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## HOC's Relocation Plan for Scattered Sites Public Housing

A public hearing on this document was held on Wednesday, June 5, 2013 at 3:30 p.m. at the Housing Opportunities Commission of Montgomery County's Main Office at 10400 Detrick Avenue, Kensington, Maryland 20895.

# Relocation Plan for Public Housing Scattered Sites

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## **Introduction**

The mission of Housing Opportunities Commission of Montgomery County is to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County so that no one in Montgomery County is living in substandard housing.

To this end, in 2011, HOC submitted a Disposition Application (the “Disposition Application”) to the U.S. Department of Housing and Urban Development (HUD) and, in 2012, HOC received approval for the disposition of 669 existing Public Housing scattered site properties. The application was submitted following a comprehensive review of HOC’s Public Housing portfolio and the operational and capital financial forecast. Many of the scattered site units have extensive repair needs which will require new capital investment to upgrade, modernize and rehabilitate. The funds currently paid to HOC from the HUD are inadequate to cover operating costs and the significant capital investment needed.

The project will involve converting the 669 single dwelling Public Housing units to permanent affordable rental housing owned by an HOC entity. Additionally, HOC was awarded 647 Tenant Protection Vouchers which are to be available to the residents residing in the units affected by the disposition. All units in the scattered site portfolio (669 units) were approved in the disposition; at the time of the application, 647 of these units were occupied.

The intent is to replace existing Public Housing units with a long term affordable financial structure. Through the Tenant Protection Voucher program, residents will be provided with the option to remain in the current unit with Project Based Voucher assistance or move from the current unit with a Tenant Based Voucher.

Prior to submitting the program applications to HUD, HOC informed all current residents of the proposed disposition activity. Additionally, seven community meetings were held and information was presented to the Resident Advisory Board.

This preliminary plan explains the relocation assistance available to HOC residents that may move as a result of the disposition of the Public Housing units. A draft of the Relocation Plan is required to be made available for a 30-day review and comment period by the impacted parties and public prior to submitting it to the HOC Board of Commissioners for approval. Comments and responses will be incorporated into the final Relocation Plan that will be submitted to the HOC Board of Commissioners for review and consideration.

## **Overview of the Rehabilitation Project of the units subject to the disposition**

HOC staff is conducting an extensive review of the properties to determine what repairs and overall enhancement is required. HOC is committed to renovating the units to modern, energy efficient standards addressing both the interior and exterior condition of the units.

The rehabilitation plan is currently being developed.

## Ongoing Rental Subsidy

Upon conveyance to the new owner(s), the units will no longer classify as Public Housing. Tenant Protection Vouchers will be available to all existing income-eligible households.

**TBV:** Tenant Based Vouchers - TheTBV is assigned to a tenant or household. Each eligible household currently in one of the HOC 669 scattered site Public Housing units will be invited to apply for a TBV. The TBV affords the holder of the voucher the option to choose where they want to live. The voucher is transferable to any part of the United States.

HOC staff will contact residents of the units in the coming months to arrange eligibility determination and briefings regarding the TBV program. Questions regarding the TBV should be directed to a Specialist in the Resident Services Division.

## Demographic and Housing Characteristics

**Geography:** The Public Housing units which are the subject of this Relocation Plan are located throughout Montgomery County. There is no concentration of units; however, more than one unit may be located in a neighborhood.

**Population:** At the time of the 2010 census, Montgomery County had an estimated population of 971,777. The top three population centers are Bethesda, Germantown and Silver Spring. The average household was 2.7 persons.

**Race and Ethnicity:** The U.S. Census Bureau's 2010 summary of population by race and Hispanic origin for the Montgomery County is 49.3 % White; 16.6 % African American; 17.0 % Hispanic or Latino; 13.9 % Asian and Pacific Islander. The minority population reached 50.7%.

**Income:** Based on 2010 Census data, the median annual household income in Montgomery County was \$95,660. Approximately 6.3% of the residents were living below the poverty level.

**Residential Tenure:** Based on the 2010 Census data, the homeownership rate, 2007-2011, in Montgomery County was at 68.8%. The median value of owner-occupied housing units, 2007-2011, was \$469,900.

## Project Sites

**Geography:** The Scattered Site Properties are 669 single dwelling homes located throughout Montgomery County. The units are outlined in Appendix A with maps showing site locations in Appendix B.

Of the 669 single dwelling units included in the Disposition Application, 608 are currently occupied. Following are the demographic characteristics of the current resident population.

## The Households

### Age Groups

Age Groups	Children (0-17)	Non-Elderly (18-61)	Elderly (62+)	Total
Head of Household	0 (0%)	544 (89%)	64 (11%)	608
All Members	976 (45%)	1097 (51%)	97 (4%)	2170

### Gender

Gender	Male	Female	Total
Head of Household	94 (15%)	514 (85%)	608
All Members	864 (40%)	1306 (60%)	2170

### Race

Race	American Indian	Asian/Pacific Islander	Black	White	Unknown	Total
Head of Household	1 (.2%)	34 (6%)	436 (72%)	137 (23%)	0	608
All Members	5 (.2%)	119 (5%)	1569 (72%)	463 (21%)	14 (1%)	2170

### Ethnicity

Ethnicity	Hispanic	Not Hispanic	Unknown	Total
Head of Household	113 (19%)	495 (81%)	0	608
All Members	403 (19%)	1730 (80%)	37 (2%)	2170

### Disabled

Disability	Disabled	Not Disabled	Total
Head of Household	78 (13%)	530 (87%)	608
All Family Members	124 (6%)	2046 (94%)	2170

## Employment

Employment	Head of Household	Spouse/ Co-Head	Other Adults	Students 18%	Total
Head of Household	445	93	115	60	713

## Income

The median income for the 608 households is **\$21,249**.

The Area Median Income Limit for a family of four in Montgomery County, MD is **\$107,300**.

## HUD Income Limits for Montgomery County

NOTE: Montgomery County is part of the **Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area**, so all information presented here applies to all of the **Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area**.

Income Category	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Very Low (50%) Income Limits	37,600	42,950	48,300	53,650	57,950	62,250	66,550	70,850
Extremely Low (30%) Income Limits	22,550	25,800	29,000	32,200	34,800	37,400	39,950	42,550
Low (80%) Income Limits	46,750	53,400	60,100	66,750	72,100	77,450	82,800	88,150

## Project Circumstances

The Housing Opportunities Commission of Montgomery County submitted a Disposition Application for 669 Scattered Site Public Housing properties to the U.S. Department of Housing and Urban Development (HUD). The Disposition Application and subsequent request for Tenant Protection Vouchers assistance was approved. Tenant Protection Vouchers are available to eligible residents residing in the disposition units for use as a TBV in a new unit or in the affected unit. The owner intends to maintain long-term affordability

This project will permit HOC to replace Public Housing subsidies with non subsidized funds. Tenant Based Vouchers (“TBV”) and relocation assistance will be provided to all eligible residents who choose to move from their scattered site unit. Such a change will significantly improve HOC’s ability to rehabilitate the scattered site properties.

## Households Eligible for Housing Choice Voucher Assistance

All residents affected by the disposition who are income eligible for the Housing Choice Voucher program and who otherwise meet the Voucher program’s requirements will be eligible to receive a TBV through HOC. The Voucher program provides for a household to continue paying 30%-40% of the household’s adjusted income –

with some program specific exceptions – for the household’s monthly rental costs within the first year of leasing with the voucher program. Each household will need to meet with a member of HOC’s Housing Resources staff to discuss the program requirements.

HOC may subsidize rent through the Housing Choice Voucher program only up to a maximum “payment standard” for the county. Payment standards vary based on jurisdictions. If a resident is considering moving to communities HOC does not serve, the HOC staff will explain how to determine the payment standards in those communities.

In addition, HUD regulations do not allow housing authorities to subsidize rent any higher than what is reasonable. Reasonable rent for any particular unit may be lower than the payment standards. Regulations require HOC to consider the unit type, unit size, condition and amenities, and location when determining rent reasonableness. HOC staff will explain rent reasonableness and affordability in more detail during the issuance of the vouchers.

## **Relocation Needs and Resources**

Upon award of the TBV and the conveyance of the units to the new owner(s), the current residents will be provided the following options:

- Residents who qualify for voucher assistance will not be required to move from the current unit.

Residents who qualify for voucher assistance and chose to move will have 90 days to locate a new unit. After 90 days, if the resident does not locate alternative housing, the resident will remain in the unit and use the voucher assistance in the unit.

- If the resident is not eligible for voucher assistance because of income or other circumstances, the resident will be (1) placed on the Public Housing transfer list or, (2) may be required to pay full rent without assistance.

Residents that remain in the units will be required to enter into a new lease. The term of the lease will be for one year.

Households who do not qualify under the Section 8 Voucher guidelines will be offered the opportunity to transfer to other affordable units within HOC’s portfolio.

Households who qualify for a TBV may opt to utilize the TBV within Montgomery County or outside the county. Households may also opt out of the voucher assistance and find a unit without using the TBV.

Reasonable accommodations for disability, where required, for households that utilize a TBV will be provided in Montgomery County.

Households that are eligible for the voucher assistance but are over-housed in their current unit may opt to use the TBV to move to an appropriately sized unit with a TBV. Of these households, those that cannot afford

the current unit with the voucher assistance, because their share of the rent in the unit would be more than 40% of their adjusted household income, may need to locate new affordable housing.

If any over-housed household that is eligible for voucher assistance can afford the current unit, by paying 40% of the adjusted household income for rent, the household may choose whether to move or stay.

If the household that is over-income for the voucher assistance one of the following two scenarios will apply:

- If the adjusted household income is greater than 80% of the AMI at the time of the Unit Disposition the client will have to move from the unit.
- If the adjusted household income is 79% of AMI or lower and greater than the Housing Choice Voucher Program Income limits at the time of Unit Disposition the client may be allowed to remain in the unit paying unassisted rent.

## **Concurrent Residential Displacement**

HOC is completing the disposition activity in phases. The intent is to convert all units. If a resident of a scattered site unit chooses to leave the unit with or without a TBV, there are no current planned projects or plans in the immediate future which would negatively impact the efforts and ability of the HOC in relocating any household which may choose, at its own discretion, to move from one of the subject properties.

## **Program Assurances and Standards**

Adequate funds will be budgeted to relocate all households, during the specified period of time, from the subject properties. Assistance will be provided for the relocation in a manner to ensure that it does not result in different or separate treatment of households based on race, nationality, color, religion, national origin, sex, marital status, familial status, disability or any other basis protected by the federal Fair Housing Amendments Act, the Disabilities Act, Title VI of the Civil Rights Act of 1964, Title VII of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, as well as any otherwise arbitrary or unlawful discrimination.

All services shall further conform to standards and provision set forth under section 33 of the U.S. Housing Act of 1937, as amended, and mandatory conversion under section 202 of the Omnibus Consolidated Rescissions and Appropriations Act of 1966 which is for all PHAs seeking vouchers for relocation or replacement housing related to demolition or disposition and plans for removal of public housing units.

## **Relocation Assistance Program**

A relocation representative from HOC will be available to assist all households with questions regarding their housing options and relocation assistance. This Plan outlines the relocation assistance program to be provided to the households being displaced.

Questions regarding the relocation benefits may be directed to the staff Specialist in Resident Services during the hours of 8:30-5:00 pm., Monday thru Friday. The relocation assistance program will include the following:



1. Fully inform eligible project residents of the nature of, and procedures for, obtaining relocation advisory assistance and reasonable relocation expenses;
2. Determine the needs of each household eligible for assistance;
3. Maintain a communication link with HOC;

4. Provide eligible residents who request assistance with at least one, and preferably three, referrals to comparable housing within a reasonable time period;
5. Assist each eligible household to complete claims for relocation assistance benefits and Tenant Based Voucher assistance as needed;
6. Coordinate the involvement of outside service providers;
7. Provide assistance that does not result in different or separate treatment due to race, color, religion, national origin, sex, sexual orientation, marital status or other arbitrary circumstance;
8. Provide other advisory assistance to eligible persons in order to minimize hardship;
9. Inform all persons subject to displacement of the HOC's policies with regard to eviction and property management under the Housing Choice Voucher program and provide adequate orientation to each household on that program;
10. Maintain a formal grievance procedure for use by households seeking administrative review of the HOC's decisions with respect to relocation assistance.

At a scheduled briefing session, a relocation representative will explain the process of searching for and finding a suitable unit in terms of geographic considerations, size, rental fees (application fees, security deposits) and moving options that may be applicable as well as school and shopping accessibility. Relocation issues are presented in a power point presentation along with a written version.

The application provides basic information on the household including the geographic locations and building type most desired by the resident, the family composition and number of bedrooms needed, amenities requested or required such as accessibility to public transportation or handicapped accessibility. Upon submittal of the application by the resident and review by the Housing Locator, at least one and preferably three available units are identified as potential candidates. A contact is then made with the family to discuss the possibilities identified. Residents can view the units on their own or the Housing Locator can transport the tenant to the unit(s) free of charge.

Depending on the desires of the resident, a rental application is completed by the resident. Fees associated with the application are assumed by HOC or reimbursed to the resident if personally paid. Upon acceptance by the management firm or landlord, security deposits or holding fees are paid by HOC on behalf of the resident.

HOC has three licensed and experienced moving firms on contract that provide discounts on moving costs and moving materials to HOC. Residents have the choice of utilizing one of the HOC moving companies or securing such assistance on their own.

Throughout the process, residents are provided advice and guidance. Various community resources are explained such as A Wider Circle, a non-profit that provides donated household needs such as linens, furniture and dishes.

HOC will provide reasonable financial assistance for relocation expenses. The expenses include but are not limited to application fees, security deposits, utility hook-ups, and moving. The moving costs are estimated to reach \$1,200 per household.

HOC also provides information to all affected clients on the search engine; [www.gosection8.com](http://www.gosection8.com). This product provides detailed information on unit availability throughout Montgomery County.

Procedures for preparation and filing of claims and processing the delivery of payments will be as follows:

1. Tenant will provide all required documentation to substantiate eligibility for assistance.
2. Assistance amounts will be determined in accordance with the relocation selected (self moved or contracted)
3. Required claim forms will be prepared by HOC designated personnel in conjunction with tenant(s). Signed claims and supporting documentation will be submitted to HOC.
4. HOC will review and approve claims for payment, or request additional information.
5. HOC will issue benefit checks for fixed moving payments which will be available at HOC's office for retrieval.
6. Final fixed or actual moving payments will be issued after confirmation that the premises have been completely vacated and actual residency at the replacement unit is verified.
7. Receipts of payment will be obtained and maintained in the relocation case file.

## **Consultation with Resident Advisory Board/ Citizen Participation/Plan Review**

Prior to submission of the Disposition Application to HUD for the 669 Scattered Site units, HOC consulted with the at-large Resident Advisory Board to outline the program and obtain support. The meeting was held at the HOC's Main Office building located at 10400 Detrick Avenue, Kensington, MD 20895.

Various members of HOC's senior management team explained that HOC was considering the possibility of a disposition of the 669 Scattered Site units, described the reasons for doing so and the benefits available to the residents upon approval of the Disposition Application. Residents were given an overview of the disposition process, an explanation of the differences between the Public Housing and Housing Choice Voucher program and invited to ask questions.

During the planning stages, HOC staff held community forums to discuss the Disposition Application and respond to client inquiries. Clients were advised that counselors were available to provide individual assistance and respond to all inquiries.

- Assistance to Households with Persons with Disabilities

HOC Location Coordinators and Resident Services staff will assist persons with disabilities in locating rental housing that is already accessible for them or in working with property owners to modify available housing units for accessibility. In addition, households who believe they may need reasonable disability accommodations for other aspects of the relocation process should request those accommodations from HOC, as appropriate.

## **Relocation Tax Consequences**

In general, relocation payments are not considered income for the purpose of the Internal Revenue Code. Section 216 of the Uniform Relocation Act states that you do not need to report relocation payments as part of your gross income for Federal tax purposes.

Residents in receipt of moving payments are encouraged to consult with independent tax advisors concerning the State or local income tax consequences of relocation payments.

## **Appeals Policy**

Briefly stated, residents will have the right to request administrative review when there is a perceived grievance regarding any of their rights to relocation assistance as to:

1. Eligibility;
2. The amount of payment;
3. The failure to provide comparable replacement housing referrals, if required, or
4. The HOC's property management practices.

Requests for review will be directed to HOC Executive Director, Stacy Spann. A copy of the HOC Grievance Policy is available by request and is included in the Admissions and Continued Occupancy Policy.

## **Eviction Policy**

Though no displacements will be required as a result of the future implementation of the procedures that may result from the Disposition of the Scattered Site properties, eviction and/or termination of assistance is permissible as a last alternative, if needed.

With the exception of persons considered to be in unlawful occupancy, as "displaced persons" eviction does not affect eligibility for relocation assistance.

Any relocation documents will indicate the specific circumstance surrounding an eviction or termination of assistance. Eviction and/or Reasons for Termination by the HOC will be enforced as provided in the Admissions and Continued Occupancy Policy and the current tenant's lease.

## **Projected Dates of Displacement**

The implementation of procedures based upon the Disposition Application and the issuance of vouchers by HUD is anticipated to continue through March 2015.

## **Appendix A – Listing of 669 Public Housing Scattered Site Units**

**Available upon request and with approval**

## Appendix B – Site Map and Aerial Views

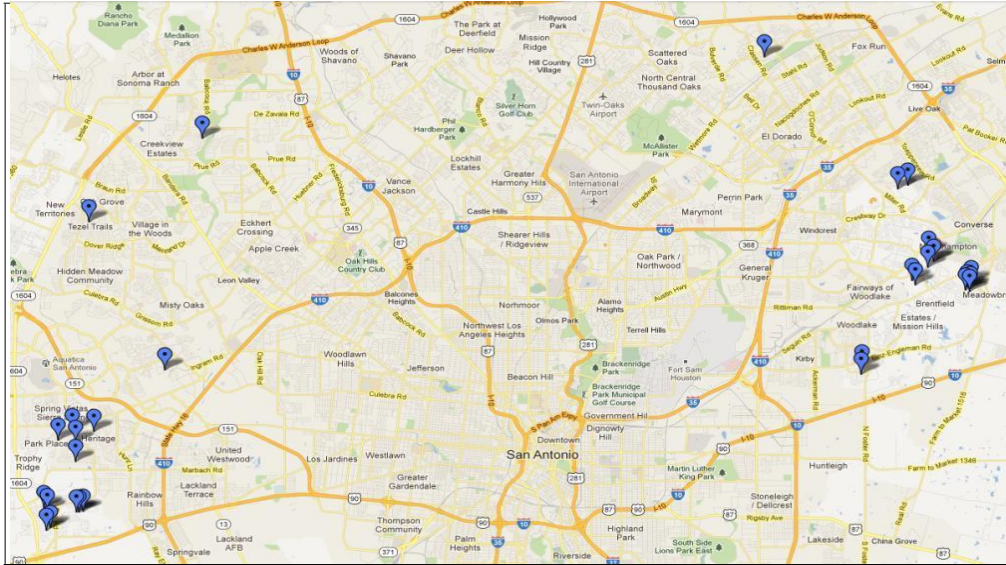


Figure 1: Scattered Site Locations, Map View

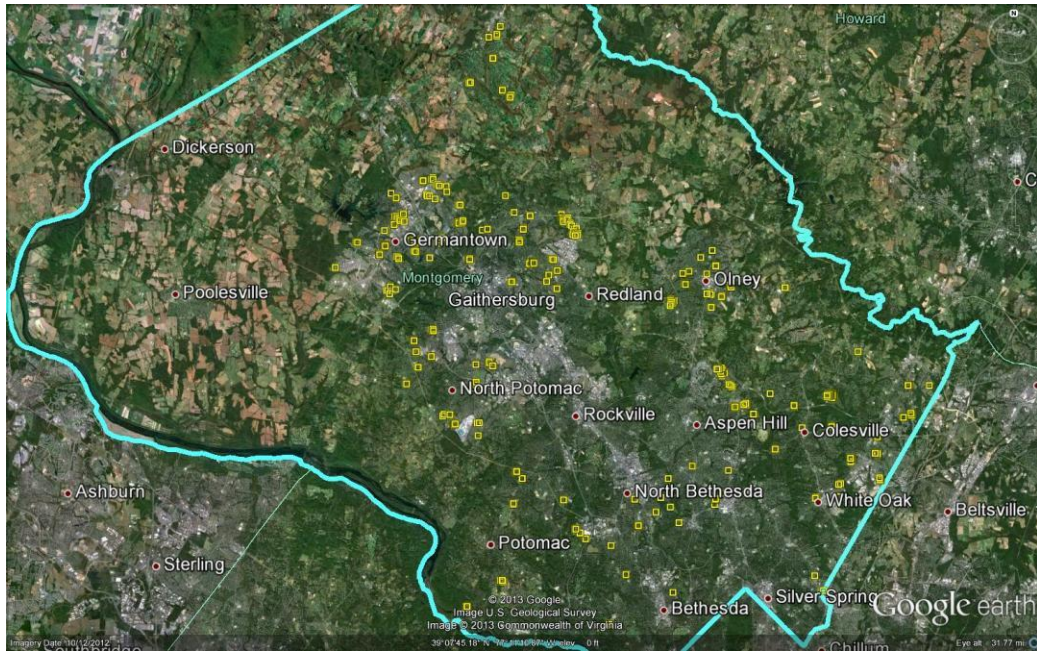


Figure 2: Scattered Site Locations, Aerial View



## **Attachments: Resident Notices**