBV) rental assistance. For those PH units converting to PBRA, HOC creates project-

specific Tenant Selection Plans which describe the policies and procedures for these converted units. For those PH units converting to PBVs, HOC is required to add the relevant PBV policies and procedures to its Administrative Plan to ensure compliance with the requirements of the RAD program.

1. Choice Mobility

On May 4, 2016, the Commission authorized the Executive Director, or his designee, to insert new RAD language into its Administrative Plan describing the regulations which apply to the PBV program for those units which converted from PH via RAD (Resolution 16-29). These PBV regulations are contained in Chapter 22 of the Administrative Plan. Among the regulations added is the opportunity for Choice Mobility. Choice Mobility provides that if a RAD converted PBV family chooses to terminate their PBV assisted lease at any time after the first 12 months of occupancy in accordance with program requirements, HOC must offer the family the opportunity for continued tenant-based rental assistance in the form of a regular tenant-based Housing Choice Voucher (HCV).

Similarly, HUD Notice PIH-2012-32 (HA), REV-2 states that former Public Housing residents converted via RAD to Project-Based Rental Assistance (PBRA), also receive special Choice Mobility. For RAD-converted PBRA customers, if the family chooses to terminate their PBRA assisted lease at any time after the first 24 months of occupancy in accordance with program requirements, HOC must offer the family the opportunity for continued tenant-based rental assistance in the form of a regular tenant-based Housing Choice Voucher (HCV). However, this language was not previously added to the Administrative Plan in May of 2016. Accordingly, in order to ensure compliance and accuracy with the RAD program, staff proposes adding Choice Mobility language for PBRA customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2., which is detailed in the materials attached to this memorandum.

2. RAD Turnover Cap

In the section of HUD Notice PIH-2012-32 (HA), REV-2, which discusses Choice Mobility, HUD explains its recognition that as a result of participation in RAD, it is possible for most or all of a PHA's turnover vouchers to be used to assist those RAD PBV and PBRA families who wish to exercise their Choice Mobility. While HUD is committed to ensuring that Choice Mobility remains a cornerstone of RAD policy, this recognition provides PHAs with the option to still use tenant-based vouchers to address the specific housing needs and priorities of their jurisdiction despite the requirement to provide Choice Mobility. Therefore, HUD permits PHAs to implement a RAD Turnover Cap for all customers eligible for the RAD Choice Mobility option. HUD explains this Turnover Cap as follows:

- *Project Turnover Cap.* Recognizing the limited availability of turnover vouchers and the importance of managing turnover in the best interests of each

property, in any year, a PHA may limit the number of Choice Mobility moves exercised by eligible households to 15 percent of the assisted units in the project. (For example, if the project has 100 assisted units, the PHA could limit the number of families exercising Choice Mobility to 15 in any year, but not to less than 15.) While a voucher agency is not required to establish a project turnover cap, if such a cap is implemented the voucher agency must create and maintain a wait list in the order in which the requests from eligible households were received.

Staff investigated the use of this Project Turnover Cap option, exploring its use based on HOC's existing pool of customers eligible for Choice Mobility due to their RAD conversion to PBV or PBRA. Staff concluded that it is essential to determine which customers will receive access to RAD Choice Mobility vouchers and the timing of such access in any given year, so that HOC does not exhaust its entire supply of turnover vouchers only on those customers using their RAD Choice Mobility, and so that customers can receive proper notification. Therefore, it is critical to establish clear parameters around the amount of HOC's RAD Turnover Cap and how priority access is provided to those customers declaring their intention to exercise their Choice Mobility. Accordingly, staff recommends the following:

- HOC implements a RAD Turnover Cap of 15 percent of turnover units at each RAD project in any given Calendar Year.
- For eligible customers who are unable to exercise their Choice Mobility option at a property because the cap is exhausted for that year, HOC will add their names to the Agency's Choice Mobility Wait List.
- HOC's Choice Mobility Wait List is stored within Housing Path and is a unified list across all RAD properties.
- Among all available HOC turnover vouchers, every third voucher is available to a customer coming off the Agency's Choice Mobility Wait List.

As part of the process for making revisions to a PHA's Administrative Plan, public comment is required. Accordingly, HOC provided a public comment period which was concluded with a public hearing on September 5, 2018, on the Administrative Plan revisions. During the comment period, HOC made a draft of the proposed revisions to the Administrative Plan available on the Agency's website as well as in hard copy form at all four of HOC's primary offices. Also during the comment period, HOC staff met and discussed these proposed revisions with HOC's Resident Advisory Board (RAB), seeking the RAB's comments and endorsement of these proposed changes. Notice of the comment period and public hearing were advertised in a local newspaper in Montgomery County.

ISSUES FOR CONSIDERATION:

Does the Housing Opportunities Commission of Montgomery County wish to adopt revisions to HOC's Administrative Plan for the Housing Choice Voucher program to add additional

Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2 (the “Revisions”), and authorize the Executive Director, or his designee, to implement the revisions to the Administrative Plan for the Housing Choice Voucher program (“Administrative Plan”)?

PRINCIPALS:

Housing Resources Division

BUDGET IMPACT:

None.

TIME FRAME:

The Legislative and Regulatory Committee reviewed this item at its meeting on May 21, 2018. For Commission action on September 5, 2018.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Housing Opportunities Commission of Montgomery County adopt revisions to HOC’s Administrative Plan for the Housing Choice Voucher program to add additional Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2 (the “Revisions”), and authorize the Executive Director, or his designee, to implement the revisions to the Administrative Plan for the Housing Choice Voucher program (“Administrative Plan”).

RESOLUTION: 18-67

RE: Revision of HOC’s Administrative Plan for the Housing Choice Voucher Program to Add Additional Choice Mobility Language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) Customers in Accordance with HUD Notice PIH-2012-32 (HA), REV-2

WHEREAS, the Housing Opportunities Commission of Montgomery County (Commission) desires to revise its Administrative Plan for the Housing Choice Voucher Program to add additional Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2; and

WHEREAS, a public comment period for this revision to HOC’s Administrative Plan for the Housing Choice Voucher Program to add additional Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2 began on June 11, 2018 and concluded on September 5, 2018 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County to adopt provisions for additional Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2 ;

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed, without any further action on its part, to take all actions necessary and proper to incorporate the revisions adopted hereby into the HOC Administrative Plan for the Housing Choice Voucher program and make the Choice Mobility and RAD Turnover Cap changes to the Plan as 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 September 5, 2018.

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Patrice Birdsong
Special Assistant to the Commission

Proposed Revisions to
HOC's Administrative Plan for the Housing Choice Voucher Program

Please note: Existing language is in **BLACK** and proposed changes are in **RED**.

Chapter 22

HOUSING CHOICE VOUCHER PROJECT-BASED PROGRAM

[24 CFR 983]

A. OVERVIEW

1. Purpose of Program: The program goals for the Project-Based Voucher (PBV) Program are:

1. To contribute to the improvement and long-term viability of the area's housing stock.
2. To increase the supply of affordable housing and location choice for very low-income households.
3. 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.
4. To promote the coordination and leveraging of resources of public, semi-public, or nonprofit agencies with compatible missions.

2. Program Elements:

1. A PHA may attach up to 20 percent of its voucher baseline budget to PBV units.
2. The units may be new construction, rehabilitated or existing units.
3. Not more than 25 percent of the units in any building may be assisted with PBV. The exceptions to this limitation are for single-family properties (defined as 1-4 units in a building) and "excepted units" in a multi family building. Excepted units are those that are specifically made available for elderly or disabled families or families receiving supportive services.
4. The location of PBV units must be consistent with the goals of deconcentrating poverty and expanding housing and economic opportunities.

3. Requirements for Participation:

1. Competitive Selection Process: HOC must follow a competitive selection process as described in the regulations at 24 CFR §983.51. Exceptions to the competitive selection process are permitted on a case by case basis, as described in item 3 of this section.
2. Developers/ Owners Proposal: Developers/owners must submit a proposal for PBV assistance in response to a Request for Proposals (RFP) issued by HOC as part of the competitive selection process described in item 1, above.
3. Non-Competitive Selection Process: As per the Housing Opportunity Through Modernization Act of 2016 (HOTMA) HOC may, by amendment to this Administrative Plan, from time to time attach PBV assistance to units in a project in which HOC has an ownership interest or over which HOC has control, without following a competitive selection process. Use of this non-competitive selection exception requires HOC's engagement in an initiative to improve, develop, or replace a public housing property or site.
 - a. PHA ownership interest. 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. For the purposes of this exception, an "ownership interest" is not limited to the definition of "PHA owned" as defined herein or otherwise by HUD, and does include any HOC connection to a project where HOC, its officers, employees, or agents hold any direct or indirect interest in the project in which the units are located, including, but not limited to, an interest as any of the following:
 - i. Titleholder;
 - ii. Lessee;
 - iii. Stockholder;
 - iv. Member, or general or limited partner;
 - v. Member of a limited liability corporation; or
 - vi. Lessor of the ground lease for the land upon which the PBV project is located or will be constructed.
 - b. Other conditions for use of the non-competitive selection exception are as follows:
 - i. 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.

- ii. If HOC plans rehabilitation or new construction, a minimum threshold of \$25,000 in hard costs per-unit is required, except as provided in iii, below.
- iii. 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). See Chapter 10 of this Administrative Plan for further information on what it means to substantially comply with HUD's housing quality standards.
- iv. An explanation of the work HOC plans to do on the property or site and how many units of PBV assistance the Agency plans to add via non-competitive selection must be added to this Chapter in Section G.
- v. 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 and this chapter of HOC's Administrative Plan.

4. Selection Criteria:

HOC will review proposals requesting PBV based on the selection criteria detailed in the Request for Proposals, and in compliance with all relevant statutory, regulatory, and HOC requirements.

Before HOC will provide voucher rental assistance, all developments must have PHA Board approval, meet Housing Quality Standards and have an executed Housing Assistance Payments Contract.

B. ELIGIBLE UNITS

1. Eligible Units:

1. All PBV selected sites must be in compliance with PBV goals, Civil Rights requirements and Housing Quality Standards. HOC will review the applications to determine if the location is consistent with the goal of deconcentrating poverty and preserving and/or expanding housing and economic opportunities. HOC will take into

consideration the site selection standards listed in 24 CFR §983.57 and the PBV program goals.

2. To define a PBV unit as a unit in a rehabilitated housing, each unit must require a minimum of \$3000 in rehabilitation costs.
3. For units requesting an exception to the 25 percent cap in a building, and that exception is based on providing supportive services, the services must be designed as services essential for maintaining or achieving independent living such as, but not limited to, counseling, education, job training, health care, mental health services, alcohol and/or other substance abuse services, child care services and or case management services. These services may be defined as being a participant in a PHA's FSS program.

2. Ineligible Units: HOC may not attach PBV assistance for units if the following types of housing:

1. Shared housing
2. Units on the grounds of a penal, reformatory, medical, mental or similar public or private institution
3. Nursing homes or facilities providing continuous psychiatric medical, nursing service, board and care or intermediate care
4. Units that are owned or controlled by an educational institution and are designated for occupancy by students of the institution
5. Manufactured homes
6. Transitional housing
7. Owner occupied units
8. Units occupied by an ineligible family.
9. Units subsidized with any governmental rent subsidy or any governmental subsidy that covers all or any part of the operating costs of the housing. (24 CFR 983.54(c)(d))

C. APPLICANT ELIGIBILITY FOR PARTICIPATION

Applicant eligibility for the project-based program is also covered in Chapter 2 of this document.

1. Applicants must meet the eligibility requirements for tenant-based Housing Choice Voucher Program.
2. Persons who will reside in PBV units must come from HOC wait list and/or be referred by the owner.

- a. When a vacancy occurs in a PBV supportive housing unit, the owner may refer applicants to HOC. The applicant names will be placed on the HOC wait list and selected as a special admission for the available unit.
 - b. HOC will survey its regular wait list no less than once a year for each bedroom size for vacancies in non-supportive housing PBV developments. If the PHA is unable to provide enough eligible applicants from its wait list to fill PBV units, the owner may refer applicants to HOC.
3. HOC will not screen applicants for family behavior or check rental references. This will remain the responsibility of the owner. HOC will screen applicants in the manner established for all voucher applicants.
 4. If the owner of a PBV unit denies a PBV applicant that has come from HOC's wait list, that denial does not affect their place on the wait list for tenant based assistance.
 5. If the owner refers an applicant (because HOC was unable to provide interested, eligible applicants) that applicant will be placed on the wait list as a special admission for the PBV program. The applicant must still meet all tenant-based eligibility requirements.
 6. If an applicant from HOC wait list has been approved by the owner and is in verification status with HOC and their name comes to the top of the wait list to receive tenant based assistance (TBA), the applicant will be given the option to continue to be processed for the PBV unit or to be processed for a TBA voucher. The applicant will sign a statement declaring their choice.

D. LEASES AND HOUSING ASSISTANCE PAYMENTS CONTRACTS

1. If the owner uses a standard lease form for rental to unassisted tenants, the lease for a voucher-assisted tenant must be in such standard form but it must be for a one-year initial term and it must include the HUD tenancy addendum. The lease must specify the name(s) of the owner(s) and the tenant, the address of the unit rented, the term of the lease including any provision for renewal, the amount of the tenant rent to owner, a listing of what services, maintenance, equipment and utilities to be provided by the owner and the amount of any charges that are for food, furniture or supportive services.
2. The Housing Assistance Payments contract between the owner and HOC will be for an initial term of up to 15 years, or such longer term permitted by HUD regulations than in effect. After the initial term, HOC may agree to extend the term of the contract for an additional term of up to 15 years, or such longer term permitted by HUD regulations than in effect. To be eligible for an extension, the property and owner must be in compliance with program rules and applicable HUD statutes and

regulations. The length of the extension will be negotiated with the owner and the form will be subject to any HUD prescribed conditions at the time of the extension.

3. An owner may request an increase to the rent at the annual anniversary of the HAP contract by a 60 day written notice to HOC. See Chapter 11 of this Administrative Plan for further information regarding rent increase guidelines for the Housing Choice Voucher program.

E. CONTINUED PARTICIPATION

1. A family may choose to move out of a PBV unit with continued assistance any time after 12 months of initial occupancy. If a family moves before their completion of 12 months of occupancy in their PBV unit, they are terminated from the Housing Choice Voucher program. Program termination in this context includes termination from the PBV program as well as from the opportunity to convert to a tenant-based voucher.
2. If a PBV tenant is determined no longer eligible for the Housing Choice Voucher PBV program, they are given a minimum of 30 days to vacate a unit. If the family does not vacate the unit, HOC must remove that PBV unit from the HAP contract or substitute a similar unit in the building. A PBV tenant who is terminated from the PBV program is given a minimum of 30 days notice of the termination and must vacate the unit on the effective date of the termination.
3. If the family receives no rent assistance for six months (that is, if the family's income remained at a level where their Total Tenant Payment [TTP] is equal to or exceeds the gross rent for the unit), the family will be required to vacate the unit. HOC will notify the family at least sixty days before the six months deadline that they must vacate the unit. If the family does not vacate the unit at the end of the six months, HOC must remove the unit from the HAP contract or substitute a similar unit in the same complex.
4. If HOC determines, at annual recertification, that the family is occupying a wrong size unit or determines anytime that the family is occupying a unit with accessibility features that the family does not require but another family does require, HOC will offer continued assistance in the following order:
 - a. An appropriate unit in another PBV unit either in the same building or another PBV assisted building.
 - b. Tenant based assistance if the family has been a PBV participant for at least 12 months.
 - c. Other project-based assistance.

5. For families residing in units that provide qualifying supportive services, as detailed in the HAP contract (see paragraph B. 1. in this chapter), the project must verify annually that at least one family member in each such unit receives supportive services. These services do not have to be provided by the project or at the project, but must comply with the terms of the HAP contract.

To verify the receipt of services, the project must use the format and procedures prescribed by HOC and notify HOC whether or not each family is in compliance.

If a family, without good cause, fails to participate in at least one of the qualifying supportive services, as detailed in the HAP contract, HOC will determine that the family is no longer eligible to participate in the program (see paragraph E. 2. in this chapter and in Chapter 15).

F: RENTAL ASSISTANCE DEMONSTRATION PROGRAM

The Housing Opportunities Commission of Montgomery County (HOC) successfully applied to participate in the Rental Assistance Demonstration (RAD) program of the U.S. Department of Housing and Urban Development (HUD). As part of HOC's RAD process, the Agency will be converting some of its existing Public Housing (PH) portfolio to Project-Based Voucher (PBV) rental assistance. For those existing HOC PH residents whose subsidies will be converting through RAD to PBV, the following participation parameters and resident rights will apply above and beyond the existing procedures and policies detailed in this Administrative Plan which would have otherwise applied to them:

1. No Re-screening of Tenants upon Conversion: [PIH-2012-32 (HA), REV-2, 1.6.C.1]

Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting. Consequently, current households will be grandfathered for conditions that occurred prior to conversion, but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at the time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.

2. Right to Return: [PIH-2012-32 (HA), REV-2, 1.6.C.2]

Any resident that may need to be temporarily relocated to facilitate rehabilitation or construction has a right to return to an assisted unit at the Covered Project once rehabilitation or construction is completed. Permanent involuntary displacement of residents may not occur as a result of a project's conversion of assistance, including, but not limited to, as a result of a change in bedroom distribution, a de minimis reduction of units, the reconfiguration of efficiency apartments, or the repurposing of dwelling units in order to facilitate social service delivery. Where the transfer of assistance to a new site is warranted and approved, residents

of the Converting Project will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.

3. Renewal of Lease: [PIH-2012-32 (HA), REV-2, 1.6.C.3]

The regulations under 24 CFR § 983.257(b)(3) require Project Owners to renew all leases upon lease expiration, unless cause exists. Examples of cause include:

- a. Serious violation or repeated violation of the terms and conditions of the lease; and
- b. Violation of federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises.

In accordance with 24 CFR § 983.257(a) for the PBV program, cause does not include a business or economic reason or desire to use the unit for an individual, family, or non-residential rental purpose.

4. Phase-in of Tenant Rent Increases Over 3 Years: [PIH-2012-32 (HA), REV-2, 1.6.C.4]

If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years. The method described below explains the set percentage-based phase-in a Project Owner must follow according to the phase-in period. For purposes of this section "standard TTP" refers to the Total Tenant Payment calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, HOC will use the flat rent amount to calculate the phase-in amount for Year 1, as illustrated below.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP or flat rent and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent recertifications – Full standard TTP

5. Family Self Sufficiency (FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs: [PIH-2012-32 (HA), REV-2, 1.6.C.5]

Public Housing residents that are current FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any remaining PH FSS funds, to serve those FSS participants who live in units converted by RAD. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY 2014 Appropriations Act (and was continued in the FY 2015 Appropriations Act), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, there are certain FSS requirements (e.g. escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and HOCs must follow such requirements accordingly. HOC administers the FSS program in accordance with FSS regulations at 24 CFR Part 984, the participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100. Further, upon conversion to PBV, already escrowed funds for FSS participants shall be transferred into the HCV escrow account and be considered Tenant-Based Rental Assistance (TBRA) funds, thus reverting to the HAP account if forfeited by the FSS participant.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future ROSS-SC grants, nor will its residents be eligible to be served by future ROSS-SC grants, which, by statute, can only serve public housing residents.

6. Resident Participation and Funding: [PIH-2012-32 (HA), REV-2, 1.6.C.6] [PIH-2012-32 (HA), REV-2, Attachment 1B]

In accordance with Attachment 1B of PIH-2012-32 (HA), REV-2, residents of Covered Projects with converted PBV assistance will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding, which includes the terms and conditions of their tenancy as well as activities related to housing and community development.

- a. **Legitimate Resident Organization.** A Project Owner must recognize legitimate resident organizations and give reasonable consideration to concerns raised by legitimate resident organizations. A resident organization is legitimate only if it has been established by the residents of a Covered Project, meets regularly, operates democratically, is representative of all residents in the project, and is completely independent of the Project Owner, management, and their representatives. In the absence of a legitimate resident organization at a Covered Project, HUD encourages the Project Owner and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the Project Owner directly with questions or

concerns regarding issues related to their tenancy. Project Owners are also encouraged to actively engage residents in the absence of a resident organization; and

- b. Protected Activities. Project Owners must allow residents and resident organizers to conduct the following activities related to the establishment or operation of a resident organization:
 - i. Distributing leaflets in lobby areas;
 - ii. Placing leaflets at or under residents' doors;
 - iii. Distributing leaflets in common areas;
 - iv. Initiating contact with residents;
 - v. Conducting door-to-door surveys of residents to ascertain interest in establishing a resident organization and to offer information about resident organizations;
 - vi. Posting information on bulletin boards;
 - vii. Assisting residents to participate in resident organization activities;
 - viii. Convening regularly scheduled resident organization meetings in a space on site and accessible to residents, in a manner that is fully independent of management representatives. In order to preserve the independence of resident organizations, management representatives may not attend such meetings unless invited by the resident organization to specific meetings to discuss a specific issue or issues; and
 - ix. Formulating responses to Project Owner's requests for:
 - 1. Rent increases;
 - 2. Partial payment of claims;
 - 3. The conversion from project-based paid utilities to resident-paid utilities;
 - 4. A reduction in resident utility allowances;
 - 5. Converting residential units to non-residential use, cooperative housing, or condominiums;
 - 6. Major capital additions; and
 - 7. Prepayment of loans.

In addition to these activities, Project Owners must allow residents and resident organizers to conduct other reasonable activities related to the establishment or operation of a resident organization.

Project Owners shall not require residents and resident organizers to obtain prior permission before engaging in the activities permitted in this section.

- c. Meeting Space. Project Owners must reasonably make available the use of any community room or other available space appropriate for meetings that is part of the multifamily housing project when requested by:

- i. Residents or a resident organization and used for activities related to the operation of the resident organization; or
- ii. Residents seeking to establish a resident organization or collectively address issues related to their living environment.

Resident and resident organization meetings must be accessible to persons with disabilities unless this is impractical for reasons beyond the organization's control. If the project has an accessible common area or areas, it will not be impractical to make organizational meetings accessible to persons with disabilities.

Project Owners may charge a reasonable, customary and usual fee, approved by the Secretary as may normally be imposed and in accordance with procedures prescribed by the Secretary, for the use of meeting space. HOC may waive this fee.

- d. Resident Organizers. A resident organizer is a resident or non-resident who assists residents in establishing and operating a resident organization, and who is not an employee or representative of current or prospective Project Owners, managers, or their agents.

Project Owners must allow resident organizers to assist residents in establishing and operating resident organizations.

- e. Canvassing. If a Covered Project has a consistently enforced, written policy against canvassing, then a non-resident resident organizer must be accompanied by a resident while on the property of the project.

If a project has a written policy favoring canvassing, any non-resident resident organizer must be afforded the same privileges and rights of access as other uninvited outside parties in the normal course of operations. If the project does not have a consistently enforced, written policy against canvassing, the project shall be treated as if it has a policy favoring canvassing.

A resident has the right not to be re-canvassed against his or her wishes regarding participation in a resident organization.

- f. Funding. Project Owners must provide \$25 per occupied unit annually for resident participation, of which at least \$15 per occupied unit shall be provided to the legitimate resident organization at the covered property. These funds must be used for resident education, organizing around tenancy issues, and training activities. In the absence of a legitimate resident organization at a Covered Project:
 - i. HOC encourages the Project Owners and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the Project Owner

directly with questions or concerns regarding issues related to their tenancy. Project Owners are also encouraged to actively engage residents in the absence of a resident organization; and

- ii. Project Owners must make resident participation funds available to residents for organizing activities in accordance with this Notice. Residents must make requests for these funds in writing to the Project Owner. These requests will be subject to approval by the Project Owner.

HOC's Resident Advisory Board (RAB) will serve as the required resident organization described herein and in compliance with this section.

7. Resident Procedural Rights: [PIH-2012-32 (HA), REV-2, 1.6.C.7]

The following items are incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

- a. **Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction (the termination procedure for RAD conversions to PBV requires that HOC provide adequate written notice of termination of the lease which shall not be less than:
 - i. A reasonable period of time, but not to exceed 30 days:
 1. If the health or safety of other tenants, HOC employees, or persons residing in the immediate vicinity of the premises is threatened; or
 2. In the event of any drug-related or violent criminal activity or any felony conviction;
 3. 14 days in the case of nonpayment of rent; and
 4. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
- b. **Grievance Process.** In accordance with the RAD Statute, the following procedural rights are required in order to comply with section 6 of the Act.

For issues related to tenancy and termination of assistance, PBV program rules require the Project Owner to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:

- i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
- ii. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i). For any additional hearings required under RAD, the Project Owner will perform the hearing.
- iii. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.
- iv. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
- v. The Project Owner provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in HOC's Section 8 Administrative Plan. See Chapter 19: Complaints and Appeals.

8. Earned Income Disregard (EID): [PIH-2012-32 (HA), REV-2, 1.6.C.8]

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 § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in as described in Section 1.6.C.4 of the RAD Notice; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to disabled persons is waived. The waiver and the resulting alternative requirements apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion) is covered by this waiver.

9. Jobs Plus: [PIH-2012-32 (HA), REV-2, 1.6.C.9]

Jobs Plus grantees awarded in FY14 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance at that site unless significant relocation and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project.

10. When Total Tenant Payment Exceeds Gross Rent: [PIH-2012-32 (HA), REV-2, 1.6.C.10]

Under normal PBV rules, HOC may only select an occupied unit to be included under the PBV HAP contract if the unit's occupants are eligible for housing assistance payments (24 CFR §983.53(d)). Also, HOC must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent) (24 CFR §983.258). Since the rent limitation under this Section of the Notice may often result in a family's TTP equaling or exceeding the gross rent for the unit, for current residents (i.e residents living in the public housing property prior to conversion), HUD has waived both of these provisions and requires that the unit for such families be placed on and/or remain under the HAP contract when TTP equals or exceeds the Gross Rent. Further, HUD is establishing the alternative requirement that the rent to owner for the unit equal the family's TTP until such time that the family is eligible for a housing assistance payment. HUD has waived this policy as necessary to implement this alternative provision, the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR 983.301 as modified by Section 1.6.B.5 of the RAD Notice. In such cases, the resident is considered a participant under the program, and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under a HAP contract. Assistance may subsequently be reinstated if the tenant becomes eligible for assistance. HOC is required to process these individuals through the Form- 50058 submodule in PIC.

Following conversion, 24 CFR §983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means that their TTP may not exceed the gross rent for the unit at that time. Further, HOC must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that HOC must reinstate the unit after the family has vacated the property; and, if the project is partially assisted, HOC may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating" units have been permitted, Section 1.6.B.10 of PIH-2012-32 (HA), REV-2.

11. Under-Occupied Unit: [PIH-2012-32 (HA), REV-2, 1.6.C.11]

If a family is in an under-occupied unit under 24 CFR 983.259 at the time of conversion, the family may remain in that unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate-sized unit becomes available in the Covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. HOC has determined this time frame to be 60 days. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR 983.259 is waived.

12. Wrong-sized Unit: [Quick Reference Guide for Public Housing Project Converting to PBV Assistance 3.4.1]

In cases where, after initial tenancy, the family is occupying a wrong-sized unit or a unit that has accessibility features not required by the family and where the unit is needed by a family that requires this accessibility feature, HOC will promptly notify the owner and the family can be offered assistance in:

- a. Another appropriate size unit (in the same building); or
- b. The form of a tenant-based voucher, if funding is available.

13. Establishment of Wait List: [PIH-2012-32 (HA), REV-2, 1.6.D.4]

24 CFR §983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based wait list from which residents for the Covered Project will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of wait list and other wait list policies. HOC shall consider the best means to transition applicants from the current public housing wait list, including:

- a. Transferring an existing site-based wait list to a new site-based wait list. If HOC is transferring the assistance to another neighborhood, HOC must notify applicants on the wait list of the transfer of assistance and of how they can apply for residency at the new project site or other sites. Applicants on a project-specific wait list for a project where the assistance is being transferred shall have priority on the newly formed wait list for the new project site in accordance with the date and time of their application to the original project's wait list.
- b. Informing applicants on the site-based wait list on how to apply for a PBV program-wide or HCV program-wide wait list.
- c. Informing applicants on a public housing community-wide wait list on how to apply for a voucher-wide, PBV program-wide, or site-based wait list. If using a

site-based wait list, HOC shall establish a wait list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide wait list have been offered placement on the converted project's initial wait list. In all cases, HOC has the discretion to determine the most appropriate means of informing applicants on the public housing community-wide wait list given the number of applicants, HOC resources, and admissions requirements of the projects being converted under RAD. HOC may consider contacting every applicant on the public housing wait list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's public housing community-wide wait list who wish to be placed onto the newly established site-based wait list must be placed in accordance with the date and time of their original application to the centralized public housing wait list. Any activities to contact applicants on the public housing wait list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).

HOC is required to maintain any site-based wait list in accordance with all applicable civil rights and fair housing laws and regulations unless the project is covered by a remedial order or agreement that specifies the type of wait list and other wait list policies.

To implement this provision, HUD has specified alternative requirements for 24 CFR § 983.251(c)(2). However, after the initial wait list is established, HOC shall administer its wait list for the converted project in accordance with 24 CFR § 983.251(c).

14. Choice-Mobility: [PIH-2012-32 (HA), REV-2, 1.6.D.9]

One of the key features of the PBV program is the mobility component; this component provides that if ~~the a~~ family elects to terminate the assisted lease at any time after the first ~~year-12 months~~ of occupancy in accordance with program requirements, HOC must offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

Similarly, former Public Housing residents converted via RAD to Project-Based Rental Assistance (PBRA), also receive special choice mobility. For RAD-converted PBRA customers, if the family elects to terminate their assisted lease at any time after the first 24 months of occupancy in accordance with program requirements, HOC must offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

Once a RAD-converted PBV or PBRA family elects to terminate their assisted lease so that they can convert from their current project-based subsidy to a tenant-based subsidy, their name is added to HOC's Choice Mobility Wait List. As customers on this Choice Mobility Wait List reach the top of the list, they are selected for their tenant-based voucher and will continue through the voucher issuance process described in Chapter 8 of this Administrative Plan.

RAD Voucher Turnover Cap

All RAD-converted PBV and PBRA customers who reach their eligibility for Choice Mobility (12 months and 24 months, respectively) are subject to the following procedures of HOC's RAD Voucher Turnover Cap:

- Up to 15 percent of turnover units at each RAD project in any given Calendar Year may be used by customers called from the Choice Mobility Wait List.
- For eligible customers who are unable to exercise their Choice Mobility option at a property because the cap is exhausted for that year, HOC will add their names to the Choice Mobility Wait List.
- HOC's Choice Mobility Wait List is stored within Housing Path and is a unified list across all RAD properties.
- Among all available HOC turnover vouchers, every third voucher is available to a customer coming off the Choice Mobility Wait List.

~~If, as a result of participation in RAD, a significant percentage of HOC's HCV program becomes PBV assistance, it is possible for most or all of HOC's turnover vouchers to be used to assist those RAD-PBV families who wish to exercise mobility. While HUD is committed to ensuring that mobility remains a cornerstone of RAD policy, HUD recognized that it remains important for PHAs to still be able to use tenant-based vouchers to address the specific housing needs and priorities of the community. Therefore, HUD has established an alternative requirement for PHAs where, as a result of RAD, the total number of PBV units (including RAD-PBV units) under HAP contract administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD.~~

~~The alternative mobility policy provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of RAD Covered Projects.~~

~~While a voucher agency is not required to establish a voucher inventory turnover cap, if such a cap is implemented, the voucher agency must create and maintain a wait list in the order in which the requests from eligible households were received.~~

~~To effectuate this provision, HUD is providing an alternative requirement to Section 8(o)(13)(E) and 24 CFR part 983.261(e). Please note that this alternative requirement RAD Voucher Turnover Cap does not apply to PBVs entered into outside of the context of RAD.~~

15. Vacancy Payments:

In order to receive vacancy payments, Project Owners assisted under RAD must meet the following requirements:

a. Payments for the Move-out Month:

If an assisted family moves out of the unit, the Project Owner may keep the housing assistance payment payable for the calendar month when the family moves out. However, the owner may not keep the payment if HOC determines the vacancy is the owner's fault.

b. Vacancy Payment:

At its discretion, HOC will make vacancy payments of the monthly rent, but not to exceed two full months following the move out month. Any vacancy payment may cover only the period the unit remains vacant. In order to claim the vacancy loss, the unit must be available for lease and the landlord must:

- i. Notify HOC within 48 hours, excluding weekends and holidays, upon learning of the vacancy, or prospective vacancy; and
- ii. Pursue activities to fill the vacancy, including:
 1. Seek eligible applicants by listing the unit with HOC;
 2. Notify HOC of the availability of the unit; and
 3. Not reject potentially eligible applicants except for good cause.

G: PROJECT DESCRIPTIONS OF PROJECT-BASED VOUCHER ASSISTANCE PROVIDED USING A NON-COMPETITIVE SELECTION PROCESS

Each property or site which will receive PBVs through the non-competitive selection process provided for in this Administrative Plan, are identified below.

1. 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 is expected to 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.

Deliberation and/or Action

Future Action

New Business

APPROVAL OF MORGAN G. SMITH TO THE BOARD OF DIRECTORS OF THE HOUSING OPPORTUNITIES COMMUNITY PARTNERS, INC.

September 5, 2018

- Housing Opportunities Community Partners, Inc. (“Community Partners”), a 501c(3) charitable organization, supports residents and resident programs operated by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”).
- The Commission is required, per Community Partners’ bylaws, to review nominees submitted to fill vacancies of the Board of Directors of Community Partners.
- The Community Partners Board recommends the appointment of Morgan G. Smith for a three-year term on the Community Partners Board.

M E M O R A N D U M

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy Spann, Executive Director

FROM: Division: LPA Staff: Shauna Sorrells Ext. 9461

RE: Approval of an appointment to the Board of Directors of Housing Opportunities Community Partners, Inc.

DATE: September 5, 2018

STATUS: Consent Deliberation Status Report New Business

OVERALL OBJECTIVE:

To approve the appointment of Morgan Smith to the Board of Directors of Housing Opportunities Community Partners, Inc. (“Community Partners”).

BACKGROUND:

Community Partners collaborates with the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) on many programs that assist HOC residents. Thanks to competitive grant funding, Community Partners and HOC have established afterschool Kids’ STEM clubs and camps that bring exciting robotics activities to more than 200 elementary and middle school aged children. Over the years, Community Partners and HOC have helped more than 200 low-income working families purchase refurbished vehicles propelling them to greater self-sufficiency. Community Partners has helped 300 homeless families obtain stable, permanent housing and have provided job search, life and soft skills training services to hundreds of adults helping many of them to secure employment. Also, 17 foster youth successfully transitioned into independence and are still in stable housing.

Community Partners may elect up to seven Board Directors including four designated seats, for an Attorney, Montgomery County low-income resident, Accountant and Marketing Professional. The HOC Commission, in accordance with Community Partners’ by-laws, must approve the final selection of Board Directors. Currently, there are two vacancies – one *At-large* and one *Marketing*. The Community Partners Board recommends the appointment of Morgan Smith to fill the *At-large* vacancy on the Board.

ISSUES FOR CONSIDERATION:

Does the Commission wish to appoint the nominee to serve on the Board of Community Partners for a three-year term?

PRINCIPALS:**Morgan G. Smith**

Mr. Morgan (Mo) Smith (JD) is a partner at Klein Hornig LLP, Washington, DC law firm. For the last 10 years, he has worked on a range of affordable housing transactions involving Low-Income Housing Tax Credits, Renewable Energy Tax Credits, mixed-finance/public housing, and HUD financing. He joined Klein Hornig in 2012 to pursue his passion for affordable housing, and he brings with him additional experience in energy and sustainability, and corporate transactions including start-ups, debt and equity financing, and mergers and acquisitions. Mr. Smith previously worked as an associate at Miller Nash LLP as a member of their Affordable Housing and Business practice groups and at Ballard Spahr Andrews & Ingersoll as a summer clerk.

During the last eight years, Mr. Smith also has completed many hours of extensive volunteer work. Since 2014 he has been volunteering for the D.C. Bar CED Pro Bono Project (Small Business Clinic) and is an active member of the Young Leaders in Affordable Housing. Earlier volunteer work when he resided in Oregon included serving on the Board of Directors for the Oregon Chapter of the National Bar Association and for the Oregon League of Minority Voters. Similarly, he was a member of the Oregon Minority Lawyers Association, Oregon Association of Minority Entrepreneurs and the Urban League of Portland.

BUDGET IMPACT

None

TIME FRAME:

Commission action is requested at the September 5, 2018 Commission meeting

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED:

Staff recommends that the Commission approve the appointment of Morgan G. Smith to serve a three-year term on the Board of Directors of Housing Opportunities Community Partners, Inc.

RESOLUTION NO.: 18-71

**RE: Approval of the Appointment of
Morgan G. Smith
to the Board 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 recommended the appointment of Morgan G. Smith to the Community Partners Board; and

WHEREAS, the Commission is required, by the Community Partners’ by-laws, 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 Morgan G. Smith is hereby approved and appointed to serve a three-year term 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 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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting on September 5, 2018.

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

Development Corporation Meetings

THE METROPOLITAN DEVELOPMENT CORPORATION

AUTHORIZATION TO TRANSFER \$1,000,000 FROM THE METROPOLITAN DEVELOPMENT CORPORATION OPERATING ACCOUNT TO THE RESERVE FOR REPLACEMENT (RFR) ACCOUNT

September 5, 2018

- The existing Reserve for Replacement (RfR) account for the Metropolitan Development Corporation is not sufficient to meet the projected capital needs for FY'19. The annual contribution to the RfR for FY'19 was doubled from \$97,200 to \$194,400 to help address the shortfall.
- Currently the property has approximately \$4.6 million in unrestricted cash that was generated by cash flow from operations from prior years.
- Staff is recommending that \$1,000,000 of the unrestricted cash be transferred to the RfR account to begin addressing the shortfall in reserves.
- After the proposed transfer, the unrestricted cash balance will exceed the recommended minimum floor of two months of operating expenses by approximately \$1.5 million.
- Once a detailed review of the capital needs and planned scope of work is completed for the property, staff will return during the upcoming FY'20 budget season to determine if additional cash should be transferred and/or deposits will be needed to address the anticipated needs.

M E M O R A N D U M

TO: The Metropolitan Development Corporation Board of Directors

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Cornelia Kent Division: Finance Ext. 9574
 Terri Fowler Ext. 9507
 Nilou Razeghi Ext. 9494

RE: Authorization to transfer \$1,000,000 from the Metropolitan Development Corporation operating account to the Reserve for Replacement (RfR) account

DATE: September 5, 2018

STATUS: Consent [] Deliberation [] Committee [X]

OVERALL GOAL & OBJECTIVE:

Authorization to transfer \$1,000,000 from the Metropolitan Development Corporation operating account to the Reserve for Replacement (RfR) account.

BACKGROUND:

During the development of the FY'19 Agency budget, it was determined that the existing Reserve for Replacement (RfR) account for the Metropolitan Development Corporation would be close to depletion after funding the capital work completed in FY'18 and that the annual contribution of \$97,200 would not be sufficient to meet the projected capital needs for FY'19. The annual contribution to the RfR for FY'19 was doubled to \$194,400. It is important to note that the Agency depends on cash from the property to balance the Agency budget. A decision was made to not increase the annual contribution further for FY'19 and to review the current cash position to determine if excess funds were available that could be transferred to the RfR account to address the anticipated capital needs of the property.

Currently the property has approximately \$4.6 million in unrestricted cash. These funds were generated by cash flow from operations from prior years. The property operates under an Air Rights Agreement that distributes cash flow from operations to HOC and the County. The fee to HOC has already been paid for FY'18. The estimated Air Rights payment to the County for FY'18 is approximately \$822 thousand. The following charts shows the impact to the unrestricted cash balance of the Air Rights payment and maintaining a minimum floor of two months of operating expenses resulting in an adjusted surplus cash balance of almost \$2.5 million.

Current Unrestricted Cash Balance as of August 23, 2018	\$4,600,000
Earmark for est. Air Rights Payment to the County for FY'18	(\$822,000)
Estimate for 2 months of operating expenses	(\$1,310,000)
Adjusted Surplus Cash Balance	<u>\$2,468,000</u>
Recommended transfer from Unrestricted Cash to RfR Account	(\$1,000,000)
Final Surplus Cash Balance	<u>\$1,468,000</u>

Staff is recommending that \$1,000,000 of existing property cash be transferred to the RfR account to begin addressing the shortfall in reserves. After the proposed transfer, the unrestricted cash balance will exceed the recommended minimum floor of two months of operating expenses by approximately \$1.5 million.

Once a detailed review of the capital needs and planned scope of work is completed for the property, staff will return during the upcoming FY'20 budget season to determine if additional cash should be transferred and/or deposits will be needed to address the anticipated needs.

ISSUES:

Does the Board wish to authorize the transfer of \$1,000,000 from the Metropolitan Development Corporation operating account to the Reserve for Replacement (RfR) account?

BUDGET IMPACT:

There is no budget impact on the FY'19 Adopted Budget.

TIME FRAME:

The Budget, Finance and Audit Committee discussed the recommendation at the August 14, 2018 meeting. Action is requested at the September 5, 2018 Board meeting.

RECOMMENDATION:

The Budget, Finance and Audit Committee recommends that the Board of Directors authorize a transfer \$1,000,000 from the Metropolitan Development Corporation operating account to the Reserve for Replacement (RfR) account.

RESOLUTION NO.: 18-001_{ME}

RE: Authorization to transfer \$1,000,000 from the Metropolitan Development Corporation operating account to the Reserve for Replacement (RfR) account

WHEREAS, The Metropolitan Development Corporation (the “Corporation”) is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County (the “Commission”); and

WHEREAS, the Corporation’s existing Reserve for Replacement (RfR) account is not sufficient to meet the projected capital needs for FY’19; and

WHEREAS, the Corporation’s property has approximately \$4.6 million in unrestricted cash in its operating account that was generated by cash flow from operations from prior years; and

WHEREAS, the Corporation desires to transfer \$1,000,000 of unrestricted cash from the operating account to the Replacement for Reserve (RfR) account to address the shortfall in funding for the projected capital needs for FY’19;

WHEREAS, subsequent to the transfer of \$1,000,000 of unrestricted cash, the unrestricted cash balance of the operating account would still exceed the recommended minimum floor of two months of operating expenses by approximately \$1,500,000.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Development Corporation that it hereby authorizes the transfer of \$1,000,000 from The Metropolitan Development Corporation’s operating account to the Reserve for Replacement (RfR) account.

BE IT FURTHER RESOLVED by the Corporation that the Commission’s Executive Director is authorized, without any further action on its part, to take any and all other actions necessary and proper to carry out the actions contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Board of Directors of The Metropolitan Development Corporation at a regular meeting conducted on September 5, 2018.

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Patrice M. Birdsong
Special Assistant to the Board of Directors of The
Metropolitan Development Corporation

Adjourn

Administrative Session