

**UPDATED NOTICE AND EXPANDED AGENDA**

April 7, 2021

**In order to continue to implement recommended social distancing guidelines, HOC will conduct its meetings via an online platform and teleconference call until further notice. .**

Livestream on YouTube: <https://www.youtube.com/watch?v=RruZTv5CFYc>

Emergency Procedures Notice:

<https://hocmc.org/images/files/CommissionAgenda/2021/OpenMeetingEmergencyProceduresNoticeCommissionMeeting04072021.pdf>

3:00 p.m.	<b>Public Hearing</b>	
	<ul style="list-style-type: none"> <li>HOC's Proposed Fiscal Year 2022 Annual Public Housing Agency Plan</li> </ul>	
		Res #
4:00 p.m.	<b>I. <u>INFORMATION EXCHANGE</u></b> A. Community Forum <b>The April 7, 2021 Community Forum will be extended to 45 minutes. Each registered speaker will have a maximum of four (4) minutes to address the Commission.</b> B. Report of the Executive Director C. Commissioner Exchange	
Page 4		
4:45 p.m.	<b>II. <u>APPROVAL OF MINUTES</u></b> A. Approval of Minutes of March 3, 2021 B. Approval of Minutes of March 3, 2021 Closed Session C. Approval of Minutes of March 26, 2021 Special Session	
Page 8		
29		
4:50 p.m.	<b>III. <u>CLOSED AND SPECIAL SESSION RATIFICATION</u></b>	
Page 33	A. Amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to Clarify Certain Provisions of the Indenture	21-35R (pg. 34)
4:55 p.m.	<b>IV. <u>CONSENT</u></b> A. Approval to unseal Resolution 19-13AS <sup>1</sup> and Resolution 19-13AS <sup>2</sup>	21-36 (pg. 38)
Page 37		
5:00 p.m.	<b>V. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u></b>	
Page 41	<b>A. Development and Finance Committee – Com. Simon, Chair</b> 1. <b>Willow Manor Properties:</b> Approval of General Contractor and Approval of Preliminary Development Plan for the Willow Manor Properties	21-38 (pg. 53)
5:10 p.m.	2. <b>Procurement - Financial Advisor Contract:</b> Renewal with Caine Mitter and Associated Incorporate (“CMA”) in Accordance with the Current Contract, Prior Approvals and the Procurement Policy	21-39 (pg. 60)
Page 56		
5:20 p.m.	<b>B. Legislative and Regulatory Committee – Com. Kelleher, Chair</b> 1. <b>Public Housing Agency Plan:</b> Authorization to Submit HOC's Fiscal Year 2022 Annual Public Housing Agency Plan	21-40 (pg. 66)
Page 62		
5:30 p.m.	2. <b>Administrative Plan:</b> Authorization to Process Requests for Tenancy Approvals (RFTA) and Lead-Based Paint Unit Requirements	21-41 (pg. 108)
Page 105		

5:40 p.m.	<b>VI. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u></b>	
Page 123	1. <b>Recommended Budget:</b> Presentation of the Executive Director's FY'22 Recommended Budget	
5:45 p.m.	<b><u>RECESS</u></b>	
5:46 p.m.	<b><u>DEVELOPMENT CORPORATION MEETINGS</u></b>	
5:47 p.m.	<b><u>PADDINGTON SQUARE DEVELOPMENT CORPORATION</u></b>	
Page 142	<b><u>Paddington Square Development Corporation Meeting</u></b> <ul style="list-style-type: none"> <li>Approval of a Refinancing Plan; Authorization to Negotiate and Execute a Permanent Financing Commitment with Love Funding Corporation; Authorization for Corporation to Accept Loan in Accordance with Refinancing Plan</li> </ul>	21-001 <sub>PS</sub> (pg. 153)
5:48 p.m.	<b><u>ADJOURN</u></b>	
5:49 p.m. Page 157	<b><u>Alexander House Development Corporation</u></b> <ul style="list-style-type: none"> <li>Approval of Minutes of March 3, 2021 Meeting</li> </ul>	
5:50 p.m.	<b><u>ADJOURN</u></b>	
5:51 p.m. Page 161	<b><u>Brookside Glen Development Corporation</u></b> <ul style="list-style-type: none"> <li>Approval of Minutes of March 3, 2021 Meeting</li> </ul>	
5:52 p.m.	<b><u>Adjourn</u></b>	
5:53 p.m. Page 165	<b><u>Glenmont Crossing Development Corporation</u></b> <ul style="list-style-type: none"> <li>Approval of Minutes of March 3, 2021</li> </ul>	
5:54 p.m.	<b><u>ADJOURN</u></b>	
5:55 p.m. Page 169	<b><u>Glenmont Westerly Development Corporation</u></b> <ul style="list-style-type: none"> <li>Approval of Minutes of March 3, 2021</li> </ul>	
5:56 p.m.	<b><u>ADJOURN</u></b>	
5:57 p.m. Page 173	<b><u>Wheaton Metro Development Corporation</u></b> <ul style="list-style-type: none"> <li>Approval of Minutes of March 3, 3021</li> </ul>	
5:58 p.m.	<b><u>ADJOURN</u></b>	
5:59 p.m. Page 177	<b><u>Diamond Square Development Corporation</u></b> <ul style="list-style-type: none"> <li>Approval of Minutes of March 3, 2021</li> </ul>	
6:00 p.m.	<b><u>ADJOURN</u></b>	
6:01 p.m.	<b><u>REOPEN HOC MEETING</u></b>	
Page 181	<b><u>CLOSING MEETING STATEMENT</u></b> Written Statement for Closing Meeting	
6:05 p.m.	<b><u>ADJOURN</u></b>	
6:10 p.m.	<b><u>CLOSED SESSION</u></b> <i>A closed session will be called to order pursuant to Section 3-305(b)(3) and 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland</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.

# INFORMATION EXCHANGE



### ***Family Self-Sufficiency Activities (FSS)***

In partnership with HOC, the Emmanuel Brinklow Seventh Day Adventist Church conducted a virtual Financial Literacy workshop for HOC customers on March 16, 2021. Twenty-seven customers/FSS participants attended the session, learning more about creating and following a budget, expense tracking, organizing personal and financial records, and the importance of savings.

The Resident Services Division and FSS also conducted two virtual health and wellness workshops, focusing on having a healthy mindset throughout the pandemic. HOC held workshops on March 9 and March 16, focusing on, "Nurturing a Growth Mindset." Participants completed guided meditation exercises, and discussed themes of self-expression, harnessing optimism, and self-appreciation. Fourteen HOC customers attended the session on March 9, and eleven attended on March 16.

### ***Service Coordination Support and Rental Assistance Continue During COVID-19***

#### ***Service Coordination***

The Service Coordination Unit continued to provide services to customers, via telephone and virtually, throughout March 2021. Resident Counselors provided assistance to HOC customers, including assessments, information, and resource referrals. Resource referrals included assistance for food, Housing Stabilization, and connections to unemployment assistance, TCA, SNAP, MEAP, EARP, and other benefit programs. Resident Counselors also provided briefings on the services that Resident Services offers to customers, and assisted customers in registering to receive the COVID-19 vaccination.

Highlights for Up-County Resident Counselors include the continuation of the "Fundamentals of Housing" workshop series, including workshops covering the fundamentals of housing, resource sharing, financial literacy and energy savings. Other highlights include outreach to customers to assess the need for rental assistance, food assistance, employment and household items; referrals for services/resources; attending/participating in virtual briefings; assisting with the vaccination clinic held at Bauer Park; facilitating afterschool programs for youth; attending tenant association meetings; and providing food assistance to seniors.

Highlights for Down-County Resident Counselors include continuing to work with customers with rent delinquencies; providing customers strategies to reduce outstanding rent balances by encouraging customers to contact Property Management to create repayment agreements; partnering with Up-County Resident Counselors to facilitate the "Fundamentals of Housing" workshop series; attending/participating in briefings; working with family members of seniors to engage senior customers in virtual programming; and assisting with the vaccination clinic held at Arcola Towers.

#### ***Programming***

Resident Services continued to provide food resources and other supports with the help of Manna Food Center, Emmanuel Brinklow Seventh Day Adventist Church, Montgomery County Senior Nutrition Lunch Program, and the Capital Area Food Bank's *Senior Brown Bag* and *My Groceries To-Go* programs. In March 2021, HOC and its partners served approximately 1,000 residents. With the financial assistance of Housing Opportunities Community Partners (HOCP), HOC's Resident Services will host its second food distribution in Spring 2021. Resident Services aims to soon review proposals for partnership in the food distribution event, submitted by Emmanuel Brinklow, Rainbow Family Development Center and Coastal Sunbelt Produce. These organizations



will help HOC provide snack packs to approximately 150 youth and prepared and curated produce boxes for approximately 1,000 families.

Also in March 2021, five (5) older adults were provided with dental services from a collaboration between HOC, Primary Care Coalition (PCC), and Catholic Charities Dental Clinic. This opportunity was afforded by a grant that PCC received in 2019, which served approximately 85 HOC customers. Services provided by the Catholic Charities Dental Clinic, which were interrupted by the pandemic, resumed this month. Customers are so very grateful for this opportunity to receive services that include dentures, crowns, root canals, cleanings, and more, totaling in approximately \$100,000 of services.

Resident Services staff also hosted the monthly *Arts for the Aging (AFTA)* virtual program for our older adults, with 15 HOC customers participating. This month's program held the largest group since launching the virtual program in November 2020. Resident Services is facilitating an ongoing afterschool virtual youth program, which provides a three-day a week, virtual experience for elementary-aged youth, with 12 participants at this time. Activities held through the virtual youth program include practicing mindfulness and meditation, homework assistance, life skills development lessons, Girls' Group, and cultural arts programming.

Finally, Resident Services staff hosted Social Work Interns and Student Nurses from the University of Maryland School System and Howard University this academic year. They are the very first class to complete their field placement virtually. Although there have been many adjustments, students successfully ran small groups and forums to discuss all things pandemic-related and completed virtual and tele-wellness calls and weekly check-ins. They also created resource guides for navigating the pandemic and a COVID-19 Vaccine Fact Sheet for older adults.

#### HOC Academy

The Small Business Strategy Course, hosted by ALSTNTEC, LLC, concluded this month, and staff is gearing up for the second cohort, scheduled to start in July 2021. Six (6) of eight (8) participants successfully completed the course. Unfortunately, two (2) participants were unable to complete the course due to COVID-19. Graduates of the Small Business Strategy Course have up to three (3) months to complete their business plans and participate in one-on-one mentoring. Students will also have a maximum of six (6) months to work with ALSTNTEC, LLC to stand up their business.

HOC staff is currently recruiting for *STEAM Forward's* Saturday Academy, launching in academic year 2021-2022, and the Phase One High School Initiative will kick off this summer. Twenty rising juniors and seniors will work with a number of service providers for college and career preparation. HOC Academy will support these students to ensure they have additional resources and opportunities like SAT/ACT prep courses and financial assistance to take the SAT/ACT test.

#### Financial Literacy

The Financial Literacy Coach continued to work with HOC and Housing Path Waitlist customers to create a financial foundation, holding seven (7) workshops this month. Workshops covered topics including credit repair, budgeting, addressing credit card debt, disputing items on your credit report, and working with creditors. An average of nine (9) customers attended the workshops. Additionally, 14 customers participated in one-on-one financial literacy coaching.

#### Supportive Housing Program

The Supportive Housing Program continued to provide support to program participants. Program staff continued to call customers weekly and deliver gift cards to assist with food and other essentials. Staff are primarily working remotely, coming into the office and visiting clients, as needed. The team continued to enroll new clients in the Program, house new clients, and respond to critical needs for clients as they arose.

### Fatherhood Initiative Program

The Fatherhood Initiative Program continued in the planning phase of the newly awarded grant. During the month of February, staff was notified that HOC was selected for a financial and program review. Fatherhood staff coordinated with staff from other Divisions throughout March to prepare requested information for submission. Additionally, the start date for program activities has been pushed to May 2021 due to a delay in the operation of the federal database system.

### COVID Rental Assistance Program

Resident Services staff continued to work with Compliance, LPA, and Finance to close out the COVID-19 Rental Assistance Program. In March 2021, Resident Services staff worked with the Finance Division to issue the remaining payments under the program and begin the creating the report and invoicing to get reimbursement for program expenditures.

### **HOC Maintenance Efforts**

All COVID-19 protocols remained in effect during the month of March. Fortunately, all previously quarantined maintenance staff returned to work during the month, and our productivity significantly improved as the staff returned. In the month of March, Trades Maintenance Workers completed 1,506 work orders, 105 of which were emergencies. Year to date, they completed 14,351 total work orders, 1,404 of which were emergencies.

In March, the Maintenance Division continued to place major effort to renovate vacant units. This month, twenty-two units were made ready and accepted by Property Management. Many of these units have already been leased. This will be an ongoing effort as the Maintenance Division and the Property Management Division are working hand-in-hand to significantly increase our occupancy throughout our portfolio.

Currently, the Maintenance Division's efforts and attention are focused on transitioning from Winter to Spring. Snow removal equipment is cleaned and stored, and Maintenance will be completing the cleaning of interior and exterior building features through the HOC portfolio.

### **COVID-19 Testing and Vaccination Events for HOC Customers**

Throughout the month of February, HOC staff collaborated with partners throughout the County to provide COVID-19 testing and vaccination events for its customers.

On March 12, 2021, Property Management staff worked with third-party staff and Holy Cross Hospital, to vaccinate 110 customers at Arcola Towers. On March 31, 2021, HOC held its second successful vaccination event, in coordination with Holy Cross, to vaccinate 104 customers at Bauer Park. These two events focused on properties with majority-senior customers, as to fit into the prioritization of Montgomery County's vaccination rollout. There are several vaccination events tentatively scheduled for the upcoming months.

Since early 2021, HOC has also been working with several community partners, including the African American Health Program (AAHP), the National Center for Children and Families (NCCF), FIT Fathers and Montgomery County, to provide COVID-19 testing events for HOC customers, staff and their families. This March, several Divisions at HOC have been collaborating on organizing events and communicating to customers about upcoming testing events. These events will be held on-site, primarily outdoors, and will be conducted through the month of June 2021.

# Minutes

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

March 3, 2021

21-03

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, March 3, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Those in attendance were:

**Present**

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

**Also Attending**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel  
Zachary Marks  
Charnita Jackson  
Lynn Hayes  
Jay Berkowitz  
Victoria Dixon  
Terri Fowler  
Jennifer Arrington  
Nathan Bovelie  
Ian Hawkins  
Karlos Taylor

Kayrine Brown, Deputy Executive Director  
Cornelia Kent  
Fred Swan  
Olutomi Adebo  
Eugenia Pascual  
Millicent Anglin  
Nicolas Deandreis  
Kristyn Greco  
Marcus Ervin  
Jay Shepherd  
Claire Kim  
Nilou Razeghi

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Commission

Chair Priest opened the meeting welcoming all to the monthly meeting. He provided an explanation for not convening Community Forum and Resident Advisory Board (RAB) report due to the lengthy agenda and recommended extending the Community Forum for April's meeting, allowing additional time to those who wish to address the Board. There was a roll call of Commissioners participating.

I. **Information Exchange**  
**Executive Director's Report**

- In addition to his written report, Executive Director Spann presented the Agency's Year-in-Review highlighting the Housing Opportunities Commission's current and future goals. Mr. Spann congratulated and recognized the 2021 Housing Honor Roll Honorees: Bethesda Help, Ruth Manchester, and the African-American Health Program.
- Executive Director Spann opened the floor for questions and addressed Commissioner Croom's question regarding students returning to school. Mr. Spann indicated that there had been a school supply drive during the Fall and supplies may still be available for those in need.
- Commissioners expressed their appreciation of Mr. Spann and the HOC Team for job well done during a difficult time.
- Mr. Spann offered to provide the Commissioners with various construction projects by community breakdown as requested by Commissioner Kelleher.

**Commissioner Exchange**

Chair Priest acknowledged and provided a tribute to Vernon Jordan who passed away on March 1, 2021.

- II. **Approval of Minutes** - The minutes were approved as submitted, acknowledging edits made prior to the meeting, with a motion by Chair Pro Tem Nelson and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwowitz, and Simon.
- A. **Approval of Minutes of February 3, 2021**
  - B. **Approval of Minutes of February 3, 2021 Closed Session**
  - C. **Approval of Minutes of February 19, 2021 Special Session**
  - D. **Approval of Minutes of February 19, 2021 Closed Session**

III. **SPECIAL SESSION RATIFICATION**

A. **Approval to Complete the Acquisition of Real Property Located in Chevy Chase, Maryland**

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwowitz, and Simon.

**RESOLUTION NO.: 21-22R**

**RE: Approval to Complete the Acquisition of  
Real Property Located in Chevy Chase, Maryland**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") is a public body corporate and politic duly organized under Division II of the Housing and

Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition of rental housing properties which provide a public purpose;

**WHEREAS**, at a closed Special Session duly called and held on February 19, 2021, with a quorum participating, the Commission duly adopted Resolution 21-22AS, with Commissioners Priest, Kelleher, Nelson, Merkwitz, and Simon voting in approval, and Commissioners Byrd and Croom being necessarily absent and not participating in the vote;

**WHEREAS**, by adopting resolution 21-22AS, the Commission approved acquiring real property located in Chevy Chase, Maryland by a single-purpose entity that is ultimately owned and controlled by HOC; and

**WHEREAS**, consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 21-22AS and any actions taken since February 19, 2021 to effectuate the actions contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolution 21-22AS and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

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

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

**1. Fiscal Year 2021 (FY'21) Second Quarter Budget to Actual Statements:** Acceptance of the Second Quarter FY'21 Budget to Actual Statements

Cornelia Kent, Chief Financial Officer, and Olutomi Adebo, Assistant Budget Officer, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwitz, and Simon.

**RESOLUTION NO.: 21-23**

**RE: Acceptance of the Second Quarter  
FY'21 Budget to Actual Statements**

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

**WHEREAS**, the Commission reviewed the Second Quarter FY'21 Budget to Actual Statements during its March 3, 2021 meeting.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Second Quarter FY'21 Budget to Actual Statements.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'21 Operating Budget by increasing total revenues and expenses for the Commission from \$280,052,393 to \$285,210,846.

**2. Fiscal Year 2021 (FY'21) Second Quarter Budget Amendment:** Approval of the FY'21 Second Quarter Budget Amendment

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

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

**RESOLUTION NO.: 21-24**

**RE: Approval of FY'21 Second Quarter Budget Amendment**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted a budget for FY'21 on June 3, 2020;

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

**WHEREAS**, the net effect of the FY'21 Second Quarter Budget Amendment is a shortfall of \$818,652 which will increase the anticipated draw from the General Fund Operating Reserve (GFOR) of \$228,791 by \$818,652 to \$1,047,443 in order to maintain a balanced budget;

**WHEREAS**, the total FY'21 Operating Budget increased from \$280,052,393 to \$285,210,846;

**WHEREAS**, approval of the budget amendments to revise the FY'21 budget will reflect an accurate plan for the use of the Commission's resources for the remainder of FY'21.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'21 Operating Budget by increasing total revenues and expenses for the Commission from \$280,052,393 to \$285,210,846.

**3. Uncollectable Tenant Accounts Receivable:** Authorization to Write-off Uncollectable Tenant Accounts Receivable

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

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

**RESOLUTION NO.: 21-25**

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

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

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

**WHEREAS**, the proposed write-off of former tenant accounts receivable balances for the period of October 1, 2020 – December 30, 2020 is \$49,684, consisting of \$45,974 from Opportunity Housing properties, \$640 from Supportive Housing, and \$3,070 from RAD Properties.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all actions necessary and proper to write off \$49,684 in uncollectible accounts receivable related to (i) tenant balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

- 4. Forest Oak Towers – Property Management Contract:** Approval to Renew Property Management Contracts for Forest Oak Towers, Alexander House, Georgian Court, Stewartown Homes, Metropointe, Greenhills Apartments, Westwood Towers Apartments, and Cider Mill Apartments

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

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwowitz, and Simon.

**RESOLUTION NO.: 21-26**

**RE: Approval to Renew Property Management Contracts for Forest Oak Towers, Alexander House, Georgian Court, Stewartown Homes, Metropointe, Greenhills Apartments, Westwood Towers Apartments, and Cider Mill Apartments**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC”) is the general partner of Forest Oak Towers Limited Partnership (“Forest Oak LP”), and Forest Oak LP owns the development known as Forest Oak Towers located in Gaithersburg, Maryland (“Forest Oaks”); and

**WHEREAS**, HOC is the sole member of Alexander House GP LLC, the general partner of Alexander House Apartments Limited Partnership (“Alexander House LP”), and Alexander House LP partly owns the development known as Alexander House located in Silver Spring, Maryland (“Alexander House”); and



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

**WHEREAS**, HOC is the general partner and owner of MV Affordable Housing Associates Limited Partnership (“Stewartown LP”), and Stewartown LP owns the development known as Stewartown Homes located in Gaithersburg, Maryland (“Stewartown”); and

**WHEREAS**, HOC is the general partner of Wheaton Metro Limited Partnership (“Wheaton Metro LP”), and Wheaton Metro LP partly owns the development known as MetroPointe located in Wheaton, Maryland (“Metropointe”); and

**WHEREAS**, HOC is the sole member of Greenhills Apartments GP LLC, the general partner of Greenhills Apartments Limited Partnership (“Greenhills LP”), and Greenhills LP owns the development known as Greenhills Apartments located in Damascus, Maryland (“Greenhills”); and

**WHEREAS**, HOC owns the development known as Westwood Towers located in Bethesda, Maryland (“Westwood Towers”); and

**WHEREAS**, HOC is the sole member of MVG II, LLC, the sole member of MV Gateway LLC (“MV Gateway”), and MV Gateway owns the development known as Cider Mill Apartments located in Gaithersburg, Maryland (“Cider Mill”); and

**WHEREAS**, staff desires to renew the current property management contracts at Forest Oaks for one (1) year with Habitat America, LLC; and

**WHEREAS**, staff desires to renew the current property management contracts at Alexander House, Georgian Court, and Stewartown for one (1) year with Edgewood Management Corporation;

**WHEREAS**, staff desires to renew the current property management contracts at MetroPointe for one (1) year with Bozzuto Management Company; and

**WHEREAS**, staff desires to renew the current property management contracts at Greenhills and Westwood Towers for one (1) year with CAPREIT Residential Management; and

**WHEREAS**, staff desires to renew the current property management contracts at Cider Mill for one (1) year with Grady Management, Inc.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Forest Oak LP, as its general partner, that the Executive Director, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Forest Oaks with Habitat America, LLC.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Alexander House LP, as its general partner, that the Executive Director, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Alexander House with Edgewood Management Corporation.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Georgian Court LP, as its general partner, that the Executive Director, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Georgian Court with Edgewood Management Corporation.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Stewartown LP, as its general partner, that the Executive Director, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract as Stewartown with Edgewood Management Corporation.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Wheaton Metro LP, as its general partner, that the Executive Director, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Metropointe with Bozzuto Management Company.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Greenhills LP, as its general partner, that the Executive Director, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Greenhills with CAPREIT Residential Management.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Westwood Towers with CAPREIT Residential Management.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and as the sole member MVG II, LLC, acting for itself and on behalf of MV Gateway, as its sole member, that the Executive Director, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract at Cider Mill with Grady Management, Inc.

**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 any and all other actions necessary and proper to carry out the transactions contemplated herein.

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

- 1. Jubilee:** Approval to Sell up to Three (3) Units from MPDU I/64 (MPDU 64) for the Renovation and Adaptive Reuse for Operation by Jubilee Association of Maryland, and Approval to Prepay the Existing MPDU I Mortgage using Funds from the PNC Bank, N.A. Line of Credit

Kayrine Brown, Deputy Executive Director, and Jay Shepherd, Senior Financial Analyst, were the presenters.

The following resolutions were adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkwitz, and Simon.

**RESOLUTION: 21-31<sub>A</sub>**

**RE: DHMH Grant: Approval to Sell Three (3) Units from HOC for the Renovation and Adaptive Reuse for Operation by Jubilee Association of Maryland and Approval to Prepay the Existing MPDU I Mortgage Using Funds from the PNC Bank, N.A. Line of Credit**

**WHEREAS**, in December 2013, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) authorized the Executive Director, in partnership with Jubilee Association of Maryland, Inc. (“Jubilee”), to accept a grant award of up to \$835,000 from the Maryland Department of Health and Mental Hygiene (“FY14 DHMH Grant”) to acquire and renovate at least two homes for adults with developmental disabilities, with final obligation of the funds required before June 30, 2021; and

**WHEREAS**, currently, \$768,728 in unspent funds (not including required additional matching funds from the Montgomery County Department of Housing and Community Affairs (“DHCA”)) remain eligible for additional acquisitions and renovation under the FY14 DHMH Grant; and

**WHEREAS**, staff have identified three (3) HOC-owned townhouse units in the Chadburn Place Subdivision (“Chadburn Units”) of Montgomery Village that can be acquired by a to-be created, wholly-owned special purpose entity (“SPE”) and subsequently renovated to suit the needs of low-income, developmentally disabled adults, to be operated by Jubilee; and

**WHEREAS**, for HOC to sell the Chadburn Units to the SPE, all debt and mortgage insurance obligations must be resolved, including prepayment of the outstanding mortgages; and

**WHEREAS**, for the SPE to acquire the Chadburn Units, HOC must secure interim funding until the FY14 DHMH Grant and DHCA required matching funds are received; and

**WHEREAS**, staff proposes a draw on the \$60 million PNC Bank, N.A. Line of Credit (“LOC”) in an amount up to \$1,400,000 to fund repayment of the outstanding mortgages, as well as the costs, permit fees, and construction administration expenses associated with the renovation of the Chadburn Units for use as required by the FY14 DHMH Grant; and

**WHEREAS**, the Commission may make draws on the LOC at a taxable rate equal to London Interbank Offered Rate (“LIBOR”) (at 1-month, 3-month, 6-month, or 12-month LIBOR) plus 90 basis points.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County approves the disposition of the Chadburn Units to the SPE.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves the creation of the SPE and authorizes the SPE to acquire the Chadburn Units.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves repayment of the outstanding mortgages of the Chadburn Units using a draw on the LOC, not to exceed \$1,400,000.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves cancellation of the Maryland Housing Fund Mortgage Insurance related to the Chadburn Units' mortgage repayment and deferment of the outstanding operating deficit funding loan from HOC related to the same; and

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County approves a draw on the LOC to cover the repayment of the outstanding mortgages, and renovation, permit fees, and construction administration expenses related to the renovation of the Chadburn Units for use as required by the FY14 DHMH Grant, which will be repaid from the FY14 DHMH Grant and required matching DHCA funds upon receipt thereof.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

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**RESOLUTION No. 21-31<sub>B</sub>**

**RE: Approval to Draw on the PNC Bank, N.A. Line of Credit to Prepay the MPDU I / 64 and Fund the Renovation and Adaptive Reuse for Operation by Jubilee Association of Maryland**

**WHEREAS**, in December 2013, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission") authorized the Executive Director, in partnership with Jubilee Association of Maryland, Inc. ("Jubilee"), to accept a grant award of up to \$835,000 from the Maryland Department of Health and Mental Hygiene ("FY14 DHMH Grant") to acquire and renovate at least two homes for adults with developmental disabilities, with final obligation of the funds required before June 30, 2021; and

**WHEREAS**, currently, \$768,728 in unspent funds (not including additional matching funds from the Montgomery County Department of Housing and Community Affairs ("DHCA") remain eligible for additional acquisitions and renovation under the FY14 DHMH Grant; and

**WHEREAS**, staff have identified three (3) HOC-owned townhouse units in the Chadburn Place Subdivision ("Chadburn Units") of Montgomery Village that can be acquired by a to-be created wholly-owned special purpose entity ("SPE") and subsequently renovated to suit the needs of at least three low-income, developmentally disabled adults, to be operated by Jubilee; and

**WHEREAS**, in order for HOC to sell the Chadburn Units to the SPE, all debt and insurance obligations must be resolved, including prepayment of the outstanding mortgages; and

**WHEREAS**, in order for the SPE to acquire the Chadburn Units, HOC must secure interim funding until the FY14 DHMH Grant and DHCA funds (required matching funds) are received; and

**WHEREAS**, staff proposes a draw on the \$60 million PNC Bank, N.A. Line of Credit ("LOC") in an amount up to \$1,400,000 to fund repayment of the outstanding mortgages, as well as the costs related to the renovation, permit fees, and construction administration expenses associated with the development plan for the Chadburn Units; and

**WHEREAS**, the Commission may make draws on the LOC at a taxable rate equal to London Interbank Offered Rate (“LIBOR”) (at 1-month, 3-month, 6-month, or 12-month LIBOR) plus 90 basis points.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes a draw in the amount of \$1,400,000 at a rate of one-month LIBOR plus 90 basis points on the LOC to fund repayment of the outstanding mortgages, as well as the costs related to the renovation, permit fees, and construction administration expenses associated with the development plan for the Chadburn Units, and that this draw shall have a due date that coterminous with the termination date of the LOC, which is currently June 30, 2022.

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

2. **Stewartown Homes:** Authorization to Select CREA, LLC as Tax Credit Investor and Authorization for the Executive Director to Negotiate and Execute an Operating Agreement

Gio Kavaladze, Senior Financial Analyst, was the presenter.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

**RESOLUTION NO.: 21-32**

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

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

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

**WHEREAS**, on December 9, 2020, HOC approved the Final Development Plan for the rehabilitation of the Property, which includes the delivery of 94 townhome units and the restriction of 100% of the units to those earning at or below an income averaged 60% of the area median income; and

**WHEREAS**, HOC formed and is currently the ultimate sole member of HOC at Stewartown Homes, LLC (“Stewartown LLC”), which will be the future owner entity of the Property. On December 9, 2020, the Commission ratified the formation of Stewartown LLC; and

**WHEREAS**, HOC formed and is currently the sole member of HOC MM Stewartown Homes, LLC, (“Stewartown MM LLC”), which is the current sole member and planned managing member of Stewartown LLC. On December 9, 2020, the Commission ratified the formation of Stewartown MM LLC; and

**WHEREAS**, on April 1, 2020, the Commission approved the selection of Boston Capital as the tax credit equity syndicator for the project; and

**WHEREAS**, during the underwriting process, the tax credit investor sourced by Boston Capital imposed maximum senior debt restriction on the transaction, which would prevent HOC from taking full advantage of the current favorable low interest rate underwriting environment; and

**WHEREAS**, to obtain best possible terms for HOC and for the transaction, staff solicited additional proposals from tax credit equity syndicators and received Letters of Interest from R4 Capital and CREA LLC; and

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

**WHEREAS**, if the Commission approves the selection of CREA LLC as the new LIHTC syndicator for the transaction, HOC intends to negotiate an Operating Agreement with a tax credit investor affiliate of CREA LLC (the “Investor”) for the admission of the Investor as a non-managing investor member of Stewartown LLC with a 99.99% interest; and

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

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County acting on behalf of itself and on behalf of Stewartown MM LLC, as its sole member, acting on behalf of itself and on behalf of Stewartown LLC, as its managing member, that it approves (1) the negotiation and execution of a Operating Agreement with the Investor for Stewartown LLC, (2) the admission of the Investor as a non-managing member of Stewartown LLC with a 99.99% interest, and (3) the execution of related documents, including without limitation tax credit recapture and other guarantees by Stewartown MM LLC and/or the Housing Opportunities Commission of Montgomery County as may be required by the Investor.

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

**3. Stewartown Homes:** Amendment of the Financing Plan and Bond Authorizing Resolution for Stewartown Homes

Victoria Dixon, Senior Multifamily Underwriter, was the presenter.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

**RESOLUTION NO.: 21-33<sub>A</sub>**

**RE: Stewartown Homes: Amendment of the Financing**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and, as further provided in that certain Memorandum of Understanding by and between the Commission and Montgomery County, Maryland, dated June 29, 2018, the Commission is authorized to issue its notes and bonds from time to time to fulfill its corporate purposes, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing of multifamily rental housing properties which provide a public purpose; and

**WHEREAS**, Stewartown Homes (the “Property” or “Stewartown”) is an existing 94-unit income-restricted residential community located at 9310 Merust Lane, Gaithersburg, Maryland owned by MV Affordable Housing Associates Limited Partnership (“Seller”); and

**WHEREAS**, the Property will be acquired by in a single purpose entity known as HOC at Stewartown Homes, LLC (“Borrower”), which will be controlled by HOC MM Stewartown Homes, LLC (“Managing Member”) an entity controlled by HOC; and

**WHEREAS**, on January 13, 2021, the Commission approved a financing plan totaling an estimated \$38.1 million for the issuance of and the Borrower to accept the following contemplated sources: (a) a tax-exempt construction to permanent, FHA Risk Share backed mortgage loan for the acquisition and renovation of the Property in an amount up to \$16 million (“Mortgage Loan” or “Permanent Loan”), funded by the issuance of short-term and long-term tax-exempt bonds; (b) Low Income Housing Tax Credit (“LIHTC”) equity of approximately \$10,065,353 at \$0.89 per tax credit; (c) a subordinate County Loan in the amount of \$2.1 million; (d) a subordinate Seller’s note to the Borrower in the amount of up to \$12 million (the “Seller’s Loan”), and (e) a bond authorizing resolution for the associated bonds in an amount up to \$16,000,000 (together, the “Financing Plan”); and

**WHEREAS**, on March 3, 2021, the Commission approved an amended development plan with selection of a new LIHTC investor, CREA, LLC (“CREA”) for the transaction at \$0.92 per credit with no Mortgage Loan limit; and

**WHEREAS**, due to incorporation of the new LIHTC investor, revised scheduled availability of sources, and revised interest rate assumptions, amendment of the Financing Plan is proposed, as the transaction is now projected to (a) support a larger Mortgage Loan amount funded from long-term bond proceeds which will reduce the amount of short-term bonds and the Seller’s Loan for the transaction, (b) require funding of a bond debt reserve equal to six (6) months for approximately \$320,000, and (c) require up to \$4,600,000 of bridge financing during renovation and lease-up funded by way of draws on the Commission’s PNC Bank, N.A. Real Estate Line of Credit (“RELOC”) until repaid from receipt of LIHTC equity installments (“Bridge Note”)(together, the “Amended Financing Plan”); and



**WHEREAS**, in order to fund the increased Mortgage Loan and bond debt reserve, the Property is projected to require an additional allocation of a portion of the Commission's tax-exempt volume cap of \$500,000 to a revised total of \$16,500,000 to complete the transaction; and

**WHEREAS**, a review of the transaction has been completed and it has been determined that given the financial commitments to the Property and its operating projections, this transaction is believed to be feasible, and that by providing 94 units at or below 60% of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area Median Income ("AMI"), the Property will provide significant public purpose supporting an increased allocation of tax-exempt volume cap.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the selection of CREA as the new LIHTC investor and the Amended Financing Plan, are approved and staff is hereby authorized to proceed with the review and processing of the necessary financing applications and other documentation.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the allocation of tax-exempt volume cap in a revised amount not to exceed \$16,500,000 for the issuance of short and long-term bonds to finance the transaction and for the Commission, as conduit lender, to use those bond proceeds to make a tax-exempt Mortgage Loan to Borrower with a maximum term of up to 42 years to fund development of the Property, which will be subject to conversion to a Permanent Loan phase.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the issuance of a commitment for the Mortgage Loan in an amount up to \$16,500,000, which will be credit enhanced by FHA Risk Share Mortgage Insurance, pursuant to the Risk Sharing Agreement between the Commission and the U.S. Department of Housing and Urban Development ("HUD"), of which the Commission shall assume 25% of the risk while HUD shall assume 75% for the transaction.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the issuance of a Bridge Note in an amount of up to \$4,600,000 to the Borrower, funded by way of short-term, taxable draws on the RELOC which shall be drawn as needed to bridge the receipt of LIHTC equity and shall be outstanding for no more than 30 months from the closing date.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the Managing Member, acting for itself and on behalf of Borrower accepts the Mortgage Loan, Permanent Loan, and Bridge Note for the financing closing, which may occur separate and apart from the LIHTC equity closing.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the Managing Member, acting for itself and on behalf of Borrower, that the Executive Director, or a duly appointed designee of the Executive Director of HOC, is hereby authorized, without any further action on their respective parts, to execute such other documents, including without limitation guarantees from HOC required by Borrower's lenders, and to take any and all other actions, in each case as necessary and proper, in the Executive Director's judgment, to carry out the Financing Plan and the transaction and actions contemplated herein.



**RESOLUTION NO.: 21-33<sub>B</sub>**

**RE: Approval to Draw from the PNC Bank, N.A. Real Estate Line of Credit to Fund a Bridge Loan for Stewartown Homes in Accordance with the Amended Financing Plan**

**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 financing for the acquisition and renovation of rental housing properties which provide a public purpose; and

**WHEREAS**, Stewartown Homes is an existing 94-unit income-restricted residential community located at 9310 Merust Lane, Gaithersburg, Maryland (the “Property” or “Stewartown”), and currently owned by MV Affordable Housing Associates Limited Partnership (“Seller”); and

**WHEREAS**, the Property will be acquired and operated by a single purpose entity known as HOC at Stewartown Homes, LLC (“Borrower”), which will be controlled by HOC MM Stewartown Homes, LLC (“Managing Member”) an entity controlled by HOC; and

**WHEREAS**, the Property will serve families with household incomes at or below 60% of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area Median Income in keeping with implementation of the Low Income Housing Tax Credit (“LIHTC”) program set-asides for tax-exempt financing (“LIHTC Units”), including 19 units with Project Based Vouchers (“PBV”) and up to 15 units with Low Vacancy Vouchers (“LVV”); and

**WHEREAS**, on January 13, 2021 and as amended March 3, 2021, the Commission approved the final development plan with selection of CREA, LLC (“CREA”) as the LIHTC investor and authorized the Executive Director to negotiate and execute a Limited Partnership Agreement to modify the ownership structure and admit CREA as a non-managing member of the Borrower, with HOC remaining in control of the Borrower as the managing member of the Managing Member entity; and

**WHEREAS**, on January 13, 2021 and as amended March 3, 2021, staff proposed a Financing Plan totaling approximately \$34.7 million, which includes approximately \$27.4 million of acquisition and renovation costs; and

**WHEREAS**, HOC is pursuing a 4% LIHTC allocation for the Property, which will generate approximately \$10.3 million in LIHTC equity to be contributed according to an agreed upon pay-in schedule (“LIHTC Equity”); and

**WHEREAS**, due to the revisions to the scheduled availability of sources for the transaction, bridge financing of up to \$4,600,000 is projected to be required until repaid from receipt of LIHTC equity installments; and

**WHEREAS**, the Commission wishes to make taxable draws on the RELOC to complete the capital stack needed to close on the acquisition and renovation financing for Property until receipt of LIHTC Equity proceeds and permanent financing; and

**WHEREAS**, the Commission may make draws on the RELOC at either a taxable rate equal to an interest rate at an optional London Interbank Offered Rate (“LIBOR”) (1-month, 3-month, 6-month, or 12-month) plus 58 basis points, or a tax-exempt rate of 68.5% of LIBOR plus 38 basis points; and

**WHEREAS**, the RELOC is scheduled to mature September 30, 2021 unless extended or refinanced.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes taxable draws on the RELOC totaling up to \$4,600,000 which shall be drawn for acquisition and renovation costs as needed to bridge the receipt of LIHTC Equity proceeds for financing of the Property.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the Managing Member, acting for itself and on behalf of the Borrower, that HOC authorizes the funds (totaling up to \$4,600,000) be loaned to the Borrower with interest to accrue and be paid at a rate sufficient to pay the interest cost of the RELOC, herein estimated to be 2% annually and shall remain outstanding for a term of up to 30 months from closing and repaid from proceeds of LIHTC Equity and permanent financing.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the Managing Member, acting for itself and on behalf of the Borrower, that it authorizes the Executive Director of HOC, or his duly appointed designee, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

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**RESOLUTION NO.: 2021-33C**

**Re: Adoption of an Authorizing Resolution for the Issuance of 2021 Series B Multifamily Housing Development Bonds for the Financing of the Acquisition and Rehabilitation of the Stewartown Homes Development**

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY AMENDING, RESTATING AND SUPERSEDING, IN ITS ENTIRETY, RESOLUTION 2021-11B ADOPTED BY THE COMMISSION ON JANUARY 13, 2021; AUTHORIZING THE ISSUANCE AND SALE OF A SERIES OF THE COMMISSION’S MULTIFAMILY HOUSING DEVELOPMENT BONDS 2021 SERIES B (THE “2021 B BONDS”), IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,500,000 FOR THE PURPOSE OF FINANCING A MORTGAGE LOAN TO BE INSURED UNDER THE FHA RISK-SHARING PROGRAM FOR THE ACQUISITION, REHABILITATION AND EQUIPPING OF STEWARTOWN HOMES, A MULTIFAMILY RESIDENTIAL RENTAL PROJECT FOR OCCUPANCY BY PERSONS OF ELIGIBLE INCOME TO BE OWNED BY HOC AT STEWARTOWN HOMES, LLC; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES INDENTURE, CERTAIN TAX DOCUMENTS, A DISCLOSURE AGREEMENT AND ANY AND ALL RELATED DOCUMENTS; APPROVING THE PREPARATION, EXECUTION AND DISTRIBUTION OF PRELIMINARY AND FINAL OFFERING DOCUMENTS RELATING TO THE FINANCING; AUTHORIZING THE EXECUTION OF ANY OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE 2021 B BONDS AND THE ACCOMPLISHMENT OF THE FINANCING PLAN DESCRIBED HEREIN; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO PROCEED WITH THE SALE OF THE 2021 B BONDS TO BOFA SECURITIES, INC. AND PNC CAPITAL MARKETS LLC, AS CO-SENIOR MANAGERS, AND TO EXECUTE AND DELIVER A CONTRACT OF PURCHASE IN CONNECTION WITH SUCH SALE; AUTHORIZING THE EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO ESTABLISH THE TERMS RELATING TO THE 2021 B BONDS

AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2021 B BONDS; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law (the "Act"), and authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes; and

**WHEREAS**, the Act declares that there exists within Montgomery County (the "County") a critical shortage of decent, safe and sanitary dwelling accommodations available to rent which "persons of eligible income" (within the meaning of the Act) can afford; and

**WHEREAS**, the Act empowers the Commission to make mortgage loans to qualified sponsors to provide for the construction, rehabilitation and financing of multifamily residential housing units in the County for occupancy by persons of eligible income and to perform any other duties that the Commission considers necessary in carrying out the purposes of the Act; and

**WHEREAS**, the Commission, in furtherance of the purposes of the Act, has established a program (the "Program") to provide for the financing of mortgage loans through the issuance of its multifamily housing bonds; and

**WHEREAS**, pursuant to the Act and the Program, the Commission entered into the Trust Indenture, dated as of November 1, 1996, as supplemented and amended (the "Trust Indenture"), by and between the Commission and U.S. Bank National Association, as successor trustee, providing for the issuance of bonds (the "Bonds") from time to time in accordance with the provisions thereof and of any series indenture specifically relating to any such series of Bonds issued thereunder; and

**WHEREAS**, the proceeds received from the issuance and sale of Bonds under the Trust Indenture are used to make, purchase or finance mortgage loans (each, a "Mortgage Loan," and collectively, the "Mortgage Loans") or finance Mortgage Loans through the purchase of guaranteed mortgage securities; and

**WHEREAS**, the pledges and assignments made pursuant to the Trust Indenture and the provisions, covenants and agreements therein set forth to be performed by or on behalf of the Commission are for the equal benefit, protection and security of the owners of any and all of the Bonds, each of which, regardless of the time of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Trust Indenture; and

**WHEREAS**, the Commission has determined to issue its tax-exempt Multifamily Housing Development Bonds, 2021 Series B (the "2021 B Bonds") pursuant to the Trust Indenture and the Series Indenture Providing for the Issuance of Multifamily Housing Development Bonds, 2021 Series B (the "2021 B Series Indenture"), (i) to make moneys available for the acquisition, rehabilitation and equipping of Stewartown Homes (the "Development"), to be owned and operated by HOC at Stewartown Homes, LLC (the "Borrower"), the managing member of which is controlled by the Commission, (ii) if necessary, to make a deposit to the Reserve Fund pursuant to the Trust Indenture and the 2021 B Series Indenture, and (iii) to fund the costs of issuance of the 2021 B Bonds in the amount set forth in the 2021 B Series Indenture and the Tax Documents (as defined herein), all in accordance with the financing plans approved by the Commission in connection with the Development on January 13, 2021 and amended on March 3, 2021 (together, the "Financing Plan"); and

**WHEREAS**, in connection with the issuance of the 2021 B Bonds and the accomplishment of the Financing Plan, the Commission anticipates entering into various documents, including, but not limited to, the Series Indenture and, as hereinafter defined, the Offering Documents, the Contract of Purchase, the Tax Documents, the Disclosure Agreement and certain other documents relating to the sale of the 2021 B Bonds, and the financing of the Development; and

**WHEREAS**, on January 13, 2021, the Commission adopted Resolution 2021-11B which approved the issuance of bonds to finance the Development but assigned an existing series designation to said bonds, and the Commission desires to amend and restate, in its entirety, Resolution 2021-11B to establish "2021 Series B" as the series designation for the 2021 B Bonds;

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

**1. Amendment and Restatement.** This Resolution amends, restates and supersedes, in its entirety, Resolution 2021-11B adopted by the Commission on January 13, 2021. All references made to Resolution 2021-11B in the official records of the Commission shall be deemed to refer to this Resolution.

**2. 2021 B Bonds.** The 2021 B Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$16,500,000 to carry out the purposes under the Program as described above. The 2021 B Bonds shall be designed as set forth in the recitals hereto, or such additional series or subseries designations as approved by the Executive Director, in consultation with the Financial Advisor and Bond Counsel to the Commission. The 2021 B Bonds are to be issued pursuant to the terms of the Trust Indenture and the Series Indenture and shall be limited obligations of the Commission, secured by and payable solely from moneys and other assets pledged therefor under the Indenture and the Series Indenture, including, without limitation, the 2021 B Mortgage Lo

**3. Approval of Financing Plan.** The Commission hereby approves the Financing Plan as described above pursuant to the terms and conditions to be set forth in the documents approved hereby.

**4. Series Indentures.** The Chairman, the Vice Chairman, or the Chairman Pro Tem, and the Executive Director of the Commission or any authorized designee of the Executive Director are hereby authorized and directed to execute and deliver the Series Indenture in such form or forms as shall be approved by such officers, the execution of such Series Indenture being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission (an "Authorized Officer"), is hereby authorized and directed to affix the seal of the Commission to the Series Indenture and to attest the same.

**5. Tax Documents.** The Chairman, the Vice Chairman, the Chair Pro-tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver a Tax Regulatory Agreement and No Arbitrage Certificate and other documents (collectively, the "Tax Documents") restricting the application of the proceeds of the 2021 B Bonds and the use and occupancy of the Development in such forms as shall be prepared by Bond Counsel and approved by the Chairman, the Vice

Chairman, the Chairman Pro Tem or the Executive Director, the execution of the Tax Documents being conclusive evidence of such approval and of the approval of the Commission. The Chairman, the Vice Chairman, the Chair Pro Tem or the Executive Director of the Commission is hereby further authorized and directed to execute and deliver on behalf of the Commission Internal Revenue Service Form 8038 relating to the 2021 B Bonds as prepared by Bond Counsel.

**6. Disclosure Agreement.** The Commission hereby authorizes and approves the execution and delivery of a continuing disclosure agreement (the “Disclosure Agreement”) related to the 2021 B Bonds, in such form as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Disclosure Agreement constituting conclusive evidence of such officer’s approval of the Disclosure Agreement and the approval of the Commission.

**7. 2021 B Mortgage Loan; Real Estate Documents.** The Commission hereby authorizes and approves the financing of the 2021 B Mortgage Loan with the proceeds of the 2021 B Bonds which will be endorsed for federal insurance under the Risk-Sharing Agreement, pursuant to which the Commission will reimburse HUD for its losses under the 2021 B Mortgage Loan in an amount not greater than 25% of the outstanding principal balance of the 2021 B Mortgage Loan. The Commission hereby further authorizes and approves the preparation, execution and delivery of any and all real estate documents (the “Real Estate Documents”) relating to the acquisition and rehabilitation of the Development, in its capacity as issuer of the 2021 B Bonds and in its capacity as the owner of a membership interest in the managing member of the Borrower.

**8. Offering Documents.** The Commission hereby authorizes and approves the preparation and distribution of a preliminary offering document of the Commission and the preparation, execution and distribution of a final offering document (collectively, the “Offering Documents”), each relating to the 2021 B Bonds, in such forms as may be approved by the Chairman, the Vice Chairman or the Chairman Pro Tem and the Executive Director of the Commission, their execution and delivery of the Offering Documents constituting conclusive evidence of such officer’s approval of the Offering Documents and the approval of the Commission.

**9. Sale of 2021 B Bonds.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to proceed with the sale of the 2021 B Bonds to BofA Securities, Inc. and PNC Capital Markets LLC or such other underwriter or to any other entity as shall be in the best interest of the Commission as determined by the Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission.

**10. Contract of Purchase.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is authorized to execute a contract of purchase and/or any other form of purchase agreement (the “Contract of Purchase”) in connection with the Issuance, purchase and sale of the 2021 B Bonds.

**11. Terms; Ongoing Determinations.** The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners to establish the dates, maturities, interest payment dates, denomination, terms of redemption, registration privileges, security and other terms, and to approve the interest rates on the 2021 B Bonds, all of the foregoing to be specified in the Series Indenture. The Executive Director or other Authorized Representative of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners, to perform any act, to execute any documents, and is hereby authorized, from time to time during the period the 2021 B Bonds are outstanding, to make ongoing determinations, as may be required by the terms of the Series Indenture and any other documents relating to the 2021 B Bonds and the 2021 B Mortgage Loan, including, but not limited to, the giving and withholding of consents, the selection of certain providers, the determination to permit the prepayment of the 2021 B Mortgage Loan and the refunding and redemption of the 2021 B Bonds and/or other Bonds, and the Executive Director or other Authorized Representative of the Commission, as the case may be, is further authorized to execute any and all documents evidencing such determination as may be deemed necessary and proper.

**12. Other Action.** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Representative of the Commission is hereby authorized and directed to execute and deliver any and all additional documents and instruments necessary or proper to be executed and delivered and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution relating to the 2021 B Bonds and the accomplishment of the Financing Plan.

**13. Appointment of Financial Advisor and Bond Counsel.** Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2021 B Bonds.

**14. No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the 2021 B Bonds, the Series Indenture, the Contract of Purchase, the Tax Documents, the Offering Documents, the Disclosure Agreement, the Real Estate Documents, or in any other agreement or document executed on behalf of the Commission shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Commission in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the 2021 B Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

**15. Action Approved and Confirm.** All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the 2021 B Bonds and the accomplishment of the Financing Plan are hereby approved, and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.



**16. Severability.** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision hereof or cause any other provision hereof to be invalid, inoperative or unenforceable to any extent whatsoever.

**17. Effective Date.** This Resolution shall take effect immediately.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. The motion was seconded by Commissioner Simon and Commissioners Croom, Kelleher, Nelson, Byrd, Merkowitz, and Simon voted unanimously in approval.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 5:35 p.m. and reconvened in closed session at approximately 5:49 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County's closed session held on March 3, 2021 at approximately 5:49 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(3) and 3-305(b)(13) to discuss three topics: (1) the acquisition of real property located in Clarksburg, Maryland via a ground lease (pursuant to Section 3-305(b)(3)); (2) the confidential commercial and financial terms of real property acquisitions located in Clarksburg and Silver Spring, Maryland (pursuant to Section 3-305(b)(13)); and (3) confidential commercial and financial information related to selecting PNC Bank, N.A. for banking services (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated March 3, 2021 was adopted on a motion made by Commissioner Simon, seconded by Commissioner Croom, with Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, Byrd, and Simon unanimously voting in approval. The following persons were present during the closed session: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowitz, Jackie Simon, Stacy Spann, Kayrine Brown, Aisha Memon, Zachary Marks, Cornelia Kent, Charnita Jackson, Eamon Lorincz, Kathryn Hollister, Claire Kim, Eugenia Pascual, Leidi Reyes, Marcus Ervin, Kristyn Greco, Erik Smith, Ian-Terrell Hawkins, and Patrice Birdsong. Please note that Commissioner Roy Priest left the meeting early and did not participate in some of the votes.

In closed session, the Commission discussed the below topics and took the following actions:

1. **Topic:** the acquisition of real property located in Clarksburg, Maryland via a ground lease (pursuant to Section 3-305(b)(3)), and the confidential commercial and financial terms of such acquisition (pursuant to Section 3-305(b)(13)).
  - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon authorized the Executive Director to execute a non-binding letter of intent to acquire the property via a ground lease.
2. **Topic:** the confidential commercial and financial terms of a real property acquisition located in Silver Spring, Maryland via a ground lease (pursuant to Section 3-305(b)(13)).

- a. **Actions Taken:** With a quorum present, Commissioners Kelleher, Nelson, Byrd, Simon, Croom, and Merkowitz authorized the Executive Director to execute a non-binding letter of intent to acquire the property via a ground lease.
3. **Topic:** the confidential commercial and financial terms related to selecting PNC Bank, N.A. for banking services (pursuant to Section 3-305(b)(13)).
    - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Simon, and Merkowitz approved Resolution No. 21-34AS, which authorized the selection of PNC Bank N.A. for banking services.

The closed session was adjourned at 6:53 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb



**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Special Session Minutes**

**March 26, 2021**

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Friday, March 26 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 12:03 p.m. Those in attendance were:

**Via Online/Teleconference**

Frances Kelleher, Vice Chair  
Richard Y. Nelson, Chair Pro Tem  
Jeffrey Merkowitz  
Jackie Simon

**Absent**

Roy Priest, Chair  
Pamela Byrd  
Linda Croom

**Also Attending via Online/Teleconference**

Stacy Spann, Executive Director  
Aisha Memon, General Counsel  
Eamon Lorincz, Deputy General Counsel  
Cornelia Kent  
Fred Swan  
Darcel Cox

Kayrine Brown, Deputy Executive Director  
Zachary Marks  
Jennifer Arrington  
Nathan Bovelie  
Marcus Ervin  
Nicolas Deandreis

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Commission

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

- A. Amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to Clarify Certain Provisions of the Indenture

Kayrine Brown, Deputy Executive Director, and Jennifer Arrington, Acting Director of Mortgage Finance, were the presenters. Ms. Brown thanked the Commissioners for convening and explained the need for the action being presented. Ms. Arrington explained that HOC adopted Resolution 20-87B, authorizing the issuance of 2021 Series A Multifamily Housing Development Bonds for the purpose of

refunding PNC Bank, N.A. tax-exempt loan for the acquisition and development of Westside Shady Grove Apartments (WSSG). At the request of U.S. Bank National Association, staff along with Barclay Damon, LLP and Caine Mitter and Associates, Inc., recommends clarifying the Series Indenture in which bond interest is calculated and paid to bondholders, and notice of mandatory redemption is given to bondholder.

A question was asked by Commissioner Merkowitz regarding mandatory redemption. After detailed discussion and staff's research with bond counsel, it was suggested to approve the resolution with authorization for bond counsel to amend the Amendment to the Series Indenture to clarify the differences between optional and mandatory redemption.

A motion was made by Commissioner Merkowitz and seconded by Commissioner Simon to approve the following resolution with authorization for bond counsel to amend the Amendment to the Series Indenture to clarify the difference between optional and mandatory redemption. Affirmative votes were cast by Commissioners Kelleher, Nelson, Merkowitz, and Simon. Commissioners Priest, Byrd and Croom were necessarily absent and did not participate in the vote.

*(Due to its length, the attachment referenced in Resolution 21-31 (as amended) is being omitted from the minutes, but a copy of the full Resolution is on file with the Special Assistant to the Commission.)*

**RESOLUTION NO.: 21-35**

**Re: Amendment to the Series Indenture for the  
Multifamily Housing Development Bonds 2021  
Series A to Clarify Certain Provisions of the  
Indenture**

**WHEREAS**, on December 9, 2020, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted Resolution 20-87B, which authorized the issuance of 2021 Series A Multifamily Housing Development Bonds (the "2021 A Bonds") in the 1996 Bond Resolution (the "1996 Indenture") in the amount of \$99.25 million for the purpose of refunding the PNC Bank, N.A. tax-exempt loan in order to use the recycled proceeds to finance the acquisition and development of Westside Shady Grove Apartments; and

**WHEREAS**, closing on the 2021 A Bonds occurred on January 28, 2021; and

**WHEREAS**, the 2021 A Series Indenture (the "Series Indenture") provides that the 2021 A Bonds shall be secured solely by the proceeds thereof or funds on deposit in the funds and accounts created under the Series Indenture and not by any other moneys, funds or accounts held under the 1996 Indenture; and

**WHEREAS**, at the request of U.S. Bank National Association, the Trustee of the Series Indenture and the 1996 Indenture, to cure any ambiguity in the Series Indenture, staff, along with the Commission's bond counsel and financial advisor, recommends clarifying in the Series Indenture the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County approves amending Section 2.05(b), Section 2.08(g), and Exhibit A of the Series Indenture to clarify

the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders, and said amendment, "First Amendment to Series Indenture Providing for the Issuance and Sale of \$99,250,000 Principal Amount of Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through) 2021 Series A of the Housing Opportunities Commission of Montgomery County" is attached for reference (the "Amendment").

**BE IT FURTHER RESOLVED** by the Commission that the Chairman, the Vice Chairman, or the Chairman Pro Tem, and the Executive Director of the Commission or any authorized designee of the Executive Director are hereby authorized and directed to execute and deliver the Amendment with such changes as shall be approved by such officers, the execution of such Amendment being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission (an "Authorized Officer"), is hereby authorized and directed to affix the seal of the Commission to the Amendment and to attest the same.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or a duly appointed designee of the Executive Director, is hereby authorized, without any further action on its part, to execute such other documents, and to take any and all other actions, in each case as necessary and proper, in the Executive Director's judgment, to carry out the actions contemplated herein.

A motion was made by Chair Pro Tem Nelson and seconded by Commissioner Simon to adjourn. The meeting adjourned at 12:29 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

# Closed and Special Session Ratifications

**RATIFICATION OF ACTION TAKEN IN OPEN SPECIAL SESSION ON  
MARCH 26, 2021:**

**AMENDMENT TO THE SERIES INDENTURE FOR THE MULTIFAMILY HOUSING  
DEVELOPMENT BONDS 2021 SERIES A TO CLARIFY CERTAIN PROVISIONS OF THE  
INDENTURE**

**APRIL 7, 2021**

- At an open Special Session held on March 26, 2021, the Commission adopted Resolution 21-35 in which the Commission approved amending the 2021 A Series Indenture to clarify the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders.
- Consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action taken at the March 26, 2021 open Special Session. Additionally, the Commission wishes to ratify any action taken since the Special Session with respect to the approved action.

**RESOLUTION: 21-35R**

**RE: Amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to Clarify Certain Provisions of the Indenture**

**WHEREAS**, on December 9, 2020, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted Resolution 20-87B, which authorized the issuance of 2021 Series A Multifamily Housing Development Bonds (the "2021 A Bonds") in the 1996 Bond Resolution (the "1996 Indenture") in the amount of \$99.25 million for the purpose of refunding the PNC Bank, N.A. tax-exempt loan in order to use the recycled proceeds to finance the acquisition and development of Westside Shady Grove Apartments;

**WHEREAS**, closing on the 2021 A Bonds occurred on January 28, 2021;

**WHEREAS**, the 2021 A Series Indenture (the "Series Indenture") provides that the 2021 A Bonds shall be secured solely by the proceeds thereof or funds on deposit in the funds and accounts created under the Series Indenture and not by any other moneys, funds or accounts held under the 1996 Indenture;

**WHEREAS**, at the request of U.S. Bank National Association, the Trustee of the Series Indenture and the 1996 Indenture, to cure any ambiguity in the Series Indenture, staff, along with the Commission's bond counsel and financial advisor, recommends clarifying in the Series Indenture the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders;

**WHEREAS**, at an open Special Session duly called and held on March 26, 2021, with a quorum participating, the Commission duly adopted Resolution 21-35, with Commissioners Kelleher, Nelson, Merkowitz, and Simon voting in approval, and Commissioners Priest, Byrd, and Croom being necessarily absent and not participating in the vote;

**WHEREAS**, by adopting Resolution 21-35, the Commission approved the following actions:

1. Amending Section 2.05(b), Section 2.08(g), and Exhibit A of the Series Indenture to clarify the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders, and said amendment, "First Amendment to Series Indenture Providing for the Issuance and Sale of \$99,250,000 Principal Amount of Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through) 2021 Series A of the Housing Opportunities Commission of Montgomery County" was attached to Resolution 21-35 for reference (the "Amendment");
2. The Chairman, the Vice Chairman, or the Chairman Pro Tem, and the Executive Director of the Commission or any authorized designee of the Executive Director were authorized and directed to execute and deliver the Amendment with such changes as shall be approved by such officers, the execution of such Amendment being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission (an "Authorized Officer"), was authorized and directed to affix the seal of the Commission to the Amendment and to attest the same; and
3. The Executive Director, or a duly appointed designee of the Executive Director, was authorized, without any further action on the Commission's part, to execute such other documents, and to

take any and all other actions, in each case as necessary and proper, in the Executive Director's judgment, to carry out the actions contemplated herein.

**WHEREAS**, consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 21-35 and any actions taken since March 26, 2021 to effectuate the actions contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolution 21-35 and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on April 7, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission

# Consent Items



## **APPROVAL TO UNSEAL RESOLUTION 19-13AS<sup>1</sup> and RESOLUTION 19-13AS<sup>2</sup>**

**APRIL 7, 2021**

- On February 17, 2021, HOC received a Public Information Act (“PIA”) request to provide copies of closed session Resolutions 19-13AS<sup>1</sup> and 19-13AS<sup>2</sup>.
- The PIA requires the denial of a request for a public record if (1) by law, the public record is privileged or confidential, or (2) the inspection would be contrary to a state statute.
- The Open Meetings Act (“OMA”) provides that that the minutes of a closed session shall be sealed and may not be open to the public. However, minutes may be unsealed and open to inspection on the request of a person if a majority of the members of the public body vote in favor of unsealing the minutes.
- On March 1, 2021, HOC received a request that the Commission consider unsealing Resolutions 19-13AS<sup>1</sup> and 19-13AS<sup>2</sup>.

**RESOLUTION: 21-36**

**RE: Approval to Unseal Resolution 19-13AS<sup>1</sup>  
and Resolution 19-13AS<sup>2</sup>**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and is subject to the Public Information Act ("PIA") and Open Meetings Act ("OMA");

**WHEREAS**, on February 17, 2021, HOC received a PIA request to make publicly available copies of Resolution 19-13AS<sup>1</sup> and Resolution 19-13AS<sup>2</sup> (together, the "Resolutions"), which are a part of HOC's closed session minutes for a closed meeting held on January 9, 2019;

**WHEREAS**, the PIA requires the denial of a request for a public record if (1) by law, the public record is privileged or confidential, or (2) the inspection of the public record would be contrary to state statute;

**WHEREAS**, the OMA provides that the minutes of a closed session shall be sealed and may not be open to the public unless, upon a request by the public, a majority of the members of a public body vote in favor of unsealing the minutes;

**WHEREAS**, on March 1, 2021, HOC received a request that the Commission consider unsealing the Resolutions; and

**WHEREAS**, staff reviewed the Resolutions and recommends to the Commission that they be unsealed with redactions to maintain the confidentiality of certain financial information provided by a financial partner.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolutions 19-13AS<sup>1</sup> and 19-13AS<sup>2</sup>, as redacted, be unsealed.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on April 7, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission

# Committee Reports and Recommendations for Action

# Development and Finance Committee

# **Willow Manor Properties: Approval of a Preliminary Development Plan, Including Selection of General Contractor** Silver Spring, Germantown and Olney, MD



**STACY L. SPANN, EXECUTIVE DIRECTOR**

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

April 7, 2021  
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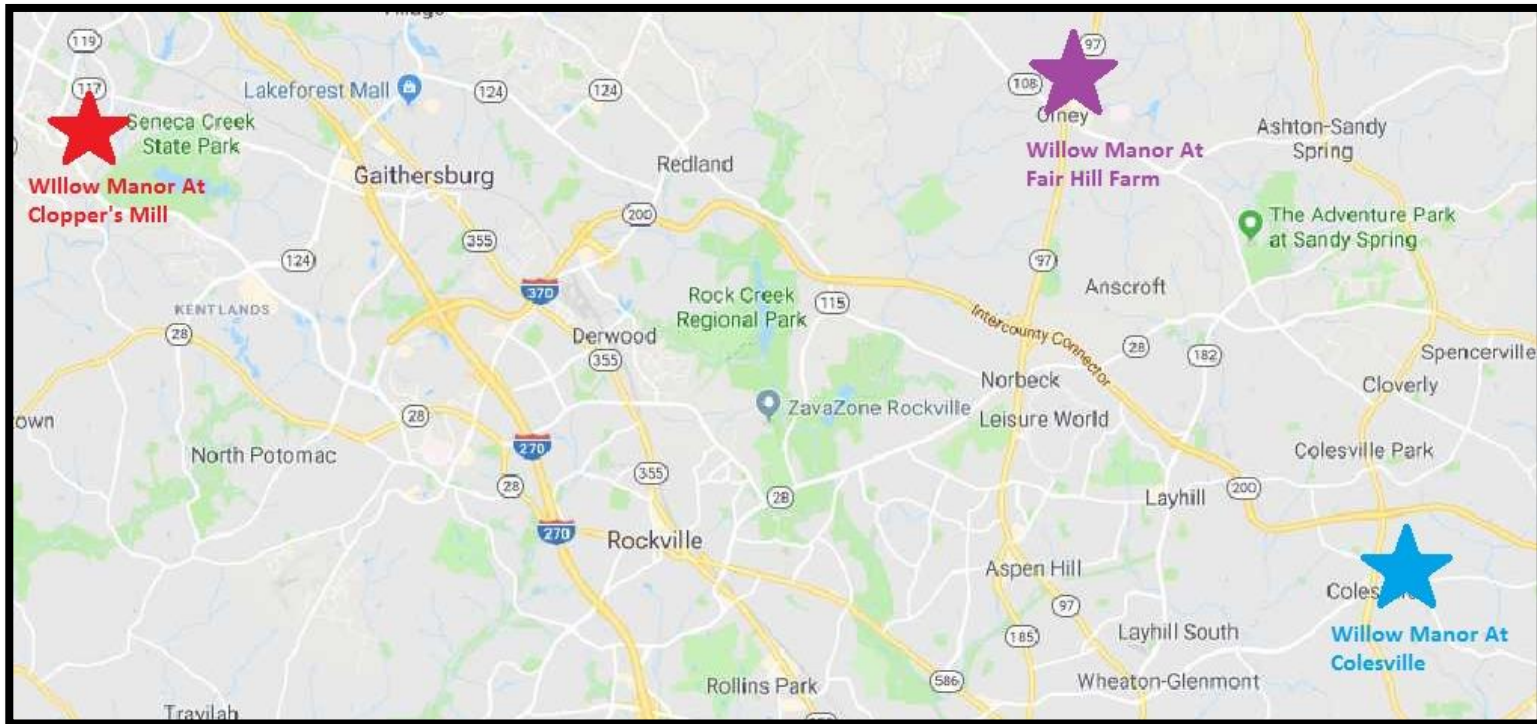
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# Executive Summary

- On November 1, 2018, HOC acquired the following properties (collectively, the “Willow Manor Properties” or “Properties”) under Article 53A of the Montgomery County Code, the Right of First Refusal (“ROFR”) Ordinance. The properties were built approximately 16 years ago, and have not been renovated since constructed.
  1. **Willow Manor at Clopper’s Mill (“Clopper’s Mill”)**, consisting of 102 age-restricted (62+) Low Income Housing Tax Credit (“LIHTC”) and market-rate apartments in Germantown and constructed in 2005;
  2. **Willow Manor at Fair Hill Farm (“Fair Hill Farm”)**, consisting of 101 age-restricted (62+) LIHTC apartments in Olney and constructed in 2005; and
  3. **Willow Manor at Colesville (“Colesville”)**, consisting of 83 age-restricted (62+) LIHTC apartments in Silver Spring and constructed in 2004.
- On April 1, 2020, the Commission approved a predevelopment plan and funding in the amount of \$400,000 to pursue a LIHTC resyndication of the properties, which will finance the renovation and permanent financing of the Properties. The Commission also approved to resyndicate the properties as a single scattered site transaction and to evaluate the introduction of Income Averaging at Clopper’s Mill, thereby restricting the market-rate units to 80% AMI as part of the resyndication.
- **Staff is requesting Commission Approval of a Preliminary Development Plan, which includes the following:**
  1. Approval of the selection of Nastos Construction, Inc. as the General Contractor for the renovation of the Properties.
  2. Approval to hold up to a 7% vacancy (a total of 20 units across the three properties) beginning April 2021 through completion of construction in approximately May 2023 in order to facilitate phasing of the renovation.
    - As of 4/1/2021 the properties were 90% occupied (26 vacant units across the three properties).
  3. Approval to restrict all existing market rate units to 80% AMI as part of the LIHTC scattered site resyndication. Staff has reviewed the incomes for current market-rate households and have determined the following (as of 4/1/2021):
    - Eleven (11) households have incomes at or below 80% AMI, based on 2021 LIHTC income limits;
    - Four (4) households have incomes above 80% AMI, based on 2021 LIHTC income limits.
    - Five (5) units are vacant.

# Map Overview



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



# Property Overview



- All three Willow Manor properties are senior (62+) rental communities that have reached the end of their initial 15-year LIHTC compliance period. Colesville’s initial 15-year compliance period ended on December 31, 2019; Clopper’s Mill and Fair Hill Farm initial compliance periods ended on December 31, 2020.
- The properties are of similar construction and design. The properties have been well maintained and are in good condition, but are in need of updating to remain marketable and improve operational performance.
- Property amenities include: fitness center, library, business center, community room, kitchen, billiards room, movie room, health room, hospitality suite, laundry room and shuttle service.
- Habitat America (“Habitat”) manages all three properties. Habitat was formed in 1988 and is a woman-owned and operated third-party property management firm with over 30 years of experience. Habitat manages more than 85 senior, affordable and market-rate apartment communities in Maryland, Delaware, Pennsylvania, Virginia and Washington, DC.

Willow Manor Properties: Unit and Affordability Mix			
UNIT TYPE	UNIT COUNT	UNIT SIZE	TOTAL SQFT
1 BED / 1 BATH	71	666	47,294
2 BED / 1 BATH	130	907	117,879
2 BED / 1.5 BATH	7	953	6,671
2 BED / 2 BATH	78	982	76,632
	<b>286</b>	<b>869</b>	<b>248,476</b>

AMI TARGET	UNIT COUNT
40%	57
50%	20
60%	189
Market*	20
	<b>286</b>

\*A scattered site LIHTC syndication requires that 100% of the units are income-restricted. Staff is proposing restricting the 20 market rate units at the Properties to 80% AMI.

# Renovation Scope of Work

Staff is proposing a preliminary development plan that would modernize residential units, update common area amenities, and improve site conditions. Staff's proposed renovation scope of work includes the following:

- Common area upgrades including but not limited to new flooring, painting, elevator cab interiors, furniture and fixtures.
- Unit kitchen upgrades including but not limited to new cabinets, countertops, fixtures, flooring and painting.
- Unit bathroom upgrades including new bath/shower surrounds, flooring and fixtures. ADA bathrooms will receive new roll-in shower pans.
- Energy efficiency upgrades including LED lighting, Energy Star appliances and low-flow plumbing fixtures.
- Replacement of unit and common area mechanical systems including HVAC units and hot water heaters.
- Improvements to the building exteriors and sites, including paving and roof replacement where needed.
- Staff is also evaluating adding alternate items including ceiling fan/light combos in all bedrooms, upgraded flooring in the lobby entryways, and conversion of existing showers to roll-in or curbless showers (discussed further on the following slide).

## Current Property Conditions

Typical Kitchen



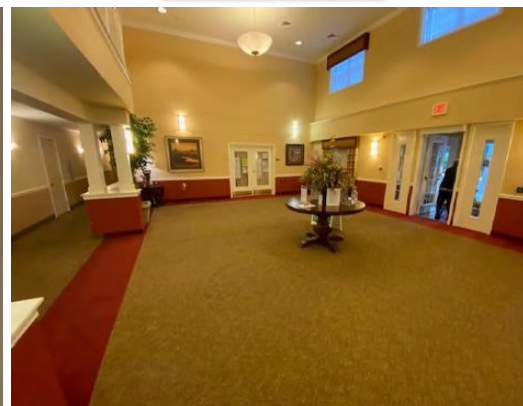
Typical Bathroom



Typical Living Room



Typical Lobby



# Accessibility Improvements

Per the Development and Finance Committee’s recommendation, staff has begun to explore the feasibility of converting existing showers to either roll-in or curbless showers as part of the renovation scope of work. Staff has received preliminary pricing (listed below) and will confirm pricing once the General Contractor has the ability to survey all units.

As part of HOC’s broader accessibility initiative, staff will evaluate all units across HOC’s portfolio that are shower-only and assess the feasibility of incorporating roll-in or curbless showers as part of our renovation and new construction projects.

Staff will bring its recommendation for accessibility improvements for the Willow Manor Properties to the Commission for approval as part of the Final Development Plan.

SHOWER TYPE	Unit Count	Per Unit Cost	Total Cost
Curbless 36 x 36 Transfer Showers (TrueDek by Arc)	64	\$4,947.45	\$316,637
Curbless 30 x 60 Showers (TrueDek by Arc)	78	\$5,102.71	\$393,011
<b>Curbless Total</b>	<b>142</b>		<b>\$714,648</b>
Roll-In 36 x 36 Transfer Showers (Freedom Showers)	64	\$5,698.35	\$364,694
Roll-In 30 x 60 Showers (Freedom Showers)	78	\$5,941.02	\$463,400
<b>Roll-In Total</b>	<b>142</b>		<b>\$828,094</b>
<i>OPTIONAL: Shower Accessory Package</i>	142	\$3,260.25	\$462,956

## Current Property Conditions

**The Willow Manor Properties were built to the following Accessibility Codes:**

Americans With Disabilities Act

All public facilities and access to rental office meet ADA Guidelines

Fair Housing Amendments Act

All dwelling units and common areas are usable in accordance with Fair Housing guidelines

Maryland Accessibility Code

The design and construction of the buildings are in accordance with the Maryland Accessibility Code

**In total, the Properties have 18 Accessible units:**

Clopper’s Mill has six (6) ICC/ANSI A117.1 “Adaptable” units: one 1 bedroom/1 bathroom unit, one 2 bedroom/2 bathroom units, and two 2 bedroom/1.5 bathroom units. The 1 bedroom/1 bathroom unit and one of the 2 bedroom/1.5 bathroom units have showers. Six (6) units are vision and hearing impaired units in accordance with UFAS standards.

Fair Hill Farm has seven (7) ICC/ANSI A117.1 Type “A” dwelling units: two 1 bedroom/1 bathroom units, three 2 bedroom/1.5 bathroom units, and two 2 bedroom/2 bathroom units. Both 2 bedroom/2 bathroom units have showers.

Colesville has five (5) ICC/ANSI A117.1 “Adaptable” units: one 1 bedroom/1 bathroom unit, one 2 bedroom/2 bathroom unit, and three 2 bedroom/1 bathroom units. The 1 bedroom/1 bathroom unit and one of the 2 bedroom/1 bathroom units have showers. Eight (8) units are vision and hearing impaired units in accordance with UFAS standards.

# General Contractor Procurement

- Staff issued Request for Proposal No. 2236, General Contracting Services for the Renovation of the Willow Manor Properties (“RFP #2236” or “RFP”) on December 23, 2020 for the scope of work listed on the previous slide. Staff held a pre-bid conference on January 5, 2021 and proposals were due by 12:00PM on February 26, 2021.
- Staff received three proposals on or before the RFP deadline. One proposal was received after the deadline, and was therefore not evaluated. The scoring criteria and results are summarized below.

Respondent	Criteria 1 35 Possible Points	Criteria 2 15 Possible Points	Criteria 3 10 Possible Points	Criteria 4 5 Possible Points	Criteria 5 5 Possible Points	Criteria 6 30 Possible Points	TOTAL 100 Points Possible
Nastos Construction, Inc.	28	12	10	5	5	30	90
KANE Construction, Inc.	22	0	10	5	5	15	57
Hooten Construction, LLC.	34	13	2	3	3	0	54

Max Points	RFP #2236 Scoring Criteria
35	<b>Criteria 1:</b> Contractor Qualifications, showing experience with similar project types.
15	<b>Criteria 2:</b> Low Income Housing Tax Credit (“LIHTC”) Experience, showing successful track record with LIHTC projects, with a preference for scattered site LIHTC projects in the State of Maryland.
10	<b>Criteria 3:</b> Minority/Female/Disabled Participation. MFD participation above the minimum requirement of 25% of contracts for subcontract work and/or supplies (based on total contract value). Range of scoring will be from 0 to 10 points. Respondents who meet the MFD subcontracting minimum requirement (i.e., 25%) will score zero (0) points. Respondents subcontracting 25 – 30% will receive 5 points, and respondents subcontracting 30% or above will receive 10 points. However, in the event the General Contractor is a certified MFD firm and subcontracts above 35% will receive an additional 10 bonus points.
5	<b>Criteria 4:</b> Demonstrated ability for on-time completion.
5	<b>Criteria 5:</b> Financial Strength
30	<b>Criteria 6:</b> Price Proposal Sheet (30%). Range of Values will be from 0 to 30. Lowest Price will score thirty percent (30%) and the highest price will score zero percent (0%)
<b>100</b>	<b>Total Possible Points</b>

# GC Bid Comparison



Proposal Date	NASTOS CONSTRUCTION		KANE CONSTRUCTION		HOOTEN CONSTRUCTION	
	Total	Per Unit	Total	Per Unit	Total	Per Unit
26-Feb-21						
<b>Net Construction Costs</b>	<b>\$9,407,107</b>	<b>\$32,892</b>	<b>\$12,009,523</b>	<b>\$41,991</b>	<b>\$12,276,011</b>	<b>\$42,923</b>
Builder's General Overhead	\$188,142	\$658	<i>Included in Net Construction Costs</i>	<i>Included in Net Construction Costs</i>	\$245,520	\$858
Bond Premium	\$84,664	\$296	<i>Included in Net Construction Costs</i>	<i>Included in Net Construction Costs</i>	\$200,409	\$701
Builder's Profit	\$564,426	\$1,974	\$600,477	\$2,100	\$636,218	\$2,225
General Liability	<i>Included</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>	\$187,823	\$657
Cost of Certification	<i>Included in General Requirements</i>	<i>Included in General Requirements</i>	<i>Included</i>	<i>Included</i>	\$15,000	\$52
General Requirements	\$564,426	\$1,974	<i>Included in Net Construction Costs</i>	<i>Included in Net Construction Costs</i>	\$1,703,598	\$5,957
<b>Total Construction Costs</b>	<b>\$10,808,765</b>	<b>\$37,793</b>	<b>\$12,610,000</b>	<b>\$44,091</b>	<b>\$15,264,579</b>	<b>\$53,373</b>

## Staff Recommendation: Nastos Construction, Inc.

- Founded in 1993.
- Headquartered in Lanham, MD.
- MDOT certified MBE General Contractor.
- Experienced in residential, commercial and municipal (e.g. schools, courts and parks) construction and rehabilitation.
- Extensive experience working with State and local government agencies throughout the DMV area (including Montgomery County and the City of Gaithersburg).
- Team has prior experience working with public housing authorities.
- Successful completion of multiple acquisition/rehab LIHTC projects in Maryland and DC.
- Current bonding capacity of \$50 million aggregate (\$20 million per project).





# Sources and Uses & Operating Proforma

The resyndication of the Willow Manor properties is anticipated to generate \$21.9 million in LIHTC equity. The LIHTC equity, in conjunction with tax-exempt bond proceeds, would generate enough sources to: 1) fully repay the outstanding senior loans; 2) fully fund the renovations; 3) generate a Developer Fee for HOC in the amount of \$5 million; and 4) repay approximately 60% of the outstanding County HIF loans (see table below). HOC would earn a 2% commitment fee (approximately \$900K) on the tax-exempt bond issuance for the transaction. Due to the limited scope of the renovation, the transaction will close into a permanent mortgage with FHA Final Endorsement at the LIHTC closing.

USES OF FUNDS	AMOUNT	PER UNIT
Construction Costs <sup>1)</sup>	\$11,889,642	\$41,572
Fees Related To Construction Costs	\$551,770	\$1,929
Financing Fees and Charges	\$3,928,207	\$13,735
Acquisition Costs - Senior Debt Repayment	\$29,104,988	\$101,766
Acquisition Costs - MCO HIF Loan Repayment	\$19,801,587	\$69,236
Acquisition Costs - HOC Loan Repayment <sup>2)</sup>	\$400,000	\$1,399
Acquisition Costs - Seller Proceeds <sup>3)</sup>	\$393,425	\$1,376
Relocation Costs	\$600,000	\$2,098
Developer's Fees	\$5,025,168	\$17,571
Syndication Costs	\$252,500	\$883
Guarantees and Reserves <sup>4)</sup>	\$3,176,347	\$11,106
<b>TOTAL</b>	<b>\$75,123,633</b>	<b>\$262,670</b>

SOURCES OF FUNDS	AMOUNT	PER UNIT
Tax-Exempt Bonds <sup>5)</sup>	\$45,293,626	\$158,369
LIHTC Equity <sup>6)</sup>	\$21,945,044	\$76,731
Deferred County HIF Loan	\$7,884,963	\$27,570
<b>Funding Gap / (Surplus)</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$75,123,633</b>	<b>\$262,670</b>

STABILIZED OPERATING PROFORMA	Year 1	Per Unit
<b>RENTAL INCOME</b>		
Rental Income	\$5,048,364	\$17,652
Other Income	\$72,965	\$255
Less: Vacancy Loss/Bad Debt	(\$358,493)	(\$1,253)
<b>NET RENTAL INCOME</b>	<b>\$4,762,835</b>	<b>\$16,653</b>
<b>TOTAL OPERATING EXPENSES</b>		
Admin & Operating Expenses	\$623,566	\$2,180
Maintenance Expenses	\$498,299	\$1,742
Contract Management Fee	\$161,788	\$566
Utility Expenses	\$261,823	\$915
Taxes & Insurance	\$145,271	\$508
Replacement Reserve Contribution	\$100,100	\$350
<b>TOTAL EXPENSES</b>	<b>\$1,790,846</b>	<b>\$6,262</b>
<b>NET OPERATING INCOME</b>	<b>\$2,971,989</b>	<b>\$10,392</b>
Debt Service Payments	\$2,583,366	\$9,033
<b>NET CASH FLOW</b>	<b>\$388,624</b>	<b>\$1,359</b>
DSCR	1.15	

## TRANSACTION ASSUMPTIONS

- 1) Includes 10% construction cost contingency.
- 2) OHRF loan for feasibility and predevelopment.
- 3) Based on appraised as-is restricted value of the properties, less outstanding debt.
- 4) Includes upfront replacement reserve deposit of \$1200 per unit.
- 5) Assumes 30 year term; 2.22% bond yield; 0.35% loan management fee (payable to HOC); 0.03% trustee fee; 100 basis points cushion; and 0.25% MIP.
- 6) Assumes 92 cents per dollar of LIHTC credit.

# Preliminary Development Plan

Timeline	Dates
Submit LIHTC Application	April 2021
Approval of LIHTC Syndicator / Limited Partnership Agreement	June 2021
Approval of Final Development Plan and Finance Plan	September 2021
LIHTC Closing	October 2021
Construction Start	November 2021
Construction Complete	May 2023

Predevelopment Funding	Source	Authorized	Obligated*	Spent*	Remaining*
Resolution 20-31	OHRF	\$ 400,000	\$ 240,772.33	\$ 101,824.07	\$ 298,175.93

\*As of 3/04/2021

## **Approvals Needed:**

- 1) Approval of the selection of Nastos Construction, Inc. as the General Contractor for the renovation of the Properties.
- 2) Approval to hold up to a 7% vacancy (a total of 20 units across all three (3) properties) beginning in April 2021 until completion of construction in approximately May 2023 in order to facilitate renovation phasing. The properties were 90% occupied (26 vacant units) as of April 1, 2021.
- 3) Approval to restrict all existing market rate units to 80% AMI as part of the LIHTC scattered site resyndication. Staff has reviewed the incomes for current market-rate households and have determined the following (as of 4/1/2021):
  - Eleven (11) households have incomes at or below 80% AMI, based on 2021 LIHTC income limits;
  - Four (4) households have incomes above 80% AMI, based on 2021 LIHTC income limits.
  - Five (5) units are vacant.

## **Approvals Previously Authorized by the Commission:**

- Approval to permanently finance the three (3) Willow Manor Properties as a single scattered site transaction.
- Approval to pursue LIHTC resyndication of the properties.
- Approval to fund a predevelopment budget in the amount of \$400,000.

# Summary and Recommendations

## Issues for Consideration

Will the Commission accept staff's recommendation, which is supported by the Development and Finance Committee, to:

1. Approve the selection of Nastos Construction, Inc. as the General Contractor for the renovation of the Properties and authorize the Executive Director to negotiate a contract with Nastos;
2. Approve to hold up to a 7% vacancy (a total of 20 units across all three properties) from April 2021 until completion of construction in approximately May 2023 in order to facilitate renovation phasing;
3. Approve the public purpose at the Properties, which restricts all existing market rate units to 80% AMI as part of the LIHTC application and scattered site resyndication?

## Budget /Fiscal Impact

The investment will raise approximately \$21.9 million of tax credit equity for the renovation of the properties. The budget and fiscal impact will be presented with the Final Development Plan.

## Time Frame

For formal action at the April 7, 2021 meeting of the Commission.

## Staff Recommendation and Commission Action Needed

Staff recommends that the Commission:

1. Approve the selection of Nastos Construction, Inc. as the General Contractor for the renovation of the Properties and authorize the Executive Director to negotiate a contract with Nastos;
2. Approve to hold up to a 7% vacancy (a total of 20 units across all three properties) beginning April 2021 until completion of construction in approximately May 2023 in order to facilitate renovation phasing;
3. Approve the public purpose at the Properties, which restricts all existing market rate units to 80% AMI as part of the LIHTC application and scattered site resyndication.



**RESOLUTION No.: 21-38**

**RE: Approval of Preliminary Development Plan for the Willow Manor Properties, Including Selection of a General Contractor**

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

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

**WHEREAS**, on April 1, 2020 the Commission approved pursuing a LIHTC resyndication of the Properties as a single scattered site transaction; and

**WHEREAS**, on December 23, 2020, the Commission issued Request for Proposal No. 2236, General Contracting Services for the Renovation of the Willow Manor Properties (“RFP”), to implement renovations as part of the LIHTC resyndication; and

**WHEREAS**, the Commission received proposals from Nastos Construction, Inc., Kane Construction, Inc. and Hooten Constriction, LLC. prior to the RFP deadline; and

**WHEREAS**, Nastos Construction, Inc. offered the lowest bid of \$10,808,765 and its proposal scored the highest among those received; and

**WHEREAS**, the Commission desires to select Nastos Construction, Inc. as the General Contractor for the Properties and authorize the Executive Director to negotiate a contract with Nastos Construction, Inc.; and

**WHEREAS**, the Commission desires to hold up to a 7% vacancy (a total of 20 units) across the Properties from April 2021 until completion of construction in approximately May 2023 in order to facilitate renovation phasing; and

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

**WHEREAS**, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to refinance the acquisition cost, finance certain property improvements, and fund reserves for the Willow Manor Properties in an amount not to exceed \$100,000,000, all or a portion of which may reimburse the Commission for the portion of such expenditures incurred or to be incurred subsequent to

the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission's expenditures within 18 months of the later of the date of such expenditures or the date that the Willow Manor Properties are placed in service as part of the LIHTC resyndication (but in no event more than 3 years after the date of the original expenditure of such moneys); and

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

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Commission authorizes the selection of Nastos Construction, Inc. as the General Contractor for the Willow Manor Properties and authorizes the Executive Director to negotiate a contract with Nastos Construction, Inc.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the Willow Manor Single-Purpose Entities, as their sole member, that it approves holding up to a 7% vacancy (a total of 20 units) across the Properties from April 2021 until completion of construction in approximately May 2023 in order to facilitate renovation phasing.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County acting on behalf of itself and on behalf of the Willow Manor Single-Purpose Entities, as their sole member, that it approves the public purpose at the Properties and restricting the market-rate units at Willow Manor at Clopper's Mill to households earning 80% or less of the AMI so that 100% of the units meet the average income test and scattered site LIHTC requirements.

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

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

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

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County, on behalf of itself and on behalf of the Willow Manor Single-Purpose Entities, as their sole member, authorizes the Executive Director of HOC, or his designee, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transaction and actions

contemplated herein, including the execution of any documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 7, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission

**APPROVAL TO RENEW THE FINANCIAL ADVISOR CONTRACT WITH CAINE MITTER & ASSOCIATES INCORPORATED (“CMA”) IN ACCORDANCE WITH THE CURRENT CONTRACT, PRIOR APPROVALS AND THE PROCUREMENT POLICY**

**April 7, 2021**

- The Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) serves as the Housing Finance Agency of Montgomery County. To advance its mission and operate a successful bond financing program, the Commission engages the services of a number of industry professionals, one of which is a financial advisor.
- On May 18, 2017, the Commission approved a new contract for CMA after completing a full procurement, with an initial contract term of two years and three optional one-year renewals that require the approval of the Commission in accordance with the current Procurement Policy.
- The Commission previously approved two one-year renewals and the contract is eligible for a final renewal in accordance with the Procurement Policy, which must be approved by the Commission.
- CMA is an independent financial advisory firm that, acting through its personnel, has been in the business of providing financial advisory and quantitative services to state and local housing finance agencies for over 40 years, specializing in single family and multifamily housing finance as well as the fiscal management for local and state housing finance agencies.
- CMA continues to provide effective financial advisory services to the Commission and staff wishes to recommend a final one-year renewal to the Commission under the terms of the original contract.
- At its meeting on March 26, 2021, the Development and Finance Committee (the “D&F Committee”) engaged in an informal discussion of the final one-year renewal of the contract with CMA.
- Staff requests that the Commission accept staff’s recommendation, which is supported by the D&F Committee and approve a one-year renewal in accordance with the terms of the current contract and Procurement Policy, to be effective July 1, 2021.

**MEMORANDUM**

**TO:** Housing Opportunities Commission

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

**FROM:** Staff: Brown/Arrington                      Division: Mortgage Finance Ext. 9589/9760

**RE:** **Financial Advisor Contract:** Approval to Renew with Caine Mitter and Associates Incorporated (“CMA”) in Accordance with the Current Contract, Prior Approvals and the Procurement Policy

**Date:** April 7, 2021

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**COMMITTEE REPORT:** Deliberation X

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**OVERALL GOAL & OBJECTIVE:**

To renew the term of the financial advisory services contract with Caine Mitter and Associates Incorporated (“CMA”) in accordance with the current contract and Procurement Policy, thereby, enabling the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) to meet its affordable housing goals.

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**BACKGROUND:**

On May 18, 2017, the Commission approved a new contract for CMA after completing a full procurement and approved a two-year contract with three optional one-year renewals that must be approved by the Commission in accordance with the current Procurement Policy.

The contract term commenced on July 1, 2017. Two prior renewals have been approved by the Commission, the last of which ends on June 30, 2021. This request represents the final renewal but a new solicitation will commence prior to its expiration.

**The Financial Advisor**

CMA is an independent financial advisory firm that, acting through its personnel, has been in the business of providing financial advisory and quantitative services to state and local housing finance agencies for over 40 years, specializing in single family and multifamily housing finance as well as the fiscal management for local and state housing finance agencies. Its principal, Thomas P. Caine, has been in the business for over 44 years. CMA also acts as swap advisor and investment bidding agent for both single family and multifamily programs and provides a broad array of services to its clients.

Financial advisors are heavily regulated and the principal regulator is the Municipal Securities Rulemaking Board (“MSRB”). The MSRB develops rules for financial professionals designed to ensure a fair and efficient market by preventing fraud and other unfair practices, establishing professional qualifications, supporting market transparency, and applying uniform practices to the industry. Among these rules are those that regulate the activities of municipal advisors and clarify their obligations to the state and local governments and other municipal entities that engage their services.

All municipal financial advisors must be registered with the MSRB and any of the advisors' staff that provides financial advisory services must have passed the Series 50 examination. CMA is a registered municipal advisor within the context of the MSRB.

An effective financial advisor to the Commission is expected to among other things, provide advice for the structuring and management of its municipal housing finance programs to optimize the Commission's resources. At the transaction level, it structures bond issuances, prepares quantitative cash flow analyses for each transaction, and provides annual analysis for its parity indentures under which single family and multifamily housing bonds are issued. This ensures that rating-agency-required cash flow stress runs are successful and that the issued securities are yield compliant within the meaning of the Internal Revenue Code ("IRC"). If the financial advisor does not provide cash flow services and program structuring, they would need to be contracted out. Further, the financial advisor generally informs the Commission of current market conditions and financing techniques being employed to optimize these conditions.

Staff believes that CMA continues to be highly effective as financial advisor to the Commission.

- Since the beginning of the current contract in 2017, CMA has advised the Commission on eight (8) publicly issued series of tax-exempt bonds representing \$366.295 million in securities. Moody's Investors Services ("Moody's") rated the bonds, which were issued under the Commission multifamily and single family parity indentures.
- The firm has acted as pipeline manager for the Commission's single family mortgage program, including the financing of \$53.1 million of mortgages through the sale of mortgage backed securities in the secondary market since 2017.
- The firm has provided financial advice on a number of swap transactions, which are directly related to the financing of the Commission's real estate development activities, aimed at mitigating interest rate risks during the construction of developments until they can be placed in service. This includes Elizabeth House, Alexander House, and Upton II transactions.
- CMA has also applied its creativity in the development of the County Housing Production Fund and executed the financing of Westside Shady Grove by recycling multifamily volume cap by accessing a little used area of the tax code.
- Finally, CMA has been steady in its guidance of HOC with Moody's Investors Services and its rating of the Commission, its programs, and the quarterly reviews it conducts, GIC investments, liquidity facility extensions, general obligations analysis, indenture management, and ancillary cash flow and financial matters.

As discussed previously with the Commission, CMA uses a proprietary software, Flow, to complete its cash flow and financial analyses and the Commission and staff continue to be satisfied with its performance in this area. HOC's bond accounting staff is largely responsible for preparing financial tables and data, to include copies of the indenture audits with all schedules, mortgage balances, accrued interest schedules, foreclosure information, approved bond draw used in the cash flow preparation. Further, Moody's issues rating for all of the Commission's publicly issued bonds and reviews all cash flows cash flows prior to issuing or affirming a rating based on its established rating methodologies, confirming that the cash flows accurately reflect such methodologies. Finally, HOC's Bond Counsel, Kutak Rock, LLP, reviews the cash flows for all transactions issued under the Commission's parity indentures.

Staff remains confident in Caine Mitter and Associates Incorporated's representation of HOC as financial advisor.

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**ISSUES FOR CONSIDERATION:**

Will the Commission approve staff's recommendation, which is supported by the Development & Finance Committee, and approve a third and final renewal of the current financial advisory services contract with Caine Mitter and Associates Incorporated for one year in accordance with the current contract and Procurement Policy?

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**PRINCIPALS:**

Housing Opportunities Commission  
Caine Mitter & Associates Incorporated

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**BUDGET IMPACT:**

There is no impact to the Commission's operating budget, in general. The Financial Advisor is paid from revenues in the Single Family Indenture and from proceeds of each multifamily financing. Fees paid to the Financial Advisor are included in the cost of issuance budget for each transaction or are approved by the Commission.

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**TIME FRAME:**

For formal action at the April 7, 2021 meeting of the Commission.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Commission approve a third and final renewal of the current financial advisor services contract with Caine Mitter and Associates Incorporated for one, effective July 1, 2021.

**RESOLUTION: 21-39**

**Re: Approval to Renew the Financial Advisor Contract with Caine Mitter and Associates Incorporated in Accordance with the Current Contract, Prior Approvals and the Procurement Policy**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and is authorized thereby and by the Memorandum of Understanding dated June 20, 2018 by and between HOC and Montgomery County, Maryland to issue its notes and bonds from time to time to fulfill its corporate purposes; and

**WHEREAS**, to advance its mission and operate a successful bond financing program, the Commission engages the services of a number of industry professionals, one of which is a financial advisor; and

**WHEREAS**, Caine Mitter & Associates Incorporated (“CMA”) has successfully served the Commission since 1979 and was selected on June 7, 2017, to continue to serve the Commission as its financial advisor for a new contract term, initially for two years with three optional one year renewals for a maximum term of five years, with each renewal requiring the approval of the Commission; and

**WHEREAS**, CMA continues to provide effective financial advisory services to the Commission and the Commission wishes to approve the final renewal of the contract for one year in accordance with the current contract and Procurement Policy.

**NOW THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the renewal of current contract with Caine Mitter & Associates Incorporated to continue to serve the Commission as Financial Advisor for one-year in accordance with terms provided in the current contract in accordance with the Procurement Policy.

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

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 7, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission

[SEAL]



# Legislative and Regulatory Committee

# **AUTHORIZATION TO SUBMIT HOC'S FISCAL YEAR 2022 ANNUAL PUBLIC HOUSING AGENCY PLAN**

**April 7, 2021**

- The Quality Housing and Work Responsibility Act of 1998 requires that Public Housing Agencies (“PHAs”), such as the Housing Opportunities Commission of Montgomery County (“HOC”), draft Annual and Five-Year PHA Plans.
- The PHA Plan serves as a comprehensive guide to HOC’s policies, programs, operations, and strategies for meeting local housing needs and goals. The Plan informs the U.S. Department of Housing and Urban Development (HUD), residents, and the public of HOC’s mission for serving the needs of low-income and very low-income families as well as HOC’s overarching strategy for addressing those needs.
- HOC is submitting a Fiscal Year (FY) 2022 Annual Plan, which provides updates on details that were outlined in HOC’s FY 2020-2024 Five-Year PHA Plan. The Annual Plan provides further clarifications, any revisions, and anticipated action steps that align with the plan. Additionally, the plan may have HOC’s primary policies and plans for the Housing Choice Voucher and Public Housing programs for the coming fiscal year.
- The 45 days’ public comment period for HOC’s FY 2022 PHA Plan began on February 13, 2021.
- At this time, staff is requesting authorization to submit HOC’s FY 2022 PHA Plan to HUD by no later than April 17, 2021.



The substantive changes to this year's FY 2022 Annual PHA Plan from the Annual PHA Plan submitted last year are to the sections discussing HOC's use of the RAD program, updates to the HCV Administrative Plan, and the Housing Resources Division's HCV PBV activity. The FY 2022 Annual PHA Plan submission will highlight the completion of HOC's conversion of PH units to PBRA and PBV subsidies under Section 8 through the use of RAD Component One. The Plan includes a detailed overview of the conversion of HOC's PH units. As a result of the RAD conversion project, no PH units remain in HOC's portfolio. Following the submission of this Plan, the content described in the Plan regarding PH will cease in its applicability to the converted units. In place of the PH policies for these converted units will be the RAD conversion policies, also detailed in the Plan.

The Housing Resources Division adopted 26 temporary COVID-19 waivers pursuant to HUD PIH Notices 2020-05, 2020-13, and 2020-33. Through the Coronavirus Aid, Relief and Economic Security (CARES) Act, HUD was given broad authority to waive statutes and regulations for the PH and HCV programs. These waivers were intended to allow program participants and PHAs to participate in and operate these programs more efficiently during the COVID-19 crisis. The waivers required updates to nine chapters in HOC's HCV Administrative Plan. The Housing Resources Division also implemented changes to chapter 22 of the HCV Administrative Plan, which affects HOC's HCV PBV program. Additionally, the FY 2022 PHA Plan highlights HOC's recent HCV PBV activity, as well as HOC's intent to project-base 100 units to private landlords throughout Montgomery County.

Staff released a draft of the FY 2022 PHA Plan to the public on February 13, 2021. Staff discussed the FY 2022 PHA Plan with the RAB on February 22, 2021. The RAB then submitted their letter of endorsement for the PHA Plan which will be submitted with the Plan to HUD on, or before, April 17, 2021. To date, HOC has received no public comments on the FY 2022 Annual PHA Plan. A public hearing on the PHA Plan was held on April 7, 2021 prior to this commission meeting.

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**ISSUES FOR CONSIDERATION:**

Does the Housing Opportunities Commission of Montgomery County wish to accept the recommendation of the Legislative and Regulatory Committee to authorize the Executive Director, or his designee, to submit HOC's FY 2022 Annual PHA Plan to HUD on, or before, April 17, 2021?

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**PRINCIPALS:**

Housing Resources Division  
Property Management Division

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**BUDGET IMPACT:**

None.

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**TIME FRAME:**

The Legislative and Regulatory Committee informally reviewed this item at its meeting on March 15, 2021 and staff recommends it for formal Commission action on April 7, 2021.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Housing Opportunities Commission of Montgomery County accept the recommendation of the Legislative and Regulatory Committee to authorize the Executive Director, or his designee, to submit HOC's FY 2022 Annual PHA Plan to HUD on, or before, April 17, 2021.

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**RESOLUTION: 20-40**

**RE: Authorization to Submit HOC's  
Fiscal Year 2022 Annual  
Public Housing Agency Plan**

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

**WHEREAS**, the submission of the FY 2022 Annual PHA Plan was prepared in accordance with 24 CFR Part 903 regulations and requirements for submission to the U.S. Department of Housing and Urban Development ("HUD"); and

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

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

**WHEREAS**, HOC conducted a Public Hearing on April 7, 2021 to obtain public comments regarding the proposed Annual PHA Plan Submission; and

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

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the FY 2022 Annual PHA Plan and its submission to HUD no later than April 17, 2021, as required by federal regulation.

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

**I HEREBY CERTIFY** that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 7, 2021.

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**Patrice Birdsong  
Special Assistant to the Commission**

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

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

**Definitions.**

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

A.	PHA Information.																										
A.1	<p>PHA Name: <u>Housing Opportunities Commission of Montgomery County</u> PHA Code: <u>MD004</u></p> <p>PHA Type: <input checked="" type="checkbox"/> Standard PHA <input type="checkbox"/> Troubled PHA</p> <p>PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/2021</u></p> <p>PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)</p> <p>Number of Public Housing (PH) Units <u>0</u> Number of Housing Choice Vouchers (HCVs) <u>7,611</u> Total Combined Units/Vouchers <u>7,611</u></p> <p>PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission</p> <p><b>Availability of Information.</b> PHAs must have the elements listed below in sections B and C readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 25%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 20%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 10%;">PH</th> <th style="width: 10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																	
Participating PHAs	PHA Code					Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program																			
		PH	HCV																								
Lead PHA:																											

<b>B.</b>	<b>Annual Plan Elements</b>
<b>B.1</b>	<p><b>Revision of PHA Plan Elements.</b></p> <p>(a) Have the following PHA Plan elements been revised by the PHA?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Operation and Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Grievance Procedures.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Community Service and Self-Sufficiency Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Asset Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):</p> <p>HOC adopted a number of temporary waivers outlined in PIH Notices 2020-05, 2020-13, and 2020-33, which required multiple revisions to HOC's Housing Choice Voucher Administrative Plan. HOC also updated Chapter 22 (Housing Choice Voucher Project-Based Program) of its Administrative Plan based on provisions outlined in PIH Notice 2017-21. Please see attached narrative for additional details.</p> <p>(c) The PHA must submit its Deconcentration Policy for Field Office review.</p>
<b>B.2</b>	<p><b>New Activities</b></p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Demolition and/or Disposition.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Designated Housing for Elderly and/or Disabled Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant-Based Assistance.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Project-Based Assistance under RAD.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Over-Income Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Police Officers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Non-Smoking Policies.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Project-Based Vouchers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p>
<b>B.3</b>	<p><b>Civil Rights Certification.</b></p> <p>Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<b>B.4</b>	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p> <p>There were two findings in HOC's FY 2020 Audit. All recommendations have been followed to remedy these findings. Please see enclosed Narrative for additional details.</p>



<p><b>B.5</b></p>	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p> <p>Please see attached narrative.</p>
<p><b>B.6</b></p>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y    N  <input type="checkbox"/> <input type="checkbox"/></p> <p>(c) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p>Staff met with the RAB on February 22, 2021. The RAB provided a letter of endorsement for the submission of the FY 2022 PHA Plan and no comments were submitted for consideration.</p>
<p><b>B.7</b></p>	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD 50077-SL</a>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p><b>B.8</b></p>	<p><b>Troubled PHA.</b></p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place?</p> <p>Y    N    N/A  <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p> <p>Not Applicable.</p>
<p><b>C. Statement of Capital Improvements.</b> Required for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>	
<p><b>C.1</b></p>	<p><b>Capital Improvements.</b> Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.</p> <p>Please reference HUD form 50075.2 approved by HUD on 10/30/2020. The Capital Fund Program Five-Year Action Plan describes the capital improvements necessary to ensure the long-term physical and social viability of HOC's Public Housing Projects.</p>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fiscal Year (FY) 2022 Annual Public Housing Agency (PHA) Plan Submission  
Housing Opportunities Commission of Montgomery County (HOC)

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**Narrative and Additional Information**

**A.1 PHA Information**

The Public may view the PHA Plan and supporting documentation, and obtain information regarding any of the activities outlined in this plan at HOC's website, [www.hocmc.org](http://www.hocmc.org). HOC typically makes this information available at its main administrative office (10400 Detrick Avenue, Kensington, Maryland 20895) and at the three satellite offices listed below, but these offices are closed to the public indefinitely due to the COVID-19 Pandemic.

HOC Gaithersburg Customer Service Center (Closed to the Public indefinitely)  
101 Lake Forest Blvd.  
#200  
Gaithersburg, Maryland 20877

HOC Silver Spring Customer Service Center (Closed to the Public indefinitely)  
880 Bonifant Street  
Silver Spring, Maryland 20910

HOC East Deer Park Office (Closed to the Public indefinitely)  
231 East Deer Park Drive  
Gaithersburg, Maryland 20877

Additional documents and supporting documents for this PHA Plan, that are also available for viewing at HOC's website, [www.hocmc.org](http://www.hocmc.org), are listed below.

- Form HUD-50057-ST-HCV-HP: PHA Certification of Compliance with the PHA Plans and Related Regulations (md004a01)
- HUD Form 50077-CR: Civil Rights Certification (md004j01)
- Resident Advisory Board (RAB) comments on PHA Plan (md004f01)
- Form HUD 50077-SL: Certification by State or Local Official of PHA Plan's Consistency with the Consolidated Plan or State Consolidated Plan (md004k01)
- HOC's FY 2020-2024 Five Year PHA Plan and FY 2021 Annual PHA Plans
- Housing Choice Voucher Administrative Plan
- Public Housing Admissions and Continued Occupancy Policy
- Public Housing Capital Fund Program Five-Year Action Plan: 2017-2021
- HOC's Violence Against Women Act Policy

Staff met with the Resident Advisory Board on February 22, 2021 to discuss this PHA Plan and receive any comments from the RAB.

A public hearing regarding this PHA Plan will be held on April 7, 2021 at 3:00pm via live stream on YouTube: <https://youtu.be/fcCGH7FC3K0>

## B.1 Revision of PHA Plan Elements

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

- HOC's policies for HCV admission eligibility are established in Chapter Two of the HOC Administrative Plan.
- HOC's policies for persons applying for HCV admission are established in Chapter Three of the HOC Administrative Plan.
- HOC's HCV wait list and selection processes are established in Chapter Four of the HOC Administrative Plan.
- All of HOC's PBV policies are established in Chapter 22 of the HOC Administrative Plan.

HOC has completed the transfer of all Public Housing (PH) tenants and units through the use of the Rental Assistance Demonstration (RAD) Component One. HOC currently does not operate any PH units and all previous PH tenants' assistance has been converted pursuant to the RAD Component One regulations outlined in PIH Notice 2019-23 (Rental Assistance Demonstration-Final Implementation, Revision 4). As part of HOC's RAD portfolio conversion, HOC elected not to close out the PH program, and we currently have PH Capital Fund Program (CFP) funds that have been budgeted through HUD's EPIC system. We are exploring our use of the Faircloth Limit for future development use with RAD. HOC's Public Housing Admissions and Continued Occupancy Policy (ACOP) previously governed HOC's Public Housing program. Since all of HOC's PH units and tenants have been converted under RAD Component One, this document is no longer relevant.

### 1. HCV Eligibility and Selection Criteria

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

- a. An applicant must be a "family".
  - b. An applicant must be within the appropriate Income Limits.
  - c. An applicant must furnish Social Security Numbers for all family members.
  - d. An applicant must furnish Declaration of Citizenship or Eligible Immigrant Status and verification where required.
  - e. At least the head of household or spouse of the applicant family must be either a U.S. citizen or have eligible immigration status before the PHA may provide any financial assistance.
  - f. Criminal or drug related activity only to the extent required by law or regulation including criminal records from local and state law enforcement agencies. HOC checks national and state sex offender registries and will deny persons subject to lifetime registration. HOC will review, on a case by case basis, the issues related to any applicant who is registered as a sex offender for other than their lifetime.
2. On March 13, 2020, President Trump declared the COVID-19 Pandemic a national emergency. On March 17, 2020, he signed the Coronavirus Aid, Relief and Economic Security ("CARES")



Act into law. This gave HUD broad authority to waive statutes and regulations for the Housing Choice Voucher program and emergency financial assistance. HUD Published PIH Notices 2020-05, 2020-13, and 2020-33, outlining HUD's potential temporary waivers. HOC adopted the temporary waivers below:

- **PH and HCV-2** (Adopted 4/20/20): This waiver permits the PHA to delay the annual reexamination of income and family composition. PHAs must implement HCV-7 (referenced below) for impacted families if they implement this waiver.
- **PH and HCV-3** (Adopted 4/20/20): This waiver waives the requirements to use the income hierarchy, including the use of EIV, and will allow PHAs to consider self-certification as the highest form of income verification. PHAs must also address material income discrepancies that may arise later.
- **PH and HCV-4** (Adopted 4/20/20): This waives the requirements to use income verification requirements, including the use of EIV for interim reexaminations.
- **PH and HCV-5** (Adopted 4/20/20): This waives the mandatory EIV monitoring requirements.
- **PH and HCV-6** (Adopted 4/20/20): This waiver provides for extensions to Family Self Sufficiency (FSS) contract of participation.
- **Housing Quality Standards (HQS)-1** (Adopted 4/20/20): This waiver changes initial inspection requirements allowing for owner certification that there are no life-threatening deficiencies. If self-certification is used, the PHA must inspect the unit no later than the one-year anniversary of the date of owner's certification. This waiver does not include a waiver of 24 CFR 35.15, visual assessment for deteriorated paint.
- **HQS-2** (Adopted 4/20/20): This waiver changes inspection requirements to allow for owner certification that there are no life-threatening deficiencies. Where self-certification is used, the PHA must inspect the unit no later than the one-year anniversary of the date of the owner's certification.
- **HQS-3** (Adopted 4/20/20): This waiver allows for an extension of up to 30 days for owner repairs of non-life-threatening conditions.
- **HQS-4** (Adopted 4/20/20): Under the Initial HQS Alternative Inspection Option, this waiver allows for commencement of assistance payments based on owner certification that there are no life threatening deficiencies.
- **HQS-6** (Adopted 4/20/20): This waiver waives the requirement for the PHA to conduct interim inspections and requires an alternative method. It allows for repairs to be verified by alternative methods.
- **HQS-7** (Adopted 4/20/20): This waiver allows Project Based Voucher (PBV) turnover units to be filled based on owner certification that there are no life-threatening deficiencies. It also allows for a delayed full HQS inspection not less than the one-year anniversary of the date of the owner's certification.
- **HQS-8** (Adopted 4/20/20): This waiver allows for PBV units to be added or substituted in the HAP contract based on owner certification that there

are no life-threatening deficiencies. It also allows for delayed full HQS inspection not less than the one-year anniversary of the owner's certification.

- **HQS-9** (Adopted 4/20/20): This waiver provides for a suspension of the requirement for Quality Control (QC) sampling inspections.
- **HQS-11** (Adopted 4/20/20): This waives the requirement to perform initial HQS inspections in order to begin making homeownership assistance payments, and requires the family to obtain independent professional inspection.
- **Housing Choice Voucher (HCV)-1** (Adopted 7/20/20): This waiver establishes an alternative requirement that policies may be adopted without board approval until 3/31/21, and that any provisions adopted informally must be adopted formally by 6/30/2021
- **HCV-2** (Adopted 4/20/20): This waives the requirement for an oral briefing and provides for alternative methods to conduct required voucher briefings, such as webcast, video call, or expanded information packet
- **HCV-3** (Adopted 4/20/20): This waiver allows PHAs to provide voucher extensions regardless of current PHA policy.
- **HCV-4** (Adopted 4/20/20): This waiver provides for Housing Assistance Payment (HAP) payments for contracts not executed within 60 days. PHAs must not pay HAP to an owner until the HAP contract is executed.
- **HCV-5** (Adopted 4/20/20): This waiver allows for PHA discretion on absences from units longer than 180 days. PHAs must not make HAP payments beyond 12/31/20 for units vacant more than 180 days.
- **HCV-6** (Adopted 4/20/20): This waiver allows PHAs to extend the period of time after the last HAP payment is made before the HAP contract terminates automatically.
- **HCV-7** (Adopted 4/20/20): This waiver provides PHAs with the option to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination.
- **HCV-9** (Adopted 4/20/20): This waives the requirement for the family to obtain pre-assistance counseling in the homeownership program.
- **HCV-10** (Adopted 4/20/20): This waiver pertains to the Family Unification Program (FUP) and allows PHAs to increase the age to 26 for foster youth's initial lease-up.
- **HCV-12** (Adopted 7/20/20): This waiver applies to FUP and allows PHAs to accept referrals of otherwise eligible youth who will leave foster care within 120 days.
- **HCV-13** (adopted 7/20/20): This waiver allows a PHA to extend homeownership assistance for up to one additional year.
- **HCV-14** (Adopted 7/20/2020): This waiver allows a PHA to keep a PBV unit under contract for a period of time that extends beyond 180 days from the last HAP, but does not extend beyond December 31, 2020.

3. HOC adopted the aforementioned waivers pursuant to PIH Notices 2020-05, 2020-13, and



2020-33, required amendments to HOC's Administrative Plan. A list of affected chapters and required updates are summarized below.

- **Chapter 4** (Establishing Preferences and Maintaining the Wait List): Updates to this chapter read that HOC may accept referrals from child welfare agencies for youth who will leave foster care within 120 days. A contract may be executed on behalf of any otherwise eligible FUP youth not more than 25 years of age (not reached 26<sup>th</sup> birthday). The temporary provision expires June 30, 2021 in accordance with the waiver flexibility authorized in PIH Notice 2020-33.
- **Chapter 6** (Factors Related to Total Tenant Payment and Family Share Determination): Updates to this chapter read that HOC may continue to make HAP payments and not terminate the HAP contract if the family is absent for more than 180 consecutive days due to extenuating circumstances. This temporary policy expires on June 30, 2021 in accordance with the waiver flexibility authorized in PIH Notice 2020-33.
- **Chapter 7** (Verification Procedures): Updates to this chapter read that HOC may forgo third-party income verification until June 30, 2021. This temporary verification method is in accordance with the waiver flexibility authorized in PIH Notice 2020-33.
- **Chapter 8** (Voucher Issuance and Briefings): Updates to this chapter read that HOC may conduct initial applicant briefings by other means, such as webcast, video call, or expanded information packet. These alternative methods expire on June 30, 2021 in accordance with the waiver flexibility authorized in PIH Notice 2020-33.

Additionally, updates to this chapter read that HOC may grant extensions for other non-listed reasons through June 30, 2021. This temporary policy is in accordance with waiver flexibility authorized in PIH Notice 2020-33.

- **Chapter 9** (Request for Approval of Tenancy and Contract Execution): Updates to this chapter reads that, through June 30, 2021, HOC may execute the HAP contract no later than 120 days from the beginning of the lease term. This temporary policy is in accordance with the waiver flexibility authorized in PIH Notice 2020-33.
- **Chapter 10** (Housing Quality Standards and Inspections): Updates to this chapter read that, in relation to timely initial HQS inspections, through December 31, 2020, HOC may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit instead of conducting an initial inspection. HOC must conduct an inspection in the unit no later than one year from the date of the owner's certification. This temporary provision is in accordance with the waiver flexibility authorized in PIH Notice 2020-13.

Additionally, updates to chapter 10 reads that, through December 31, 2020, HOC may authorize occupancy of a unit if the unit passed an alternative inspection in the previous 24 months. The owner must

certify that he/she has reasonable basis to have knowledge that no life-threatening conditions exist in the unit. HOC must conduct the HQS inspection no later than one year from the date of the owner's certification. This temporary provision is in accordance with the waiver flexibility authorized in PIH Notice 2020-13.

Additionally, updates to chapter 10 reads that HOC may provide the owner an additional 30 days to make repairs or non-life-threatening deficiencies. The period of availability to approve an additional 30 days is temporary and ends December 31, 2020. This temporary provision is in accordance with the waiver flexibility authorized in PIH Notice 2020-13.

Additionally, in the PBV section of chapter 10, updates read that for pre-HAP contract inspections, HOC is not required to conduct pre-contract inspections and may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life threatening conditions exist in the PBV units. HOC must inspect the units no later than one year from the date of the owner's certification. This temporary provision expires on December 31, 2020 and is in accordance with the waiver flexibility authorized in PIH Notice 2020-13.

Additionally, in the PBV section of chapter 10, updates read that HOC may waive the initial inspection requirement to fill a turnover PBV unit. HOC may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life threatening conditions exist in the PBV units. HOC must inspect the units no later than one year from the date of the owner's certification. This temporary provision expires on December 31, 2020 and is in accordance with the waiver flexibility authorized in PIH Notice 2020-13.

Additionally, the PBV section of chapter 10, updates read that HOC may amend the PBV HAP contract to add additional PBV contract units or to substitute a different unit for a previously covered contract unit without conducting an initial inspection. This is subject to the PBV program cap and income mixing requirements. HOC may rely on the owner's certification that the owner has no reasonable basis to have knowledge that life threatening conditions exist in the unit or units in question. HOC must inspect the unit no later than one year from the date of the owner's certification. This temporary provision expires on December 31, 2020 and is in accordance with the waiver flexibility authorized in PIH Notice 2020-13.

Additionally, regarding special/complaint inspections under chapter 10, if the reported deficiency is life-threatening HOC will notify the owner of the deficiency in lieu of conducting an inspection. The owner must correct the deficiency within 24 hours of the HOC notification or provide documentation that the deficiency does not exist. HOC is not required

to conduct an on-site inspection to verify that the repairs have been made, but may rely on alternative verification methods. This temporary provision expires on December 31, 2020 and is in accordance with the waiver flexibility authorized in PIH Notice 2020-13.

- **Chapter 12** (Recertifications): Updates to this chapter read that HOC may delay the completion of the annual recertification until December 31, 2020. This temporary delay is in accordance with the waiver flexibility authorized in PIH Notice 2020-13.
- **Chapter 21** (Housing Choice Voucher Homeownership Option): Updates to this chapter read that HOC may permit a family to purchase a home without fulfilling pre-assistance homeownership counseling requirements. This temporary provision expires June 30, 2021 in accordance with the waiver flexibility authorized in PIH Notice 2020-33.

Additionally, updates to Chapter 21 reads that, through June 30, 2021, HOC may waive the initial homeownership inspection requirement. This temporary policy is in accordance with the waiver flexibility authorized in PIH Notice 2020-33.

Additionally, updates to Chapter 21 read that HOC may extend the maximum term of home ownership assistance for one year if the family is in the last year of the term and is experiencing financial hardship as a result of the COVID-19 Pandemic. This temporary policy is in accordance with the waiver flexibility authorized in PIH Notice 2020-13.

- **Chapter 22** (Housing Choice Voucher Project-Based Program): Under the PBV program, HOC is typically required to remove a unit from a PBV HAP contract after 180 days of zero housing assistance payments to the unit owner. Updates to this chapter read that, in response to the COVID-19 Pandemic, at its discretion, HOC may keep a unit under contract for a period of time that exceeds 180 days, but does not extend beyond June 30, 2021. This temporary policy expires on June 30, 2021 and is in accordance with the waiver flexibility authorized in PIH Notice 2020-33.

4. The Housing Opportunity Through Modernization Act (HOTMA) was enacted July 29, 2016. The act made numerous changes to the statutes that govern HUD programs, including the PBV program. HUD published PIH Notice 2017-21 on October 30, 2017 to implement various provisions of the PBV Program. In November of 2020, HOC adopted the following modifications to Chapter 22 (Housing Choice Voucher Project Based Program):

- Determining the PBV Program size based on 20% of units authorized in our program baseline, in lieu of 20% of our Annual Budget Authority (ABA).
- Increasing the PBV Program by an additional 10% of our program baseline (above the 20% program limit) for exception categories, which include units under contract on or after April 18, 2017, specifically serving the homeless, veterans, or providing supportive services. Units in low poverty areas with a poverty rate of 20% or less also qualify as an exception.

- Limiting the maximum number of PBV Clients per building to the greater of 25 units or 25% of the units in a project.
  - Limiting the maximum number of PBV Clients per building to the greater of 25 units or 40% of the units in a project, if the project is located in a census tract with a poverty rate of 20% or less.
  - Changing the term of the initial HAP contract to up to 20 years instead of 15 years.
  - Changing the term of the contract extension of up to 20 years instead of 15.
- (c) HOC’s Public Housing Deconcentration Policy is described in Chapter 10 of the Agency’s Admissions and Continued Occupancy Policy (ACOP), which governed HOC’s Public Housing program. Although HOC has converted all of its PH units and tenants through the use of RAD Component One, rendering the ACOP no longer relevant, HOC’s PH Deconcentration policy will be referenced below, as requested for this section. More specifically, Sections 10.4 and 10.5 read the following:

***10.4 DECONCENTRATION POLICY***

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

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

***10.5 DECONCENTRATION INCENTIVES***

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

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

**B2 New Activities**

- (b) Beginning in 2014 and ending in FY 2020, HOC used the Rental Assistance Demonstration (RAD) program to convert its Public Housing (PH) portfolio to Project-Based Rental Assistance (PBRA) and PBV units. As a result of the RAD conversion project, additional

guidance discussing the goals, objectives, and program regulations specific to the converted RAD units are included in this Annual Plan. As of the completion of HOC’s RAD conversions in FY 2020, no PH units remain in HOC’s portfolio. As HOC’s RAD conversions are now complete, the PHA Plan content described herein regarding PH will cease to be applicable to the converted units. In place of the PH policies for these converted units will be the RAD conversion policies detailed in this Plan and in HOC’s Administrative Plan for those units converted to PBVs.

As part of HOC’s RAD portfolio conversion, HOC elected not to close out the PH program, and we currently have PH CFP funds that have been budgeted through HUD’s EPIC system. We are exploring our use of the Faircloth Limit for future development use with RAD.

Of the 11 PH properties approved for RAD conversion, the actual conversions have occurred in a staggered format over the last five fiscal years. HOC received Commitments to Enter into Housing Assistance Payments Contracts (“CHAP”) for all eleven (11) public housing developments. These public housing properties are grouped into multiple Asset Management Projects (the “RAD AMPs”), as follows:

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

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

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

<b>RAD Properties</b>
Elizabeth House
Holly Hall

Following the completion of the conversion of RAD units, the PH content from previous PHA Plans will become inapplicable to the converted units. Importantly, the following eligibility, selection, admissions policies, deconcentration, and wait list procedures apply to the converted PH units to either PBRA or PBV units through the RAD program.

1. RAD Eligibility and Selection Criteria Modifications

- I. Occupied Units to be Converted Under RAD. Any tenant residing in a PH unit at any of the RAD properties at the time of conversion, shall be eligible for tenancy in a post-conversion unit. These tenants will be eligible for either PBRA units or PBV units. These PBRA and PBV RAD units will be further broken down into the following categories for reference throughout this document:

The **PBRA** RAD units will be located either (i) on-site, after a rehabilitation of the property (the “**On-Site PBRA Units**”), or (ii) at a new location as new construction replacement units (the “**Replacement RAD PBRA Units**”).

The **PBV** RAD units will be units for which the assistance is transferred to other properties owned by an affiliate of HOC (the “**Assistance Transfer PBV Units**”). All PBV RAD units will fall into this category.

The term “**RAD Units**” will generally refer to any unit that was converted under RAD, regardless of the designations indicated above.

Beginning in FY 2015, HOC’s plan was to convert 508 public housing units as On-Site PBRA Units, convert 256 public housing units to Replacement RAD PBRA Units (for the Elizabeth House and Holly Hall properties), and transfer assistance for 113 public housing units, resulting in Assistance Transfer PBV Units. In all cases, each of the 877 public housing units converted under RAD would continue to receive a subsidy.

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

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

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

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

Also in FY 2020, the remaining 106 units at Elizabeth House converted through a RAD Component One and Section 18 Blend (PBV). All of the 106 units from Elizabeth House property under this conversion will be transferred fully offsite as Replacement RAD PBRA Units and Assistance Transfer PBV Units. The table below shows the breakdown of the 106 units that will transfer to the reconstructed property.

<b>RAD AMP</b>	<b>Current Public Housing Units</b>	<b>On-Site PBRA Units</b>	<b>Replacement RAD PBRA Units</b>	<b>Assistance Transfer PBV Units</b>	<b>Section 18 Disposition : PBV</b>
Elizabeth House	0	-	80	-	26

- A. On-Site PBRA Units, Replacement RAD PBRA Units and Resident Rights. This list enumerates the rights of those existing residents who occupy a RAD Unit at the time of conversion and who either remain on-site at the RAD property after conversion in a PBRA unit, or who relocate to a newly constructed Replacement RAD PBRA Unit. All PH units that are converting to PBRA through RAD will use Form HUD 90105-A Model Lease for Subsidized Programs with an initial lease term of one year. Complete information on these matters may be found under the heading of “Special Provisions Affecting Conversions to PBRA” in HUD’s PIH Notice 2019-23 (Section 1.7.B & C), which are incorporated herein by reference and summarized below:
  - a. No re-screening of tenants upon conversion.
  - b. Resident right to return to the property (or, in the case of Elizabeth House and Holly Hall, the newly constructed replacement property) if relocated as a result of conversion, irrespective of income level.
  - c. Phase-in of tenant rent increase: If the rent increase is the greater of 10 percent or \$25, the increase will be phased in over three (3) years or five (5) years, as determined by HOC.
  - d. Continued eligibility for Public Housing-Family Self-Sufficiency (“PH-FSS”) and Resident Opportunities and Self-Sufficiency-Service Coordinators (“ROSS-SC”) programs; provided, however, that these tenants will be given first priority for Assistance Transfer Units.
  - e. Resident Participation and Funding: Residents will have the right to

establish and operate a resident organization and be eligible for resident participation funding (see Attachment 1B of PIH Notice 2019-23).

- f. Termination notification: HOC must provide written notification of termination of lease within a reasonable time:
  - i. Not to exceed 30 days if health or safety of other tenants, HOC employees, or persons residing in the vicinity are threatened or in the event of drug- related or violent criminal activity or any felony conviction;
  - ii. Not less than 14 days for non-payment of rent; and
  - iii. Not less than 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
  - iv. Termination of Assistance: In all other cases, the requirements at 24 CFR §880.603, as revised for RAD in PIH Notice 2019-23, the Multifamily HUD Model Lease and any other HUD multifamily administrative guidance shall apply.
  
- g. Grievance process: See PIH Notice 2019-23 Section 1.7.B.6. In addition to program rules that require that tenants are given notice of covered actions under 24 CFR Part 245 (including increases in rent, conversions of a project from project-paid utilities to tenant-paid utilities, or a reduction in tenant paid utility allowances), HUD is incorporating resident procedural rights to comply with the requirements of section six of the United States Housing Act of 1937 (the “Act”). The RAD program will require that:
  - i. Residents be provided with notice of the specific grounds of the proposed owner adverse action, as well as their right to an informal hearing with HOC (as owner);
  - ii. Residents will have an opportunity for an informal hearing with an impartial member of HOC’s staff (as owner) within a reasonable period of time;
  - iii. Residents will have the opportunity to be represented by another person of their choice, to ask questions of witnesses, have others make statements at the hearing, and to examine any regulations and any evidence relied upon by the owner as the basis for the adverse action. With reasonable notice to HOC (as owner), prior to a hearing and at the residents’ own cost, the resident may copy any documents or records related to the proposed adverse action;
  - iv. HOC (as owner) will provide the resident with a written decision within a reasonable period of time stating the grounds for the adverse action, and the evidence HOC (as owner) relied upon as the basis for the adverse action; and
  - v. HOC (as owner) will be bound by decisions from these hearings, except if the:



- 1) Hearing concerns a matter that exceeds the authority of the impartial party conducting the hearing.
  - 2) Decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.
  - 3) If HOC (as owner) determines that it is not bound by a hearing decision, HOC must promptly notify the resident of this determination, and of the reasons for the determination.
- h. Establishment of Wait List. Wait lists will be kept in accordance with PIH Notice 2019-23 Section 1.7.C.
- i. Earned Income Disregard (“EID”). Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 960.255. If a tenant requests that the EID cease, or upon the expiration of the EID for such tenants, the tenant will no longer receive the EID exclusion and the Owner will no longer be subject to the provisions of 24 CFR §960.255. Furthermore, tenants whose EID ceases or expires after conversion shall not be subject to the rent phase-in provision, as described in Section 1.7.B.3; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time (please See PIH Notice 2019-23, Section 1.7.B.7).
- B. Assistance Transfer PBV Units and Resident Rights. This section applies to all RAD PBV units, which fall under the category of Assistance Transfer PBV Units. HOC has determined that it will be advantageous to transfer the assistance from some of the RAD AMPs to units of similar bedroom count located at other properties controlled by HOC (or its wholly owned affiliate). During FY 2015, HOC transferred the assistance of 113 units from four RAD AMPs to become PBV subsidized units. These RAD AMPs are: (1) Seneca Ridge, (2) Parkway Woods and Ken Gar, (3) Towne Centre Place and Sandy Spring Meadow, and (4) Washington Square and Emory Grove. These units are considered Assistance Transfer PBV Units, and subsidies were transferred to single family homes within HOC’s Scattered Sites portfolio. For a specific breakdown of the units transferred from each AMP, please see the chart below:

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

<b>RAD AMP</b>	
Washington Square and Emory Grove	84

During FY 2018, HOC transferred the assistance of 49 units from three RAD AMPs to offsite new construction Assistance Transfer PBV Units at Victory Crossing. These RAD AMPs are: (1) Holly Hall, (2), Waverly House, and (3) Elizabeth House. For a specific breakdown of the units transferred from each AMP, please see the chart below:

<b>RAD AMP</b>	<b>Units</b>
Holly Hall	12
Waverly House	13
Elizabeth House	24

Any resident of a RAD AMP (at time of conversion) who is offered and accepts the transfer of the rental assistance to an Assistance Transfer PBV Unit is entitled to the same rights as a current resident remaining at the converted RAD Property. The assistance available at Assistance Transfer PBV Units will be PBV. Complete information on these matters may be found under the heading of “Special Provisions Affecting Conversions to PBV” in HUD’s PIH Notice 2019-23 (Section 1.6.C & D), which are incorporated herein by reference and summarized below:

- a. No re-screening of tenants upon conversion.
- b. Resident right to an assisted unit, irrespective of income level; residents of Assistance Transfer Units waive the right to return to their prior units.
- c. Phase-in of tenant rent increase: If the rent increase is the greater of 10% or \$25, the increase will be phased in over three (3) years or five (5) years, as determined by HOC.
- d. Continued eligibility for Public Housing-Family Self-Sufficiency (“PH-FSS”) and Resident Opportunities and Self-Sufficiency- Service Coordinators (“ROSS-SC”) programs.
- e. Resident Participation and Funding: Residents will have the right to establish and operate a resident organization and be eligible for resident participation funding (see Attachment 1B of PIH Notice 2019-23).
- f. Termination notification: HOC must provide written notification of termination of lease within a reasonable time:
  1. Not to exceed 30 days if health or safety of other tenants, HOC employees, or persons residing in the vicinity are threatened or in the event of drug- related or violent criminal activity or any felony conviction;
  2. Not less than 14 days for non-payment of rent; and
  3. Not less than 30 days in any other case, except that if a

State or local law provides for a shorter period of time, such shorter period will apply.

4. Termination of Assistance: In all other cases, the requirements at 24 CFR §880.603, as revised for RAD in PIH Notice 2019-23, the Multifamily HUD Model Lease and any other HUD multifamily administrative guidance shall apply.
- g. Grievance process. See PIH Notice 2019-23 Section 1.6.C.7.b. In addition to program rules that require that tenants are given notice of covered actions under 24 CFR Part 245 (including increases in rent, conversions of a project from project-paid utilities to tenant-paid utilities, or a reduction in tenant paid utility allowances), HUD is incorporating resident procedural rights to comply with the requirements of section 6 of the Act. RAD will require that:
1. Residents be provided with notice of the specific grounds of the proposed owner adverse action, as well as their right to an informal hearing with the HOC (as owner);
  2. Residents will have an opportunity for an informal hearing with an impartial member of HOC's staff (as owner) within a reasonable period of time;
  3. Residents will have the opportunity to be represented by another person of their choice, to ask questions of witnesses, have others make statements at the hearing, and to examine any regulations and any evidence relied upon by the owner as the basis for the adverse action. With reasonable notice to the HOC (as owner), prior to hearing and at the residents' own cost, resident may copy any documents or records related to the proposed adverse action;
  4. HOC (as owner) will provide the resident with a written decision within a reasonable period of time stating the grounds for the adverse action, and the evidence HOC (as owner) relied on as the basis for the adverse action.
  5. HOC (as owner) will be bound by decisions from these hearings, except if the:
    - i. Hearing concerns a matter that exceeds the authority of the impartial party conducting the hearing.
    - ii. Decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.
    - iii. If HOC (as owner) determines that it is not bound by a hearing decision, HOC must promptly notify the resident of this determination, and of the reasons for the determination.

- h. Establishment of Wait List. See PIH Notice 2019-23 Section 1.6.D.4.
  - i. Earned Income Disregard (“EID”). Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 960.255. If a tenant requests that the EID cease, or upon the expiration of the EID for such tenants, the tenant will no longer receive the EID exclusion and the Owner will no longer be subject to the provisions of 24 CFR §960.255. Furthermore, tenants whose EID ceases or expires after conversion shall not be subject to the rent phase-in provision, as described in Section 1.6.C.8; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time. (Please See PIH Notice 2019-23, Section 1.6.C.8)
- A. Relocation. There is no planned offsite relocation with the exception of the Assistance Transfer Units described above. During the rehabilitation of each RAD AMP, residents may be relocated to facilitate the rehabilitation work within the RAD AMP. All relocations will be subject to the Uniform Relocation Act (“URA”) and HOC will arrange for and assume all costs of relocation either on-site or off-site.
- II. Vacant Units Converted Under RAD and New Tenants. After conversion under the RAD program, any new tenant of a vacant RAD Unit (whether an On-Site RAD PBRA Unit, Replacement RAD PBRA Unit, or an Assistance Transfer PBV Unit), will be subject to the terms of HUD regulations for Project-Based Section 8. This includes the requirement that tenants have incomes no greater than eighty percent (80%) of AMI. These RAD units and their tenants will not be governed by HOC’s Admissions and Continued Occupancy Policy (“ACOP”) for its PH units. Each RAD Property will have its own Tenant Selection Plan developed to be consistent with efforts to Affirmatively Further Fair Housing and the provisions of HUD Handbook 4350.3 (November 2013).

Arcola Towers, Elizabeth House, and Waverly House were each designated for occupancy by only the elderly. Post conversion, these properties will have an elderly preference according to the Section 8 multifamily regulations outlined in the HUD Handbook 4350.3 (November 2013). All other RAD properties and RAD units are not designated as elderly-only and there will be no age restrictions or other preferences in the admission for tenancy.

Future applicants after the RAD conversion will be screened to ensure that they meet project eligibility requirements including citizenship requirements, disclosure and documentation of social security numbers, and income limitations. They will also be screened to determine that they will be responsible residents, which will include, but not be limited to, a review of references from previous landlords, credit history, and criminal and eviction history. In addition, Resident Selection Criteria incorporates screening

requirements as established for the Section 8 program in HUD Handbook 4350.3 (November 2013), Occupancy Requirements for Subsidized Multi-Family Housing Programs.

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

- A. The applicant will be immediately notified if it is found that the applicant is ineligible because their income exceeds the appropriate income limits or because the applicant's family size is not suitable for the size of the available unit(s).
  - B. If the applicant meets the eligibility criteria, they will be offered a unit or placed on a wait list.
  - C. The applicant will be promptly notified, in writing, of the determination of their ineligibility. The letter will explain why the applicant is not eligible.
  - D. The rejection letter will advise the applicant that they have fourteen (14) days to respond in writing or request a meeting with a representative of the owner not involved in the original determination process.
  - E. The rejection letter will also inform the applicant that responding to the rejection letter does not preclude the applicant from exercising other avenues available if they feel they are being discriminated against.
  - F. If the applicant responds in writing and/or after a meeting is held, the applicant will be advised, in writing, whether or not the decision has changed. The letter will be sent within five (5) days from the date of the applicant's letter or from the date of the meeting.
- III. On-Site Unassisted Units (Non-Subsidized). As a result of the transfer of assistance to off-site Assistance Transfer PBV Units and Replacement RAD PBRA Units, there will be a commensurate number and type of non-RAD units located at the RAD Property (the "**On-Site Unassisted Units**"). These units will include market-rate units and units with other non-subsidized affordable programs, such as Low Income Housing Tax Credits. The On-Site Unassisted Units allow HOC to make units at the RAD Properties available to tenants without rental assistance and, at HOC's discretion, without income restrictions (market-rate units), which not only promotes the economic viability of the converted properties, but also furthers HOC's goal to deconcentrate poverty. There will be no difference in unit quality or amenities between the RAD Units and the On-Site Unassisted Units. Additionally, HOC will not require any resident to move from a RAD Property. Tenant-based Housing Choice Vouchers will be accepted in these units.

## 2. RAD Wait List Modifications

HOC opened its wait list (Housing Path) in August of 2015. In advance of the

opening of the wait list, HOC undertook a comprehensive process of combining all of the Agency’s wait lists into one single list for all HOC programs. Prior to the opening of the new wait list, all applicants on HOC’s PH wait lists received notification that the lists were being purged and that they will be given priority on new site-based wait lists for the converted RAD Properties, which will be developed based upon direction provided within and in conformity with HUD Notice PIH-2019-23 (HA), REV-1 Sections 1.6.D.4 and 1.7.C.3. HOC’s new wait list policies are described in Chapter Four of HOC’s Administrative Plan for the Housing Choice Voucher Program and in Chapter Nine of HOC’s ACOP.

Previously, HOC’s Public Housing wait lists were not site-based or project specific, but separated into four regional lists by bedroom size with preferences for families designated as “Federal Emergency Assisted” and residents who live and/or work, or have been offered to work in the jurisdiction. The selection process for each list was by preference and then a random lottery selection. HOC currently utilizes separate site-based wait lists for the RAD Properties (or definable portion of such property, where geographic proximity is lacking). The wait lists for each RAD Property are opened to the public.

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

### 3. RAD Assignment Modification

- A. All tenants currently participating and residing in PH units at the RAD AMPs will be admitted into converted RAD Units. After the RAD conversion, admission and selection of future tenants at these RAD Properties will be governed by HUD regulations as detailed above.
- B. Residents of RAD Units will be required to meet the following occupancy standards (as further depicted in the table below):
  - i. A single head of household or a head of household with a spousal relationship or significant other will be assigned one bedroom.
  - ii. Two members of the same gender, regardless of age, will be assigned one bedroom.

- iii. A live-in aide will get a separate bedroom.

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

- iv. Exceptions to normal bedroom size standards include the following:

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

4. Deconcentration of Poverty

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

5. Conversion of Public Housing

HOC's conversion of PH units to RAD Units under the RAD program was designed to entail (i) the renovation of 268 single family and townhome units in three RAD AMPs, (ii) the renovation of 298 units at two elderly properties in two RAD AMPs, (iii) the construction of 391 new units to replace the existing units which will be demolished at an elderly property and property designated for elderly and Non-Elderly Disabled (NED) residents in two RAD AMPs, and (iv) the transfer of assistance for 113 units from four separate RAD AMPs to newly renovated single-family homes.

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

During FY 2016, HOC completed the RAD conversion of all of the units at the Arcola Towers (141) AMP to PBRA and Waverly House (158) to PBRA (145), and PBV (13) offsite new construction Assistance Transfer PBV Units at Victory Crossing.

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

Waverly House is a 157-unit elderly high-rise property consisting of 156 one-bedroom units and one two-bedroom unit, originally constructed in 1978. It is located at 4521 East West Highway in Bethesda, MD 20814. The Waverly House units were substantially rehabilitated during FY 2017 and FY 2018. The building and housing units now meet Enterprise Green Communities standards. All work performed was completed under the International Existing Building Code (IEBC) and all applicable Montgomery County construction codes.

During FY 2018, HOC completed the conversion of all of the units at the Holly Hall (96) RAD AMP to PBRA (84) offsite new construction RAD Replacement PBRA Units at Fenton Silver Spring (900 Thayer), and PBV (12) offsite new construction Assistance Transfer PBV Units at Victory Crossing. Also in FY 2018, HOC converted 24 of the 160 units at the Elizabeth House RAD AMP to PBV offsite new construction Assistance Transfer PBV Units at Victory Crossing.

During FY 2020, HOC completed the conversion of 30 of the 106 units at the Elizabeth House RAD AMP to PBRA offsite new construction RAD Replacement PBRA Units at Victory Haven.



During FY 2020, HOC completed the conversion of the remaining 106 units at Elizabeth House under a RAD Component One / Section 18 Blend, completing the final stage of HOCs RAD conversion process for its Public Housing portfolio.

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

Property Name	Property Location	Date Ready for Occupancy
Fenton Silver Spring (900 Thayer)	8240 Fenton Street, Silver Spring, MD 20910	November 2019
Pointe View at Aspen Hill	3136 Bel Pre Road, Silver Spring, MD 20906	December 2019
Victory Crossing	1090 Milestone Drive, Silver Spring, MD 20904	June 2018
Victory Haven	9616 Main Street, Damascus, MD 20872	June 2020

Fenton Silver Spring (900 Thayer) completed construction in FY 2020. This property is the replacement property for Holly Hall. It is a luxury high-rise building located in downtown Silver Spring, Maryland. Fenton Silver Spring is a 100% Low Income Housing Tax Credit property with a total of 124 units, of which, 84 are layered with RAD PBRA subsidies.

The final HOC property to complete its RAD conversion was Elizabeth House. Elizabeth House is a 160-unit elderly high-rise property consisting of 40 efficiencies, 100 one-bedroom units, and 20 two-bedroom units, originally constructed in 1966. It is located at 1400 Fenwick Lane in Silver Spring, MD 20910. Twenty-four of the 160 PH units at Elizabeth House completed their conversion to PBV in FY 2018. One hundred thirty-six of the 160 PH units at Elizabeth House completed their conversion to PBRA or PBV in FY 2020. All of the former PH residents from Elizabeth House are moving to a combination of the same four new properties as the former residents of Holly Hall described above or they will move to the new construction Elizabeth House III RAD property, which is the replacement property for Elizabeth House.

All of the former public housing units at Elizabeth House will be demolished. A replacement building, Elizabeth House III (EH III), is currently being constructed on an adjacent site. After construction, the building and housing units at EH III are expected to meet Enterprise Green Communities standards. All work being performed will be completed under the International Existing Building Code (IEBC) and all applicable Montgomery County construction codes. The remaining PH residents at Elizabeth House will move to a combination of the new EH III property and the same four new properties as the former PH

residents of Holly Hall.

#### 6. Designated Housing for Elderly and/or Disabled Families

HOC no longer has Public Housing units designated for elderly and/or disabled families. All Public Housing units have been converted through the use of RAD Component One and a RAD Section 18 Blend.

#### 7. Project-Based Vouchers

HOC currently operates a PBV program within its HCV program. The rules governing HOC's PBV program are enumerated in Chapter 22 of HOC's Administrative Plan for the HCV Program. As described in HOC's Administrative Plan, the program goals for the PBV Program are as follows:

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

In FY 2019, HOC's Stewartown Homes underwent a RAD Component Two conversion from Section 236 Rental Assistance Payments (RAP) to PBV. Nineteen existing RAP subsidies were converted to PBV. In relation to the RAD Component Two conversion, HUD also approved HOC for 37 Low Vacancy Vouchers (LVV) as project-based tenant protection vouchers for residents without Section 236 RAP subsidy. HOC was required to certify the existing residents for the LVVs and determine eligibility, which is governed by the HCV program regulations. The LVV funding went into effect during October 2019. The 19 PBV and 37 LVVs are now administered under HOC's HCV program.

In FY 2020, HOC's Elizabeth House completed its conversion of PH through a RAD Component One / Section 18 Blend, as indicated above. This conversion included 26 tenant protection project-based vouchers. These vouchers are now administered under HOC's HCV program.

In FY 2020, HUD awarded HOC 121 LVV project based tenant protection vouchers associated with Revitz House, an elderly property located at 6111 Montrose Road, Rockville, Maryland 20852. HOC does not own this property, but the LVVs will be administered under our HCV program.

During FY 2020, HOC's Town Center Apartments underwent a RAD Component

Two conversion from Section 236 (elderly) RAP to PBRA. HOC received 22 PBRA subsidies to replace the existing Section 236 RAP subsidies. In relation to this conversion, HUD approved HOC for 78 LVVs as tenant protection vouchers for Section 236 residents not receiving RAP subsidy. HOC was required to certify the existing residents for the LVVs and determine eligibility, which is governed by the HCV program regulations. The 78 project-based LVVs are now administered under HOC's HCV program. The HAP contract for the PBRA subsidies will be assigned to another HOC owned new construction property, Upton II, when the property is ready for occupancy. Upton II is a replacement property for Town Center Apartments.

In FY 2020, HOC's Bauer Park property underwent a RAD Component Two conversion from Section 236 (elderly) RAP to PBRA. HOC received a total of 56 PBRA subsidies to replace the existing Section 236 RAP subsidies. In relation to this conversion, HOC was also approved for 65 LVVs as tenant protection vouchers for the Section 236 residents without RAP subsidies. HOC was required to certify the existing residents for the LVVs and determine eligibility, which is governed by the HCV program regulations. The 65 project-based LVVs are now administered under HOC's HCV program.

During FY 2021, and pursuant to the PBV regulations outlined in 24 CFR 983 and PIH Notice 2017-21, HOC posted a Request for Proposal for its HCV program. HOC intends to project-base a total of 100 units, and is currently accepting requests from private landlords and developers. This competitive selection process utilized the selection criteria described in HOC's Administrative Plan ensuring compliance with PBV goals, civil rights requirements, Housing Quality Standards (HQS), and deconcentration standards, as stated in 24 CFR 983.57 and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions for the HCV program.

As per the Code of Federal Regulations (CFR) at 24 CFR 983.6 and HOC's Administrative Plan, the maximum amount of PBV assistance that HOC may provide is up to 20 percent of the amount of the HCV program baseline (currently 7,611). HOC currently has 870 PBV units located throughout Montgomery County, Maryland, including Silver Spring, Aspen Hill, Bethesda, Montgomery Village, Gaithersburg, Rockville, Germantown, Chevy Chase, Wheaton, Takoma Park, Clarksburg, and Boyds.

### **B3 Civil Rights Certification**

Please see attached HUD-50077-ST-HCV-HP (PHA Certifications of Compliance with the PHA Plans and Related Regulations).

### **B4: Most Recent Fiscal Year Audit**

(b) There were two findings in HOC's most recent FY audit. All recommendations have been followed to remedy these findings. Excerpted below are details of these findings.

**1. Finding 2020-001**Condition/Context:

The Commission's internal controls did not always ensure that tenant files included all required documentation. During testing of 40 tenant files, one recertification packet could not be located.

Recommendation:

It is recommended that the Commission review the checklists used by housing specialists when they complete an annual recertification to ensure the checklist adequately identifies all information required. We also recommend management identify the specialists responsible for the erroneous files and investigate whether findings represent a systemic problem, or are limited to a few specialists. Additional training for housing specialists would also improve accuracy.

HOC Corrective Action:

The HOC acknowledges the finding and continues to emphasize the importance of daily scanning upon completion of a file. Moreover, staff are held accountable for their actions, as scanning is a performance expectation and measured in the annual review.

The HOC hired an internal Staff Trainer in the Housing Resources Division, to provide ongoing education and instructions to new and existing staff. The trainer will introduce new concepts and re-emphasize existing policies to reduce the error rate and improve the rate of accuracy.

**2. Finding 2020-002**Condition/Context:

The Commission's internal controls did not always ensure that annual inspections were performed timely and/or properly documented. Out of 40 units tested for annual HQS testing requirements, exceptions were noted for four units. Three units did not have an annual inspection performed within one year of the previous inspection and one unit had no inspections during the fiscal year 2020.

Recommendation:

It was recommended that the Commission review their annual HQS inspection process to ensure that units are inspected at least once per year.

HOC Corrective Action:

The Commission continues to make modifications to the inspection procedures in an effort to reduce the number of findings. A Financial Analyst, effective July 2020, will be reviewing the inspection records on a monthly basis to prevent missed annual inspections. This added layer will provide oversight of the inspections process. These procedures include but are not limited to, running monthly reports prior to inspection scheduling, monthly review of completed inspections, and requests for technology enhancements to assist in the monitoring of inspections.

**B5 Progress Report**

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

- HOC has developed and is developing affordable, mixed-use developments in Montgomery County.
- HOC has completed the transfer of all PH tenants and units through the use of the Rental Assistance Demonstration (RAD) Component One and a RAD Section 18 Blend. HOC currently does not operate any PH units and all previous PH tenants’ assistance has been converted pursuant to the RAD Component One regulations.
- HOC previously opened two customer service centers, one “down”-County in Silver Spring and the second “up”-County in Gaithersburg. These centers have been closed to the public indefinitely from March 2020 to the creation of this report due to the COVID-19 Pandemic. Our Housing Resources Division (HRD), which operates our HCV program, has adapted their operations in order to continue to operate efficiently and provide the same level of services as pre-COVID 19.

HRD staff have adopted a temporary remote/teleworking policy to allow our HRD front-line workers to continue to serve our HCV customers as efficiently as possible. Our Housing Specialists are currently performing electronic re-certifications. Our Program Assistant support staff visit the physical offices on a regular basis to scan documents to the Housing Specialists, so they are able to complete their work remotely. HRD has also implemented remote customer voucher issuance and relocation briefings, remote landlord informational briefings, and remote informal hearings.

- Adhering to HUD guidelines, the Housing Choice Voucher Inspection Services team initially waived the annual inspection requirement due to the COVID-19 Pandemic. In November 2019, they phased in the use of virtual inspections for annual and initial inspections in order to continue to ensure safe and appropriate housing for our HCV customers during the COVID-19 pandemic. The inspections team has also allowed virtual inspections for our most vulnerable population and people leasing in place.
- HOC’s Resident Services Division, which provides supportive services to HOC’s customers, including Housing Choice Voucher recipients, has been able to continue serving our customers during the COVID-19 Pandemic. They have adapted to continue providing supportive services primarily through phone and virtual platforms. General services provided, include assessments, information, and referrals. During the COVID-19 Pandemic, HOC has also provided and delivered food and other essentials to customers in need. Additionally, HOC staff provide in-person crisis intervention services to customers as needed. Lastly, HOC’s Resident Services Division has continued to provide educational programs for youth, and health and wellness programs for adults and the elderly through virtual platforms.
- HOC has continued to work with staff, other local agencies, and outside partners to enhance its fair housing efforts.

Violence Against Women Act (VAWA):

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

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

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

- A. Maintaining compliance with all applicable legal requirements imposed by VAWA;
- B. Ensuring the physical safety of victims of actual or threatened domestic violence, dating violence, sexual assault, or stalking who are assisted by HOC;
- C. Providing and maintaining housing opportunities for victims of domestic violence, dating violence, sexual assault, or stalking;
- D. Creating and maintaining collaborative arrangements between HOC, law enforcement authorities, victim service providers, and others to promote the safety and well-being of victims of actual and threatened domestic violence, dating violence, sexual assault, or stalking, who are assisted by HOC; and
- E. Taking appropriate action in response to an incident or incidents of domestic violence, dating violence, sexual assault, or stalking, affecting individuals who HOC assists.

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

any particular case, HOC's Emergency Transfer Plan does describe providers of shelter or other services to victims of domestic violence, dating violence, sexual assault, or stalking with which HOC has referral or other cooperative relationships.

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

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

**B6 Resident Advisory Board (RAB) Comments**

Staff met with the RAB on February 22, 2021. The RAB provided a letter of endorsement. No comments for consideration were provided by the RAB. Please reference the attached RAB letter of endorsement.

**B7 Certification by State or Local Officials**

Please see attached Form HUD 50077-SL (Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan)

**B8 Troubled PHA**

Not Applicable.

**C1. Statement of Capital Improvements**

Please reference HUD form 50075.2 approved by HUD on 10/30/2020. The Capital Fund Program Five-Year Action Plan describes the capital improvements necessary to ensure the long-term physical and social viability of HOC's Public Housing Projects.



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

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

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

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

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



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

Housing Opportunities Commission of Montgomery Co  
 PHA Name

MD004  
 PHA Number/HA Code

Annual PHA Plan for Fiscal Year 2022

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

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

Name of Authorized Official Stacy L. Spann	Title Executive Director
Signature	Date

## Civil Rights Certification

### Annual Certification and Board Resolution

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official, I approve the submission of the 5-Year PHA Plan for the PHA of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the public housing program of the agency and implementation thereof:*

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those program, addressing those impediments in a reasonable fashion in view of the resources available and working with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.

Housing Opportunities Commission of Montgomery Co  
PHA Name

MD004  
PHA Number/HA Code

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

Name of Authorized Official  
Stacy L. Spann

Title  
Executive Director

Signature

Date

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

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

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

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

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

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

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

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

pursuant to 24 CFR Part 91.

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

The activities to be undertaken by HOC in FY22 are consistent with the Montgomery County DHCA's Consolidated Plan. These include the continued conversion of HOC's Public Housing (PH) portfolio to Project-Based Rental Assistance (PBRA) and Project-Based Voucher (PBV) units under the RAD program. HOC's RAD conversion project is expected to finish in 2021. All activities will comply with HOC's commitment to affirmatively further fair housing.

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

Name of Authorized Official	Title
Timothy J. Goetzinger	Chief, Finance and Administration
Signature	Date
Timothy J. Goetzinger	1/27/2021



**RESIDENT ADVISORY BOARD**  
**Housing Opportunities Commission**  
**10400 Detrick Avenue**  
**Kensington, Maryland 20895**  
**240-627-9735**

**Members**

**Lakeyia Thompson**  
*President*

**Shawntel Thomas-Reddix**  
*Acting Vice President*

**Vacant**  
*Secretary*

**Kathleen Flanagan**  
*Parliamentarian*

**Vacant**  
*Treasurer*

**Linda Croom**  
*Member/Commissioner*

**Tashea Walters**  
*Member*

**Lexan McDowell**  
*Member*

February 25, 2021

Mr. Stacy L. Spann  
Executive Director  
Housing Opportunities Commission  
10400 Detrick Avenue  
Kensington, Maryland 20895

**RE: Endorsement of FFY 2021 (HOC FY 2022) PHA Plan**

Dear Mr. Spann:

This letter certifies that the Resident Advisory Board (RAB) to the Housing Opportunities Commission (HOC) of Montgomery County reviewed and discussed the proposed Federal Fiscal Year (FY) 2021 (HOC FY 2022) Annual Public Housing Agency (PHA) Plan. Please be advised that the RAB fully supports and endorses the proposed PHA Plan.

We are excited to hear that HOC has completed the conversion of all Public Housing units using the Rental Assistance Demonstration (RAD) Component One. By converting HOC's public housing units over to the housing assistance payments programs under Section 8, RAD is helping Montgomery County's low-income residents to have greater flexibility in their housing choices as well as receive renovated, more up-to-date units.

Importantly, however, the Housing Choice Voucher (HCV) program's funding picture is troublesome. Having a waiting list of over 38,000 households speaks to the need for greater funding than is now available. The HCV program represents the primary hope for affordable housing, especially in an expensive area such as Montgomery County. We hope you can convey the message to HUD that adequate funding is critical and extremely important to meet the housing dilemma faced by so many low-income families.

Sincerely,

Ms. Lakeyia Thompson  
President

**REVISIONS OF HOC'S ADMINISTRATIVE PLAN  
FOR THE HOUSING CHOICE VOUCHER PROGRAM  
TO ADD A LEAD BASED PAINT PLAN OF ACTION.**

**April 7, 2021**

- The Code of Federal Regulations (CFR) requires Public Housing Agencies (PHAs) to adopt written plans and policies that describe the federal regulations and establish local policies for administration of the voucher programs of the given PHA. For the Housing Choice Voucher (HCV) program, this governing document is the Administrative Plan.
- The CFR also requires that PHAs 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 they do not conflict with federal regulations.
- At this time, HOC has developed proposed revisions to its Administrative Plan that will add a Lead Based Paint Plan of Action to Chapter 8 of the Plan.
- Staff is requesting that the Commission adopt the proposed revisions to HOC's Administrative Plan.



**TIME FRAME:**

The Legislative and Regulatory Committee reviewed this item at its meeting on March 05, 2021. For Commission action on April 7, 2021.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Housing Opportunities Commission of Montgomery County accept the recommendation to adopt revisions to HOC's Administrative Plan for the Housing Choice Voucher program to include the Lead Based Paint Plan of Action to Chapter 8 of 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.

**RESOLUTION: 21-41**

**RE: Revisions to HOC’s Administrative Plan  
for the Housing Choice Voucher  
Program to include the Lead Based  
Paint Plan of Action**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“Commission”) desires to revise its Administrative Plan for the Housing Choice Voucher Program (the “Plan”) to include the Lead Based Paint Plan of Action in Chapter 8 of the Plan (the “Revisions”), as identified in the revised Chapter 8 attached hereto as Exhibit A; and

**WHEREAS**, a public comment period for the Revisions began on March 5, 2021 and concluded on April 7, 2021 with a public hearing.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County adopts the Revisions, as identified in the revised Plan attached hereto as Exhibit A.

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

**I HEREBY CERTIFY** that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 7, 2021.

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**Patrice Birdsong  
Special Assistant to the Commission**



**EXHIBIT A**

**Revised Administrative Plan for the Housing Choice Voucher Program**

*[attached]*

## Chapter 8

### VOUCHER ISSUANCE AND BRIEFINGS

[24 CFR 982.301, 982.302]

#### **INTRODUCTION**

The PHA's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit. Families are provided sufficient knowledge and information regarding the program and how to achieve maximum benefit while complying with program requirements. When eligibility has been determined, the PHA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, PHA procedures, and how to lease a unit. The family will also receive a briefing packet that provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration. This Chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

#### A. **ISSUANCE OF VOUCHERS** [24 CFR 982.204(d), 982.54(d)(2)]

When funding is available, the PHA will issue Vouchers to applicants whose eligibility has been determined. The number of Vouchers issued must ensure that the PHA stays as close as possible to 100 percent lease-up. The PHA performs a monthly calculation electronically to determine whether applications can be processed, the number of Vouchers that can be issued, and to what extent the PHA can over-issue (issue more Vouchers than the budget allows to achieve lease-up).

The PHA may over-issue Vouchers only to the extent necessary to meet leasing goals. All Vouchers that are over-issued must be honored. If the PHA finds it is over-leased, it must adjust future issuance of Vouchers in order not to exceed the ACC budget limitations over the fiscal year.

**B. BRIEFING TYPES AND REQUIRED ATTENDANCE [24 CFR 982.301]**

**Initial Applicant Briefing**

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups. Families who attend group briefings and still have the need for individual assistance will be referred to their Rental Assistance Specialist. HOC may conduct the briefing by other means, such as a webcast, video call, or expanded information packet. These alternative methods expire on June 30, 2021 in accordance with the waiver flexibility authorized in PIH Notice 2020-33.

Briefings will be conducted in English.

The purpose of the briefing is to explain how the program works and the documents in the Voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

The PHA will not issue a Voucher to a family unless the household representative has attended a briefing and signed the Voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend 2 scheduled briefings, without prior notification and approval of the PHA, may be denied admission based on failure to supply information needed for certification. The PHA will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

**Briefing Packet** [24 CFR 982.301(b)]

The documents and information provided in the briefing packet for the voucher program will comply with all HUD requirements. The PHA also includes other information and/or materials that are not required by HUD. This information will be provided at the applicant's Initial and the participant's Move Briefing.

The family is provided with the following information and materials

The term of the voucher, and the PHA policy for requesting extensions or suspensions of the voucher (referred to as tolling).

A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family; how the PHA determines total tenant payment for a family and information on the payment standard and utility allowance schedule. How the PHA determines the maximum allowable rent for an assisted unit.

For a family that qualifies to lease a unit outside the PHA jurisdiction under portability procedures, the information must include an explanation of how portability works.

The HUD required tenancy addendum, which must be included in the lease.

The Request for Approval of Tenancy form, and a description of the procedure for requesting approval for a unit.

A statement of the PHA policy on providing information about families to prospective owners.

The PHA Subsidy Standards including when and how exceptions are made and how the voucher size relates to the unit size selected.

The HUD brochure on how to select a unit and/or the HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS.

The HUD brochure on lead-based paint and information about where blood level testing is available.

Information on Federal, State and local equal opportunity laws and a copy of the housing discrimination complaint form. The PHA will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws and guidelines, and the telephone numbers of the local fair housing agency and the HUD enforcement office.

A list of units available for the Section 8 program which is updated monthly and compiled by bedroom size.

If the family includes a person with disabilities, notice that the PHA will provide assistance in locating accessible units.

The Family Obligations under the program.

The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.

PHA informal hearing procedures including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

Information packet including an explanation of how portability works, including a list of neighboring housing agencies with the name, address and telephone number of a portability contact person at each for use by families who move under portability. (required for PHAs in MSAs)

A family participating in the project-based voucher program will be offered available tenant-based assistance either under the voucher program or under another comparable form of tenant-based assistance as defined by HUD

Information regarding the PHA's outreach program that assists families who are interested in, or experiencing difficulty in obtaining available housing units in areas outside of minority concentrated locations.

The HQS checklist.

Procedures for notifying the PHA and/or HUD of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair.

The family's rights as a tenant and a program participant.

Requirements for reporting changes between annual recertifications.

Information on security deposits and legal referral services. Exercising choice in residency

Choosing a unit carefully and only after due consideration.

The Family Self-Sufficiency program and its advantages.

If the family includes a person with disabilities, the PHA will ensure compliance with CFR 8.6 to ensure effective communication.

### **Lead Base Paint**

The RFTA requests owners/agents to provide basic information about the rental unit selected by a voucher family, including but not limited to the unit address, number of bedrooms, structure type, proposed rent, utility responsibilities, if the unit is subsidized, and the year the unit was constructed. For units constructed prior to January 1, 1978, owners/agents must either (1) certify that the unit, common areas, and exterior are free of lead-based paint conducted by a certified inspector, and/or (2) attach a lead-based paint disclosure statement.

### **Move Briefing**

A full HUD-required move briefing will be held for participants who will be reissued a Voucher to move, and who have been recertified within the last 120 days, and have given notice of intent to vacate to their landlord. This briefing includes incoming and outgoing portable families. The briefings will be conducted in groups. Families who attend group briefings and still have the need for individual assistance will be referred to their Rental Assistance Specialist.

### **Owner Briefing**

Briefing may be held for owners periodically. The purpose of the briefing is to assure successful owner participation in the program. Information provided will include the responsibilities and obligations of the three parties.

C. **ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION (Regional Opportunity Counseling (ROC) Grant)**

At the briefing, families are encouraged to search for housing in non-impacted areas and the PHA will provide assistance to families who wish to do so.

The PHA has areas of poverty and minority concentration clearly delineated in order to provide families with information and encouragement in seeking housing opportunities outside highly concentrated areas.

The PHA provides information about facilities and services in neighboring areas such as schools, transportation, and supportive and social services.

The PHA will investigate and analyze when voucher holders are experiencing difficulties locating or obtaining housing units outside areas of concentration.

The assistance provided to such families includes:

- Providing families with a search record form to gather and record info.
- Direct contact with landlords.
- Counseling with the family.
- Providing information about services in various non-impacted areas.
- Meeting with neighborhood groups to promote understanding.
- Formal or informal discussions with landlord groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Will meet with fair housing groups or agencies as needed or upon request.

**D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION** The PHA will give participants a copy of HUD form 903 to file a complaint.

**E. SECURITY DEPOSIT REQUIREMENTS** [24 CFR 982.313] **Leases**

**Effective Prior to October 2, 1995**

The amount of Security Deposit that could have been collected by owners under contracts effective prior to October 2, 1995 is:

Under the pre-merger Certificate Program, the owner could have collected a Security Deposit in an amount not to exceed Total Tenant Payment or \$50.00, whichever is greater, for non-lease-in-place families.

For the pre-merger Voucher Program, the owner, at his/her discretion, could have collected a Security Deposit in an amount not to exceed (PHA policy):

The greater of 30% of adjusted monthly income or \$50 for non-lease-in-place families.

The amount charged to unassisted tenants may not exceed the maximum allowed under state or local law.

The greater of 30% of adjusted monthly income or

[amount]. **Leases Effective on or after October 2, 1995**

The owner is not required to, but may collect a security deposit up to the maximum allowed by State and local law.

Security deposits charged to families may be any amount the owner wishes to charge, subject to the following conditions:

Security deposits charged by owners may not exceed those charged to unassisted tenants nor the maximum prescribed by State or local law.

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.



**F. TERM OF VOUCHER** [24 CFR 982.303, 982.54(d)(11)]

During the briefing session, each household will be issued a voucher which represents a contractual agreement between the PHA and the Family specifying the rights and responsibilities of each party. It does not constitute admission to the program which occurs when the lease and contract become effective.

**Expirations**

The Voucher is valid for a period of at least ninety (90) calendar days from the date of issuance. The family must submit a Request for Tenancy Approval and Lease within the ninety-day period unless an extension has been granted by the PHA.

If the Voucher has expired, and has not been extended by the PHA or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

**Suspensions**

When a Request for Approval of Tenancy is received, the PHA will deduct the number of days required to process the request from the 90 day term of the voucher.

## **Extensions**

The PHA will extend the term up to 150 days from the beginning of the initial term if the family needs and request an extension as a reasonable accommodation to make the program accessible to and usable by a family member with a disability. If as a reasonable accommodation, the family needs an extension in excess of 150 days, they must request the same in writing, prior to the expiration date of the voucher. The PHA may grant such a request.

A family may request an extension of the voucher time period. All requests for extensions must be received, in writing, prior to the expiration date of the voucher.

Extensions are permissible at the discretion of the PHA up to a maximum of an additional 60 days primarily for these reasons:

- Extenuating circumstances such as hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial 90 day period. Verification is required.
- The PHA is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of the PHA, throughout the initial 90 day period. A completed search record **is** required.
- The family was prevented from finding a unit due to disability accessibility requirements or bedroom unit requirement. The Search Record is part of the required verification.

The PHA extends in one or more increments. Unless approved by the Director or the Assistant Director of Rental Assistance, extensions will not exceed more than a total of an additional sixty days to the initial term of the voucher. HOC may grant extensions for other non-listed reasons through June 30, 2021. This temporary policy is in accordance with waiver flexibility authorized in PIH Notice 2020-33.

## **Assistance to Voucher Holders**

Families who require additional assistance during their search may call the PHA Office to request assistance. Voucher holders will be notified at their briefing session that the PHA periodically updates the listing of available units and how the updated list may be obtained.

The PHA will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

After the first 30 days of the search the family is required to maintain a search record.

**G. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS**

24 CFR 982.315]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the Director of Rental Assistance shall consider the following factors to determine which of the families will continue to be assisted:

- . Which of the two new family units has custody of dependent children.
- . Which family member was the head of household when the Voucher was initially issued (listed on the initial application).
- . The composition of the new family units, and which unit contains elderly or disabled members.
- . Whether domestic violence was involved in the breakup.
- . Which family members remain in the unit.
- . Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, the PHA will terminate assistance on the basis of failure to provide information necessary for a recertification.

**H. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER**

[24 CFR 982.315]

To be considered the remaining member of the tenant family, the person must have been previously approved by the PHA to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

In order for a minor child to continue to receive assistance as a remaining family member:

- ☐ The court has to have awarded emancipated minor status to the minor, or
- ☐ The PHA has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a reduction in the voucher family unit size.

**I. SPLIT HOUSEHOLDS DURING PROGRAM PARTICIPATION**

When families currently receiving assistance split, the current head of household retains continual voucher assistance. Remaining family members must separately apply when the waiting list is open to receive assistance.



# Deliberation and/or Action

# **RECOMMENDED BUDGET: PRESENTATION OF THE EXECUTIVE DIRECTOR'S FY'22 RECOMMENDED BUDGET**

**April 7, 2021**

- The Executive Director's FY'22 Recommended Budget reflects the Housing Opportunities Commission of Montgomery County's ("HOC", the "Commission", or the "Agency") priorities and strategic objectives.
- The Recommended Operating Budget for FY'22 is \$292.2 million.
- The Recommended Capital Budget for FY'22 is \$438.2 million.
- The Budget, Finance and Audit Committee will review this budget proposal in detail and recommend the FY'22 Budget, as amended, to the full Commission for adoption at the June 2, 2021 Commission meeting.

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

**TO:** Housing Opportunities Commission

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

**FROM:** Staff: Cornelia Kent                      Division: Finance                      Ext. 9754  
                    Terri Fowler    Ext. 9507  
                    Tomi Adebo    Ext. 9472

**RE:** Recommended Budget: Presentation of the Executive Director's FY'22 Recommended Budget

**DATE:** April 7, 2021

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**OVERALL GOAL & OBJECTIVE:**

To present the Executive Director's FY'22 Recommended Budget.

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**BACKGROUND:**

The events of this past year have demonstrated that our nation is reckoning with several great challenges. Our attempts to grapple with the COVID-19 pandemic have made clear the imperative to address with intention the rampant social, racial, and economic inequities facing everyday people, including the customers we serve. Civil unrest exacerbated by the pandemic, racial justice movements, an insurrection on the Capitol, a transition in political parties – these events bear witness to a country healing from mass trauma. While that journey of healing has only begun, it is incumbent upon us to continue standing in the gap for this community, supporting the most vulnerable persons among us through these trying times. The way we do that is by staying true to who we are at our core – We Are Housers.

As Housers we focus our work on three principles:

- Getting people housed;
- Keeping people housed;
- And helping people reach their fullest potential.

***We Are Housers – Home Matters***

Where we live can determine the course of our lives. In our formative years, our homes and communities can either support, or stunt, our individual growth and development. As adults, we



know that proximity to resources, education, and good jobs can significantly impact our ability to build wealth and support a family. As we approach seniority, we look for access to quality, affordable healthcare and the ability to age safely in place.

In 2020, the concept of “home” has taken on new meaning – as a place of refuge from something we cannot see - the Coronavirus. COVID-19 has changed how we work, learn, play, and rest. It has changed the course of our lives. Most of us now spend more time in our homes than ever before, some closer to family, but some separated from loved ones for months on end.

What we hold true as Housers, and what the rest of the world has discovered, is that **home matters**. Home is more than where we rest our heads at night. It is, among other things, our classroom, our workplace, our foundation, and our safe harbor.

Ensuring that our customers could continue to feel secure in their homes and communities required a swift and significant shift by HOC staff. While many moved to remote work, still others stayed on the front lines to provide communities all across our great county with the services and supports they needed. We tackled new processes and a new work environment together. And while it was sometimes painful – for us – and inconvenient – for our customers – we have been able to keep the lights on by returning to our principles, ever striving to get people housed, keep them housed, and help them reach their fullest potential.

### ***Getting People Housed***

When it comes to getting people housed, as a Public Housing Authority, Housing Finance Agency, and developer, HOC is in a unique position to explore and implement innovative solutions to address racial and socioeconomic equity in housing.

At every stage, HOC works to remove barriers to access for our customers – it permeates every facet of our development process. Whether looking to improve access to opportunity through acquisition of transit-oriented sites located near quality public schools and employment opportunities or implementing passive house technologies to reduce our ecological footprint and create energy efficiency savings for our customers, we are always intentional in connecting the built environment to the needs and wellbeing of our customers.

However, our most successful strategy for creating access has and will continue to be our mixed income approach, ensuring every resident, regardless of income, can equitably access high-quality, stable, and affordable housing. Many individuals and families lost that stability when the pandemic hit. Employing our strategies to get people housed will mean our housing serves as both a safety net and a springboard to recovery for those hardest hit by COVID-19 and its lingering effects.

### ***Keeping People Housed***

In keeping people housed, HOC continues to deliver services and programming that supports all individuals and families on their housing journey. In this most challenging time, HOC has worked with state and local government, community partners, and other stakeholders to keep people connected to their homes in one of the most economically challenging periods in recent history. As concerns about evictions loom, we continue to explore every avenue and every funding stream to help families make rent, even amid record job losses, soaring medical bills, and other economic hardships.

### ***Helping People Reach Their Fullest Potential***

While getting and keeping people housed is a significant part of our work, our goal as Housers is to provide so much more than housing. Over the past decade, HOC has transformed to address the whole customer in its service delivery.

We find our customers represent the full spectrum of need, and often represent some of the most marginalized populations. For many years, we have addressed this need by administering programs that meet our customers where they are at. Our supports represent best-in-class services, including but not limited to:

- Financial literacy classes and IDA savings programs,
- Adult and youth education programs with HOC Academy,
- Healthy familial relationships and career coaching with the Fatherhood Initiative,
- And financial planning and goal-setting with the Family Self-Sufficiency Program.

These opportunities have become increasingly more critical for our customer base as individual's experience underemployment and unemployment and students struggle with remote learning. While programs like Fatherhood and Academy push adults and children to reach new heights in learning, basic supports such as food and rental assistance and mental health services have helped parents take their mind off of survival and enabled them to focus on thriving.

### ***Path Forward***

We are hopeful, and cautiously optimistic, as our elected officials address our nation's burgeoning housing crisis. We know that in this economic downturn, it is very likely evictions and foreclosures will escalate. If we hope to continue serving our customers and community as effectively and efficiently as possible, HOC will need to continue to be innovative in its service delivery.

In 2021, HOC will continue to be a champion for affordable housing and related policies that

positively impact those with the greatest need.

Crucial to this work are the partners – big and small; government, private, and nonprofit – who demonstrate an enduring commitment to bettering Montgomery County and serving its residents. Working together we are able to help more families and communities determine the trajectory of their own lives. Our ability to continue innovating and investing in Montgomery County requires strong partnerships and collaboration with the County Executive and County Council. Finally, with the steady guidance of our Commissioners and the hard work of our staff, HOC will continue to pursue a vision of Montgomery County where individuals can improve their economic status, remain stably housed and reach their definition of success.

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

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**ISSUES FOR CONSIDERATION:**

The Recommended Operating Budget for FY'22 is \$292.2 million. In addition, the Capital Budget for FY'22 is \$438.2 million.

The FY'22 Recommended Budget reflects the Agency's continued commitment to **Getting** people housed; **Keeping** people housed; and **Helping** people reach their fullest potential. Through the use of innovative financing and development tactics, HOC new, more sustainable model for affordable housing development will help us integrate neighborhoods and bring critical resources to the families that need them. To this end, the FY'22 budget reflects ongoing investment in personnel and systems to successfully manage and maintain our properties while supporting the remote work environment necessitated by the Pandemic. In addition to the Agency's focus on efficiently developing, managing and maintaining our real estate portfolio, we continue to deliver cutting-edge services to our customers through HOC Academy and HOC Works.

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

While redevelopment and renovation of HOC's aging mixed-income properties continues to improve the ability to attract market rate renters to offset the affordable units and support the financial viability of the Agency's portfolio, the generation of income on the market units in the FY'22 Recommended budget is suppressed as a result of the County's Voluntary Rent Guidelines of 1.4 percent as well as the eviction moratorium mandated during COVID.

The FY'22 Recommended Budget continues to rely on fees from development activity that are one time in nature to support operations. Therefore, the development of the budget required each division to continue the practice of monitoring discretionary spending and introducing

appropriate cost savings measures to ensure the long term viability of the Agency. It is likely that many of the cost containment and new business practices implemented over the past year will continue and be further incorporated into the budget before adoption.

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

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**BUDGET IMPACT:**

None for FY'21. This budget, when adopted on June 2, 2021, will set the financial plan for the Agency for FY'22.

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**TIME FRAME:**

During April and May, the Budget, Finance and Audit Committee will review this budget proposal in detail and recommend the FY'22 Budget, as amended, to the full Commission for adoption at the June 2, 2021 meeting. The Commission must adopt a budget for FY'22 before the fiscal year begins on July 1, 2021.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

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

- April 20<sup>th</sup>, and
- May 11<sup>th</sup>

All meetings will be conducted virtually through Zoom and made available on YouTube.

The Budget, Finance and Audit Committee will present the revised FY'22 Budget to the full Commission for adoption at the June 2, 2021 Meeting.

# Spreadsheets Highlighting FY'22 Recommended Operating and Capital Budgets



# Commission Meeting FY 2022 Recommended Budget

April 7, 2021

# FY 2022 – Budget Overview

## Recommended Budget

Fund Summary Overview		FY 2022 Recommended Budget		
		Revenues	Expenses	Net
General Fund		\$25,364,291	\$29,176,667	(\$3,812,376)
	Draw from GFOR	\$1,549,147	\$0	\$1,549,147
Multifamily Bond Funds		\$17,100,698	\$17,100,698	\$0
Single Family Bond Funds		\$9,595,474	\$9,595,474	\$0
Opportunity Housing Fund				
	Opportunity Housing Reserve Fund (OHRF)	\$5,895,910	\$1,623,436	\$4,272,474
	Restrict to OHRF	\$0	\$4,272,474	(\$4,272,474)
	Opportunity Housing & Development Corporation Properties	\$98,379,157	\$96,311,069	\$2,068,088
	Draw from GFOR for MetroPointe Deficit	\$195,141	\$0	\$195,141
Public Fund				
	Housing Choice Voucher Program (HCVP)	\$116,367,573	\$116,367,573	\$0
	Federal and County Grants	\$17,773,660	\$17,773,660	\$0
<b>TOTAL - ALL FUNDS</b>		<b>\$292,221,051</b>	<b>\$292,221,051</b>	<b>\$0</b>

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



# FY 2022 – Revenue and Expense Summary

## Recommended Budget

### FY 2022 Revenue and Expense Statement

#### Operating Budget

##### Operating Income

Tenant Income	\$95,967,267
Non-Dwelling Rental Income	\$1,263,007
Federal Grant	\$121,227,118
County Grant	\$11,074,289
Management Fees	\$28,210,497
Miscellaneous Income	\$228,782

##### TOTAL OPERATING INCOME

\$257,970,960

##### Operating Expenses

Personnel Expenses	\$45,989,385
Operating Expenses - Fees	\$18,860,881
Operating Expenses - Administrative	\$9,209,273
Bad Debt	\$4,665,364
Tenant Services Expenses	\$7,440,273
Protective Services Expenses	\$902,713
Utilities Expenses	\$6,283,417
Insurance and Tax Expenses	\$3,080,465
Maintenance Expenses	\$9,377,364
Housing Assistance Payments (HAP)	\$107,496,342

##### TOTAL OPERATING EXPENSES

\$213,305,477

##### NET OPERATING INCOME

\$44,665,483

#### Non-Operating Budget

##### Non-Operating Income

Investment Interest Income	\$23,482,449
FHA Risk Sharing Insurance	\$891,352
Transfer Between Funds	\$9,876,290

##### TOTAL NON-OPERATING INCOME

\$34,250,091

##### Non-Operating Expenses

Interest Payment	\$36,916,256
Mortgage Insurance	\$1,076,400
Principal Payment	\$12,333,631
Debt Service, Operating and Replacement Reserves	\$11,160,394
Restricted Cash Flow	\$5,535,335
Development Corporation Fees	\$5,113,907
Miscellaneous Bond Financing Expenses	\$589,764
FHA Risk Sharing Insurance	\$891,352
Transfer Out Between Funds	\$5,298,535

##### TOTAL NON-OPERATING EXPENSES

\$78,915,574

##### NET NON-OPERATING ADJUSTMENTS

(\$44,665,483)



# FY 2022 – Operating Budget: Source of Funds

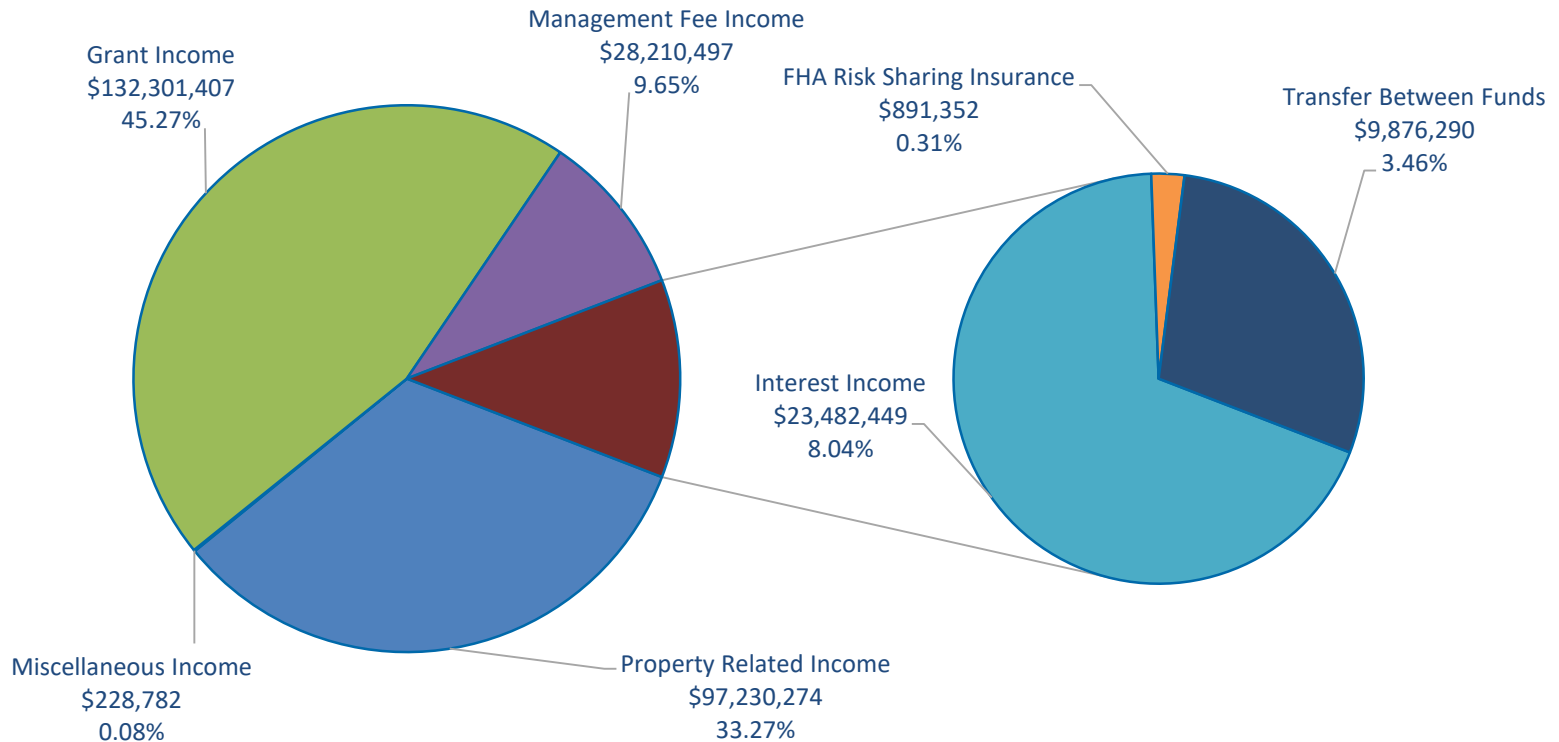
## Total Income – Proposed – \$292,221,051

### Operating Income

\$257,970,960

### Non-Operating Income

\$34,250,091

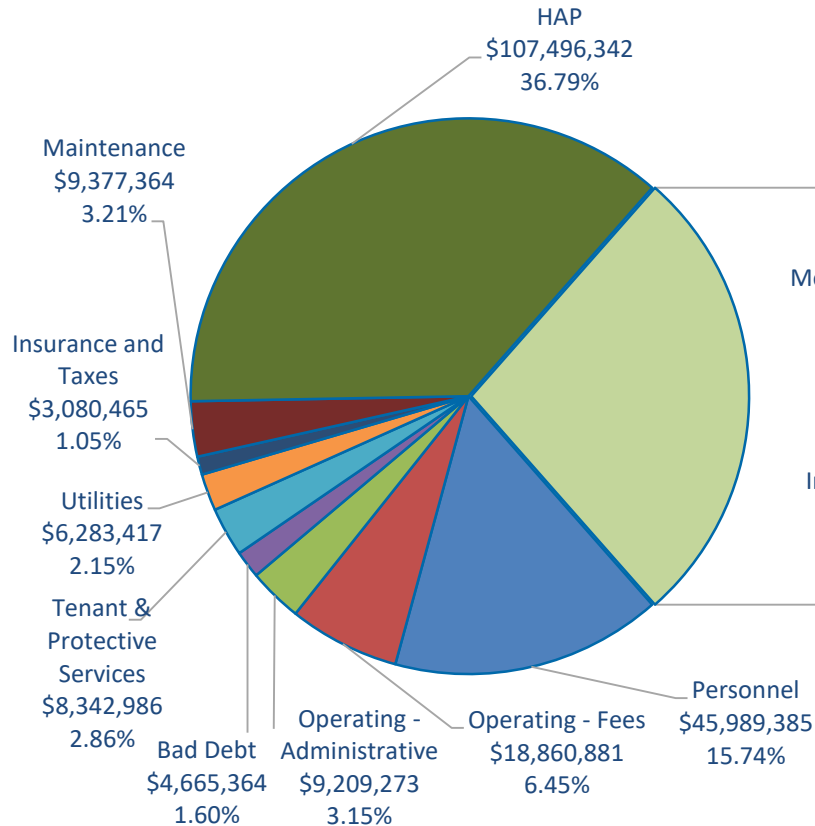


# FY 2022 – Operating Budget: Use of Funds

## Total Expenses – Proposed – \$292,221,051

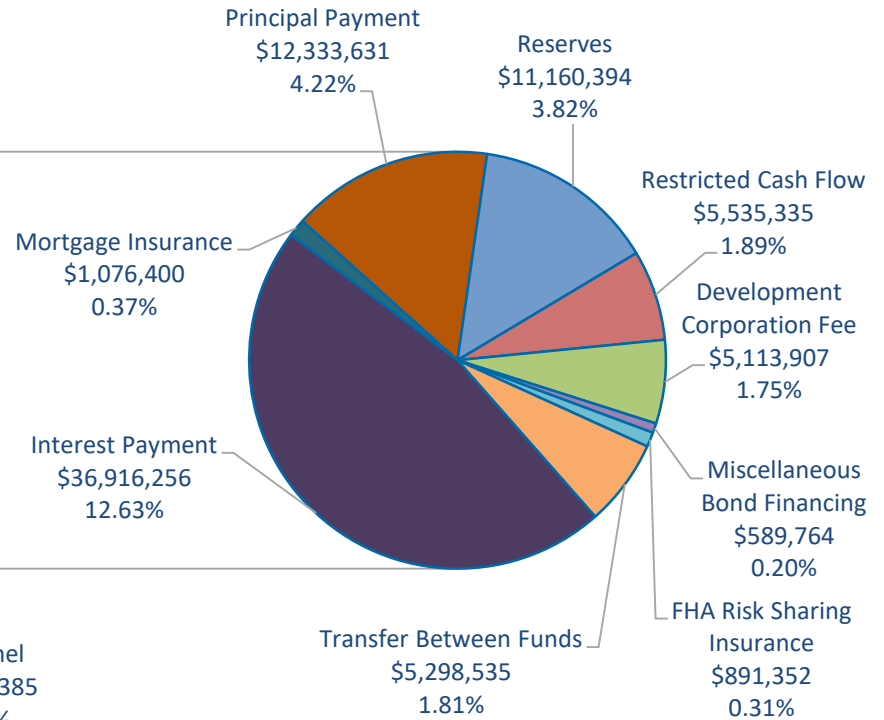
### Operating Expenses

\$213,305,477



### Non-Operating Expenses

\$78,915,574



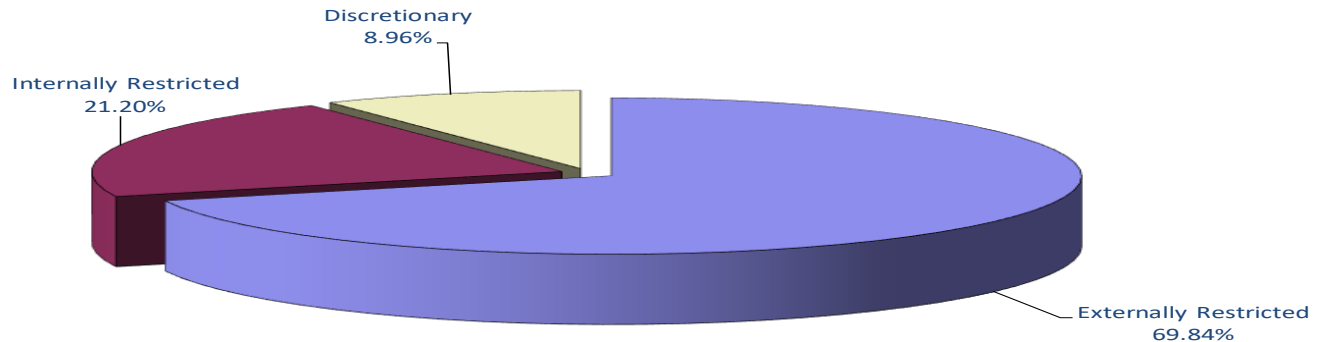
# Total Agency Operating Budget Summary – FY 2018 through FY 2022

## Total Revenue and Expense Statement

Total Revenue and Expense Statement	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Amended Budget	FY 2022 Recommended Budget
<b>Operating Income</b>					
Tenant Income	\$76,823,091	\$90,898,929	\$97,703,079	\$103,032,841	\$95,967,267
Non-Dwelling Rental Income	\$1,402,219	\$1,088,218	\$1,107,343	\$977,616	\$1,263,007
Federal Grant	\$103,892,095	\$111,759,315	\$116,933,119	\$113,362,243	\$121,227,118
State Grant	\$105,990	\$24,370	\$0	\$0	\$0
County Grant	\$9,750,971	\$10,063,003	\$10,089,325	\$10,785,570	\$11,074,289
Management Fees	\$20,493,087	\$20,146,249	\$27,581,348	\$25,266,765	\$28,210,497
Miscellaneous Income	\$181,601	\$496,816	\$346,691	\$134,203	\$228,782
<b>TOTAL OPERATING INCOME</b>	<b>\$212,649,054</b>	<b>\$234,476,900</b>	<b>\$253,760,905</b>	<b>\$253,559,238</b>	<b>\$257,970,960</b>
<b>Operating Expenses</b>					
Personnel Expenses	\$40,021,952	\$42,438,284	\$44,166,986	\$47,159,874	\$45,989,385
Operating Expenses - Fees	\$15,908,908	\$17,735,370	\$18,438,628	\$18,962,733	\$18,860,881
Operating Expenses - Administrative	\$6,208,073	\$7,224,321	\$8,648,832	\$8,370,175	\$9,209,273
Bad Debt	\$872,472	\$1,953,887	\$1,484,756	\$6,693,265	\$4,665,364
Tenant Services Expenses	\$6,146,396	\$6,390,914	\$6,123,707	\$7,311,994	\$7,440,273
Protective Services Expenses	\$812,364	\$789,721	\$1,369,695	\$930,726	\$902,713
Utilities Expenses	\$5,567,031	\$6,135,729	\$6,280,649	\$6,496,127	\$6,283,417
Insurance and Tax Expenses	\$1,846,557	\$2,706,517	\$2,455,978	\$3,062,664	\$3,080,465
Maintenance Expenses	\$7,605,304	\$9,974,062	\$9,787,285	\$9,130,072	\$9,377,364
Housing Assistance Payments (HAP)	\$91,157,649	\$97,568,970	\$99,329,069	\$98,532,498	\$107,496,342
<b>TOTAL OPERATING EXPENSES</b>	<b>\$176,146,706</b>	<b>\$192,917,775</b>	<b>\$198,085,585</b>	<b>\$206,650,128</b>	<b>\$213,305,477</b>
<b>NET OPERATING INCOME</b>	<b>\$36,502,348</b>	<b>\$41,559,125</b>	<b>\$55,675,320</b>	<b>\$46,909,110</b>	<b>\$44,665,483</b>
<b>Non-Operating Income</b>					
Investment Interest Income	\$24,414,275	\$29,740,796	\$26,017,802	\$22,442,671	\$23,482,449
FHA Risk Sharing Insurance	\$697,624	\$890,294	\$1,102,136	\$858,817	\$891,352
Transfer Between Funds	\$7,674,456	\$8,891,771	\$8,577,517	\$8,350,120	\$9,876,290
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$32,786,355</b>	<b>\$39,522,861</b>	<b>\$35,697,455</b>	<b>\$31,651,608</b>	<b>\$34,250,091</b>
<b>Non-Operating Expenses</b>					
Interest Payment	\$33,006,794	\$42,540,438	\$38,556,309	\$38,832,455	\$36,916,256
Mortgage Insurance	\$832,655	\$881,485	\$1,168,924	\$1,218,136	\$1,076,400
Principal Payment	\$7,356,662	\$9,340,623	\$11,002,405	\$12,356,524	\$12,333,631
Debt Service, Operating and Replacement Reserves	\$8,216,656	\$9,998,074	\$15,441,521	\$11,268,956	\$11,160,394
Restricted Cash Flow	\$8,626,603	\$5,076,563	\$8,174,970	\$4,443,489	\$5,535,335
Development Corporation Fees	\$6,435,449	\$6,338,023	\$6,668,476	\$4,904,610	\$5,113,907
Miscellaneous Bond Financing Expenses	\$585,994	\$415,277	\$947,904	\$84,451	\$589,764
FHA Risk Sharing Insurance	\$618,857	\$890,294	\$1,102,136	\$858,817	\$891,352
Transfer Out Between Funds	\$3,790,711	\$5,429,173	\$5,530,873	\$4,593,280	\$5,298,535
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$69,470,381</b>	<b>\$80,909,950</b>	<b>\$88,593,518</b>	<b>\$78,560,718</b>	<b>\$78,915,574</b>
<b>NET NON-OPERATING ADJUSTMENTS</b>	<b>(\$36,684,026)</b>	<b>(\$41,387,005)</b>	<b>(\$32,896,063)</b>	<b>(\$46,909,110)</b>	<b>(\$44,665,483)</b>
<b>NET CASH FLOW</b>	<b>(\$181,678)</b>	<b>\$172,036</b>	<b>\$2,779,257</b>	<b>\$0</b>	<b>\$0</b>

## FY 2022 – Revenue Restrictions

Revenue Restriction (Showing externally placed restrictions)	FY 2022 Recommended Budget			
	Externally Restricted	Internally Restricted	Discretionary	TOTAL
<b>Operating Income</b>				
Property Related Income	\$38,911,217	\$56,055,828	\$2,263,229	\$97,230,274
Federal Grant	\$121,227,118	\$0	\$0	\$121,227,118
County Grant	\$11,074,289	\$0	\$0	\$11,074,289
Management Fees	\$0	\$5,895,910	\$22,314,587	\$28,210,497
Miscellaneous Income	\$177,250	\$0	\$51,532	\$228,782
<b>TOTAL OPERATING INCOME</b>	<b>\$171,389,874</b>	<b>\$61,951,738</b>	<b>\$24,629,348</b>	<b>\$257,970,960</b>
<b>Non-Operating Income</b>				
Interest Income	\$23,467,449	\$0	\$15,000	\$23,482,449
FHA Risk Sharing	\$891,352	\$0	\$0	\$891,352
Transfer Between Funds	\$8,327,143	\$0	\$1,549,147	\$9,876,290
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$32,685,944</b>	<b>\$0</b>	<b>\$1,564,147</b>	<b>\$34,250,091</b>
<b>TOTAL - ALL REVENUE SOURCES</b>	<b>\$204,075,818</b>	<b>\$61,951,738</b>	<b>\$26,193,495</b>	<b>\$292,221,051</b>



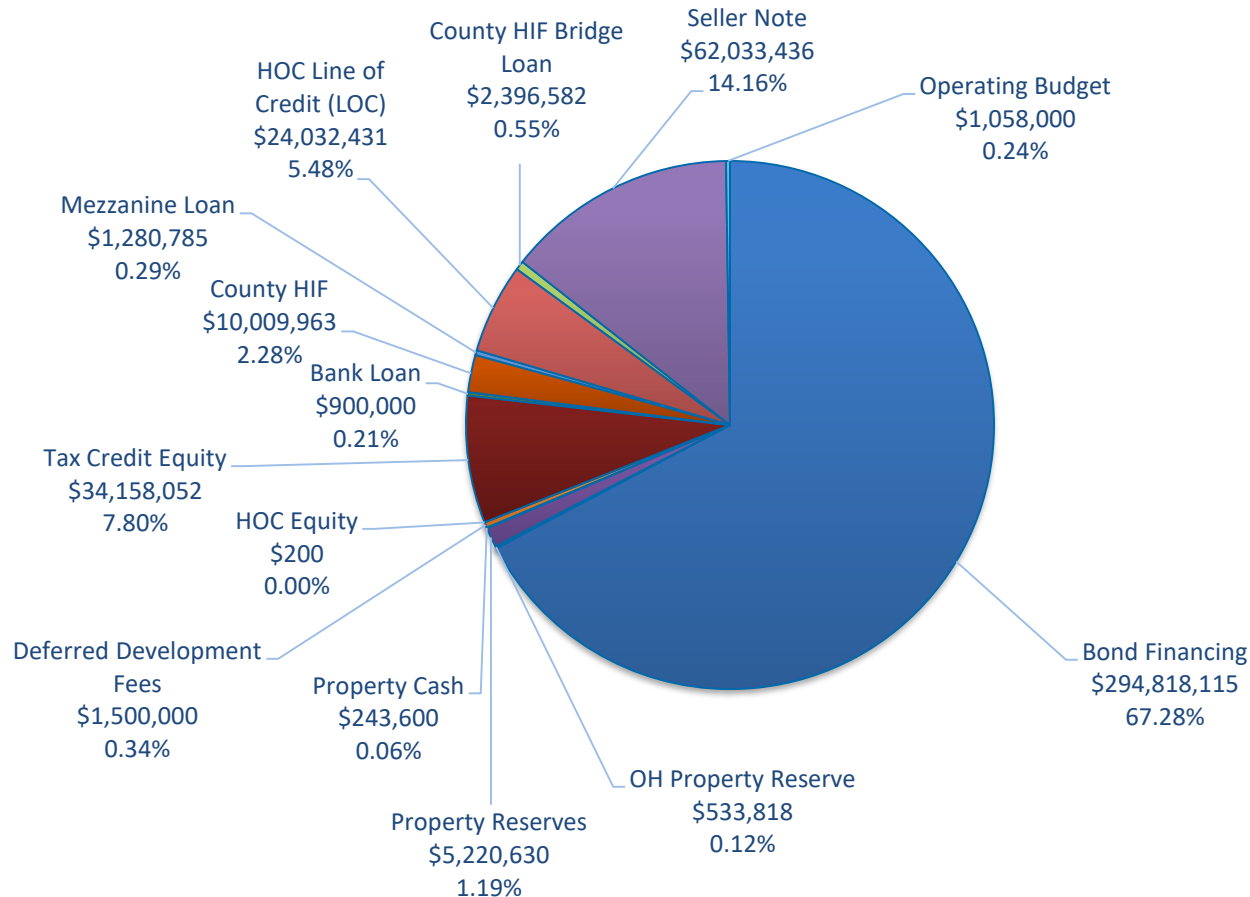
# FY 2022 – Capital Budget

## Capital Budget Overview

Capital Budget Summary	FY 2022 Recommended Budget
<b>Capital Improvements</b>	
East Deer Park	\$95,000
Kensington Office	\$100,000
880 Bonifant	\$82,000
Information Technology	\$781,000
Opportunity Housing Properties	\$5,998,048
<b>Subtotal</b>	<b>\$7,056,048</b>
<b>Capital Development Projects</b>	
Bauer Park Apartments	\$9,094,460
Deeply Affordable Units	\$1,125,000
Elizabeth House III	\$26,358,960
Georgian Court	\$29,113,153
Hillandale Gateway	\$19,614,762
Metropolitan	\$112,604,941
Shady Grove	\$42,420,591
Stewartown	\$8,360,330
Upton II	\$16,285,095
West Side Shady Grove	\$63,061,089
Westwood Towers	\$42,750,000
Willow Manor Resyndication	\$60,341,183
<b>Subtotal</b>	<b>\$431,129,564</b>
<b>TOTAL</b>	<b>\$438,185,612</b>

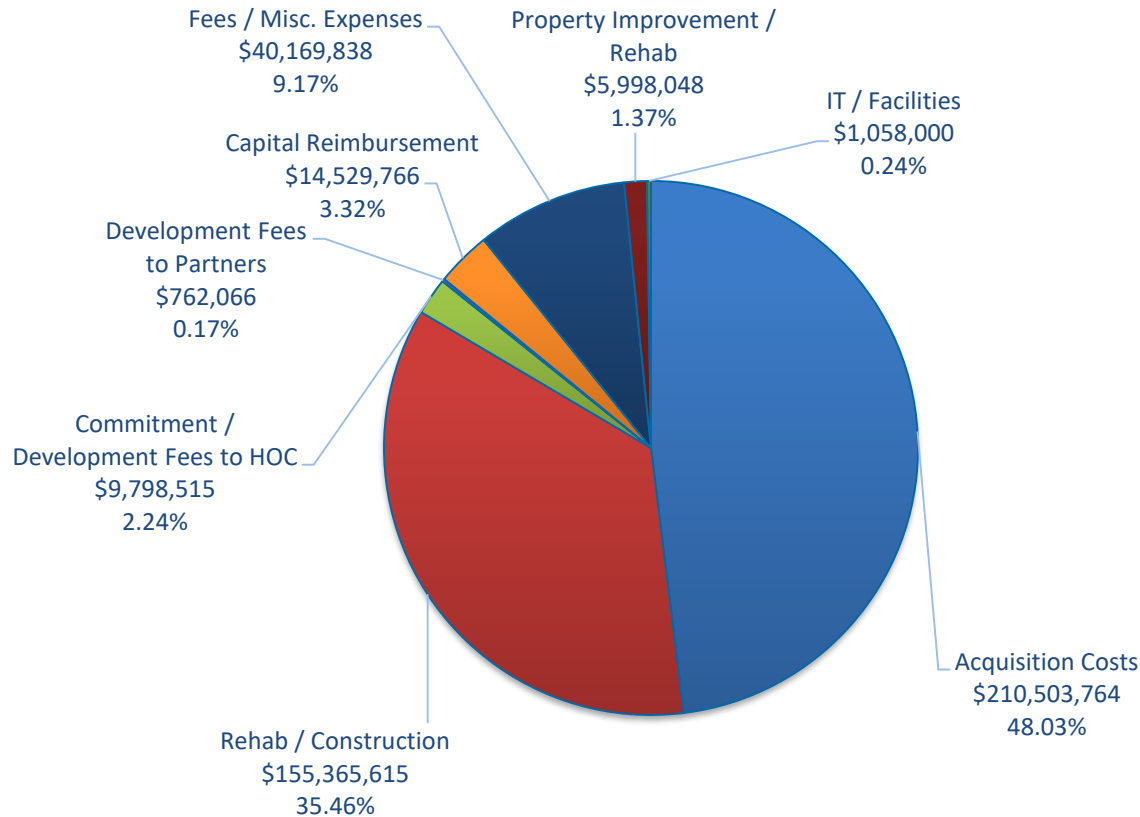
# FY 2022 – Capital Budget

## Source of Funds - Recommended – \$438,185,612



# FY 2022 – Capital Budget

## Use of Funds - Recommended – \$438,185,612



# Development Corporation Meetings



# Paddington Square Development Corporation

PADDINGTON SQUARE DEVELOPMENT CORPORATION

**APPROVAL OF A REFINANCING PLAN FOR PADDINGTON SQUARE; AUTHORIZATION TO  
NEGOTIATE AND EXECUTE A PERMANENT FINANCING COMMITMENT WITH LOVE  
FUNDING CORPORATION; AND, AUTHORIZATION FOR THE CORPORATION TO ACCEPT  
LOAN IN ACCORDANCE WITH REFINANCING PLAN**

---

**SILVER SPRING**



**STACY L. SPANN, EXECUTIVE DIRECTOR**

**KAYRINE V. BROWN  
JENNIFER H. ARRINGTON  
VICTORIA DIXON**

**April 7, 2021**

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# EXECUTIVE SUMMARY

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Stabilized Pro Forma	9
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# EXECUTIVE SUMMARY

Paddington Square Development Corporation (the “Corporation” or “Borrower”), a wholly owned instrumentality of the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), purchased Paddington Square (the “Property”) in 2004. The Property is a 165-unit, mixed-income, garden style, rental community located in Silver Spring on 7.94 acres, north of East-West Highway in the Rosemary Hills neighborhood.

In 2004, the Corporation acquired the Property and between 2005 and 2011 completed substantial renovations of the Property utilizing \$2,310,140 of funds from the Commission’s Opportunity Housing Revenue Fund (“OHRF”) and up to \$9,144,902 in a loan from Montgomery County’s Housing Initiative Fund (“County HIF”). In 2014, the Commission and Corporation approved a \$26.8 million refinance plan, which included (a) \$20.7 million permanent loan through Love Funding Corporation, a U.S. Department of Housing and Urban Development Multifamily Accelerated Processing (“MAP”) Lender, (“MAP Lender”) via a Mortgage backed by FHA under the Section 223(f) Program through issuance of mortgage backed securities by Government National Mortgage Association (“GNMA”), with a ten-year lockout restriction (“Senior Loan”); (b) an assumption and subordination of a County HIF loan for approximately \$5.2 million; and, (c) additional equity from the Commission’s OH Bond Fund and existing reserves of approximately \$853,000 to retire prior soft debt sources and establish reserves.



Considering the current favorable interest rate environment, HOC staff has reviewed the Property’s operational performance and received term sheets to refinance the Senior Loan via an Interest Rate Reduction (“IRR”) loan modification by the existing MAP Lender or obtaining a FHA-Section 223(a)(7), which permits the refinancing of an existing FHA loan. The proposed 223(a)(7) terms, received from the Commission’s MAP Lender Pool, includes payment of the prepayment penalty (\$743,000) to be capitalized into the new interest rate, resulting in lower overall debt service for the Property and significant savings versus completing an IRR loan modification.

Having concluded its review of the term sheets, HOC staff proposes to refinance the existing mortgage under the 223(a)(7) program (“Refinancing Loan”), with the existing MAP Lender, Love Funding Corporation, for approximately \$18.8 million with proceeds sufficient to retire the existing Senior Loan and closing costs. This Property is anticipated to support the Refinancing Loan with a 1.50:1.00 Debt Service Coverage Ratio (“DSCR”). Closing is anticipated to occur by August 31, 2021. Staff further recommends resubordinating the existing County HIF loan, which is a requirement of the Refinancing Loan, and to combine the Property’s existing Replacement Reserve and Renovation Escrow accounts to fund an Initial Replacement Reserve equal to approximately \$4,600 per unit upon closing the Refinancing Loan (together, the “Refinancing Plan”).

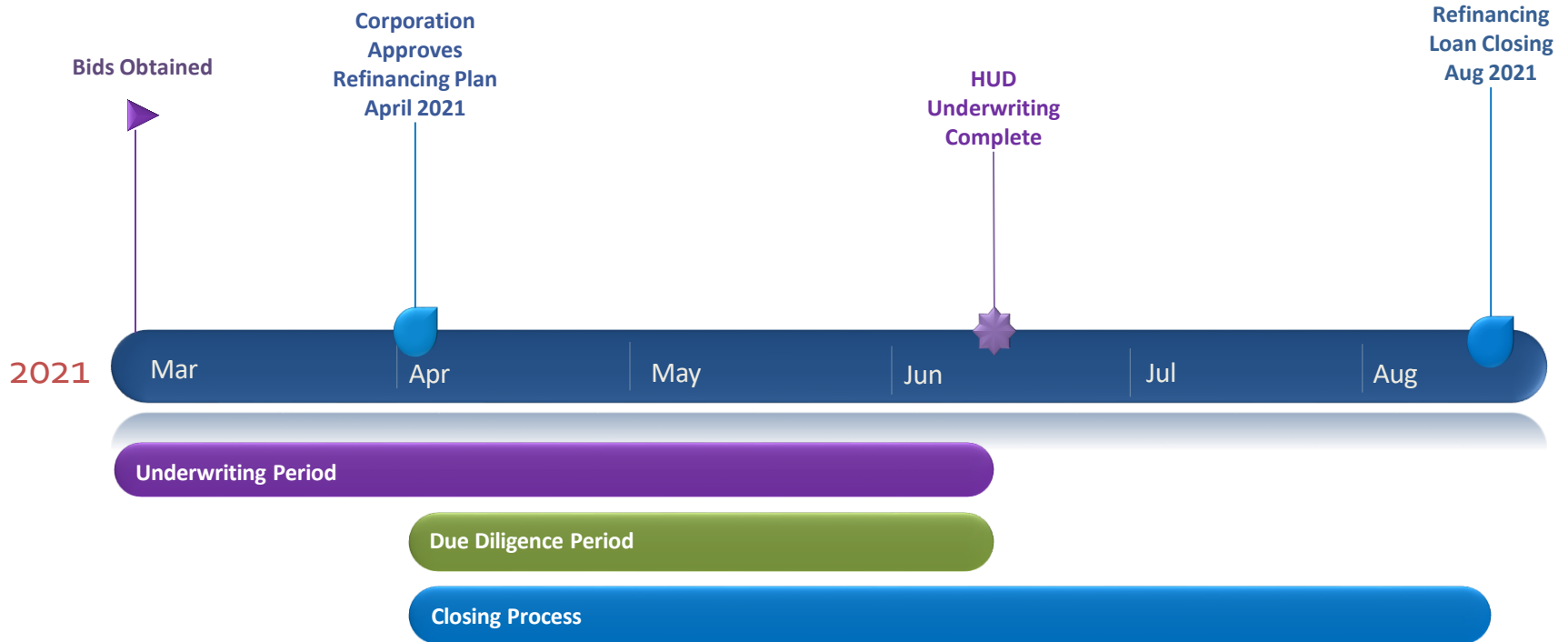
Therefore, HOC staff recommends the Board of Directors of Paddington Square Development Corporation to:

- 1) Approve the Refinancing Plan for the Paddington Square transaction;
- 2) Authorize the Commission’s Executive Director to negotiate and execute, on behalf of the Corporation, a financing commitment with Love Funding Corporation for the Refinancing Loan and subordination of the County HIF Loan; and
- 3) Accept the new Refinancing Loan and re-subordination of the County HIF loan.

# EXECUTIVE SUMMARY

<b>Borrower</b>	<b>Paddington Square Development Corporation</b>	
<b>Units/Affordability</b>	165 Units / 41% Restricted	
	14	≤ 50% AMI
	53	≤ 60% AMI
	98	Unrestricted
<b>Refinancing First Mortgage (approx.)</b>	\$18,800,000	
<b>Refinancing Source/Credit Enhancement</b>	HUD / FHA Section 223(a)(7)	
<b>Refinancing Interest Rate (est.)</b>	3.25% (includes 50bps cushion and MIP)	
<b>Amortization</b>	35 Years	
<b>Minimum Debt Service Coverage Ratio</b>	1.11	
<b>Underwritten Debt Service Coverage Ratio</b>	1.50	
<b>County HIF Loan</b>	\$5,196,232	
<b>Reserves Available for Capital Expenditures</b>	\$768,586	
<b>County Participation</b>	\$5,196,232 Housing Initiative Fund 100% real estate tax abatement	

# FINANCING SCHEDULE

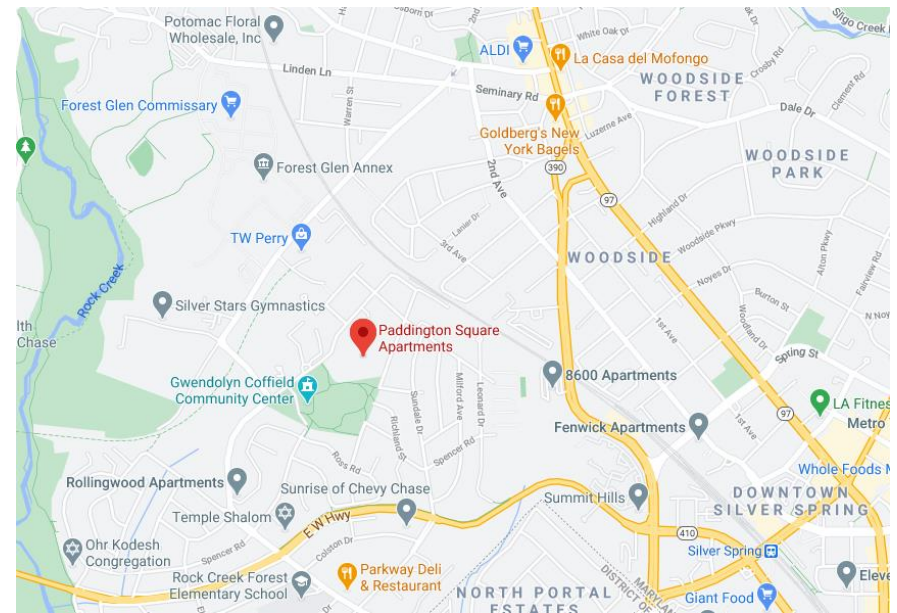


# PROPERTY OVERVIEW

<b>Location</b>	8800 Lanier Drive, Silver Spring
<b>Built</b>	1960
<b>Current Owner</b>	Paddington Square Development Corporation
<b>Property Manager</b>	Residential One
<b>Total Units</b>	165
<b>Occupancy</b>	94.5% (3/1/2020)

Unit Mix/Rents	50% AMI		60% AMI		Unrestricted	
	Rent	Count	Rent	Count	Rent	Count
2 BR/1.5 BA	\$1,309	14	\$1,593	50	\$1,650	89
3 BR/2.5 BA	N/A	0	\$1,834	3	\$1,862	8
<b>Total</b>		<b>14</b>		<b>53</b>		<b>97</b>

\*Non-residential office unit not in above table



## Public Purpose

Paddington is a mixed income community with units currently restricted for households earning 50% and 60% AMI (14 and 53 units, respectively).

## Amenities

On-site pool and business center. Neighborhood amenities include the Gwendolyn Coffield Community Center, Rock Creek Park, the Urban Winery, and nearby grocery anchored shopping centers (Aldi and Giant Eagle), various restaurants and services, with additional connectivity via the Silver Spring WMATA Metro Station (Red Line).

## Repairs

A new PNCA will be obtained and sufficient funds identified to make any required immediate and short-term repairs.



# PERMANENT FINANCING COMPARISON

	Love Funding (EXISTING)	PROPOSED TERMS			
		Love Funding	Love Funding (RECOMMENDED)	Berkadia	AGM
Loan Type	223(f)	<b>Loan Modification</b>	<b>223(a)(7)</b>	<b>223(a)(7)</b>	<b>223(a)(7)</b>
Loan Amount	18,574,278	\$18,574,278	\$18,741,641	\$18,804,745	\$18,780,763
Interest Rate (excl. MIP)	3.60%	2.40%	2.40%	2.50%	2.60%
Annual MIP	0.45%	0.45%	0.35%	0.35%	0.35%
Loan Term	29	29	35	35	35
Amortization (Yrs)	29	29	35	35	35
Debt Service (excl. MIP)	\$ 1,043,155	\$ 889,648	\$ 792,002	\$ 806,713	\$ 817,814
MIP	\$ 83,584	\$ 83,584	\$ 65,596	\$ 65,817	\$ 65,733
<b>Total Annual Savings</b>		<b>\$ 153,507</b>	<b>\$ 269,142</b>	<b>\$ 254,210</b>	<b>\$ 243,193</b>
Financing Fee		0% \$ -	0.00% \$ -	0.25% \$ (47,012)	0.00% \$ -
HUD Application Fee		0% \$ -	0.15% \$ (28,112)	0.15% \$ (28,207)	0.15% \$ (28,171)
Upfront MIP		0% \$ -	0.35% \$ (65,596)	0.35% \$ (65,817)	0.35% \$ (65,733)
Prepayment Premium	4%	paid by investor	paid by investor	paid by investor	paid by investor
Lender Legal / Title		\$ (5,000)	\$ (20,174)	\$ (36,000)	\$ (48,500)
HOC Legal		\$ (20,000)	\$ (20,000)	\$ (20,000)	\$ (20,000)
GNMA Fee		\$ -	\$ -	\$ -	\$ (4,600)
County Fee		\$ (25,981)	\$ (25,981)	\$ (25,981)	\$ (25,981)
Due Diligence Costs		\$ -	\$ (7,500)	\$ (7,450)	\$ (13,500)
<b>Total Closing Costs</b>		<b>\$ (50,981)</b>	<b>\$ (167,363)</b>	<b>\$ (230,467)</b>	<b>\$ (206,485)</b>
<b>First Year Savings</b>		<b>\$ 102,526</b>	<b>\$ 101,778</b>	<b>\$ 23,743</b>	<b>\$ 36,708</b>
<b>Loan Term Savings</b>		<b>\$ 4,400,728</b>	<b>\$ 9,419,957</b>	<b>\$ 8,897,346</b>	<b>\$ 8,511,740</b>
<b>Variance to Next Best Bid</b>			<b>\$ 522,610</b>		

Staff has evaluated two (2) FHA refinancing options for Paddington: (a) an Interest Reduction Loan (“IRR”) modification of the existing 223(f) Senior Loan (only permissible with the existing MAP Lender); and, (b) a refinance under the FHA 223(a)(7) program. The existing MAP Lender, Love Funding and two (2) lenders within the Commission’s MAP Lender Pool provided term sheets for consideration. The analysis concluded the following:

- Both the IRR loan modification and 223(a)(7) loans would be FHA insured and the GNMA investor would pay the prepayment penalty to which the current mortgage is subjected.
- Property operations could support a larger loan at the lower achievable interest rates and reduced MIP under a 223(a)(7), resulting in additional cash flow annually.

- No cash out is permitted under either program; however, under a 223(a)(7), closing costs can be capitalized into a larger supportable loan amount and therefore avoid out-of-pocket expense from the Corporation.
- Love Funding, the existing MAP Lender, has quoted the best terms under the 223(a)(7) program in regards to both interest rate and closing costs.



# PERMANENT FINANCING PLAN

	Sources	Amount	Per Unit
a)	Permanent Loan	\$ 18,821,868	\$ 114,072
b)	County HIF Loan	\$ 5,622,835	\$ 34,078
c)	Existing Replacement Reserve	\$ 656,712	\$ 3,980
c)	Existing Renovation Escrow	\$ 105,243	\$ 638
d)	Investor Cash	\$ 742,971	\$ 4,503
	<b>Total Sources</b>	<b>\$ 25,949,629</b>	<b>\$ 157,270</b>

	Uses	Amount	Per Unit
	Existing Senior Loan (Payoff)	\$ 18,574,278	\$ 112,571
	County HIF Loan	\$ 5,622,835	\$ 34,078
	Prepayment Penalty	\$ 742,971	\$ 4,503
	Financing Costs	\$ 120,091	\$ 728
	Title & Legal Costs	\$ 120,000	\$ 727
	Due Diligence Costs	\$ 7,500	\$ 45
	Initial Replacement Reserve	\$ 761,955	\$ 4,618
	<b>Total Uses</b>	<b>\$ 25,949,629</b>	<b>\$ 157,270</b>

The Paddington Financing Plan includes the following sources, which will be used to repay the existing Senior Loan, set aside funds for repairs and replacement reserves, and pay other costs related to closing.

- a) The Refinancing Loan, credit enhanced by FHA Mortgage Insurance, in an amount of approximately \$18.8 million, will be sized to repay the existing Senior Loan and capitalize closing expenses, as cash out not permitted. Sizing of the loan is expected to result in a 1.50 DSCR. (Note - the Refinancing Loan does not permit the Borrower to take cash-out of the transaction.)
- b) The County is in support of, and HOC Staff will pursue, re-subordination of the existing County HIF loan to remain in the transaction. The amount shown is inclusive of accrued interest.
- c) Existing funds of the Replacement Reserve and Renovation Escrow will be used to establish a new replacement reserve.
- d) The new GNMA investor will pay the existing 4% pre-payment penalty fee for the Senior Loan as part of the refinance and roll the expense into the interest rate of the new Refinancing Loan.

# STABILIZED PRO FORMA

Stabilized Proforma	HOC Actual CY 2020	Underwritten FY 2021	Variance	Underwritten Per Unit \$
Effective Gross Income (EGI)	\$2,894,633	\$2,788,414	(\$106,219)	\$16,899
Operating Expenses	\$1,335,462	\$1,348,816	\$13,355	\$8,175
Replacement Reserves Contribution	\$57,750	\$57,750	\$0	\$350
<b>Net Operating Income (NOI)</b>	<b>\$1,501,421</b>	<b>\$1,381,848</b>	<b>(\$119,573)</b>	<b>\$8,375</b>
Debt Service	\$1,128,455	\$921,958	(\$206,497)	\$5,588
Capital Expenses	\$128,277	\$0	(128,277)	\$0
<b>Cash Flow Before Distributions</b>	<b>\$244,689</b>	<b>\$459,890</b>	<b>\$215,201</b>	<b>\$2,787</b>
Debt Service Coverage Ratio <sup>1</sup>	1.33	1.50		

<sup>1</sup>DSCR is calculated on the senior debt before Capital Expenses.

- The Property has maintained an average occupancy of 98% over the last year (CY2020) with concessions and bad debt of 2.05%; however, with current occupancy of 94.5%, the Property has been underwritten conservatively, assuming a 6% vacancy and 2.6% for concessions and bad debt.
- The underwritten FY2021 stabilized pro forma is based upon actual operations of CY2020, and assumes no rent increases for the remaining fiscal year with expense annual growth rate of 1%. The Property's FY2022 budget has not yet been approved. Future cash flow projections will include 2% rent growth and 3% for expenses annually.

- Annual replacement reserves contributions will be established in conformance with its Refinancing Loan at a minimum of \$350 per unit. An October 2019 property condition report projected replacement repairs of \$245/unit/yr (inflated) over a 12 year period ending 2031.
- The Property currently benefits from a 100% real estate tax abatement from the State of Maryland and Montgomery County.
- Prepayment of the new Refinancing Loan will be subject to a declining prepayment penalty during the first 10 years (10,9,8,7,6,5,4,3,2,1,0%).
- The County HIF loan is an existing 35 year Note, accruing interest at 1.0% with debt service at a minimum of 50% surplus cash or sufficient to amortize over 24 years. Re-subordination to the new Refinancing Loan will be negotiated.
- Subject to interest rate movements, staff anticipates that the Property will support a loan of up to \$18.8 million with a DSCR of 1.50. Sizing is based on an estimated interest rate of 3.25% (including MIP and a 50bps cushion). Current underwriting of the Refinancing Loan projects reduced debt service to result in higher potential cash flow.

# SUMMARY AND RECOMMENDATIONS

## ISSUES FOR CONSIDERATION

Does the Board of Directors of Paddington Square Development Corporation wish to accept HOC staff's recommendation and approve the following:

- 1) Approval of a Refinancing Plan for the Paddington Square transaction, which includes (a) a Refinancing Loan of approximately \$18,800,000 under the 223(a)(7) program with Love Funding, credit enhanced with mortgage insurance provided by FHA, which will be used to repay the existing senior debt, closing costs and capitalize financing; (b) re-subordination of the existing \$5.2 million County HIF loan, and, (c) combining the Property's existing Replacement Reserve and Renovation Escrow accounts to fund an Initial Replacement Reserve equal to approximately \$4,600 per unit;
- 2) Authorization of the Commission's Executive Director to negotiate and execute a financing commitment with Love Funding Corporation;
- 3) Authorization of the Commission's Executive Director to negotiate and execute a re-subordination of the County HIF Loan; and
- 4) Acceptance of the new Refinancing Loan and re-subordination of the County HIF loan?

## TIME FRAME

Formal action at the April 7, 2021 meeting of the Paddington Square Development Corporation.

## FISCAL/BUDGET IMPACT

Closing of the subject refinance is projected to occur in August 2021. There is no adverse impact for the current FY2021 operating budget and none is expected for the FY22 operating budget, which is currently under development.

## STAFF RECOMMENDATION & DEVELOPMENT CORPORATION ACTION NEEDED

HOC staff recommends the Board of Directors of Paddington Square Development Corporation approve the following:

- 1) Approval of a Refinancing Plan for the Paddington Square transaction, which includes (a) a Refinancing Loan of approximately \$18,800,000 under the 223(a)(7) program with Love Funding, credit enhanced with mortgage insurance provided by FHA, which will be used to repay the existing senior debt, closing costs and capitalize financing; (b) re-subordination of the existing \$5.2 million County HIF loan, and, (c) combining of the Property's existing Replacement Reserve and Renovation Escrow accounts to fund an Initial Replacement Reserve equal to approximately \$4,600 per unit;
- 2) Authorization of the Commission's Executive Director to negotiate and execute a financing commitment with Love Funding Corporation;
- 3) Authorization of the Commission's Executive Director to negotiate and execute re-subordinate the County HIF Loan; and
- 4) Acceptance of the new Refinancing Loan and re-subordination of the County HIF loan.

PADDINGTON SQUARE DEVELOPMENT CORPORATION

**RESOLUTION No. 21-001PS**

**RE: Approval of a Refinancing Plan for Paddington Square; Authorization to Negotiate and Execute a Permanent Financing Commitment with Love Funding Corporation; and, Authorization for the Corporation to Accept Loans in Accordance with Refinancing Plan**

**WHEREAS**, the Paddington Square Development Corporation (the “Corporation”) is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”);

**WHEREAS**, the Corporation owns the property known as “Paddington Square”, a community consisting of 165 units in Silver Spring, Maryland (the “Property”), which was acquired by the Corporation on February 4, 2004;

**WHEREAS**, the Property underwent a comprehensive renovation between 2005 and 2011;

**WHEREAS**, on November 5, 2014 the Corporation approved, and on December 18, 2014 closed, on a permanent loan in the amount of \$20,741,700 from Love Funding Corporation (the “Lender”) with mortgage insurance under the FHA Section 223(f) Program (the “Senior Loan”), assignment of an existing loan from the County’s Housing Initiative Fund (“HIF”) of approximately \$5.1 million, and with an equity contribution of \$738,000, which combined proceeds were used to retire existing debt and pay closing costs;

**WHEREAS**, as of February 28, 2021, the Property currently holds approximately \$761,955 (\$4,618 per unit) of funds in its replacement reserve account and renovation escrow accounts;

**WHEREAS**, considering the favorable interest rate environment, staff has reviewed the Property’s operational performance, obtained term sheets from multiple lenders from the Commission’s FHA Multifamily Accelerated Processing (“MAP”) Lender Pool, and proposes (a) refinancing the existing 223(f) Loan under the 223(a)(7) program (“Refinancing Loan”) with the existing Lender for proceeds sufficient to retire the existing Senior Loan and closing costs, (b) re-subordinating the County HIF loan, and (c) utilize existing cash held in the existing replacement reserve and renovation escrow accounts to fund a new initial replacement reserve of approximately \$4,600 per unit (collectively the “Refinancing Plan”); and

**WHEREAS**, as a requirement of closing the Refinancing Loan, staff of the County have expressed support to resubordinate the existing HIF loan, including accrued interest.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Paddington Square Development Corporation, that it approves the following:

1. The Property’s Refinancing Plan, as described herein, including (a) a Refinancing Loan of approximately \$18,800,000 under the 223(a)(7) program with Love Funding Corporation, credit enhanced with mortgage insurance provided by FHA, which will be used to repay existing senior debt, closing costs, and capitalize financing; (b) resubordinating the existing \$5.2 million County HIF loan and accrued interest, and (c) combining proceeds of the

PADDINGTON SQUARE DEVELOPMENT CORPORATION

Property's existing replacement reserve and renovation escrow accounts to fund a new initial replacement reserve equal to approximately \$4,600 per unit;

2. Authorization for the Commission's Executive Director to negotiate and execute a financing commitment with Love Funding Corporation;
3. Authorization for the Commission's Executive Director to negotiate and execute re-subordination of the County HIF loan to the Refinancing Loan; and
4. Accepting the new Refinancing Loan and County HIF loan.

**BE IT FURTHER RESOLVED** that the Paddington Square Development Corporation authorizes and directs the Commission's Executive Director, or his designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Board of Directors of Paddington Square Development Corporation at a meeting conducted on April, 7, 2021.

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Patrice M. Birdsong  
Special Assistant to the Paddington Square  
Development Corporation

# Adjourn

# Alexander House Development Corporation



**ALEXANDER HOUSE DEVELOPMENT CORPORATION**

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

**Minutes**

March 3, 2021

21-01

Mr. Priest convened the meeting of the Alexander House Development Corporation on March 3, 2021 at 5:35 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

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

**Also Attending**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel  
Zachary Marks  
Charnita Jackson  
Lynn Hayes  
Jay Berkowitz  
Victoria Dixon  
Terri Fowler  
Jennifer Arrington  
Nathan Bovelie  
Ian Hawkins  
Karlos Taylor

Kayrine Brown, Deputy Executive Director  
Olutomi Adebo  
Cornelia Kent  
Fred Swan  
Eugenia Pascual  
Millicent Anglin  
Nicolas Deandreis  
Kristyn Greco  
Marcus Ervin  
Jay Shepherd  
Claire Kim  
Nilou Razeghi

**Support to the Corporation**

Patrice Birdsong, Special Assistant

Mr. Priest reported that there was one item on the Agenda for consideration by the Corporation.

- A. Alexander House Development Corporation:** Approval to Renew the Property Management Contract for Alexander House Development Corporation

The following resolution was adopted upon a motion by Richard Y. Nelson, Jr., and seconded by Frances Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkwowitz, and Jackie Simon.

**RESOLUTION NO.: 21-001<sub>AH</sub>**

**RE: Approval to Renew Property Management  
Contract for Alexander House**

**WHEREAS**, Alexander House Development Corporation owns 186 units in the development known as Alexander House located in Silver Spring, Maryland; and

**WHEREAS**, staff desires to renew the current property management contract at Alexander House with Edgewood Management Corporation for one (1) year through June 30, 2022.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Alexander House Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or his designee, is hereby authorized and directed to execute a renewal of the property management contract at Alexander House with Edgewood Management Corporation for one (1) year through June 30, 2022.

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

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:36 p.m. upon a motion by Linda Croom and seconded by Jackie Simon.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

Adjourn

# Brookside Glen Apartments Development Corporation

**BROOKSIDE GLEN DEVELOPMENT CORPORATION**

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

**Minutes**

March 3, 2021

21-01

Mr. Priest convened the meeting of the Brookside Glen Development Corporation on March 3, 2021 at 5:36 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

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

**Also Attending**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel  
Zachary Marks  
Charnita Jackson  
Lynn Hayes  
Jay Berkowitz  
Victoria Dixon  
Terri Fowler  
Jennifer Arrington  
Nathan Bovelie  
Ian Hawkins  
Karlos Taylor

Kayrine Brown, Deputy Executive Director  
Olutomi Adebo  
Cornelia Kent  
Fred Swan  
Eugenia Pascual  
Millicent Anglin  
Nicolas Deandreis  
Kristyn Greco  
Marcus Ervin  
Jay Shepherd  
Claire Kim  
Nilou Razeghi

**Support to the Corporation**

Patrice Birdsong, Special Assistant

Mr. Priest reported that there was one item on the Agenda for consideration by the Corporation.

- A. Brookside Glen Development Corporation:** Approval to Renew the Property Management Contract for Brookside Glen Development Corporation

The following resolution was adopted upon a motion by Richard Y. Nelson, Jr., and seconded by Frances Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowitz, and Jackie Simon.

**RESOLUTION NO.: 21-001<sub>BG</sub>**

**RE: Approval to Renew Property Management  
Contract for Brookside Glen**

**WHEREAS**, Brookside Glen Development Corporation is the general partner of Brookside Glen Limited Partnership ("Brookside Glen LP"), and Brookside Glen LP owns the development known as Brookside Glen located in Wheaton, Maryland; and

**WHEREAS**, staff desires to renew the current property management contract at Brookside Glen with Edgewood Management Corporation for one (1) year through June 30, 2022.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Brookside Glen Development Corporation, acting for itself and on behalf of Brookside Glen LP, that the Executive Director of the Housing Opportunities Commission of Montgomery County, or his designee, is hereby authorized and directed to execute a renewal of the property management contract at Brookside Glen with Edgewood Management Corporation for one (1) year through June 30, 2022.

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

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:38 p.m. upon a motion by Linda Croom and seconded by Pamela Byrd.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

# Adjourn

# Glenmont Crossing Development Corporation



**GLENMONT CROSSING DEVELOPMENT CORPORATION**

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

**Minutes**

March 3, 2021

21-01

Mr. Priest convened the meeting of the Glenmont Crossing Development Corporation on March 3, 2021 at 5:38 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

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

**Also Attending**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel  
Zachary Marks  
Charnita Jackson  
Lynn Hayes  
Jay Berkowitz  
Victoria Dixon  
Terri Fowler  
Jennifer Arrington  
Nathan Bovelie  
Ian Hawkins  
Karlos Taylor

Kayrine Brown, Deputy Executive Director  
Olutomi Adebo  
Cornelia Kent  
Fred Swan  
Eugenia Pascual  
Millicent Anglin  
Nicolas Deandreis  
Kristyn Greco  
Marcus Ervin  
Jay Shepherd  
Claire Kim  
Nilou Razeghi

**Support to the Corporation**

Patrice Birdsong, Special Assistant

Mr. Priest reported that there was one item on the Agenda for consideration by the Corporation.

- A. Glenmont Crossing Development Corporation:** Approval to Renew the Property Management Contract for Alexander House Development Corporation

The following resolution was adopted upon a motion by Richard Y. Nelson, Jr., and seconded by Pamela Byrd. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkwowitz, and Jackie Simon.

**RESOLUTION NO.: 21-001<sub>GC</sub>**

**RE: Approval to Renew Property  
Management Contract for Glenmont Crossing**

**WHEREAS**, Glenmont Crossing Development Corporation owns the development known as Glenmont Crossing located in Wheaton, Maryland; and

**WHEREAS**, staff desires to renew the current property management contract at Glenmont Crossing with Edgewood Management Corporation for one (1) year through June 30, 2022.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Glenmont Crossing Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or his designee, is hereby authorized and directed to execute a renewal of the property management contract at Glenmont Crossing with Edgewood Management Corporation for one (1) year through June 30, 2022.

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

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:38 p.m. upon a motion by Pamela Byrd and seconded by Jackie Simon.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

# Adjourn

# Glenmont Westerly Development Corporation

**GLENMONT WESTERLY DEVELOPMENT CORPORATION**

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

**Minutes**

March 3, 2021

21-01

Mr. Priest convened the meeting of the Glenmont Westerly Development Corporation on March 3, 2021 at 5:39 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

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

**Also Attending**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel  
Zachary Marks  
Charnita Jackson  
Lynn Hayes  
Jay Berkowitz  
Victoria Dixon  
Terri Fowler  
Jennifer Arrington  
Nathan Bovelie  
Ian Hawkins  
Karlos Taylor

Kayrine Brown, Deputy Executive Director  
Olutomi Adebo  
Cornelia Kent  
Fred Swan  
Eugenia Pascual  
Millicent Anglin  
Nicolas Deandreis  
Kristyn Greco  
Marcus Ervin  
Jay Shepherd  
Claire Kim  
Nilou Razeghi

**Support to the Corporation**

Patrice Birdsong, Special Assistant

Mr. Priest reported that there was one item on the Agenda for consideration by the Corporation.

- A. Glenmont Westerly Development Corporation:** Approval to Renew the Property Management Contract for Glenmont Westerly Development Corporation

The following resolution was adopted upon a motion by Richard Y. Nelson, Jr., and seconded by Linda Croom. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkwowitz, and Jackie Simon.

**RESOLUTION NO.: 21-001<sub>GW</sub>**

**RE: Approval to Renew Property  
Management Contract for Glenmont Westerly**

**WHEREAS**, Glenmont Westerly Development Corporation owns the development known as Glenmont Westerly located in Wheaton, Maryland; and

**WHEREAS**, staff desires to renew the current property management contract at Glenmont Westerly with Edgewood Management Corporation for one (1) year through June 30, 2022.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Glenmont Westerly Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or his designee, is hereby authorized and directed to execute a renewal of the property management contact at Glenmont Westerly with Edgewood Management Corporation for one (1) year through June 30, 2022.

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

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:40 p.m. upon a motion by Pamela Byrd and seconded by Frances Kelleher.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

# Adjourn

# Wheaton Metro Development Corporation Meeting



**WHEATON METRO DEVELOPMENT CORPORATION**

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

**Minutes**

March 3, 2021

21-01

Mr. Priest convened the meeting of the Wheaton Metro Development Corporation on March 3, 2021 at 5:39 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

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

**Also Attending**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel  
Zachary Marks  
Charnita Jackson  
Lynn Hayes  
Jay Berkowitz  
Victoria Dixon  
Terri Fowler  
Jennifer Arrington  
Nathan Bovelie  
Ian Hawkins  
Karlos Taylor

Kayrine Brown, Deputy Executive Director  
Olutomi Adebo  
Cornelia Kent  
Fred Swan  
Eugenia Pascual  
Millicent Anglin  
Nicolas Deandreis  
Kristyn Greco  
Marcus Ervin  
Jay Shepherd  
Claire Kim  
Nilou Razeghi

**Support to the Corporation**

Patrice Birdsong, Special Assistant

Mr. Priest reported that there was one item on the Agenda for consideration by the Corporation.

- A. Wheaton Metro Development Corporation:** Approval to Renew the Property Management Contract for Wheaton Metro Development Corporation

The following resolution was adopted upon a motion by Jackie Simon, and seconded by Frances Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkwowitz, and Jackie Simon.

**RESOLUTION NO.: 21-001<sub>WM</sub>**

**RE: Approval to Renew Property  
Management Contract for Wheaton Metro  
Development Corporation**

**WHEREAS**, Wheaton Metro Development Corporation owns 120 units in the development known as MetroPointe Apartments located in Wheaton, Maryland; and

**WHEREAS**, staff desires to renew the current property management contract at MetroPointe Apartments with Bozzuto Management Company for one (1) year through June 30, 2022.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Wheaton Metro Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or his designee, is hereby authorized and directed to execute a renewal of the property management contract at MetroPointe Apartments with Bozzuto Management Company for one (1) year through June 30, 2022.

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

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:41 p.m. upon a motion by Linda Croom and seconded by Frances Kelleher.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

# Adjourn

# Diamond Square Development Corporation

**DIAMOND SQUARE DEVELOPMENT CORPORATION**

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

**Minutes**

March 3, 2021

21-01

Mr. Priest convened the meeting of the Diamond Square Development Corporation on March 3, 2021 at 5:41 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

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

**Also Attending**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel  
Zachary Marks  
Charnita Jackson  
Lynn Hayes  
Jay Berkowitz  
Victoria Dixon  
Terri Fowler  
Jennifer Arrington  
Nathan Bovel  
Ian Hawkins  
Karlos Taylor

Kayrine Brown, Deputy Executive Director  
Olutomi Adebo  
Cornelia Kent  
Fred Swan  
Eugenia Pascual  
Millicent Anglin  
Nicolas Deandreis  
Kristyn Greco  
Marcus Ervin  
Jay Shepherd  
Claire Kim  
Nilou Razeghi

**Support to the Corporation**

Patrice Birdsong, Special Assistant

Mr. Priest reported that there was one item on the Agenda for consideration by the Corporation.

- A. Diamond Square Development Corporation:** Approval to Renew the Property Management Contract for Diamond Square Development Corporation

The following resolution was adopted upon a motion by Richard Y. Nelson, Jr., and seconded by Frances Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowicz, and Jackie Simon.

**RESOLUTION NO.: 21-001<sub>DS</sub>**

**RE: Approval to Renew Property  
Management Contract for Diamond  
Square Apartments**

**WHEREAS**, Diamond Square Development Corporation is the general partner of Diamond Square Limited Partnership (“Diamond Square LP”), and Diamond Square LP owns the development known as Diamond Square Apartments located in Gaithersburg, Maryland (“Diamond Square”); and

**WHEREAS**, staff desires to renew the current property management contract at Diamond Square for one (1) year with Residential One.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Diamond Square Development Corporation, acting for itself and on behalf of Diamond Square LP, as its general partner, that the Executive Director of the Housing Opportunities Commission of Montgomery County, or his designee, is hereby authorized and directed to execute a one (1) year renewal of the property management contract for Diamond Square.

**BE IT FURTHER RESOLVED** by the Board of Directors of Diamond Square Development Corporation that the Executive Director of the Housing Opportunities Commission, or his designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:42 p.m. upon a motion by Linda Croom and seconded by Frances Kelleher.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

# Adjourn

# Closing Statement



Written Statement for Closing a Meeting (“Closing Statement”)

Date: April 7, 2021

A. Pursuant to Section 3-305(b) and (d) of the General Provisions Article of the Annotated Code of Maryland, I move to adjourn this open session to a closed session only:

- 3.  “To consider the acquisition of real property for a public purpose and matters directly related thereto;” and
- 13.  “To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.”

B. For each provision checked above, the topic to be discussed and the reason for discussing that topic in closed session is provided below.

Statutory Citation	Topic	Reason for closed-session discussion
§3-305(b)(3)	The purchase of improved real property (including existing multifamily buildings and land) located in Chevy Chase, Maryland (the “Chevy Chase Property”)	The meeting must be closed to the public to protect HOC’s ability to close and acquire the Chevy Chase Property. Public discussion of this item could result in HOC not being able to acquire the Chevy Chase Property.
§3-305(b)(13)	The confidential commercial and financial terms of financing the acquisition of the Chevy Chase Property.	Section 4-335 of the Maryland Public Information Act prevents disclosure of confidential commercial or financial information obtained from a third-party. The meeting must be closed to the public in order to protect confidential commercial and financial information provided to HOC from private financial institutions in order to finance the acquisition of the Chevy Chase Property. The information provided to HOC and to be discussed is both customarily and actually treated as confidential by the private financial institutions and has been provided to HOC under assurances of privacy.

C. This statement is made by Commissioner Roy Priest, Chair.

D. Recorded vote to close the meeting:

- Date: April 7, 2021      Time: \_\_\_\_\_      Location: Zoom (Livestream on YouTube)
- Motion to close meeting made by: \_\_\_\_\_
- Motion seconded by: \_\_\_\_\_
- Commissioners in favor: \_\_\_\_\_
- Commissioners opposed: \_\_\_\_\_
- Commissioners abstaining: \_\_\_\_\_
- Commissioners absent: \_\_\_\_\_

Officer’s Signature: \_\_\_\_\_

# Adjourn

# Closed Session