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LEGISLATIVE AND REGULATORY COMMITTEE

April 28, 2021
4:00 p.m. – via Zoom

YouTube Link: <https://youtu.be/ZFx7ogFUBpc>

Action Items:

Title	Page
1. Project-Based Vouchers: Authorization to Issue 100 Project-Based Vouchers in Response to RFP #2232	03

Deliberation

and/or

Action

M E M O R A N D U M

TO: Housing Opportunities Commission of Montgomery County
Legislative and Regulatory Committee

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Lynn Hayes Division: Housing Resources Ext. 9622

RE: Authorization to issue 100 Project-Based Vouchers in Response to RFP #2232

DATE: April 28, 2021 LRC Meeting

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

OVERALL GOAL & OBJECTIVE:

To obtain authorization of the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) to award 100 Project-Based Vouchers (“PBV”) and authorize the Executive Director, or his designee, to execute Housing Assistance Payments (“HAP”) Contracts for the said vouchers.

BACKGROUND:

PBVs are a component of the Housing Choice Voucher Program and provide rental subsidies for low income families. PBVs are tied to specific units with private landlords who enter into a contractual agreement referred to as a HAP Contract with HOC. The HAP Contract can be for a term up to 20 years. PBVs can be used to rehabilitate or construct projects or in existing projects.

HOC can allocate up to 20% of the agency’s authorized Housing Choice Vouchers (7,637) as PBVs. Currently, 11% (870) of our customer baseline is allocated for PBVs. At the direction of the Executive Director, staff issued a Request For Proposals (“RFP”) #2232 on December 20, 2020 to award 100 PBVs to developers interested in obtaining PBV assistance.

With the addition of the 100 newly awarded vouchers, HOC’s PBV utilization will increase to 12.7% of the allowable 20%. No new funding is allocated to HOC for these additional PBV units. Rather, we must use our tenant-based funding allocation to pay for PBV subsidies.

Staff held a pre-proposal conference on January 5, 2021. Proposals were due on February 5, 2021 by 2:00 pm. Staff received nine proposals on or before the requested deadline. The scoring criteria is summarized below.

Criteria	Maximum Number of Points
Experience of developer/owner with development or rehabilitation: Management of similar properties and experience with assisted housing programs, or plans to use a management company with a record of such experience managing projects similar to the proposal.	30
Consistency with HOC's initiatives: Preservation and expansion of affordable housing and retention of units for long term use (such as expanding existing or other programs' affordable housing requirements); housing for large families; development of senior housing; and the development of special needs housing.	20
Documented need for the proposed type of residential housing in the proposed geographic area: Projects with units large enough for families most represented on HOC's HCV waiting lists will receive highest priority in this category.	15
Accessibility: Relationship of the proposed development to public facilities, sources of employment and services, including health, education, and recreational facilities.	5
Feasibility of project, including likelihood of financing and marketability, and ability to operate project and units using the rent guidelines pursuant to CFR 983.301.	25
Access to public transportation	5
TOTAL	100

A minimum of 70 points is required for consideration of a PBV award. Due to the high demand for PBVs, staff used the following matrix to determine the number of vouchers to award to each developer:

- Proposals that received an average score ranging from 90 points to 100 points received the entire award of requested vouchers;
- Proposals that received an average score ranging from 80 points to 89 points received 2/3 of the requested vouchers;
- Proposals that received an average score ranging from 70 points to 79 points received 1/3 of the requested vouchers;
- Proposals that received an average score of 69 or less were not awarded vouchers
- Proposals with an average score of 70 points or higher and requested 10 vouchers or less received the entire award;
- Any vouchers remaining after applying the above criteria are awarded to the highest scoring proposal that was not awarded the full amount of requested vouchers.

Of the nine submitted proposals, staff recommend awarding PBVs to seven developers as reflected on the attached exhibit. Two developers did not receive the minimum score of 70 points and do not qualify to receive the PBVs.

ISSUES FOR CONSIDERATION:

Does the Legislative and Regulatory Committee wish join staff's recommendation to the Housing Opportunities Commission of Montgomery County authorization to award 100 PBVs, and authorize the Executive Director, or his designee, to execute HAP Contracts for the determined awards?

TIME FRAME:

For discussion by the Legislative and Regulatory Committee at its meeting on April 28, 2021. For formal Commission action on May 5, 2021.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Legislative and Regulatory Committee join staff's recommendation to the Housing Opportunities Commission of Montgomery County approval to award 100 PBVs, and authorize the Executive Director, or his designee, to execute seven HAP Contracts for the said PBVs.

Developer and Property	Average Score	Vouchers Requested	Vouchers Awarded	Property Type	Property Address
TM & Green Street (Sligo Apartments)	96	8	8	Family Property; New construction	715 Sligo Ave, Silver Spring
Enterprise Community Development (Park Montgomery West)	87	36	28 ¹	Family Property; New construction & Rehabilitation	8860 Piney Branch Rd, Silver Spring
MHP (Hillwood Manor)	84	3	3	Family Property; Rehabilitation	1100 Linden Ave, Takoma Park
KB Companies (Willow Manor at Fairland)	80	42	28	Senior Property; Existing Project	13605 Robey Rd, Silver Spring
Housing Unlimited (Scattered Sites)	79	44	15	SRO; Disabled Singles	Scattered Sites
KCG Development (Sandy Spring Village)	76	8	8	Senior Property; New Construction	17810 Meeting House Rd, Sandy Spring
Kirby Development (Willow Manor at Cabin Branch)	70	30	10	Senior Property; New Construction	Cabin Branch Ave, Clarksburg
Seabury (Springvale Terrace)	69	94	0	Senior Property; Existing Project	8505 Springvale Rd, Silver Spring
MHP (North Frederick)	67	5	0	Family Property; Existing Project	425 North Frederick Ave, Gaithersburg
Total		270	100		

¹ Enterprise was initially allocated 24 PBVs by formula based on allocation criteria plus four additional left over units based on their high score.