

EXPANDED AGENDA

January 12, 2022

YouTube Link: <https://youtu.be/g43K2aQwvxE>

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

		Res #
4:05 p.m. Page 4	I. <u>INFORMATION EXCHANGE</u> A. Community Forum B. Report of the Executive Director C. Commissioner Exchange	
4:30 p.m. Page 12	II. <u>APPROVAL OF MINUTES</u> A. Approval of Minutes of December 8, 2021 B. Approval of Minutes of December 8, 2021 Closed Session	
4:40 p.m. Page 26	III. <u>CONSENT</u> A. Approval of the Nominations of Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith to the Board of Directors of the Housing Opportunities Community Partners, Inc. B. Approval to Allocate Funds from the Opportunity Housing Bond Fund as Additional Closing Costs to Reimburse the Real Estate Working Capital Operating Fund, Drawn to Close Lindley	22-01 (pg. 30)
Page 31		22-02 (pg. 34)
4:50 p.m.	IV. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u>	
Page 37	A. Budget, Finance and Audit Committee – Com. Nelson, Chair 1. Fiscal Year 2022 (FY'22) First Quarter Budget to Actual Statements: Commission Acceptance of the First Quarter Fiscal Year 2022 Budget to Actual Statements 2. Fiscal Year 2022 (FY'22) Second Quarter Budget Amendment: Commission Approval of Fiscal Year 2022 Second Quarter Budget Amendment	22-03 (pg. 45)
5:10 p.m. Page 52		22-04 (pg. 55)
5:20 p.m.		

Page 58	3. Uncollectible Tenant Accounts Receivable: Authorization to Write-off Uncollectible Tenant Accounts Receivable (July 1, 2021 – September 30, 2021)	22-05 (pg. 63)
5:30 p.m. Page 65	<u>CLOSING STATEMENT</u> • Vote to close meeting	
5:35 p.m.	<u>ADJOURN</u>	
5:45 p.m.	<u>CLOSED SESSION</u> <i>The closed committee meeting will be called to order pursuant to Section 3-305(b)(1), 3-305(b)(3), and 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland.</i>	
	<u>ADJOURN</u>	

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

HOC Provides Support to Families Through the Holidays

For over 30 years, the Montgomery County Holiday Giving Project (“MCHGP”) has provided holiday assistance to low-income households across the county. A network of social workers, school counselors, and other human service professionals refer households to the County’s Department of Health and Human Services (“DHHS”) for resources to supplement and support families throughout the holiday season. DHHS then distributes validated referrals among the Holiday Giving Coalition, made up of local non-profits, faith-based organizations, and local government entities. Each member of the coalition adopts specific zip codes in the county to serve referred families in need, to include providing food, gift cards, and toys collected through donations. HOC is a significant and perennial coalition partner – with HOC staff in Legislative and Public Affairs/Events and Resident Services leading the effort on the agency’s behalf.

The Montgomery County Holiday Giving Project serves approximately 10,000 families each year for both the Thanksgiving and Christmas holidays. This year, HOC staff identified 2,000 individuals, seniors and families to receive food, gift cards, and other gifts for the Thanksgiving and Christmas holidays (1,000 households per holiday). Referrals were made to MCHGP and an additional 300 families were served directly by HOC through donations from local companies and individuals, including: The Bullis School, Progressions Salon, Toys for Tots, CommuniBuild Inc., and 12 Days of Christmas.

Resident Services Team Provides Supplemental Services and Support Through the Holidays

The Service Coordination Unit provides assessment, counseling, information, referrals and program services to HOC customers. During the month of November 2021, staff continued to provide services primarily virtually due to the COVID-19 pandemic. Resident Counselors continued to engage HOC customers to determine their needs. During the month of November customers were referred to our partners and received food and other assistance. Resident counselors continued to perform wellness checks with customers to ensure their safety and assess their needs. Customers with delinquent rent were referred to the COVID-19 Rent Relief Program and the Housing Stabilization Program.

During the month of November HOC customers also continued to receive referrals to unemployment assistance, TCA, SNAP, MEAP, EARP and other benefit programs. 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 in as needed for emergencies and to assist with food distribution, vaccination clinics and other activities. Resident Counselors have also been in attendance at the HRD virtual briefings for new voucher recipients to provide information on the services that Resident Services offers. Additionally, the Resource Services team continues to provide services to persons with disabilities to meet their service needs.

Highlights for December activities of resident counselors include the following:

- Assisting with the preparation and distribution of the holiday giving baskets for HOC customers;

- Partnering with the MOMS (Moms Offering Moms Support) Club of Olney to provide holiday assistance in the form of gift cards to 25 families at Town Center/Olney;
- Partnering with Omega Psi Phi Fraternity to organize a toy distribution for elementary school children in the HUB T area;
- Distributing Christmas meal baskets and toys to customers at Tanglewood Apartments;
- Assisting with coordination and facilitation of vaccination booster clinics at Cider Mill and Tanglewood Apartments;
- Distributing holiday gift bags to seniors at Tanglewood Apartments, Manchester Manor and Spring Gardens;
- Partnering with the Rainbow Community Development Center to provide dinners to customers attending the vaccination clinic at Tanglewood Apartments;
- Assisting Property Management with gathering information from customers for the Community Development Block Grant Rental Assistance program;
- Facilitating resource sharing workshops;
- Partnering with Nourishing Bethesda to distribute Christmas baskets, food, and gift cards to customers at Waverly House;
- Partnering with the Bethesda Chamber of Commerce and member businesses to provide customers at Waverly House with gift baskets for the holiday;
- Distributing holiday gift cards to customers at Spring Gardens and Housing Choice Voucher participants living nearby;
- Partnering with the Salvation Army of Germantown to provide gift cards to customers at Bauer Park Apartments;
- Distributing gift cards to customers at Bauer Park Apartments to supplement holiday meals;
- Facilitating the Senior Brown Bag food distribution at Bauer Park Apartments and Elizabeth House;
- Partnering with Grass Roots Organization for the Well Being of Seniors to facilitate the donation of gifts (scarves, gloves, hats, socks, blankets, etc.) for seniors;
- Assisting with relocation efforts at Rockville Town Center; and,
- Attending RAD conversion meetings and assisting customers at Stewartown Homes and Shady Grove Apartments with the conversion process.

The Resident Services Division also 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 December, 487 HOC customers were provided with food resources. Resident Services staff also continued to facilitate the Senior Nutrition Program. HOC staff will continue to deliver frozen meal boxes door-to-door for the safety and well-being of our customers until it is determined to be safe for customers to eat together.

Resident Services – HOC Academy Supports STEAM Students and Small Business Enterprises

Youth Enrichment

HOC Academy staff continued to recruit for HOC’s College Success Program. There are seven (7) high school seniors enrolled to date and 14 youth who have completed the interest form and require additional outreach. There are a total of 20 slots available for the program. Students are participating in monthly webinars and one-on-one phone contact with their coach. The coach has reported that some students have already received early

admission decisions to college. In January 2022, students will have an opportunity to attend a First Generation College Bound (FGCB) virtual alumni event to continue to build their support system. A virtual event for high school juniors on SAT/ACT preparation is also planned. HOC Academy received funding to offer financial assistance to all participants to take the ACT preparation courses and to pay for test fees.

HOC Academy is also planning a special event/series for January 2022 called Cooking with STEAM. Additionally, afterschool STEAM enrichment for elementary school aged youth third through fifth grades begins on January 10, 2022. The program currently has 14 registrants. Special presenters include Mad Science (offering Funky Forces and Sensational Science at Home Experiments), Manna Food Center (Nutrition Education), First Generation College Bound Homework Club, and self-knowledge activist Jared Parks (Peace Mode training). For middle and high school students, HOC Academy will offer scholarships for up to 20 youth to attend STEAM enrichment programs hosted by our partners.

Adult Education and Workforce Development

In December, HOC Academy staff offered two Small Business Webinars: “How to Start a Non-Profit” and “How to Make Money on YouTube”. Fifty customers attended both workshops. The Small Business Strategy course completed two cohorts and is heading into their three-month mentoring period. Three (3) customers from Cohort Four are awaiting final approval for business legalization from Maryland. The participants have expressed their excitement and thanks for the support during the process. Two customers obtained new employment through HOC Academy referrals.

HOC Academy staff continued to process tuition assistance request for Montgomery College. In December, HOC Academy processed 16 requests for tuition assistance. HOC Academy staff also followed up on several more inquiries for tuition assistance and employment/workforce development assistance. The HOC Academy Social Work Intern is currently working with those customers to review their goals and action steps, and complete barrier and employment assessments as needed.

Resident Services – Financial Literacy Team Prepares Customers for Financial Success

The Financial Literacy Coach continued to work with HOC customers and individuals on the Housing Path wait list on creating a financial foundation. During the month of December, the Financial Literacy Coach provided one-on-one financial literacy coaching to seven (7) HOC customers and five (5) individuals from the Housing Path wait list. 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. No virtual workshops were held in December. The virtual workshops are scheduled to start again in January 2022.

Resident Services – Supportive Housing Team Works to Keep Customers Housed

The Supportive Housing Program provides housing assistance and case management services to 230 participants who are formerly homeless and have disabilities. The program serves some of the most vulnerable residents of the county. In December 2021, program staff continued to conduct home visits with program participants. Program staff continue to wear the appropriate personal protective equipment and maintain social distancing. Program staff also continued to refer program participants for Emergency Vouchers. Program staff are assisting these participants with completing the process to receive the vouchers. Program staff is also providing services to individuals receiving the emergency vouchers. These services include assistance with application fees, housing

location, security deposits, moving assistance and provision of household items. Program staff continued to recruit for a housing locator to assist with finding housing units for those awarded an Emergency Voucher.

During the month of December, 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 many seniors on fixed incomes. The program serves up to 300 families, though there are still many vacancies in the program due to program exits. Program staff is working to fill these vacancies and is planning to bring on temporary staff to assist with calling up more individuals from the wait list.

Resident Services – 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 a second five-year grant and is currently in year two of the five year grant period. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. In December no new enrolment took place due to the holidays. However, recruitment for new enrollment for January 2022 took place. A total of 41 fathers were recruited for January enrollment.

HOC's Fatherhood Initiative also continued its participation in the Strengthening the Implementation of Responsible Fatherhood Programs ("SIRF") Study. The study will work closely with the program to identify and overcome the challenges the program may face along the lines of case management. The study also identifies challenges, helps implement possible solutions, examine those effects on the program, and make adjustments when needed. The SIRF study will produce usable, broadly applicable lessons to inform emerging best practices in recruiting, engaging, and retaining fatherhood participants, as well as methods for implementing rapid cycle evaluations within Responsible Fatherhood programs. During the month of December, Fatherhood Initiative worked to hire additional staff to assist with program implementation.

Housing Resources – Family Self Sufficiency Program Conducts Financial Literacy Workshops and Holiday Celebrations

In partnership with HOC, the Emmanuel Brinklow Seventh Day Adventist Church conducted a virtual Financial Literacy workshop for HOC customers on December 15, 2021. Forty-nine customers/FSS participants attended the session on "Stocks and Investing". During the interactive discussion, the presenter provided information on the different types of investing options such as stocks, bonds, IRA mutual funds, and Bitcoin. He also shared information on the tax benefits for each type of investment. Participants were encouraged to seek assistance from either a traditional advisor or Robo advisory service should they decide to explore their individual investment options.

FSS also held its annual holiday raffle for program participants. A combination of gifts and gift cards were raffled as prizes. Ninety current participants attended the online drawing held on December 16, 2021. The gifts were distributed to households on December 18, 2021, so they could enjoy their prizes over the Christmas holiday.

Housing Resources – Increasing Voucher Utilization and Getting People Housed

HOC has received 113 referrals from the Department of Health and Human Services (“HHS”) for the Emergency Housing Voucher (“EHV”) Program. To date, 101 families have been determined eligible for program participation of which eight (8) families have successfully leased units. Twelve families are ineligible to receive EHVs and the remaining seven (7) referrals are in process. Staff continues to meet with HHS regularly until the 118 vouchers are fully utilized.

Increasing the program utilization rate remains a priority until a minimum occupancy rate of 95% is achieved. The utilization rate has increased to 93.4% as we leased 85 additional families during the month of December. Contracts for 89 families are in process and pending execution upon receipt of the signed document from the prospective landlord. Currently, 275 families with issued vouchers are searching for suitable units to rent.

Staff selected 200 families from the wait list in December. To date, 2,125 families have been selected from the Housing Choice Voucher (“HCV”) wait list through calendar year 2021, of which 53% have responded to our communication. We continue to receive certification packets for selected applicants past the requested response dates, and will process them upon receipt. The response rate is low during the pandemic and often certification packets trickle in after the requested return date. The traditional mailing time is also slower than usual. As a result, correspondence is sent electronically to the customer email address on the application in addition to the traditional method by US Postal Service.

HOC received supplemental administrative fees from HUD under the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) to prevent, prepare for and respond to the coronavirus. The funds had to be expended by December 31, 2021, and could only be used for specific purposes including costs related to landlord retention. HOC purchased Home Depot Gift Cards in the amount of \$200 for every current Housing Choice Voucher (“HCV”) Landlord as an incentive to continue providing stable housing during uncertain times. The national pandemic resulted in a stay-at-home order, eviction moratorium, virtual inspections and rent increase restrictions. In recognition of the added difficulties of making units available for HCV families to rent while stay-at-home orders or social distancing practices are in effect, HOC provided 1,740 landlords with gift cards to show appreciation, as permitted by the program.

HOC Closes on Resyndication of Willow Manor Properties

On December 17, 2021, HOC closed on the resyndication of three existing age-restricted (62+) Low Income Housing Tax Credit (“LIHTC”) rental communities in Montgomery County, MD: Willow Manor at Clopper’s Mill, located in Germantown, MD; Willow Manor at Fair Hill Farm, located in Olney, MD; and Willow Manor at Colesville, located in Silver Spring, MD (together, the “Willow Manor Properties” or “Properties”).

Preserving the affordability of the Willow Manor Properties has been a priority for HOC since acquisition in 2018. In 2018, Montgomery County’s Department of Housing and Community Affairs (“DHCA”) entered into a contract to purchase the Properties under Article 53A of the Montgomery County Code, the Right of First Refusal (“ROFR”) Ordinance. DHCA assigned the contract to HOC at closing and provided subordinate financing for the acquisition. The partnership between DHCA and HOC was critical in preserving these affordable senior Properties.

The Willow Manor Properties were originally built and syndicated under the LIHTC program in 2004 and 2005, and recently exited their initial 15-year compliance periods. The low-rise, elevator-serviced Properties are sister communities of similar physical condition, construction type, design, and branding. Given the similarities among the Properties, HOC pursued a LIHTC resyndication of the Properties as a single scattered site—the first transaction of this kind for HOC.

The LIHTC transaction enabled a permanent financing structure that maximized the amount of funds to renovate the Properties and repay a portion of the County’s initial investment, allowing the County to re-invest those funds in other affordable housing endeavors. The transaction closed into a permanent mortgage with an FHA Final Endorsement at the LIHTC closing.

The Willow Manor Properties consist of 286 units that serve households earning up to 40%, 50%, 60% and 80% of the area median income (AMI”). Specifically, 57 units (20%) serve households earning up to 40% AMI, 20 units (7%) serve households earning up to 50% AMI, 189 units (66%) serve households earning up to 60% AMI and 20 units (7%) serve households earning up to 80% AMI.

The goal of the renovation is to update and upgrade the Properties so that they remain attractive to residents and marketable with newer comparable product and to increase the efficiency of the buildings to reduce operating costs to both HOC and residents. As a result of the renovation, the Properties will see improvements to energy efficiency, the common areas and property exteriors, and resident's units will be modernized. Renovation scope of work includes the following: upgrading of unit kitchen and bathroom, including but not limited to energy efficient appliances, new cabinets, countertops, fixtures, flooring, painting, and lighting; installation of modern HVAC units and hot water heaters; air sealing in units and common areas to increase energy efficiency and reduce utility consumption; and improvements to the site, including paving, new LED exterior lighting, and power washing of exterior siding.

Project costs for the transaction total \$100,588,238. Sources for the transaction included an FHA Risk Share mortgage, LIHTC Equity, Seller Note, County HIF Loan and GP Equity. PNC Bank, N.A. was the LIHTC investor for the transaction.

The primary development team includes HOC (Sponsor/Developer), Nastos Construction, Inc. (General Contractor), Bennett Frank McCarthy Architects, Inc. (Architect), and Habitat America (Management Agent).

Agency Completes Successful Construction Loan and Tax Credit Equity Closings at Georgian Court and Shady Grove Apartments

Georgian Court

On December 20, 2021, Georgian Court Apartments successfully closed on a \$28,990,000 construction loan transaction and in addition to the construction loan closing, 147 affordable units were sold to HOC at Georgian Court, LLC to raise \$22,704,000 in Low Income Housing Tax Credit equity. The equity syndicator for this transaction was Boston Financial Investment Management. The closing will allow the existing apartment building to be transformed through a comprehensive renovation and add significant improvements to energy-efficiency, the common areas, exterior buildings, and the residents’ units.

The Commission earned approximately \$747,665 in HOC Commitment and MIP fees and \$4,642,592 in Development Fees, which will be paid in four installments throughout the construction and stabilization of the property, Proceeds of the financing will also repay the pre-development expenses of \$1,232,507 to HOC, and pay off the existing County loan of \$1,380,752.

Shady Grove

On December 20, 2021, Shady Grove Apartments successfully closed on a \$28,700,000 construction loan transaction and in addition to the construction loan closing, 144 affordable units were sold to HOC at Shady Grove, LLC to raise \$19,315,000 in Low Income Housing Tax Credit equity. The equity syndicator for this transaction was Boston Financial Investment Management. The closing will allow the existing apartment building to be transformed through a comprehensive renovation and add significant improvements to energy-efficiency, the common areas, exterior buildings, and the residents' units.

The Commission earned approximately \$1,240,186 in HOC Commitment, MIP, and FHA Risk Share fees and \$4,635,203 in Development Fee. Development Fee will be paid in four installments throughout the construction and stabilization of the property. Proceeds of the financing will also repay the pre-development expenses of \$869,638: \$765,543 to HOC and \$104,095 to the PNC Bank, N.A. Real Estate Line of Credit and pay off an existing County loan of \$261,193.82.

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

December 8, 2021

21-11

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, December 8, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:02 p.m. Those in attendance were:

Present via Teleconference

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

Also Attending via Teleconference

Kayrine Brown, Acting Executive Director
Timothy Goetzinger
Guidy Paul
Kashif Paul
Marcus Ervin
Ian-Terrell Hawkins
Bonnie Hodge
Paige Gentry
Zachary Marks
Nathan Bovel
Charnita Jackson
Jay Berkowitz

Aisha Memon, General Counsel
Terri Fowler
Fred Swan
Christina Autin
Millicent Anglin
Darcel Cox
Lynn Hayes
Jennifer Arrington
Eugenia Pascual
Frederick Colas
Stephen Hiebing
Francisco Vega

IT Support

Aries Cruz

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

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

I. **Information Exchange**

Community Forum

- There were no participants signed up for the Community Forum.

Executive Director’s Report

- Kayrine Brown, Acting Executive Director, provided a verbal overview of the written report and addressed Commissioners’ questions as she presented.

Commissioner Exchange

- Chair Priest acknowledged and summarized an opinion received from the State of Maryland Open Meetings Compliance Board.

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

- A. **Approval of Minutes of November 3, 2021**
- B. **Approval of Minutes of November 3, 2021 Closed Session**
- C. **Approval of Minutes of November 4, 2021 Special Session**
- D. **Approval of Minutes of November 19, 2021 Special Session**
- E. **Approval of Minutes of November 19, 2021 Closed Special Session**
- F. **Approval of Minutes of November 22, 2021 Special Session**
- G. **Approval of Minutes of November 22, 2021 Closed Special Session**

III. **CLOSED AND SPECIAL SESSION RATIFICATION**

- A. Ratification of Action Taken in Closed Special Session held on November 19, 2021 – Approval of Various Actions Related to the Ownership and Development of The Lindley

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

RESOLUTION NO.: 21-111ASR

**RE: Approval of Various Actions Related
to the Ownership and Development of The
Lindley**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the managing member of CCL Multifamily LLC, a Maryland limited liability company (“Company”), which is the owner entity of The Lindley, a 200-unit mixed-income Class-A rental development consisting of 120 market rate units, 40 affordable units, and 40 workforce housing units;

WHEREAS, at a closed Special Session duly called and held on November 19, 2021, with a quorum participating, the Commission adopted Resolution 21-111AS, with Commissioners Kelleher, Nelson, and Simon voting in approval, Commissioner Priest being opposed, and Commissioners Byrd, Croom, Merkowitz being necessarily absent and not participating in the vote;

WHEREAS, by adopting Resolution 21-111AS, the Commission took the following actions:

- Acting on behalf of itself and on behalf of the Company, as its managing member, authorized the Acting Executive Director of HOC to (1) purchase the current investor-member’s interest in the Company, (2) pay the developer’s fee, (3) execute a non-binding letter of intent with a new investor-member, (4) execute a new operating agreement for the Company with a new investor-

member, and (5) take any and all other actions necessary and proper to carry out the transaction, including the execution of any documents.

- Authorized the use of the Opportunity Housing Bond Fund to pay for closing costs, consultant fees, legal fees, and other amounts necessary to close the transaction.
- Authorized the reservation of funds in the Opportunity Housing Reserve Fund to cover certain interest payments.
- Authorized a reserve account to deposit the spread between the first mortgage payment plus related costs and true interest cost in order to cover certain interest payments.

WHEREAS, consistent with the Commission’s Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 21-111AS and any actions taken since November 19, 2021 to effectuate the actions contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 21-111AS and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

IV. **CONSENT**

- A. Request to Authorize the Acting Chief Financial Officer to have the same Authority as the Chief Financial Officer as an Authorized Signer on HOC’s Bank Accounts

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

RESOLUTION NO.: 21-112

RE: Request to Authorize the Acting Chief Financial Officer to Have the Same Authority as the Chief Financial Officer as an Authorized Signer on HOC’s Bank Accounts

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) has several bank accounts with various banking institutions (the “Accounts”); and

WHEREAS, HOC’s Accounts currently have three (3) authorized signatories: the Chief Financial Officer, the Executive Director, and the Director of Human Resources; and

WHEREAS, with the recent departure of HOC’s Chief Financial Officer, staff is requesting that the Commission authorize the Acting Chief Financial Officer to have the same signing authority as the Chief Financial Officer while the position of Chief Financial Officer is vacant; an

WHEREAS, all authorized signers shall be limited to members of the Executive Staff; and

WHEREAS, the Acting Chief Financial Officer is a member of the Executive Staff; and

WHEREAS, the Accounts shall have a three (3) authorized signers at this point in time.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Chief Financial Officer shall be an authorized signatory to HOC's Accounts in the event, and for so long as, the position of Chief Financial Officer is vacant, provided that the Accounts shall have a maximum of three authorized signers at any point in time, all of whom shall be members of the Executive Staff.

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

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

1. **Housing Resources:** Authorization to Implement Voucher Payment Standards Based on the Housing and Urban Development (HUD) Fiscal Year 2022 (FY'22) Small Area Fair Market Rents

Lynn Hayes, Director of Housing Resources, introduced Guidy Paul, Management Analyst, who was the presenter.

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

RESOLUTION NO.: 21-113

RE: Authorization to Implement Voucher Payment Standards Based on HUD FY 2022 Small Area Fair Market Rents

WHEREAS, the regulations of the U.S. Department of Housing and Urban Development ("HUD") require that the Housing Opportunities Commission of Montgomery County ("HOC") establish and implement new Voucher Payment Standards ("VPS") annually for use in HOC's administration of the Housing Choice Voucher Program; and

WHEREAS, the establishment of the VPS must be between 90 and 110 percent of the HUD Small Area Fair Market Rents (SAFMR) for the given fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County establishes the Voucher Payment Standards for FY 2022 as shown on the **Exhibit**.

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

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

1. **Heritage Emory Grove Concept Development:** Approval to Execute a Purchase Agreement for Disposition of the Emory Grove Village and Camp Hill Square; Approval of a Predevelopment Budget and Funding of a Predevelopment Budget and Funding of Predevelopment Expenditures for Heritage Emory Grove; and Approval to Draw on the PNC Bank, N.A. Real Estate Line of Credit to Fund the Predevelopment Expenditures

Zachary Marks, Chief Investment and Real Estate Officer, was the presenter.

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

RESOLUTION NO.: 21-114A

RE: Approval to Execute a Purchase Agreement for Disposition of the Emory Grove Village and Camp Hill Square; Approval of a Predevelopment Budget and Funding of Predevelopment Expenditures for Heritage Emory Grove.

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, on April 1, 2020, the Commission approved HOC’s entering into an ownership venture with Emory Grove United Methodist Church (“EGUMC”) to explore the aggregation and redevelopment of certain properties owned by HOC, EGUMC, Montgomery County (“County”), and the Maryland-National Capital Park and Planning Commission (“M-NCPPC”) near HOC’s Emory Grove Village (“EGV”) and Camp Hill Square (“CHS”) located in Gaithersburg, Maryland (collectively, “Heritage Emory Grove”); and

WHEREAS, all of the properties were once part of a unified, 300-acre community begun by formerly enslaved people; and EGUMC was the historical center of that community; and

WHEREAS, on October 7, 2020, the Commission authorized the Executive Director to enter into a letter of intent (“LOI”) for the disposition of EGV and CHS to Hailey Development, LLC (“Hailey”) based on direction from the Commission for proposed partners and structure of EGV and CHS disposition, the housing typology on other components of Heritage Emory Grove redevelopment, the strategy of formal requests of the County and M-NCPPC for land control, and the scope of historical and cultural preservation across the Heritage Emory Grove redevelopment; and

WHEREAS, on January 22, 2021, the LOI for the disposition of EGV and CHS to Hailey Development, LLC (“Hailey”) was executed and staff is ready to execute a Purchase and Sale Agreement and commence closing the disposition pursuant to the terms of the LOI; and

WHEREAS, on June 9, 2021 and on October 6, 2021, the Commission approved the acquisition of and associated costs of acquisition for 17810 Washington Grove Lane, Gaithersburg, Maryland (“17810 WGL”) and neighboring 17812 Washington Grove Lane, Gaithersburg, Maryland (“17812 WGL”), the control and inclusion of which in the Heritage Emory Grove redevelopment will increase the yield of affordable housing included within the proposed Heritage Emory Grove redevelopment; and

WHEREAS, feasibility funding for the disposition of EGV and CHS, as well as for initial master planning of the County parcels included in the Heritage Emory Grove redevelopment concept, is projected to be \$272,500, which includes engagement of land use legal counsel, land planning, civil engineering, and other necessary consultants (“Feasibility Funding”); and

WHEREAS, staff recommends utilizing the \$150 million PNC Bank, N.A. Real Estate Line of Credit (“RELOC”) as the source of funding for the Feasibility Funding, with the portion attributable to the EGV and

CHS disposition to be repaid from the disposition sales proceeds, and the portion attributable to the master planning of the County parcels to be repaid from the County's net sales proceeds from disposition of development lot.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Acting Executive Director, or her designee, to execute a purchase and sale agreement for the disposition of EGV and CHS to Hailey Development LLC.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves a combined budget of \$272,500 for the Feasibility Funding.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Feasibility Funding will be funded from the RELOC, with the portion attributable to the EGV and CHS disposition to be repaid from the disposition sales proceeds, and the portion attributable to the master planning of the County parcels to be repaid from the County's net sales proceeds from disposition of development lot.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized 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.

RESOLUTION NO.: 21-114B

RE: Approval to Draw up to \$272,500 on the PNC Bank, N.A. Real Estate Line of Credit to Provide Feasibility Funding for the Predevelopment Expenditures for Heritage Emory Grove.

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission"), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the rehabilitation of rental housing properties which provide a public purpose; and

WHEREAS, HOC is exploring the aggregation, masterplan, and redevelopment of certain properties owned by HOC, Emory Grove United Methodist Church ("EGUMC"), Montgomery County ("County"), and the Maryland-National Capital Park and Planning Commission ("M-NCPPC") near HOC's Emory Grove Village ("EGV") and Camp Hill Square ("CHS") located in Gaithersburg, Maryland (collectively, "Heritage Emory Grove"); and

WHEREAS, feasibility funding for the disposition of EGV and CHS, as well as for initial master planning of the County parcels included in the Heritage Emory Grove redevelopment concept, is projected to be \$272,500, which includes engagement of land use legal counsel, land planning, civil engineering, and other necessary consultants ("Feasibility Funding"); and

WHEREAS, staff recommends utilizing the \$150 million PNC Bank, N.A. Real Estate Line of Credit ("RELOC") as the source of funding for the Feasibility Funding, with the portion attributable to the EGV and CHS disposition to be repaid from the disposition sales proceeds, and the portion attributable to

the master planning of the County parcels to be repaid from the County's net sales proceeds from disposition of development lot.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes taxable draws on the RELOC in an amount not to exceed \$272,500 for the Feasibility Funding of Heritage Emory Grove for a term of up to 60 months.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized 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.

RESOLUTION NO.: 21-114C

RE: Approval to Draw \$720,000 on the PNC Bank, N.A. Real Estate Line of Credit as a Source for a Loan to Emory Grove United Methodist Church to Acquire 17810 Washington Grove Land and Retire the Existing Mortgage on 17812 Washington Grove Lane

WHEREAS, on April 1, 2020, the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission") approved HOC's entering into an ownership venture with Emory Grove United Methodist Church ("EGUMC") to explore the aggregation and redevelopment of certain properties owned by HOC, EGUMC, Montgomery County ("County"), and the Maryland-National Capital Park and Planning Commission ("M-NCPPC") near HOC's Emory Grove Village ("EGV") and Camp Hill Square ("CHS") located in Gaithersburg, Maryland (collectively, "Heritage Emory Grove"); and

WHEREAS, as part of the Heritage Emory Grove aggregation, HOC wishes to assist EGUMC in its acquisition of a house at 17810 Washington Grove Lane, Gaithersburg, Maryland ("17810 WGL") via a five-year loan ("EGUMC Loan") and use the remaining funds (after acquisition of and associated costs of acquisition for 17810 WGL) to retire EGUMC's existing mortgage on neighboring 17812 Washington Grove Lane, Gaithersburg, Maryland ("17812 WGL"); and

WHEREAS, as collateral for the EGUMC Loan, HOC will place liens on 17810 WGL and 17812 WGL in the form of deeds of trust; and

WHEREAS, on June 9, 2021, the Commission authorized staff to enter into a non-binding letter of intent to acquire 17810 WGL or to invest in the acquisition of 17810 WGL at a total cost not to exceed \$600,000 (including an allowance for \$50,000 in transactional costs) ("June Commission Approval"); and

WHEREAS, on October 6, 2021, the Commission (A) affirmed its June Commission Approval, and (B) authorized an additional \$120,000 to retire the mortgage at 17812 WGL outstanding as of October 6, 2021 ("October Commission Approval"); and

WHEREAS, HOC wishes to fund the actions in the June Commission Approval and October Commission Approval with a tax-exempt draw from the \$150 million PNC Bank N.A. Real Estate Line of Credit ("RELOC") in an amount up to \$720,000.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes a tax-exempt draw on the RELOC for a term of 60 months in an amount not to exceed \$720,000 to fund the actions in the June Commission Approval and the October Commission Approval.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission Montgomery County authorizes the Acting Executive Director, or her authorized 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.

2. **Cider Mill:** Approval to Engage Eastern Concrete Construction to Replace Six Roofs at Cider Mill Apartments

Millicent Anglin, Asset Manager, was the presenter.

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

RESOLUTION NO.: 21-115

RE: Approval to Engage Eastern Concrete Restoration to Replace Six Roofs at Cider Mill Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the sole member of MVG II, LLC (“MVG”), which is the sole member of MV Gateway LLC (“MV Gateway”), and MV Gateway owns the development known as Cider Mill Apartments (the “Property”) located in Gaithersburg, Maryland; and

WHEREAS, the roofs of six buildings at the Property need immediate replacement to resolve ongoing leaks; and

WHEREAS, Grady Management (“Grady”), the current property manager at the Property, and Construction Insight DC, LLC solicited bids and received six responses; and

WHEREAS, Eastern Concrete Restoration (“Eastern”) submitted the most competitive bid, in part because of their ability to have immediate access to necessary materials; and

WHEREAS, staff desires to authorize Grady, as MV Gateway’s agent, to execute a contract with Eastern to replace six roofs the Property.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of MVG, as its sole member, on behalf of itself and on behalf of MV Gateway, as its sole member, that the Acting Executive Director of HOC, or her designee, is hereby authorized to direct Grady, as MV Gateway’s agent, to negotiate and execute a contract with Eastern in an amount up to \$844,809 to be paid from the Property’s replacement reserves to replace six roofs at the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of MVG, as its sole member, on behalf of itself and on behalf of MV Gateway, as its sole member, that the Acting Executive Director of HOC, or her designee, is hereby authorized and

directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

VI. ITEMS REQUIRING DELIBERATION and/or ACTION

1. Approval of firm for Executive Recruiting

Vice Chair Kelleher provided an overview of the Housing Opportunities Commission Request for Proposal (RFP) #2287 for an Executive Recruiter firm.

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.: 21-116

RE: Approval of Firm for Executive Recruiting

WHEREAS, the Housing Opportunities Commission of Montgomery County's ("HOC" or the Commission") is authorized pursuant to its Second Amended and Restated Bylaws to employ a Secretary-Treasurer who shall serve as Executive Director ("Secretary/ED");

WHEREAS, HOC's prior Secretary/ED resigned on July 31, 2021 and an Acting Secretary/ED was appointed as of August 1, 2021;

WHEREAS, the Commission desires to conduct a search for candidates to permanently fill the position of Secretary/ED and requires the assistance of an Executive Recruiter Firm;

WHEREAS, HOC's Procurement Office issued a Request for Proposals ("RFP") #2287 for Executive Recruiter on October 18, 2021;

WHEREAS, two (2) respondents submitted qualified responses for the RFP by the deadline of November 15, 2021;

WHEREAS, The Organizational Leadership Edge scored higher of the two firms in the average of the evaluators' scores with an average score of 91.3;

WHEREAS, based on the evaluation of the proposals, it is recommended that The Organizational Leadership Edge be selected as the executive search firm and that the Acting Executive Director be authorized to negotiate and execute a contract.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes the selection of The Organizational Leadership Edge as the executive search firm to assist the Commission in permanently filling the position of Secretary/ED, and authorizes the Acting Executive Director to negotiate and execute a contract for such services for an amount up to \$50,000 to be funded from Personnel Transition budget item in the General Fund.

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

Chair Priest read the Written Closing Statement. Commissioner Croom seconded the motion, with Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon voting in approval.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 5:23 p.m. and reconvened in closed session at 5:31 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County's closed session held on December 8, 2021 at approximately 5:31 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(14) to discuss the proposals submitted by firms in response to RFP #2252 for professional auditing services for the Housing Opportunities Commission of Montgomery County.

The meeting was closed and the closing statement dated December 8, 2021 was adopted on a motion made by Roy Priest, seconded by Linda Croom, with Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowitz, and Jackie Simon voting in favor of the motion. The following persons were present: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowitz, Jackie Simon, Kayrine Brown, Aisha Memon, Paige Gentry, Timothy Goetzinger, Gail Willison, Christina Autin, Eugenia Pascual, Ian-Terrell Hawkins, and Patrice Birdsong.

In closed session, the Commission discussed the below topic and took the following action:

1. **Topic:** Approval of the Selection for Professional Auditing Services (pursuant to Section 3-305(b)(14)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon approved Resolution 21-117AS, thereby awarding the contract to CliftonLarsonAllen LLP to be the primary auditor for the agency for fiscal years 2022 and 2023 (with three optional one-year renewals, which must be approved by the Commission).

The closed session was adjourned at 5:39 p.m.

Respectfully submitted,

Kayrine Brown
Acting Secretary-Treasurer

/pmb

Attachment:

1 – FY'22 Voucher Payment Standards Table

EXHIBIT

**Fiscal Year 2022 Voucher Payment Standard
Tables**

[Attached]

ZIP Code	City	Current 2021 VPS					Current 2021 VPS %					Suggested 2022 VPS					Suggested 2022 %					Dollar Difference in VPS				
		0	1	2	3	4	0	1	2	3	4	0	1	2	3	4	0	1	2	3	4	0	1	2	3	4
20886	Montgomery Village	\$ 1,297	\$ 1,595	\$ 1,815	\$ 2,332	\$ 2,816	92%	110%	110%	110%	110%	\$1,595	\$1,617	\$1,848	\$2,343	\$2,805	110%	110%	110%	110%	110%	\$ 298	\$ 22	\$ 33	\$ 11	\$ (11)
20891	Kensington	\$ 1,519	\$ 1,513	\$ 1,766	\$ 2,266	\$ 2,717	96%	94%	96%	96%	95%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 241	\$ 269	\$ 269	\$ 308	\$ 374
20895	Kensington	\$ 1,512	\$ 1,617	\$ 1,862	\$ 2,385	\$ 2,888	90%	94%	95%	95%	95%	\$1,837	\$1,870	\$2,134	\$2,706	\$3,245	110%	110%	110%	110%	110%	\$ 325	\$ 253	\$ 272	\$ 321	\$ 357
20896	Garrett Park	\$ 1,647	\$ 1,692	\$ 1,926	\$ 2,466	\$ 2,988	90%	90%	90%	90%	90%	\$2,013	\$2,046	\$2,332	\$2,959	\$3,553	110%	110%	110%	110%	110%	\$ 366	\$ 354	\$ 406	\$ 493	\$ 565
20898	Gaithersburg	\$ 1,454	\$ 1,497	\$ 1,712	\$ 2,219	\$ 2,689	92%	93%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 306	\$ 285	\$ 323	\$ 355	\$ 402
20899	Gaithersburg	\$ 989	\$ 1,020	\$ 1,194	\$ 1,561	\$ 1,947	103%	102%	103%	102%	103%	\$957	\$990	\$1,155	\$1,518	\$1,881	110%	110%	110%	110%	110%	\$ (32)	\$ (30)	\$ (39)	\$ (43)	\$ (66)
20901	Silver Spring	\$ 1,384	\$ 1,512	\$ 1,728	\$ 2,235	\$ 2,615	101%	108%	108%	109%	105%	\$1,551	\$1,573	\$1,793	\$2,266	\$2,728	110%	110%	110%	110%	110%	\$ 167	\$ 61	\$ 65	\$ 31	\$ 113
20902	Silver Spring	\$ 1,561	\$ 1,716	\$ 1,958	\$ 2,508	\$ 2,909	102%	110%	110%	110%	105%	\$1,749	\$1,771	\$2,024	\$2,563	\$3,080	110%	110%	110%	110%	110%	\$ 188	\$ 55	\$ 66	\$ 55	\$ 171
20903	Silver Spring	\$ 1,479	\$ 1,546	\$ 1,766	\$ 2,258	\$ 2,610	103%	105%	105%	105%	100%	\$1,628	\$1,661	\$1,892	\$2,398	\$2,871	110%	110%	110%	110%	110%	\$ 149	\$ 115	\$ 126	\$ 140	\$ 261
20904	Silver Spring	\$ 1,479	\$ 1,786	\$ 2,017	\$ 2,394	\$ 3,128	93%	110%	109%	101%	109%	\$1,771	\$1,804	\$2,057	\$2,607	\$3,124	110%	110%	110%	110%	110%	\$ 292	\$ 18	\$ 40	\$ 213	\$ (4)
20905	Silver Spring	\$ 1,565	\$ 1,766	\$ 2,090	\$ 2,657	\$ 3,089	91%	100%	104%	103%	99%	\$1,859	\$1,892	\$2,156	\$2,728	\$3,278	110%	110%	110%	110%	110%	\$ 294	\$ 126	\$ 66	\$ 71	\$ 189
20906	Silver Spring	\$ 1,519	\$ 1,766	\$ 2,017	\$ 2,536	\$ 3,014	96%	109%	109%	107%	105%	\$1,749	\$1,771	\$2,024	\$2,563	\$3,080	110%	110%	110%	110%	110%	\$ 230	\$ 5	\$ 7	\$ 27	\$ 66
20907	Silver Spring	\$ 1,485	\$ 1,513	\$ 1,712	\$ 2,219	\$ 2,689	94%	94%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 275	\$ 269	\$ 323	\$ 355	\$ 402
20910	Silver Spring	\$ 1,683	\$ 1,885	\$ 2,174	\$ 2,546	\$ 3,023	94%	103%	104%	95%	93%	\$1,991	\$2,024	\$2,310	\$2,926	\$3,509	110%	110%	110%	110%	110%	\$ 308	\$ 139	\$ 136	\$ 380	\$ 486
20911	Silver Spring	\$ 1,485	\$ 1,513	\$ 1,712	\$ 2,219	\$ 2,689	94%	94%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 275	\$ 269	\$ 323	\$ 355	\$ 402
20912	Takoma Park	\$ 1,150	\$ 1,395	\$ 1,577	\$ 1,777	\$ 2,202	92%	109%	108%	95%	97%	\$1,386	\$1,408	\$1,606	\$2,035	\$2,442	110%	110%	110%	110%	110%	\$ 236	\$ 13	\$ 29	\$ 258	\$ 240
20913	Takoma Park	\$ 1,485	\$ 1,513	\$ 1,712	\$ 2,219	\$ 2,689	94%	94%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 275	\$ 269	\$ 323	\$ 355	\$ 402
20914	Silver Spring	\$ 1,479	\$ 1,546	\$ 1,766	\$ 2,258	\$ 2,803	94%	96%	96%	96%	98%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 281	\$ 236	\$ 269	\$ 316	\$ 288
20915	Silver Spring	\$ 1,519	\$ 1,513	\$ 1,766	\$ 2,266	\$ 2,717	96%	94%	96%	96%	95%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 241	\$ 269	\$ 269	\$ 308	\$ 374
20916	Silver Spring	\$ 1,519	\$ 1,513	\$ 1,766	\$ 2,266	\$ 2,717	96%	94%	96%	96%	95%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 241	\$ 269	\$ 269	\$ 308	\$ 374
20918	Silver spring	\$ 1,485	\$ 1,513	\$ 1,712	\$ 2,219	\$ 2,689	94%	94%	93%	94%	94%	\$1,760	\$1,782	\$2,035	\$2,574	\$3,091	110%	110%	110%	110%	110%	\$ 275	\$ 269	\$ 323	\$ 355	\$ 402
21771	Mount Airy	\$ 1,291	\$ 1,332	\$ 1,593	\$ 2,052	\$ 2,519	97%	90%	90%	90%	94%	\$1,452	\$1,584	\$1,892	\$2,431	\$2,849	110%	110%	110%	110%	110%	\$ 161	\$ 252	\$ 299	\$ 379	\$ 330
21797	Woodbine	\$ 1,113	\$ 1,143	\$ 1,431	\$ 1,854	\$ 2,162	106%	90%	90%	90%	92%	\$1,122	\$1,320	\$1,639	\$2,123	\$2,442	110%	110%	110%	110%	110%	\$ 9	\$ 177	\$ 208	\$ 269	\$ 280

Consent Items

APPROVAL OF KENNETH B. TECLER, THERESA FINNEY-DUMAIS, AND MORGAN G. SMITH TO THE BOARD OF DIRECTORS OF THE HOUSING OPPORTUNITIES COMMUNITY PARTNERS, INC.

January 12, 2022

- Housing Opportunities Community Partners, Inc. (“HOCP”), a 501c(3) charitable organization, supports residents and resident programs operated by the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”).
- The Commission is required, per HOCP bylaws, to approve the nominations submitted to fill vacancies of the Board of Directors of HOCP.
- The Board terms of Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith have expired; they are being re-appointed for new three-year terms on the HOCP Board.
- Staff recommends approval.

As General Counsel to the Commission, Mr. Tecler prepared the organizational documents for the corporation including the Articles of Incorporation and Bylaws of Community Partners. He also provided legal advice and assistance to Community Partners as needed on an in-kind service.

With dedication and distinction, Mr. Tecler has served as Board Chair on the Community Partners' Board of Directors since 2016. During his tenure, Mr. Tecler provided guidance and insight in establishing efficient procedures on awarding discretionary funding grants to support special programming for HOC's customers. His leadership on the Board has been invaluable.

Theresa Finney Dumais (Marketing/Advocacy Seat)

Currently, Ms. Finney-Dumais is the Vice-President of Government & Industry Relations, at Freddie Mac. In this position since April 2018, she provides policy analysis and strategic guidance to Freddie Mac business units and to Freddie Mac's regulator, the Federal Housing Finance Agency, and company leadership on a variety of housing issues and corporate governance.

Before joining Freddie Mac, Ms. Finney-Dumais worked four years as the Director of Housing Policy for the House Committee on Financial Services in Maxine Waters' office. There she formulated and oversaw all housing policy strategies and activities for the Minority side of the Committee, including all issues related to affordable rental housing, homelessness, low-income homeownership, housing finance, fair housing homeownership, disaster recovery, appraisal standards, and the racial wealth gap. Previously, for three years she worked as the Legislative & Policy Analyst for the Council of Large Public Housing Authorities ("CLPHA"), where she conducted rigorous analysis of statutory and regulatory changes affecting HUD's rental housing programs, and provided policy recommendations and legislative action to CLPHA's senior staff, Board of Directors, members, congressional offices, and external stakeholders.

Ms. Finney-Dumais holds a Master's Degree in Public Policy & Administration. Because of her extensive work experience in advocating for affordable housing her participation on the board over the last three years has been greatly appreciated. Furthermore, over the last two years, she has served as Board Secretary.

Morgan G. Smith (At-Large Seat)

Mr. Morgan (Mo) Smith, JD, is a partner at Klein Hornig LLP, Washington, DC law firm. For the last 13 years, he has worked on a range of affordable housing transactions involving Low-Income Housing Tax Credits, Renewable Energy Tax Credits, mixed-finance/public housing, and HUD financing. He joined Klein Hornig in 2012 to pursue his passion for affordable housing, and he brings with him additional experience in energy and sustainability, and corporate transactions including start-ups, debt and equity financing, and mergers and acquisitions. Mr. Smith previously worked as an associate at Miller Nash LLP as a member of their Affordable Housing and Business practice groups and at Ballard Spahr Andrews & Ingersoll as a summer clerk.

Since 2014 he has been volunteering for the D.C. Bar CED Pro Bono Project (Small Business Clinic) and is an active member of the Young Leaders in Affordable Housing. Earlier volunteer work when

he resided in Oregon, including serving on the Board of Directors for the Oregon Chapter of the National Bar Association and for the Oregon League of Minority Voters. Similarly, he was a member of the Oregon Minority Lawyers Association, Oregon Association of Minority Entrepreneurs and the Urban League of Portland.

Mr. Smith joined the HOCP Board in 2019 and since then has offered much insight and his expertise in many board deliberations.

BUDGET IMPACT

None.

TIME FRAME:

Formal Commission action is requested at the January 12, 2022 meeting.

HOC STAFF RECOMMENDATION AND BOARD ACTION NEEDED:

Staff recommends that the Commission approve the re-appointment of Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith to the Board of HOCP.

RESOLUTION NO.: 22-01

RE: Approval of the Nominations of Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith to the Board of Directors of the Housing Opportunities Community Partners, Inc.

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) approved the creation of the non-profit organization, Housing Opportunities Community Partners, Inc. (“HOCP”), in 1999 to support the residents and programs of HOC; and

WHEREAS, HOC is required, by the HOCP bylaws, to approve nominees to the HOCP Board of Directors; and

WHEREAS, the HOCP board unanimously nominated Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith to serve on the Board of Directors each for a three-year term.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Kenneth B. Tecler, Theresa Finney-Dumais, and Morgan G. Smith are hereby approved and appointed to serve on the Board of Directors of the Housing Opportunities Community Partners, Inc.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that its Executive Director is authorized, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and action 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 on January 12, 2022.

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Patrice Birdsong
Special Assistant to the Commission

APPROVAL TO ALLOCATE FUNDS FROM THE OPPORTUNITY HOUSING BOND FUND AS ADDITIONAL CLOSING COSTS TO REIMBURSE THE REAL ESTATE WORKING CAPITAL OPERATING FUND, DRAWN TO CLOSE LINDLEY

January 12, 2022

The Housing Opportunities Commission of Montgomery County is the managing member of CCL Multifamily LLC, a Maryland limited liability company (Company”), which is the owner entity of The Lindley (“Property”), a 200-unit mixed-income Class-A rental development consisting of 120 market rate units, 40 affordable units, and 40 workforce housing units that is strategically located adjacent to a future Purple Line station; and

The Commission previously approved executing a new Operating Agreement with ORLO for the Company, and funding related closing costs from the Opportunity Housing Bond Fund not to exceed \$1,175,000.

Final closing costs exceeded \$1,175,000 by \$39,219.26 and the Real Estate Working Capital Operating Fund (“REWCOF”) was used to fund those costs in accordance with the fund’s authorized use.

Staff is recommending approval of an increase in funding from the Opportunity Housing Bond Fund to replenish the REWCOF, thereby increasing the draw limit on the Opportunity Housing Bond Fund from \$1,175,000 to \$1,214,219.26 to reimburse the \$39,219.26 in closing costs covered by the REWCOF.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Kayrine V. Brown, Acting Executive Director

FROM: Staff: Zach Marks Division: Real Estate Ext. 9613
Marcus Ervin Division: Real Estate Ext. 9752

RE: **Lindley:** Approval to Allocate Funds from the Opportunity Housing Bond Fund as Additional Closing Costs to Reimburse the Real Estate Working Capital Operating Fund, Drawn to Close Lindley

DATE: January 12, 2022

STATUS: Committee Report Consent X

OVERALL GOAL & OBJECTIVE:

To fully reimburse the Real Estate Working Capital Operating Fund for transactional costs related to the ORLO investment in The Lindley.

BACKGROUND:

The Lindley (the “Property”) is a 200-unit mixed-income Class-A rental development consisting of 120 market rate units, 40 affordable units, and 40 workforce housing units that is strategically located adjacent to a future Purple Line station. The rental property began construction in 2016 and delivered in 2018. Construction was funded in part by equity from the Cafritz Foundation LLC. In December 2021, the Cafritz Foundation LLC voluntarily sold its interest in The Lindley. To consummate that sale, new investment funding was provided by ORLO.

On November 19, 2021, the Commission approved the selection of ORLO as its new partner in The Lindley. It also approved the funding of related transactional costs from the Opportunity Housing Bond Fund (“OH Bond Fund”). At the time, staff estimated that a \$1,175,000 draw on the OH Bond Fund would be sufficient to cover those related transactional costs.

However, prior to closing, final legal costs were determined to be higher than budgeted by \$36,676.78. Staff accessed the Real Estate Working Capital Operating Fund (“REWCOF”) to cover the overage and to ensure the transaction could be completed by the December 8, 2021, deadline.

ACTION:

To replenish the REWCOF, staff proposes to increase the approved \$1,175,000 draw on the OH Bond Fund by the amount of the final overage, \$39,219.26.

ISSUES FOR CONSIDERATION:

Will the Commission accept staff's recommendation to increase the approved \$1,175,000 draw on the OH Bond Fund by the amount of the final overage, \$39,219.26, to repay the REWCOF for excess legal costs related to the refinancing of The Lindley?

PRINCIPALS:

Housing Opportunities Commission of Montgomery County
CCL Multifamily LLC

BUDGET IMPACT:

No impact to the Commission's FY 2022 operating budget.

TIMEFRAME:

For formal action at the Commission meeting on January 12, 2022.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED:

Staff recommends that Commission increase the approved \$1,175,000 draw on the OH Bond Fund by the amount of the final overage, \$39,219.26, to repay the REWCOF for excess legal costs related to the refinancing of The Lindley.

RESOLUTION NO.: 21-02

RE: Approval to Allocate Funds from the Opportunity Housing Bond Fund as Additional Closing Costs to Reimburse the Real Estate Working Capital Operating Fund, Drawn to Close Lindley

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the managing member of CCL Multifamily LLC, a Maryland limited liability company (Company”), which is the owner entity of The Lindley (“Property”), a 200-unit mixed-income Class-A rental development consisting of 120 market rate units, 40 affordable units, and 40 workforce housing units that is strategically located adjacent to a future Purple Line station; and

WHEREAS, the Commission previously approved (i) executing a new Operating Agreement with ORLO for the Company, and (ii) funding related closing costs from the Opportunity Housing Bond Fund not to exceed \$1,175,000; and

WHEREAS, on December 8, 2021, ORLO was admitted to the Company; and

WHEREAS, the Real Estate Working Capital Operating Fund (“REWCOF”) is a source of funding available to staff to cover certain unexpected costs related to closing on transactions; and

WHEREAS, final closing costs exceeded \$1,175,000 by \$39,219.26; and the REWCOF was used to fund those costs; and

WHEREAS, to replenish the REWCOF, staff is recommending an increase in funding from the Opportunity Housing Bond Fund.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the draw limit on the Opportunity Housing Bond Fund from \$1,175,000 to \$1,214,219.26 to reimburse the \$39,219.26 in closing costs covered by the REWCOF.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Acting Executive Director, or her authorized designee, is hereby authorized, without any further action, to execute such documents and to take any and all other actions, in each case as necessary and proper, to carry out the actions contemplated herein.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on January 12, 2022.

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Patrice Birdsong
Special Assistant to the Commission

Committee Reports and Recommendations for Action

Budget, Finance & Audit Committee

FISCAL YEAR 2022 (FY'22) FIRST QUARTER BUDGET TO ACTUAL STATEMENTS: COMMISSION ACCEPTANCE OF THE FIRST QUARTER FISCAL YEAR 2022 BUDGET TO ACTUAL STATEMENTS

January 12, 2022

- The Agency ended the quarter with a net cash flow deficit of \$333,902, which resulted in a first quarter budget to actual positive variance of \$1,576,709.
- The General Fund experienced a positive expense variance resulting primarily from savings in expenses, offset by lower draws on the Opportunity Housing Reserve Fund (“OHRF”) and the delayed receipt of anticipated Commitment Fee Income.
- At the end of the first quarter, several of the unrestricted properties in the Opportunity Housing Fund underperformed budget expectations as a result of overages in various expense categories coupled with lower tenant income.
- The Public Housing Program ended the quarter with a shortfall of \$73,101 resulting primarily from additional Rental Assistance Demonstration (“RAD”) vacant unit subsidies received last fiscal year that were subsequently transferred to the Elizabeth House RAD property in the first quarter of FY’22 and a small amount of continued expenses at Emory Grove. The shortfall will be covered by existing cash in the fund.
- The Housing Choice Voucher (“HCV”) Program experienced a higher administrative surplus through September 31, 2021 as a result of higher than anticipated administrative fee income coupled with a positive variance in administrative expenses.
- The Budget Finance and Audit Committee reviewed this request at its meeting on December 21, 2021 and joins staff’s recommendation that the Commission accept the first quarter of fiscal year 2022 budget to actual statements.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Kayrine Brown, Acting Executive Director

FROM: Staff: Timothy Goetzinger Division: Finance Ext. 4836
Terri Fowler Ext. 9507
Tomi Adebo Ext. 9472

RE: **Fiscal Year 2022 (FY'22) First Quarter Budget to Actual Statements:** Commission Acceptance of the First Quarter Fiscal Year 2022 Budget to Actual Statements

DATE: January 12, 2022

OVERALL GOAL & OBJECTIVE:

Commission acceptance of the First Quarter FY'22 Budget to Actual Statements.

BACKGROUND:

The Acting Executive Director presented the quarterly budget to actual statements to the Budget, Finance & Audit Committee for informal review. Recommendations are being presented to the full Commission for formal action.

ISSUES FOR CONSIDERATION:

To assess the financial performance of the Housing Opportunities Commission (Agency) for the first quarter of FY'22 against the budget for the same period.

BUDGET IMPACT:

A second quarter budget amendment was informally discussed with the Budget, Finance and Audit Committee at the December 21, 2021 meeting. The Commission will be asked to approve the second quarter budget amendment at the January 12, 2022 Commission meeting. Future amendments will be presented to the Commission as necessary.

TIME FRAME:

For formal action at the January 12, 2022 meeting of the Commission.

The Budget, Finance and Audit Committee informally discussed the FY'22 First Quarter Budget to Actuals at the December 21, 2021 meeting and supports staff's recommendation.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Commission formally accept the First Quarter FY'22 Budget to Actual Statements.

DISCUSSION – FIRST QUARTER BUDGET TO ACTUAL STATEMENTS

This review of the Budget to Actual Statements for the Agency through the first quarter of FY'22 consists of an overall summary and additional detail on the Opportunity Housing properties, the Development Corporation properties, the Public Housing and Housing Choice Voucher (“HCV”) Programs and all Capital Improvements Budgets.

HOC Overall (see Attachment A)

Please note the Agency’s Audited Financial Statements are presented on the accrual basis, which reflects non-cash items such as depreciation and the mark-to-market adjustment for investments.

The Commission approves the Operating Budget at the fund level based on a modified accrual basis, which is similar to the presentation of budgets by governmental organizations. The purpose is to ensure that there is sufficient cash income and short-term receivables available to pay for current operating expenditures.

The Commission approves the revenues, expenses, and unrestricted net cash flow from operations for each fund. Unrestricted net cash flow in each fund is what is available to the Commission to use for other purposes. The FY'22 First Quarter Operating Budget to Actual Comparison (Attachment A) shows unrestricted net cash flow or deficit for each of the funds. Attachment A also highlights the FY'22 First Quarter Budget to Actual Comparison for Capital Expenses.

The Agency ended the quarter with a net cash flow deficit of \$333,902. This deficit resulted in a first quarter budget to actual positive variance of \$1,576,709 when compared to the anticipated first quarter net cash flow deficit of \$1,910,611. The primary causes were savings in various expense categories in the General Fund (see General Fund) countered by slightly lower cash flow in some of the unrestricted Opportunity Housing Properties as a result of property performance (see Opportunity Housing Fund).

Explanations of Major Variances by Fund

The **General Fund** consists of the basic overhead costs for the Agency. This fund ended the quarter with a deficit of \$2,572,382 which resulted in a positive variance of \$1,866,750 when compared to the projected deficit of \$4,439,132.

As of September 30, 2021, income in the General Fund was \$281,214 lower than budgeted and expenses were \$2,147,964 lower than budgeted. The negative income variance was primarily the result of delay in the receipt of Commitment Fee income and lower draws from the Opportunity Housing Reserve Fund (OHRF) for Real Estate personnel and predevelopment costs that was partially offset by the receipt of the final Development Fee from 900 Thayer that was originally budgeted to be received in April 2021. The positive expense variance was primarily the result of lapse in salary and benefits coupled with savings in professional services, computer software, maintenance contracts, COVID-19 expense and transfers to cover capital projects. A portion of these savings is the result of timing issues and staff does not anticipate the full savings to be

realized at year end.

The Multifamily Bond Fund and Single Family Bond Fund are budgeted to balance each year.

Income (the bond drawdowns that finance the administrative costs for these funds) is in line with the budget. The FY'22 Second Quarter Budget Amendment includes a reduction to the draws for each program based on the accumulated savings at the end of FY'21 in the respective Bond Program which will be used towards the FY'22 administrative costs. The positive expense variance in the Bond Funds is a result of small savings in various administrative accounts.

The Opportunity Housing Fund

Attachment B is a chart of the Net Cash Flow for the Development Corporation Properties. This chart divides the properties into two groups.

The first group includes properties that were budgeted to provide unrestricted net cash flow toward the Agency's FY'22 Operating Budget. This group ended the quarter with cash flow of \$1,618,853 or \$284,212 lower than projected.

- **Alexander House Dev Corp** ended the quarter with a negative cash flow variance of \$28,410 as a result of higher concessions and bad debt expense that were partially offset by lower vacancy loss and savings in administrative and security cost. Cash flow at **The Barclay Dev Corp** was \$45,352 higher than anticipated due to savings in various expense categories and lower vacancy that was partially offset by lower gross tenant income. **Glenmont Crossing Dev Corp** and **Glenmont Westerly Dev Corp** experienced negative cash flow variances of \$55,596 and \$27,254, respectively, as a result of higher maintenance and bad debt expenses partially offset by lower vacancy. Glenmont Crossing also experienced higher utility costs. **Magruder's Discovery Dev Corp** experienced a negative cash flow variance of \$37,789 as a result of lower gross rents and slightly higher vacancy. Cash flow at **Montgomery Arms Dev Corp** was \$36,278 lower than anticipated primarily due to higher bad debt and maintenance expenses. **MPDU 59 Dev Corp** experienced a positive cash flow variance of \$32,155 as a result of lower administrative, maintenance and bad debt expense coupled with lower vacancy loss. **Paddington Square Dev Corp** reported a negative variance of \$103,725 due to higher debt service payments, as a result of a delay in the planned refinancing, coupled with higher liability insurance, maintenance and bad debt expenses as well as lower gross tenant rents, unanticipated concessions and slightly higher vacancy. **Pooks Hill High-Rise Dev Corp** ended the quarter with a positive cash flow variance of \$19,691 as a result of slightly higher gross tenant rents and lower vacancy that was partially offset by higher concession. The property also experienced savings in maintenance expense that was offset by overages in COVID-19 related cost and bad debt expense. Cash flow at **Scattered Site One Dev Corp** was \$61,627 lower than anticipated due to higher bad debt, maintenance and utility costs partially offset by savings in administrative costs and higher tenant rental income. **Scattered Site Two Dev Corp** reported a positive cash flow variance \$15,772 mostly due to lower bad debt and administrative expenses. **Sligo MPDU III Dev Corp** ended the quarter with a negative cash

flow variance of \$16,778 as a result of higher bad debt and maintenance expense offset by savings in administrative cost. Cash flow at **VPC One Dev Corp** was \$18,435 higher than anticipated due to savings throughout most expense categories that was partially offset by lower gross rents and higher concessions. **VPC Two Dev Corp** experienced a negative variance of \$53,653 due to overages in maintenance expenses and lower gross rents countered by lower vacancy.

- The second group consists of properties whose cash flow will not be used for the Agency's FY'22 Operating Budget. Cash flow from this group of Development Corporation properties was \$1,008,995 more than budgeted for the quarter. Cash flow at the **Oaks at Four Corners Dev Corp** was \$68,792 higher than anticipated due to savings in maintenance, utility and administrative costs. The **RAD 6 Dev Corp** properties ended the quarter with a surplus of \$737,619 resulting in a positive cash flow variance of \$936,477 largely due to the receipt of prior period subsidies. The positive variance in subsidy payments was \$865,251. If the additional subsidy income was not received, the portfolio would have experienced a positive cash flow variance of \$71,226 ($\$936,477 - \$865,251 = \$71,226$). The positive variance at **Seneca Ridge** was minimally offset by higher maintenance expense at the property.

Attachment C is a chart of the Net Cash Flow for the Opportunity Housing Properties. This chart divides the properties into two groups.

- The first group includes properties that were budgeted to provide unrestricted net cash flow toward the Agency's FY'22 Operating Budget. This group ended the quarter with cash flow of \$619,627 or \$5,829 less than projected. Cash flow at **MPDU I (64)** was \$60,245 higher than anticipated as a result of lower debt service payments, due to the payoff of the mortgage in March 2021 that was not incorporated into the budget, administrative cost and bad debt partially offset by overages in maintenance. **Avondale Apartments** reported a negative cash flow variance of \$58,975 primarily due to higher bad debt and maintenance expense coupled with higher concessions and vacancy loss. **Barclay Affordable** experienced a negative cash flow variance of \$41,906 as a result of lower gross rents and higher vacancies coupled with overages in bad debt that were partially offset by savings in administrative and maintenance expenses. **Camp Hill Square** experienced a negative cash flow variance of \$23,798 as a result of lower gross rents and higher vacancy loss coupled with overage in bad debt that were partially offset by savings in maintenance, utility and administrative cost. **Chelsea Towers** experienced a positive cash flow variance of \$18,103 due to savings in Housing Association ("HOA") Fees. **Cider Mill** reported a negative cash flow variance of \$7,100 due to higher utilities and maintenance costs offset by lower bad debt and vacancy loss and the receipt of rents from ex-residents. **Elizabeth House Interim RAD** ended the quarter with positive cash flow variances of \$43,526 as a result of higher gross rents countered by overages in utilities and maintenance. **Fairfax Court** ended the quarter with positive cash flow variances of \$11,410 as a result of higher gross rents and lower vacancy loss coupled with savings in maintenance costs that was partially offset by higher bad debt. **Georgian Court Affordable** ended the quarter with a positive cash flow variance of \$35,246 due to savings in administrative cost and real estate tax, due to the receipt of a state Payment in Lieu of Taxes

("PILOT"), partially offset by overages in utilities. **Holiday Park** reported a negative cash flow variance of \$24,186 primarily due to overages in maintenance and utilities partially offset by lower bad debt. **Jubilee Hermitage** experienced a negative cash flow variance of \$6,302 largely due to the payment for utility bills from prior periods. Cash flow for **Jubilee Woodedge** was \$2,196 lower than projected mainly resulting from lower tenant rents and subsidy payments. **Manchester Manor** reported a negative variance of \$31,362 due to overages throughout most expense categories coupled with slightly higher vacancy. Cash flow at the three **Manor** properties was collectively \$70,483 lower than anticipated due to higher vacancies to support the upcoming renovations coupled with overages in maintenance expenses at **Fair Hill Farm** and **Cloppers Mill** and utility overages at **Colesville**. **McHome** experienced a positive cash flow variance of \$8,219 as a result of savings in maintenance and bad debt expenses that were partially offset by higher vacancies. Cash flow at **McKendree** was \$10,004 higher than anticipated due to lower bad debt expense partially offset by higher maintenance costs. **Metropolitan Affordable** ended the quarter with a positive variance of \$30,871 as a result of higher gross tenant rents and lower vacancy loss coupled with savings in maintenance, administrative and utility expenses that were partially offset by security contract costs for testing. Cash flow at **MHLP VII** was \$17,077 higher than anticipated due to savings in administrative and maintenance expenses that were partially offset by lower gross rents and higher vacancies. **MHLP VIII** experienced a negative variance of \$32,272 due to lower gross rents and higher vacancies coupled with overages in maintenance offset by lower bad debt expense. **MHLP IX Pond Ridge** reported a \$10,376 positive variance due to savings in front foot benefit charge, solid waste and real estate taxes that was partially offset by higher vacancy loss. **MHLP IX Scattered Sites** experienced positive cash flow variances of \$75,088 mainly due to savings in real estate tax resulting from the state PILOT agreement that has been established for the property resulting in a savings in taxes that was offset by overages in maintenance costs and slightly higher vacancy loss. **MHLP X** experienced positive cash flow variance of \$64,361 mainly due to savings in real estate tax resulting from the state PILOT agreement that has been established for the property coupled with savings in administrative and maintenance expenses that were partially offset by greater than anticipated bad debt expenses and vacancy loss. **Pooks Hill Mid-Rise** experienced a negative cash flow variance of \$17,212 as a result of higher COVID-19, bad debt and utility expenses coupled with slightly higher vacancy loss and concession that were partially offset by savings in maintenance. **Strathmore Court** experienced a negative cash flow variance of \$20,200 as a result of higher maintenance, COVID-19, and utility costs coupled with lower gross rents that were partially offset by lower vacancy loss and savings in administrative expenses. **TPP LLC Pomander Court** experienced a negative cash flow variance of \$31,335 primarily as a result of higher bad debt and maintenance expense. Cash flow for **TPP LLC Timberlawn** was \$15,185 lower than budget as a result of higher COVID-19, maintenance, and utility costs that were partially offset by slightly higher gross rents and lower vacancy loss. **Westwood Towers** experienced a negative cash flow variance of \$48,876 as a result of higher administrative, maintenance, security and utility expenses coupled with higher concessions that were partially offset by lower vacancy loss. Cash flow at **The Willows** was \$22,566 higher than anticipated due to higher gross rents coupled with savings in administrative, tenant services,

maintenance and tax expenses that were partially offset by overages in COVID 19, utility and bad debt expenses.

- The second group consists of properties whose cash flow will not be used for the Agency's FY'22 Operating Budget. Some of these properties have legal restrictions on the use of cash flow; others may have needs for the cash flow. Cash flow for this group of properties was \$175,476 less than budgeted. The demolition of **The Ambassador** was completed in April of 2020. The property experienced expenses of \$2,261 mainly driven by interest paid on the outstanding debt on the PNC Bank, N.A. Real Estate Line of Credit ("RELOC") and taxes. There are sufficient reserves at the property to cover the costs. **Bradley Crossing** ended the quarter with a negative variance of \$105,392 as a result of higher vacancy loss coupled with overages in utility, maintenance, bad debt, and debt expenses that were partially offset by savings in administrative and tax expenses. **Brooke Park** experienced a negative cash flow variance of \$42,805 largely resulting from a delay in occupying the units post renovation. Cash flow at **Brookside Glen** was \$40,806 lower than anticipated due to higher bad debt offset by savings in administrative cost and lower vacancy. **Diamond Square** ended the year with a positive cash flow variance of \$32,088 as a result of savings in utilities, taxes and bad debt that were partially offset by overages in maintenance. **Holly Hall Interim RAD**, which was vacated in November 2019 and therefore not budgeted, has continued to experience a small amount of expense for solid waste tax expense of \$1,660 which will be covered by unrestricted cash in the Opportunity Housing portfolio. **Paint Branch** experienced a negative cash flow variance of \$19,780 due to higher maintenance costs and slightly higher vacancy loss. **Southbridge** ended the year with a positive cash flow variance of \$9,997 due to savings in utility and administrative costs partially offset by overages in maintenance. **State Rental Combined** experienced a positive cash flow variance of \$13,188 as a result of lower concessions and vacancy loss coupled with savings in administrative cost that was countered by overages in bad debt and maintenance. **Stewartown Affordable** converted to the tax credit portfolio on June 30, 2021. Staff is working on reclassing the entries to the appropriate property code.

The Public Fund (Attachment D)

- The FY'22 Budget was developed with no Public Housing property budgets. **Elizabeth House** receive additional Rental Assistance Demonstration ("RAD") vacant unit subsidies last fiscal year that were subsequently transferred to the Elizabeth House RAD property in the first quarter of FY'22. A small amount of expenses continued at **Emory Grove** for communication costs and solid waste tax.
- The Housing Choice Voucher Program ("HCVP") ended the quarter with a surplus of \$962,601. The surplus was comprised of Housing Assistance Payment ("HAP") revenue that exceeded HAP payments by \$69,318 coupled with an administrative surplus of \$893,283. The HAP surplus will be restricted to the HCVP reserve known as the Net Restricted Position (NRP), which includes funds received in prior years that were recognized but not used. The administrative surplus was the result of higher than anticipated administrative fee income coupled with savings in administrative expenses due largely to staff turnover. The higher administrative fee income was primarily the result of the administrative fee income received

to support the emergency and COVID 19 vouchers.

Tax Credit Partnerships

The Tax Credit Partnerships have a calendar year end.

The Capital Budget (Attachment E)

Attachment E is a chart of the Capital Improvements Budget for FY'22. The chart is grouped in two sections – General Fund and Opportunity Housing properties. This report is being presented for information only. Most of the variances in the capital budgets reflect timing issues. Capital projects are long-term; therefore, it is very difficult to analyze each project on a quarterly basis. We will keep the Commission informed of any major issues or deviations from the planned Capital Improvements Budget.

- The **Manor at Cloppers Mill** has exceeded its FY'22 capital budget due to HVAC replacement. The **Manor at Fair Hill Farm** overspent as a result of unanticipated plumbing and HVAC expenditures and replacement of trash compactor. **Stewartown Affordable** converted to the tax credit portfolio on June 30, 2021. Staff is working on reclassing the entries to the appropriate property code.

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

WHEREAS, the Commission reviewed the First Quarter FY’22 Budget to Actual Statements during its January 12, 2022 meeting; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the First Quarter FY’22 Budget to Actual Statements.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on January 12, 2022.

Patrice Birdsong
Special Assistant to the Commission

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FY 2022 First Quarter Operating Budget to Actual Comparison

	Unrestricted Net Cash Flow		
	(3 Months) Budget	(3 Months) Actual	Variance
General Fund			
General Fund	(\$4,439,132)	(\$2,572,382)	\$1,866,750
Administration of Multifamily and Single Family Fund			
Multifamily Fund	\$456,983	\$518,070	\$61,087
Draw from / (Restrict to) Multifamily Bond Fund	(\$456,983)	(\$518,070)	(\$61,087)
Single Family Fund	\$445,302	\$510,334	\$65,032
Draw from / (Restrict to) Single Family Bond Fund	(\$445,302)	(\$510,334)	(\$65,032)
Opportunity Housing Fund			
Opportunity Housing Properties	\$625,456	\$619,627	(\$5,829)
Development Corporation Property Income	\$1,903,065	\$1,618,853	(\$284,212)
OHRF			
OHRF Balance	\$115,122	\$207,435	\$92,313
Excess Cash Flow Restricted	(\$115,122)	(\$207,435)	(\$92,313)
Draw from existing funds	\$0	\$0	\$0
Net -OHRF	\$0	\$0	\$0
SUBTOTAL - General Fund, Multifamily, Single Family, Opportunity Housing	(\$1,910,611)	(\$333,902)	\$1,576,709
Public Fund			
Public Housing Rental (1)	\$0	(\$73,101)	(\$73,101)
Housing Choice Voucher Program HAP (2)	\$810,909	\$69,318	(\$741,591)
Housing Choice Voucher Program Admin (3)	\$27,856	\$893,283	\$865,427
Total -Public Fund	\$838,765	\$889,500	\$50,735
Public Fund - Reserves			
(1) Public Housing Rental - Draw from / Restrict to Program	\$0	\$73,101	\$73,101
(2) Draw from / Restrict to HCV Program Cash Reserves	(\$810,909)	(\$69,318)	\$741,591
(3) Draw from / Restrict to HCV Program Excess Admin Fee	(\$27,856)	(\$893,283)	(\$865,427)
SUBTOTAL - Public Funds	\$0	\$0	\$0
TOTAL - All Funds	(\$1,910,611)	(\$333,902)	\$1,576,709

FY 2022 First Quarter Operating Budget to Actual Comparison

	Capital Expenses		Variance
	(12 Months) Budget	(3 Months) Actual	
General Fund			
880 Bonifant	\$277,000	\$19,849	\$257,151
East Deer Park	\$95,000	\$897	\$94,103
Kensington Office	\$160,000	\$0	\$160,000
Information Technology	\$844,580	\$109,051	\$735,529
Opportunity Housing Fund	\$6,510,745	\$1,706,133	\$4,804,612
TOTAL - All Funds	\$7,887,325	\$1,835,930	\$5,794,244

FY 2022 First Quarter Operating Budget to Actual Comparison

Development Corp Properties - Net Cash Flow

	(3 Months)	Variance		(3 Months)	Variance
	Net Cash Flow Budget	Income	Expense	Net Cash Flow Actual	
Properties with unrestricted cash flow for FY21 operating budget					
Alexander House Dev Corp	(\$56,438)	(\$15,547)	(\$12,864)	(\$84,848)	(\$28,410)
The Barclay Dev Corp	(\$22,334)	\$17,178	\$28,174	\$23,018	\$45,352
Glenmont Crossing Dev Corp	\$123,939	\$1,790	(\$57,386)	\$68,343	(\$55,596)
Glenmont Westerly Dev Corp	\$61,501	\$4,376	(\$31,629)	\$34,247	(\$27,254)
Magruder's Discovery Dev Corp	\$202,708	(\$40,507)	\$2,717	\$164,919	(\$37,789)
The Metropolitan Dev Corp	\$539,975	(\$17,855)	\$23,348	\$545,468	\$5,493
Montgomery Arms Dev Corp	\$139,011	(\$2,877)	(\$33,401)	\$102,733	(\$36,278)
MPDU II (59) Dev Corp	\$77,312	\$7,677	\$24,478	\$109,467	\$32,155
Paddington Square Dev Corp	\$165,459	(\$36,759)	(\$66,966)	\$61,734	(\$103,725)
Pooks Hill High-Rise Dev Corp	\$146,599	\$14,390	\$5,301	\$166,290	\$19,691
Scattered Site One Dev Corp	\$29,879	\$29,526	(\$91,153)	(\$31,748)	(\$61,627)
Scattered Site Two Dev Corp	(\$26,860)	\$911	\$14,861	(\$11,088)	\$15,772
Sligo MPDU III Dev Corp	(\$4,315)	\$1,222	(\$18,000)	(\$21,093)	(\$16,778)
VPC One Dev Corp	\$300,122	(\$29,595)	\$48,029	\$318,557	\$18,435
VPC Two Dev Corp	\$226,507	(\$17,828)	(\$35,825)	\$172,854	(\$53,653)
Subtotal	\$1,903,065	(\$83,898)	(\$200,316)	\$1,618,853	(\$284,212)
Properties with restricted cash flow (external and internal)					
MetroPointe Dev Corp	(\$55,494)	\$10,070	(\$6,344)	(\$51,768)	\$3,726
Oaks at Four Corners Dev Corp	\$22,280	\$2,648	\$66,145	\$91,072	\$68,792
RAD 6 Dev Corp Total	(\$198,858)	\$911,759	\$24,719	\$737,619	\$936,477
Ken Gar Dev Corp	(\$16,779)	\$97,693	\$3,953	\$84,867	\$101,646
Parkway Woods Dev Corp	(\$4,092)	\$126,395	\$9,428	\$131,731	\$135,823
Sandy Spring Meadow Dev Corp	(\$17,063)	\$173,996	\$10,411	\$167,344	\$184,407
Seneca Ridge Dev Corp	(\$105,369)	\$246,735	(\$16,865)	\$124,501	\$229,870
Towne Centre Place Dev Corp	(\$19,050)	\$222,176	\$16,353	\$219,478	\$238,528
Washington Square Dev Corp	(\$36,505)	\$44,764	\$1,439	\$9,698	\$46,203
Subtotal	(\$232,072)	\$924,477	\$84,520	\$776,923	\$1,008,995
TOTAL ALL PROPERTIES	\$1,670,993	\$840,579	(\$115,796)	\$2,395,776	\$724,783

FY 2022 First Quarter Operating Budget to Actual Comparison
For Opportunity Housing Properties - Net Cash Flow

	(3 Months)		Variance		(3 Months)	
	Net Cash Flow		Income	Expense	Net Cash Flow	
	Budget				Actual	Variance
Properties with unrestricted cash flow for FY22 operating budget						
MPDU I (64)	\$4,492	(\$183)	\$60,428		\$64,737	\$60,245
Avondale Apartments	\$30,475	(\$21,757)	(\$37,218)		(\$28,500)	(\$58,975)
Barclay Affordable	\$22,727	(\$42,350)	\$445		(\$19,179)	(\$41,906)
Camp Hill Square	\$39,682	(\$13,454)	(\$10,344)		\$15,884	(\$23,798)
Chelsea Towers	(\$36,029)	\$1,233	\$16,870		(\$17,926)	\$18,103
Cider Mill Apartments	\$67,179	\$211,372	(\$218,472)		\$60,079	(\$7,100)
Day Care at Lost Knife Road	(\$25,913)	\$0	\$1,384		(\$24,529)	\$1,384
Elizabeth House Interim RAD	\$14,148	\$81,135	(\$37,609)		\$57,674	\$43,526
Fairfax Court	\$16,916	\$7,279	\$4,131		\$28,326	\$11,410
Georgian Court Affordable	\$94,508	(\$2,053)	\$37,299		\$129,754	\$35,246
Holiday Park	(\$75,518)	(\$2,370)	(\$21,817)		(\$99,704)	(\$24,186)
Jubilee Falling Creek	(\$5,659)	\$0	\$2,369		(\$3,290)	\$2,369
Jubilee Hermitage	(\$2,955)	\$27	(\$6,329)		(\$9,257)	(\$6,302)
Jubilee Horizon Court	(\$2,192)	\$0	\$2,834		\$642	\$2,834
Jubilee Woodedge	(\$821)	(\$5,283)	\$3,087		(\$3,017)	(\$2,196)
Manchester Manor	\$16,105	(\$2,515)	(\$28,847)		(\$15,257)	(\$31,362)
The Manor at Cloppers Mill	\$63,520	(\$20,951)	\$8,100		\$50,669	(\$12,851)
The Manor at Colesville	\$63,585	(\$11,896)	(\$23,830)		\$27,859	(\$35,726)
The Manor at Fair Hill Farm	\$65,253	(\$10,006)	(\$11,901)		\$43,347	(\$21,906)
McHome	\$13,068	(\$5,647)	\$13,866		\$21,287	\$8,219
McKendree	\$2,438	\$582	\$9,422		\$12,442	\$10,004
Metropolitan Affordable	(\$119,115)	\$17,760	\$13,111		(\$88,244)	\$30,871
MHLP VII	(\$39,526)	(\$8,550)	\$25,627		(\$22,449)	\$17,077
MHLP VIII	(\$44,579)	(\$22,789)	(\$9,483)		(\$76,851)	(\$32,272)
MHLP IX Pond Ridge	(\$65,444)	(\$11,218)	\$21,594		(\$55,068)	\$10,376
MHLP IX Scattered Sites	(\$174,957)	(\$27,273)	\$102,360		(\$99,869)	\$75,088
MHLP X	(\$70,239)	(\$8,792)	\$73,153		(\$5,878)	\$64,361
MPDU 2007 Phase II	(\$1,366)	\$0	\$7,802		\$6,436	\$7,802
Olney Sandy Spring Road	(\$2,099)	(\$1,462)	(\$163)		(\$3,724)	(\$1,625)
Pooks Hill Mid-Rise	\$77,326	(\$6,320)	(\$10,892)		\$60,114	(\$17,212)
Shady Grove Apts	\$275,777	\$11,021	(\$1,394)		\$285,404	\$9,627
Strathmore Court	\$200,725	\$8,488	(\$28,688)		\$180,525	(\$20,200)
Strathmore Court Affordable	(\$137,241)	(\$962)	(\$2,962)		(\$141,165)	(\$3,924)
TPP LLC Pomander Court	\$8,854	\$1,824	(\$33,160)		(\$22,481)	(\$31,335)
TPP LLC Timberlawn	\$184,795	\$26,050	(\$41,235)		\$169,610	(\$15,185)
Westwood Tower	\$133,576	\$85,446	(\$134,323)		\$84,700	(\$48,876)
The Willows	\$33,960	\$22,976	(\$409)		\$56,526	\$22,566
Subtotal	\$625,456	\$249,362	(\$255,194)		\$619,627	(\$5,829)
Properties with restricted cash flow (external and internal)						
The Ambassador	\$0	\$0	(\$2,671)		(\$2,671)	(\$2,671)
Bradley Crossing	\$354,015	(\$94,996)	(\$10,395)		\$248,623	(\$105,392)
Brooke Park	\$27,902	(\$50,373)	\$7,568		(\$14,903)	(\$42,805)
Brookside Glen (The Glen)	\$66,400	\$4,392	(\$45,198)		\$25,594	(\$40,806)
CDBG Units	(\$999)	\$0	\$5,144		\$4,145	\$5,144
Dale Drive	\$6,253	(\$13)	\$3,611		\$9,851	\$3,598
Diamond Square	\$90,878	\$930	\$31,158		\$122,966	\$32,088
Holly Hall Interim RAD	\$0	\$0	(\$1,660)		(\$1,660)	(\$1,660)
NCI Units	(\$3,112)	(\$1,014)	\$4,782		\$656	\$3,768
NSP Units	\$1,708	(\$4,916)	\$2,310		(\$898)	(\$2,606)
King Farm Village	\$1,021	\$0	\$152		\$1,173	\$152
Paint Branch	\$13,265	(\$2,481)	(\$17,298)		(\$6,515)	(\$19,780)
Southbridge	\$17,058	(\$504)	\$10,481		\$27,035	\$9,977
State Rental Combined	(\$85,964)	\$36,993	(\$23,805)		(\$72,776)	\$13,188
Stewartown Affordable	\$0	\$135	(\$27,806)		(\$27,671)	(\$27,671)
Subtotal	\$488,425	(\$111,847)	(\$63,627)		\$312,949	(\$175,476)
TOTAL ALL PROPERTIES	\$1,113,881	\$137,515	(\$318,821)		\$932,576	(\$181,305)

FY 2022 First Quarter Operating Budget to Actual Comparison
For HUD Funded Programs

	(3 Months) Budget	(3 Months) Actual	Variance
Public Housing Rental			
Revenue	\$0	\$0	\$0
Expenses	\$0	\$73,101	(\$73,101)
Net Income	\$0	(\$73,101)	(\$73,101)
Housing Choice Voucher Program			
HAP revenue	\$27,304,767	\$26,578,241	(\$726,526)
HAP payments	\$26,493,858	\$26,508,923	\$15,065
Net HAP	\$810,909	\$69,318	(\$741,591)
Admin.fees & other inc.	\$2,153,054	\$2,841,900	\$688,846
Admin. Expense	\$2,125,198	\$1,948,617	\$176,581
Net Administrative	\$27,856	\$893,283	\$865,427
Net Income	\$838,765	\$962,601	\$123,836

FY 2022 First Quarter Operating Budget to Actual Comparison
 For Public Housing Rental Programs - Net Cash Flow

	(3 Months) Net Cash Flow		Variance		(3 Months) Net Cash Flow	
	Budget	Income	Expense	Actual	Variance	
Elizabeth House	\$0	\$0	(\$69,661)	(\$69,661)	(\$69,661)	(\$69,661)
Emory Grove	\$0	\$0	(\$3,424)	(\$3,424)	(\$3,424)	(\$3,424)
TOTAL ALL PROPERTIES	\$0	\$0	(\$73,101)	(\$73,101)	(\$73,101)	(\$73,101)

**FY 2022 First Quarter Operating Budget to Actual Comparison
For Capital Improvements**

	(12 Months) Budget	(3 Months) Actual	Variance
General Fund			
880 Bonifant	\$277,000	\$19,849	\$257,151
East Deer Park	\$95,000	\$897	\$94,103
Kensington Office	\$160,000	\$0	\$160,000
Information Technology	\$844,580	\$109,051	\$735,529
Subtotal	\$1,376,580	\$129,797	\$1,246,783
Opportunity Housing			
Alexander House Dev Corp	\$36,196	\$15,604	\$20,592
Avondale Apartments	\$31,390	\$26,666	\$4,724
The Barclay Dev Corp	\$132,423	\$28,022	\$104,401
Barclay Affordable	\$105,372	\$27,995	\$77,377
Bradley Crossing	\$80,323	\$5,221	\$75,102
Brookside Glen (The Glen)	\$88,752	\$40,236	\$48,516
Camp Hill Square	\$48,312	\$1,714	\$46,598
CDBG Units	\$10,320	\$0	\$10,320
Chelsea Towers	\$16,050	\$458	\$15,592
Cider Mill Apartments	\$772,656	\$233,162	\$539,494
Day Care at 9845 Lost Knife Road	\$6,000	\$0	\$6,000
Dale Drive	\$8,916	\$1,303	\$7,613
Diamond Square	\$635,524	\$0	\$635,524
Elizabeth House Interim RAD	\$5,950	\$0	\$5,950
Fairfax Court	\$49,596	\$18,965	\$30,631
Georgian Court Affordable	\$3,420	\$180	\$3,240
Glenmont Crossing Dev Corp	\$368,845	\$23,132	\$345,713
Glenmont Westerly Dev Corp	\$150,924	\$5,704	\$145,220
Holiday Park	\$19,983	\$1,191	\$18,792
Jubilee Falling Creek	\$9,650	\$0	\$9,650
Jubilee Hermitage	\$8,600	\$1,199	\$7,401
Jubilee Horizon Court	\$9,219	\$0	\$9,219
Jubilee Woodedge	\$8,560	\$0	\$8,560
Ken Gar Dev Corp	\$15,271	\$12,392	\$2,879
King Farm Village	\$2,300	\$0	\$2,300
Magruder's Discovery Dev Corp	\$69,147	\$23,120	\$46,027
Manchester Manor	\$31,092	\$16,658	\$14,434
Manor at Cloppers Mill	\$25,040	\$34,228	(\$9,188)
Manor at Colesville	\$15,740	\$9,162	\$6,578
Manor at Fair Hill Farm	\$40,300	\$98,997	(\$58,697)
McHome	\$74,500	\$15,599	\$58,901
McKendree	\$31,250	\$5,106	\$26,144
MetroPointe Dev Corp	\$673,671	\$17,749	\$655,922
The Metropolitan Dev Corp	\$41,000	\$20,739	\$20,261
Metropolitan Affordable	\$17,576	\$9,066	\$8,510
Montgomery Arms Dev Corp	\$84,017	\$23,861	\$60,156
MHLP VII	\$43,346	\$20,582	\$22,764
MHLP VIII	\$49,000	\$14,711	\$34,289
MHLP IX - Pond Ridge	\$71,034	\$47,096	\$23,938
MHLP IX - Scattered Sites	\$76,250	\$45,913	\$30,337
MHLP X	\$93,600	\$55,900	\$37,700
MPDU 2007 Phase II	\$10,296	\$1,039	\$9,257
617 Olney Sandy Spring Road	\$2,268	\$0	\$2,268
MPDU I (64)	\$64,604	\$12,742	\$51,862
MPDU II (59) Dev Corp	\$82,670	\$17,358	\$65,312
Oaks at Four Corners Dev Corp	\$183,826	\$8,648	\$175,178
NCI Units	\$49,920	\$16,492	\$33,428
NSP Units	\$9,558	\$727	\$8,831
Paddington Square Dev Corp	\$101,356	\$31,207	\$70,149
Paint Branch	\$7,796	\$253	\$7,543
Parkway Woods Dev Corp	\$26,316	\$4,235	\$22,081
Pooks Hill High-Rise Dev Corp	\$56,204	\$2,865	\$53,339
Pooks Hill Mid-Rise	\$49,904	\$14,627	\$35,277
Sandy Spring Meadow Dev Corp	\$15,352	\$5,788	\$9,564
Scattered Site One Dev Corp	\$211,150	\$68,328	\$142,822
Scattered Site Two Dev Corp	\$47,000	\$10,019	\$36,981
Seneca Ridge Dev Corp	\$51,204	\$22,313	\$28,891
Shady Grove Apts	\$12,734	\$4,915	\$7,819
Sligo MPDU III Dev Corp	\$23,550	\$12,946	\$10,604
Southbridge	\$28,176	\$3,499	\$24,677
State Rental Combined	\$201,350	\$115,636	\$85,714
Stewartown Affordable	\$0	\$1,149	(\$1,149)
Strathmore Court	\$163,280	\$64,525	\$98,755
Strathmore Court Affordable	\$88,058	\$15,362	\$72,696
Towne Centre Place Dev Corp	\$15,964	\$2,406	\$13,558
TPP LLC Pomander Court	\$23,222	\$1,029	\$22,193
TPP LLC Timberlawn	\$85,656	\$18,960	\$66,696
VPC One Dev Corp	\$210,400	\$73,554	\$136,846
VPC Two Dev Corp	\$191,400	\$55,822	\$135,578
Washington Square Dev Corp	\$56,236	\$12,334	\$43,902
Westwood Tower	\$196,800	\$141,564	\$55,236
The Willows	\$183,380	\$64,160	\$119,220
Subtotal	\$6,510,745	\$1,706,133	\$4,804,612
TOTAL	\$7,887,325	\$1,835,930	\$6,051,395

FISCAL YEAR 2022 (FY'22) SECOND QUARTER BUDGET AMENDMENT: COMMISSION APPROVAL OF FISCAL YEAR 2022 SECOND QUARTER BUDGET AMENDMENT

January 12, 2022

- Total Operating Budget for the Agency remains unchanged at \$300.4 million.
- Total Capital Budget for the Agency has increased from \$439.1 million to \$440.0 million.
- Personnel Complement remains unchanged.
- No policy changes are reflected in the budget amendment.
- The Budget Finance and Audit Committee reviewed this request at its meeting on December 21, 2021 and joins staff's recommendation that the Commission approve the fiscal year 2022 second quarter budget amendment.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Kayrine Brown, Acting Executive Director

FROM: Staff: Timothy Goetzinger Division: Finance Ext. 4836
 Terri Fowler Ext. 9507
 Tomi Adebo Ext. 9472

RE: **Fiscal Year 2022 (FY'22) Second Quarter Budget Amendment:** Commission Approval of the Fiscal Year 2022 Second Quarter Budget Amendment

DATE: January 12, 2022

OVERALL GOAL & OBJECTIVE:

To amend the FY'22 Budget so that it reflects an accurate plan for the use of the Agency's financial resources for the remainder of the year.

BACKGROUND:

The HOC Budget Policy provides that the Acting Executive Director proposes budget amendments for the Commission to consider, which may better reflect the revenues and expenses for the remainder of the year.

ISSUES FOR CONSIDERATION:

Operating Budget Amendments: Attachment 1-1 details the amendment. Below are descriptions of the proposed amendments:

- **Bond Funds:** Bond draws are made each year to fund the administrative costs associated with the Multifamily and Single Family Bond Programs. As a result of expense savings over the past few years, remaining money from the draws has been restricted to cover future program costs. Staff is recommending that the FY'22 budgeted draws for these funds be reduced by the accumulated savings in each fund.
 - **Multifamily Bond Funds:** Accumulated savings in the Multifamily Bond Fund is \$133,516. The projected draw of \$1,949,687 will be reduced by this amount and the savings will be used towards FY'22 administrative costs. Therefore, there is no impact to the income of the fund. The revised draw will be \$1,816,171.
 - **Single Family Bond Funds:** Accumulated savings in the Single Family Bond Fund is \$82,613. The projected draw of \$1,280,866 will be reduced by this amount and the savings will be used towards FY'22 administrative costs. Therefore, there is no impact to the income of the fund. The revised draw will be \$1,198,253.

Capital Budget Amendments: Attachment 1-2 is a detailed chart of the following proposed transactions. Below is a description of the proposed amendment:

- **Capital Improvements:**

- **The Metropolitan:** It was recently determined that the replacement of the hot water heaters will not be included in the property renovation. This budget amendment will increase the capital budgets for the Metropolitan Market and Metropolitan Affordable properties by \$21,728 and \$9,312, respectively, to proceed with the replacement of the hot water heaters. There are sufficient funds in the two Metropolitan replacement reserves to pay for this expense.
- **Cider Mill:** Six of Cider Mill's roofs need to be replaced immediately and the cost will be \$845,000 which includes a base price of \$700,000 per the bid plus a 10% contingency of \$70,000 and \$75,000 for engineering and inspections. This budget amendment will increase the FY'22 Capital Budget for Cider Mill by \$845,000 to proceed with the roof replacements. There are sufficient funds in Cider Mill's replacement reserve to pay for this expense.

BUDGET IMPACT:

The net effect of the FY'22 Second Quarter Budget Amendment maintains a balanced budget.

The total FY'22 Operating Budget for HOC remains at \$300,440,652. The total FY'22 Capital Budget for HOC increased from \$439,141,889 to \$440,017,929. This is an increase of \$876,040. Approval by the Commission of any budget amendments will revise the FY'22 Budget to reflect an accurate plan for the use of the Agency's resources for the remainder of the year.

TIME FRAME:

For formal action at the January 12, 2022 meeting of the Commission.

The Budget, Finance and Audit Committee informally discussed the FY'22 Second Quarter Budget Amendment at the December 21, 2021 meeting and supports staff's recommendation.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission approve the proposed FY'22 Second Quarter Budget Amendment.

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) adopted a budget for FY’22 on June 9, 2021; and

WHEREAS, the Commission’s Budget Policy allows for amendments to the budget; and

WHEREAS, the net effect of the FY’22 Second Quarter Budget Amendment maintains a balanced operating budget; and

WHEREAS, the total FY’22 Operating Budget remains unchanged at \$300,440,652; and

WHEREAS, the total FY’22 Capital Budget increased from \$439,141,889 to \$440,017,929; and

WHEREAS, approval of the budget amendments to revise the FY’22 budget will reflect an accurate plan for the use of the Commission’s resources for the remainder of FY’22.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY’22 Capital Budget by increasing capital revenues and expenditures for the Commission from \$439,141,889 to \$440,017,929.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on January 12, 2022.

Patrice Birdsong
Special Assistant to the Commission

FY 2022 Operating Budget Second Quarter Amendment		Revenues	Expenses	First Quarter Budget Amendment	Net Changes		Revenues	Expenses	Second Quarter Budget Amendment
					To Revenue	To Expenses			
General Fund									
	General Fund	\$26,540,864	\$30,006,365	(\$3,465,501)	\$0	\$0	\$26,540,864	\$30,006,365	(\$3,465,501)
	Draw from GFOR to Balance Budget	\$1,241,656	\$0	\$1,241,656	\$0	\$0	\$1,241,656	\$0	\$1,241,656
Multifamily & Single Family Bond Funds									
	Multifamily Fund	\$17,101,758	\$17,101,758	\$0	\$0	\$0	\$17,101,758	\$17,101,758	\$0
	Single Family Fund	\$9,596,244	\$9,596,244	\$0	\$0	\$0	\$9,596,244	\$9,596,244	\$0
Opportunity Housing Fund									
	Opportunity Housing & Dev Corps	\$103,519,025	\$101,489,601	\$2,029,424	\$0	\$0	\$103,519,025	\$101,489,601	\$2,029,424
	Draw from GFOR for MetroPointe Deficit	\$194,421	\$0	\$194,421	\$0	\$0	\$194,421	\$0	\$194,421
	Opportunity Housing Reserve Fund	\$5,895,910	\$1,624,626	\$4,271,284	\$0	\$0	\$5,895,910	\$1,624,626	\$4,271,284
	Restricted to OHRF	\$0	\$4,271,284	(\$4,271,284)	\$0	\$0	\$0	\$4,271,284	(\$4,271,284)
Public Fund									
	Housing Choice Voucher Program	\$118,304,140	\$115,169,540	\$3,134,600	\$0	\$0	\$118,304,140	\$115,169,540	\$3,134,600
	Restrict to HCVP HAP Reserve	\$0	\$2,889,672	(\$2,889,672)	\$0	\$0	\$0	\$2,889,672	(\$2,889,672)
	Restrict to HCVP Administrative Reserve	\$0	\$244,928	(\$244,928)	\$0	\$0	\$0	\$244,928	(\$244,928)
	Federal , State and Other County Grants	\$18,046,634	\$18,046,634	\$0	\$0	\$0	\$18,046,634	\$18,046,634	\$0
TOTAL - ALL FUNDS		\$300,440,652	\$300,440,652	\$0	\$0	\$0	\$300,440,652	\$300,440,652	\$0

Footnotes - explanation of changes recommended to adopted

- MF R** (\$133,516) Reduce Multifamily Bond Fund draw by FY'19 accumulated savings
MF R \$133,516 Add carryover of cumulative savings
- SF R** (\$82,613) Reduce Single Family Bond Fund draw by FY'19 accumulated savings
SF R \$82,613 Add carryover of cumulative savings

FY 2022 Capital Budget Second Quarter Amendment		Revenues	Expenses	First Quarter Amendment	Net Changes to Revenue	Net Changes to Expenses	Revenues	Expenses	Second Quarter Amendment
Capital Improvements									
	East Deer Park	\$155,000	\$155,000	\$0	\$0	\$0	\$155,000	\$155,000	\$0
	Kensington Office	\$100,000	\$100,000	\$0	\$0	\$0	\$100,000	\$100,000	\$0
	880 Bonifant	\$277,000	\$277,000	\$0	\$0	\$0	\$277,000	\$277,000	\$0
	Information Technology	\$844,580	\$844,580	\$0	\$0	\$0	\$844,580	\$844,580	\$0
	Opportunity Housing Properties	\$6,510,745	\$6,510,745	\$0	\$876,040	\$876,040	\$7,386,785	\$7,386,785	\$0
		\$7,887,325	\$7,887,325	\$0	\$876,040	\$876,040	\$8,763,365	\$8,763,365	\$0
Capital Development Projects									
	Bauer Park Apartments	\$9,094,460	\$9,094,460	\$0	\$0	\$0	\$9,094,460	\$9,094,460	\$0
	Deeply Affordable Units	\$1,250,000	\$1,250,000	\$0	\$0	\$0	\$1,250,000	\$1,250,000	\$0
	Elizabeth House III	\$26,358,960	\$26,358,960	\$0	\$0	\$0	\$26,358,960	\$26,358,960	\$0
	Georgian Court	\$29,113,153	\$29,113,153	\$0	\$0	\$0	\$29,113,153	\$29,113,153	\$0
	Hillandale Gateway	\$19,614,762	\$19,614,762	\$0	\$0	\$0	\$19,614,762	\$19,614,762	\$0
	Metropolitan	\$112,604,941	\$112,604,941	\$0	\$0	\$0	\$112,604,941	\$112,604,941	\$0
	Shady Grove	\$42,420,591	\$42,420,591	\$0	\$0	\$0	\$42,420,591	\$42,420,591	\$0
	Stewartown	\$8,360,330	\$8,360,330	\$0	\$0	\$0	\$8,360,330	\$8,360,330	\$0
	Upton II	\$16,285,095	\$16,285,095	\$0	\$0	\$0	\$16,285,095	\$16,285,095	\$0
	West Side Shady Grove	\$63,061,089	\$63,061,089	\$0	\$0	\$0	\$63,061,089	\$63,061,089	\$0
	Westwood Towers	\$42,750,000	\$42,750,000	\$0	\$0	\$0	\$42,750,000	\$42,750,000	\$0
	Willow Manor Resyndication	\$60,341,183	\$60,341,183	\$0	\$0	\$0	\$60,341,183	\$60,341,183	\$0
		\$431,254,564	\$431,254,564	\$0	\$0	\$0	\$431,254,564	\$431,254,564	\$0
TOTAL - ALL FUNDS		\$439,141,889	\$439,141,889	\$0	\$876,040	\$876,040	\$440,017,929	\$440,017,929	\$0

Footnotes - explanation of changes

OH R \$21,728 Amend Budget for Metropolitan Market

OH E \$21,728 Amend Budget for Metropolitan Market

OH R \$9,312 Amend Budget for Metropolitan Affordable

OH E \$9,312 Amend Budget for Metropolitan Affordable

OH R \$845,000 Amend Budget for Cider Mill

OH E \$845,000 Amend Budget for Cider Mill

**UNCOLLECTIBLE TENANT ACCOUNTS RECEIVABLE:
AUTHORIZATION TO WRITE-OFF UNCOLLECTIBLE TENANT
ACCOUNTS RECEIVABLE
(JULY 1, 2021 – SEPTEMBER 30, 2021)**

January 12, 2022

- HOC's current policy is to provide for an allowance for any tenant accounts receivable balance in excess of 90 days.
- Additionally, HOC periodically proposes the write-off of uncollected former resident balances.
- The proposed write-off for the first quarter of Fiscal Year 2022 totaled \$16,676, a decrease of \$33,713 compared to the previous quarter.
- The primary reasons for the write-offs across the properties include tenants who voluntarily left their units, passed away, purchased a home, no longer qualify for the program, went to a nursing home, or left due to a job transfer.
- The next anticipated write-off of former tenants' uncollectible accounts receivable balance will be for the second quarter of FY'22, which will cover the period from October 1, 2021 to December 31, 2021.
- The Budget Finance and Audit Committee reviewed this request at its meeting on December 21, 2021 and joins staff in its recommendation that the approve the proposed write-off of uncollectable former residents' balances for the first quarter of FY'22, which totaled \$16,676.

M E M O R A N D U M

TO: Housing Opportunities Commission of Montgomery County

VIA: Kayrine Brown, Acting Executive Director

FROM: Staff: Tim Goetzinger Division: Finance Ext. 4836
 Eugenia Pascual Finance Ext. 9478
 Nilou Razeghi Finance Ext. 9494
 Charnita Jackson Property Management Ext. 9776

RE: Uncollectible Tenant Accounts Receivable: Authorization to Write-off
Uncollectible Tenant Accounts Receivable (July 1, 2021 – September 30, 2021)

DATE: January 12, 2022

BACKGROUND:

HOC’s current policy is to provide for an allowance for any tenant accounts receivable balance older than 90 days. HOC records all proposed write-offs of former tenant accounts receivable balances in HOC’s Uncollectible Accounts Receivable Database as well as in the various individuals’ Equifax Credit Bureau files. This process updates the financial records to accurately reflect the receivables and provides greater potential for outstanding receivable collection.

HOC also maintains a relationship with the rent collections firm, Rent Collect Global (“RCG”). All delinquent balances of \$200 or more are submitted to RCG for further pursuit. Additionally, HOC offers a Surety Bond Program in which residents are provided the option to purchase a surety bond, at a much lower rate, from the firm SureDeposit, Inc., instead of paying a traditional security deposit to HOC. Furthermore, the full value of the surety bond is available to HOC for recovery of any damage or other loss, just like a traditional security deposit. Through HOC’s collection efforts and the services of RCG and SureDeposit, HOC makes every effort to pursue all tenant outstanding receivables.

The last approved write-off of former tenant accounts receivable balances on September 21, 2021 was for \$50,389, which covered the three-month period from April 1, 2021, through June 30, 2021.

The proposed write-off of former tenant accounts receivable balances for the first quarter July 1, 2021 through September 30, 2021 is \$16,676.

The \$16,676 first quarter write-off is primarily attributable to former tenants within HOC’s Opportunity Housing properties, Town Center Apartments, RAD6 - Sandy Spring and Waverly House LP. The primary reasons for the write-offs across the properties include tenants who

voluntarily left their units, passed away, purchased a home, no longer qualify, went to a nursing home and left due to a job transfer.

The following table shows the write-offs by fund/program.

	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
Property Type	07/01/21 - 09/30/21	04/01/21 - 06/30/21	06/30/21 - 09/30/21	06/30/21 - 09/30/21	07/01/21 - 09/30/21	07/01/20 - 09/30/20
Public Housing	\$ -	\$ -	\$ -	0.00%	\$ -	\$ 370
Opportunity Housing	13,684	34,362	(20,678)	-60.18%	13,684	40,603
Supportive Housing	-	15,149	(15,149)	-100.00%	-	20,825
RAD Properties	230	878	(648)	-73.80%	230	15,807
Rental Asst Sec8 Repays	-	-	-	0.00%	-	-
236 Properties	2,762	-	2,762	0.00%	2,762	-
	\$ 16,676	\$ 50,389	\$ (33,713)	-66.91%	\$ 16,676	\$ 77,605

The following tables show the write-offs by fund and property.

Public Fund

	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
Public Fund	07/01/21 - 09/30/21	04/01/21 - 06/30/21	06/30/21 - 09/30/21	06/30/21 - 09/30/21	07/01/21 - 09/30/21	07/01/20 - 09/30/20
Former PH Tenants	\$ -	\$ -	\$ -	0.00%	\$ -	\$ 370
Total Public Fund	\$ -	\$ -	\$ -	0.00%	\$ -	\$ 370

Within the public Housing portfolio, there were no write-offs to report in the first quarter of FY '22.

Opportunity Housing Fund

	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
Opportunity Housing (OH) Fund	07/01/21 - 09/30/21	04/01/21 - 06/30/21	06/30/21 - 09/30/21	06/30/21 - 09/30/21	07/01/21 - 09/30/21	07/01/20 - 09/30/20
Camp Hill Square	\$ -	\$ 17,288	\$ (17,288)	-100.00%	\$ -	\$ 3,683
Holiday Park	-	40	(40)	-100.00%	-	-
Magruder's Discovery	-	847	(847)	-100.00%	-	-
McHome	8,392	749	7,643	1020.43%	8,392	-
MHLP I/64	-	-	-	0.00%	-	397
MHLP IX - MPDU	2,356	-	2,356	0.00%	2,356	-
MHLP IX - Pondridge	-	-	-	0.00%	-	-
MHLP X	556	150	406	270.67%	556	-
NCI-1 - 60 Catoctin Court	-	1,458	(1,458)	-100.00%	-	-
Scattered Site One Dev Corp	-	2,519	(2,519)	-100.00%	-	11,798
Sligo Dev Corp MPDU III	-	9,858	(9,858)	-100.00%	-	-
State Rental Partnership	2,157	266	1,891	710.90%	2,157	2,943
TPM Dev Corp - MPDU II (59)	-	-	-	0.00%	-	21,782
VPC One Corp	223	-	223	0.00%	223	-
VPC Two Corp	-	1,187	(1,187)	-100.00%	-	-
Total OH Fund	\$ 13,684	\$ 34,362	\$ (20,678)	-60.18%	\$ 13,684	\$ 40,603

Within the Opportunity Housing portfolio, the \$13,684 write-off amount were attributable to McHome, MHLP IX-MPDU, MHLP IX-Pond Ridge, MHLP X, State Rental Partnership and VPC One

Corp. The write-offs were mainly due to three tenants who no longer qualify, two tenants who voluntarily vacated their units, one tenant who purchased a home and one tenant who left due to a job transfer.

Supportive Housing

	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	07/01/21 - 09/30/21	04/01/21 - 06/30/21	06/30/21 - 09/30/21	06/30/21 - 09/30/21	07/01/21 - 09/30/21	07/01/20 - 09/30/20
Supportive Housing						
McKinney X - HUD	\$ -	\$ 14,082	\$ (14,082)	-100.00%	\$ -	\$ 20,825
McKinney XIV - HUD	-	1,067	(1,067)	-100.00%	-	-
Total Supportive Housing	\$ -	\$ 15,149	\$ (15,149)	-100.00%	\$ -	\$ 20,825

Within the Supportive Housing Program, there were no write-offs to report in the first quarter of FY '22.

LIHTC/RAD Properties

	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	07/01/21 - 09/30/21	04/01/21 - 06/30/21	06/30/21 - 09/30/21	06/30/21 - 09/30/21	07/01/21 - 09/30/21	07/01/20 - 09/30/20
RAD Properties						
RAD 6 - Sandy Spring	\$ 46	\$ -	\$ 46	0.00%	\$ 46	\$ -
RAD 6 - Seneca Ridge	-	-	-	0.00%	-	15,807
Waverly House LP	184	878	(694)	-79.04%	184	-
Total RAD Properties	\$ 230	\$ 878	\$ (648)	-73.80%	\$ 230	\$ 15,807

Within the RAD properties, the \$230 write-off amounts were due to two tenants who are deceased.

236 Properties

	Current	Prior			Fiscal Year 2022	Fiscal Year 2021
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	07/01/21 - 09/30/21	04/01/21 - 06/30/21	06/30/21 - 09/30/21	06/30/21 - 09/30/21	07/01/21 - 09/30/21	07/01/20 - 09/30/20
236 Properties						
Town Center Apartments	\$ 2,762	\$ -	\$ 2,762	0.00%	\$ 2,762	\$ -
Total 236 Properties	\$ 2,762	\$ -	\$ 2,762	0.00%	\$ 2,762	\$ -

Within the 236 properties, the \$2,762 write-off amounts were due to one tenant who are deceased and one tenant who went to a nursing home.

The next anticipated write-off will be for the second quarter of FY'22, covering October 1, 2021, through December 31, 2021. Upon approval, the write-offs will be processed through Yardi's write-off function with the tenant detail placed into the uncollectible accounts receivable database.

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff's recommendation, which is supported by the Budget Finance and Audit Committee, to authorize the write-off of uncollectible tenant accounts receivable for \$16,676?

BUDGET IMPACT:

The recommended write-off of the tenant accounts receivable balances does not affect the net income or cash flow of the individual properties or the Agency as a whole. The write-off expense was recorded when the initial allowance was established because of the receivable balance being 90 days past due. The recommended write-off is to adjust the balance sheet and remove the aged receivable balances.

TIME FRAME:

For formal action at the January 12, 2022 meeting of the Commission.

STAFF RECOMMENDATION:

Staff recommends that the Commission authorize the write-off of the uncollectible tenant accounts receivable of \$16,676 for the period covering July 1, 2021 to September 30, 2021.

RESOLUTION NO. 22-05

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

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

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

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period of July 1, 2021 – September 30, 2021 is \$16,676, consisting of \$13,684 from Opportunity Housing properties, \$230 from LIHTC/RAD Properties, and \$2,762 from Town Center Apartments (236 Properties).

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Acting Executive Director, or her designee, without further action on its part, to take any and all actions necessary and proper to write off \$16,676 in uncollectible accounts receivable related to (i) tenant balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on January 12, 2022.

Patrice M. Birdsong
Special Assistant to the Commission

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Closing Statement

Written Statement for Closing a Meeting (“Closing Statement”)

Date: January 12, 2022

A. Pursuant to Section 3-305(b) and (d) of the General Provisions Article of the Annotated Code of Maryland, I move to adjourn this open session to a closed session only:

1. X “To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals”;

3. X “To consider the acquisition of real property for a public purpose and matters directly related thereto;” and

13. X “To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.”

B. For each provision checked above, the topic to be discussed and the reason for discussing that topic in closed session is provided below.

Statutory Citation	Topic	Reason for closed-session discussion
§3-305(b)(1)	The employment, performance, and compensation of a specific individual employee.	The meeting must be closed to the public because it involves an individual employee over whom HOC has jurisdiction, and the discussion will include personal information about the individual’s specific performance and employment.
§3-305(b)(3)	The potential acquisition/purchase of multifamily properties located in Bethesda, Maryland.	The meeting must be closed in order to protect HOC’s ability to purchase the properties. Public discussion of this item could harm HOC’s bargaining position and result in HOC not being able to purchase the properties.
§3-305(b)(13)	The confidential commercial and financial terms of HOC’s potential purchase of the above referenced acquisition.	Section 4-335 of the Maryland Public Information Act prevents disclosure of confidential commercial or financial information obtained from a third-party. The meeting must be closed to the public in order to protect confidential commercial and financial information provided to HOC from financial institutions regarding the financing of the above referenced acquisition. All such information to be discussed is customarily and actually treated as private by the financial institutions, and has been provided to HOC under an assurance of privacy.

C. This statement is made by Roy Priest, Chair.

D. Recorded vote to close the meeting:

- Date: January 12, 2022 Time: _____ Location: Zoom (LiveStream on YouTube)
- Motion to close meeting made by: _____
- Motion seconded by: _____
- Commissioners in favor: _____
- Commissioners opposed: _____
- Commissioners abstaining: _____
- Commissioners absent: _____

Officer’s Signature: _____

Adjourn

Closed Session