

**EXPANDED AGENDA**

**August 10, 2022**

**YouTube Link: [https://youtu.be/0rcFsuoV\\_N0](https://youtu.be/0rcFsuoV_N0)**

**In order to continue to implement recommended social distancing guidelines, HOC will conduct its August 10, 2022 monthly meeting through a hybrid model. HOC's Board of Commissioners and certain staff will participate in-person. The public will continue to participate via an online platform and teleconference call until further notice.**

			Res #
4:00 p.m.  Page 3	<b>I. <u>INFORMATION EXCHANGE</u></b> A. Community Forum B. Report of the Executive Director C. Commissioner Exchange		
4:40 p.m. Page 16  Page 18	<b>II. <u>APPROVAL OF MINUTES</u></b> A. Approval of Minutes of July 13, 2022 Public Hearing – Revisions to HOC'S Housing Choice Voucher Administrative Plan (Chapters 4, 7, 8 and 21) B. Approval of Minutes of July 13, 2022		
5:00 p.m.	<b>III. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u></b>		
Page 31	<b>A. Administrative and Regulatory Committee – Com. Kelleher, Chair</b> 1. Authorization to Submit HOC's FY 2022 Section Eight Management Assessment Program Certification to HUD		22-62 (pg. 37)
5:20 p.m. Page 44	<b>B. Development and Finance Committee – Com. Simon, Chair</b> 1. <b>Westwood Tower:</b> Approval to Draw on the PNC Bank, N.A. Real Estate Line of Credit to Provide Interim Financing for Westwood Tower Apartments		22-63 (pg. 47)
5:40 p.m.	<b><u>ADJOURN</u></b>		

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



## RESIDENT SERVICES ACTIVITIES UPDATE

### ***Service Coordination***

The Service Coordination Unit provides assessment, counseling, information, referrals and program services to HOC customers. During the month of July 2022, staff continued to provide services primarily virtually due to the COVID pandemic and the continued closure of HOC offices to the public; however, the Resident Counselors continued to engage HOC customers to determine their needs. During July, customers were referred to HOC's partners and received food and other assistance. The counselors also continued to perform wellness checks with customers to ensure their safety and assess their needs. Customers with delinquent rent were referred/connected to the COVID Rental Assistance Program, the Emergency Rental Assistance Program and the Housing Stabilization Program.

During the month of July, HOC's customers also continued to receive referrals to unemployment assistance, Temporary Cash Assistance, Supplemental Nutrition Assistance Program, Maryland Energy Assistance Program, and other benefit programs. The Housing Stabilization staff continued to process a vast number of applications for rental assistance. Though resident Counselors continued working remotely due to the COVID-19 pandemic, staff continues to come into the office as needed for emergencies, scheduled appointments and to assist with food distribution, vaccination clinics, and other activities. Resident Counselors have also attended the Housing Resources Division virtual briefings for new voucher recipients to provide information on the services that the Resident Services Division offer. Additionally, the Resource Services team continues to provide services to persons with disabilities to meet their specific service needs.

Highlights for July activities of resident counselors include the following:

- 1) Cider Mill
  - a) Collaborated with the Department of Health and Human Services' Street Outreach Network to facilitate the Summer of Peace event, which was held at Cider Mill on July 22, 2022. The purpose of the event was to promote peace in the community and provide information on community resources. During the event there were games, music, a dance contest and food was provided;
  - b) Assisted the Property Management team in addressing rent delinquencies by conducting outreach, assessments and providing referrals.

- 2) Workshops
  - a) Fundamentals of Housing workshops conducted on July 20, 2022 and July 1, 2022;
  - b) Resource sharing workshops conducted on July 26, 2022 and July 28, 2022.
  
- 3) Resident Wellbeing
  - a) Senior Brown Bag food distribution at Elizabeth House on July 2nd;
  - b) In partnership with St. John's Church of Bethesda, facilitated the nutritional education and food distribution event at Waverly House on each Fridays during July;
  - c) Facilitated virtual community bingo activity at Forest Oak Towers on July 14, 2022
  
- 4) Relocation and Re-Certification Assistance
  - a) Assisted customers on an ongoing basis with relocations and other needs for RAD and renovation projects at Rockville Town Center, Stewartown, Shady Grove, Willow Manor, Bauer Park, Town Center Olney, Sandy Spring, Willow Manor and Georgian Court.
  - b) Provided translation services to customers who do not speak or read English;
  - c) Outreach to customers who have failed to submit all required documents for recertification by the stated deadlines;
  - d) Assisted customers with relocation from Town Center Rockville to Residences on the Lane.
  
- 5) Rental Assistance
  - a) Door-to-door outreach and assistance to customers in applying for Emergency Rental Assistance Program;
  - b) Outreach to customers in applying for the COVID Rental Assistance Program.

### ***Programming***

The Resident Services Division develops and implements programming that provides meals, educational, recreational and enrichment opportunities for HOC customers. Listed below are highlights of programming activities for July 2022.

- Resident Services Division 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 July, 320 HOC customers were provided with food. The Resident Services staff also continued to facilitate the Senior Nutrition Program, which provides meals and opportunities to socialize. The program continued its congregate meal program on July 1, 2022, at Arcola Towers and Forest Oak Towers.

- The Arts for the Aging Program hosted its monthly virtual activity in July, during which adults participated in an interactive sing-a-long to Blues.

### Commissioner Engages with HOC Residents

The Resident Services Division continued to work in partnership with Commissioner Jackie Simon and property management staff to continue the Tanglewood’s Community Library Pilot Project. On July 20, 2022, Commissioner Jackie Simon (and her dog, Thor) hosted a reading for youth at the property. Below are photographs from the event.



*Commissioner Simon and Thor*

## ***HOC Academy***

The HOC Academy is an agency-developed initiative developed to help HOC customers reach their fullest potential by providing educational, enrichment, job training and job placement opportunities to youth and adults. The program specifically focuses on education and enrichment for you and education and workforce development for adults. Listed below are the highlights for the month of July 2022.

### *Youth Education/Enrichment*

The K & M STEAMsational program started on July 18, 2022. Participants and staff meet virtually Monday - Thursday from 4:30 pm to 6:00 pm. There are currently 24 youth participants (grades 3 – 5) in the program. During the first week of the program, participants completed a virtual field trip to New York. Participants also learned fun facts about the first roller coaster in the USA that was built in New York called the Cyclone, including the engineering of the roller coaster. Participants then had an opportunity to participate in the Roller Coaster Project, which participants will continue to work on for the duration of the program.

Participants also discussed the first pizza shop built in the USA, which was also in New York. To make this virtual trip hands-on, participants planted pizza herb gardens with arugula, basil, and oregano and will track the growth process for the duration of the program. Additionally, participants are also learning to code with Sphero Minibots and participate in Fun and Games Day on Thursdays. During the second week of the program, participants completed a virtual visit to Philadelphia to learn fun facts. Highlights for the week were Graffiti Art and making TastyKakes in a mug. Below are pictures from the program.



HOC Academy and Learning Undefeated completed a one-week **Young Science Explorers Program (YSEP)** at Montgomery College, Germantown Campus. Twenty-four youth registered and participated in the program and provided excellent feedback from their experience. The hands-on science fun during the weeklong program at the beautiful Germantown Campus fostered an energetic group. The program included fieldtrips, lab work on the mobile laboratory, games and lunch. One of the highlights of the program was the trip to the Learning Undefeated’s Explorer Lab where they learned the foundations of engineering by building rovers and testing them.

Below are pictures from the program.



Adult Education and Workforce Development

In July, two students from the Small Business Strategy Course (“SBSC”) Cohort #2 began their three-month mentoring sessions to complete their business plans. Both students have completed

a draft business plan. Both students have completed final presentations and are ready to legalize their businesses. Additionally, HOC Academy received 44 requests for tuition assistance, and is currently processing the requests.

Customer highlights are listed below:

1. Klara Johnson (KADJ Beauty LLC) has obtained an EIN for her business and filed her Articles of Incorporation with the State of Maryland. Business approval is pending and once approved, Ms. Johnson will move on to complete her trade name/service mark applications.
  - Ms. Johnson also worked with ALSTNTEC to rebuild her resume. As a result, Ms. Johnson has been offered a new position as a receptionist in a hospital making \$20/hour, which is a \$4/hour increase from her previous job. She also has more scheduled interviews.
2. Three (3) students from Cohort#1 of the Small Business Strategy Course are scheduled to legalize their business in August 2022.
3. Seven (7) participants completed the Microsoft Excel Training offered by Career Catchers, Inc. and received certificates of completion.
4. Aaron Triplett (Tuition Assistance Participant for Music) reported that he would soon go on tour in Europe.

### ***Financial Literacy***

The Financial Literacy Coach continued to work with HOC customers and individuals on the Housing Path waitlist to create a strong financial foundation. During the month of July, the Financial Literacy Coach provided one-on-one financial literacy coaching to 11 HOC customers, and eight (8) individuals from the HousingPath waitlist. The coaching sessions continued to cover topics including: creating a working budget; identifying disposable income; reading one's credit report; and, creating and accomplishing monthly financial goals. During the month of July, the Financial Literacy Coach facilitated financial literacy workshops. Six (6) HOC customers and five (5) individuals from the waitlist attended the workshops.

### ***Supportive Housing***

The Supportive Housing Program provides housing assistance and case management services to 239 participants who are formerly homeless and have disabilities. The program services some of the most vulnerable residents of the county. In July, program staff continued to conduct home visits with program participants. Program staff continue to wear the appropriate personal protective equipment and maintaining distancing. Program staff also continued the process of planning for the conversion to a leasing program structure. Program staff also continued to help Emergency Voucher recipients with their housing efforts through housing search and financial assistance.

During July, program staff continued to implement the Rent Supplement Program ("RSP"). The RSP provides a shallow rental subsidy (up to \$600 monthly) to county residents who struggle to pay their full rent with their current income. The program serves a large number of seniors on



fixed incomes. The program continues to work to fill all program slots. Program turnover is currently exceeding the pace of new enrollments, but program staff are working to address this. Program staff are also working with counselors to identify customers at HOC's sites who qualify and can benefit from the program. Additionally, program staff will work with the Department of Health and Human Services ("DHHS") to receive referrals for people in the homeless continuum of care.

### ***Fatherhood Initiative***

The Fatherhood Initiative is a national program funded by the U.S. Department of Health and Human Services. HOC is the first and only housing agency to be awarded a grant under the Fatherhood Initiative. HOC completed its first five-year grant as a best practice model. HOC was awarded an additional grant and is currently in year two of the new grant period. HOC has recently been awarded a renewal of the grant and will begin year three in October 2022. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. In July, 34 new fathers were enrolled in the program. Additionally, 24 fathers graduated in July. HOC's Fatherhood Initiative has completed its work on the Strengthening the Implementation of Responsible Fatherhood Programs (SIRF) Study. The target number of father projected to be served this grant year is 356 and at the end of July 2022, 363 (102%) had been enrolled.

## **HOUSING RESOURCES DIVISION ("HRD") UPDATE**

### ***Housing Choice Voucher Program***

Each month, HOC selects applicants from the Housing Path Waitlist with the goal of achieving and maintaining 95% program utilization rate. The program baseline is 7,659 and the current utilization rate is 95%. Currently, 259 families with issued vouchers are searching for suitable units to rent and 166 contracts are pending execution. Two-hundred families were selected from the HCV wait list during July 2022.

During the month of July, the Housing Resources Division received eight requests for voucher extensions beyond the initial 90-day period. The requests include search records reflecting the efforts made to secure housing during the voucher term and contacts made to the landlords. Of the eight requests, four families were notified to contact the Human Rights Commission and the Commission on Civil Rights for possible discrimination.

Sixty-seven customers were recommended for program termination effective July 1, 2022. The Resident Services Division worked in collaboration with the Housing Resources Division to assess client needs and understand why the recertifications are not being completed.

The Resident Services Counselors conducted outreach to every customer in the termination window to ascertain why the annual requirement was not completed and provide assistance.

They were able to assist 39 families with the recertification requirement and overturn the termination. The program will continue the termination proceedings for 28 families for the following reasons:

- 1 – Deceased
- 1 – Nursing Home
- 1- Purchased Home
- 1 – Skipped
- 2 - Voluntary
- 22 – Unable to reach by phone or email; however, counselors have left messages.

The Housing Resources Division will continue to work collaboratively with the Resident Services Division to assist customers who are facing termination.

### ***Emergency Housing Vouchers***

HOC has received an allocation of 118 Emergency Housing Vouchers (“EHVs”). Currently 77 families have successfully leased units and 41 families with issued vouchers are searching for suitable units to rent. EHV customers are referred to HOC from the Montgomery County Department of Health and Human Services.

### ***Family Self Sufficiency (“FSS”) Update***

Due to the ongoing COVID-19 pandemic, all meetings and recruitment activities are conducted virtually. Staff continues to engage and market the FSS program to Housing Choice Voucher participants by phone and virtual information sessions. There were no new enrollments this month, as the program is prohibited from enrolling new participants until HUD approves the revised FSS Action Plan, pursuant to the Streamlining and Implementation of Economic Growth, Regulatory Relief and Consumer Protection Act effective June 16, 2022.

Staff has prepared and will present the FSS Action Plan to the Commission on September 14, 2022, and subsequently to HUD, contingent upon Commission approval. HUD then has 45 days to approve the plan, whereupon the program may resume enrolling new participants.

In the meantime, FSS Case Managers continue to work with customers on their long- and short-term self-sufficiency goals. During monthly remote meetings, Case Managers offer emotional support and provide resources to address the challenges and concerns families are experiencing. Participants are encouraged to be proactive in dealing with challenges and to create a plan to address potential issues.

### ***Mainstream Disabled Vouchers (“MSD”)***

HOC was awarded 50 MSD Vouchers on July 29, 2022. With this allocation of vouchers, we will continue to assist non-elderly disabled households to secure permanent housing.

## **INFORMATION TECHNOLOGY DIVISION UPDATE**

### ***Yardi PHA Client Portal for RENTCafe***

The Information Technology Division (“IT”) staff has implemented the Yardi PHA Client Portal for RENTCafe, which launched on July 11, 2022. RENTCafe is a portal to a suite of online services that enables HOC program participants to access our Yardi system. Similarly, HOC landlords have been using a portal to access our Yardi system since 2011; an upgrade was recently completed for the landlord portal as well. HOC program participants are now able to complete their initial, annual and interim certifications through an online guided process and ensure that they meet program eligibility requirements. They are also able to submit required documentation (i.e., verification of employment, bank statements etc.) online. Other RENTCafe portal features include tracking Housing Assistance Payments, unit inspections, online messages and correspondence. The system houses all data in one central location and facilitates an easy to use vendor support online interface.

Written and electronic communications to notify HOC program participants regarding RENTCafe and system registration are being rolled out in phases. The system enrollment response rate for the first group of participants has been over 60% as of today.

IT staff is working to enable residents in HOC-owned and/or managed properties to complete their initial and annual certifications online also. Set up is in progress for Cider Mill Apartments and The Leggett (Elizabeth House III) as the first two properties for RENTCafe Affordable. The website, applicant portal, resident work orders submission and resident rent payments are all ready for testing at Cider Mill; testing for The Leggett is pending additional information needed.

Some of the benefits to using RENTCafe include, minimizing paper usage, which reduces an overhead cost and environmental impact, easing paperwork and delivery burden on HOC program participants, increased data accuracy and streamlined processing, review and approval by HOC staff. An additional benefit to using RENTCafe Affordable is that the online rent payment feature is a fully automated process that requires no staff intervention.

## REAL ESTATE DEVELOPMENT DIVISION UPDATE

### The Laureate

Construction continues on The Laureate, a joint-venture between HOC and its development partners EYA and Bozzuto Development. Formerly known as Westside at Shady Grove, the Class-A, new construction mixed-income and mixed-use housing development is located just steps away from the Red Line Shady Grove Metro Station. The \$121 million, 268-unit, transit-oriented development will house the future HOC UpCounty Service Center and feature a variety of unit types of which 30% (80-units) will be affordable, including 67-units at 50% AMI and 13-units at 65% AMI (MPDU income limit). Recently completed construction activities include work to the centrally located pool deck; doors, trim and painting between the 2<sup>nd</sup> and 5<sup>th</sup> floors, and drywall has been hung in the lobby area. In the coming weeks, the team will continue work to the residential units including cabinetry, tilework and drywall finishing; continuation of framing to the HOC Service Center space; and exterior & site work. First unit deliveries are slated for Q4 delivery with final completion in the Spring of 2023. Provided below are current work-in-progress photos including: Exterior views from Columbus Ave. & Crabbs Branch Way; a sample residential unit; view of the courtyard; framing of the HOC space; and the residential entry lobby.



## The Leggett

On August 3, 2022, the Executive Director, Deputy Executive Director, Chief Real Estate Officer, and Director of Development toured the Leggett, which is the 15-story, 267-unit, mixed-income senior community (including replacement housing for current Elizabeth House residents) being constructed on top of the future South County Regional Recreation and Aquatic Center (“SCRRAC”). Residential unit interiors are expected to be completed in September with the SCRRAC following in early 2023.



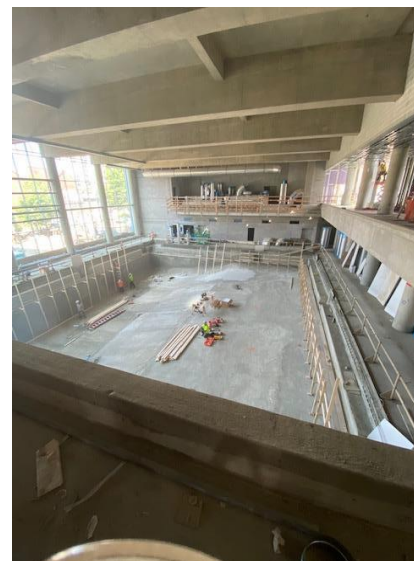
Formerly known as Elizabeth House III, the Leggett will honor and memorialize former County Executive Isiah (“Ike”) Leggett, which under his leadership in Montgomery County has created an extraordinary legacy of advocacy for senior housing for many generations to come. The SCRRAC will also house a senior resource center and primary care facility that will be operated by Holy Cross Hospital.

Exterior building cladding is nearly complete. The paneling is made by Fundermax, which is a decorative laminate that excels at UV, erosion, and abrasion resistance. It’s both a durable and cost-effective product. The exterior curtain walls windows and

residential windows are all installed. So, the highly architectural impact of the SCRRAC entrance visible from the plaza has taken shape.

Of particular note from the tour of the interiors were the WMATA trains passing in complete silence. Drywall hanging and finishing to the numerous public facing areas of the SCRRAC including meeting rooms and fitness areas is nearing completion. Testing of the competition pool’s concrete shell has been completed. From the balconies, it’s easy to imagine the energy of family and friends cheering on their athletes. Preparation for the tile work is underway.

Carpet is down in the residential corridors with many of the unit entrances painted in that floor’s mnemonic color. Only the addition of wall trim and painting completion remains. Inside the units, the team is preparing for “punch walks” toward the end of this month. The appliance packages, fixtures, and finishes are all modern and attractive. Bright light permeates the units and the views – even from the lower floors, but particularly from the upper floors – offer incredible visual interest and add to the sense of respite.





We look forward to the conclusion of construction and the opportunity to celebrate with a ribbon cutting in the fall.

# Minutes

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**RECORD OF PUBLIC HEARING**

July 13, 2022

The Housing Opportunities Commission of Montgomery County was conducted a Public Hearing on the Proposed Revisions to its Administrative Plan for the Housing Choice Voucher Program. The Public Hearing was held via a hybrid platform and teleconference on Wednesday, July 13, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 3:01 p.m. Those in attendance were:

**Present**

Frances Kelleher, Vice Chair/  
Chair Administrative and Regulatory Committee

**Also Attending**

Chelsea Andrews, Executive Director  
Guidy Paul, Asst. Director – Housing Resources Division  
Rita Harris, Special Assistant – Resident Services Division

Lynn Hayes, Director – Housing Resources Division  
Karlos Taylor, Chief Technology Officer

**Also Attending via Zoom**

Darcel Cox, Chief Compliance Officer

**IT Support**

Irma Rodriguez  
Aries “AJ” Cruz  
Genio Etienne

**Commission Support**

Patrice Birdsong

Vice Chair Kelleher convened the public hearing at 3:01 p.m. announcing that the HOC made available a draft of the proposed revisions. On June 11, 2022, the draft documents were available for review on HOC’s website as well as two other publications – 1) The Washington Post; and 2) The Washington Post Hispanic. This hearing serves as the culmination of this public comment period, allowing residents, community members, and others to have the opportunity to voice their opinions on HOC’s proposed revisions to its Administrative Plan.

Lynn Hayes, Director of Housing Resources and Guidy Paul, Assistant Director of Housing Resources provided presentation explaining the following proposed changes:



1. Amendment to the first preference listed in the Administrative Plan, to include forced displacement of families resulting from a fire, flood damage, and natural disaster.
2. Verification of income, including Self-employed individuals, must certify that a minimum of 51% of their business is conducted in Montgomery County.
3. Voucher extensions are granted to all customers who request an extension prior to the voucher expiration date for a maximum search time of 180 days.
4. Homeownership program minimum income requirement for participation has increased from \$24,000 to \$40,000

Staff received the Resident Advisory Board (RAB) endorsement of the changes. There were no outside guests participating via Zoom. Vice Chair Kelleher stated that the public hearing is complete and the record, which has been open for at least 30-days has now closed.

With there being no further testimony, Vice Chair Kelleher stated that the public hearing was complete and the record, which had been open for at least 30-days, was then closed.

Based upon this report and there being no further business to come before this session Vice Chair Kelleher adjourned the hearing at 3:08 p.m.

Respectfully submitted,

Chelsea Andrews  
Secretary-Treasurer

/pmb

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

July 13, 2022

22-07

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Wednesday, July 13, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:06 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**

Chelsea Andrews, Executive Director  
Aisha Memon, General Counsel  
Marcus Ervin  
Lynn Hayes  
Eugenia Pascual  
Daejauna Donahue

Kayrine Brown, Deputy Executive Director  
Zachary Marks  
Bonnie Hodge  
Guidy Paul  
Jennifer Arrington

**Also Attending via Zoom**

Paulette Dudley  
Hugh McMullen  
John Broullire  
Matt Husman  
Gail Willison

Hyunsuk Choi  
Paige Gentry  
David Brody  
Fred Swan  
Darcel Cox

**IT Support**

Irma Rodriguez  
Aries "AJ" Cruz  
Genio Etienne

**Commission Support**

Patrice Birdsong

Chair Priest opened the meeting welcoming all to the monthly meeting. There was a roll call of Commissioners participating.

Prior to the start of the business of the HOC Board, Chair Priest introduced Commissioner Jackie Simon, who provided a presentation and introduction of the 2022 Tony S. Davis Memorial Scholarship Award winners. This award was established 20-years ago in memory and honor of the late Tony S. Davis, former HOC employee who devoted his life to volunteering, coaching and counseling in the Seneca Ridge Community. During the past 20-years HOC has supported over 50-college bound students from its Communities. This year HOC awarded scholarships to six (6) deserving students who excelled academically and persevered against many odds during the pandemic years, while giving back to their communities. This year's first place award winners are Nazouria Nelson and Jeanne Lubiki who will each receive a \$5,000 cash scholarship. There was one (1) runner up, Samuel Ebobisse, who will receive \$2,000 cash scholarship award; and three (3) will receive cash scholarship awards in the amount of \$1,000, Antwone Morris, Caleb McBride, and Alexander Sarmiento.

I. **CONSENT**

**A. Approval of 2022 Tony S. Davis Memorial Scholarship Award Winners**

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

**RESOLUTION NO.: 22-55**

**RE: Approval of 2022 Tony S. Davis Memorial  
Scholarship Award Winners**

**WHEREAS**, in recognition of the many accomplishments and extensive community volunteer work performed by Tony Davis, a former Housing Opportunities Commission of Montgomery County ("HOC") employee who was tragically killed in the year 2000, HOC established the Tony S. Davis Memorial Scholarship Awards Program (the "Scholarship Program") in his memory; and

**WHEREAS**, since its inception, the Scholarship Program has annually provided scholarship awards to high school seniors who are residents of HOC's affordable housing programs and who also demonstrate excellent academic achievement and school attendance, participate in extracurricular and community activities, and have been accepted by a college or university; and

**WHEREAS**, the selection group considered academic records, recommendations from school personnel and HOC staff, personal essays written by the applicants, pandemic resilience, school and community activities, and college acceptance information; and

**WHEREAS**, HOC staff recommends two outstanding candidates, Nazouria Nelson and Jeanne Lubiki, for \$5,000 Tony S. Davis Scholarship Program awards; and

**WHEREAS**, HOC staff wishes to offer one runner-up scholarship award in the amount of \$2,000 to Samuel Ebobisse, and three second-runner-up \$1,000 scholarships to Antwone Morris, Caleb McBride and Alex Sarmento.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County affirms the recommendation of the Tony S. Davis Scholarship Awards Selection Panel for Nazouria

Nelson and Jeanne Lubiki to each receive a \$5,000 scholarship award, Samuel Ebobisse to receive a \$2,000 scholarship award, and Antwone Morris, Caleb McBride and Alex Sarmento to each receive

## II. **Information Exchange**

The individual recipients of the Tony S. Davis Scholarship Award expressed appreciation to the HOC Commissioners and Staff.

### **Community Forum**

- Chrystl Lindo-Bridgeforth, Safe Place Tenants Association of Cider Mill, addressed the Board regarding updates on issues pertaining to the roofing and an update on security cameras. Ms. Lindo-Bridgeforth welcomed Chelsea Andrews, HOC Executive Director, she also thanked Kayrine Brown, Deputy Executive Director, and Commissioners Priest and Simon for taking the time to meet with their Board regarding these urgent matters.
- Chair Priest followed up with an update informing that roof repairs have been scheduled, and there is a bid out for security camera contractors. He also mentioned that staff would convene monthly meetings with the Association. He thanked Bonnie Hodge, HOC Ombudsman, for keeping the group apprised of what HOC is trying to accomplish.

### **Introduction of New Executive Director**

- Chelsea Andrews, Executive Director, provided her introduction as Executive Director of the Housing Opportunities Commission of Montgomery County, Maryland. She looks forward to the opportunity to work with the Commissioners, Staff, HOC Families, and communities of Montgomery County.

### **Deputy Executive Director's Report**

- Kayrine Brown, Deputy Executive Director, provided an overview of the written report and addressed questions of the Commissioners. Commissioner Merkowitz thanked the Housing Resources staff for reaching benchmark of 95% house from the waitlist, and also outreach and assistance of both the Housing Resources and Resident Services Divisions to families that were scheduled for voucher termination. Chair Priest noted the fairly robust programs provided by the Resident Services Division to families and also suggested inclusion of a community gardening program.

### **Commissioner Exchange**

- Vice Chair Kelleher reminded of the upcoming preliminary elections cycle for State, Local, and Congressional elected officials.
- Chair Priest announced the upcoming NAHRO Summer Conferences in the month of August, and Fall Conference in San Diego, CA in the month of September. He also announced to save the date for the HOC Gala to be held October 13, 2022.

III. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Croom and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

#### **A. Approval of Minutes of June 8, 2022**

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

**A. Administrative and Regulatory Committee – Com. Kelleher, Chair**

1. **Administrative Plan Amendment:** Authorization to Revise Administrative Plan for the Housing Choice Voucher Program to add clarity to Chapters 4, 7, 8, and 21

Lynn Hayes, Director of Housing Resources, and Guidy Paul, Assistant Director Housing Resources Division, provided a presentation and addressed questions of the Commissioners.

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

**RESOLUTION NO.: 22-56**

**RE: Authorization to Revise Administrative Plan for  
The Housing Choice Voucher Program to Add  
Clarity to chapters 4, 7, 8, and 21**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“Commission” or “HOC”) desires to revise its Administrative Plan for the Housing Choice Voucher Program (the “Administrative Plan”) to update the (i) Chapter 4 in regards to the first preference (as shown on Exhibit A), (ii) processes related income verification in Chapter 7 (as shown on Exhibit B), (iii) voucher issuance and extension in Chapter 8 (as shown on Exhibit C), and (iv) income limit referencing homeownership program in Chapter 21 (as shown on Exhibit D) (collectively, the “Revisions”); and

**WHEREAS**, a public comment period for the Revisions began on June 11, 2022 and concluded on July 11, 2022 with a public hearing on July 13, 2022.

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

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their 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.

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

1. **IT System Procurement:** Approval to Amend and Restate Resolution No. 02-113 to Provide for Administrative Extensions and Renewals to the Yardi Financial and Property Management System in Accordance with Section 16.2 of the Procurement Policy

Karlos Taylor, Chief Technology Officer, provided presentation requesting the Commission to adopt the amendment and restatement of Resolution No. 02-113 to provide for administrative extensions and renewals to the Yardi Financial and Property Management System.

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.: 22-57**

**RE: Approval to Amend and Restate  
Resolution No. 02-113**

**WHEREAS**, on December 11, 2002, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) passed Resolution No. 02-113, which authorized the purchase and implementation of the software conversion utilizing the Yardi Financial and Property Management system (the “Authorizing Resolution”);

**WHEREAS**, the Yardi contract is considered a “core” contract per HOC’s Procurement Policy (the “Policy”), and is therefore governed by Appendix IV and Section 16 of the Policy;

**WHEREAS**, the Authorizing Resolution did not expressly authorize extensions or renewals, and the Commission desires to amend and restate the Authorizing Resolution in order to rectify that error.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the approval in the Authorizing Resolution is hereby amended and restated in its entirety as follows:

**“NOW, THEREFORE, BE IT RESOLVED**, by the Housing Opportunities Commission of Montgomery County that it authorizes the purchase and implementation of the software conversion utilizing the Yardi Financial Property Management System, and authorizes the Executive Director, or their designee, to administratively renew and/or extend such contract, until such time as the Executive Director determines to terminate and/or not renew the agreement.”

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that this Resolution shall be deemed ratified as of December 11, 2002 with the same force and effect as if approved on that date.

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

- 2. Additional Audit Services:** Request for Additional Services under the Professional Auditing Services Contract (for GASB 87)

Eugenia Pascual, Controller, provided the presentation requesting formal approval for additional services under the professional auditing services contract with CliftonLarsonAllen (CLA) to include CLAI’s GASB 87 Turnkey Lease Solution.

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

**RESOLUTION NO.: 22-58**

**RE: Request for Additional Services Under the  
Professional Auditing Services Contract (for  
GASB 87)**

**WHEREAS**, on March 8, 2021, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) issued Request for Proposals #2252 for Professional Auditing Services (the “RFP”);

**WHEREAS**, on December 8, 2021, pursuant to the RFP, the Commission selected CliftonLarsonAllen LLP (“CLA”) to be its primary auditor for fiscal years 2022 and 2023;

**WHEREAS**, the RFP included a request for rates for additional professional services not explicitly outlined in the RFP, and CLA’s contract includes such option;

**WHEREAS**, the Commission requires an additional service in connection with GASB 87 requirements (a new lease accounting and reporting standard) for the FY 22 audit (the “Additional GASB Service”); and

**WHEREAS**, CLA’s fees for the Additional GASB Service is expected to be no more than \$73,500.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that staff is authorized to engage CLA for the Additional GASB Service for no more than \$73,500.

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

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

**1. Single Family Lending: Approval of New Participating Lender for Single Family Mortgage Purchase Program**

Jennifer Arrington, Acting Director of Mortgage Finance, introduced Paulette Dudley, Program Specialist, who provided the presentation.

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

**RESOLUTION NO.: 22-59**

**RE: Approval of New Participating Lender for the  
for the Single Family Mortgage Purchase Program**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the “Commission”) approves lenders to participate in the Single Family Mortgage Purchase Program (“MPP”); and

**WHEREAS**, such participation is continuous and for multiple programs; and

**WHEREAS**, the Commission has approved an ongoing process for adding new lenders to the MPP;

**WHEREAS**, Celebrity Home Loans, LLC has applied for participation in the MPP; and

**WHEREAS**, Celebrity Home Loans, LLC has satisfied the required criteria for admittance into the MPP.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Celebrity Home Loans, LLC is approved for participation in the MPP, effective immediately.

2. **HOC at Wheaton Gateway, LLC – Wheaton Gateway:** Approval and Selection of an Architect, Civil Engineer, and Approval of an Amended Predevelopment Budget and Funding

Marcus Ervin, Director of Real Estate Development, and Daejauna Donahue, Project Manager, provided the presentation.

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, Merkwitz, and Simon.

**RESOLUTION NO.: 22-60<sup>A</sup>**

**RE: Approval of the CY 2022-2025 Predevelopment Budget and Funding for Wheaton Gateway; Approval of a Loan to Wheaton Gateway, LLC; Approval of the Selection of an Architect; and Approval of the Selection of a Civil Engineer**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) through its subsidiary, Wheaton-University Boulevard Limited Partnership, a Maryland limited partnership, owned a residential condominium unit in a now-demolished condominium located at 2715 University Blvd W., Silver Spring, MD 20902 (the “Ambassador Property”); and

**WHEREAS**, Wheaton Commercial Center Associates Limited Partnership, a Maryland partnership (“Willco”), owned the commercial condominium unit at the Ambassador Property and property adjacent to the Ambassador Property located at 11200 Veirs Mill Road, Silver Spring, MD 20902 (the “Mattress Firm Property”); and

**WHEREAS**, as described in this Resolution and as previously authorized by the Commission, HOC has assembled the Ambassador Property, the Mattress Firm Property, and a third adjacent property located at 11250 Veirs Mill Road, Silver Spring, MD 20902 (the “Lindsay Ford Property”, collectively with the Ambassador Property and the Mattress Firm Property, the “Wheaton Gateway Property”); and

**WHEREAS**, on August 9, 2017, the Commission authorized the creation of a joint venture known as Wheaton Gateway, LLC (“Wheaton Gateway”) between The Duffie Companies and HOC in order to further the potential redevelopment of the Wheaton Gateway Property; and

**WHEREAS**, HOC, in accordance with previous Commission resolutions, formed HOC at 11250 Veirs Mill Road, LLC (the “Venture Entity”) to acquire the Wheaton Gateway Property; and

**WHEREAS**, on April 3, 2019, the Commission authorized the creation of a joint venture, Wheaton Venture, LLC (“Wheaton Venture”) between Wheaton Gateway and Willco and the Commission approved a land assembly strategy for the Venture Entity; and

**WHEREAS**, on June 5, 2020, Wheaton Venture became the sole member of the Venture Entity; and



**WHEREAS**, as previously authorized by the Commission, the Venture Entity acquired the Lindsay Ford Property on January 17, 2019, and acquired each of the Mattress Firm Property and the Ambassador Property on June 5, 2020; and

**WHEREAS**, on May 26, 2022, the Montgomery County Planning Board unanimously approved the Sketch Plan submission for the development that will allow for the furtherance of the design and permitting efforts of the development; and

**WHEREAS**, the Commission desires to approve the calendar years 2022-2025 Predevelopment Budget in the amount of \$19,898,188.60 (the "2022-2025 Predevelopment Budget") to cover predevelopment costs related to the redevelopment of the Property (the "Wheaton Gateway Redevelopment") and needed to continue with the design and planning options for the redevelopment plan; and

**WHEREAS**, staff recommends that the 2022-2025 Predevelopment Budget be funded by a draw from the PNC Bank, N.A. Real Estate Line of Credit ("RELOC") and the proceeds loaned to HOC at Wheaton Gateway, LLC ("HOC at Wheaton") to fund the ongoing predevelopment costs for the Wheaton Gateway Redevelopment, which loan and interest will be repaid upon the closing of the construction or permanent financing of the Property; and

**WHEREAS**, the Commission issued a Request for Proposals for architectural services ("RFP #2311") for the Wheaton Gateway Redevelopment; and

**WHEREAS**, Torti Gallas and Partners ("TGP") received the highest score among the respondents to RFP #2311, and staff recommends selecting TGP and authorizing the Executive Director to execute a contract ("Architect Agreement") with TGP for such services; and

**WHEREAS**, the Commission issued a Request for Proposals for civil engineering services ("RFP #2321") for the Wheaton Gateway Redevelopment; and

**WHEREAS**, Charles P. Johnson & Associates ("CPJ") was the sole respondent for RFP #2321, and staff recommends selecting CPJ and authorizing the Executive Director to execute a contract ("Engineering Agreement") with CPJ for such services.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the 2022-2025 Predevelopment Budget of \$19,898,188.60 for the design and entitlement of the Wheaton Gateway Redevelopment and the use of the RELOC as the source to fund the predevelopment budget, which shall be loaned to HOC at Wheaton and will be repaid upon the closing of the construction or permanent financing of the Property.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton, which HOC at Wheaton is the manager and a member of Wheaton Gateway, which Wheaton Gateway is a member of Wheaton Venture, which Wheaton Venture is the sole member of the Venture Entity, that HOC, HOC at Wheaton, Wheaton Gateway, Wheaton Venture, and the Venture Entity are each authorized 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 to HOC at Wheaton's acceptance of the loan from HOC's RELOC in the amount of \$19,898,188.60.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton, which HOC at Wheaton is the manager and a member of Wheaton Gateway, which Wheaton Gateway is a member of Wheaton Venture, which Wheaton Venture is the sole member of the Venture Entity, that it approves the selection of TGP as the architect for the Wheaton Gateway Redevelopment and authorizes the Executive Director, or her designee, to execute the Architect Agreement for an amount not to exceed \$4,248,618.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the sole member of HOC at Wheaton, which HOC at Wheaton is the manager and a member of Wheaton Gateway, which Wheaton Gateway is a member of Wheaton Venture, which Wheaton Venture is the sole member of the Venture Entity, that it approves the selection of CPJ as the civil engineer for the Wheaton Gateway Redevelopment and authorizes the Executive Director, or her designee, to execute the Civil Engineer Agreement for an amount not to exceed \$1,476,121.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County, acting for itself and in its capacity as sole member of HOC at Wheaton, which HOC at Wheaton is the manager and a member of Wheaton Gateway, which Wheaton Gateway is a member of Wheaton Venture, which Wheaton Venture is the sole member of the Venture Entity, authorizes HOC's Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

---

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

**RESOLUTION No. 22-60<sup>B</sup>**

**RE: Approval to Draw on the PNC Bank, N.A.  
Real Estate Line of Credit to Fund the  
Predevelopment Budget and Funding for  
the Wheaton Gateway Redevelopment**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission"), in accordance with previous Commission resolutions, is the sole member of HOC at Wheaton Gateway, LLC ("HOC at Wheaton"), the manager and a member of Wheaton Gateway, LLC ("Wheaton Gateway"), a member of Wheaton Venture, LLC ("Wheaton Venture, LLC"), the sole member of HOC at 11250 Veirs Mill Road, LLC (the "Venture Entity"); and

**WHEREAS**, the Venture Entity own several properties known as the "Ambassador Property," the "Mattress Firm Property," and the "Lindsay Ford Property" (together, the "Property"); and

**WHEREAS**, the Commission desires to approve the calendar years 2022-2025 Predevelopment Budget in the amount of \$19,898,188.60 (the "22-25 Predevelopment Budget") to fund predevelopment costs related to the redevelopment of the Property and needed to continue with the design and planning options for the redevelopment plan; and

**WHEREAS**, the 22-25 Predevelopment Budget would be funded by a draw on the \$150 million PNC Bank, N.A. Real Estate Line of Credit ("PNC RELOC") by the Commission and loaned to HOC at Wheaton, a wholly owned subsidiary of HOC; and

**WHEREAS**, the Commission may make draws on the PNC RELOC at a contractual rate based on the London Interbank Offered Rate (“LIBOR”) index plus a spread.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes a draw from the PNC RELOC in the amount of \$19,898,188.60 at the contractual rate, which is based on the 30-day LIBOR plus a spread, to fund the 22-25 Predevelopment Budget, to be repaid, including cost of interest, from the proceeds of the construction or permanent financing closing at a future date.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their 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.

3. **Elizabeth House III, LP – EH-III: Selection of a Property Name in Accordance with HOC’s Naming Guidelines**

Marcus Ervin, Director of Real Estate Development, provided the presentation.

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

**RESOLUTION NO.: 22-61**

**Re: Approval of the Naming and Branding in Accordance with HOC Naming Guidelines for Elizabeth House III**

**WHEREAS**, Elizabeth House III (the “Property”) is a 267-unit development for seniors (including replacement housing for the current Elizabeth House residents) and will include the South County Regional Recreation and Aquatic Center, and a Senior Resource Center/Primary Care Facility that will be operated by Holy Cross Hospital; and

**WHEREAS**, the Property is owned by Elizabeth House III Limited Partnership, a Maryland limited partnership (the “Partnership”), which is ultimately controlled by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) as the sole member of the Partnership’s general partner; and

**WHEREAS**, staff, in alignment with the Guidelines for Naming of HOC Properties and Facilities (the “Guidelines”), developed a permanent name for the Property; and

**WHEREAS**, the recommended permanent name aligns with the general principles set forth in the Guidelines, including: having a strong positive image that withstands the test of time; having appropriate regard for the Property’s location and history; and recognizing outstanding accomplishments by individuals for the good of the community.

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of the Partnership, as the sole member of its general partner, approves “The Leggett” as the permanent name for the Property.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of the Partnership, as the sole member of its general partner, that HOC’s

Executive Director, or their designee, is authorized to take any and all other actions necessary and proper to carry out the actions contemplated herein, including the execution of any documents related thereto.

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 6:31 p.m.

Respectfully submitted,

Chelsea Andrews  
Secretary-Treasurer

/pmb

Attachment(s)

1 – Exhibit A, B, C, & D (Available upon request)

# Committee Reports and Recommendations for Action

# Administrative and Regulatory Committee

# **AUTHORIZATION TO SUBMIT HOC'S FISCAL YEAR 2022 SECTION EIGHT MANAGEMENT ASSESSMENT PROGRAM CERTIFICATION TO HUD**

**August 10, 2022**

- HUD requires agencies that administer a Section Eight Housing Choice Voucher Program to certify program performance annually in compliance with the Section Eight Management Assessment Program ("SEMAP") rules.
- HOC's SEMAP certification for Fiscal Year ("FY") 2022 establishes the Housing Choice Voucher program as a Standard Performer.
- HOC will certify 115 points for FY ending June 30, 2022, which is an overall score of 79%.
- The overall score for HOC's last submission for FY ended June 30, 2019 was 99%, which designated HOC as a High Performer.
- The FY 2022 SEMAP certification is due to HUD no later than August 29, 2022.
- The Administrative & Regulatory Committee reviewed this item at its meeting on August 1, 2022, and supports staff's request for the commission to authorize the submission of HOC's FY 2022 Section Eight Management Assessment Program Certification to the U.S. Department of Housing and Urban Development ("HUD").

**MEMORANDUM**

**TO:** Housing Opportunities Commission of Montgomery County

**VIA:** Chelsea Andrews, Executive Director

**FROM:** Staff: Darcel Cox, Chief Compliance Officer Ext. 9427  
Division: Executive/Compliance

Elliot Rule, Management and Compliance Analyst Ext. 9647  
Division: Executive/Compliance

**RE:** Authorization to Submit HOC’s Fiscal Year 2022 Section Eight Management Assessment Program Certification to HUD

**DATE:** August 10, 2022

---

**STATUS:** Committee Report Deliberation  X

---

**OVERALL GOAL & OBJECTIVE:**

To authorize the Executive Director of the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), or their designee, to submit HOC’s Fiscal Year (“FY”) 2022 Section Eight Management Assessment Program certification to the U.S. Department of Housing and Urban Development (“HUD”).

---

**BACKGROUND:**

The Section Eight Management Assessment Program (“SEMAP”) is designed to measure whether the Section Eight tenant-based programs operate to help eligible families afford decent rental units at the correct subsidy cost. SEMAP also establishes an objective system for HUD to measure Public Housing Authority (“PHA”) performance in key Section Eight program areas so as to enable program integrity and accountability.

HUD published a Final Rule in the Federal Register on June 20, 2000. This rule mandates the submission of the Form HUD 52648, SEMAP Certification, to HUD annually by PHAs that administer the Section Eight tenant-based rental assistance program. The certification, which measures the status of HOC’s administration of the Section Eight program for the prior FY, is submitted to HUD annually within 60 days of the end of the given FY. Due to the pandemic, HUD waived SEMAP submittals for FY 2020 and FY 2021. The FY 2022 submittal date for HOC is August 29, 2022.

This SEMAP certification includes HOC’s assessment of program administration in 14 areas. The HOC Compliance Division performs quality control reviews for all areas.



The first seven indicators are also verified by the independent auditors' annual report for the year ending June 30, 2022. The remaining seven indicators are verified through HUD's systems.

The chart below identifies the individual indicator areas, the maximum points possible, the points HOC received in 2019, and what HOC will certify in its FY 2022 submission.

Indicator	Indicator Title	Maximum Possible Points	2019 Rating	2022 Certification
1	Wait List Selection	15	15	15
2	Reasonable Rent	20	15	15
3	Determination of Adjusted Income	20	20	15
4	Utility Allowance	5	5	5
5	HQS Quality Control	5	5	5
6	HQS Enforcement	10	10	0
7	Expanding Housing Opportunities	5	5	5
8	Payment Standards	5	5	5
9	Timely Annual Recertification	10	10	10
10	Correct Tenant Rent	5	5	0
11	Pre-Contract HQS Inspection	5	5	5
12	Annual HQS Inspection	10	10	0
13	Lease Up	20	20	20
14	Family Self-Sufficiency (FSS)	10	8	10
	Program Points	145	138	110
Bonus	Deconcentration Bonus	5	5	5
	Total Points		143	115
	Overall Percentage		99%	79%

There are three possible categories for the final SEMAP score and overall performance rating as described at 24 CFR 985.103. They are as follows:

1. **High performer rating:** PHAs with a SEMAP score of at least 90 percent are rated high performers. High performers may receive national recognition by HUD and may be given competitive advantage under HUD Notices of Fund Availability (“NOFA”).
2. **Standard rating:** PHAs with a SEMAP score of 60-89 percent are rated standard.
3. **Troubled rating:** PHAs with a SEMAP score of less than 60 percent are rated troubled.

HOC's FY 2022 SEMAP Certification submission equals 115 points, or 79% percent of the overall total program points. HOC's program profile status as submitted is Standard. HOC decreased from its FY 2019 submission by 28 points for FY 2022.

This decrease in points resulted from quality control related indicators for determining adjusted income and calculating tenant rent, and a decline in HQS inspections and enforcement throughout the pandemic the past two (2) years.

## Discussion

### *Sustained or Improved Ratings*

Out of the 14 Indicators, there were 10 Indicators where there were sustained or improved ratings compared to FY 2019. Indicators One (1) (Wait List Selection), Two (2) (Reasonable Rent), Four (4) (Utility Allowance), Five (5) (HQS Quality Control), Seven (7) (Expanding Housing Opportunities), Eight (8) (Payment Standards), Nine (9) (Timely Annual Recertification), 11 (Pre-Contract HQS Inspection), and 13 (Lease Up), as well as Bonus points for Deconcentration, maintained the same rating since 2019, often reflecting the full maximum possible points.

Indicator 14 (Family Self-Sufficiency) reflected a two-point increase, resulting in the full maximum possible points. Over the past two years, HOC increased the score for Indicator 14 (Family Self Sufficiency) by increasing the Family Self Sufficiency (“FSS”) enrollment rate from 66.94% to 81.63%. The Housing Resources Division (“HRD”) also increased the percentage of families with escrow balances from 55.51% to 66.38%. The threshold for receiving points for this indicator is 30% for the escrow related portion. HRD recognizes the importance of the FSS program to voucher participants and continues to strive for increased participation and participant progress.

### *Declined Ratings & Corrective Actions*

Out of the 14 Indicators, there were four (4) Indicators where there was a decline in ratings compared to FY 2019 or they received less than the total possible points. Indicators Two (2) (Reasonable Rent) and Three (3) (Determination of Adjusted Income) received scores less than the total possible points. Reasonable Rent refers to comparing rents to similar units prior to approving an increase in rent to owners. Determination of Adjusted Income includes verification of income, assets, and allowable deductions, as well as using the correct utility allowance where applicable. Compliance evaluates whether the calculation is correct and if supporting documentation is included in the file. A file that fails to include supporting documentation is considered failed. The decreased scores were the result of quality control findings at the processing level. Within HRD, the Housing Specialist processes Rent Reasonableness when owners request an increase in rent. They also process initial, annual, and interim certifications, which require Determination of Adjusted Income.

The Rent Reasonableness indicator includes a compliance review of 66 actions. A total of 58 passed, resulting in a score of 87.87%. A score of 98% or higher is required to receive the full 20 points for this indicator.

The Determination of Adjusted Income indicator includes a compliance review of 117 actions. A total of 100 passed, resulting in a score of 85.47%. A score of 90% or above is required to receive the full 20 points for this indicator.

The Compliance and HRD teams will meet quarterly to discuss quality control review outcomes and identify training needs. The HRD team will work with staff at the processing level to correct any deficiencies identified.

Indicator 10 (Correct Tenant Rent) received a score of zero (0). The score for this indicator is based on a sample of quality control files that the Compliance Division reviewed, which included initial, annual, and interim certifications. The findings included issues with factors related to the calculation of tenant rent portions and missing documentation to support rent calculations.

The Correct Tenant Rent indicator includes a compliance review of 117 actions. A total of 101 passed, resulting in a score of 86.32%. A score of 98% or higher is required to receive the full five (5) points. If full points are not attained, a score of zero (0) is reflected. There is no award for partial points.

The Compliance and HRD teams will meet quarterly to discuss quality control review outcomes and identify training needs. The HRD team will take corrective action immediately upon confirmation of any oversight.

Two (2) inspection related indicators also received a score of zero (0). Indicator Six (6) (HQS Enforcement) measures the degree to which inspection deficiencies are corrected within the required time frame (24 hours for emergency repairs and 30 days for other repairs), as well as abatement of Housing Assistance Payments due to the owner's failure to correct these issues. Indicator 12 (Annual Inspections) measures the degree to which HOC performs annual HQS inspections timely (every 12 months).

The HQS Enforcement Indicator Six (6) includes a compliance review of 121 actions. A total of 98 passed, resulting in a score of 81%. A score of 98% or higher is required to receive the full 20 points. If full points are not attained, a score of zero (0) is reflected.

The Annual Inspections Indicator 12 requires that 95% of inspections must be completed within 12 months. In order to receive partial points for this Indicator, 90% or more inspections must be completed within 12 months. An analysis of the data indicated that we did not meet the minimum threshold.

HOC's Inspection Services Department experienced critical staffing turnover and organizational restructuring during FY 2022. Inspection Services is now housed within HRD and is under the direct control of the Director of HRD. HRD is currently working to correct any issues that may have contributed to the deficiencies of the inspection related indicators.

HOC staff continues to work diligently to improve the accuracy of all HCV program activities. Specific attention is placed on quality control reviews for the items outlined above; customer annual re-certifications; third party income, asset and deduction verifications; inspections; income and rent calculations; rent reasonableness activity; and enrollment and progress in the

FSS program. Additionally, HOC is deploying an automated system for recertifications through Rent Café which aims to address issues that are naturally occurring as a result of human error.

Federal regulations require HUD to issue its final ratings to HOC within 120 days of HOC's fiscal year end. The notification letter from HUD will require HOC to respond within 45 days if there are any corrective actions for any SEMAP deficiencies. HOC staff will promptly address and correct any issues that HUD identifies.

Notwithstanding the regulatory requirement for timely response to any identified deficiencies and stated corrective actions, staff has begun to discuss procedures to be implemented to ensure quick response to any noted concerns within the voucher program. Staff will also include a quarterly update as part of the HRD report to the Commission.

---

**ISSUES FOR CONSIDERATION:**

Does the Commission wish to accept staff's recommendation, which the Administrative and Regulatory Committee supports, to authorize the Executive Director, or her designee, to submit the FY 2022 SEMAP Certification to HUD on or before August 29, 2022?

---

**PRINCIPALS:**

Compliance Division  
Housing Resources Division

---

**BUDGET IMPACT:**

None.

---

**TIME FRAME:**

For formal Commission action on August 10, 2022.

---

**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Commission authorize the Executive Director, or her designee, to submit the FY 2022 SEMAP Certification to HUD on or before August 29, 2022.

**RESOLUTION NO.: 22-62**

**RE: Authorization to Submit HOC's Fiscal Year 2022 Section Eight Management Assessment Program Certification to HUD**

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

**WHEREAS**, the fiscal year ("FY") 2022 SEMAP certification, which measures the status of HOC's administration of the Section Eight Program for FY 2022, must be submitted to HUD within 60 days of the end of the FY; and

**WHEREAS**, staff has completed the FY 2022 SEMAP certification and recommends that it be submitted to HUD.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her designee, is hereby authorized to submit the FY 2022 SEMAP Certification to HUD.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her designee, is hereby authorized and directed, without any further action in its part, to take all other actions necessary and proper to submit the FY 2022 SEMAP certification to HUD.

**I HEREBY CERTIFY** that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on August 10, 2022.

S  
E  
A  
L

---

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

# Section 8 Management Assessment Program (SEMAP) Certification

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0215  
(exp. 02/29/2020)

Public reporting burden for this collection of information is estimated to average 12 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. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

**Instructions** Respond to this certification form using the PHA's actual data for the fiscal year just ended.

PHA Name <b>Housing Opportunities Commission of Montgomery</b>	For PHA FY Ending (mm/dd/yyyy) <b>06/30/2022</b>	Submission Date (mm/dd/yyyy)
---	---	------------------------------

**Check here if the PHA expends less than \$300,000 a year in Federal awards**

Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

## Performance Indicators

1. Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))

(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response Yes  No

(b) The PHA's quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response Yes  No

2. Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

(a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response Yes  No

(b) The PHA's quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response  At least 98% of units sampled  80 to 97% of units sampled  Less than 80% of units sampled

3. Determination of Adjusted Income. (24 CFR part 5, subpart F and 24 CFR 982.516)

The PHA's quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response  At least 90% of files sampled  80 to 89% of files sampled  Less than 80% of files sampled

4. Utility Allowance Schedule. (24 CFR 982.517)

The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response Yes  No

5. HQS Quality Control Inspections. (24 CFR 982.405(b))

A PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Response Yes  No

6. HQS Enforcement. (24 CFR 982.404)

The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response  At least 98% of cases sampled  Less than 98% of cases sampled

7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12)).

**Applies only to PHAs with jurisdiction in metropolitan FMR areas.**

**Check here if not applicable**

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

**PHA Response** Yes  No

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

**PHA Response** Yes  No

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

**PHA Response** Yes  No

(d) The PHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

**PHA Response** Yes  No

(e) The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

**PHA Response** Yes  No

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

**PHA Response** Yes  No

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

**PHA Response** Yes  No

Enter current FMRs and payment standards (PS)

0-BR FMR See attached    1-BR FMR See attached    2-BR FMR See attached    3-BR FMR See attached    4-BR FMR See attached  
PS See attached    PS See attached    PS See attached    PS See attached    PS See attached

**If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.**

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

**PHA Response** Yes  No

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

**PHA Response** Yes  No

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

**PHA Response** Yes  No

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

**PHA Response** Yes  No

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

**PHA Response** Yes  No

14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)

**Applies only to PHAs required to administer an FSS program.**

**Check here if not applicable**

**PHA Response**

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)

441

or, Number of mandatory FSS slots under HUD-approved exception

b. Number of FSS families currently enrolled

360

c. Portability: If you are the **initial** PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

0

Percent of FSS slots filled (b + c divided by a)

81.63

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)

**Applies only to PHAs required to administer an FSS program .**

Check here if not applicable

PHA Response Yes  No

66.38

Portability: If you are the **initial** PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

**Deconcentration Bonus Indicator** (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

- (1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;
- (2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;

or

- (3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

PHA Response Yes  No  If yes, attach completed deconcentration bonus indicator addendum.

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Assessment Program (SEMAP) are true and accurate for the PHA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the PHA's capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

**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)

Executive Director, signature

Chairperson, Board of Commissioners, signature

Date (mm/dd/yyyy) \_\_\_\_\_

Date (mm/dd/yyyy) \_\_\_\_\_

The PHA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the PHA in providing its certification.



# SEMAP Certification - Addendum for Reporting Data for Deconcentration Bonus Indicator

Date (mm/dd/yyyy) \_\_\_\_\_

PHA Name Housing Opportunities Commission of Montgomery County, MD

Principal Operating Area of PHA Montgomery County, MD  
(The geographic entity for which the Census tabulates data)

**Special Instructions for State or regional PHAs** Complete a copy of this addendum for each metropolitan area or portion of a metropolitan area (i.e., principal operating areas) where the PHA has assisted 20 or more Section 8 families with children in the last completed PHA FY. HUD will rate the areas separately and the separate ratings will then be weighted by the number of assisted families with children in each area and averaged to determine bonus points.

1990 Census Poverty Rate of Principal Operating Area 6.7%

## Criteria to Obtain Deconcentration Indicator Bonus Points

To qualify for bonus points, a PHA must complete the requested information and answer yes for only one of the 3 criteria below. However, State and regional PHAs must always complete line 1) b for each metropolitan principal operating area.

- 1) 2,160 a. Number of Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY who live in low poverty census tracts. A low poverty census tract is a tract with a poverty rate at or below the overall poverty rate for the principal operating area of the PHA, or at or below 10% whichever is greater.
- 3,230 b. Total Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY.
- 66.87 c. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last PHA FY (line a divided by line b).
- Is line c 50% or more? Yes  No

- 2) \_\_\_\_\_ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last completed PHA FY.
- \_\_\_\_\_ b. Number of Section 8 families with children who moved to low poverty census tracts during the last completed PHA FY.
- \_\_\_\_\_ c. Number of Section 8 families with children who moved during the last completed PHA FY.
- \_\_\_\_\_ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts during the last PHA fiscal year (line b divided by line c).
- Is line d at least two percentage points higher than line a? Yes  No

- 3) \_\_\_\_\_ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the second to last completed PHA FY.
- \_\_\_\_\_ b. Number of Section 8 families with children who moved to low poverty census tracts during the last two completed PHA FYs.
- \_\_\_\_\_ c. Number of Section 8 families with children who moved during the last two completed PHA FYs.
- \_\_\_\_\_ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts over the last two completed PHA FYs (line b divided by line c).
- Is line d at least two percentage points higher than line a? Yes  No

**If one of the 3 criteria above is met, the PHA may be eligible for 5 bonus points.**

**See instructions above concerning bonus points for State and regional PHAs.**

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY  
PAYMENT STANDARDS FY 2022**

<b>Zip Code</b>	<b>Cities</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
20899	Gaithersburg	957	990	1155	1518	1881	2163	2445	2727
21797	Woodbine	1122	1320	1639	2123	2442	2808	3175	3541
20842	Dickerson	1133	1144	1309	1661	1991	2290	2588	2887
20839	Beallsville	1386	1408	1606	2046	2442	2808	3175	3541
20912	Takoma Park	1386	1408	1606	2035	2442	2808	3175	3541
20838	Barnesville	1452	1474	1683	2134	2563	2947	3332	3716
21771	Mount Airy	1452	1584	1892	2431	2849	3276	3704	4131
20872	Damascus	1529	1551	1771	2244	2695	3099	3504	3908
20705	Beltsville	1551	1584	1804	2288	2739	3150	3561	3972
20901	Silver Spring	1551	1573	1793	2266	2728	3137	3546	3956
20853	Rockville (Shared w/ RHE)	1595	1617	1848	2343	2805	3226	3647	4067
20886	Montgomery Village	1595	1617	1848	2343	2805	3226	3647	4067
20707	Laurel	1628	1661	1892	2398	2871	3302	3732	4163
20903	Silver Spring	1628	1661	1892	2398	2871	3302	3732	4163
20877	Gaithersburg	1650	1683	1914	2420	2904	3340	3775	4211
20777	Highland	1672	1903	2332	3014	3476	3997	4519	5040
20879	Gaithersburg	1727	1760	2002	2530	3047	3504	3961	4418
20880	Washington Grove	1727	1760	2002	2541	3047	3504	3961	4418
20874	Germantown	1738	1771	2013	2552	3058	3517	3975	4434
20902	Silver Spring	1749	1771	2024	2563	3080	3542	4004	4466
20906	Silver Spring	1749	1771	2024	2563	3080	3542	4004	4466
20824	Bethesda	1760	1782	2035	2574	3091	3555	4018	4482
20825	Chevy Chase	1760	1782	2035	2574	3091	3555	4018	4482
20827	Bethesda	1760	1782	2035	2574	3091	3555	4018	4482
20830	Olney	1760	1782	2035	2574	3091	3555	4018	4482
20847	Rockville	1760	1782	2035	2574	3091	3555	4018	4482
20848	Rockville	1760	1782	2035	2574	3091	3555	4018	4482
20849	Rockville	1760	1782	2035	2574	3091	3555	4018	4482
20851	Rockville (Shared w/ RHE)	1760	1782	2035	2574	3091	3555	4018	4482
20859	Potomac	1760	1782	2035	2574	3091	3555	4018	4482
20875	Germantown	1760	1782	2035	2574	3091	3555	4018	4482
20883	Gaithersburg	1760	1782	2035	2574	3091	3555	4018	4482
20884	Gaithersburg	1760	1782	2035	2574	3091	3555	4018	4482
20885	Gaithersburg	1760	1782	2035	2574	3091	3555	4018	4482
20891	Kensington	1760	1782	2035	2574	3091	3555	4018	4482
20898	Gaithersburg	1760	1782	2035	2574	3091	3555	4018	4482
20907	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20911	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20913	Takoma Park	1760	1782	2035	2574	3091	3555	4018	4482
20914	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20915	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20916	Silver Spring	1760	1782	2035	2574	3091	3555	4018	4482
20918	Silver spring	1760	1782	2035	2574	3091	3555	4018	4482
20904	Silver Spring	1771	1804	2057	2607	3124	3593	4061	4530
20876	Germantown	1804	1837	2090	2651	3179	3656	4133	4610
20878	Gaithersburg	1826	1859	2112	2673	3212	3694	4176	4657
20895	Kensington	1837	1870	2134	2706	3245	3732	4219	4705
20837	Poolesville	1848	1881	2145	2717	3256	3744	4233	4721
20866	Burtonsville	1848	1881	2145	2717	3256	3744	4233	4721
20868	Spencerville	1859	1892	2156	2728	3278	3770	4261	4753
20905	Silver Spring	1859	1892	2156	2728	3278	3770	4261	4753
20832	Olney	1936	1969	2244	2838	3410	3922	4433	4945
20882	Gaithersburg	1958	2002	2277	2882	3465	3985	4505	5024
20855	Derwood (Shared w/ RHE)	1991	2024	2310	2926	3509	4035	4562	5088
20910	Silver Spring	1991	2024	2310	2926	3509	4035	4562	5088
20861	Ashton	2002	2035	2321	2937	3531	4061	4590	5120
20896	Garrett Park	2013	2046	2332	2959	3553	4086	4619	5152
20860	Sandy Spring	2035	2068	2354	2981	3575	4111	4648	5184
20814	Bethesda	2068	2101	2398	3036	3641	4187	4733	5279
20852	Rockville (Shared w/ RHE)	2101	2134	2431	3080	3696	4250	4805	5359
20850	Rockville (Shared w/ RHE)	2123	2167	2464	3124	3740	4301	4862	5423
20871	Clarksburg	2167	2211	2519	3190	3828	4402	4976	5551
20815	Chevy Chase	2211	2255	2563	3245	3894	4478	5062	5646
20817	Bethesda	2233	2266	2585	3267	3927	4516	5105	5694
20862	Brinklow	2244	2321	2684	3410	4059	4668	5277	5886
20816	Bethesda	2299	2332	2662	3366	4048	4655	5262	5870
20812	Glen Echo	2354	2398	2728	3454	4147	4769	5391	6013
20818	Cabin John	2354	2387	2728	3454	4147	4769	5391	6013
20833	Brookeville	2376	2420	2761	3498	4191	4820	5448	6077
20841	Boyd's	2541	2585	2948	3729	4477	5149	5820	6492
20854	Potomac (Shared w/ RHE)	2541	2585	2948	3729	4477	5149	5820	6492

# Development and Finance Committee

# **APPROVAL TO DRAW ON THE PNC BANK, N.A. REAL ESTATE LINE OF CREDIT TO PROVIDE INTERIM FINANCING FOR WESTWOOD TOWER APARTMENTS**

**August 10, 2022**

- Westwood Tower Apartments (“Westwood Tower” or the “Property”) is a 212-unit high-rise apartment building located at 5401 Westbard Avenue in Bethesda.
- On March 14, 1997, HOC entered into a 99-year master lease (“Lease Agreement”) on Westwood Tower.
- Under the Lease Agreement, HOC had an option to purchase the Property during the 20th lease year.
- HOC completed the acquisition of the Property in accordance with the terms of the Lease Agreement on December 14, 2017 (the 20th lease year).
- On March 26, 2018, HOC refinanced the Property using a conventional bank loan with a three-year term (“Acquisition Loan”).
- On March 26, 2021, HOC extended the Acquisition Loan maturity date by 90 days, to June 26, 2021. HOC subsequently extended the maturity date four (4) additional times, each for a term of 90-days, to June 26, 2022.
- On June 22, 2022, the lender of the Acquisition Loan informed HOC that it would provide one final 60-day extension, extending the maturity date to August 26, 2022 (“Maturity Date”).
- Staff recommends that the Commission provide interim financing (“Interim Financing”) for the Property in an amount up to \$20.36 million to repay the Property’s Acquisition Loan.
- Staff recommends that the Commission utilize its PNC Bank, N.A. \$150 Million Real Estate Line of Credit (“RELOC”) as the source for the Interim Financing.
- Staff recommends that HOC provide the Interim Financing for a term that is coterminous with the expiration of the RELOC facility, to allow time for staff to evaluate permanent financing options.

**MEMORANDUM**

**TO:** Housing Opportunities Commission of Montgomery County

**VIA:** Chelsea J. Andrews, Executive Director

**FROM:** Staff: Zachary Marks, Chief Real Estate Officer Ext. 9613  
Marcus Ervin, Director of Development Ext. 9752  
Kathryn Hollister, Senior Financial Analyst Ext. 9551

**RE:** **Westwood Tower Apartments:** Approval to Draw on the PNC Bank, N.A. Real Estate Line of Credit to Provide Interim Financing for Westwood Tower Apartments

**DATE:** August 10, 2022

---

**STATUS:** Committee Report Deliberation  X

---

**OVERALL GOAL & OBJECTIVE:**

To authorize a draw on the PNC Bank, N.A. \$150 Million Real Estate Line of Credit (“RELOC”) to provide interim financing for Westwood Tower Apartments.

---

**BACKGROUND:**

HOC entered into a 99-year master lease (“Lease Agreement”) on Westwood Tower (the “Property”) on March 14, 1997. Under the Lease Agreement, HOC had an option to purchase the Property during the 20<sup>th</sup> lease year. The initial lease was by and between Laszlo N. Tauber, M.D. & Associates and the Housing Opportunities Commission of Montgomery County (“HOC”). In 2013, Equity One acquired the Property and all rights and interests in the Lease Agreement. In 2017, Regency Centers acquired all of Equity One’s holdings, including Westwood Towers and all rights and interests in the Lease Agreement.

HOC completed the acquisition of the Property in accordance with the terms of the Lease Agreement on December 14, 2017 (the 20<sup>th</sup> lease year). On March 26, 2018, HOC refinanced the Property using a conventional bank loan with a three-year term (“Acquisition Loan”). On March 26, 2021, HOC extended the Acquisition Loan maturity date by 90 days, from March 26, 2021 to June 26, 2021. HOC subsequently extended the maturity date four (4) additional times, each for a term of 90-days, to June 26, 2022.

On June 22, 2022, the lender of the Acquisition Loan informed HOC that it would provide one final 60-day extension, extending the maturity date to August 26, 2022 (“Maturity Date”).

Staff requests that the Commission authorize a draw on its \$150 Million RELOC with PNC (“RELOC” or “Interim Financing”) in an amount up to \$20.36 million to repay the Property’s Acquisition Loan on or before the Maturity Date. As of July 13, 2022, the available unobligated balance on the RELOC is \$27,502,124. The Acquisition Loan balance as of August 10, 2022 is \$20,315,991.53, with \$2452.18 in interest accruing per diem. Interim Financing in an amount up to \$20.36M is sufficient to cover the Acquisition Loan payoff amount up until the Maturity Date.

Staff recommends that HOC provide the Interim Financing for a term that is coterminous with the expiration of the RELOC facility, and allow the Commission and staff time to evaluate permanent financing options while the current litigation is in process, and anticipated to be resolved sometime in CY2023. The RELOC expires on September 30, 2024. Both the RELOC facility and Interim Financing can be extended by Commission approval.

---

**ISSUES FOR CONSIDERATION:**

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

1. Authorize Interim Financing for Westwood Tower Apartments in an amount up to \$20.36 million?
2. Authorize a draw on the \$150MM PNC RELOC as a source for the Interim Financing, for a term that is coterminous with the RELOC facility on September 30, 2024?

---

**BUDGET IMPACT:**

The draw on the RELOC will pay interest only at the contractual rate for the facility, based on the London Interbank Offered Rate ("LIBOR") plus a spread or the replacement index for LIBOR. The FY 2023 budget includes a debt service payment by the Property assuming the current bank financing, plus payment to a Westwood Tower reserve account, which was anticipated to continue until the Property is permanently financed. The current debt service and reserve payments will continue and are sufficient to service the RELOC draw with no adverse impact on the FY2023 operating budget.

---

**TIME FRAME:**

For formal action at the August 10, 2022, open meeting of the Commission.

---

**STAFF RECOMMENDATION:**

Staff recommends that the Commission:

1. Authorize Interim Financing for Westwood Tower Apartments in an amount up to \$20.36 million.
2. Authorize a draw on the \$150MM PNC RELOC as a source for the Interim Financing, for a term that is coterminous with the RELOC facility on September 30, 2024.

**RESOLUTION: 22-63**

**RE: Approval to Draw on the PNC Bank, N.A. Real Estate Line of Credit to Provide Interim Financing for Westwood Tower Apartments**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the owner of a multifamily building located at 5401 Westbard Avenue, Bethesda known as Westwood Tower Apartments (“Westwood Tower” or the “Property”); and

**WHEREAS**, HOC acquired Westwood Tower on December 14, 2017 by drawing on its PNC Bank, N.A. Real Estate Line of Credit (“RELOC”) and refinanced the draw with short-term acquisition financing (“Acquisition Loan”) on March 26, 2018, which matures on August 26, 2022 (“Maturity Date”); and

**WHEREAS**, the Commission wishes to provide interim financing (“Interim Financing”) in an amount up to \$20.35 million to repay the Acquisition Loan on or before the Maturity Date; and

**WHEREAS**, the Commission wishes to makes draws on its RELOC to fully fund the Interim Financing; and

**WHEREAS**, the Commission wishes to provide the Interim Financing for a term that is coterminous with the expiration of the RELOC facility, which is on September 30, 2024.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes providing Interim Financing for the Property in an amount up to \$20.36 million.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes taxable draws on the RELOC in an amount of up to \$20.36 million as a source for the Interim Financing.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the term of the Interim Financing be coterminous with the expiration of the RELOC facility on September 30, 2024.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County authorizes the Executive Director, or her 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, including the execution of any documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on August 10, 2022.

S  
E  
A  
L

---

Patrice M. Birdsong  
Special Assistant to the Commission