



An overview of the Housing Opportunities Commission of Montgomery County

Chelsea Andrews
Executive Director

Ken Silverman
Director of Government Affairs

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ABOUT HOC

Public Housing Authority

- Rental assistance programs
- Resident services like financial & credit counseling, Family Self Sufficiency program, Fatherhood Initiative
- Permanent supportive housing for veterans, individuals with disabilities, individuals experiencing homelessness
- Youth and adult workforce and business development services through affiliated non-profit Housing Opportunities Community Partners

Housing Finance Agency

- Governmental, Private Activity, 501(c)3, and Taxable Bonds (Rated A2 by Moody's)
- Multifamily financing: \$560m through 2023
- Single family financing: \$30-40m of low-cost mortgages and \$2.5m in closing cost assistance for moderate-income families annually

HOC

Seven Commissioners
Appointed by County Executive
Confirmed by Council

Owner & Operator

- 8,881 units owned or managed
 - Multifamily: 5,843 units
 - Scattered sites: 1,595 units
 - Senior housing: 1,443 units

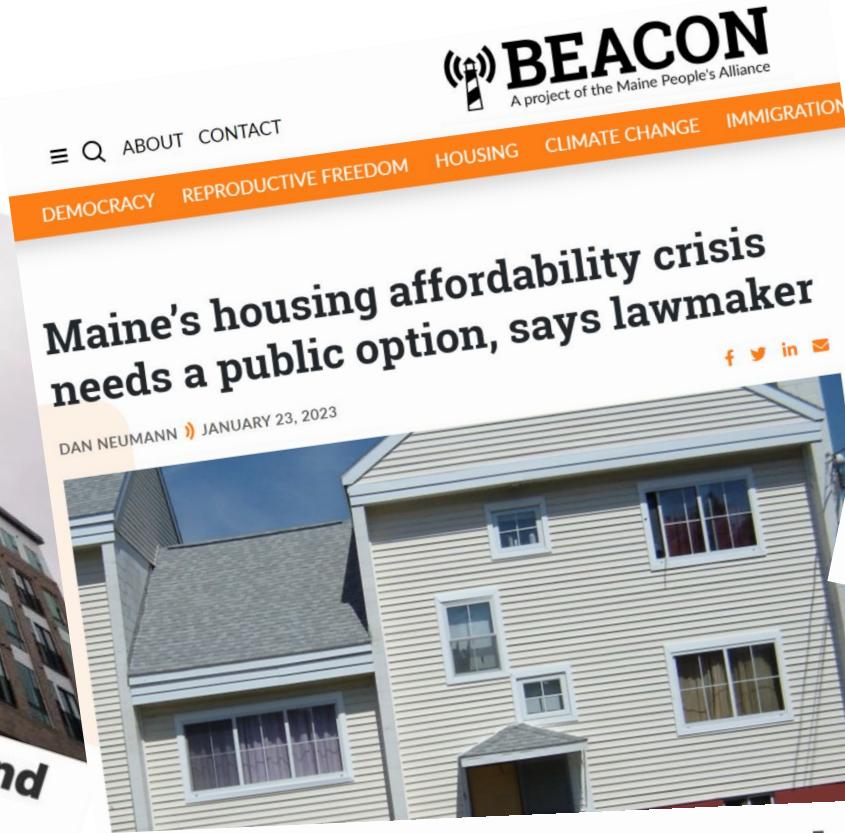
Public Developer

- HOC currently has 13 construction and major renovations in design, predevelopment or under construction
- 3,270 total units, 1,812 affordable
- \$894 million total construction cost

HOC in the News



How RI might learn from a Maryland public housing program

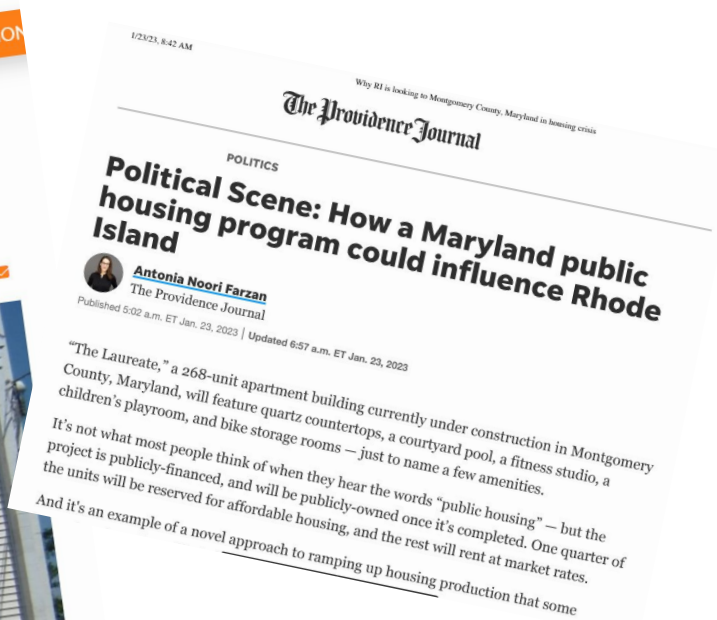


BEACON
A project of the Maine People's Alliance

DEMOCRACY REPRODUCTIVE FREEDOM HOUSING CLIMATE CHANGE IMMIGRATION

Maine's housing affordability crisis needs a public option, says lawmaker

DAN NEUMANN | JANUARY 23, 2023



1/23/23, 8:42 AM

Why RI is looking to Montgomery County, Maryland in housing crisis

The Providence Journal

POLITICS

Political Scene: How a Maryland public housing program could influence Rhode Island

Antonia Noori Farzan
The Providence Journal

Published 5:02 a.m. ET Jan. 23, 2023 | Updated 6:57 a.m. ET Jan. 23, 2023

"The Laureate," a 268-unit apartment building currently under construction in Montgomery County, Maryland, will feature quartz countertops, a courtyard pool, a fitness studio, a children's playroom, and bike storage rooms — just to name a few amenities.

It's not what most people think of when they hear the words "public housing" — but the project is publicly-financed, and will be publicly-owned once it's completed. One quarter of the units will be reserved for affordable housing, and the rest will rent at market rates.

And it's an example of a novel approach to ramping up housing production that some



How state governments are reimagining American public housing

States are remembering that they can own housing, too.
By Rachel M. Cohen | @rmc031 | rachel.cohen@voxmedia.com | Aug 4, 2022, 8:00am EDT

Rental Assistance Programs

HOC currently serves 8,388 households with rental assistance

- 7,702 Housing Choice Vouchers (97% utilization) + 803 incoming clients from other jurisdictions, 110 Mainstream Vouchers and 92 Emergency Housing Vouchers
- 34% of voucher holders are elderly (62+) and 32% are disabled
- Average subsidy is \$1,267; average tenant payment for rent and utilities is \$518

Current waitlist is 36,676 applicants for all programs - 27,519 for vouchers

- Average time to get a voucher is 6.5 years
- Emergency Housing Vouchers serve families who are homeless, at risk of homelessness, fleeing or attempting to flee domestic violence, human trafficking, sexual assault or stalking. These families are referred by DHHS. These vouchers may not be re-issued after September 30, 2023

19% of voucher holders are still rent burdened

- Rent burdened families pay more than 30% of income
- Average rent-burdened voucher-holder pays 46% of their income on rent
- Based on the high-cost of living in Montgomery County, HOC recently obtained HUD approval to increase our Voucher Payment Standard to 112% of the published Fair Market Rents. On average, rents still exceed the voucher payment standards by \$193

HOC Resident Services

HOC Academy & HOC Works

- Services delivered in collaboration with Montgomery College, ACES, A Wider Circle, Per Scholas, Worksource Montgomery and others
- Individual career counseling, job readiness workshops, employment support groups
- Tuition assistance, scholarships, and assistance with financial aid and FAFSA
- Placement and assistance seeking jobs and internships
- ESOL, GED, vocational training, and technology skills and business communication classes
- Professional clothing & transportation assistance
- Youth STEAM and summer employment programs
- Fatherhood Initiative: curriculum includes responsible parenting, healthy relationship education, employment stability and mobility and case management

Family Self Sufficiency Program

- We work with DHHS and other partners to provide Continuum of Care services
- Assistance with transportation, financial, legal, food, furniture & clothing needs
- Childcare and parenting resources
- Health, mental health, substance and domestic abuse services
- Housing stabilization & emergency services
- Homeownership Programs

How we can close the gap

Provide more rental assistance

- Funded by the county, state and federal government- we need all of the above
- Continuing the Emergency Housing Voucher program to assist the most vulnerable families
- Shallow subsidy voucher programs could stretch local and state dollars further and cover families that may not be eligible for federally funded programs

Preserve existing affordable housing

- HOC is eager to work with County, State and nonprofit partners to develop new funding sources to expand our ability to acquire and preserve Naturally Occurring Affordable Housing
- Continued support for acquisition and renovation of scattered site units (often MPDUs)

Produce new housing at all income levels

- Housing Production Fund is a huge success and just getting started
- State bill HB60 (Del. Stewart) would create a Housing Innovation Fund to provide 1:1 matching funds for HPF
- HOC's bond issuances are constrained by a volume cap issued by Maryland DHCD. We currently project a shortfall of \$125 million in bonding capacity in order to maximize our development pipeline and intend to request a special allocation from the State

Housing Production Fund

Overview

\$100 million revolving fund

- Two tranches
 - First \$50 million approved by Council in Spring 2021
 - Second \$50 million tranche approved in Spring 2022
- County pays debt service for 20-year term of the bonds using HIF funds

Low-cost construction financing for new affordable housing

- HPF provides 5-year construction loans
 - During five-year period, project interest is paid to County to help offset cost of bonds.
 - Project interest rate is 5% and generates \$2.5MM annually per \$50MM.
 - After 5 years, completed project repays HPF principal.

Up to 6,000 new housing units over 20 years, 1,800 affordable

- On average, each 5-year rotation of \$100 million will yield about 1,500 units
- 20% of units must be affordable at 50% AMI + 10% of units must be affordable at MPDU level
- Must be owned or controlled by HOC, follow Voluntary Rent Guideline

HB60/SB315- Housing Innovation Fund

HB60 & SB315 would create a statewide Housing Innovation Fund

- Sponsored by Delegate Vaughn Stewart & Senator Jeff Waldstreicher
- Provides funding to Public Housing Authorities for construction of new mixed-income housing
- Requires separate budget appropriation
- Fund would be administered by Maryland Department of Housing and Community Development

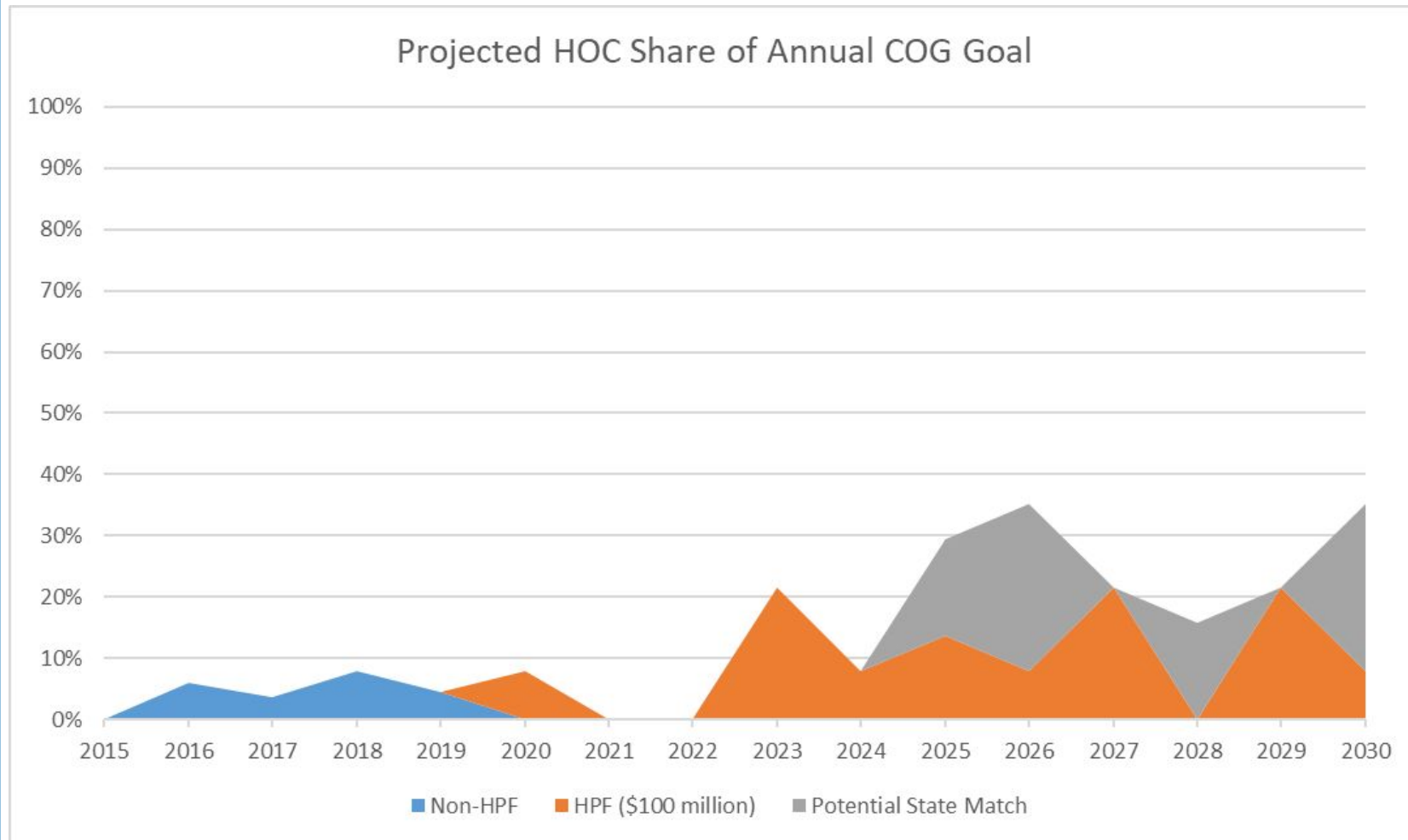
Eligible projects must:

- Be majority owned or controlled by a public entity and remain in public ownership
- Meet minimum affordability thresholds
- Provide a 1:1 local match (HPF would be an eligible source of matching funds)

We are working with sponsors on amendments to:

- Clarify that Public Housing Authorities are directly eligible for funds
- Clarify that eligible projects must be at least 20% affordable at 50% AMI OR 40% affordable at 60% AMI

Contribution to COG Goals



- Based on current and pipeline projects and available funding, HOC is currently projected to produce 11% of the County's COG goal for new housing production between 2020 and 2030 - in some years producing as much 20% of the goal.
- If a 1:1 matching fund were available, HOC could produce almost 20% of the ten-year goal, exceeding 30% of the annual goal in some years.
- HOC's non-HPF activity is now focused on renovating nearly 800 units of existing family and senior affordable housing throughout Montgomery County totaling approximately \$74.5m in hard cost reinvestment.



Selected HOC Real Estate Projects

Selected Projects

Recently Completed



The Fenton (Silver Spring)

This 124-unit mixed-income and mixed-use development was completed in November 2019. Of 124 units, 84 are restricted to residents earning below 60% of AMI and further subsidized with Project Based Rental Assistance. The remaining 40 units are affordable to residents earning below 80% of AMI. It is located in Fenton Village near the Silver Spring Metro, and is home to two new, locally-owned dining options for Silver Spring: The Breakfast Club, an upscale all-day breakfast restaurant, and the Black Lion Cafe, a second location for the Rockville-based coffee roaster and retailer specializing in Ethiopian coffee.



Residences on the Lane (Rockville)

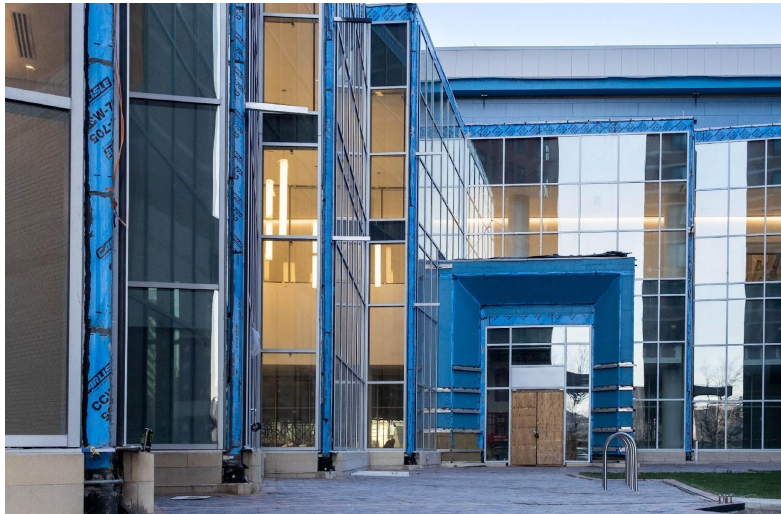
New construction, mixed-use, mixed-income senior rental apartments located in Rockville Town Center. Residences on the Lane (formerly Upton II) includes 150 age-restricted residential units, including 112 replacement homes for HOC's nearby Town Center Apartments. Of the 150 units, 30 are restricted to 40% AMI (22 of which are subsidized with Project Based Rental Assistance), 82 are restricted to 60% AMI, and 23 are restricted to 80% AMI. The building opened for occupancy in December 2021 and is nearly fully occupied.

Selected Projects Under Construction



The Laureate (Shady Grove)

First new development to utilize HOC's Housing Production Fund, the Laureate (formerly Building D of the western half of the County Service Park redevelopment) is a 268-unit, transit-oriented community in Rockville, just steps from the Shady Grove Metro Station. As required by the HPF, 20% of units will be set aside at 50% AMI, and 10% of units will be set aside at MPDU limits. Construction was funded without LIHTC equity or long-term HIF funding. This mixed-use building will house local-serving retail and an HOC Customer Service Center.



Elizabeth Square (Silver Spring)

New construction, mixed-use, mixed-income senior apartments over the future South County Regional Recreation and Aquatics Center ("SCRRAC") located in Silver Spring. The Leggett (formerly Elizabeth House III) includes 267 residential units, with 106 RAD replacement homes for the current Elizabeth House limited to households making 30% of AMI. An additional 14 units are restricted to 60% AMI and 118 units to 80% AMI. Residential units are expected to be completed in September with the SCRRAC following in early 2023.

Selected Projects

Design | Planning



Hillandale Gateway (East County)

A new mixed-use, mixed-income community located on the site of Holly Hall Apartments, a former 96-unit Public Housing community in Silver Spring. Hillandale Gateway will consist of 155 age-restricted residential units, 308 multifamily apartments, retail, and parking. Both buildings will be built to Passive House standards. The senior building will strive to achieve Zero Net Energy through Passive House construction techniques, energy efficient mechanical systems, and the installation of solar panels on the site. HOC anticipates closing on LIHTC and construction financing on or around 3Q FY23.



The Metropolitan Apartments (Bethesda)

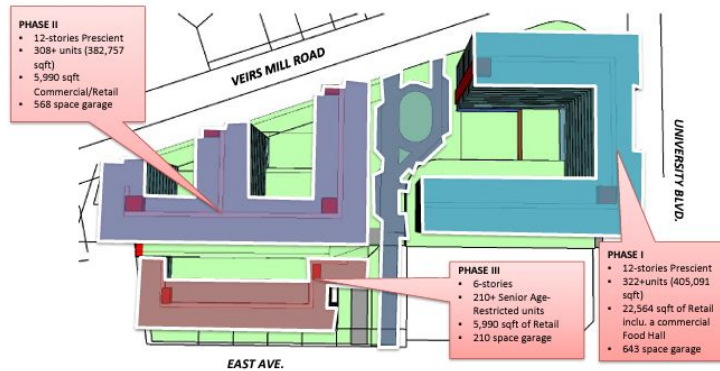
High-rise, 308-unit rental community atop County Garage 49 located in Bethesda, MD. Staff continues to advance the design and planning efforts for the future renovation. The 216 market rate units benefitted from minor renovations between 2012 and 2013 but need more significant renovations to remain market competitive. The 92 affordable units have not had any renovations since construction. Staff is proposing to achieve National Green Building Standard (“NGBS”) Silver certification.

Selected Projects Design | Planning



Heritage Emory Grove (Gaithersburg)

Proposed redevelopment project for mixed-income homeownership, honoring the history of a thriving, self-sufficient community founded by freed African-Americans in 1864. A partnership between Montgomery County, HOC and Emory Grove United Methodist Church, this project contemplates new street grids, pedestrian connectivity, an updated community center, Johnson's Local Park, historical programming, cultural amenities, and community gardening to help re-establish the camaraderie and interconnectedness of the original community with Emory Grove United Methodist Church as its reaffirmed heart.



Wheaton Gateway (Wheaton)

Proposed vibrant new mixed-use residential and retail property on 5+ acres in Wheaton, MD, featuring mixed-income, multifamily housing, and exciting public and commercial spaces at the site of the Lindsay Ford automotive dealership. Wheaton Gateway will include a variety of unit types (i.e. 1-, 2-, and 3-bedroom units) offered at a variety of prices (target of 70% market-rate and 30% MPDUs). Buildings will be designed to meet Passive House standards. HOC intends to explore a variety of potential construction technology systems including mass timber, steel, and concrete.

Selected Projects

Design | Planning



Garnkirk Farms Apartments (Clarksburg)

This 184-unit apartment building will provide affordable rental opportunities as part of the larger Garnkirk Farms community, located near the COMSAT site, Clarksburg Outlets, and central Clarksburg and designed to be LEED Platinum and Net Zero Energy Ready with universal design for accessibility for all residents. Close proximity to the proposed 355 Bus Rapid Transit (“BRT”) Route.



Sandy Spring Missing Middle

Proposed development of 22 missing middle units to the existing Sandy Spring Meadows development in Sandy Spring Village Center. Current proposal includes six duplex units, 12 triplex units, and four carriage houses, along with a 900 square-foot central community space on 3.27 acres. Ten units would be MPDUs all would incorporate green building techniques.

Selected Projects

Design | Planning



Elizabeth House IV (Silver Spring)

This proposed 25-story, 315-unit high-rise multifamily building, will join the soon-to-open senior building The Leggett (formerly Elizabeth House III) and the newly renovated Alexander House to form Elizabeth Square. To complement the Silver Spring Regional Recreation and Aquatics Center, Elizabeth House IV will include a cafe, live/work artist studios, and business center.

Economic Impact of HOC's Real Estate Activities

Economic Impact:

To measure the economic impact on the local economy, HOC uses the IMPLAN economic impact assessment analysis software to generate data for the impact of its real estate activities on the economy.

\$1,833,206,207

Total development spending by HOC and/or by HOC supported developments since 2009 and in the immediate pipeline. This excludes acquisition costs, guarantees and reserves.

\$3.1 billion
Total economic output

This output is equivalent to a 1.7 economic impact multiplier. In other words, for every dollar of real estate development, financing and related activities by HOC and partners, an additional \$0.70 in economic value is created in the County.

\$1.1 billion
In labor income

Of the total \$3.1 billion economic output, \$1.1 billion is spent on labor compensation.

\$51 million
In County tax revenue

19,103
Jobs supported or created

Through these investments, HOC is creating an estimated 10,391 jobs in the County. In addition to this direct employment, the investment is creating an additional 8,711 jobs through indirect (business-to-business transactions indirectly caused by the direct spending) and induced (increased personal income and consumption caused by the direct and indirect effects) economic activities, for a total of 19,103 jobs.