



Housing Opportunities Commission of Montgomery County

REPORT OF THE EXECUTIVE DIRECTOR

Chelsea Andrews
Executive Director

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HOC ADVANCING TOGETHER AT NAHRO CONFERENCE

- Members of the Housing Opportunities Commission (“HOC”) Board, joined me in attending the National Association of Redevelopment Officials (“NAHRO”) convened their National Conference in San Diego, September 22 – 24, 2022, its first in-person conference in over three years
- The conference offered valuable information on the state of affordable housing across the nation, best practices, and tips on various topics
- Some key central themes were the challenges we are all facing with the sky-rocketing costs of housing, the impact on voucher utilization and the difficulties housing authorities are experiencing as we transition out of the pandemic while at the same time having to respond to multiple new requirements from HUD



Connect Maryland Grants for HOC and Montgomery County



- Georgian Court and Shady Grove were among several residential properties awarded a Connected Communities Grant by the state of Maryland
- Each property was awarded each \$250,000 from the State as well as matching funds from the County totaling more than \$400,000 per property
- The grant is to be used for wiring both properties with MoCoNet
- Through MoCoNet, the County and HOC will be able to provide affordable or free internet to the residents

Comments on Recent Interest Rate Trends

- The financial markets have gone through a period of unusually low interest rates
- So low that the permanent financing for Fenton Silver Spring closed in 2020 at below 2% (1.869%)
- We are now adjusting to interest rate levels that are more reflective of normal rates (4.50% - 6.5%) which are driven by:
 - National Economic Conditions
 - Global Factors
 - Inflationary Environment (highest in 40 years)
 - Federal Reserve Action to Combat Inflation
- The Federal Reserve has implemented five rate hikes in 2022 from 0.20% -.25% in March 2022 to 3.00% - 3.25% in September 2022
- Two more hikes (.75% each) are expected in 2022, bringing the targeted Fed Funds rate to 4.25% - 4.50%

Best Practices for Minimizing Risk & Strategies for Higher Rates

- As always, HOC must prepare to respond to changing financial market conditions for its transactions
 - Plan for fixed rate financing to avoid fluctuating interest rates
 - Build interest rate cushion into the underwriting of transactions
 - Propose variable rate transactions to lower borrowing costs
 - Manage variable rate risk by using interest rate swaps to fix interest rate
 - Be prepared to delay projects starts, but weigh cost of doing so
- Fed is raising interest rates to suppress inflation
 - Labor and materials inflation had previously been a far larger part of project cost increases
 - Higher rates reduce project senior mortgage proceeds; however, lower costs would offset the reduction in senior mortgage proceeds



Impact of the Interest Rates on HOC Debt Financing Tools

- **Bond prices** are sensitive to interest rate hikes
 - As rates rise, so do the interest rate on bonds, which means higher mortgage rates for HOC
- **Lines of credit** will experience higher interest rate costs
 - The lines of credit with PNC Bank, N.A. pay interest at LIBOR (soon to be SOFR) plus a spread
 - As rates increase, so do the interest cost for draws on the lines of credit and expense in the General Fund
- **Unused bond proceeds** from recent bond issuances, while waiting to be drawn down are:
 - Invested in money market accounts at the Trustees
 - Higher interest rate will result in increased investment income, an overall benefit to the HOC



Resident Services Update: *Service Coordination*

- The Service Coordination Unit provides assessment, counseling, information, referrals and program services to HOC customers
- During the month of September 2022, staff continued to provide services virtually and in person
- Resident Counselors continued to engage with HOC customers to determine their needs

RESIDENT SERVICES ACTIVITIES: *Cider Mill, Montgomery Village*

- Continued to work with staff from the Montgomery County Department of Health and Human Services' Street Outreach Network ("SON") to facilitate safe zones at Cider Mill and other HOC properties
- The safe zones will be held on the properties after hours as a way to provide safe places for youth and to promote participation in available programming
- The goal is to have the safe zones begin in October 2022
- Continued to assist the Property Management staff to address rent delinquencies by conducting door-to-door outreach, assessments, and provide referrals

RESIDENT SERVICES ACTIVITIES: *Resident Well Being*

- Senior Brown Bag food distribution at Elizabeth House, in Silver Spring on September 2nd
- In partnership with St. John's Church of Bethesda, facilitated the nutritional education and food distribution event at Waverly House in Bethesda on each Friday during September
- Conducted health assessments for upcoming Diabetes clinic to be held at Forest Oak Towers in Gaithersburg

RESIDENT SERVICES: *Others*

- Facilitated the Arts for the Aging Program at Arcola Towers; and
- Facilitated a trip to Sandy Point State Park and Beach for seniors at Elizabeth House

RESIDENT SERVICES ACTIVITIES: *Bingo at Forest Oak Towers*

Bingo is held at Forest Oak Towers regularly to promote resident socialization and well being.



RESIDENT SERVICES ACTIVITIES: *University of Maryland Nursing Program at Arcola Towers*

In an effort to promote health and well being nurses from the University of Maryland came to Arcola Towers to provide medial assessments and treatment for residents.



RESIDENT SERVICES ACTIVITIES: *Ice Cream Social at Bauer Park*

An ice cream social was facilitated at Bauer Park to promote socialization among residents.



RESIDENT SERVICES ACTIVITIES: *Relocation and Re-Certification Assistance*

- Assisted customers on an ongoing basis with relocations and other needs for RAD and renovation projects at:
 - Residences on the Lane,
 - Stewartown Homes,
 - Shady Grove Apartments,
 - Willow Manor Apartments,
 - Bauer Park,
 - Town Center Olney,
 - Sandy Spring,
 - Willow Manor and
 - Georgian Court.
- Provided outreach and assistance to customers who have failed to submit all required documents for re-certification by the stated deadline

RESIDENT SERVICES ACTIVITIES: *Rental Assistance*

- Provided face-to-face and electronic outreach and assistance to customers with applications for rental assistance programs

RESIDENT SERVICES: *Others*

- The Resident Services Division continued to provide food resources and other support
- In September, 400 HOC customers were provided with food
- The Resident Services staff also continued to facilitate the Senior Nutrition Program

RESIDENT SERVICES ACTIVITIES: Community Event at Washington Square

A community event was held at Washington Square to re-engage the community for the purposes of facilitating in-person programming. The event included needs assessment, distribution of school supplies, face painting, food and games.





Resident Services Update: HOC Academy *Youth Education/ Enrichment*

- HOC Academy staff spent September recruiting middle school and high school aged youth for STEAM Forward's College Success Program. An information session for the program was held on September 7, 2022
- Youth were also registered for services via First Generation College Bound, Inc.
- One youth received a scholarship to enroll in a Biology Course from Apologia Educational in September 2022
- The HOC Academy staff also recruited elementary school aged youth for the STEAM enrichment program, which will begin in November 2022



Resident Services Update: HOC Academy *Adult Education and Workforce Development*

- Several Small Business Strategy Course (SBSC) alumni from FY'22 completed the legalization process for their business in September 2022
- The HOC Academy staff also spent September planning for upcoming small business development opportunities. These opportunities include a marketing webinars and the small business strategy course



Resident Services Update: *Financial Literacy*

- During September, the Financial Literacy Coach provided one-on-one financial literacy coaching to six (6) HOC customers, and nine (9) individuals from the Housing Path waitlist
- During September, the Financial Literacy Coach also facilitated financial literacy workshops. Three (3) HOC customers and five (5) individuals from the waitlist attended the workshops



Resident Services Update: *Supportive Housing*

- Provides housing assistance and case management services to 239 participants who are formerly homeless with disabilities
- In September, program staff continued to conduct home visits with program participants
- Program staff also worked to submit required information for the HUD grant renewal process and continued to help Emergency Voucher recipients to secure housing and provide financial assistance
- Program staff also continued to implement the Rent Supplement Program (RSP)



Resident Services Update: *Fatherhood Initiative*

HOC completed its first five-year grant as a ‘best practice’ model. HOC was awarded an additional grant and is currently in year two of the new grant period. HOC has recently been awarded a renewal of the grant and will begin year three in October 2022. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. In September, the program recruited fathers for the first cohort of the new grant year.



Housing Resource Division Update

Housing Choice Voucher Program

- HOC has an allocation of 118 Emergency Housing Vouchers (EHVs)
- Currently 82 families have successfully leased units
- Seventeen families with issued vouchers are searching for suitable units to rent
- HOC received 8 referrals from Department of Health and Human Services; program eligibility is pending
- HOC requested 11 additional referrals from HHS for the EHV Program



Housing Resource Division Update *Family Self Sufficiency (“FSS”) Program*

- Staff continues to engage and market the FSS program to Housing Choice Voucher participants by phone and virtual information sessions
- FSS Case Managers continue to work with customers on their long- and short-term self-sufficiency goals
- Three families graduated from the FSS program in the month of September, of which one of family purchased a home
- The FSS Action Plan was submitted to HUD on September 21, 2022 and we are pleased to share that it was approved by HUD on September 29, 2022

INFORMATION TECHNOLOGY DIVISION: *Yardi PHA Client Portal for RENTCafe*

- Housing Choice Voucher (HCV) program participant utilization of the Yardi PHA Client Portal for RENTCafe continues to progress steadily. The total population of registered HCV participants and participants who have been contacted to enroll in the system increased from 1453 to 1886, or 29.8%
- Below are recent statistics since enrollment of the first cohort began after the launch of the portal on July 11, 2022

Status of HCV Participant System Enrollment and Recertification	9/7/2022	9/28/2022	Rate of Increase
Completed registration	995	1423	+43.0%
Contacted for enrollment	458	463	<1.0%
Completed annual recertification online	717	988	+37.7%

- Sixty-nine percent (69%) of registered participants have completed their annual recertification online through the portal
- The enrollment process for the second cohort of HCV program participants will begin in early October

INFORMATION TECHNOLOGY DIVISION: *IT Support for HOC Events*

- The Information Technology Division (IT) serves as a critical partner to support the agency's virtual and in-person events, which help promote services and a sense of community for our staff, residents and housing program participants
- Services for which IT is responsible include connecting hardware, configuring and testing microphone speaker settings and pre-loading registration forms and assessment forms to Chromebooks to help track attendance and gather post-event participant feedback
- Recently, IT provided on-site support for the Community Engagement pop-up at Washington Square in Gaithersburg, MD on September 22, 2022



EXECUTIVE DIRECTOR REPORT

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