



EXPANDED AGENDA

April 3, 2019

		Res #
3:30 p.m.	Public Hearing <ul style="list-style-type: none"> Revisions to HOC’s Administrative Plan for the Housing Choice Voucher Program to Update Formatting, Correct Typographical Errors, and Add Clarity to Chapter 1, 2, 5, and 6 of the Plan Authorization to Submit HOC’s Fiscal Years 2020-2024 Five-Year Public Housing Agency Plan 	
4:00 p.m.	I. <u>INFORMATION EXCHANGE</u> <ul style="list-style-type: none"> A. Resident Advisory Board B. Community Forum 	
4:30 p.m. Page 5	II. <u>APPROVAL OF MINUTES</u> <ul style="list-style-type: none"> A. Approval of Minutes of March 6, 2019 	
Page 19	III. <u>CONSENT</u> <ul style="list-style-type: none"> A. Approval of New Participating Lender for the Single Family Mortgage Purchase Program 	19-34 (pg 24)
4:35 p.m. Page 26	IV. <u>INFORMATION EXCHANGE (CONTINUED)</u> <ul style="list-style-type: none"> A. Report of the Executive Director B. Commissioner Exchange 	
4:45 p.m.	V. <u>ADMINISTRATIVE AND SPECIAL SESSION RATIFICATION</u> <ul style="list-style-type: none"> A. 	
4:45 p.m.	VI. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u>	
Page 33	A. Budget, Finance & Audit Committee – Com. Nelson, Chair <ul style="list-style-type: none"> 1. Approval to Renew the Property Assistance Contract with Edgewood Management Corporation for Property Management Services at the Five HUBs for 20 Months 	19-35 (pg 36)
Page 38	B. Development and Finance Committee – Com. Simon, Chair <ul style="list-style-type: none"> 1. Approval to Issue a Notice to Proceed with Commencement of Construction at Elizabeth House III and the South County Regional Recreational and Aquatic Center Prior to Closing of the Construction Loan 	19-36 (pg 47)
49	<ul style="list-style-type: none"> 2. Approval of Structure, Cost of Issuance Budget, and Adoption of A Series Resolution for 2019 Series A and 2019 Series B Single Family Mortgage Revenue Bonds for the Purpose of Issuing New Debt and Replacement Refunding Single Family Mortgage Revenue Bonds 	19-37 (pg 64) 19-37 ^A (pg 67) 19-37 ^B (pg 96)
121	<ul style="list-style-type: none"> 3. Approval to Create a Pool of General Contractors for Renovations, Unit Turns and Repairs and Replacements at Various Multifamily Properties in Accordance with RFQ #2141 	19-38 (pg 133)
136	<ul style="list-style-type: none"> 4. Approval to Create and Select Firms for A Qualified Pool of Real Estate Counsel in Accordance with RFQ #2150; Authorization to Execute Agreements for Service with Selected Firms; Approval to Engage Selected Firms; and Authorization to Pay for Services 	19-39 (pg 158)
162	<ul style="list-style-type: none"> 5. Authorization for the Executive Director to Enter into a Contract with Hooten Construction Company for the Renovation of 880 Bonifant Street Property to Serve as the new Silver Spring Customer Service Center 	19-40 (pg 176)

Page 179	C. Legislative and Regulatory Committee – Com. Byrd, Chair 1. Revisions to HOC’s Administrative Plan for the Housing Choice Voucher Program to Update Formatting, Contract Typographical Errors, and Add Clarity to Chapter 1, 2, 5, and 6 of the Plan 2. Authorization to Submit HOC’s Fiscal Years 2020-2024 Five-Year Public Housing Agency Plan	19-41 _(pg 182)
228		19-42 _(pg 232)
5:25 p.m.	VII. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u>	
Page 248	1. Presentation of the Executive Director’s FY20 Recommended Budget	
	VIII. <u>*FUTURE ACTION ITEMS</u> None	
5:45 p.m.	<u>ADJOURN</u>	
5:50 p.m.	<u>ADMINISTRATIVE SESSION</u> <i>A closed Administrative Session will be called to order pursuant to Section 3-305(b)(13) of the General Provisions Article of the Annotated Code of Maryland</i>	

NOTES:

1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. ***Times are approximate and may vary depending on length of discussion.***
4. *These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.

INFORMATION EXCHANGE

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

March 6, 2019

19-03

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, March 6, 2019 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:17 p.m. Those in attendance were:

Present

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

Absent

Edgar Rodriguez

Also Attending

Stacy L. Spann, Executive Director
Ali Khademain
Kayrine Brown
Charlotte Mbouma
Christina Autin
Cornelia Kent
Carol April
Derrick Thompson
Ellen Goff
Rita Harris
Eugenia Pascual
Ian-Terrell Hawkins
Jay Shepherd
Ian Williams
Terri Fowler

Aisha Memon, Acting General Council
Jennifer Arrington
Bonnie Hodge
Lorie Seals
Lynn Hayes
Marcus Ervin
Mary Phillips
Patrick Mattingly
Melody Stanford
Ethan Cohen
Fred Swan
Sherraine Rawlins
Shauna Sorrells
Kathryn Hollister

Resident Advisory Board

Yvonne Caughman, Vice President

Guest

Macedonia Baptist Church Supporters
Lalona Davis
Marta Mega

IT Support

Irma Rodriguez
Rony Joseph

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

I. **Approval of Minutes**

- A. **Approval of Minutes of January 23, 2019 Special Session** - The minutes were approved as submitted with a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.
- B. **Approval of Minutes of February 6, 2019 Regular Meeting** – The minutes were approved as submitted with a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote..
- C. **Approval of Minutes of February 6, 2019 Administrative Session** – The minutes were approved as submitted with a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.
- D. **Approval of Minutes of February 22, 2019 Special Session** – The minutes were approved as submitted with a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

II. **CONSENT ITEMS**

- A. **Approval to Release the Funding Obligation of the Real Estate Working Capital Operating Fund Related to the White Flint Development**

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

RESOLUTION NO: 19-25

RE: Approval to Release the Funding Obligation of the Real Estate Working Capital Operating Fund Related to the White Flint Fire Station Site

WHEREAS, on March 4, 2015, the Commission established a Real Estate Working Capital Operating Fund (“REWCOF”) for \$1,400,000 to be used on a revolving basis for legal expenses (\$350,000), due diligence (\$300,000), and closing expenses (\$750,000); and

WHEREAS, on July 8, 2015, the Housing Opportunities Commission of Montgomery County (the “Commission”) authorized the expenditure of up to One Hundred Fifty Thousand Dollars (\$150,000) from the REWCOF to fund feasibility and predevelopment work for a residential development at the site proposed for a new White Flint Fire Station #23 (“Fire Station”) on approximately 2.8 acres of County land generally located at the intersection of Randolph Road and MD 355 (the “Site”); and

WHEREAS, the initial project concept was to develop the Site into a mixed-use development comprising of the Fire Station and a residential community featuring a mix of senior market-rate and senior affordable housing (“Residential Component”); and

WHEREAS, the County’s final design for the Fire Station did not leave enough available land for the development of the Residential Component without the acquisition of adjacent land, which was cost prohibitive; and

WHEREAS, the County’s Department of Housing and Community Affairs concluded that the Residential Component would not be pursued at this time; and

WHEREAS, the Commission desires to release the funding obligation of the REWCOF related to the Fire Station site.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves releasing the funding obligation of the REWCOF related to the residential development of the Fire Station site, in the amount of One Hundred Fifty Thousand Dollars (\$150,000), restoring the due diligence portion of the REWCOF to \$300,000.

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

III. **ADMINISTRATIVE AND SPECIAL SESSION RATIFICATIONS**

A. **No Submissions**

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

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

1. **Authorization to Select General Contractor for Window Replacement and Miscellaneous Repairs at Bauer Park Apartments in Accordance with IFB #2145**

Jay Shepherd, Senior Financial Analyst, was the presenter.

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-26

RE: Authorization to Select General Contractor for Window Replacement and Miscellaneous Repairs at Bauer Park Apartments in Accordance with IFB #2145

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) seeks to preserve Montgomery County’s existing affordable housing, including those subsidized by Rental Assistance Payment (“RAP”) contracts and Section 236 financing facing growing sustainability challenges – most prominently, functional obsolescence and pervasive systems issues as a result of age; and

WHEREAS, Bauer Park Apartments (the "Property") at 14635/39/43 Bauer Drive consists of 142 units in three (3) buildings on 3.88 acres of land on the southeast corner of the intersection of Bauer Drive and Norbeck Road in Rockville, MD; and

WHEREAS, the Property was originally built in 1977 under the Section 236 Program and is owned by Banor Housing, Inc., a non-profit corporation that is managed by a Policy Board that consists of seven (7) directors, three (3) of which are required to be Commissioners of HOC; and

WHEREAS, On July 11, 2018, the Commission approved the preliminary development plan authorizing conversion from the Section 236 Financing and preparation of an extensive property rehabilitation, with tenants in place under the Low Income Housing Tax Credit ("LIHTC") program at the Department of Housing and Community Development ("DHCD"); and

WHEREAS, In the FY10-18 County Capital Improvements Program ("CIP") Amendment cycle, the County Council authorized \$410,000 to Bauer Park for Miscellaneous System installation. To date, \$66,636 has been spent on various mechanical equipment replacement, architectural design bid documentation for the window & lintel IFB #2145 and accessibility upgrades to the property sidewalk; and

WHEREAS, funds from the CIP must be expended by HOC prior to the Property converting under the LIHTC program according to the preliminary development plan; and

WHEREAS, staff developed a scope of work to replace the windows and asphalt roofing and repair damaged precast concrete lintels at the Property; and

WHEREAS, On December 20, 2018, HOC issued IFB #2145 Furnish and Install New Unit Windows and Asphalt Roofing and Repair or Install New Lintels for Bauer Park Apartments to solicit bids from qualified small-business Contractors who are licensed by the State of Maryland to conduct business within the State of Maryland and Montgomery County; and

WHEREAS, staff recommends proceeding with the selection of the lowest responsible and responsive bidder, SNG Engineering, Inc. to complete the work and fund the contract from a combination of residual dedicated CIP funds and the Property's replacement reserves; and

WHEREAS, the balance of the reserves for replacement at the Property were \$233,552.37 as of January 31, 2019.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the scope of work for replacement and repairs at Bauer Park is approved and the Executive Director is authorized to award a contract to SNG Engineering, Inc. as contractor for the renovations contemplated under IFB #2145.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to execute a contract with SNG Engineering, Inc. for up to \$405,000 plus additional costs, if any, to reflect contingency and that such funding will be provided from budgeted County Capital Improvements Program and reserves for replacement for Bauer Park Apartments.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that this approval is contingent on approval by the Board of Banor House, Inc., which will be sought at its meeting on March 14, 2019.

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

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

1. Acceptance of Second Quarter FY'19 Budget to Actual Statements

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

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-27

**RE: Acceptance of Second Quarter FY'19
Budget to Actual Statements**

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

WHEREAS, the Commission reviewed the Second Quarter FY'19 Budget to Actual Statements during its March 6, 2019 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Second Quarter FY'19 Budget to Actual Statements.

2. Approval of FY'19 Second Quarter Budget Amendment

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

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-28

**RE: Approval of FY'19 Second Quarter Budget
Amendment**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) adopted a budget for FY'19 on June 6, 2018;

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

WHEREAS, the net effect of the FY'19 Second Quarter Budget Amendment is a surplus of \$153,980, which will increase the anticipated contribution to the General Fund Operating Reserve (GFOR) of \$1,230,263 by \$153,980 to \$1,384,243 in order to maintain a balanced budget;

WHEREAS, the total FY'19 Operating Budget increased from \$266,895,126 to \$270,282,739;

WHEREAS, the total FY'19 Capital Budget increased from \$257,340,544 to \$257,777,483;
and

WHEREAS, approval of the budget amendments to revise the FY'19 budget will reflect an accurate plan for the use of the Commission's resources for the remainder of FY'19.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'19 Operating Budget by increasing total revenues and expenses for the Commission from \$266,895,126 to \$270,282,739.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY'19 Capital Budget by increasing revenues and expenses for the Commission from \$257,340,544 million to \$257,777,483.

**3. Authorization to Write-off Bad Debt Related to Tenant Accounts Receivable
(October 1, 2018 – December 31, 2018)**

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

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-29

**RE: Authorization to Write off Bad
Debt Related to 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 October 1, 2018 through December 31, 2018 is \$93,166, consisting of \$90,401 from Opportunity Housing properties, \$2,342 from RAD 6 properties, \$318 from 236 properties, and \$105 from Public Housing properties.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, without further action on its part, to take any and all actions necessary and proper to write off \$93,166 in bad debt related to (i) tenant accounts receivable

balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

4. Approval to Extend the Use of the Real Estate Line of Credit (RELOC) to Finance Commission Approved Actions Related to Funding for Year 15 Consulting Services for the Acquisition of Full Ownership of Certain Tax Credit Properties and Other Investor Exit Strategies

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

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-30

RE: Approval to Extend the Use of the PNC Bank, N.A. Real Estate Line of Credit ("RELOC") to Finance Commission Approved Actions related to funding for Year 15 Consulting Services for the Acquisition of Full Ownership of Certain Tax Credit Properties and other Investor Exit Strategies

WHEREAS, on August 3, 2016, the Housing Opportunities Commission of Montgomery County ("HOC") authorized the Executive Director to enter into a contract for consulting services with Morrison Avenue Capital Partners and Censeo ("Year 15 Consultants") to facilitate acquiring full ownership of Year 15 tax credit properties and assisting with other investor exit strategies (the "Year 15 Consulting Services");

WHEREAS, on August 3, 2016, HOC also approved advances from the PNC Bank, N.A. Real Estate Line of Credit ("RELOC") to fund up to \$1.6 million as an interim source of funding for the Year 15 Consulting Services with a maturity date of April 13, 2019 (the "Year 15 Consulting Loan");

WHEREAS, as of August 2016, the Year 15 tax credit property portfolio consisted of ten (10) properties: Barclay Apartments, Georgian Court Apartments, Manchester Manor, The Metropolitan Apartments, MHLP IX, MHLP X, Shady Grove Apartments, Stewartown Homes, Strathmore Court Apartments, and The Willows Apartments;

WHEREAS, to date, HOC has acquired full ownership of Manchester Manor, MHLP IX, MHLP X, Shady Grove Apartments, and The Willows Apartments, and continues to work with the Year 15 Consultants to negotiate the acquisition of the remaining properties; and

WHEREAS, in order to complete the acquisition of the remaining properties, staff recommends extending the maturity date of the Year 15 Consulting Loan through June 30, 2020 at the taxable rate of LIBOR plus 58 basis points or the tax exempt rate of 68.5% of LIBOR plus 38 basis points to continue to fund the Year 15 Consulting Services.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves extending the maturity date of the Year 15 Consulting Loan through June 30, 2020 to continue to fund the Year 15 Consulting Services in order to complete the acquisition of

Barclay Apartments, Georgian Court Apartments, The Metropolitan Apartments, Stewartown Homes, and Strathmore Court Apartments.

5. Approval to Amend Limited Partnership Agreements or Issue Letter Agreements Pursuant to the Bipartisan Budget Act of 2015 and Tax Cuts and Jobs Act passed in December 2017

Cornelia Kent, Chief Financial Officer, was the presenter.

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-31

RE: Approval to Amend Limited Partnership Agreements or Issue Letter Agreements Pursuant to the Bipartisan Budget Act of 2015 and Tax Cuts and Jobs Act of 2017

WHEREAS, Congress recently passed the Bipartisan Budget Act of 2015 and the Tax Cuts and Jobs Act of 2017 (“TCJA”); and

WHEREAS, the Bipartisan Budget Act of 2015 changes IRS audit rules for partnerships, requiring each partnership to appoint an individual person to serve as the designated representative to the IRS (the “Designated Representative”); and

WHEREAS, the Bipartisan Budget Act of 2015 also and allows partnerships to make a push-out election that permits the partnership to push liability onto the applicable individual partners rather than the partnership (the “Push Out Election”); and

WHEREAS, the TCJA allows partnerships that meet certain standards to make an irrevocable election to be treated as a Real Property Trade or Business (“RPTOB”), which exempts the partnership from the business interest limitation but may require a change in the depreciation schedule; and

WHEREAS, Boston Capital, the Investor for Arcola Towers RAD Limited Partnership, has requested to make the RPTOB election, and will remain at the 40-year depreciation rate and continue to take the business interest expense as a deduction against federal taxable income; and

WHEREAS, PNC Real Estate Tax Credit, the Investor for Forest Oak Towers Limited Partnership and Greenhills Apartments Limited Partnership, has agreed to the push-out election and declined the RPTOB election; and

WHEREAS, Hudson Housing Capital LLC, the Investor for Tanglewood and Sligo LP has requested to make the RPTOB election, which will change their depreciation rate from 27.5 years to 40 years and will allow them to continue to take the business interest expense as a deduction against federal taxable income.

WHEREAS, staff recommends that for all partnerships that the Housing Opportunities Commission of Montgomery County controls or manages, the Executive Director be appointed as the Designated Representative; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Arcola Towers RAD GP LLC, acting for itself and on behalf of Arcola Towers RAD Limited Partnership, as its general partner, that the Executive Director is hereby authorized to amend the Limited Partnership Agreement or issue a Letter Agreement to appoint the Executive Director as the Designated Representative, to make the Push Out Election, and to make the RPTOB election.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Greenhills Apartments GP LLC, acting for itself and on behalf of Greenhills Apartments Limited Partnership, as its general partner, that the Executive Director is hereby authorized to amend the Limited Partnership Agreement or issue a Letter Agreement to appoint the Executive Director as the Designated Representative and make the Push Out Election.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Forest Oaks Towers Limited Partnership, as its general partner, that the Executive Director is hereby authorized to amend the Limited Partnership Agreement or issue a Letter Agreement to appoint the Executive Director as the Designated Representative and make the Push Out Election.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOCCMC, LLC, acting for itself and on behalf of Tanglewood and Sligo LP, as its general partner, that the Executive Director is hereby authorized to amend the Limited Partnership Agreement or issue a Letter Agreement to appoint the Executive Director as the Designated Representative and make the RPTOB election.

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

6. Approval to Renew for One Year Property Management Contracts at the Following Properties: Pooks Hill Towers, Pooks Hill Court, Forest Oak Towers, Paddington Square, Tanglewood and Sligo, Dale Drive, Southbridge Apartments, Manchester Manor, and Montgomery Arms Apartments

Shauna Sorrells, Chief Operating Officer, and Sherraine Rawlins, Asset Manager, were the presenters.

The following resolution was adopted upon a motion by Commissioner Kelleher and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-32

RE: Approval to Renew Property Management Contracts for Pooks Hill Court, Forest Oak Towers, Tanglewood and Sligo Hills

**Apartments, Dale Drive, Southbridge Apartments,
and Manchester Manor**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) owns the development known as Pooks Hill Court located in Bethesda, Maryland (“Pooks Hill”);

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

WHEREAS, HOC is the sole member of HOCCMC, LLC, the general partner of Tanglewood and Sligo LP (“Tanglewood LP”), and Tanglewood LP owns the development known as Tanglewood and Sligo Hills Apartments located in Silver Spring, Maryland (“Tanglewood and Sligo”);

WHEREAS, HOC owns the development known as Dale Drive located in Silver Spring, Maryland (“Dale Drive”);

WHEREAS, HOC owns the development known as Southbridge Apartments located in Takoma Park, Maryland (“Southbridge”);

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

WHEREAS, staff desires renew the current property management contract at Pooks Hill for approximately seven (7) months; and

WHEREAS, staff desires to renew the current property management contracts at Forest Oaks, Tanglewood and Sligo, Dale Drive, Southbridge, and Manchester for one (1) year.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute an approximately seven month renewal of the property management contract at Pooks Hill.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Forest Oak Towers Limited Partnership, that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Forest Oaks.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOCCMC, LLC, acting for itself and on behalf of Tanglewood and Sligo LP, that that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Tanglewood and Sligo.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Dale Drive.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contact at Southbridge.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Manchester Manor Apartments Limited Partnership, that the Executive Director is hereby authorized and directed to execute a one-year renewal of the property management contract at Manchester.

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

7. Approval to Procure Property Management Services Pursuant to RFP #2140 for: Alexander House Apartments (Alexander House Development Corporation and Alexander House Limited Partnership); Cider Mill Apartments; Diamond Square Apartments; Georgian Court Apartments; Glenmont Crossing (Westerly Apartments and Woodberry Townhomes); Greenhill Apartments Limited Partnership; Stewartown Limited Partnership; and Westwood Towers Apartments

Shauna Sorrells, Chief Operating Officer, and Sherraine Rawlins, Asset Manager, were the presenters.

The following resolution was adopted upon a motion by Vice Chair Nelson and seconded by Chair Pro Tem Priest. Affirmative votes were cast by Commissioners Simon, Nelson, Priest, Croom, Byrd, and Kelleher. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 19-33

RE: Approval of Property Management Contract Pursuant to RFP #2140 for Alexander House LP, Cider Mill Apartments, Georgian Court Apartments, Greenhills Apartments, Stewartown, and Westwood Tower Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the sole member of Alexander House GP, LLC, who is the general partner of Alexander House Apartments Limited Partnership (“Alexander House LP”), and Alexander House LP owns 122 tax credits in the development known as Alexander House (“Alexander House”);

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

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

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the sole member of Greenhills Apartments GP, LLC, who is the general partner of Greenhills Apartments Limited

Partnership (the "Partnership"), and the Partnership owns the development known as Greenhills Apartments located in Damascus, Maryland ("Greenhill Apartments");

WHEREAS, HOC is the general partner of MV Affordable Housing Associates, L.P. ("MV LP"), and MV LP owns the development known as Stewartown Homes ("Stewartown");

WHEREAS, HOC owns the development known as Westwood Tower Apartments ("Westwood Towers") located in Bethesda, Maryland; and

WHEREAS, HOC issued a Request for Proposals ("RFP") for property management services at Alexander House, Cider Mill, Georgian Court, Greenhill Apartments, Stewartown, and Westwood Towers; and

WHEREAS, based on the criteria included in the RFP and pricing from four responding companies, Edgewood/Vantage Management was determined to be the most qualified to manage each of Alexander House, Georgian Court, and Stewartown.

WHEREAS, based on the criteria included in the RFP and pricing from four responding companies, Grady Management was determined to be the most qualified to manage Cider Mill.

WHEREAS, based on the criteria included in the RFP and pricing from four responding companies, CAPREIT Management was determined to be the most qualified to manage Greenhills Apartments and Westwood Towers.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Alexander House GP, LLC, acting for itself and on behalf of Alexander House Apartments Limited Partnership, that the Executive Director is hereby authorized and directed to execute a management agreement for property management services at Alexander House with Edgewood/Vantage Management for a term of two years with two one-year renewal options.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of MVG II, LLC, acting for itself and on behalf of MV Gateway LLC, that the Executive Director is hereby authorized and directed to execute a management agreement for property management services at Cider Mill with Grady Management for a term of two years with two one-year renewal options.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Georgian Court Silver Spring Limited Partnership, that the Executive Director is hereby authorized and directed to execute a management agreement for property management services at Georgian Court with Edgewood/Vantage Management for a term of two years with two one-year renewal options.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Greenhills Apartments GP LLC, acting for itself and on behalf of Greenhills Apartments Limited Partnership, that the Executive Director is hereby authorized and directed to execute a management agreement for property management services at Greenhills Apartments with CAPREIT Management for a term of two years with two one-year renewal options.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of MV Affordable Housing Associates, L.P., that the Executive Director is hereby authorized and directed to execute a management agreement for property management services at Stewartown with Edgewood/Vantage Management for a term of two years with two one-year renewal options.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a management agreement for property management services at Westwood Towers with CAPREIT Management for a term of two years with two one-year renewal options.

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

V. **ITEMS REQUIRING DELIBERATION and/or ACTION**
A. **No Submissions**

Based upon this report and there being no further business to come before this session of the Commission, the open session adjourned at 5:57 p.m. with a motion by Commissioner Byrd and seconded by Vice Chair Nelson.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Consent Items

**APPROVAL OF NEW PARTICIPATING LENDER
FOR THE SINGLE FAMILY
MORTGAGE PURCHASE PROGRAM**

April 3, 2019

- The Commission has approved continuous lender participation in the Mortgage Purchase Program (“MPP”) and continuous lender solicitation for new lender participation. Currently, 35 lenders are approved for participation in the MPP.
- The criteria for participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name; and, 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank, N.A. (“U.S. Bank”), HOC’s master servicer for the Mortgage Backed Securities (“MBS”) program.
- The approved MPP lenders are the only lenders who have access to the Revolving County Closing Cost Assistance Program.
- Blue Ridge Bank, N.A. has applied for participation in the MPP, and meets the criteria for participation.
- Staff recommends approval of Blue Ridge Bank, N.A., as a new MPP participating lender.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann, Executive Director

FROM: Division: Mortgage Finance
Staff: Kayrine Brown, Chief Investment and Real Estate Officer Ext. 9589
Jennifer Hines Arrington, Assistant Director of Bond Management Ext. 9760
Paulette Dudley, Program Specialist III Ext. 9596

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

DATE: April 3, 2019

STATUS: Consent Deliberation Status Report Future Action

OVERALL GOAL & OBJECTIVE:

To provide mortgage financing to low-to-moderate income first time homebuyers in Montgomery County at below market rates.

BACKGROUND:

The Commission has approved the continuous participation of lenders from program to program and an on-going admission of new lenders to the Mortgage Purchase Program (“MPP” or the “Program”). As lenders apply for participation in the MPP, the requests are submitted to the Commission for approval. Increasing lender participation broadens the exposure to the Commission’s Single Family mortgage products, as well as to the Revolving County Closing Cost Assistance Program because the closing cost assistance loan must be used in conjunction with a MPP first mortgage.

All approved and participating lenders are advised that continued participation in the MPP requires mortgage loan production. If the lender does not submit a mortgage loan within any 12-month period, that lender may be subject to removal, as a participating lender in the MPP.

The criteria for lender participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name; and 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank, N.A. (“U.S. Bank”), HOC’s master servicer for the Mortgage Backed Securities (“MBS”) program.

Blue Ridge Bank, N.A. has submitted a request to participate in the MPP. Blue Ridge Bank, N.A. meets the criteria for approval.

Currently, 35 lenders are approved for participation in the MPP.

Approved lenders receive training from HOC staff and U.S. Bank before they are allowed to begin originating and closing loans in the MPP. Under the MBS program, HOC underwrites for program compliance and the lenders underwrite for credit worthiness.

Lender approval will apply to both the 1979 Single Family Mortgage Revenue Bond Resolution and the 2009 Single Family Housing Revenue Bond Resolution.

Blue Ridge Bank, N.A. (“BRB”)

Blue Ridge Bank’s Mortgage Division is headquartered in Greensboro, NC and is a division of Blue Ridge Bank N.A. Blue Ridge Bank N.A. was chartered and organized in 1893, and has a Community Reinvestment Act (“CRA”) Rating of satisfactory. BRB’s Mortgage Division can accommodate mortgage financing options for customers throughout the 48 contiguous United States, excluding Alaska and Hawaii. They have offices in the area (Rockville, Dunkirk and Fairfax) and personnel that have experience with the Program.

Blue Ridge Bank offers the Federal Home Loan Bank (“FHLB”) Set-Aside Program and Fannie Mae (“FNMA”) HomeReady loans that are specific to low and moderate income borrowers. In 2018, 62% of the loans originated in the Washington, D.C. MSA were made to borrowers at or below the median income. Blue Ridge Bank is an approved seller/servicer with FHA, FNMA and Freddie Mac, and is an approved lender with U.S. Bank’s Mortgage Revenue Bond Program (“MRBP”) division.

After lender training, all BRB branches will be registered to originate loans for the MPP. BRB is currently an approved lender with Maryland’s Department of Housing and Community Development’s Mortgage Program since August 2018. BRB also has origination experience in Single Family Bond Programs, participating in the Virginia Housing Development Authority, Florida HFA and North Carolina HFA.

Blue Ridge Bank will market any affordable housing programs that work in conjunction with lending programs at HOC. The company will make every reasonable accommodation requested by an applicant for non-English speaking, hearing impaired and disabled applicants.

SERVICING

Under the HOC MBS Program, lenders will release servicing and receive a loan origination fee of between 2% and 0% based on the time lapse between loan origination and purchase. Lenders receive a higher origination fee the earlier the loan is purchased. Servicing is handled through U.S. Bank, which the Commission has approved as the Master Servicer.

ISSUES FOR CONSIDERATION:

Does the Commission wish to approve Blue Ridge Bank, N.A. for participation in the Mortgage Purchase Program?

PRINCIPALS:

Blue Ridge Bank N.A.
Housing Opportunities Commission of Montgomery County

BUDGET IMPACT:

None.

TIME FRAME:

Action at the April 3, 2019 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends approval of Blue Ridge Bank N.A. for participation in the Mortgage Purchase Program.

Attachment 1

Approved HOC/U.S. Bank Lenders	
1.	ACADEMY MORTGAGE CORPORATION
2.	APEX HOME LOANS, INC.
3.	BAY CAPITAL MORTGAGE CORPORATION
4.	C & F MORTGAGE CORPORATION
5.	CALIBER FUNDING LLC
6.	CORRIDOR MORTGAGE GROUP
7.	EAGLE BANK
8.	EMBRACE HOME LOANS
9.	FAIRWAY INDEPENDENT MORTGAGE
10.	FIRST HOME MORTGAGE
11.	FIRST MARINER BANK
12.	HOMEBRIDGE FINANCIAL SERVICES, INC. (Formerly Real Estate Mortgage Network)
13.	HOMESIDE FINANCIAL, LLC
14.	HOMESTEAD FUNDING CORP.
15.	HOWARD BANK MORTGAGE
16.	INTEGRITY HOME MORTGAGE CORPORATION
17.	K. HOVNANIAN AMERICAN MORTGAGE, LLC
18.	loanDepot.com LLC dba MORTGAGE MASTER, INC.
19.	MOVEMENT MORTGAGE, LLC
20.	NEW AMERICA FINANCIAL CORPORATION
21.	NVR MORTGAGE
22.	PEOPLES HOME MORTGAGE, a division of Peoples Bank
23.	PRESIDENTIAL BANK, FSB
24.	PRIMELENDING
25.	PROSPECT MORTGAGE
26.	PROSPERITY HOME MORTGAGE, LLC (PHM)
27.	SANDY SPRING BANK
28.	SOUTHERN TRUST MORTGAGE
29.	STEARNS LENDING, INC.
30.	THE WASHINGTON SAVINGS BANK
31.	TOWNEBANK MORTGAGE
32.	UNION MORTGAGE
33.	UNIVERSAL AMERICAN MORTGAGE CO.
34.	WEICHERT FINANCIAL SERVICES
35.	WELLS FARGO HOME MORTGAGE

RESOLUTION No: 19-34

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

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") approves lenders to participate in the Mortgage Purchase Program ("MPP"); and

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

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

WHEREAS, Blue Ridge Bank, N.A. has applied for participation in the MPP; and

WHEREAS, Blue Ridge Bank, N.A. has satisfied the required criteria for admittance to the MPP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Blue Ridge Bank, N.A. is approved for participation in the Mortgage Purchase Program, effective immediately.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 3, 2019.

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Patrice M. Birdsong
Special Assistant to the Commission

INFORMATION EXCHANGE

HOC Honors 2019 Housing Awards Recipients



On March 6, 2019, HOC hosted the 2019 Housing Awards Reception at the Kensington Headquarters. Each year, the Commission presents awards to individuals and organizations who have made significant contributions in support of affordable housing and the families and individuals served by HOC.

Alpha Kappa Alpha Sorority, Inc. (AKA) – Xi Sigma Omega Chapter and the Pearls of Hope Foundation received the 2019 Housing Honor Roll Award, which is the highest honor given by the Commission. AKA volunteers are instrumental

in the execution of HOC’s Annual Back-to-School event, working year-round to collect supplies for HOC students. In 2018, the AKAs and Pearls of Hope Foundation donated 600 backpacks for HOC youth.

The Commission also presents Special Recognition Awards to honor other individuals and organizations who have made significant contributions and provided support to programs that serve HOC customers. Edward Powell received a Special Recognition Award for his work with HOC’s Fatherhood Initiative. As a facilitator for Fatherhood’s 24/7 Dad Curriculum, Mr. Powell is an incredible resource for fathers enrolled in the program, including independently creating a volunteer mentoring component within the curriculum. Also honored with a Special Recognition Award was Cedarbrook Community Church. Each year, the church hosts various events for HOC customers and other County residents that celebrate and bolster a strong sense of community. Carolyn Quinn was this year’s final Special Recognition Award honoree. Ms. Quinn has worked with the residents at Towne Centre Place and HOC’s Supportive Housing Program staff to coordinate programs and donations, including a monthly birthday club, school supply drive and distribution, and holiday basket program that benefits more than 40 families annually.

In addition to the 2019 honorees and their guests, HOC staff and Commissioners were joined by Montgomery County Councilmember Gabe Albornoz. Councilmember Albornoz discussed the value of community service and congratulated the honorees for their contributions to Montgomery County and its citizens. HOC Commissioner Jackie Simon and I also shared congratulatory remarks and expressions of gratitude for the dedicated service of this year’s honorees. HOC’s impact is magnified thanks to the exemplary support received from our



honorees and so many other community partners who share our commitment to getting people housed, keeping people housed and helping them reach their fullest potential.

HOC Students Participate in Male Mentorship Program

On March 7, 2019, five HOC high school students participated in a Man II Man Mentoring workshop titled, "Let Me Rap to You." The session was facilitated by Together Helping Unite God's Sons, Inc. Founder and Executive Director Allen Graham, who oversees an afterschool youth development program. By employing the principles of respect, discipline and determination, the Man II Man mentorship program provides guidance to middle and high school aged males and encourages them to pursue academic and professional achievement.



Mentorship programs designed to effect change through positive relationships with adults are often few in number and not always accessible to communities where such opportunities are greatly needed. The Man II Man mentoring program provides a resource to families and pathway toward breaking the cycle of poverty for HOC youth. HOC is pleased to connect young adults to programs like Man II Man, as well as to our basket of services that provide individuals with social, academic and training opportunities needed to obtain a higher education, or pursue trades and other employment that help them climb the socioeconomic ladder.

HOC Academy Hosts Adult Education Workforce Development Event



On March 18, 2019, HOC Academy hosted an information session on services available from WorkSource Montgomery. The information session was held at Seneca Ridge Apartments and provided customers with information on career counseling and individualized employment plans for obtaining long-term employment.

Participants engaged in an interactive discussion on employment trends, training opportunities and career development. At the conclusion of the session, attendees benefited from on-site registration for WorkSource Montgomery's Client Services Portal, which enables easy scheduling for the initial assessment, the first step to securing needed job training for employment in the field of their choice.

March Literacy Workshops Reach Teens, Adults and Seniors

During the month of March, HOC's Financial Literacy team coordinated several workshops and coaching opportunities for teens, adults and seniors.

March workshops held at Georgian Court and Stewartown Homes targeted the needs of middle and high school students. The teen workshops, titled “Working Hard for the Money,” provided students with career education guidance, where they learned about tools to prepare for a financially secure future. At Tanglewood Apartments and Towne Centre Place, adult customers participated in the interactive “Your Money, Values and Influences” workshop, which provided practical strategies for connecting personal and spending goals. “Working Hard for the Money” as well as “Your Money, Values and Influences” are presented as part of an ongoing series of Family Financial Health workshops sponsored in part by HOC Community Partners and PNC Bank.

In partnership with WorkSource Montgomery, Financial Literacy staff also hosted “How Credit Affects Employment and Housing” workshops in Germantown and Silver Spring. Thirty customers attended the sessions and 17 followed up with requests for further individual financial coaching.

Also during March, seniors gathered at Arcola Towers and Forest Oak Towers for financial literacy training opportunities that focused on prioritizing expenses on a fixed income. HOC hosts financial workshops for seniors throughout the year, with topics ranging from basic budgeting to preparing living wills and advance directives. Financial literacy workshops have become popular among HOC seniors with 20 or more individuals participating at each workshop on a regular basis.



STEM Programming for HOC Youth Provides New Opportunities

During March, HOC continued connecting students with learning opportunities that center on Science, Technology, Engineering, Arts and Mathematics (STEAM) through HOC Academy’s STEAM Club. STEAM Club pairs high-achieving high school students with younger HOC students in leading fun, age-appropriate science projects that spark interest in STEM subjects. The club provides students with an opportunity for outside-of-class STEAM learning, as well as inspiration by near peer instructors who serve as role models and make the subjects relatable and fun for younger students.



In addition, several HOC students in grades 8-10 were invited to participate in a six-week media club held at Georgian Court, starting March 4. The HOC Academy Media Club provides an opportunity for youth to showcase their creativity and learn how to write scripts, direct, and produce videos and films. The program provides an opportunity for youth to learn required skills for future employment in the field of media production and challenges students to think critically about social issues. At the conclusion of the program, students will have created their own public service announcement videos focused on a pressing social issue in their community.

Girl Talk and Workshop Provides Social Space for Middle School Students

On March 14, 2019, female middle school students participated in the Girl Talk and Culinary Workshop held at Washington Square. The workshop aims to familiarize students with healthy eating and meal preparation at a young age to build good habits for the future. Students were given Cornish hens and were provided direction on how to prepare a meal using various seasonings, oils and vegetables. As part of the workshop, students also designed their own kitchen aprons and completed a post-workshop quiz to reinforce the importance of healthy eating and the meal preparation skills they learned. Throughout the workshop, the students also engaged in and learned communication, team-building and problem-solving skills as they worked together to prepare their meals, as well as flexed their create muscle in the kitchen.

Administrative and Special Session Ratifications

Committee Reports and Recommendations for Action

Budget, Finance & Audit Committee

**Approval to Renew the Property Assistance Contract for
Property Assistance Contract for HUB A, G, S, T, W
Twenty Months**

April 3, 2019

- The extension will allow time to facilitate the new structure, staff is requesting to renew the current Property Assistance contract until December 31, 2020 to allow adequate time to negotiate fees, transition the management functions of units and amend the Property Assistance Contract with EMC. In the event a new agreement with EMC cannot be reached, staff will issue a new RFP to include the remaining four hubs excluding the scattered sites.
- Staff recommends that the Housing Opportunities Commission authorize a 20-month renewal of the property assistance contracts with: HUB A (Arcola Towers); HUB G (Emory Grove); HUB S (Seneca Ridge); HUB T (Towne Centre Place); and HUB W (Waverly House).

MEMORANDUM

TO: Housing Opportunities Commission

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Charnita Jackson Division: Property Management Ext. 9776

RE: Approval to Renew the Property Assistance Contract with Edgewood Management Corporation for Property Management Services at the Five Hubs for 20 months.

DATE: April 3, 2019

STATUS Consent [] Deliberation [X] Future Action []

OVERALL GOAL & OBJECTIVE:

To authorize the Executive Director to extend property management’s annual contract with Edgewood/Vantage (“EMC”) for property assistance services at the five HOC HUBS

BACKGROUND:

In October 2019, staff requested an extension to for property management services at the four hubs until May 1, 2019. In March 2019 HOC issued an RFP, scored and awarded traditional Property Management Contracts at eleven properties including additional property awards to EMC. Commissioners have raised concerns in the past regarding concentrating assets within a limited number of property management firms.

Concurrently, staff has been working to transition the remaining 4 HUBs, excluding Holly Hall, to EMC under the Property Assistance Contract as previously awarded. Given the recent contract actions, staff is proposing to remove Scattered Sites from the Property Assistance contract and will alternatively self-manage this portfolio.

A cross functional team from Property Management, Finance and Human Resources have been strategizing to develop a plan to transition the multifamily HUB properties to EMC while returning scattered sites to HOC staff management.

To facilitate the new structure, staff is requesting to renew the current Property Assistance contract until December 31, 2020 to allow adequate time to negotiate fees, transition the management functions of units and amend the Property Assistance Contract with EMC. In the event a new agreement with EMC cannot be reached, staff will issue a new RFP to include the remaining four hubs excluding the scattered sites.

This extension will allow sufficient time to implement and stand up the scattered site team and transition the remaining HUBs excluding the scattered site units to EMC.

Property	Units	Current Vendor	Annual Renewal Contract Cost	Contract End Date	Proposed Contract Extension Date
HUB A, G, S, T, W Property Assistance Contract	1,877	Edgewood Management Corporation	\$630,672	12/31/2020	5/1/2019

ISSUES FOR CONSIDERATION:

Does the Housing Opportunities Commission authorize the Executive Director to renew the 20-month extension of the property assistance agreements with EMC at HUB A (Arcola Towers); HUB G (Emory Grove); HUB S (Seneca Ridge); HUB T (Towne Centre Place); and HUB W (Waverly House) under the Property Assistance Contract?

BUDGET IMPACT:

The extension of the property assistance agreement for the five HOC HUBS for 20-months will not have a budget impact as the costs associated with the services were factored into the FY 19/20 and CY 19-20 HOC budgets.

TIME FRAME:

For Commission action at the April 3, 2019 meeting.

STAFF RECOMMENDATION & BOARD ACTION NEEDED:

Staff recommends that the Commission accept the recommendation of the Budget, Finance and Audit Committee and authorize the Executive Director to execute a 20-month renewal of the property assistance contract with EMC at HUB A (Arcola Towers); HUB G (Emory Grove); HUB S (Seneca Ridge); HUB T (Towne Centre Place); and HUB W (Waverly House) under the Property Assistance Contract.

**RE: Approval to Renew Property Assistance
Contract for 20 Months**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) has contracted with Edgewood-Vantage Management to perform certain property assistance functions for units within five (5) HUBs, including HUB A (Arcola Towers), HUB G (Emory Grove), HUB S (Seneca Ridge), HUB T (Towne Center Place), and HUB W (Waverly House) (together, the “Property”);

WHEREAS, staff desires to renew the current property assistance contract at the Property for twenty (20) months, with a contract end date of December 31, 2020;

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to execute a twenty-month renewal of the property assistance contract at the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction 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 April 3, 2019.

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Patrice M. Birdsong
Special Assistant to the Commission

Development and Finance Committee

Approval to Issue a Notice to Proceed with Commencement of Construction at Elizabeth House III and the South County Regional Recreational and Aquatic Center Prior to Closing of the Construction Loan



STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN
ZACHARY MARKS
BRIAN KIM
HYUNSUK CHOI

April 03, 2019

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Executive Summary

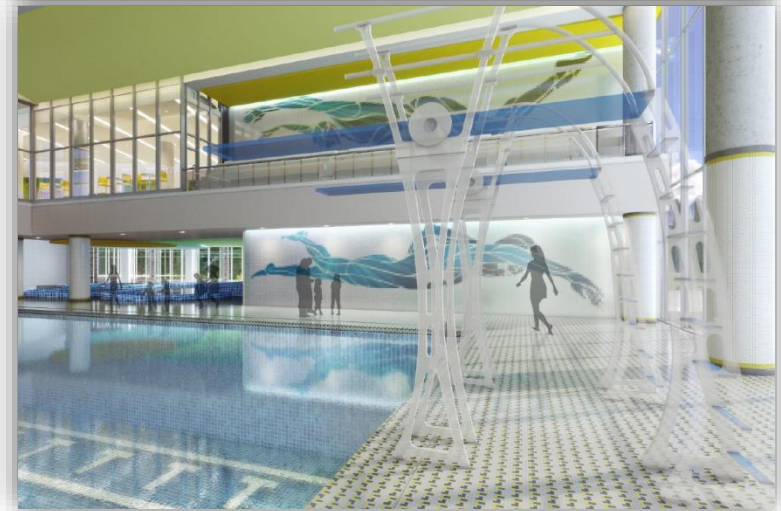
- The Elizabeth House III (“EH III”) development includes a 267-unit, age-restricted community for the relocation of residents from Elizabeth House Senior community, a South County Regional Recreation and Aquatic Center (“SCRRAC”) totaling 120,000 square feet, and a 7,411 square feet Senior Resource Center/Primary Care Facility that will be operated by Holy Cross Hospital.
- The 238 Low Income Housing Tax Credit (“LIHTC”) units will include 106 Rental Assistance Demonstration (“RAD”) program units, 26 units of which will be converted to Project-Based Voucher (“PBVs”) using a non-competitive selection process under a Section 18 Disposition, 14 units of which will serve households earning less than 60% of the Area Median Income (“AMI”), 118 units of which will serve households earning less than 80% of the AMI, and 29 units will serve as market-rate units.
- On June 7, 2017, the Commission approved the submission of a Detailed Site Plan to the Montgomery County Planning Commission for Elizabeth Square to include SCRRAC as part of the overall development.
- Subsequent to the inclusion of SCRRAC as part of the Elizabeth Square development, following steps have been approved by County.
 - Execution of Design Agreement with HOC and funding totaling \$4,695,805 (\$3,750,754 has been paid to HOC) .
 - County Council approval for a commitment of \$62.4 million to the project, and increase of \$7.1 million over the original approval \$55.3 million.



Executive Summary (continued)

The General Development Agreement

- The inclusion of SCRRAC into the overall development requires the execution of a General Development Agreement (“GDA”) between the County and HOC. Under the GDA, HOC will oversee and coordinate the turnover of the Project to the County following Substantial Completion of the Project to ensure a smooth transition to the operating phase.
- Staff is currently negotiating the GDA and expects the document to be finalized by mid-April 2019. Upon finalizing the document, the typical County process to execute the GDA by various County departments is 45 days. Staff projects execution of the GDA and issuance of purchase order for the contract by the County by early June 2019.
- Staff will request approval of the terms of the GDA and authorization for the Executive Director to execute the agreement at the May 2019 meeting of the Commission.



April 03, 2019

Notice to Proceed (“NTP”)

- On November 7, 2018, the Commission approved the Final Development Plan and Budget for Elizabeth House III and authorized the Executive Director to Award and Execute the Contract for the Construction of Elizabeth House III and the SCRRAC with Costello Construction (“Costello”) for amount not to exceed \$125 million.
- The selection of Costello was based on a hard bid process which allowed the most competitive pricing from the bidders. The hard bid from Costello was based on a specific start schedule to allow the most competitive bids from their subcontractors. The hard bid pricing was based on a Notice to Proceed (“NTP”) of April 2019.
- Due to the delay in execution of the GDA, the construction financing cannot occur until the GDA is executed. If the NTP to Costello is given after construction financing closing, the Costello is not obligated to hold their hard bid pricing.
- Based on current construction environment, the hard bid pricing from Costello can increase. The primary factors driving this increase is the tight labor market, construction demand in the Washington Metro area, and trade tariffs. Due the high volume of developments under construction and with a tight labor market, subcontractors are scarce and very reluctant to wait on future projects or projects which are delayed. In order for Costello to hold the subcontractors selected as part of the hard bid process, additional financial incentives will have to be offered for the subcontractors not to deploy man power to other projects.
- To this end, staff recommends that the Commission accept the recommendation of the Development and Finance Committee which met on March 25, 2018 to issue a NTP for the commencement of construction at Elizabeth House III and the SCRRAC prior to closing of the construction loan. Issuing the NTP will require additional funds to be allocated to the early start work approved by the Commission on January 10, 2018.

Notice to Proceed (“NTP”) (continued)

- On January 10, 2018, the Commission approved \$2,957,802 of additional predevelopment funds to expedite the overall construction schedule by starting early work. Beginning the early work related to underground utilities will save approximately three months in the construction schedule. This work will be funded by equity from Alexander House refinancing proceeds (previously committed by the Commission). The work includes the following areas;
 - Support of Excavation (“SOE”) shop drawings and mobilization
 - Relocation of existing utility services
 - Installation of PEPCO conduit, manholes, bus vaults, and extending feeders
- Prior to the closing of the construction financing, staff projects that approximately \$2.01 million will be funded from Alexander House Apartments' financing proceeds to mobilize for Support of Excavation (“SOE”), detailed in the excerpted draw schedule below. The following work will commence as part of the SOE:
 - Rough Grading
 - Begin drilling Soldier Piles
 - Excavate and lag 1st lift
 - Drill and Grout tiebacks

# of Months	Date	Amount	%	SCRRAC	%	EH 3	%
1	April, 2019	\$880,000	0.76%	\$90,000	0.17%	\$790,000	1.23%
2	May, 2019	\$1,130,000	0.97%	\$57,000	0.11%	\$1,073,000	1.67%
3	June, 2019	\$1,760,000	1.51%	\$117,000	0.23%	\$1,643,000	2.55%
4	July, 2019	\$2,140,000	1.84%	\$122,200	0.24%	\$2,017,800	3.13%
5	August, 2019	\$2,887,000	2.48%	\$614,000	1.18%	\$2,273,000	3.53%
6	September, 2019	\$3,620,000	3.11%	\$532,000	1.02%	\$3,088,000	4.80%
7	October, 2019	\$3,820,000	3.28%	\$1,627,000	3.13%	\$2,193,000	3.41%
8	November, 2019	\$3,928,000	3.38%	\$1,655,000	3.19%	\$2,273,000	3.53%
9	December, 2019	\$4,109,000	3.53%	\$1,672,000	3.22%	\$2,437,000	3.79%

Note: Staff is expecting to receive an application for payment (or “Pay App”) in May for the April billing period from the General Contractor.



Pictures of sample rough grading, excavate, drill and grout tiebacks

Funding Availability – Notice to Proceed

- The Commission approved \$15,154,448 from the Opportunity Housing Reserve Fund (“OHRF”) to be used for predevelopment expenses related to the Elizabeth Square Development.
- The Commission approved the total developer funds which required to be contributed by HOC to complete the capital stack \$23,862,057, outlined below.

USES OF FUNDS	MKT & AFFORDABLE
Construction Costs	\$77,742,855
Fees Related To Construction Costs	\$13,889,163
Acquisition Costs	\$3,018,334
Financing Fees and Charges	\$12,062,415
Tax-Exempt Bonds (ST)	\$4,726,395
Bridge Loan (HOC)	\$14,763,552
Bridge Loan (HOC) (Redeemed with equity proceeds)	(\$14,763,552)
Developer's Fees	\$4,500,000
Syndication Related Costs	\$155,000
Guarantees and Reserves	\$1,550,497
TOTAL	\$117,644,659
SOURCES OF FUNDS	MKT & AFFORDABLE
Tax-Exempt Bonds	\$49,033,478
Tax-Exempt Bonds (ST)	\$4,726,395
HIF	\$7,000,000
Low Income Housing Tax Credits	\$28,749,653
Deferred Developer's Fee	\$3,000,000
Interim Income	\$1,273,075
Developer's Equity	\$20,451,083
Developer's Loan	\$3,410,974
TOTAL	\$117,644,659

Approved Developer's Funds

Funding Source – Developer Funds	Amount
Capital Funding Program (CFP)	\$1,000,000
Asset Repositioning Fees	\$1,000,000
Proceeds generated from the recapitalization of Arcola Towers and Waverly House via RAD	\$5,060,644
Proceeds generated from the recapitalization of Alexander House apartments for Alexander House Limited Partnership	\$3,348,427
Proceeds generated from the recapitalization of Alexander House apartments for Alexander House Development Corporation (*)	\$10,389,802
Total Developer's Equity	\$20,451,083
Developer's Loan (OHRF)	\$3,410,974
Total Funding Sources	\$23,862,057

Note: As of March 18, 2019, the current balance is \$8,947,560 however, Alexander House LP draw down \$1,442,242 a part of the promissory note \$2,274,872. So when Alexander House LP paid back in May 2019, the available balance will be \$10,389,802.

- As of February 1, 2019, the predevelopment budget \$2,241,847 is available to underground utility work and consultants included design, development consultant, construction management and lease payments.
- Staff is requesting that all expenditures resulting from the NTP be funded from Alexander House Apartments' financing proceeds.

Risk Analysis – Notice to Proceed

Risks of issuing a NTP before construction financing closing	Steps to mitigate risk
<p>Failure to close on the construction financing.</p>	<ul style="list-style-type: none"> • Staff has solicited and received proposals from five commercial banks expressing interest in providing the construction financing for the Elizabeth House III development. • Of the five proposals, staff has determined that at least three offer terms on which a construction loan may close; however, the Commission will be presented with the best options for approval at its of the financing plan at the May 2019 meeting of the Commission. • As a back stop, HOC may issue its own bonds to complete the financing with FHA mortgage insurance under the Risk Share program. This is the least favored option because of added costs associated with an FHA insured loan.
<p>R4 Capital, the selected Low Income Housing Tax Creditor cannot close on the delivery of Low Income Housing Tax Credit (“LIHTC”) equity.</p>	<ul style="list-style-type: none"> • R4 Capital has nearly completed its due diligence on the project and is ready to close by end of April 2019. • Staff has solicited letters of interest from other investors and may replace R4 Capital if the firm is unable to close on the terms provided to HOC. • Barring any dramatic adverse changes in market conditions, a replacement investor may be secured to provide LIHTC equity to the transaction.
<p>The County withdraws funding for SCRRAC.</p>	<ul style="list-style-type: none"> • County has expended \$3,750,764 in design fees, funded via its Capital Improvement Program (“CIP”). • In addition to the CIP funding for predevelopment design expenditures, the County Council recently approved the full funding for the SCRRAC, increasing the funding of the project by an additional \$7.1 million. • Given the County’s commitment to this project, it is highly unlikely the County will walk away from the project with such high exposure, financial commitment, and investment in the Silver Spring community.

Summary and Recommendations

Issues for Consideration

Does the Commission wish to grant its:

1. Approval to issue a Notice to Proceed to Costello Construction for the commencement of construction at Elizabeth House III and the South County Regional Recreational and Aquatic Center prior to closing of the construction loan; and
2. Approval to fund costs incurred during the period between execution of the Notice to Proceed and closing on the construction loan from the financing proceeds from Alexander House Apartments?

Time Frame

Action at the April 3, 2019 meeting of the Commission.

Budget Impact

There is no adverse impact for the Agency's FY 2019 operating budget. The available balance for proceeds generated from Alexander House Apartments' financing as of March 18, 2019 is \$8,947,560 and is available to fund construction expenditures as they are incurred prior to closing of the construction financing. The construction financing is expected to close in May or June 2019.

Committee Consideration

- Committee met and considered this action at the meeting on March 25, 2019 and unanimously approved recommending that the Commission issues the Notice to Proceed.
- The Committee reviewed the risk associated with issuing the Notice to Proceed prior to closing of the construction loan and concluded that the funding is available and the risk is manageable.

Staff Recommendation and Commission Action Needed

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and:

1. Approve to issue a Notice to Proceed to Costello Construction for the commencement of construction at Elizabeth House III and the South County Regional Recreational and Aquatic Center prior to closing of the construction loan; and
2. Approve to fund costs incurred during the period between execution of the Notice to Proceed and closing on the construction loan from the financing proceeds from Alexander House Apartments.

RESOLUTION No.: 19-36

RE: Approval to Issue a Notice to Proceed with Commencement of Construction at Elizabeth House III and the South County Regional Recreational and Aquatic Center Prior to Closing of the Construction Loan

WHEREAS, Elizabeth House III is a planned mixed-use residential building with mixed-income housing and public amenities ("EH III") that is one part of a larger planned mixed-use development known as Elizabeth Square; and

WHEREAS, the fee interest in EH III is owned by Acorn Storage No. 1, LLC a subsidiary of Lee Development Group ("Acorn") and subject to a condominium regime (the "Condominium") that established three separate condominium units: (1) a unit comprised of the market rate apartments (the "Market Rate Condo"), (2) a unit comprised of the affordable apartments (the "LIHTC Condo"), and (3) a unit comprised of the South County Regional Recreation and Aquatic Center, a public recreational facility totaling 120,000 square feet (the "SCRRAC"), which will be operated by Montgomery County Department of Recreation, and approximately 7,411 square feet of ground floor retail intended to be leased to Holy Cross Hospital for a senior resource center and primary care facility and parking (the "Aquatic Center Condo"); and

WHEREAS, Acorn has leased (1) the Market Rate Condo to Elizabeth House III LLC, which is wholly owned by the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission"), (2) the LIHTC Condo to Elizabeth House III Limited Partnership, which is currently wholly owned by HOC (with the intent that a tax credit investor will ultimately be admitted as a limited partner), and (3) the Aquatic Center Condo to EH III Recreational Center LLC, which is wholly owned by HOC; and

WHEREAS, on January 10, 2018, the Commission approved \$2,957,802 of additional predevelopment funds to expedite the overall construction schedule by starting early work, which will save approximately three months in the construction schedule; and

WHEREAS, on November 7, 2018, the Commission authorized the Executive Director to sign the general contractor contract with Costello Construction ("Costello") for an amount not to exceed \$125 million for the construction of the EH III and the SCRRAC; and

WHEREAS, the selection of Costello was based on a hard bid process that allowed the most competitive pricing from bidders and their subcontractors, which assuming on a Notice to Proceed ("NTP") is incurred by April 2019; and

WHEREAS, on March 5, 2019, the Montgomery County Council approved an amendment to increase funding to HOC for the SCRRAC by \$7,076,290, which increased the County's total project commitment to HOC to \$62,346,290; and

WHEREAS, the inclusion of the SCRRAC into the overall development requires the execution of a General Development Agreement ("GDA") between the County and HOC; and

WHEREAS, staff is currently negotiating the GDA and anticipates it to be finalized by mid-April

2019, with projected execution of the GDA by the County by early June 2019; and

WHEREAS, HOC cannot close on the construction financing until the GDA is executed; and

WHEREAS, if the NTP is not provided to Costello in April 2019, Costello will not be obligated to hold their hard bid pricing; and

WHEREAS, based on the current construction environment, the hard bid pricing from Costello could increase due to the tight labor market, construction demand in the Washington Metro area, and trade tariffs; and

WHEREAS, staff is requesting approval to issue a NTP for the commencement of construction at EH III and the SCRRAC prior to closing of the construction loan in order to maintain Costello's hard bid pricing; and

WHEREAS, staff anticipates that additional funds will be required to fund the early start work completed between execution of the NTP and closing of the construction loan, and recommends that any such costs be funded from Alexander House Apartments' financing proceeds, which were previously committed to EH III by the Commission.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Elizabeth House III LLC, Elizabeth House III Limited Partnership, and EH III Recreational Center LLC, approves:

1. Issuing a Notice to Proceed to Costello Construction for the commencement of construction at Elizabeth House III and the South County Regional Recreational and Aquatic Center prior to closing of the construction loan; and
2. Funding costs incurred during the period between execution of the Notice to Proceed and closing on the construction loan from the financing proceeds from Alexander House Apartments;

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of Elizabeth House III LLC, Elizabeth House III Limited Partnership, and EH III Recreational Center LLC, that the Executive Director of HOC is authorized, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular meeting on April 3, 2019.

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Patrice M. Birdsong
Special Assistant to the Commission

**APPROVAL OF STRUCTURE, COST OF ISSUANCE BUDGET, AND ADOPTION OF
SERIES RESOLUTIONS FOR 2019 SERIES A AND 2019 SERIES B SINGLE FAMILY
MORTGAGE REVENUE BONDS FOR THE PURPOSE OF ISSUING NEW DEBT
AND REPLACEMENT REFUNDING SINGLE FAMILY MORTGAGE REVENUE BONDS**

SINGLE FAMILY MORTGAGE FINANCE



STACY L. SPANN, EXECUTIVE DIRECTOR

**KAYRINE V. BROWN
JENNIFER HINES ARRINGTON
PAULETTE DUDLEY**

April 3, 2019

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EXECUTIVE SUMMARY

Since the creation of the Single Family Mortgage Purchase Program (the “Program”) in 1979, the Commission has issued multiple series of bonds under the Single Family Mortgage Revenue Bond Resolution (the “1979 Indenture”). The Commission may also issue bonds under the more recently created Single Family Housing Revenue Bond Resolution (the “2009 Indenture”). When the interest rate environment is favorable, the Commission periodically issues Replacement Refunding Bonds to lower the borrowing cost in the Program and recycle volume cap.



The following series within the 1979 Indenture have been identified for replacement refunding as of January 1, 2019: 2009 A, 2013 A, 2016 A, 2016 B, 2017 A, 2017 B and 2018 A. Additional series may be replacement refunded as of July 1, 2019. This replacement refunding allows the Program to recycle and preserve volume cap.

Given that new debt will be issued for the funding of mortgage loans, staff recommends continuing to offer loan products for first-time homebuyers, including at below-market interest rates (based on TBA pricing) for FHA and conventional loan products, along with down payment assistance loans.

The proposed total issuance is approximately \$40 million, consisting of approximately \$10 million of replacement refunding bonds and approximately \$30 million of new money.

The proposed structure includes the issuance of fixed rate, tax-exempt, non-AMT Serial, Term, and Premium Bonds with the latest maturity of 2049 (the “Series A Bonds”). Should any of the replacement refunding bonds be subject to Alternative Minimum Tax (“AMT”), those bonds will be issued in a separate series (the “Series B Bonds”). Due to the private activity, tax-exempt nature of the transaction, volume cap will be required for the new money, non-AMT Bonds.

EXECUTIVE SUMMARY

To execute this transaction a Cost of Issuance (“COI”) budget has been developed by Caine Mitter & Associates Incorporated, HOC’s Financial Advisor. It is estimated that the COI is approximately \$577,000 (\$14.42 per \$1,000 bond), is commensurate with the size of the overall issuance, and will be funded from revenue in the 1979 Indenture.

In addition, Series Resolutions are being prepared by Kutak Rock, LLP, HOC’s Bond Counsel, setting forth, among other things, authorization to issue the bonds, the purpose of the bonds and the application of proceeds, redemption provisions, types of accounts to be created, and authority to execute necessary documents. The Series Resolutions will be presented to the full Commission for approval.

Staff recommends that Commission accept the recommendation of the Development and Finance Committee at its March 25, 2019 meeting, and authorize the following actions:

1. Approval of the structure and COI budget for the issuance of the 2019 Series A and Series B Bonds under the 1979 Mortgage Revenue Bond Resolution for approximately \$40 million.
 - The Series A Bonds will be approximately \$35 million of non-AMT new money and replacement refunding bonds.
 - The Series B Bonds will be approximately \$5 million of AMT replacement refunding bonds.
 - The COI budget is approximately \$577,000.
2. The allocation of approximately \$30 million of private activity volume cap to complete the transaction herein proposed, which will be requested, directly, from the State of Maryland’s Department of Commerce.
3. The adoption of two (2) Series Resolutions to issue 2019 Series A and Series B Single Family Mortgage Revenue Bonds.

BOND MARKET OVERVIEW

Since the beginning of 2019, U.S. Treasury yields have been volatile (up and down movement of rates) with the 10-year Treasury Note moving over a range of 0.23% (rate movement above 5 bps indicates volatility; the wider the range, the more volatility). As of March 15, 2019, the 10-year U.S. Treasury was 0.07% lower than it was on January 2, 2019. The Treasury market has been influenced primarily by U.S.-China trade negotiations, Brexit and signs of weakening economies in China and Europe. While these global activities negatively impact the economy, it positively impacts the bond market (i.e. interest rates rise, bond prices fall; and the inverse occurs when the U.S. economy is strong).

The municipal bond market (which include general obligation and revenue bonds) has experienced similar volatility with the 10-year Municipal Market Data (“MMD”)* AAA index moving over a range of 0.24%. However, the municipal market has outperformed the Treasury market. As of March 15, 2019, 10-year MMD was 0.23% lower than it was on January 2, 2019. The decrease in rates has been less pronounced on longer term bonds, as 30-year MMD is down only 0.14% over the same period.

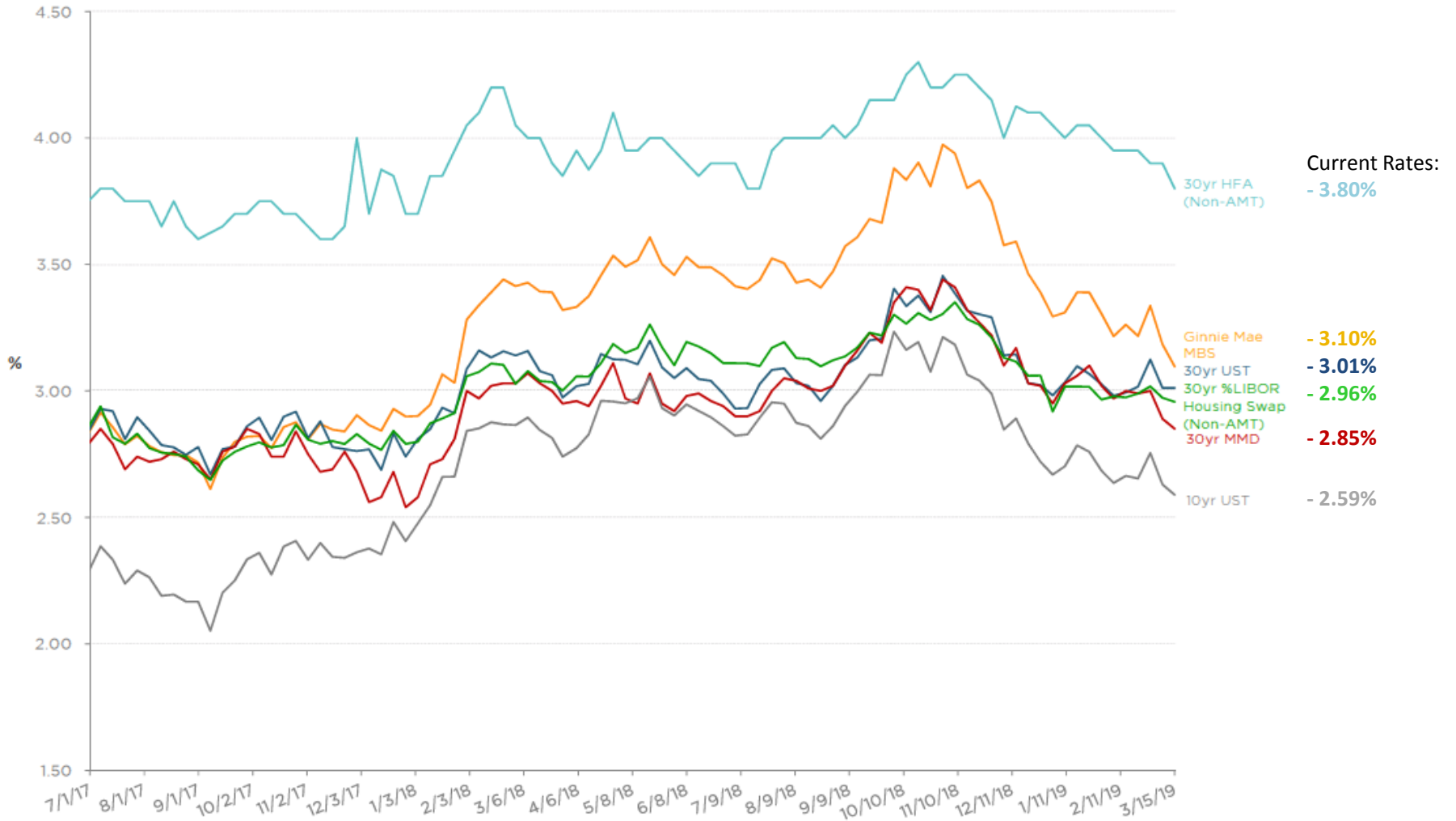
In addition to the factors influencing the Treasury market, the municipal bond market has benefited from low volume of new bond issuances and higher individual investor demand, as high income individuals, particularly in high tax states, have had fewer alternatives for sheltering their income from taxes. The volume of tax-exempt housing bonds has increased compared to early last year, as rising interest rates have improved the benefit of mortgage loans financed with tax-exempt bonds.

Please see page 6 for Key Housing Interest Rates from July 2017 to present. The chart shows currently, that the 30-year HFA rates are significantly higher at close to 4% than all the other indices, making the cost of housing tax-exempt housing finance agency bonds more costly for such programs.

**MMD municipal bonds are categorized by a company called Municipal Market Data that is owned by the financial news reporting agency Thompson Reuters. MMD municipal bonds are mostly investment grade or higher. High grade bonds are given a rating of AA and AAA by the Standard & Poor's rating agency, and investment grade bonds are bonds rated BBB or higher.*

BOND MARKET OVERVIEW

Key Housing Interest Rates from July 2017 to Present (as of 3/15/19)



BOND MARKET OVERVIEW

Recent Long Term Housing Bond Sales

During the week of February 25, 2019, the State of Maryland issued \$140 million for its Single Family Program. Please see the below recent bond sales during the first two (2) weeks of March, 2019.

Issuer	State	Type	Amount	Lead Manager
Week of March 4, 2019				
Alaska Housing Finance Corporation	AK	SF	60,000,000	Competitive
Louisiana Housing Corporation	LA	SF	50,000,000	GKB
Louisiana Housing Corporation	LA	SF	6,580,000	GKB
Minnesota Housing Finance Agency	MN	SF	98,195,000	RBC
Minnesota Housing Finance Agency	MN	SF AMT	7,865,000	RBC
Minnesota Housing Finance Agency	MN	SF Taxable	37,500,000	RBC
Minnesota Housing Finance Agency	MN	SF	45,000,000	RBC
South Carolina State Housing Finance and Development Authority	SC	MF	23,398,000	Stifel
			328,538,000	
Week of March 11, 2019				
Colorado Housing and Finance Authority	CO	SF AMT	50,000,000	RBC
Colorado Housing and Finance Authority	CO	SF Taxable	93,240,000	RBC
Michigan State Housing Development Authority	MI	SF	189,010,000	Barclays
Michigan State Housing Development Authority	MI	SF	47,200,000	Barclays
New York State Housing Finance Agency	NY	MF	69,460,000	Citi
New York State Housing Finance Agency	NY	MF	52,250,000	Citi
New York State Housing Finance Agency	NY	MF	27,565,000	Citi
New York State Housing Finance Agency	NY	MF	22,400,000	Citi
New York State Housing Finance Agency	NY	MF	9,095,000	Citi
New York State Housing Finance Agency	NY	MF	22,565,000	Citi
Utah Housing Corporation	UT	SF	22,000,000	Stifel
Decatur Housing Authority	GA	MF	13,895,000	RBC
			618,680,000	

TRANSACTION STRUCTURE & BENEFITS

The overall financing plan is comprised of the replacement refunding of approximately \$10 million and the issuance of new debt of approximately \$30 million, producing a total issuance of approximately \$40 million. The bonds currently anticipated to be replacement refunded include the following series: 2009 A, 2013 A, 2016 A, 2016 B, 2017 A, 2017 B and 2018 A, which were either refunded by drawing on the PNC Bank Line of Credit on January 1, 2019, or includes prepayments received since then, as well as scheduled redemptions on July 1, 2019. The bond issue may include two series of bonds. The following is a discussion on the transaction's structure and benefits. Amounts are approximate.

	2019 Series A (Non-AMT)	2019 Series B (AMT)	Total
New Money			
New Mortgage Funds	\$30,000,000		\$30,000,000
Replacement Refunding Bonds			
2009 A, 2013 A, 2016 A, 2017 A, 2018 A	\$5,000,000		\$5,000,000
Replacement Refunding Bonds			
2016 B, 2017 B		\$5,000,000	\$5,000,000
TOTAL	\$35,000,000	\$5,000,000	\$40,000,000

Structure of Issuance

- Fixed rate, tax-exempt, non-AMT and AMT Serial, Term and Premium bonds
- Latest Maturity – year 2050 (31 years)
- Two series of bonds:
 1. 2019 Series A will include fixed rate, non-AMT new money and replacement refunding bonds (est. \$35 million); and
 2. 2019 Series B will include fixed rate, AMT replacement refunding bonds (est. \$5 million).

TRANSACTION STRUCTURE & BENEFITS

<p>Replacement Refunding Bonds</p>	<ul style="list-style-type: none"> • The bonds currently anticipated to be subject to replacement refunding include the following series: 2009 A, 2013 A, 2016 A, 2016 B, 2017 A, 2017 B and 2018 A. • “Replacement refundings” provide funds through the issuance of bonds that are not subject to new volume cap. Volume cap can be extended by executing a replacement refunding of certain Mortgage Revenue Bonds (“MRBs”) that are to be redeemed. On December 5, 2018, the Commission approved utilizing the PNC Bank, N.A. \$60 million Line of Credit (“PNC LOC”) to refund MRBs within various series noted above. • The volume cap associated with the MRBs refunded will be transferred to the 2019 bond issuance, and the proceeds from the 2019 bond issuance will be used to pay off the PNC LOC. • Replacement refunding monies will support first-time homebuyer loan products, including: <ul style="list-style-type: none"> • Interest rate reduction loans for both FHA and conventional products (approximately 30 loans); • Down payment assistance loans (approximately 20 loans).
<p>New Debt</p>	<ul style="list-style-type: none"> • The new debt under this issuance is estimated at \$30 million. • New debt monies will support first-time homebuyer loan products, including: <ul style="list-style-type: none"> • Interest rate reduction loans for both FHA and conventional products (approximately 125 loans); • Down payment assistance loans (approximately 90 loans).
<p>Volume Cap / TEFRA</p>	<ul style="list-style-type: none"> • The Single Family Program will require approximately \$30 million in Bond Cap. In 2019, HOC has been allocated approximately \$38 million in bond cap (see page 8). Based upon the anticipated 2019 transactions for both single family and multifamily, an additional allocation of approximately \$214.1 million would be necessary. HOC will be requesting cap directly from the State of Maryland’s Department of Commerce for the Single Family Program. • This new debt (\$30 million of MRBs) will require the satisfaction of Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) requirements. In 2018, the Program received a TEFRA approval in the amount of \$100 million; therefore, the Program does not need to TEFRA again or seek County Executive approval.
<p>Benefits</p>	<ul style="list-style-type: none"> • The structure of the proposed issuance provides benefits to the Single Family Program because the combined replacement refunding/new money issue permits lending at lower rates, while enabling the Commission to earn full spread on the bond issue, which offers a greater benefit than TBA, while growing and strengthening the balance sheet, and allowing the Commission to recycle and preserve volume cap.

VOLUME CAP NEEDS/USES (\$'000)

Year	2012	2013	2014	2015	2016	2017	2018	Projected 2019	Projected 2020
Balance Carried Forward ¹	\$28,567	\$43,184	\$69,813	\$88,742	\$29,011	\$44,785	\$23,053	\$6,000	(\$214,071)
Annual Bond Cap Allocation	\$32,618	\$33,228	\$35,429	\$35,869	\$36,247	\$35,643	\$37,986	\$37,929	\$38,308
	-0.3%	1.9%	6.6%	1.2%	1.1%	-1.7%	6.6%	-0.1%	1.0%
TOTAL BOND CAP AVAILABLE	\$61,184	\$76,413	\$105,242	\$124,611	\$65,258	\$80,428	\$61,039	\$43,929	(\$175,762)
HOC PROGRAMS									
Single Family ²	\$18,000	\$6,600			\$19,503	\$16,363	\$28,769	\$30,000	\$30,000
Arcola Towers ³				\$13,545	\$970				
Waverly House ³				\$22,305					
Alexander House ⁴						\$22,139			
Elizabeth House III ^{*5}								\$54,000	
Greenhills ⁶						\$12,000			
Upton II								\$24,000	
900 Thayer*								\$24,000	
Bauer Park *								\$27,000	
Metropolitan*									\$10,000
Shady Grove *								\$24,000	
Georgian Court*								\$18,000	
Stewartown *								\$14,000	
Willow Manor at Clopper's Mill*									\$13,000
Willow Manor at Fair Hill Farm*									\$12,000
Willow Manor at Colesville*									\$9,000
TOTAL HOC PROGRAMS	\$18,000	\$6,600	\$0	\$35,850	\$20,473	\$50,503	\$28,769	\$215,000	\$74,000
PRIVATE DEVELOPERS									
Knights Bridge I*								\$43,000	
Hillside Senior Living ⁷							\$26,270		
Gaithersburg - Olde Towne				\$25,525					
Germantown - Churchill II			\$16,500						
Bethesda - Lakeview House				\$34,225					
TOTAL PRIVATE ACTIVITY	\$0	\$0	\$16,500	\$59,750	\$0	\$0	\$26,270	\$43,000	\$0
TOTAL BOND CAP REMAINING (SHORTFALL)⁸	\$43,184	\$69,813	\$88,742	\$29,011	\$44,785	\$29,925	\$6,000	(\$214,071)	(\$249,762)

*Estimated allocations for deals not yet closed



COST OF ISSUANCE BUDGET

	AMOUNT
Underwriters Spread	
Underwriters Counsel	50,000
Travel and Miscellaneous	3,000
CUSIP	1,351
DTC	800
Bookrunning	4,350
Takedown	250,000
Management	30,000
Underwriter's Spread - Total	339,500
Other Cost of Issuance	
Bond Counsel	52,000
Financial Advisor	35,000
Financial Advisor - Computer	29,000
Universal cap	22,000
OS printing	2,242
Rating	35,000
Auditor	6,920
Trustee	4,500
Trustee Counsel	8,000
Program Marketing	30,000
Miscellaneous / Disbursements	12,838
Other Cost of Issuance - Total	237,500
TOTAL COST OF ISSUANCE BUDGET	577,000

- The cost of the issuance is estimated to be \$577,000 or \$14.42 per \$1,000 bond.
- As with other transaction costs for the Single Family Program, the COI is paid from revenue in the Indenture. The COI will be an upfront transaction expense, which will be withdrawn from the Indenture prior to closing, while the cash savings will inure to the benefit of the Indenture over the remaining life of the bonds.
- The amount of the COI is commensurate with the size of the overall issue.

SERIES RESOLUTION FOR 2019 SERIES A and B

For each bond issue, the Commission is asked to approve one or more Series Resolutions which contain specific information about the series of bonds being issued. A Series Resolution authorizes the issuance of a particular series of bonds stating, among other things:

- The bonds' purpose issuance;
- Appointment of Trustee;
- Redemption provisions;
- Creation of certain accounts;
- Use of the bond proceeds;
- Appointment of Bond Counsel; and,
- Appointment of Financial Advisor.

Bond Counsel to the Commission, Kutak Rock, LLP, will prepare two Series Resolutions for two series, Series A Bonds and B Bonds.

The size of the full bond issue is currently expected to be approximately \$40 million and will be composed of a replacement refunding of approximately \$10 million of single family mortgage revenue bonds from series 2009 A, 2013 A, 2016 A, 2016 B, 2017 A, 2017 B and 2018 A; and, approximately \$30 million of new debt for the funding of new first-time homebuyer products, including FHA and conventional mortgages and down payment assistance loans.

Interest rate information will be provided when the bonds are priced in April 2019.

SCHEDULE

March 2019

- Approval of the Structure, Cost of Issuance Budget and Adoption of Series Resolution for 2019 Series A, B (Development & Finance Committee)
- Draft POS
- Draft Series Resolution

April 2019

- Approval of the Structure, Cost of Issuance Budget and Adoption of Series Resolution for 2019 Series A, B (Commission)
- Receive Auditor's Consent Letter and Verbal Assurances
- Receive Rating
- Post POS
- Retail & Institutional Bond Sale

May 2019

- Clear OS
- Distribute Final Closing Documents

June 2019

- Closing (est. 6/06/19)
- Redemption of Refunded Bonds

ISSUES FOR CONSIDERATION

Does the Commission wish to accept the recommendation of the Development and Finance Committee and authorize the following:

1. Approval of the structure and Cost of Issuance budget for the bond issuance of the 2019 Series A and Series B bonds under the 1979 Mortgage Revenue Bond Resolution for approximately \$40 million?
 - The Series A Bonds will be approximately \$35 million of non-AMT new money and replacement refunding bonds.
 - The Series B Bonds will be approximately \$5 million of AMT replacement refunding bonds.
 - The Cost of Issuance budget is approximately \$577,000 to be funded from revenues in the 1979 Indenture.
2. An allocation of approximately \$30 million of private activity volume cap to complete the transaction herein proposed?
3. To adopt a Series Resolution to issue 2019 Series A and 2019 Series B Single Family Mortgage Revenue Bonds?

PRINCIPALS

- Housing Opportunities Commission of Montgomery County
- Caine Mitter & Associates Incorporated – Financial Advisor
- Kutak Rock, LLP – Bond Counsel
- BofA Merrill Lynch – Senior Managing Underwriter
- PNC Capital Markets – Co-Senior Managing Underwriter
- Chapman and Cutler LLP – Underwriter’s Counsel
- Bank of New York Mellon – Trustee

FISCAL/ BUDGET IMPACT

Expenses of the Single Family Program are borne from excess revenue in the program. Savings from reduced bond cost remain with the Indenture.

TIME FRAME

For action at the April 3, 2019 meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission accept the recommendation of the Development and Finance Committee and authorize the following:

1. The structure and Cost of Issuance budget for the 2019 Series A and Series B bonds under the 1979 Mortgage Revenue Bond Resolution for approximately \$40 million.
 - The Series A Bonds will be approximately \$35 million of non-AMT new money and replacement refunding bonds.
 - The Series B Bonds will be approximately \$5 million of AMT replacement refunding bonds.
 - The Cost of Issuance budget is approximately \$577,000 to be funded from revenues in the 1979 Indenture.
2. The allocation of approximately \$30 million of private activity volume cap to complete the transaction herein proposed.
3. Adoption of Series Resolutions to issue 2019 Series A and 2019 Series B Single Family Mortgage Revenue Bonds.

RESOLUTION No.: 19-37

RE: Approval of Structure, Cost of Issuance Budget, and Adoption of Series Resolutions for 2019 Series A and 2019 Series B Single Family Mortgage Revenue Bonds for the Purpose of Issuing New Debt and Replacement Refunding Single Family Mortgage Revenue Bonds

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

WHEREAS, the Commission has issued various series of Single Family Mortgage Revenue Bonds under the Single Family Bond Resolution originally adopted on March 28, 1979, as amended (the “Bond Resolution”), a portion of which are currently outstanding; and

WHEREAS, the Bond Resolution authorizes the Commission to issue its bonds from time to time pursuant to one or more series resolutions in order to obtain funds to carry out its Single Family Mortgage Purchase Program (the “Single Family Program”); and

WHEREAS, the Commission desires to reduce its debt service expense in the Single Family Program and to produce low mortgage rates and new mortgage loans for Montgomery County, Maryland first time homebuyers; and

WHEREAS, financial market conditions are favorable for the Commission to issue replacement refunding bonds to recycle and preserve volume cap; and

WHEREAS, the Commission has determined to carry out the Single Family Program by issuing its 2019 Single Family Mortgage Revenue Bonds in one or more series beginning with 2019 Series A and 2019 Series B, and with each subsequent series, if any, to follow in alphabetical order (collectively, the “2019 Bonds”) in a total aggregate principal amount not to exceed \$40,000,000; and

WHEREAS, the use of Private Activity Volume Cap for new debt and satisfaction of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) will be required; and

WHEREAS, in connection with the proposed issuance of the 2019 Bonds, the Commission has reviewed the recommended structure and the cost of issuance budget and has been provided with initial drafts of the series resolutions to be adopted prior to the issuance of the 2019 Bonds (collectively, the “Series Resolution”), and the preliminary official statement to

be provided to prospective purchasers of the 2019 Bonds (the “POS,” and following the sale of the 2019 Bonds and the appropriate revisions reflecting the final pricing and terms of the 2019 Bonds, the “Official Statement”);

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves and/or authorizes the following:

1. ***The 2019 Bonds.*** The 2019 Bonds are authorized to be issued in a principal amount not to exceed \$40,000,000 to (i) replacement refund and redeem certain bonds outstanding under the Bond Resolution, (ii) make, purchase or finance newly originated Mortgage Loans (as defined in the Bond Resolution), and (iii) if necessary, fund certain required reserves.

2. ***Approval of the Series Resolution and the Structure of the 2019 Bonds.*** The 2019 Bonds are to be issued pursuant to the terms of the Bond Resolution and pursuant to the terms of the Series Resolution which have been provided to the Commission. The Commission hereby approves the current provisions of the Series Resolution and the structure of and the security for the 2019 Bonds set forth therein and in the POS. The Executive Director is hereby authorized to approve the final form of the Series Resolution, the POS and the Official Statement prior to the issuance of the 2019 Bonds.

3. ***Commission Documents.*** The Chair, the Vice-Chair, the Chair Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver the Series Resolution, the Official Statement and any such other documents and agreements to be prepared in connection with the issuance of the 2019 Bonds (the “Commission Documents”) in such forms as shall be prepared and approved by the Chair, the Vice Chair, the Chair Pro Tem or the Executive Director, their execution and delivery of the Commission Documents being conclusive evidence of such approval and of the approval of the Commission and the Secretary of the Commission, or any other Authorized Representative (defined below), is hereby authorized and directed to affix the seal of the Commission to the Commission Documents and to attest the same.

4. ***Authorizing Ongoing Determinations under Commission Documents.*** The Executive Director is hereby authorized, without further authority from the Board of Commissioners, to perform any act, to execute any documents, and to make any ongoing determinations as may be required to be made on behalf of the Commission from time to time, including, but not limited to, the determination of other terms to be in effect with respect to the 2019 Bonds as shall be set forth in the Commission Documents.

5. ***Other Action.*** The Chair or Vice Chair or Chair Pro Tem and the Executive Director of the Commission or a person designated by the Executive Director to act on his behalf (the “Authorized Representative”) are hereby authorized and directed to undertake any other actions necessary (i) for the issuance and sale of the 2019 Bonds, (ii) for the replacement refunding and redemption or repayment of prior bonds (the “Prior Bonds”), (iii) for the financing of new Mortgage Loans under the Single Family Program, (iv) for the performance of

any and all actions required or contemplated under the Bond Resolution, the Series Resolution, the POS, the Official Statement and any other financing documents relating to the issuance of the 2019 Bonds, and (v) for the entire period during which the 2019 Bonds are outstanding following the issuance thereof.

6. **Approval of Allocation of Volume Cap.** The Commission approves the allocation of approximately \$30,000,000 of Private Activity Volume Cap to complete the transaction.

7. **Approval of Cost of Issuance.** The Commission approves the cost of issuance budget in an amount up to \$577,000 to be incurred by the Commission in connection with the issuance of the 2019 Bonds.

8. **Appointment of Financial Advisor and Bond Counsel.** Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2019 Bonds.

9. **Action Approved and Confirmed.** All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this resolution and in the furtherance of the issuance and sale of the 2019 Bonds, the refunding and redemption of the Prior Bonds and the financing of newly originated Mortgage Loans approved hereby and the execution, delivery and performance of the Commission Documents authorized hereby are in all respects approved and confirmed.

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

11. **Effective Date.** This resolution shall take effect immediately.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 3, 2019.

Patrice M. Birdsong
Special Assistant to the Commission

[SEAL]

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

Resolution No. 2019-37A

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE
OF
\$[35,000,000] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2019 SERIES A OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2019

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Resolution No. 2019-_____

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE

OF

[\$35,000,000] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2019 SERIES A OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2019

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) has previously issued certain Bonds to purchase Mortgage Loans from Mortgage Lenders pursuant to its single family mortgage program under the provisions of Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County, 1974, as amended, known as the Housing Opportunity Act, and the Agreement by and between the Commission and Montgomery County, Maryland, effective July 1, 2016, as amended (the “Acts”); and

WHEREAS, the Commission adopted a Single Family Mortgage Revenue Bond Resolution on March 28, 1979, and adopted resolutions amending said Bond Resolution on December 15, 1982, as of August 1, 1983, as of June 1, 1986, as of June 26, 1991, on May 17, 1995, on June 9, 1999, on May 3, 2000, on September 18, 2002, as of December 1, 2005, on April 2, 2008, on December 7, 2011 and on June 5, 2013 (the “Bond Resolution”); and

WHEREAS, in order to obtain funds with which to refund and redeem certain prior outstanding bonds of the Commission and to make certain moneys available to finance additional Mortgage Loans it is deemed necessary and advisable to issue a series of Single Family Mortgage Revenue Bonds of the Commission as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. (a) Except as provided in subsection (b) hereof, all defined terms contained in the Bond Resolution when used in this 2019 Series A Resolution shall have the same meanings as set forth in the Bond Resolution.

(b) As used in this 2019 Series A Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Bond Counsel*” means one or more attorneys or firms of attorneys with a nationally recognized standing in the field of municipal bond financings selected by the Commission.

“*Business Day*” means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York or in which the designated corporate trust office of the Trustee is located, are authorized by law to close, or a day on which the New York Stock Exchange is closed.

“*Electronic Means*” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*Interest Payment Date*” means each January 1 and July 1, commencing January 1, 2020.

“*1954 Code*” means the Internal Revenue Code of 1954, as amended, and the regulations of the United States Department of Treasury thereunder.

“*1986 Code*” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of Treasury thereunder.

“*No Arbitrage Certificate*” means the No Arbitrage Certificate, dated June 6, 2019 relating to the 2019 Series Bonds.

“*Record Date*” means the 15th day of the calendar month next preceding each Interest Payment Date.

“*Series A Refunded Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, in the aggregate principal amount of \$_____, of the series and in the specific amounts set forth in Section 3.04 hereof.

“*Single Family Residence*” has the meaning ascribed to such term in the Financing Agreement.

“*2019 Series A Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, 2019 Series A, in the aggregate principal amount of \$[35,000,000].

“*2019 Series A PAC Bonds*” has the meaning ascribed to such term in Section 2.11(c) hereof.

“*2019 Series A Resolution*” means this 2019 Series A Resolution of the Commission authorizing the issuance of the 2019 Series A Bonds.

“*2019 Series A Mortgage Loan Account*” means the Account created pursuant to Section 3.01 hereof.

“2019 Series A Rebate Account” means the Account created pursuant to Section 3.02 hereof.

“2019 Series A Refunding Account” means the Account created pursuant to Section 3.02 hereof.

“2019 Series B Bonds” means the Commission’s Single Family Mortgage Revenue Bonds, 2019 Series B, in the aggregate principal amount of \$[5,000,000], authorized under the 2019 Series B Resolution.

“2019 Series B Resolution” means the Series Resolution of the Commission authorizing the issuance of the 2019 Series B Bonds.

“2019 Series Bonds” means, collectively, the 2019 Series A Bonds and the 2019 Series B Bonds.

The terms “hereby,” hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this 2019 Series A Resolution, refer to this 2019 Series A Resolution.

Section 1.02. Authority for This 2019 Series A Resolution. This 2019 Series A Resolution is adopted pursuant to the provisions of the Acts and the Bond Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF 2019 SERIES A BONDS

Section 2.01. Authorization of Bonds, Principal Amount, Designation and Series. In order to provide sufficient funds necessary for the refunding and redemption of the Series A Refunded Bonds and to finance Mortgage Loans or Guaranteed Mortgage Securities pursuant to the Acts and in accordance with and subject to the terms, conditions and limitations established in the Bond Resolution and this 2019 Series A Resolution, the 2019 Series A Bonds are hereby authorized to be issued. The 2019 Series A Bonds in the aggregate principal amount of \$[35,000,000] will be entitled “Single Family Mortgage Revenue Bonds,” and such Series of Bonds shall bear the additional designation “2019 Series A” and each Bond as so designated shall be entitled “Single Family Mortgage Revenue Bond, 2019 Series A.” The 2019 Series A Bonds are to be substantially in the form attached to this 2019 Series A Resolution as Exhibit B, with appropriate variations, omissions and insertions as permitted or required by the Bond Resolution.

Section 2.02. Purposes. The purposes for which the 2019 Series A Bonds are being issued are (i) to apply the proceeds of the 2019 Series A Bonds to make \$_____, available for the purchase of newly originated Mortgage Loans and Guaranteed Mortgage Securities (or participations therein) to finance single family owner-occupied housing, subject to the limitations and provisions provided in Article V of the Bond Resolution and (ii) to refund and redeem \$_____ aggregate principal amount of the Series A Refunded Bonds.

A more detailed description of the replacement refunding occurring in connection with the issuance of the 2019 Series Bonds and the use of funds made available from the issuance of the

2019 Series Bonds and such refundings are included in the Commission’s No Arbitrage Certificate relating to the 2019 Series Bonds dated June 6, 2019.

Section 2.03. *Issue Date and Payment.* The 2019 Series A Bonds shall be dated the date of delivery and authentication thereof. The 2019 Series A Bonds will bear interest from the date of delivery thereof, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2020. Interest on the 2019 Series A Bonds shall be paid by check to the registered owners at their addresses as they appear as of the close of business on the Record Date on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the “Trustee”) or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such registered owners on or prior to the Record Date or, upon timely written request of a registered owner of 2019 Series A Bonds and payment of any applicable transfer fee, by wire transfer from the Trustee to the registered owner thereof. Principal of, redemption premium, if any, and interest due at maturity or upon redemption or purchase of the 2019 Series A Bonds will be payable at the designated corporate trust office of the Trustee at maturity or earlier redemption or purchase.

Section 2.04. *The 2019 Series A Bonds.*

(a) The 2019 Series A Bonds shall mature on the dates and in the principal amounts and shall bear interest at the rates per annum as follows:

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2019 Series A Bonds

\$_____ Serial Bonds

<u>Year</u>	<u>Amount</u> \$	<u>Interest Rate</u> %
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2019 Series A Bonds

\$_____ Term Bonds

<u>Year</u>	<u>Amount</u> \$	<u>Interest Rate</u> %
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Section 2.05. Original Reoffering Price. The Original Reoffering Price of the 2019 Series A Bonds shall be \$_____.

Section 2.06. Denominations, Numbers and Letters. The 2019 Series A Bonds shall be issued as fully registered Bonds without coupons. The 2019 Series A Bonds shall be issued in the denominations of \$5,000 each or any integral multiple thereof. The 2019 Series A Bonds shall be numbered consecutively from one upwards with the prefix RA preceding each number.

Section 2.07. Exchange of 2019 Series A Bonds. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, the 2019 Series A Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the registered owner thereof, for a like aggregate principal amount of registered 2019 Series A Bonds without coupons of other authorized denominations of the same series and the same maturity. None of the 2019 Series A Bonds may be exchanged for coupon Bonds.

Section 2.08. Trustee, Registrar and Paying Agent. The Bank of New York Mellon Trust Company, N.A., is hereby appointed the Trustee, Registrar and Paying Agent of the 2019 Series A Bonds.

Section 2.09. Redemption from Special Redemption Account. (a) The 2019 Series A Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, from moneys deposited in the 2019 Series A Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, at a price equal to, (i) for the 2019 Series A PAC Bonds, at the respective redemption prices (expressed as percentages of the respective principal amounts thereof) set forth in Exhibit A attached hereto, plus accrued interest thereon, if any, to the date fixed for redemption, and (ii) for all other 2019 Series A Bonds, at the principal amount thereof plus accrued interest, if any, to the redemption date without premium, calculated as of the redemption date.

The 2019 Series A Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, at a price equal to the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, from Revenues relating to any Series of Bonds (primarily payments of principal and interest and Prepayments of principal on Mortgage Loans and Guaranteed Mortgage Securities and earnings on Permitted Investments) and any amounts available as a result of a reduction in the reserve requirements established pursuant to the Resolutions, which are in excess of the amount required to pay principal of and interest on the Bonds in the then current year.

The 2019 Series A Bonds are subject to redemption in part from a portion of the moneys on deposit in the 2019 Series A Mortgage Loan Account in the amount of _____, if such moneys are not applied to the purchase of Mortgage Loans or Guaranteed Mortgage Securities by the date set forth in the final cash flows prepared for the issuance of the 2019 Series A Bonds, unless the Commission prepares cash flows reflecting a later acquisition period and receives confirmation from any rating agency that has an outstanding rating on the 2019 Series A Bonds, at the Commission's request, that the rating on the Bonds will not be lowered or withdrawn.

To comply with certain provisions of federal tax law, \$_____ of the funds deposited in the 2019 Series A Mortgage Loan Account are required to be applied to the redemption of the 2019 Series A Bonds no later than January [6], 2023 to the extent that, on or before such date, such amount has not been applied to the purchase of Mortgage Loans and Guaranteed Mortgage Securities or to the earlier redemption of the 2019 Series A Bonds. In addition, the following percentages of scheduled payments and Prepayments of principal of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2019 Series A Bonds received on or after the following dates, are required to be applied no later than the close of the first semi-annual period beginning after the date of receipt to the retirement of the 2019 Series A Bonds through the payment thereof at maturity or upon redemption.

<u>Date</u>	<u>Percent</u>	<u>Date</u>	<u>Percent</u>
June 6, 2019	%		%

The Commission may redeem the 2019 Series A Bonds, including the 2019 Series A PAC Bonds (but only to the extent as described herein) in amounts greater than such percentages from available amounts in the Revenue Fund.

(b) An amount equal to 100% of Prepayments of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2019 Series A Bonds will be applied at least once during each semi-annual period to the redemption of the 2019 Series A PAC Bonds at par in an amount up to the cumulative amounts set forth in the following table, prior to the redemption of other 2019 Series A Bonds.

<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>	<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>
	\$		\$

Such cumulative amounts are derived from certain assumptions related to the Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2019 Series A Bonds, including the assumptions that all such newly purchased Mortgage Loans and Guaranteed Mortgage Securities are purchased by February 1, 2021 and Prepayments on all such Mortgage Loans and Guaranteed Mortgage Securities are received at a rate equal to 100% of the Securities Industry and Financial Markets Association Standard Prepayment Model (the "SIFMA Model," as described below) and that 100% of such Prepayments will be used to redeem the 2019 Series A PAC Bonds. Prepayments of Mortgage Loans and Guaranteed Mortgage Securities will be applied to the redemption of the 2019 Series A PAC Bonds, but only to the extent that such redemptions do not exceed the cumulative amounts set forth in the above table (provided that such prepayments may be applied to the redemption of 2019 Series A PAC Bonds in excess of such cumulative amounts if such redemption is necessary to preserve the tax-exempt status of the 2019 Series A Bonds). If the 2019 Series A Bonds are redeemed from moneys deposited in the 2019 Series A Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, then the amount of the 2019 Series A PAC Bonds redeemed will be proportional to the total amount of 2019 Series A Bonds being redeemed, and each cumulative amount set forth in the table above will be recalculated to be equal to the product of (1) such amount and (2) the fraction whose numerator is equal to the remainder of (a) the total amount originally deposited in the 2019 Series A Mortgage Loan Account less (b) the cumulative amount of the proceeds of the 2019 Series A Bonds that have been used to so redeem the 2019 Series A

Bonds, and whose denominator is equal to the total amount originally deposited in the 2019 Series A Mortgage Loan Account. If the amount available for such redemption is less than \$100,000, the Commission may delay redemption of the 2019 Series A PAC Bonds until the amount of Prepayments available totals \$100,000 or more.

Prepayments of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2019 Series A Bonds in excess of the aggregate amounts set forth in the table above and up to the cumulative amounts set forth in the following table, will be applied to the redemption at par of the 2019 Series A Bonds, excluding the 2019 Series A PAC Bonds (provided that such prepayments may be used to redeem the 2019 Series A PAC Bonds, if such redemption is necessary to preserve the tax-exempt status of the 2019 Series A Bonds). Prepayments in excess of cumulative amounts set forth in the following table may be applied by the Commission to the redemption of the 2019 Series A Bonds, including the 2019 Series A PAC Bonds. The cumulative amounts in the following table are derived from certain assumptions related to Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2019 Series A Bonds including the assumptions that newly-purchased Mortgage Loans and Guaranteed Mortgage Securities, or participations therein, are purchased by June 2018 and prepayments on all such Mortgage Loans and Guaranteed Mortgage Securities are received at a rate equal to 400% of the SIFMA Model. If the 2019 Series A Bonds are redeemed from moneys deposited in the 2019 Series A Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, each cumulative amount set forth in the table below will be recalculated to be equal to the product of (1) such amount and (2) the fraction whose numerator is equal to the remainder of (a) the total amount originally deposited in the 2019 Series A Mortgage Loan Account less (b) the cumulative amount of the proceeds of the 2019 Series A Bonds that have been used to so redeem the 2019 Series A Bonds, and whose denominator is equal to the total amount originally deposited in the 2019 Series A Mortgage Loan Account.

<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>	<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>
	\$		\$

Section 2.10. Redemption from Optional Redemption Account. (a) The 2019 Series A Bonds maturing on or after January 1, 2029 are subject to redemption or purchase in lieu of redemption, at the option of the Commission, from moneys in the Optional Redemption Account in the Redemption Fund, in whole or in part, at any time on or after July 1, 2028, at one hundred percent (100%) of the principal amount thereof, plus accrued interest thereon, if any, to the redemption or purchase date, plus accrued interest, if any to the redemption date.

To exercise the option to purchase the 2019 Series A Bonds in lieu of redemption pursuant to this section, the Commission shall deliver written notice thereof to the Trustee no later than 12:00 Noon, New York City Time, on the date the 2019 Series A Bonds would otherwise have

been redeemed (the “Purchase-in-Lieu Date”), and the Commission shall transfer or cause to be transferred to the Trustee the moneys required to purchase the 2019 Series A Bonds no later than 12:00 Noon, New York City Time, on such Purchase-in-Lieu Date. If notice of redemption has been given as required under the Bond Resolution, no additional notice to the Bondholders shall be required to be given of the exercise by the Commission of the option to purchase 2019 Series A Bonds pursuant to this Section. All 2019 Series A Bonds shall be deemed to have been purchased on the Purchase-in-Lieu Date provided funds sufficient to purchase the 2019 Series A Bonds on the Purchase-in-Lieu Date have been deposited with the Trustee, and from and after such Purchase-in-Lieu Date, interest shall cease to accrue on the 2019 Series A Bonds to the prior Bondholders, and the prior owners thereof shall have no rights with respect to such 2019 Series A Bonds except to receive payment of the purchase price thereof and accrued interest to the Purchase-in-Lieu Date. Notwithstanding such purchase, the 2019 Series A Bonds shall remain Outstanding for all purposes under this 2019 Series A Resolution and the Bond Resolution. Failure to mail the related notice of redemption or any defect therein shall not affect the validity of the purchase of the 2019 Series A Bonds. The Commission’s notice of purchase in lieu of redemption may be conditioned upon receipt of funds by the Trustee or may be withdrawn at any time as specified therein. The Commission’s notice of purchase in lieu of redemption may be given in conjunction with a notice of redemption given pursuant to the Bond Resolution, in which case it shall so state and shall provide that a withdrawal of the purchase notice will not constitute a withdrawal of the redemption notice unless otherwise specified therein.

Section 2.11. Redemption from Sinking Fund Installments. (a) The 2019 Series A Bonds maturing on _____ are subject to mandatory redemption in part by lot on _____ and on each January 1 and July 1 thereafter, to and including _____, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount <u>(January)</u>	Principal Amount <u>(July)</u>	<u>Year</u>	Principal Amount <u>(January)</u>	Principal Amount <u>(July)</u>
	\$	\$		\$	(maturity)

(b) The 2019 Series A Bonds maturing on _____ are subject to mandatory redemption in part by lot on _____ and on each January 1 and July 1 thereafter, to and including _____, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)	<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)
	\$	\$		\$	(maturity)

(c) The 2019 Series A Bonds maturing on _____ are subject to mandatory redemption in part by lot on _____ and on each January 1 and July 1 thereafter, to and including _____, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)	<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)
	\$	\$		\$	(maturity)

(d) The 2019 Series A Bonds maturing on _____ are subject to mandatory redemption in part by lot on _____ and on each January 1 and July 1 thereafter, to and including _____, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)	<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)
	\$	\$		\$	(maturity)

Section 2.12. Reserved.

Section 2.13. Issue and Sale of 2019 Series A Bonds. The 2019 Series A Bonds authorized to be issued herein shall be sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Underwriter”) at the aggregate price of \$_____ on the terms and conditions set forth in the Contract of Purchase dated [April 30][May 1], 2019, by and between the Underwriters and the Commission (the “Contract of Purchase”). The Underwriters will receive an underwriting fee of \$_____ relating to the sale of the 2019 Series A Bonds. Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2019 Series A Bonds.

Section 2.14. Delivery of 2019 Series A Bonds. (a) The 2019 Series A Bonds shall be delivered, upon compliance with the provisions of the Bond Resolution to the order of the

Underwriters named in Section 2.13 hereof, at such time and place as provided in, and subject to, the provisions of the Contract of Purchase.

(b) The Commission adopts the expectations, beliefs, assumptions and representations expressed and made on behalf of the Commission in the Preliminary Official Statement relating to the 2019 Series Bonds dated April 18, 2019 and in the Official Statement relating to the 2019 Series Bonds, dated [April 30][May 1], 2019 (the “Official Statement”) and hereby ratifies the Underwriters’ use and distribution of the Preliminary Official Statement in selling the 2019 Series Bonds.

(c) The execution and distribution of the Official Statement and the execution of the Contract of Purchase are hereby approved and ratified.

(d) The Executive Director, Chair, Vice-Chair or Chair pro tem are authorized to make such changes, deletions and additions to the provisions of this 2019 Series A Resolution, consistent with the purposes of this 2019 Series A Resolution, as they deem necessary or advisable to issue the 2019 Series A Bonds.

Section 2.15. *Further Authority.* The Chair, Vice-Chair, Chair pro tem and Executive Director of the Commission are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as they or either of them deem necessary or advisable to provide for the issuance, sale and delivery of the 2019 Series A Bonds.

Section 2.16. *Trustee Authority to Facilitate Use of Securities Depository.* The authorized officers of the Trustee are, and each of them is, hereby authorized to do or perform such acts and to execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the 2019 Series A Bonds; provided that neither the Trustee nor the Commission may assume: (i) any obligations to such securities depository or beneficial owners of Bonds that are inconsistent with their obligations to any registered bondholder under this 2019 Series A Resolution or the Bond Resolution or (ii) any obligation which would directly or indirectly create obligations on the part of the Trustee or the Commission to persons who own 2019 Series A Bonds or interests therein but who are not registered owners of 2019 Series A Bonds, unless the Commission shall have consented in writing to such obligations.

Section 2.17. *Special Procedures Relating to Partial Redemptions.* Notwithstanding the provisions of Section 4.05 of the Bond Resolution, the Commission, with the prior written consent of the Trustee, may enter into an agreement with an owner of any 2019 Series A Bond having a denomination greater than \$5,000 providing that such registered owner is authorized to effect a reduction in the face amount of such 2019 Series A Bond by making a notation indicating the principal amount of such redemption and the date thereof on the payment grid attached to such 2019 Series A Bond in lieu of surrendering such 2019 Series A Bond to the Trustee for cancellation and the issuance of a new bond or bonds in the amount of the unredeemed portion thereof in accordance with Section 4.05 of the Bond Resolution. If the Commission and an owner enter into such an agreement, the records of the Trustee shall be conclusive in determining the outstanding principal amount of any 2019 Series A Bond affected by the agreement, notwithstanding the failure

of the owner to make any notation on the payment grid attached to such 2019 Series A Bond of the redemption of a portion thereof, and shall be binding upon the owner, any heirs, personal representatives, successors or assigns, or any transferee or purchaser of such 2019 Series A Bond. If the Commission enters into such an agreement with such an owner of any 2019 Series A Bond, a notation of the effect of such agreement may be inserted in the form of any 2019 Series A Bond to be delivered to such owner.

ARTICLE III

2019 SERIES A BONDS

Section 3.01. *Establishment of 2019 Series A Mortgage Loan Account.* There is hereby established an account designated as the 2019 Series A Mortgage Loan Account, moneys in which shall be used for the purposes and as authorized by Section 5.03 of the Bond Resolution and this 2019 Series A Resolution. In addition, the Commission acknowledges that the 2019 Series A Bonds have been structured to have certain redemption priorities and protections, and the Commission covenants to apply moneys in the 2019 Series A Mortgage Loan Account to effect such priorities and protections.

Section 3.02. *Establishment of 2019 Series A Refunding Account and 2019 Series A Rebate Account.* (a) There is hereby established a special account separate from all other funds and accounts, irrevocably in trust for, and assigned to, the Holders of the Series A Refunded Bonds, designated as the 2019 Series A Refunding Account, moneys in which shall be used to pay the principal of the Series A Refunded Bonds upon redemption as provided in Section 3.04 hereof and for such other purposes as authorized by the Bond Resolution and this 2019 Series A Resolution.

(b) There is hereby established a special account separate from all other funds and accounts, designated as the 2019 Series A Rebate Account, as authorized by Section 5.01 of the Bond Resolution, moneys in which shall be used to pay rebate to the United States as provided in Section 3.05 hereof.

Section 3.03. *Application of Proceeds of the 2019 Series A Bonds.* The Trustee shall apply the proceeds of the 2019 Series A Bonds as follows:

(a) \$_____, representing a portion of the proceeds of the 2019 Series A Bonds shall be deposited into the 2019 Series A Mortgage Loan Account.

(b) \$_____, representing the remaining portion of the 2019 Series A Bonds shall be deposited into the 2019 Series A Refunding Account.

(c) On June _____, 2019, the Trustee is hereby directed to transfer for deposit to the Special Redemption Account, established pursuant to Section 6.01 of the Bond Resolution, amounts on deposit in the 2019 Series A Refunding Account for application to the refunding and redemption of the Series A Refunded Bonds in accordance with Section 3.04(b) hereof on June 28, 2019.

(d) No amount of the proceeds of the 2019 Series A Bonds shall be deposited in the Debt Service Reserve Fund.

(e) No amount of the proceeds of the 2019 Series A Bonds shall be deposited in the Mortgage and Special Hazard Reserve Fund.

(f) The Commission covenants to use its best efforts to apply the proceeds of or relating to the 2019 Series A Bonds in the 2019 Series A Mortgage Loan Account to make or purchase Mortgage Loans or Guaranteed Mortgage Securities, provided, however, that nothing herein shall prohibit the Commission's use of moneys in any Mortgage Loan Account if necessary to maintain the tax-exempt status of the 2019 Series A Bonds or to best achieve the objectives of the Program. In addition, the Commission acknowledges that the 2019 Series A Bonds have been structured to have certain redemption priorities and protections, and the Commission covenants to apply moneys in the 2019 Series A Mortgage Loan Account to effect such priorities and protections.

(g) No amount of the proceeds of the 2019 Series A Bonds shall be used to pay the costs of issuing the 2019 Series A Bonds.

Section 3.04. Refunding and Redemption. (a) The Commission hereby authorizes the Trustee, in its capacity as trustee for the Series A Refunded Bonds, to apply the amounts on deposit in the 2019 Series A Refunding Account portion of the moneys delivered to it pursuant to Section 3.03(c) hereof to the payment of the redemption price of an equal principal amount of the following Series A Refunded Bonds on June 28, 2019:

<u>Series of Bonds</u>	<u>Amount</u>
	\$
Total	\$

(b) The Commission hereby notifies the Trustee that sufficient moneys are being deposited on the date of issuance of the 2019 Series A Bonds into the 2019 Series A Refunding Account so that such moneys will be sufficient to pay the principal of the Series A Refunded Bonds being redeemed on June 28, 2019.

(c) The Commission hereby authorizes and directs the Trustee in its capacity as trustee for the Series A Refunded Bonds to pay the principal of the Series A Refunded Bonds being redeemed on June 28, 2019 from the proceeds of the 2019 Series A Bonds transferred to the Trustee pursuant to Section 3.03(c) hereof.

Section 3.05. Restriction as to "Arbitrage Bonds." The Commission shall not use or direct or permit the use of the proceeds of the 2019 Series A Bonds or any other moneys held under the Bond Resolution or this 2019 Series A Resolution in any manner that would cause the 2019 Series A Bonds to be "arbitrage bonds" within the meaning ascribed to such quoted term in the 1986 Code. The Commission covenants that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the 1986 Code. This covenant shall survive payment in full or defeasance of the 2019 Series A Bonds. Money shall be deposited to the 2019 Series A Rebate Account by the Commission or by the Trustee at the written direction of the Commission and shall be held by the Trustee to the extent required to make the necessary payments to the United States pursuant to Section 148(f) of the 1986 Code. Upon receipt of the Commission's written directions, the Trustee shall remit part or all of the balances in the

2019 Series A Rebate Account to the United States as so directed. Any funds remaining in the 2019 Series A Rebate Account after redemption and payment of all of the 2019 Series A Bonds and payment and satisfaction of any requirement to make payment to the United States pursuant to Section 148(f) of the 1986 Code, or provision for payment made satisfactory to the Trustee, shall be withdrawn and remitted to the Commission.

Section 3.06. *Special Tax Covenants.* (a) The Commission hereby covenants: (i) to take all steps and actions necessary to assure the successful operation of the Program in a manner consistent with the preservation of the exclusion of the interest payable on the 2019 Series A Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code, (ii) to take all steps and actions necessary to preserve the exclusion of the interest payable on the 2019 Series A Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code and (iii) to refrain from taking any steps or actions that would impair or call into question the exclusion of the interest payable on the 2019 Series A Bonds from gross income under Sections 103 or 143(e) and (f) of the 1986 Code or 103A of the 1954 Code.

(b) The Commission covenants not to use the proceeds of the 2019 Series A Bonds to finance a Single Family Residence unless:

(1) The acquisition cost (within the meaning of Section 143(e) of the 1986 Code) of such Single Family Residence does not exceed 90% of the average area purchase price applicable to such Single Family Residence at the time of the financing of the Mortgage Loan, which average area purchase prices are set forth in Revenue Procedure 88-48 for the current period, unless such Single Family Residence is located in a Targeted Area, in which case the acquisition cost (within the meaning of Section 143 of the 1986 Code) may not exceed 110% of the average area purchase price applicable to such Single Family Residence; and

(2) The current annual income of the family using or intending to use the Single Family Residence as its principal residence does not exceed 115% (100% for families of less than three individuals) of the median gross income for the area in which such Single Family Residence is located, in accordance with regulations issued pursuant to Section 8 of the United States Housing Act of 1937.

These covenants may be modified from time to time pursuant to written instructions as delivered to the Trustee by the Commission, accompanied by an opinion of Bond Counsel permitting such modifications.

Section 3.07. *Covenant for Use of Prepayments.* Subject to the provisions of Section 2.09 hereof, the Commission will apply repayments and prepayments of principal of Mortgage Loans or Guaranteed Mortgage Securities financed from the issuance of the 2019 Series A Bonds that, under the Code, are not permitted to be used to finance additional Mortgage Loans or Guaranteed Mortgage Securities to the redemption of the 2019 Series A Bonds.

ARTICLE IV

DETERMINATIONS REQUIRED BY THE BOND RESOLUTION

Section 4.01. *Determination Concerning the Debt Service Reserve Fund.* In compliance with Section 2.02 of the Bond Resolution, the Commission determines that the amount in the Debt Service Reserve Fund is sufficient to maintain a balance therein equal to the Debt Service Reserve Requirement, computed with reference to all Outstanding Bonds and to the 2019 Series A Bonds authorized hereunder.

Section 4.02. *Determination Concerning the Issuance of the 2019 Series A Bonds.* In compliance with Section 2.02 of the Bond Resolution, the Commission determines that the 2019 Series A Bonds will not adversely affect the ability of the Commission to purchase Mortgage Loans or Guaranteed Mortgage Securities with the proceeds of Outstanding Bonds previously issued.

ARTICLE V

[RESERVED]

ARTICLE VI

MISCELLANEOUS

Section 6.01. *Continuing Disclosure.* The Commission agrees to comply with and carry out the provisions of the Continuing Disclosure Agreement dated as of June 6, 2019 by and between the Commission and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, and any other information filings required by federal securities laws.

Section 6.02. *Unclaimed Moneys.* In the event any 2019 Series A Bond is not presented for payment when the principal of any such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such 2019 Series A Bond have been deposited with the Trustee for the benefit of the owners of such Bond and have remained unclaimed for five years after such principal has become due and payable, either at the stated maturity date thereof or by call for earlier redemption, then such amounts shall, at the request of the Commission, be repaid by the Trustee to the Commission, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Commission for the payment of such 2019 Series A Bonds, as the case may be; provided, however, that the Trustee, before being required to make any such payment to the Commission shall, at the expense of the Commission, cause to be published, at least twice, at an interval of not less than seven days between publications, in Authorized Newspapers, notice that such moneys remain unclaimed and that, after a date specified in such notice, which will not be less than 30 days from the date of such publication, any unclaimed balance of such moneys then remaining will be paid to the Commission. The obligation of the Trustee under this Section to pay any such amounts to the Commission will be subject to any

provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

Section 6.03. *Electronic Means.* The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to the Bond Resolution and this Series Resolution and delivered using Electronic Means; provided, however, that the Commission shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Commission whenever a person is to be added or deleted from the listing. If the Commission elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Commission understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Commission shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Commission and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Commission. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Commission agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Commission; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 6.04. *Severability.* If any provision of this 2019 Series A Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 6.05. *Applicable Provisions of Law.* This 2019 Series A Resolution shall be governed by and construed in accordance with the laws of the State of Maryland.

HOUSING OPPORTUNITIES COMMISSION
MONTGOMERY COUNTY

[SEAL]

By: _____
Jackie D. Simon
Chair

ATTEST:

By: _____
Stacy L. Spann
Secretary-Treasurer

[SIGNATURE PAGE TO 2019 SERIES A RESOLUTION]

EXHIBIT A

REDEMPTION PRICE TABLE FOR CERTAIN REDEMPTIONS

The 2019 Series A PAC Bonds that are redeemed from unexpended proceeds as set forth in Section 2.09 of the foregoing Series Resolution will be redeemed at the respective redemption prices (expressed as percentages of the principal amounts) set forth below.

Redemption Dates

Redemption Prices

Date of Delivery

%

The applicable redemption price for any date other than those above will be determined by the Commission using straight-line interpolation between the respective redemption prices for the immediately preceding and succeeding dates, based on the number of days between such dates.

EXHIBIT B

FORM OF 2019 SERIES A BOND

UNITED STATES OF AMERICA
STATE OF MARYLAND
HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

Single Family Mortgage Revenue Bond
2019 Series A

NO. RA- _____ \$

INTEREST RATE: _____ %
MATURITY DATE: _____
DATED DATE: June _____, 2019
CUSIP: _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Housing Opportunities Commission of Montgomery County, a public body corporate and politic of the State of Maryland (the "Commission"), for value received, promises to pay from the sources and as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on said sum from the Dated Date identified above, at the Interest Rate per annum identified above, semiannually on January 1 and July 1 of each year, commencing January 1, 2020 (the "Interest Payment Date"), until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond before maturity may become applicable hereto. Interest on this Bond is payable by check mailed to the Registered Owner hereof as his or her name and address appear, as of the close of business on the 15th day of the month next preceding each Interest Payment Date (the "Record Date"), on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the "Trustee"), or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such Registered Owner on or prior to the Record Date or, upon timely written request of a Registered Owner and payment of wire transfer fee, by wire transfer from the Trustee to the Registered Owner. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal and redemption premium, if any, and interest due at maturity or upon redemption or purchase of this Bond will be payable at the designated corporate trust office of the Trustee in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the event of a partial redemption of this Bond, the Registered Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation indicating the principal amount of such redemption and the date thereon on the Payment Grid attached hereto, in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF, NOTWITHSTANDING THE FAILURE OF THE REGISTERED OWNER TO MAKE ANY NOTATION ON SUCH PAYMENT GRID OF THE REDEMPTION OF A PORTION THEREOF, AND SHALL BE BINDING UPON THE REGISTERED OWNER, ANY HEIRS, SUCCESSORS OR ASSIGNS, OR ANY TRANSFEREE OR PURCHASER OF THIS BOND. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

This Bond is one of an authorized issue of 2019 Series A Bonds in the aggregate principal amount of \$[35,000,000] (the “2019 Series A Bonds”) issued for the purpose of providing funds for the Commission to carry out its program of making or purchasing qualified mortgage loans (the “Mortgage Loans”) for the acquisition, construction, and rehabilitation of dwelling accommodations for persons of eligible income to facilitate the development of a sufficient supply of single family residential housing in Montgomery County, Maryland for such persons, including providing funds for various reserve funds, and to refund and redeem certain of its prior outstanding Bonds issued for the purpose of financing Mortgage Loans. Simultaneously with the issuance of the 2019 Series A Bonds, pursuant to the 2019 Series B Resolution, the Commission has issued its Single Family Mortgage Revenue Bonds 2019 Series B in the aggregate principal amount of \$[5,000,000] (the “2019 Series B Bonds,” and together with the 2019 Series A Bonds, the “2019 Series Bonds”).

The 2019 Series A Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Commission’s Single Family Mortgage Revenue Bond Resolution No. 79-26, adopted March 28, 1979, as amended, and the 2019 Series A Resolution adopted by the Commission as of June 1, 2019 (collectively, the “Bond Resolution”). The Bond Resolution provides that the Commission may hereafter issue additional Bonds from time to time under certain terms and conditions contained in the Bond Resolution and, if issued, such additional Bonds will rank pari passu with this issue of 2019 Series A Bonds and be equally and ratably secured by and entitled to the protection of the Bond Resolution. Reference is hereby made to the Bond Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Commission, the Trustee and the owners of the 2019 Series A Bonds and the terms upon which the 2019 Series A Bonds are issued and secured.

The Commission and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

The 2019 Series A Bonds are issuable as registered 2019 Series A Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, registered 2019 Series A Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the Registered Owner thereof, for a like aggregate principal amount of registered 2019 Series A Bonds without coupons of other authorized denominations of the same Series and the same maturity. This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same Series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee is not required to make any exchange or transfer in the case of any proposed redemption of Bonds of such Series, after the first publication or the mailing of notice calling such Bonds or portions thereof for redemption has been given as herein provided, or during the fifteen days next preceding the date of the first publication of notice of such redemption.

The 2019 Series A Bonds shall be subject to optional, special and mandatory sinking fund redemption and purchase in lieu of redemption as provided in the Bond Resolution.

If any of the 2019 Series A Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2019 Series A Bonds or portions thereof to be redeemed will be given by the Trustee by transmitting a copy of the redemption notice at least twenty (20) days before the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. All 2019 Series A Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

The 2019 Series A Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Maryland, particularly Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County 1974, as amended, known as the Housing Opportunities Act, and a certain Agreement By and Between the Commission and Montgomery County, Maryland.

This Bond and the issue of which it forms a part and the interest thereon are limited obligations of the Commission and are payable solely out of the Revenues and other assets of the Commission pledged therefor pursuant to the Bond Resolution. The Commission has no taxing power. The 2019 Series A Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2019 Series A Bonds be payable out of any funds or properties of the Commission other than those pledged therefor. The 2019 Series A Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of the Commission nor any persons executing the 2019 Series A Bonds shall be

liable personally on the 2019 Series A Bonds by reason of the issuance thereof. Payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the 2019 Series A Bonds are to be paid to the Trustee for the account of the Commission, which payments have been duly pledged and assigned for that purpose.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Resolution, the principal of all the 2019 Series A Bonds issued under the Bond Resolution and then outstanding may become or may be declared due and payable before the stated maturities thereof, at the principal amount thereof, together with interest accrued thereon to the date of acceleration.

The Bond Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the owners of the 2019 Series A Bonds at any time by the Commission with the consent of the owners of two-thirds in Aggregate Principal Amount of the 2019 Series A Bonds at the time outstanding, as defined in the Bond Resolution. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any 2019 Series A Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Bond Resolution also contains provisions permitting the Trustee to waive certain defaults under the Bond Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Commission, does not exceed or violate any constitutional or statutory limitation; and that the amounts pledged to the payment of the principal of and premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, are expected to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Trustee or an authorized signatory thereof.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be executed in its name by the facsimile signature of its Chair and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the facsimile signature of its Secretary-Treasurer.

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

[SEAL]

By: _____
Jackie D. Simon
Chair

Attest:

By: _____
Stacy L. Spann
Secretary-Treasurer

[If a payment grid is to be added to the Bond, the following is to be inserted after the signature pages:]

PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

[If any of the 2019 Series A Bonds are to be printed, the Commission may place the “IN WITNESS WHEREOF” clause, signatures and seal on the face of such Bonds and insert on the face of such Bonds the following language:]

(optional language to be inserted on face of any 2019 Series A Bonds to be printed)

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the Single Family Mortgage Revenue Bonds, 2019 Series A of the Housing Opportunities Commission of Montgomery County.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., TRUSTEE

By: _____
Authorized Signatory

Date of Authentication: _____

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____ (Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program or similar program (STAMP, SEMP, MSP).)

Please insert social security or other identifying number of assignee: _____

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

* * * * *

[End of Form of 2019 Series A Bond]

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

Resolution No. 2019-37B

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE
OF
\$[5,000,000] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2019 SERIES B OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2019

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EXHIBIT A FORM OF 2019 SERIES B BOND

Resolution No. 2019-_____

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE

OF

[\$5,000,000] PRINCIPAL AMOUNT OF SINGLE FAMILY
MORTGAGE REVENUE BONDS, 2019 SERIES B OF THE HOUSING
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2019

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) has previously issued certain Bonds to purchase Mortgage Loans from Mortgage Lenders pursuant to its single family mortgage program under the provisions of Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County, 1974, as amended, known as the Housing Opportunity Act, and the Agreement by and between the Commission and Montgomery County, Maryland, effective July 1, 2016, as amended (the “Acts”); and

WHEREAS, the Commission adopted a Single Family Mortgage Revenue Bond Resolution on March 28, 1979, and adopted resolutions amending said Bond Resolution on December 15, 1982, as of August 1, 1983, as of June 1, 1986, as of June 26, 1991, on May 17, 1995, on June 9, 1999, on May 3, 2000, on September 18, 2002, as of December 1, 2005, on April 2, 2008, on December 7, 2011 and on June 5, 2013 (the “Bond Resolution”); and

WHEREAS, in order to obtain funds with which to refund and redeem certain prior outstanding bonds of the Commission and to make certain moneys available to finance additional Mortgage Loans it is deemed necessary and advisable to issue a series of Single Family Mortgage Revenue Bonds of the Commission as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. (a) Except as provided in subsection (b) hereof, all defined terms contained in the Bond Resolution when used in this 2019 Series B Resolution shall have the same meanings as set forth in the Bond Resolution.

(b) As used in this 2019 Series B Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Bond Counsel*” means one or more attorneys or firms of attorneys with a nationally recognized standing in the field of municipal bond financings selected by the Commission.

“*Business Day*” means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York or in which the designated corporate trust office of the Trustee is located, are authorized by law to close, or a day on which the New York Stock Exchange is closed.

“*Electronic Means*” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*Interest Payment Date*” means each January 1 and July 1, commencing January 1, 2020.

“*1954 Code*” means the Internal Revenue Code of 1954, as amended, and the regulations of the United States Department of Treasury thereunder.

“*1986 Code*” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of Treasury thereunder.

“*No Arbitrage Certificate*” means the No Arbitrage Certificate, dated June 6, 2019 relating to the 2019 Series Bonds.

“*Record Date*” means the 15th day of the calendar month next preceding each Interest Payment Date.

“*Series B Refunded Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, in the aggregate principal amount of \$_____, of the series and in the specific amounts set forth in Section 3.04 hereof.

“*Single Family Residence*” has the meaning ascribed to such term in the Financing Agreement.

“*2019 Series A Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, 2019 Series A, in the aggregate principal amount of \$[35,000,000], authorized under the 2019 Series A Resolution.

“*2019 Series A Resolution*” means the 2019 Series A Resolution of the Commission authorizing the issuance of the 2019 Series A Bonds.

“*2019 Series B Mortgage Loan Account*” means the Account created pursuant to Section 3.01 hereof.

“*2019 Series B Rebate Account*” means the Account created pursuant to Section 3.02 hereof.

“2019 Series B Refunding Account” means the Account created pursuant to Section 3.02 hereof.

“2019 Series B Bonds” means the Commission’s Single Family Mortgage Revenue Bonds, 2019 Series B, in the aggregate principal amount of \$[5,000,000].

“2019 Series B Resolution” means this Series Resolution of the Commission authorizing the issuance of the 2019 Series B Bonds.

“2019 Series Bonds” means, collectively, the 2019 Series A Bonds and the 2019 Series B Bonds.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this 2019 Series B Resolution, refer to this 2019 Series B Resolution.

Section 1.02. Authority for This 2019 Series B Resolution. This 2019 Series B Resolution is adopted pursuant to the provisions of the Acts and the Bond Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF 2019 SERIES B BONDS

Section 2.01. Authorization of Bonds, Principal Amount, Designation and Series. In order to provide sufficient funds necessary for the refunding and redemption of the Series B Refunded Bonds, subject to the terms, conditions and limitations established in the Bond Resolution and this 2019 Series B Resolution, the 2019 Series B Bonds are hereby authorized to be issued. The 2019 Series B Bonds in the aggregate principal amount of \$[5,000,000] will be entitled “Single Family Mortgage Revenue Bonds,” and such Series of Bonds shall bear the additional designation “2019 Series B” and each Bond as so designated shall be entitled “Single Family Mortgage Revenue Bond, 2019 Series B.” The 2019 Series B Bonds are to be substantially in the form attached to this 2019 Series B Resolution as Exhibit A, with appropriate variations, omissions and insertions as permitted or required by the Bond Resolution.

Section 2.02. Purposes. The purposes for which the 2019 Series B Bonds are being issued are to refund and redeem \$_____ aggregate principal amount of the Series B Refunded Bonds. A more detailed description of the replacement refunding occurring in connection with the issuance of the 2019 Series Bonds and the use of funds made available from the issuance of the 2019 Series Bonds and such refundings are included in the Commission’s No Arbitrage Certificate relating to the 2019 Series Bonds dated June 6, 2019.

Section 2.03. Issue Date and Payment. The 2019 Series B Bonds shall be dated the date of delivery and authentication thereof. The 2019 Series B Bonds will bear interest from the date of delivery thereof, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2020. Interest on the 2019 Series B Bonds shall be paid by check to the registered owners at their addresses as they appear as of the close of business on the Record Date on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the “Trustee”) or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such registered owners on or prior to the

Record Date or, upon timely written request of a registered owner of 2019 Series B Bonds and payment of any applicable transfer fee, by wire transfer from the Trustee to the registered owner thereof. Principal of, redemption premium, if any, and interest due at maturity or upon redemption or purchase of the 2019 Series B Bonds will be payable at the designated corporate trust office of the Trustee at maturity or earlier redemption or purchase.

Section 2.04. *The 2019 Series B Bonds.*

(a) The 2019 Series B Bonds shall mature on the dates and in the principal amounts and shall bear interest at the rates per annum as follows:

2019 Series B Bonds

\$ _____ Serial Bonds

<u>Year</u>	<u>Amount</u> \$	<u>Interest Rate</u> %
-------------	---------------------	---------------------------

2019 Series B Bonds

\$ _____ Term Bonds

<u>Year</u>	<u>Amount</u> \$	<u>Interest Rate</u> %
-------------	---------------------	---------------------------

Section 2.05. *Original Reoffering Price.* The Original Reoffering Price of the 2019 Series B Bonds shall be \$_____.

Section 2.06. *Denominations, Numbers and Letters.* The 2019 Series B Bonds shall be issued as fully registered Bonds without coupons. The 2019 Series B Bonds shall be issued in the

denominations of \$5,000 each or any integral multiple thereof. The 2019 Series B Bonds shall be numbered consecutively from one upwards with the prefix RB preceding each number.

Section 2.07. Exchange of 2019 Series B Bonds. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, the 2019 Series B Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the registered owner thereof, for a like aggregate principal amount of registered 2019 Series B Bonds without coupons of other authorized denominations of the same series and the same maturity. None of the 2019 Series B Bonds may be exchanged for coupon Bonds.

Section 2.08. Trustee, Registrar and Paying Agent. The Bank of New York Mellon Trust Company, N.A., is hereby appointed the Trustee, Registrar and Paying Agent of the 2019 Series B Bonds.

Section 2.09. Redemption from Special Redemption Account. (a) The 2019 Series B Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, from moneys deposited in the 2019 Series B Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, at a price equal to the principal amount thereof plus accrued interest, if any, to the redemption date without premium, calculated as of the redemption date.

The 2019 Series B Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, at a price equal to the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, from Revenues relating to any Series of Bonds (primarily payments of principal and interest and Prepayments of principal on Mortgage Loans and Guaranteed Mortgage Securities and earnings on Permitted Investments) and any amounts available as a result of a reduction in the reserve requirements established pursuant to the Resolutions, which are in excess of the amount required to pay principal of and interest on the Bonds in the then current year.

The 2019 Series B Bonds are subject to redemption in part from a portion of the moneys on deposit in the 2019 Series B Mortgage Loan Account in the amount of _____, if such moneys are not applied to the purchase of Mortgage Loans or Guaranteed Mortgage Securities by the date set forth in the final cash flows prepared for the issuance of the 2019 Series B Bonds, unless the Commission prepares cash flows reflecting a later acquisition period and receives confirmation from any rating agency that has an outstanding rating on the 2019 Series B Bonds, at the Commission's request, that the rating on the Bonds will not be lowered or withdrawn.

Section 2.10. Redemption from Optional Redemption Account. (a) The 2019 Series B Bonds maturing on or after January 1, 2029 are subject to redemption or purchase in lieu of redemption, at the option of the Commission, from moneys in the Optional Redemption Account in the Redemption Fund, in whole or in part, at any time on or after July 1, 2028, at one hundred percent (100%) of the principal amount thereof, plus accrued interest thereon, if any, to the redemption or purchase date, plus accrued interest, if any to the redemption date.

To exercise the option to purchase the 2019 Series B Bonds in lieu of redemption pursuant to this section, the Commission shall deliver written notice thereof to the Trustee no later than 12:00 Noon, New York City Time, on the date the 2019 Series B Bonds would otherwise have been redeemed (the "Purchase-in-Lieu Date"), and the Commission shall transfer or cause to be transferred to the Trustee the moneys required to purchase the 2019 Series B Bonds no later than 12:00 Noon, New York City Time, on such Purchase-in-Lieu Date. If notice of redemption has been given as required under the Bond Resolution, no additional notice to the Bondholders shall be required to be given of the exercise by the Commission of the option to purchase 2019 Series B Bonds pursuant to this Section. All 2019 Series B Bonds shall be deemed to have been purchased on the Purchase-in-Lieu Date provided funds sufficient to purchase the 2019 Series B Bonds on the Purchase-in-Lieu Date have been deposited with the Trustee, and from and after such Purchase-in-Lieu Date, interest shall cease to accrue on the 2019 Series B Bonds to the prior Bondholders, and the prior owners thereof shall have no rights with respect to such 2019 Series B Bonds except to receive payment of the purchase price thereof and accrued interest to the Purchase-in-Lieu Date. Notwithstanding such purchase, the 2019 Series B Bonds shall remain Outstanding for all purposes under this 2019 Series B Resolution and the Bond Resolution. Failure to mail the related notice of redemption or any defect therein shall not affect the validity of the purchase of the 2019 Series B Bonds. The Commission's notice of purchase in lieu of redemption may be conditioned upon receipt of funds by the Trustee or may be withdrawn at any time as specified therein. The Commission's notice of purchase in lieu of redemption may be given in conjunction with a notice of redemption given pursuant to the Bond Resolution, in which case it shall so state and shall provide that a withdrawal of the purchase notice will not constitute a withdrawal of the redemption notice unless otherwise specified therein.

Section 2.11. Redemption from Sinking Fund Installments. (a) The 2019 Series B Bonds maturing on _____ are subject to mandatory redemption in part by lot on _____ and on each January 1 and July 1 thereafter, to and including _____, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount <u>(January)</u>	Principal Amount <u>(July)</u>	<u>Year</u>	Principal Amount <u>(January)</u>	Principal Amount <u>(July)</u>
	\$	\$		\$	(maturity)

(b) The 2019 Series B Bonds maturing on _____ are subject to mandatory redemption in part by lot on _____ and on each January 1 and July 1 thereafter, to and including _____, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)	<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)
	\$	\$		\$	(maturity)

(c) The 2019 Series B Bonds maturing on _____ are subject to mandatory redemption in part by lot on _____ and on each January 1 and July 1 thereafter, to and including _____, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)	<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)
	\$	\$		\$	(maturity)

(d) The 2019 Series B Bonds maturing on _____ are subject to mandatory redemption in part by lot on _____ and on each January 1 and July 1 thereafter, to and including _____, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)	<u>Year</u>	Principal Amount (<u>January</u>)	Principal Amount (<u>July</u>)
	\$	\$		\$	(maturity)

Section 2.12. Reserved.

Section 2.13. Issue and Sale of 2019 Series B Bonds. The 2019 Series B Bonds authorized to be issued herein shall be sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Underwriter”) at the aggregate price of \$_____ on the terms and conditions set forth in the Contract of Purchase dated [April 30][May 1], 2019, by and between the Underwriters and the Commission (the “Contract of Purchase”). The Underwriters will receive an underwriting fee of \$_____ relating to the sale of the 2019 Series B Bonds. Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2019 Series B Bonds.

Section 2.14. Delivery of 2019 Series B Bonds. (a) The 2019 Series B Bonds shall be delivered, upon compliance with the provisions of the Bond Resolution to the order of the

Underwriters named in Section 2.13 hereof, at such time and place as provided in, and subject to, the provisions of the Contract of Purchase.

(b) The Commission adopts the expectations, beliefs, assumptions and representations expressed and made on behalf of the Commission in the Preliminary Official Statement relating to the 2019 Series Bonds dated April 18, 2019 and in the Official Statement relating to the 2019 Series Bonds, dated [April 30][May 1], 2019 (the “Official Statement”) and hereby ratifies the Underwriters’ use and distribution of the Preliminary Official Statement in selling the 2019 Series Bonds.

(c) The execution and distribution of the Official Statement and the execution of the Contract of Purchase are hereby approved and ratified.

(d) The Executive Director, Chair, Vice-Chair or Chair pro tem are authorized to make such changes, deletions and additions to the provisions of this 2019 Series B Resolution, consistent with the purposes of this 2019 Series B Resolution, as they deem necessary or advisable to issue the 2019 Series B Bonds.

Section 2.15. *Further Authority.* The Chair, Vice-Chair, Chair pro tem and Executive Director of the Commission are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as they or either of them deem necessary or advisable to provide for the issuance, sale and delivery of the 2019 Series B Bonds.

Section 2.16. *Trustee Authority to Facilitate Use of Securities Depository.* The authorized officers of the Trustee are, and each of them is, hereby authorized to do or perform such acts and to execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the 2019 Series B Bonds; provided that neither the Trustee nor the Commission may assume: (i) any obligations to such securities depository or beneficial owners of Bonds that are inconsistent with their obligations to any registered bondholder under this 2019 Series B Resolution or the Bond Resolution or (ii) any obligation which would directly or indirectly create obligations on the part of the Trustee or the Commission to persons who own 2019 Series B Bonds or interests therein but who are not registered owners of 2019 Series B Bonds, unless the Commission shall have consented in writing to such obligations.

Section 2.17. *Special Procedures Relating to Partial Redemptions.* Notwithstanding the provisions of Section 4.05 of the Bond Resolution, the Commission, with the prior written consent of the Trustee, may enter into an agreement with an owner of any 2019 Series B Bond having a denomination greater than \$5,000 providing that such registered owner is authorized to effect a reduction in the face amount of such 2019 Series B Bond by making a notation indicating the principal amount of such redemption and the date thereof on the payment grid attached to such 2019 Series B Bond in lieu of surrendering such 2019 Series B Bond to the Trustee for cancellation and the issuance of a new bond or bonds in the amount of the unredeemed portion thereof in accordance with Section 4.05 of the Bond Resolution. If the Commission and an owner enter into such an agreement, the records of the Trustee shall be conclusive in determining the outstanding principal amount of any 2019 Series B Bond affected by the agreement, notwithstanding the failure

of the owner to make any notation on the payment grid attached to such 2019 Series B Bond of the redemption of a portion thereof, and shall be binding upon the owner, any heirs, personal representatives, successors or assigns, or any transferee or purchaser of such 2019 Series B Bond. If the Commission enters into such an agreement with such an owner of any 2019 Series B Bond, a notation of the effect of such agreement may be inserted in the form of any 2019 Series B Bond to be delivered to such owner.

ARTICLE III

2019 SERIES B BONDS

Section 3.01. *Establishment of 2019 Series B Mortgage Loan Account.* There is hereby established an account designated as the 2019 Series B Mortgage Loan Account, moneys in which shall be used for the purposes and as authorized by Section 5.03 of the Bond Resolution and this 2019 Series B Resolution. In addition, the Commission acknowledges that the 2019 Series B Bonds have been structured to have certain redemption priorities and protections, and the Commission covenants to apply moneys in the 2019 Series B Mortgage Loan Account to effect such priorities and protections.

Section 3.02. *Establishment of 2019 Series B Refunding Account and 2019 Series B Rebate Account.* (a) There is hereby established a special account separate from all other funds and accounts, irrevocably in trust for, and assigned to, the Holders of the Refunded Bonds, designated as the 2019 Series B Refunding Account, moneys in which shall be used to pay the principal of the Refunded Bonds upon redemption as provided in Section 3.04 hereof and for such other purposes as authorized by the Bond Resolution and this 2019 Series B Resolution.

(b) There is hereby established a special account separate from all other funds and accounts, designated as the 2019 Series B Rebate Account, as authorized by Section 5.01 of the Bond Resolution, moneys in which shall be used to pay rebate to the United States as provided in Section 3.05 hereof.

Section 3.03. *Application of Proceeds of the 2019 Series B Bonds.* The Trustee shall apply the proceeds of the 2019 Series B Bonds as follows:

(a) \$_____, representing the proceeds of the 2019 Series B Bonds shall be deposited into the 2019 Series B Refunding Account.

(c) On June _____, 2019, the Trustee is hereby directed to transfer for deposit to the Special Redemption Account, established pursuant to Section 6.01 of the Bond Resolution, amounts on deposit in the 2019 Series B Refunding Account for application to the refunding and redemption of the Series B Refunded Bonds in accordance with Section 3.04(b) hereof on June 28, 2019.

(d) No amount of the proceeds of the 2019 Series B Bonds shall be deposited in the Debt Service Reserve Fund.

(e) No amount of the proceeds of the 2019 Series B Bonds shall be deposited in the Mortgage and Special Hazard Reserve Fund.

(f) The Commission covenants to use its best efforts to apply the proceeds relating to the 2019 Series B Bonds in the 2019 Series B Mortgage Loan Account to make or purchase Mortgage Loans or Guaranteed Mortgage Securities, provided, however, that nothing herein shall prohibit the Commission’s use of moneys in any Mortgage Loan Account if necessary to maintain the tax-exempt status of the 2019 Series B Bonds or to best achieve the objectives of the Program. In addition, the Commission acknowledges that the 2019 Series B Bonds have been structured to have certain redemption priorities and protections, and the Commission covenants to apply moneys in the 2019 Series B Mortgage Loan Account to effect such priorities and protections.

(g) No amount of the proceeds of the 2019 Series B Bonds shall be used to pay the costs of issuing the 2019 Series B Bonds.

Section 3.04. Refunding and Redemption. (a) The Commission hereby authorizes the Trustee, in its capacity as trustee for the Series B Refunded Bonds, to apply the amounts on deposit in the 2019 Series B Refunding Account portion of the moneys delivered to it pursuant to Section 3.03(c) hereof to the payment of the redemption price of an equal principal amount of the following Series B Refunded Bonds on June 28, 2019:

<u>Series of Bonds</u>	<u>Amount</u>
Total	\$

(b) The Commission hereby notifies the Trustee that sufficient moneys are being deposited on the date of issuance of the 2019 Series B Bonds into the 2019 Series B Refunding Account so that such moneys will be sufficient to pay the principal of the Series B Refunded Bonds being redeemed on June 28, 2019.

(c) The Commission hereby authorizes and directs the Trustee in its capacity as trustee for the Series B Refunded Bonds to pay the principal of the Series B Refunded Bonds being redeemed on June 28, 2019 from the proceeds of the 2019 Series B Bonds transferred to the Trustee pursuant to Section 3.03(c) hereof.

Section 3.05. Restriction as to “Arbitrage Bonds.” The Commission shall not use or direct or permit the use of the proceeds of the 2019 Series B Bonds or any other moneys held under the Bond Resolution or this 2019 Series B Resolution in any manner that would cause the 2019 Series B Bonds to be “arbitrage bonds” within the meaning ascribed to such quoted term in the 1986 Code. The Commission covenants that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the 1986 Code. This covenant shall survive payment in full or defeasance of the 2019 Series B Bonds. Money shall be deposited to the 2019 Series B Rebate Account by the Commission or by the Trustee at the written direction of the Commission and shall be held by the Trustee to the extent required to make the necessary payments to the United States pursuant to Section 148(f) of the 1986 Code. Upon receipt of the Commission’s written directions, the Trustee shall remit part or all of the balances in the 2019 Series B Rebate Account to the United States as so directed. Any funds remaining in the 2019 Series B Rebate Account after redemption and payment of all of the 2019 Series B Bonds and payment and satisfaction of any requirement to make payment to the United States pursuant

to Section 148(f) of the 1986 Code, or provision for payment made satisfactory to the Trustee, shall be withdrawn and remitted to the Commission.

Section 3.06. *Special Tax Covenants.* (a) The Commission hereby covenants: (i) to take all steps and actions necessary to assure the successful operation of the Program in a manner consistent with the preservation of the exclusion of the interest payable on the 2019 Series B Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code, (ii) to take all steps and actions necessary to preserve the exclusion of the interest payable on the 2019 Series B Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code and (iii) to refrain from taking any steps or actions that would impair or call into question the exclusion of the interest payable on the 2019 Series B Bonds from gross income under Sections 103 or 143(e) and (f) of the 1986 Code or 103A of the 1954 Code.

(b) The Commission covenants not to use the proceeds of the 2019 Series B Bonds to finance a Single Family Residence unless:

(1) The acquisition cost (within the meaning of Section 143(e) of the 1986 Code) of such Single Family Residence does not exceed 90% of the average area purchase price applicable to such Single Family Residence at the time of the financing of the Mortgage Loan, which average area purchase prices are set forth in Revenue Procedure 88-48 for the current period, unless such Single Family Residence is located in a Targeted Area, in which case the acquisition cost (within the meaning of Section 143 of the 1986 Code) may not exceed 110% of the average area purchase price applicable to such Single Family Residence; and

(2) The current annual income of the family using or intending to use the Single Family Residence as its principal residence does not exceed 115% (100% for families of less than three individuals) of the median gross income for the area in which such Single Family Residence is located, in accordance with regulations issued pursuant to Section 8 of the United States Housing Act of 1937.

These covenants may be modified from time to time pursuant to written instructions as delivered to the Trustee by the Commission, accompanied by an opinion of Bond Counsel permitting such modifications.

Section 3.07. *Covenant for Use of Prepayments.* Subject to the provisions of Section 2.09 hereof, the Commission will apply repayments and prepayments of principal of Mortgage Loans or Guaranteed Mortgage Securities financed from the issuance of the 2019 Series B Bonds that, under the Code, are not permitted to be used to finance additional Mortgage Loans or Guaranteed Mortgage Securities to the redemption of the 2019 Series B Bonds.

ARTICLE IV

DETERMINATIONS REQUIRED BY THE BOND RESOLUTION

Section 4.01. *Determination Concerning the Debt Service Reserve Fund.* In compliance with Section 2.02 of the Bond Resolution, the Commission determines that the amount in the Debt Service Reserve Fund is sufficient to maintain a balance therein equal to the Debt Service Reserve

Requirement, computed with reference to all Outstanding Bonds and to the 2019 Series B Bonds authorized hereunder.

Section 4.02. *Determination Concerning the Issuance of the 2019 Series B Bonds.* In compliance with Section 2.02 of the Bond Resolution, the Commission determines that the 2019 Series B Bonds will not adversely affect the ability of the Commission to purchase Mortgage Loans or Guaranteed Mortgage Securities with the proceeds of Outstanding Bonds previously issued.

ARTICLE V

[RESERVED]

ARTICLE VI

MISCELLANEOUS

Section 6.01. *Continuing Disclosure.* The Commission agrees to comply with and carry out the provisions of the Continuing Disclosure Agreement dated as of June 6, 2019 by and between the Commission and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, and any other information filings required by federal securities laws.

Section 6.02. *Unclaimed Moneys.* In the event any 2019 Series B Bond is not presented for payment when the principal of any such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such 2019 Series B Bond have been deposited with the Trustee for the benefit of the owners of such Bond and have remained unclaimed for five years after such principal has become due and payable, either at the stated maturity date thereof or by call for earlier redemption, then such amounts shall, at the request of the Commission, be repaid by the Trustee to the Commission, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Commission for the payment of such 2019 Series B Bonds, as the case may be; provided, however, that the Trustee, before being required to make any such payment to the Commission shall, at the expense of the Commission, cause to be published, at least twice, at an interval of not less than seven days between publications, in Authorized Newspapers, notice that such moneys remain unclaimed and that, after a date specified in such notice, which will not be less than 30 days from the date of such publication, any unclaimed balance of such moneys then remaining will be paid to the Commission. The obligation of the Trustee under this Section to pay any such amounts to the Commission will be subject to any provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

Section 6.03. *Electronic Means.* The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to the Bond Resolution and this Series Resolution and delivered using Electronic Means; provided, however, that the Commission shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the

Commission whenever a person is to be added or deleted from the listing. If the Commission elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Commission understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Commission shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Commission and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Commission. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Commission agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Commission; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 6.04. Severability. If any provision of this 2019 Series B Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 6.05. Applicable Provisions of Law. This 2019 Series B Resolution shall be governed by and construed in accordance with the laws of the State of Maryland.

HOUSING OPPORTUNITIES COMMISSION
MONTGOMERY COUNTY

[SEAL]

By: _____
Jackie D. Simon
Chair

ATTEST:

By: _____
Stacy L. Spann
Secretary-Treasurer

[SIGNATURE PAGE TO 2019 SERIES B RESOLUTION]

EXHIBIT A

FORM OF 2019 SERIES B BOND

UNITED STATES OF AMERICA
STATE OF MARYLAND
HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

Single Family Mortgage Revenue Bond
2019 Series B

NO. RB- _____ \$ _____

INTEREST RATE: _____ %
MATURITY DATE: _____
DATED DATE: June _____, 2019
CUSIP: _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Housing Opportunities Commission of Montgomery County, a public body corporate and politic of the State of Maryland (the "Commission"), for value received, promises to pay from the sources and as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on said sum from the Dated Date identified above, at the Interest Rate per annum identified above, semiannually on January 1 and July 1 of each year, commencing January 1, 2020 (the "Interest Payment Date"), until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond before maturity may become applicable hereto. Interest on this Bond is payable by check mailed to the Registered Owner hereof as his or her name and address appear, as of the close of business on the 15th day of the month next preceding each Interest Payment Date (the "Record Date"), on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the "Trustee"), or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such Registered Owner on or prior to the Record Date or, upon timely written request of a Registered Owner and payment of wire transfer fee, by wire transfer from the Trustee to the Registered Owner. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal and redemption premium, if any, and interest due at maturity or upon redemption or purchase of this Bond will be payable at the designated corporate trust office of the Trustee in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the event of a partial redemption of this Bond, the Registered Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation indicating the principal amount of such redemption and the date thereon on the Payment Grid attached hereto, in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF, NOTWITHSTANDING THE FAILURE OF THE REGISTERED OWNER TO MAKE ANY NOTATION ON SUCH PAYMENT GRID OF THE REDEMPTION OF A PORTION THEREOF, AND SHALL BE BINDING UPON THE REGISTERED OWNER, ANY HEIRS, SUCCESSORS OR ASSIGNS, OR ANY TRANSFEREE OR PURCHASER OF THIS BOND. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

This Bond is one of an authorized issue of 2019 Series B Bonds in the aggregate principal amount of \$[5,000,000] (the “2019 Series B Bonds”) issued for the purpose of refunding and redeeming certain of its prior outstanding Bonds, which were issued for the purpose of providing funds for the Commission to carry out its program of making or purchasing qualified mortgage loans for the acquisition, construction, and rehabilitation of dwelling accommodations for persons of eligible income to facilitate the development of a sufficient supply of single family residential housing in Montgomery County, Maryland for such persons, including providing funds for various reserve funds. Simultaneously with the issuance of the 2019 Series B Bonds, pursuant to the 2019 Series A Resolution, the Commission has issued its Single Family Mortgage Revenue Bonds 2019 Series A in the aggregate principal amount of \$[35,000,000] (the “2019 Series A Bonds,” and together with the 2019 Series B Bonds, the “2019 Series Bonds”).

The 2019 Series B Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Commission’s Single Family Mortgage Revenue Bond Resolution No. 79-26, adopted March 28, 1979, as amended, and the 2019 Series B Resolution adopted by the Commission as of June 1, 2019 (collectively, the “Bond Resolution”). The Bond Resolution provides that the Commission may hereafter issue additional Bonds from time to time under certain terms and conditions contained in the Bond Resolution and, if issued, such additional Bonds will rank pari passu with this issue of 2019 Series B Bonds and be equally and ratably secured by and entitled to the protection of the Bond Resolution. Reference is hereby made to the Bond Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Commission, the Trustee and the owners of the 2019 Series B Bonds and the terms upon which the 2019 Series B Bonds are issued and secured.

The Commission and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

The 2019 Series B Bonds are issuable as registered 2019 Series B Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, registered 2019 Series B Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the Registered Owner thereof, for a like aggregate principal amount of registered 2019 Series B Bonds without coupons of other authorized denominations of the same Series and the same maturity. This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same Series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee is not required to make any exchange or transfer in the case of any proposed redemption of Bonds of such Series, after the first publication or the mailing of notice calling such Bonds or portions thereof for redemption has been given as herein provided, or during the fifteen days next preceding the date of the first publication of notice of such redemption.

The 2019 Series B Bonds shall be subject to optional, special and mandatory sinking fund redemption and purchase in lieu of redemption as provided in the Bond Resolution.

If any of the 2019 Series B Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2019 Series B Bonds or portions thereof to be redeemed will be given by the Trustee by transmitting a copy of the redemption notice at least twenty (20) days before the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. All 2019 Series B Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

The 2019 Series B Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Maryland, particularly Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County 1974, as amended, known as the Housing Opportunities Act, and a certain Agreement By and Between the Commission and Montgomery County, Maryland.

This Bond and the issue of which it forms a part and the interest thereon are limited obligations of the Commission and are payable solely out of the Revenues and other assets of the Commission pledged therefor pursuant to the Bond Resolution. The Commission has no taxing power. The 2019 Series B Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2019 Series B Bonds be payable out of any funds or properties of the Commission other than those pledged therefor. The 2019 Series B Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of the Commission nor any persons executing the 2019 Series B Bonds shall be

liable personally on the 2019 Series B Bonds by reason of the issuance thereof. Payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the 2019 Series B Bonds are to be paid to the Trustee for the account of the Commission, which payments have been duly pledged and assigned for that purpose.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Resolution, the principal of all the 2019 Series B Bonds issued under the Bond Resolution and then outstanding may become or may be declared due and payable before the stated maturities thereof, at the principal amount thereof, together with interest accrued thereon to the date of acceleration.

The Bond Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the owners of the 2019 Series B Bonds at any time by the Commission with the consent of the owners of two-thirds in Aggregate Principal Amount of the 2019 Series B Bonds at the time outstanding, as defined in the Bond Resolution. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any 2019 Series B Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Bond Resolution also contains provisions permitting the Trustee to waive certain defaults under the Bond Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Commission, does not exceed or violate any constitutional or statutory limitation; and that the amounts pledged to the payment of the principal of and premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, are expected to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Trustee or an authorized signatory thereof.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be executed in its name by the facsimile signature of its Chair and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the facsimile signature of its Secretary-Treasurer.

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

[SEAL]

By: _____
Jackie D. Simon
Chair

Attest:

By: _____
Stacy L. Spann
Secretary-Treasurer

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the Single Family Mortgage Revenue Bonds, 2019 Series B of the Housing Opportunities Commission of Montgomery County.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., TRUSTEE

By: _____
Authorized Signatory

Date of Authentication: _____

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____ (Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program or similar program (STAMP, SEMP, MSP).)

Please insert social security or other identifying number of assignee: _____

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

* * * * *

[End of Form of 2019 Series B Bond]

APPROVAL TO CREATE A POOL OF GENERAL CONTRACTORS
FOR RENOVATIONS, UNIT TURNS AND REPAIRS &
REPLACEMENTS AT VARIOUS MULTIFAMILY PROPERTIES IN
ACCORDANCE WITH RFQ #2141

VARIOUS HOC MULTIFAMILY PROPERTIES



STACY L. SPANN, EXECUTIVE DIRECTOR

KAYRINE V. BROWN
ZACHARY MARKS
PAUL VINCIGUERRA
SHERYL HAMMOND

April 3, 2019

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Executive Summary

- HOC owns and manages various multifamily properties throughout Montgomery County.
- Staff has determined that having a pool of pre-qualified General Contractors to perform renovations, unit turns, and repairs and replacements on an as needed basis (similar to the pool of General Contractors created for the Scattered Site units), will enable the Commission to access these services timely and efficiently.
- In accordance with HOC's current Procurement Policy, on November 21, 2018, staff issued a solicitation for General Contractor Request for Qualifications #2141 for the renovations, unit turns, and repairs and replacements for a variety of work at various multifamily properties, with responses due on January 2, 2019.
- Upon receipt of the 19 responses to the RFQ, staff reviewed and evaluated the proposals to recommend firms to be selected for either the: Renovations, Unit Turns, or Repairs and Replacements part of the Pool; for a variety of work at various multifamily properties.

Executive Summary

- Staff recommends that the Development and Finance Committee recommend that the Commission grants its approval to select the firms that were evaluated to qualify for the pool of general contractors for 1) Renovations, 2) Unit Turns, and 3) Repairs and Replacement for HOC's multifamily properties. Consistent with the selection to the Scattered Site General Contractor pool, all firms were required to score a minimum of 50 points to qualify for the pool.
- Staff recommends that the Development and Finance Committee recommend that the Commission authorizes the Executive Director to execute contracts with the firms listed. Each contract will be for zero-dollars and issued initially for two years from the date of contract award with up to three one-year renewals in accordance with the Commission's Procurement Policy.
- Funding will be from the respective property's current and future Commission-approved capital and operating budgets.
- Staff will work with the Procurement office to competitively solicit bids in the form of a Task Order from contractors based on the scope of work when needed.

Respondent	Renovations	Unit Turns	Repairs & Replacements
Atlantida Builders, Inc.	x	x	x
BM Contracting, LLC			x
CBG Building Company, LLC	x		
CBP Constructors, LLC	x		
Centennial Contractors Enterprises	x		
Colossal Contractors, Inc.	x	x	x
Consolidated Commercial Services, LLC	x	x	x
D&A Contractors, Inc.	x	x	x
Fayffer & Son's Construction Co., Inc.			x
Inspection Experts, Inc. (IEI)	x	x	x
JB Contracting, Inc.	x	x	x
Kinzo, Inc.	x	x	x
Moseley Construction Group	x	x	x
OMF Contractors, Inc.	x	x	x
Sago Building Management, LLC	x	x	x
SFMS, LLC t/a Superior Facilities Management Services	x	x	x
SNG Engineering, Inc.	x	x	x
Taurus Renovation & Construction	x	x	x
Visionary Construction Consultants	x	x	x

Qualification Requirements and Scoring Criteria

HOC issued a Request for Qualifications #2141 for a Pool of General Contractors for the: Renovations, Unit Turns, and Repairs & Replacements for a variety of work at various multifamily properties to provide related services as needed for its portfolio of existing properties. Three reviewers from different divisions completed their evaluation of the responses on March 14, 2019 based on the following criteria and scoring:

Item	Key Requirements
Minimum Qualifications	<ul style="list-style-type: none"> • Properly licensed • Insurance coverage meets or exceeds HOC's coverage • Payment and performance bonding capacity of 75K (to cover 100% of the renovation cost) in lieu of financial statements (not required for Repair & Replacement Task Orders)
Qualifications (50 Points)	<ul style="list-style-type: none"> • Contractor's Qualifications Statement - AIA A305
Management & Operations (40 Points)	<ul style="list-style-type: none"> • Staffing assignments, roles, and responsibilities • Communication / Owner update methods and frequency • Quality Assurance / Quality Controls Prior to Punch Walks / Owner approvals • Safety Protocol • Continuing education / Employee training / Industry related designations and/or certifications • In-house trade specialties (if applicable) • Budget controls and Change Order reviews • Prior experience approaches to project and delivery schedules, to include current projects
Brochure & Supporting Material (10 Points)	<ul style="list-style-type: none"> • Project photographs • Sample/proposed project schedule • Conflict/resolution details • Project documentation samples and other brochures to assist HOC in evaluating the firm

Renovations Pool - Scoring Summary

Recommended

Rank	Respondent	MDOT Designation(s)	Qualifications (50 Points)	Management & Operations (40 Points)	Brochure & Supporting Material (10 Points)	Total (100 Points)
1	CBG Building Company, LLC	n/a	50.00	40.00	10.00	100.00
2 (tie)	Centennial Contractors Enterprises	n/a	49.67	40.00	9.67	99.33
2 (tie)	D&A Contractor's, Inc.	SBE only	49.67	39.67	10.00	99.33
3	Taurus Renovation & Construction	n/a	49.33	39.67	9.67	98.67
4	Visionary Construction Consultants	MBE / DBE / SBE	49.33	39.00	10.00	98.33
5	Colossal Contractors, Inc.	MBE / DBE / SBE	49.33	39.67	9.33	98.33
6	Moseley Construction Group	n/a	48.00	40.00	10.00	98.00
7	Inspection Experts, Inc. (IEI)	n/a	48.67	40.00	9.00	97.67
8	CBP Constructors, LLC	n/a	47.67	39.33	10.00	97.00
9	SNG Engineering, Inc.	MBE / DBE / SBE	47.33	38.33	8.33	94.00
10	Consolidated Commercial Services, LLC	n/a	48.33	35.00	10.00	93.33
11	JB Contracting, Inc.	n/a	44.67	39.33	8.33	92.33
12	OMF Contractors, Inc.	SBE	44.67	38.33	9.00	92.00
13	Sago Building Management, LLC	MBE / DBE / SBE	42.67	31.00	8.00	81.67
14	SFMS, LLC t/a Superior Facilities Management Services	n/a	41.67	31.00	6.67	79.33
15	Atlantida Builders, Inc.	MBE / DBE / SBE	38.67	32.33	5.00	76.00
16	Kinzo, Inc.	MBE / DBE / SBE	33.33	29.00	4.00	66.33

Of the 19 proposals received by the closing date, 17 firms applied to be considered for the Renovations pool.

Unit Turns Pool - Scoring Summary

Recommended

Rank	Respondent	MDOT Designation(s)	Qualifications (50 Points)	Management & Operations (40 Points)	Brochure & Supporting Material (10 Points)	Total (100 Points)
1	D&A Contractor's, Inc.	SBE	49.67	39.67	10.00	99.33
2	Taurus Renovation & Construction	n/a	49.33	39.67	9.67	98.67
3 (tie)	Visionary Construction Consultants	MBE / DBE / SBE	49.33	39.00	10.00	98.33
3 (tie)	Colossal Contractors, Inc.	MBE	49.33	39.67	9.33	98.33
4	Moseley Construction Group	n/a	48.00	40.00	10.00	98.00
5	Inspection Experts, Inc. (IEI)	n/a	48.67	40.00	9.00	97.67
6	SNG Engineering, Inc.	SBE	47.33	38.33	8.33	94.00
7	Consolidated Commercial Services, LLC	n/a	48.33	35.00	10.00	93.33
8	JB Contracting, Inc.	n/a	44.67	39.33	8.33	92.33
9	OMF Contractors, Inc.	n/a	44.67	38.33	9.00	92.00
10	Sago Building Management, LLC	MBE / DBE / SBE	42.67	31.00	8.00	81.67
11	SFMS, LLC t/a Superior Facilities Management Services	n/a	41.67	31.00	6.67	79.33
12	Atlantida Builders, Inc.	MBE / DBE / SBE	38.67	32.33	5.00	76.00
13	Kinzo, Inc.	MBE / DBE / SBE	33.33	29.00	4.00	66.33

Of the 19 proposals received by the closing date, 14 firms applied to be considered for the Unit Turns pool.

Repairs & Replacements Pool - Scoring Summary

Recommended

Rank	Respondent	MDOT Designation(s)	Qualifications (50 Points)	Management & Operations (40 Points)	Brochure & Supporting Material (10 Points)	Total (100 Points)
1	D&A Contractor's, Inc.	SBE only	49.67	39.67	10.00	99.33
2	Taurus Renovation & Construction	n/a	49.33	39.67	9.67	98.67
3 (tie)	Visionary Construction Consultants	MBE / DBE / SBE	49.33	39.00	10.00	98.33
3 (tie)	Colossal Contractors, Inc.	MBE	49.33	39.67	9.33	98.33
4	Moseley Construction Group	n/a	48.00	40.00	10.00	98.00
5	Inspection Experts, Inc. (IEI)	n/a	48.67	40.00	9.00	97.67
6	SNG Engineering, Inc.	MBE / DBE / SBE	47.33	38.33	8.33	94.00
7	Consolidated Commercial Services, LLC	n/a	48.33	35.00	10.00	93.33
8	JB Contracting, Inc.	n/a	44.67	39.33	8.33	92.33
9	OMF Contractors, Inc.	n/a	44.67	38.33	9.00	92.00
10	Sago Building Management, LLC	MBE / DBE / SBE	42.67	31.00	8.00	81.67
11	SFMS, LLC t/a Superior Facilities Management Services	n/a	41.67	31.00	6.67	79.33
12*	BM Contracting, LLC	MBE applied for	36.67	33.33	6.67	79.67
13	Atlantida Builders, Inc.	MBE / DBE / SBE	38.67	32.33	5.00	76.00
14	Kinzo, Inc.	MBE / DBE / SBE	33.33	29.00	4.00	66.33
15*	Fayffer & Son's Construction Co., Inc.	n/a	34.00	25.67	0.00	59.67

Of the 19 proposals received by the closing date, 16 firms applied to be considered for the Repairs & Replacement pool.

* BM Contracting, LLC and Fayffer & Son's Construction Co., Inc. are the only two firms which applied ONLY to the Repairs and Replacement Pool

Funding, Contracts and Subsequent Solicitations

Funding

- Funding will be from the respective property's current and future Commission-approved capital and operating budgets.

Contracts

- Staff proposes the award of zero-dollar contracts. Each contract will be issued initially for two years from the date of contract award with up to three one-year renewals in accordance with the Commission's Procurement Policy.

Subsequent Solicitations

- Subsequent solicitations may be issued throughout the duration of the renovations, in accordance with the Procurement Policy, to expand and refresh the vendor list for the purpose of maintaining adequate coverage and continue to allow start up/SBE companies the opportunity to participate; however, solicitations will not be limited to any particular type of company.
- Vendors who have already been accepted into the pool will not need to re-submit documentation and their existing contract(s) will remain active with their original renewal and expiration dates in place. Vendors who have submitted but were not recommended will be allowed to submit full packet submissions for review and consideration. New vendor addition(s) that result from subsequent solicitations will be brought to the Commission for approval.

Selection of Contractors within the Pool

Selection Process	
Item	Unit Renovations
Contractor Solicitation	Staff will submit a written scope of work to the Procurement Office, which will then solicit bids from contractors within the pool and ensure that all vendors are given opportunities to bid on scopes that are appropriate for their company.
Release of Units	Units will be released on an as needed basis as they turn over.
Task Order Requests	<ul style="list-style-type: none"> – Batch/Unit details – If Applicable (Batch number, the number of units and addresses of all units) – Funding type and program requirements (Davis Bacon, Section 3/HOC Works, background checks etc.) – Anticipated scope of work (as determined by HOC staff or construction consultant) – Pre-Bid Unit Walk and determination of final scope – Required completion date(s)
Criteria	When making selections, staff will consider the contractor's: pricing (where applicable), project schedule, firm's capacity and staff availability, prior experience with the Agency, prior experience with Section 3, and MWE/MBE/DBE/SBE certification(s) acceptable to the Commission with preference given to contractors without prior experience with the Agency.
Contracts	Agreement of Service (zero-dollar contract) will be supplemented by industry standard AIA Contracts or by Purchase Orders (in accordance with the procurement policy).

Summary and Recommendations

Issues for Consideration

Does the Commission wish to approve the following actions:

1. The selection of: CBG Building Company, LLC; Centennial Contractors Enterprises; D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); CBP Constructors, LLC; SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; to create the Multifamily Unit Renovation pool of (17) seventeen General Contractors?
2. The selection of: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; to create the Multifamily Unit Turn pool of (14) fourteen General Contractors?
3. The selection of: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; BM Contracting, LLC; Atlantida Builders, Inc., Kinzo, Inc.; and Fayffer & Son's Construction Co., Inc.; to create the Multifamily Replacement & Repairs pool of (16) sixteen General Contractors?
4. The Executive Director to execute contracts with the Contractors noted above and that such contracts would be for zero-dollars and be issued for a period of two years from the date of contract award with up to three one-year renewals in accordance with the Commission's Procurement Policy?
5. The Executive Director to assign Task Orders in accordance with the Procurement Policy?

Fiscal / Budget Impact

There is no adverse impact on the Agency's FY19 operating budget. Funding will be from each property's current and future approved capital or operating budgets.

Time Frame

Action at the April 3, 2019 meeting of the Commission.

Summary and Recommendations

Committee Recommendation

On March 22, 2019, the Development and Finance Committee considered this request and it unanimously approved staff's request to recommend the Commission to move forward with the selection. The Committee directed staff to track the effectiveness of having the Pools and to report quarterly activity within the contract report prepared by the Procurement Office

Staff Recommendation

Staff recommends that the Commission accept the recommendation of the Development & Finance Committee and give its approval or authorization for:

1. The selection of: CBG Building Company, LLC; Centennial Contractors Enterprises; D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); CBP Constructors, LLC; SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; to create the Multifamily Renovation pool of (17) seventeen General Contractors.
2. The selection of: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; to create the Multifamily Unit Turn pool of (14) fourteen General Contractors.
3. The selection of: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; BM Contracting, LLC; Atlantida Builders, Inc., Kinzo, Inc.; and Fayffer & Son's Construction Co., Inc.; to create the Multifamily Repair & Replacement Turn pool of (16) sixteen General Contractors.
4. The Executive Director to execute contracts with the Contractors noted above and that such contracts would be for zero-dollars and be issued for a period of two years from the date of contract award with up to three one-year renewals in accordance with the Commission's Procurement Policy.
5. The Executive Director or its designee to award Task Orders in accordance with the procurement policy.

RESOLUTION No: 19-38

RE: Approval to Create a Pool of General Contractors for Renovations, Unit Turns and Repairs & Replacements at Various Multifamily Properties In Accordance with RFQ #2141.

WHEREAS, in furtherance of its mission to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland to ensure that no one in Montgomery County is living in substandard housing, the Housing Opportunities Commission of Montgomery County, Maryland (“HOC”) is establishing a pool of pre-qualified General Contractors to perform renovations, unit turns, and repairs and replacements on an as needed basis at various multifamily units (“Multifamily Units”); and

WHEREAS, HOC owns and operates various multifamily properties throughout Montgomery County, which require differing level of rehabilitation, including full unit renovation (“Unit Renovations”); and

WHEREAS, all Multifamily Units in the portfolio will require some level of renovation upon tenant turnover to prepare the unit for new leases (“Unit Turns”), but such renovation is not expected to be comprehensive nor be completed at the level anticipated for Unit Renovations; and

WHEREAS, all Multifamily Units in the portfolio will require some level of repairs and replacements of various items throughout occupancy and upon tenant turnover to prepare the unit for new leases (“Repairs & Replacements”), but such renovation is not expected to be comprehensive nor be completed at the level anticipated for Unit Renovations or Unit Turns; and

WHEREAS, to meet the comprehensive Unit Renovations and the ongoing Unit Turns and Repair & Replacement maintenance needs of the Multifamily Units, staff proposed creating a pool of General Contractors to perform required construction services, and as a consequence issued Request for Qualifications No. 2141 (the “RFQ”) on November 21, 2018, soliciting proposals from General Contractors interested in providing these services on an as-needed basis; and

WHEREAS, proposals were timely received from 19 firms and evaluated with numerical points allocated as outlined in the RFQ for Qualifications (50%), Management & Operations Skills (40%), Brochures & Supporting Material (10%); and

WHEREAS, applying the criteria described above to the Unit Renovations submissions, the following 17 firms received a score of 50 or higher: CBG Building Company, LLC; Centennial Contractors Enterprises; D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); CBP Constructors, LLC; SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; and

WHEREAS, applying the criteria described above to the Unit Turns submissions, the following 14 firms received a score of 50 or higher: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc.

(IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; and

WHEREAS, applying the criteria described above to the Repairs & Replacements submissions, the following 16 firms received a score of 50 or higher: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; BM Contracting, LLC; Atlantida Builders, Inc., Kinzo, Inc.; and Fayffer & Son's Construction Co., Inc.; and

WHEREAS, staff will then solicit bids from contractors within the appropriate pool based on the following criteria: pricing; project schedule; firm's capacity and staff availability; prior experience with the Agency; prior experience with Section 3; and certification(s) for MWE/MBE/DBE/SBE acceptable to the Commission; and

WHEREAS, funding will be from the respective properties' current and future Commission-approved capital and operating budgets.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: CBG Building Company, LLC; Centennial Contractors Enterprises; D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); CBP Constructors, LLC; SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; to create a pool of General Contractors to provide Unit Renovations services as-needed for annual zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; Atlantida Builders, Inc., and Kinzo, Inc.; to create a pool of General Contractors to provide Unit Turns services as-needed for annual zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: D&A Contractors, Inc.; Taurus Renovation & Construction; Visionary Construction Consultants; Colossal Contractors, Inc.; Moseley Construction Group; Inspection Experts, Inc. (IEI); SNG Engineering, Inc.; Consolidated Commercial Services, LLC; JB Contracting, Inc.; OMF Contractors, Inc.; Sago Building Management, LLC; SFMS, LLC t/a Superior Facilities Management Services; BM Contracting, LLC; Atlantida Builders, Inc., Kinzo, Inc.; and Fayffer & Son's Construction Co., Inc.; to create a pool of General Contractors to provide Repair & Replacement

services as-needed for annual zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED that The Housing Opportunities Commission of Montgomery County authorizes staff to solicit bids from contractors within the appropriate pool based on the following criteria: pricing; project schedule; firm’s capacity and staff availability; prior experience with the Agency; prior experience with Section 3; and certification(s) for MWE/MBE/DBE/SBE acceptable to the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the funding from current and future Commission-approved capital and operating budgets for each property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that if a General Contractor’s proposed aggregate scope of work for Unit Renovations exceeds the Executive Director’s \$250,000 authorization limit, staff must return to the Commission for approval prior to awarding a contract.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 3, 2019.

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Patrice M. Birdsong
Special Assistant to the Commission

APPROVAL TO CREATE AND SELECT FIRMS FOR A QUALIFIED POOL OF REAL ESTATE COUNSEL IN ACCORDANCE WITH RFQ #2150; AUTHORIZATION TO EXECUTE AGREEMENTS FOR SERVICE WITH SELECTED FIRMS; APPROVAL TO ENGAGE SELECTED FIRMS; AND AUTHORIZATION TO PAY FOR SERVICES



STACY L. SPANN, EXECUTIVE DIRECTOR

**AISHA MEMON
EAMON LORINCZ
ELLEN GOFF**

April 3, 2019



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Executive Summary

- In May 2014, the Commission approved the creation of a pool of Legal Counsel for Real Estate Legal Services to supplement its staff in order to ensure efficient and effective management of real estate related legal concerns.
- The Agreement for Services entered into with each approved firm will expire as early as May 2019.
- On February 8, 2019, HOC issued RFQ #2150 for Real Estate Legal Services and received thirteen (13) responses. After review, staff recommends creating a pool of legal counsel consisting of twelve (12) firms.
- The pool of legal counsel will assist HOC's staff in addressing legal issues pertaining to real estate development and financing, and will work with staff to ensure that the Commission proceeds successfully amidst the complexities of regulation, compliance, and contractual obligations. The pool will be created in lieu of adding full time staff to handle the legal work load.
- Legal counsel would be engaged as needed. If services are rendered during the development phase of a project, expenses would be funded from the project's development budget, which would be approved by the Commission through its normal Committee and Commission review process. If services are rendered before a development budget is approved, expenses would be funded from the revolving Real Estate Working Capital Operating Fund ("RE Fund"), which includes a \$350,000 budget for legal services. Once a development budget is approved, any funds used from the RE Fund would be repaid. It is therefore not expected to have an adverse financial impact on the Commission's operating budget.

Areas of Service

On February 8, 2019, HOC issued a Request for Qualifications for Real Estate Legal Services with responses due on February 27, 2019. HOC requested that firms respond if they could demonstrate expertise in at least one of the below eleven areas. Firms can be selected to be a part of the pool in one or all eleven areas. Thirteen (13) firms responded.

Areas of Service:

1. General Real Estate Transactions (including expertise with residential condominiums, commercial condominiums, ground leases, acquisitions, dispositions, title and survey, and commercial leases).
2. Land Use and Zoning.
3. Construction (both transactional work and litigation).
4. Real Estate Finance and Lending (including financing based on federal sources).
5. Environmental Regulations and Compliance.
6. General Tax and Tax Issues Impacting Real Estate Transactions.
7. Affordable Housing (including HUD-compliance relating to federal housing, financing, and subsidies).
8. Real Estate Transactions Utilizing Tax Credits (including low-income tax credits, historic rehabilitation tax credits, and/or new markets tax credits).
9. Business and Corporate Transactions Related to Real Estate (including preparation and negotiation of formation and governance documents, partnership/operating agreements, joint venture agreements, memoranda of understanding, corporate resolutions, opinions, etc.).
10. Tax-Exempt Bond Finance Transactions (*HOC maintains a separate pool of legal counsel specializing in tax-exempt bond financing transactions, but we asked firms to outline experience as bond counsel, trustee counsel, underwriter's counsel, or representation in the field of public finance).
11. Fair Housing Law.

Responding Firms

Thirteen (13) firms responded as of February 27, 2019.

- Two firms that were selected for the 2014 legal pool did not respond to the current RFQ – Miller Miller & Canby, Chtd. and McManus Darden and Felsen LLP.
- The two new respondents are Selzer Gurvitch Rabin Wertheimer Polott & Obencny and Shulman Rogers.

Respondents

Ballard Spahr	Lerch, Early & Brewer, Chtd.
Bocarsly Emden Cowan Esmail & Arndt, LLP	Linowes and Blocher, LLP
Gallagher Evelius & Jones, LLP	Reno & Cavanaugh, PLLC
Hessel, Aluise and Neun, PC	Schnader Harrison Segal & Lewis, LLP
Holland & Knight, LLP	Selzer Gurvitch Rabin Wertheimer Polott & Obencny
Klein Hornig, LLP	Shulman Rogers
Kutak Rock, LLP	

Evaluation Criteria

The firms were evaluated on the criteria listed below (total point value is 100). Level of experience was the most important factor, followed by quality of firm’s work and cost. Further consideration was given to the firm’s capacity and experience representing public housing authorities or other governmental entities. Firms must score at least 75 points to qualify for selection.

Evaluation Criteria	Point Value	
Level of Experience	40	Each firm is evaluated on the level of experience of the firm and the individual(s) identified to work on the services to be provided, including the number, complexity, and nature of relevant matters handled by the firm, particularly as it relates to matters handled for public housing authorities or other governmental entities.
Quality of Firm’s Work Product	20	Each firm is evaluated on the quality of its work in each area of law, based on references and the prior experiences of HOC staff.
Depth and Capacity	15	An evaluation of depth and capacity of each firm, including the firm’s ability to commit sufficient time and resources to HOC and the stability of the firm and its staff.
Experience Representing PHAs	5	An evaluation of the firm’s ability to sufficiently represent HOC based on the firm’s prior experience representing PHAs, economic development organizations, or other governmental entities.
Cost	20	An evaluation of the firm’s potential expenses based the firm’s hourly rates, proposed yearly increases, discounts, and anticipated pass-through expenses.

Summary of Scores – General Real Estate

Three firms did not submit proposals for general real estate: (1) Bocarsley Emden Cowan Esmail & Arndt, (2) Hessel, Aluise and Neun, and (3) Schnader Harrison Segal & Lewis.

All submitting firms scored at least 75 points.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	84	83	84	251	83.67	5
Gallagher Evelius & Jones, LLP	86	85	85	256	85.33	4
Holland & Knight, LLP	89	88	89	266	88.67	2
Klein Hornig, LLP	83	83	83	249	83.00	7
Kutak Rock, LLP	90	88	90	268	89.33	1
Lerch, Early & Brewer, Chtd.	84	81	84	249	83.00	7
Linowes and Blocher, LLP	84	80	83	247	82.33	9
Reno & Cavanaugh, PLLC	86	89	88	263	87.67	3
Selzer Gurvitch Rabin Wertheimer Polott & Obecny, P.C.	80	81	80	241	80.33	10
Shulman Rogers	83	83	84	250	83.33	6

Summary of Scores – Land Use

Eight firms did not submit proposals for land use: (1) Bocarsley Emden Cowan Esmail & Arndt, (2) Gallagher Evelius & Jones, (3) Hessel, Aluise and Neun, (4) Holland & Knight, (5) Klein Hornig, (6) Kutak Rock, (7) Reno & Cavanagh, and (8) Selzer Gurvitch Rabin Wertheimer Polott & Obecny.

All submitting firms scored at least 75 points.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	76	74	76	226	75.33	4
Lerch, Early & Brewer, Chtd.	88	87	89	264	88.00	1
Linowes and Blocher, LLP	86	84	86	256	85.33	2
Schnader Harrison Segal & Lewis, LLP	76	74	76	226	75.33	4
Shulman Rogers	82	82	83	247	82.33	3

Summary of Scores – Construction

Four firms did not submit proposals for construction: (1) Bocarsley Emden Cowan Esmail & Arndt, (2) Hessel, Aluise and Neun, (3) Klein Hornig, (4) Reno & Cavanagh.

Of the submitting firms, three scored over 75 points: (1) Kutak Rock, (2) Schnader Harrison Segal & Lewis, and (3) Shulman Rogers.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	72	75	72	219	73.00	5
Gallagher Evelius & Jones, LLP	70	67	69	206	68.67	7
Holland & Knight, LLP	75	74	75	224	74.67	4
Kutak Rock, LLP	82	76	81	239	79.67	1
Lerch, Early & Brewer, Chtd.	71	67	69	207	69.00	6
Linowes and Blocher, LLP	70	66	67	203	67.67	8
Schnader Harrison Segal & Lewis, LLP	74	78	76	228	76.00	3
Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.	68	61	66	195	65.00	9
Shulman Rogers	77	77	77	231	77.00	2

Summary of Scores – Finance and Lending

Two firms did not submit proposals for finance and lending: (1) Bocarsley Emden Cowan Esmail & Arndt, and (2) Schnader Harrison Segal & Lewis.

All submitting firms scored at least 75 points.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	88	86	88	262	87.33	4
Gallagher Evelius & Jones, LLP	86	85	85	256	85.33	5
Hessel, Aluise and Neun, PC	90	88	88	266	88.67	2
Holland & Knight, LLP	85	84	85	254	84.67	6
Klein Hornig, LLP	84	86	84	254	84.67	6
Kutak Rock, LLP	92	89	90	271	90.33	1
Lerch, Early & Brewer, Chtd.	80	79	80	239	79.67	9
Linowes and Blocher, LLP	80	79	80	239	79.67	9
Reno & Cavanaugh, PLLC	87	89	89	265	88.33	3
Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.	80	81	80	241	80.33	8
Shulman Rogers	79	79	80	238	79.33	11

Summary of Scores – Environmental

Seven firms did not submit proposals for environmental: (1) Bocarsley Emden Cowan Esmail & Arndt, (2) Gallagher Evelius & Jones, (3) Hessel, Aluise and Neun, (4) Klein Hornig, (5) Lerch, Early & Brewer (6) Selzer Gurvitch Rabin Wertheimer Polott & Obecnay, and (7) Shulman Rogers.

Of the submitting firms, one failed to score at least 75 points: Reno & Cavanaugh.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	82	82	82	246	82.00	5
Holland & Knight, LLP	83	82	83	248	82.67	3
Kutak Rock, LLP	85	82	84	251	83.67	1
Linowes and Blocher, LLP	82	83	83	248	82.67	3
Reno & Cavanaugh, PLLC	73	72	74	219	73.00	6
Schnader Harrison Segal & Lewis, LLP	81	85	84	250	83.33	2

Summary of Scores – General Tax

Two firms did not submit proposals for general tax: (1) Hessel, Aluise and Neun, and (2) Schnader Harrison Segal & Lewis.

Of the submitting firms, three failed to score at least 75 points: (1) Bocarsly Emden Cowan Esmail & Arndt, (2) Linowes and Blocher, and (3) Reno & Cavanaugh.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	80	76	79	235	78.33	2
Bocarsly Emden Cowan Esmail & Arndt, LLP	69	68	69	206	68.67	11
Gallagher Evelius & Jones, LLP	79	77	79	235	78.33	2
Holland & Knight, LLP	76	75	76	227	75.67	7
Klein Hornig, LLP	78	75	77	230	76.67	6
Kutak Rock, LLP	83	80	82	245	81.67	1
Lerch, Early & Brewer, Chtd.	77	77	77	231	77.00	5
Linowes and Blocher, LLP	71	70	72	213	71.00	10
Reno & Cavanaugh, PLLC	73	75	75	223	74.33	9
Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.	77	80	78	235	78.33	2
Shulman Rogers	76	75	75	226	75.33	8

Summary of Scores – Affordable Housing

Three firms did not submit proposals for affordable housing: (1) Klein Hornig, (2) Schnader Harrison Segal & Lewis, and (3) Selzer Gurvitch Rabin Wertheimer Polott & Obency.

Of the submitting firms, four scored at least 75 points: (1) Ballard Spahr, (2) Gallagher Evelius & Jones, (3) Hessel, Aluise and Neun, and (4) Reno & Cavanaugh.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	91	86	90	267	89.00	3
Bocarsly Emden Cowan Esmail & Arndt, LLP	69	61	64	194	64.67	7
Gallagher Evelius & Jones, LLP	87	85	86	258	86.00	4
Hessel, Aluise and Neun, PC	91	88	89	268	89.33	2
Holland & Knight, LLP	70	70	71	211	70.33	6
Kutak Rock, LLP	74	73	69	216	72.00	5
Lerch, Early & Brewer, Chtd.	65	61	63	189	63.00	8
Linowes and Blocher, LLP	64	60	62	186	62.00	10
Reno & Cavanaugh, PLLC	90	89	92	271	90.33	1
Shulman Rogers	63	62	62	187	62.33	9

Summary of Scores – Tax Credits

Five firms did not submit proposals for tax credits: (1) Hessel, Aluise and Neun, (2) Lerch, Early & Brewer, (3) Schnader Harrison Segal & Lewis, (4) Selzer Gurvitch Rabin Wertheimer Polott & Obency, and (5) Shulman Rogers.

Of the submitting firms, two failed to score at least 75 points: (1) Bocarsly Emden Cowan Esmail & Arndt and (2) Linowes and Blocher.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	87	86	87	260	86.67	3
Bocarsly Emden Cowan Esmail & Arndt, LLP	73	70	71	214	71.33	7
Gallagher Evelius & Jones, LLP	85	85	85	255	85.00	5
Holland & Knight, LLP	77	76	79	232	77.33	6
Klein Hornig, LLP	85	88	85	258	86.00	4
Kutak Rock, LLP	89	87	88	264	88.00	2
Linowes and Blocher, LLP	64	60	62	186	62.00	8
Reno & Cavanaugh, PLLC	87	89	89	265	88.33	1

Summary of Scores – Corporate Transactions

Two firms did not submit proposals for corporate transactions: (1) Hessel, Aluise and Neun, and (2) Schnader Harrison Segal & Lewis.

Of the submitting firms, four failed to score at least 75 points: (1) Bocarsly Emden Cowan Esmail & Arndt, (2) Klein Hornig, (3) Lerch, Early & Brewer, and (4) Linowes and Blocher.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	81	80	81	242	80.67	4
Bocarsly Emden Cowan Esmail & Arndt, LLP	67	61	66	194	64.67	11
Gallagher Evelius & Jones, LLP	75	76	75	226	75.33	7
Holland & Knight, LLP	89	88	89	266	88.67	1
Klein Hornig, LLP	73	73	73	219	73.00	8
Kutak Rock, LLP	85	83	84	252	84.00	2
Lerch, Early & Brewer, Chtd.	72	72	72	216	72.00	10
Linowes and Blocher, LLP	73	72	73	218	72.67	9
Reno & Cavanaugh, PLLC	74	76	77	227	75.67	6
Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.	80	83	81	244	81.33	3
Shulman Rogers	77	77	78	232	77.33	5

Summary of Scores – Tax Exempt Bonds

Eight firms did not submit proposals for tax exempt bonds: (1) Bocarsley Emden Cowan Esmail & Arndt, (2) Gallagher Evelius & Jones, (3) Hessel, Aluise and Neun, (4) Klein Hornig, (5) Lerch, Early & Brewer, (6) Linowes and Blocher, (7) Schnader Harrison Segal & Lewis, (8) Selzer Gurvitch Rabin Wertheimer Polott & Obecný, and (9) Schulman Rogers.

All submitting firms scored at least 75 points.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	81	79	80	240	80.00	3
Holland & Knight, LLP	80	80	81	241	80.33	2
Kutak Rock, LLP	92	88	90	270	90.00	1
Reno & Cavanaugh, PLLC	75	78	77	230	76.67	4

Summary of Scores – Fair Housing

Seven firms did not submit proposals for fair housing: (1) Bocarsley Emden Cowan Esmail & Arndt, (2) Gallagher Evelius & Jones, (3) Hessel, Aluise and Neun, (4) Kutak Rock, (5) Linowes and Blocher, (6) Schnader Harrison Segal & Lewis, and (7) Selzer Gurvitch Rabin Wertheimer Polott & Obecnny.

Of the submitting firms, three failed to score at least 75 points: (1) Holland & Knight, (2) Lerch, Early & Brewer, and (3) Shulman Rogers.

Respondent	Scorer Totals			Overall		
	Scorer #1	Scorer #2	Scorer #3	Total Score	Average Score	Rank
Ballard Spahr	91	86	90	267	89.00	1
Holland & Knight, LLP	75	74	75	224	74.67	4
Klein Hornig, LLP	80	81	80	241	80.33	3
Lerch, Early & Brewer, Chtd.	71	69	70	210	70.00	5
Reno & Cavanaugh, PLLC	84	82	84	250	83.33	2
Shulman Rogers	67	65	65	197	65.67	6

Firm Selection

Staff recommends the below listed firms for the various service areas:

Finance and Lending

1. Kutak Rock
2. Hessel, Aluise and Neun
3. Reno
4. Ballard Spahr
5. Gallagher
6. Holland & Knight
7. Klein Hornig
8. Selzer Gurvitch
9. Lerch, Early & Brewer
10. Linowes
11. Shulman Rogers

General Real Estate

1. Kutak Rock
2. Holland & Knight
3. Reno & Cavanagh
4. Gallagher
5. Ballard Spahr
6. Shulman Rogers
7. Lerch, Early & Brewer
8. Klein Hornig
9. Linowes
10. Selzer Gurvitch

General Tax

1. Kutak Rock
2. Ballard Spahr
3. Gallagher
4. Selzer Gurvitch
5. Lerch, Early & Brewer
6. Klein Hornig
7. Holland & Knight
8. Shulman Rogers

Corporate Transactions

1. Holland & Knight
2. Kutak Rock
3. Selzer Gurvitch
4. Ballard Spahr
5. Shulman Rogers
6. Reno
7. Gallagher

Land Use

1. Lerch, Early & Brewer
2. Linowes
3. Shulman Rogers
4. Ballard Spahr
5. Schnader Harrison

Fair Housing

1. Ballard Spahr
2. Klein Hornig
3. Reno

Tax Exempt Bonds

1. Kutak Rock
2. Holland & Knight
3. Ballard Spahr
4. Reno

Environmental

1. Kutak Rock
2. Schnader Harrison
3. Linowes
4. Holland & Knight
5. Ballard Spahr

Construction

1. Kutak Rock
2. Shulman Rogers
3. Schnader Harrison

Affordable Housing

1. Reno
2. Hessel, Aluise and Neun
3. Ballard Spahr
4. Gallagher

Tax Credits:

1. Reno
2. Kutak Rock
3. Ballard Spahr
4. Klein Hornig
5. Gallagher
6. Holland & Knight

Agreement for Services

HOC will enter into an Agreement for Service with each approved firm. Each Agreement will include the following terms:

- Term – Two (2) years, renewable for up to three (3) additional one-year periods.
- Fees – The firm’s fees are based on the fees provided in their proposal. The firm’s fees and other costs will remain fixed for the initial two year period. The firm may request an increase in its fees for any renewal period.
- Process/Billing – The firm must submit an engagement letter/task order detailing the scope of work and a fee estimate. The firm must justify any additional work that exceeds the initial estimate.

Summary and Recommendations

Issues for Consideration

Does the Commission wish to accept the recommendation of the Development and Finance Committee and authorize or approve:

1. Establishing a qualified pool of real estate legal counsel consisting of twelve total firms that is separated into eleven Areas of Service (as shown on Appendix A) with preference given to Qualified Firms selected for each Area of Service, but allowing the staff flexibility to select a Qualified Firm not listed in an Area of Service if cost, time, or other efficiencies exist?
2. The Executive Director to execute an Agreement for Services with each firm for \$0 for a term of two years with three one-year renewal periods?
3. Staff to engage firms from the pool on an as-needed basis for legal services throughout all phases of development and operations of any project?
4. Payment for engaged services from either a project's approved development budget (that will include a line item for legal services) or, if a development budget has yet to be approved, the revolving Real Estate Working Capital Operating Fund (up to \$350,000), which will be repaid once a development budget is approved?

Fiscal / Budget Impact

There is no direct impact on HOC's operating budget. Services will be sought on an as-needed project specific basis and paid for from either the project's development budget (that would be approved by the Commission) or the revolving Real Estate Working Capital Operating Fund, which would be repaid from the subsequent Commission-approved development budget.

Time Frame

Action at the April 3, 2019 meeting of the Commission.

Summary and Recommendations

Staff Recommendation

Staff recommends that the Commission accept the recommendation of the Development & Finance Committee and give its approval to or authorization for:

1. Establishing a qualified pool of real estate legal counsel consisting of twelve total firms that is separated into eleven Areas of Service (as shown on Appendix A), with preference given to Qualified Firms selected for each Area of Service, but allowing the staff flexibility to select a Qualified Firm not listed in an Area of Service if cost, time, or other efficiencies exist?
2. The Executive Director to execute an Agreement for Services with each firm for \$0 for a term of two years with three one-year renewal periods?
3. Staff to engage firms from the pool on an as-needed basis for legal services throughout all phases of development and operations of any project?
4. Payment for engaged services from either a project's approved development budget (that will include a line item for legal services) or, if a development budget has yet to be approved, the revolving Real Estate Working Capital Operating Fund (up to \$350,000), which will be repaid once a development budget is approved?

Appendix A

Staff recommends the below listed firms for the various service areas:

Finance and Lending

1. Kutak Rock
2. Hessel, Aluise and Neun
3. Reno
4. Ballard Spahr
5. Gallagher
6. Holland & Knight
7. Klein Hornig
8. Selzer Gurvitch
9. Lerch, Early & Brewer
10. Linowes
11. Shulman Rogers

General Real Estate

1. Kutak Rock
2. Holland & Knight
3. Reno & Cavanagh
4. Gallagher
5. Ballard Spahr
6. Shulman Rogers
7. Lerch, Early & Brewer
8. Klein Hornig
9. Linowes
10. Selzer Gurvitch

General Tax

1. Kutak Rock
2. Ballard Spahr
3. Gallagher
4. Selzer Gurvitch
5. Lerch, Early & Brewer
6. Klein Hornig
7. Holland & Knight
8. Shulman Rogers

Corporate Transactions

1. Holland & Knight
2. Kutak Rock
3. Selzer Gurvitch
4. Ballard Spahr
5. Shulman Rogers
6. Reno
7. Gallagher

Land Use

1. Lerch, Early & Brewer
2. Linowes
3. Shulman Rogers
4. Ballard Spahr
5. Schnader Harrison

Fair Housing

1. Ballard Spahr
2. Klein Hornig
3. Reno

Tax Exempt Bonds

1. Kutak Rock
2. Holland & Knight
3. Ballard Spahr
4. Reno

Environmental

1. Kutak Rock
2. Schnader Harrison
3. Linowes
4. Holland & Knight
5. Ballard Spahr

Construction

1. Kutak Rock
2. Shulman Rogers
3. Schnader Harrison

Affordable Housing

1. Reno
2. Hessel, Aluise and Neun
3. Ballard Spahr
4. Gallagher

Tax Credits:

1. Reno
2. Kutak Rock
3. Ballard Spahr
4. Klein Hornig
5. Gallagher
6. Holland & Knight

RESOLUTION No.: 19-39

RE: Approval to Create and Select Firms for A Qualified Pool of Real Estate Counsel in Accordance with RFQ #2150; Authorization to Execute Agreements for Service with Selected Firms; Approval to Engage Selected Firms; and Authorization To Pay for Services

WHEREAS, in May 2014, HOC approved the creation of a pool of legal counsel for real estate legal services to ensure efficient and effective management of its real estate legal concerns, and authorized staff to enter into contracts for a two-year period with three one-year renewals, which will expire as early as May 2019;

WHEREAS, HOC continues to engage in numerous real estate transactions that are time-sensitive in nature and require additional legal support from outside firms;

WHEREAS, in order to continue to have adequate legal support and in accordance with HOC's Procurement Policy staff issued a Request for Qualifications for Real Estate Legal Services (RFQ #2150) on February 9, 2019 (the "**RFQ**");

WHEREAS, the RFQ requested that firms submit qualifications to perform legal services in at least one of the following areas of service: (1) General Real Estate Transactions, (2) Land Use and Zoning, (3) Construction, (4) Real Estate Finance and Lending, (5) Environmental, (6) General Tax, (7) Affordable Housing, (8) Real Estate Transactions Utilizing Tax Credits, (9) Business and Corporate Transactions, (10) Tax-Exempt Bond Transactions, and (11) Fair Housing Law ("**Area of Service**");

WHEREAS, thirteen firms responded to the RFQ and an Evaluation Committee comprised of three (3) staff members evaluated the proposals based on a numerical scoring system outlined in the RFQ;

WHEREAS, the Evaluation Committee recommends that a total of twelve (12) firms (each a "**Qualified Firm**", together the "**Qualified Firms**") be included in a qualified pool of real estate legal counsel that is separated into each Area of Service (the "**Qualified Pool**");

WHEREAS, staff recommends that for each Area of Service preference be given to Qualified Firms selected for such Area of Service, but that staff retain flexibility to select a Qualified Firm not listed in an Area of Service if cost, time, or other efficiencies exist;

WHEREAS, staff recommends that the Commission enter into an Agreement for Service with each Qualified Firm for a term of two years with three one-year renewals to enable staff to engage the Qualified Firms on an as-needed basis throughout all phases of a project's development and operations; and

WHEREAS, Qualified Firms engaged by HOC staff will be paid from either a project's approved development budget or, if a budget as not yet been approved, from the Real Estate Working Capital Operating Fund (up to \$350,000), which will be repaid once a development budget has been approved.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves the creation of the Qualified Pool and the selection of the Qualified Firms into each Area of Service as shown below:

- A. General Real Estate:
 - Kutak Rock LLP
 - Holland & Knight LLP
 - Reno & Cavanaugh PLLC
 - Gallagher Evelius & Jones LLP
 - Ballard Spahr LLP
 - Shulman Rogers
 - Lerch, Early & Brewer, Chtd.
 - Klein Hornig LLP
 - Linowes and Blocher LLP
 - Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.

- B. Land Use and Zoning:
 - Lerch, Early & Brewer, Chtd.
 - Linowes and Blocher LLP
 - Shulman Rogers
 - Ballard Spahr LLP
 - Schnader Harrison Segal & Lewis LLP

- C. Construction:
 - Kutak Rock LLP
 - Shulman Rogers
 - Schnader Harrison Segal & Lewis LLP

- D. Real Estate Finance and Lending:
 - Kutak Rock LLP
 - Hessel, Aluise and Neun, PC
 - Reno & Cavanaugh PLLC
 - Ballard Spahr LLP
 - Gallagher Evelius & Jones LLP
 - Holland & Knight LLP
 - Klein Hornig LLP
 - Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.
 - Lerch, Early & Brewer, Chtd.

Linowes and Blocher LLP
Shulman Rogers

E. Environmental:

Kutak Rock LLP
Schnader Harrison Segal & Lewis LLP
Linowes and Blocher LLP
Holland & Knight LLP
Ballard Spahr LLP

F. General Tax:

Kutak Rock LLP
Ballard Spahr LLP
Gallagher Evelius & Jones LLP
Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.
Lerch, Early & Brewer, Chtd.
Klein Hornig LLP
Holland & Knight LLP
Shulman Rogers

G. Affordable Housing:

Reno & Cavanaugh LLP
Hessel, Aluise and Neun, PC
Ballard Spahr LLP
Gallagher Evelius & Jones LLP

H. Real Estate Transactions Utilizing Tax Credits:

Reno & Cavanaugh LLP
Kutak Rock LLP
Ballard Spahr LLP
Klein Hornig LLP
Gallagher Evelius & Jones LLP
Holland & Knight LLP

I. Business and Corporate Transactions:

Holland & Knight LLP
Kutak Rock LLP
Selzer Gurvitch Rabin Wertheimer Polott & Obecnny, P.C.
Ballard Spahr LLP
Shulamn Rogers
Reno & Cavanaugh LLP
Gallagher Evelius & Jones LLP

J. Tax-Exempt Bond Transactions:

Kutak Rock LLP
Holland & Knight LLP
Ballard Spahr LLP
Reno & Cavanaugh LLP

- K. Fair Housing Law:
Ballard Spahr LLP
Klein Hornig LLP
Reno & Cavanaugh LLP

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves that preference be given to Qualified Firms selected for each Area of Service, but that staff retain flexibility to select a Qualified Firm not listed in an Area of Service if cost, time, or other efficiencies exist.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to execute an Agreement for Services with each Qualified Firm for a term of two years with three one-year renewals.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes staff to engage Qualified Firms from the Qualified Pool on an as-needed basis for legal services required by a project throughout all phases of development or operation of such project.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes payment for engaged legal services from the Qualified Pool from either a project's approved development budget or, if a budget has not yet been approved, from the revolving Real Estate Working Capital Operating Fund (up to \$350,000), to be repaid once a development budget is approved.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on April 3, 2019.

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Patrice Birdsong
Special Assistant to the Commission

**AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO ENTER INTO A
CONTRACT WITH HOOTEN CONSTRUCTION COMPANY FOR THE
RENOVATION OF 880 BONIFANT STREET PROPERTY TO SERVE AS
THE NEW SILVER SPRING CUSTOMER SERVICE CENTER**

880 BONIFANT ST



Stacy L. Spann, Executive Director

**Kayrine Brown
Zachary Marks
Marcus Ervin
Jay Shepherd**

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Executive Summary

Development Overview:

880 Bonifant St. is an existing mixed-use, 4-story, 12,000 SF office building constructed in 1967 and renovated in 2005 for use as a church. An assembly area with 25-foot ceilings are located on the top floor (of four floors) with capacity for 150 people and an auditorium with kitchen on the lowest level which is at grade with an adjacent 73-car County municipal lot, not included in the purchase. The facility will serve as the new home for the Silver Spring Customer Service Center (“SSSC”). Located just minutes from the under construction 900 Thayer multifamily development, this office will allow HOC to adequately provide necessary office space for the Housing Resources, Property Management, and Resident Services divisions while continuing to provide a high-quality customer service experience for its clients. As proposed, the operating expenses assumed for 880 Bonifant are contained within the operating budget for the planned HOC headquarters to be located at Fenwick and Second St.

Development Actions & Timeline:

On January 10, 2018, the Commission authorized the Executive Director to execute a Letter of Intent (“LOI”) to purchase 880 Bonifant Street (the “Property”) for the replacement of the Silver Spring Service Center. The LOI was executed on February 14, 2018. On May 2, 2018, the Commission authorized the Executive Director to execute a Purchase and Sale Agreement (“PSA”) for the Property and escrow a refundable deposit of \$50,000 from the MPDU/PAF fund. The PSA was executed on May 14, 2018, triggering a 60-day “free-look” or study period to finalize due diligence on the Property. On August 20, 2018, the Commission completed the acquisition and staff immediately proceeded with developing the design plans with its architect, Karl Riedel Architecture, PC, which initially entailed installation of a new and advanced HVAC system, newly created private offices and meeting spaces, and an exciting and vibrant building exterior with an entry ramp.

Following the completion of the design plans in December-2018 and formal submission for the building permit thereafter, HOC released RFP #2133 General Contracting Services for the Renovation of 880 Bonifant St. on January 8, 2019, which called for the demolition of existing partitions and finishes, fit out for new office spaces; façade renovation; construction of an entry accessibility ramp and other miscellaneous work. A mandatory site visit was held on January 15, 2019 that was attended by several general contracting firms. However; only one (1) firm D&A Contractors, Inc. submitted a proposal at the closing of the solicitation on January 28, 2019 in the amount of \$3.5mm, nearly 3x the original planned estimate. Due to the time sensitive nature of the project to facilitate relocation of staff into 880 Bonifant by August-2019 from the temporary County-owned facility located at 8070 Georgia Ave in Silver Spring and other factors including, the total budget, pending expiring County building permits, and receipt of one proposal, staff engaged in an emergency procurement in accordance with HOC’s procurement policy to evaluate pricing options to arrive at the best value and delivery method with Hooten Construction (formerly CBP Constructors, LLC). The result is a renovation plan that will allow HOC to realize the initially planned scope within its planned budget and most importantly within a timeframe to successfully transfer staff by the mid-August 2019 delivery date. With the initial building permit approved by the County as of January 2019 and recently extended to April 24, 2019, execution of this contract will allow HOC to proceed with a planned April 2019 start and avoid expiration and voiding of said permit.

Property Overview

Property: 880 Bonifant Street, Silver Spring, MD

Gross Floor Area: 12,000 Square Feet (“SF”)

Story(s): Four (4) Floors (+/-3,000 SF per floor)

Orig. Built: 1959

Last Rehab: 2005

Land Area: 3,720 Square Feet

Construction Type:

Concrete Block Brick exterior with steel roof joist girders with concrete floors. Flat roof with a portion pitched over the main clearstory.

Proposed Use:

Relocation of HOC Silver Spring Service Center (“SSSC”) and overflow office space for HOC’s fully occupied Kensington location.

Public Benefit:

Transfer of leasing costs into ownership costs on a property the Commission owns, builds equity. Continues to serve HOC clients in a down county location close to the existing SSSC.

Future Opportunity: a total of five (5) parcels could be aggregated (including a County owned parking lot) to create a development parcel in excess of 1.30 acres in the heart of Silver Spring.



880 Bonifant - Proposed



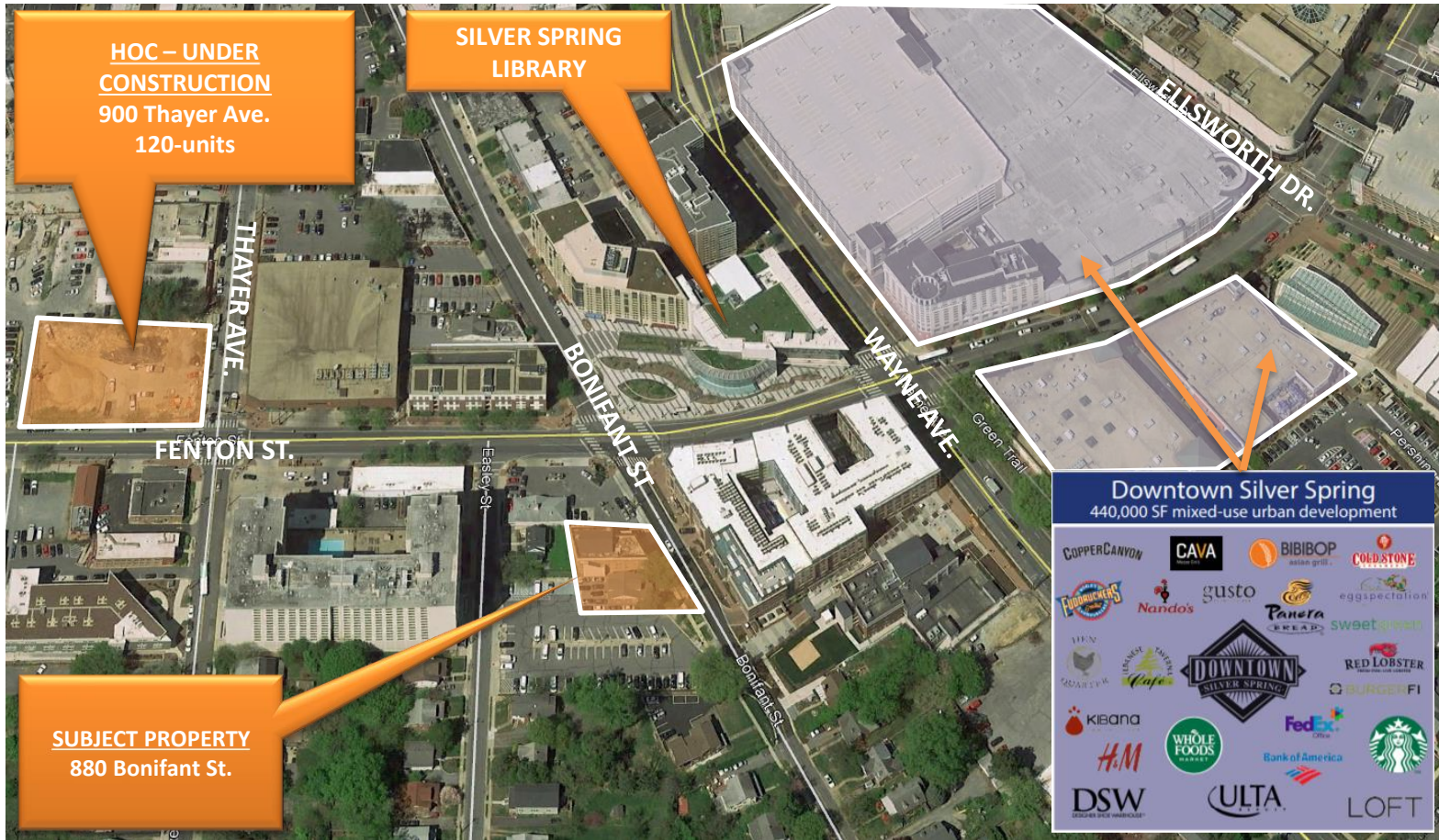
880 Bonifant - Existing

Prior Commission Actions

- **On January 10, 2018 (no Resolution),** the Commission authorized the Executive Director to execute a Letter of Intent (LOI) to purchase 880 Bonifant Street for the replacement of the Silver Spring Service Center in January, 2018. The letter of Intent was executed on February 14, 2018 and included a 60-day “free-look” period for due diligence.
- **RESOLUTION 18-32AS:** The Commission authorized the Executive Director to execute a Purchase and Sale Agreement (“PSA”) with Iglesia de Restauracion Apostoles Y Profetas, Inc. (the “Seller”) at an Administrative Session on May 2, 2018
- **RESOLUTION 18-58AS:** The Commission authorized the Executive Director to complete the acquisition of the 880 Bonifant St. office building and approved the Final Development Plan at Executive Session on July 11, 2018.
- The Commission completed the acquisition on August 20, 2018 and proceeded with the design, entitlement, and procurement for a general contractor over the next several months.

Property Aerial View

SILVER SPRING, MD – CENTRAL BUSINESS DISTRICT



Procurement and Scope of Work

Procurement Process

On January 9, 2018, HOC issued RFP #2133 General Contracting Services for the Renovation of 880 Bonifant to solicit bids from qualified General Contractors who are licensed by the State of Maryland to conduct business within the State of Maryland and Montgomery County.

On January 15, 2019, a mandatory pre-bid conference was held at 880 Bonifant St. and representatives from seven (7) firms were present for the conference. A second walk was held on January 18, 2019.

Questions were received by January 22, 2019 and RFP #2133 Addendum #1 with responses was issued on January 24, 2019.

One (1) qualified bid was received by the HOC Procurement Office by the deadline of January 28, 2019.

RFP #2133 Scope of Work

- Demolition of all interior partitions, flooring, and fixtures.
- Roof replacement.
- New exterior steel ramp and entry stairs.
- New exterior standing metal seam, stone work, and patching of existing Exterior Insulation and Finish System (“EIFS”).
- Replacement of existing HVAC system w/ advanced Variable Refrigerant Flow (“VRF”) system.
- 100% Payment & Performance Bonds.
- All indirect fees (construction management, general conditions, overhead and profit) are included.



Bidder Evaluation

Bidder List ¹

Nastos Construction

1421 Kenilworth Avenue Northeast,
Washington, DC 20019
Phone: (202) 398-5500

D&A Contractors, Inc.

8655 Cherry Lane
Laurel, MD 20707
Phone: (301) 498-4304

Hooten Construction (CBP Constructors, LLC)

6200 Old Dobbin Lane, Suite 190
Columbia, MD 21045
Phone: (410) 465-8260

Taurus Renovation & Construction

1341 H Street NE
Washington, DC 20002
Phone: (202) 462-4904

Visionary Construction Consultants

8115 Maple Lawn Blvd., Suite 350
Fulton, MD 20759
Phone: (410) 793-4125

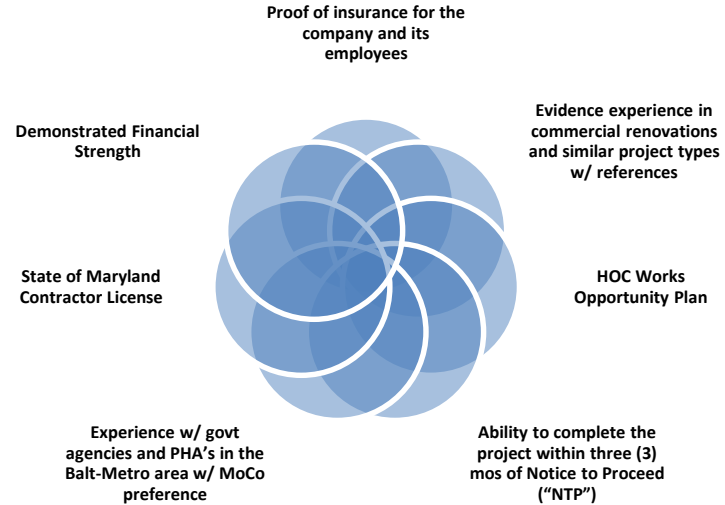
Banneker Ventures

5335 Wisconsin Ave NW,
Washington, DC 20015
Phone: (202) 393-5460

Colossal Contractors

15454 Old Columbia Pike,
Burtonsville, MD 20866
Phone: (301) 476-9060

Minimum Bid Requirements



Bid Tabulation

Name of Contractor	Proof of insurance for the company and its employees	Evidence experience in commercial renovations	HOC Works Opportunity Plan	100% Payment & Performance Bonds	Demonstrated Financial Strength	State of Maryland Contractor License	Base Bid ²
D&A Contractors, Inc. (Sole Respondent)	Yes	Provided	Provided	Yes	Yes	Yes	\$3.5mm

NOTES:

- In strict accordance with HOC Procurement, RFP #2133 required a mandatory pre-bid meeting. All participants at the meeting were eligible for bidding and are represented herein.
- BASE BID not required to meet Davis-Bacon requirements to satisfy the funding restrictions enforced under the County's Capital Improvements Program ("CIP").

Renovation Overview

- As identified in the Executive Summary, the culmination of several factors including the fixed delivery deadline for mid August-2019, total budget sensitivity, pending expiring County building permits, and receipt of one proposal, staff engaged in an emergency procurement allowed under HOC's procurement policy to engage in evaluating pricing options to arrive at the best value and delivery method with importance on delivery method, timing and overall budget.
- Renovation options explored included a full renovation in accordance with the approved plans, partial renovation schemes with and without the exterior work, and a tenant fit-out approach which ranged in value from \$2.9MM to \$940K with the final approved of amount of \$1,127,900.
- The Total Contract Amount is **\$1,127,901**, which accounts for various finish trades, mechanical upgrades, electrical, plumbing and exterior enhancements.
- The Total Budget amount is **\$1,311,101**, which accounts for both hard & soft costs in connection with the renovation.

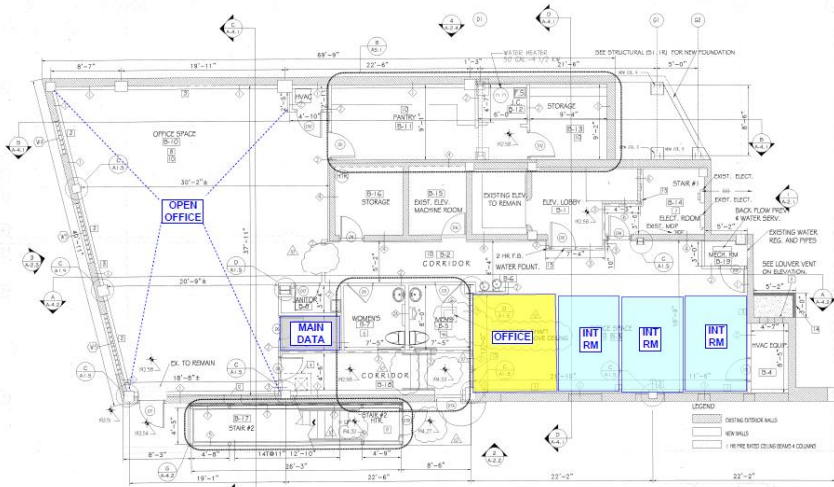
Net Ongoing Expense Comparison

The analysis below accounts for the following actions:

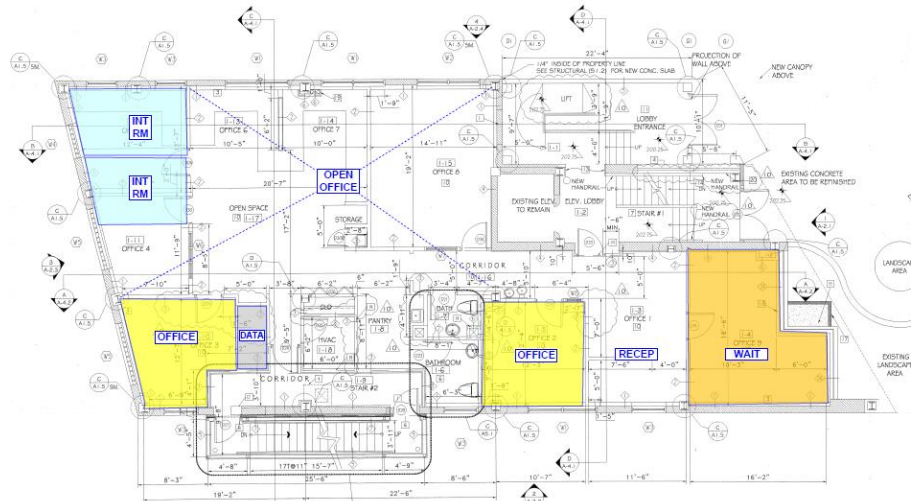
1. HOC fully vacates the current temporary Service Center location in August-2019 and assumes operations at 880 Bonifant following completion of the renovation; and
2. Operating & Leasing Costs from the former temporary Service Center are carried over to pay towards the operating expenses at 880 Bonifant and begin repayment of the Revolving Fund utilized for the initial acquisition and renovation of the subject property.
3. As proposed, the operating expenses assumed for 880 Bonifant are contained within the operating budget for the planned HOC headquarters to be located at Fenwick and Second St.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14		
	FY-19		FY-20													
	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Totals	\$/SF
Inflation Assumption		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	2.75%	
Georgia Ave SSSC																
HOC SSSC Operating Costs	\$ 4,678	\$ 4,678	\$ 4,678	\$ 4,678	HOC STAFF RELOCATES TO 880 BONIFANT ST.										\$ 18,712	\$ 2.85
HOC SSSC Lease Costs	\$ 19,905	\$ 19,905	\$ 19,905	\$ 19,905	HOC STAFF RELOCATES TO 880 BONIFANT ST.										\$ 79,620	\$ 12.12
Total - HOC at SSSC	\$ 24,583	\$ 24,583	\$ 24,583	\$ 24,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,332	\$ 14.97
Move to 880 Bonifant																
Budgeted Expenses	NO PAYMENTS/CONTRIBUTIONS DURING RENOVATION			\$ 4,678	\$ 4,690	\$ 4,701	\$ 4,713	\$ 4,725	\$ 4,737	\$ 4,749	\$ 4,760	\$ 4,772	\$ 4,784	\$ 4,796	\$ 52,106	\$ 4.55
Payment to Revolving Fund	Payments would begin Aug-19 when HOC takes possession following completion.			\$ 19,905	\$ 19,905	\$ 19,905	\$ 19,905	\$ 19,905	\$ 19,905	\$ 19,905	\$ 19,905	\$ 19,905	\$ 19,905	\$ 19,905	\$ 218,955	\$ 19.10
Total - HOC at 880 Bonifant	\$ -	\$ -	\$ -	\$ 24,583	\$ 24,595	\$ 24,606	\$ 24,618	\$ 24,630	\$ 24,642	\$ 24,654	\$ 24,665	\$ 24,677	\$ 24,689	\$ 24,701	\$ 271,061	\$ 23.65
880 Bonifant Acquisition Net (Cost) Benefit	\$ 24,583	\$ 24,583	\$ 24,583	\$ -	\$ (24,595)	\$ (24,606)	\$ (24,618)	\$ (24,630)	\$ (24,642)	\$ (24,654)	\$ (24,665)	\$ (24,677)	\$ (24,689)	\$ (24,701)	\$ (172,729)	\$ (8.68)

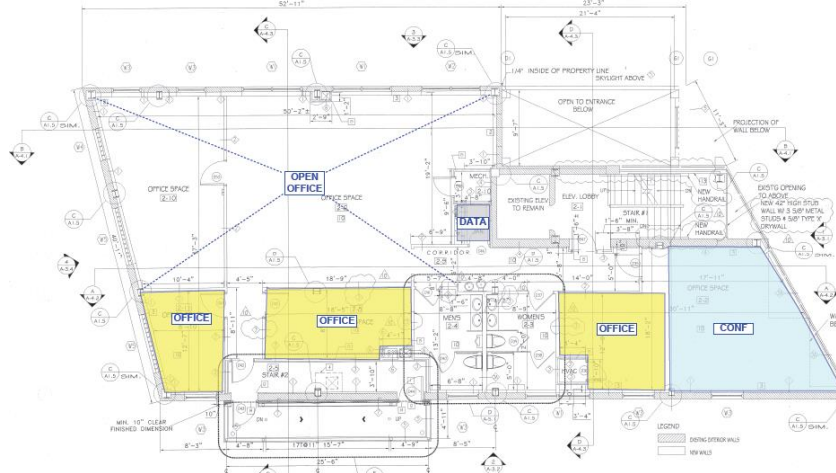
Space Planning Diagram



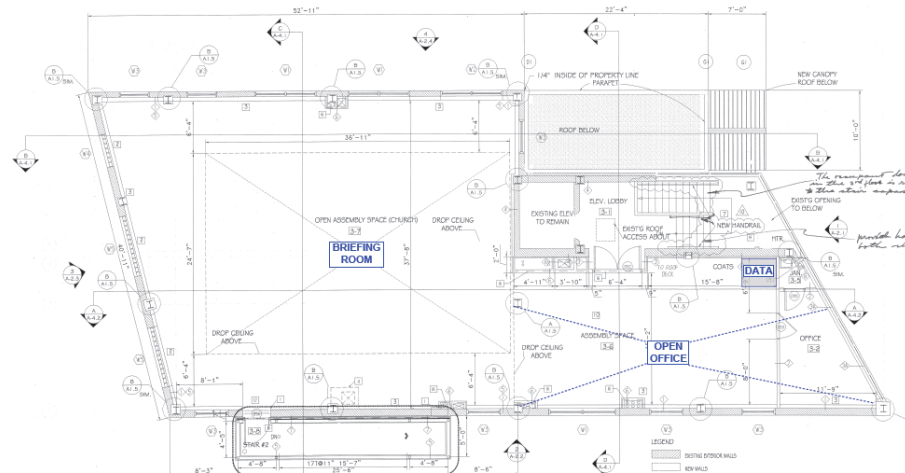
FIRST FLOOR (BASEMENT)



SECOND FLOOR (MAIN ENTRANCE)



THIRD FLOOR

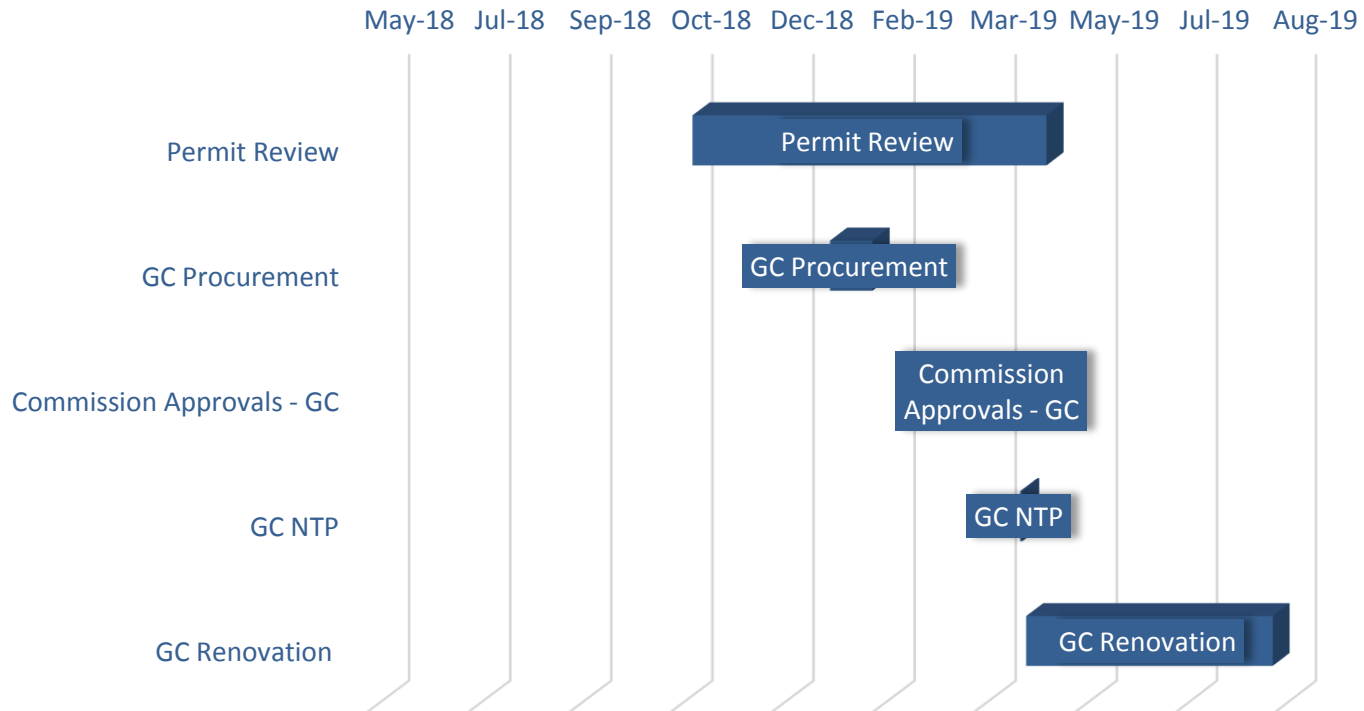


FOURTH FLOOR

Development Timeline

The development timeline assumes the following:

1. Permit approval and additional reviews through Mid-April-2019
2. General Contractor Notice to Proceed (“NTP”) on or around April 12, 2019
3. Renovation to occur following NTP and conclude by August 15, 2019.



Summary and Recommendations

Issues for Consideration

Does the Commission wish to grant:

1. Authorization for the Executive Director to enter into a contract with Hooten Construction Company for the renovation of 880 Bonifant Street, which will serve as the new Silver Spring Customer Service Center?
 - The total contract value of the contract is \$1,127,900.
 - The total budget is \$1,301,561, requiring an increase of \$55,279 in the total draw from the Revolving Fund.
 - The estimated completion date is August-2019.

Time Frame

For approval and action at the April 3, 2019 meeting of the Commission.

Budget /Fiscal Impact

- Committee met and considered this action at the meeting on March 25, 2019 and unanimously approved recommending that the Commission proceed with execution of the contract.
- There is no direct impact on the agency's fiscal 2019 operating budget.
 - The operating costs and lease payments previously allocated to the former service center location at Thayer and Georgia Avenues are allocated along with additional third-party contract estimates to cover the cost of the 880 Bonifant Street site; however, the time to fully repay the Revolving Fund for the acquisition and renovation costs is extended as a result.
 - Funding of the renovation will be from the County Revolving Fund, previously approved by the Commission.

Summary and Recommendations

Committee Recommendation

On March 22, 2019, the Development and Finance Committee considered this request and it unanimously approved the request for recommendation to the Commission.

Staff Recommendation and Commission Action Needed

Staff recommends that the Commission accept the recommendation of the Development & Finance Committee and give its approval or authorization for:

1. The Executive Director to enter into a contract with Hooten Contractors Construction Company for the renovation of 880 Bonifant Street, which will serve as the new Silver Spring Customer Service Center and that the contract value shall not exceed \$1,127,900.
2. To increase the Revolving Fund loan by \$55,279, for a total of \$4,578,064.

RESOLUTION No.: 19-40

RE: Authorization for the Executive Director to Enter Into a Contract with Hooten Construction Company for the Renovation of 880 Bonifant Street Property to Serve as the New Silver Spring Customer Service Center

WHEREAS, in furtherance of its mission to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland, the Housing Opportunities Commission of Montgomery County (“HOC”) intends to renovate the property known as 880 Bonifant (the “Property”) to serve as the new Silver Spring Customer Service Center; and

WHEREAS, the Property, located at 880 Bonifant Street, Silver Spring, MD, consists of an existing 4-story 12,000 square foot office building on 3,720 square feet of land near the intersection of Bonifant and Fenton Streets in Silver Spring, MD; and

WHEREAS, on May 2, 2018, the Commission approved funding up to \$4,500,000 from the County Revolving MPDU/PAF fund for the acquisition of the Property (the “Initial Funding”); and

WHEREAS, On August 20, 2018, the Commission completed the acquisition of the Property and proceeded with the design, entitlement, and procurement for a general contractor; and

WHEREAS, staff developed a scope of work with its architect, Karl Riedel Architecture, PC, to demolish existing partitions and finishes, fit out for new office spaces, improve the building’s façade, construct an accessible entry ramp, and other miscellaneous work; and

WHEREAS, due to the time sensitive nature of the project (requiring relocation of staff into 880 Bonifant by August-2019), the total budget expiring County building permits, and other factors staff engaged in an emergency procurement in accordance with HOC’s procurement policy; and

WHEREAS, pursuant to the emergency procurement, Hooten Construction Company (“Hooten”) was found to have the best value and delivery method, and staff recommends entering into a contract with Hooten for up to \$1,127,900; and

WHEREAS, there are insufficient funds remaining in the Initial Funding to complete the renovation of the Property, and staff requests that the Commission draw an additional \$55,279 from the County Revolving MPDU/PAF fund.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the scope of work for renovation of the Property is approved and the

Executive Director is authorized to award a contract to Hooten Construction Company as contractor for the proposed renovations.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to execute a contract with Hooten Construction Company for an amount up to \$1,127,900 and that such funding will be partially provided from previously secured funding under the County Revolving MPDU/PAF fund.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to draw an additional \$55,279 from the County Revolving MPDU/PAF fund to complete the Property renovations.

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular meeting on April 3, 2019.

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Patrice M. Birdsong
Special Assistant to the Commission

Legislative and Regulatory Committee

**REVISIONS OF HOC'S ADMINISTRATIVE PLAN
FOR THE HOUSING CHOICE VOUCHER PROGRAM
TO UPDATE FORMATTING, CORRECT TYPOGRAPHICAL ERRORS, AND
ADD CLARITY TO CHAPTERS 1, 2, 5, AND 6 OF THE PLAN.**

APRIL 3, 2019

- The Code of Federal Regulations (CFR) requires Public Housing Agencies (PHAs) to adopt written plans and policies that describe the federal regulations and establish local policies for administration of the voucher programs of the given PHA. For the Housing Choice Voucher (HCV) program, this governing document is the Administrative Plan.
- The CFR also requires that PHAs revise their Administrative Plan as needed in order to comply with federal requirements. Optional changes unique to a specific PHA may also be added, provided they do not conflict with federal regulations.
- At this time, HOC has developed proposed revisions to its Administrative Plan that will update formatting, correct typographical errors, and add clarity to Chapters 1, 2, 5, and 6 of the Plan.
- A public comment period for this proposed revision began on February 4, 2019 and will conclude on April 3, 2019 with a public hearing at HOC's Kensington office.
- Staff is requesting that the Commission adopt the proposed revisions to HOC's Administrative Plan.

M E M O R A N D U M

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann, Executive Director

FROM:	Staff: Lynn Hayes	Division: Housing Resources	Ext. 9622
	Bonnie Hodge	Housing Resources	Ext. 9525
	Ethan Cohen	Compliance	Ext. 9764
	Darcel Cox	Compliance	Ext. 9427

RE: Revisions to HOC’s Administrative Plan for the Housing Choice Voucher Program to Update Formatting, Correct Typographical Errors, and Add Clarity to Chapters 1, 2, 5, and 6 of the Plan.

DATE: April 3, 2019

STATUS: Committee Report: Deliberation X

OVERALL GOAL & OBJECTIVE:

To request that the Housing Opportunities Commission of Montgomery County accept the recommendation of the Legislative and Regulatory Committee to adopt of revisions to HOC’s Administrative Plan for the Housing Choice Voucher program to update formatting, correct typographical errors, and add clarity to Chapters 1, 2, 5, and 6 of the Plan (the “Revisions”), and authorize the Executive Director, or his designee, to implement the revisions to the Administrative Plan for the Housing Choice Voucher Program (“Administrative Plan”).

BACKGROUND:

As policies and provisions change at the federal, state, and local levels, HOC revises its Administrative Plan for the Housing Choice Voucher program. These revisions ensure that HOC’s voucher program remains in compliance with the regulations governing its jurisdiction, Montgomery County. As a result of this revision process, most changes to the Administrative Plan are made on an as-needed and piece-meal basis. This has left the language in the various chapters of the Administrative Plan somewhat disjointed and incongruous.

To help correct the disorder which exists in the Administrative Plan, staff from HOC’s Housing Resources Division and Compliance Department are beginning a long-term project to update the entirety of the Plan. Accordingly, at this time, staff proposes the attached revisions to update formatting, correct typographical errors, and add clarity to Chapters 1, 2, 5, and 6 of the Administrative Plan. The detailed changes are provided in Exhibits A, B, C, and D.

As part of the process for making revisions to a PHA's Administrative Plan, public comment is required. Accordingly, HOC will provide a 30-day public comment period which is concluded with a public hearing on March 6, 2019, on the Administrative Plan revisions. During the comment period, HOC will make a draft of the proposed revisions to the Administrative Plan available on the Agency's website as well as in hard copy form at all four of HOC's primary offices. Also during the comment period, HOC staff will meet and discuss these proposed revisions with HOC's Resident Advisory Board (RAB), seeking the RAB's comments and endorsement of these proposed changes. Notice of the comment period and public hearing will be advertised in a local newspaper in Montgomery County.

ISSUES FOR CONSIDERATION:

Does the Housing Opportunities Commission of Montgomery County wish to accept the recommendation of the Legislative and Regulatory Committee to adopt of revisions to HOC's Administrative Plan for the Housing Choice Voucher program to update formatting, correct typographical errors, and add clarity to Chapters 1, 2, 5, and 6 of the Plan (the "Revisions"), and authorize the Executive Director, or his designee, to implement the revisions to the Administrative Plan for the Housing Choice Voucher Program ("Administrative Plan")?

PRINCIPALS:

Housing Resources Division
Compliance Department

BUDGET IMPACT:

None.

TIME FRAME:

The Legislative and Regulatory Committee reviewed this item at its meeting on January 16, 2019. For Commission action on April 3, 2019.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Housing Opportunities Commission of Montgomery County accept the recommendation of the Legislative and Regulatory Committee to adopt revisions to HOC's Administrative Plan for the Housing Choice Voucher program to update formatting, correct typographical errors, and add clarity to Chapters 1, 2, 5, and 6 of the Plan (the "Revisions"), and authorize the Executive Director, or his designee, to implement the revisions to the Administrative Plan for the Housing Choice Voucher Program ("Administrative Plan").

RESOLUTION: 19-41

RE: Revisions to HOC’s Administrative Plan for the Housing Choice Voucher Program to Update Formatting, Correct Typographical Errors, and Add Clarity to Chapters 1, 2, 5, and 6 of the Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission”) desires to revise its Administrative Plan for the Housing Choice Voucher Program (the “Plan”) to update formatting, correct typographical errors, and add clarity to Chapters 1, 2, 5, and 6 of the Plan (the “Revisions”), as identified in the revised Plan attached hereto as Exhibit A; and

WHEREAS, a public comment period for the Revisions began on February 4, 2019 and concluded on April 3, 2019 with a public hearing.

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

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

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 3, 2019.

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Patrice Birdsong
Special Assistant to the Commission

EXHIBIT A

Revised Administrative Plan for the Housing Choice Voucher Program

[attached]

Proposed Revisions to
HOC's Administrative Plan for the Housing Choice Voucher Program

Please note: Existing language is in **BLACK** and proposed changes are in **RED**.

Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937. The Act ~~has been~~is amended from time to time, and its requirements, as they apply to the Section 8 Tenant-Based Assistance Program, ~~is~~are described in, and implemented throughout, this Administrative Plan. The Section 8 rental assistance programs are federally funded and administered for Montgomery County, Maryland by the Housing Opportunities Commission of Montgomery County, Maryland (HOC) through its ~~Assisted~~-Housing Resources Division.

Administration of the Section 8 Program and the functions and responsibilities of ~~the Housing Authority (PHA)~~ HOC's staff ~~shall~~bear in compliance with the ~~PHA's~~HOC's Personnel Policy and the U.S. Department of Housing and Urban Development's (HUD) Section 8 Regulations as well as all other relevant Federal, State and local fair housing laws and regulations.

Jurisdiction

~~The HOC's~~ jurisdiction ~~of HOC~~in which to administer the Section 8 Housing Choice Voucher (HCV) Program is the county of Montgomery in the state of Maryland, exclusive of the City of Rockville.

A. MISSION STATEMENT OF THE HOUSING OPPORTUNITIES COMMISSION

~~The Housing Opportunities Commission of Montgomery County, Maryland (HOC)~~ currently operates a Section 8 Existing Program funded by ~~the Department of Housing and Urban Development (HUD)~~. The program began in February 1976 when HOC and HUD entered into an Annual Contributions Contract (ACC) for the administration of ~~the~~ Housing Assistance Payments to assist 330 families. Since that time, HOC's ~~s~~Successful operation of the program ~~since that time~~ ~~has~~ resulted in subsequent funding to HOC from HUD through allocation by a fair share formula and by awarding of funds through a competitive process resulting in funds supporting payments to many additional families. ~~The HOC's~~ Commission, which oversees the operation of the Section 8 Program, approves the use of the administrative fee reserve.

HOC's mission for the Section 8 Existing Program is to provide rent subsidies and affordable housing choices to qualified families while simultaneously providing customer friendly service to applicants, participating families, landlords, and the community at large. The emphasis in this program is to enable families of extremely and very ~~low~~low incomes to seek ~~decent~~the housing of

their choice in the private market, and to receive the rental assistance necessary to obtain that housing. The Section 8 program provides Housing Assistance Payments (HAP) ~~(the difference between what an eligible family can afford to pay for housing, and the amount required to obtain decent housing in this County)~~ as determined in accordance with schedules and criteria established by HUD. HAP funds are the difference between what an eligible family can afford to pay for housing, and the amount required to obtain decent housing in Montgomery County.

Beginning in 1979, HOC ~~has~~ provided resident support services and assistance, as needed, to program participants to ensure that they ~~will beare~~ successful members of the community. ~~Recently Today, the HOC's~~ Resident Services Division's Section 8 Counselors ~~have work to~~ reduced the number of serious disturbance complaints from the community about Section 8 households through increased outreach and education of residents, timely response to complaints and increased Agency presence in locations where persistent problems exist. It is the policy of HOC and its employees to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing fair housing and equal opportunity in housing and employment. HOC ~~shall does~~ not deny any family or individual the opportunity to apply for, or receive, assistance under the Section 8 HCV Program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, family or marital status, handicap or disability, or sexual orientation.

B. LOCAL GOALS [24 CFR 982.1]

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

X ~~PHA-HOC~~ Goal: Expand the supply of assisted housing

Objectives:

X Apply for additional rental vouchers

~~X~~ Reduce public housing vacancies

X Leverage private or other public funds to create additional housing opportunities

X Acquire or build units or developments

X ~~PHA-HOC~~ Goal: Improve the quality of assisted housing

Objectives:

~~X~~ Improve public housing management (PHAS score)

X Improve voucher management (SEMAP score)

X Increase customer satisfaction

Concentrate on efforts to improve specific management functions (e.g., public housing finance; voucher unit inspections)

PHA-HOC Goal: Increase assisted housing choices

Objectives:

Provide voucher mobility counseling

Conduct outreach efforts to potential voucher landlords

Increase voucher payment standards

Implement voucher homeownership program

Implement public housing or other homeownership programs

Implement public housing site-based waiting lists

Convert public housing to vouchers Project-Based Section 8

Other: (list below)

Other **PHA-HOC** Goal/s and objectives: (List below)

HUD Strategic Goal: Improve community quality of life and economic vitality

PHA-HOC Goal: Provide an improved living environment

Objectives:

Implement measures to de-concentrate poverty by bringing higher income public housing households into lower income developments.

Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments.

Implement public housing security improvements.

Designate developments or buildings for particular resident groups (elderly, persons with disabilities.)

Other: (list below)

Other **PHA-HOC** Goal/s and objectives: (List below)

HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals

~~PHA-HOC~~ Goal: Promote self-sufficiency and asset development of assisted households.

Objectives:

Increase the number and percentage of employed persons in assisted families.

Provide or attract supportive services to improve assistance recipients employability.

Provide or attract supportive services to increase independence for the elderly or families with disabilities.

Other: (list below)

Other ~~PHA-HOC~~ Goal/s and objectives: (List below)

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans

~~PHA-HOC~~ Goal: Ensure equal opportunity and affirmatively further fair housing.
Objectives:

Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability.

Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability.

Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required.

Other: (list below)

In addition, HOC has the following goals for the HCV program:

- *To assist the local economy by increasing the occupancy rate and the amount of money flowing into the community.*
- *To encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socioeconomic, recreational, and other human service needs.*

- *To create positive public awareness and expand the level of family, owner, and community support in accomplishing HOC's mission.*
- *To attain and maintain a high level of standards and professionalism in ~~our~~ HOC's day-to-day management of all program components.*
- *To administer an efficient, high-performing agency through continuous improvement of HOC's support systems and commitment to ~~our~~ HOC's employees and their development.*

C. PURPOSE OF THE PLAN [24 CFR 982.54]

The purpose of the Administrative Plan is to establish policies for carrying out the HCV programs in a manner consistent with HUD requirements and the local goals and objectives contained in the Public Housing Agency (PHA) Plan. The Housing Choice Voucher Program is implemented as of October 1, 1999. ~~The pre-merger Regular Tenancy Certificate Contracts, Housing Voucher Contracts, and Over Fair Market Rent Tenancy Contracts will remain in effect until the family's second reexamination after the merger date or whenever a new lease is executed, whichever comes first. The PHAHOC~~ is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations ~~will~~ have precedence. The original Administrative Plan and any changes ~~must be~~ approved by the HOC's Board of Commissioners ~~of the agency~~, the pertinent sections included in the Agency PHA Plan, and a copy provided to HUD.

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Section 8 Tenant-Based Assistance

D. ADMINISTRATIVE FEE RESERVE [24 CFR 982.54(d)(22)]

HOC will not make eExpenditures from the Administrative Reserve (Operating Reserve) for other housing purposes ~~shall not be made~~ without the prior approval of the PHAHOC's Board of Commissioners.

E. RULES AND REGULATIONS [24 CFR 982.52]

This Administrative Plan is set forth to define ~~the PHAHOC's~~ local policies for the operation of the housing-HCV programs in the context of Federal laws and rRegulations. All issues related to Section 8 that are not addressed in this document are governed by such Federal regulations, HUD Memos, Notices and guidelines, or other applicable laws.

F. TERMINOLOGY

The Housing Opportunities Commission of Montgomery County (HOC) is often referred to as "PHA" or "Housing Authority" throughout this document.

"Family" is used interchangeably with "Applicant" or "Participant" and can refer to a single person family.

"Tenant" is used to refer to participants in terms of their relation to landlords.

"Landlord" and "owner" are used interchangeably.

"Disability" is used where "handicap" was formerly used.

"Non-Citizens Rule" refers to the regulation effective June 19, 1995 restricting assistance to U.S. citizens and eligible immigrants.

The Section 8 programs are also known as the Regular Tenancy Certificate, Over-FMR Tenancy (OFTO) and Voucher Programs. The Voucher Choice program refers to the merged program effective as of August 12, 1999.

"HQS" means the Housing Quality Standards required by regulations as enhanced by ~~the PHA~~HOC.

"Failure to Provide" refers to all requirements in the first Family Obligation. See the "Denial or Termination of Assistance" chapter in this Administrative Plan.

~~"Merger date" refers to October 1, 1999, which is the effective date of the merging of the Section 8 Certificate and Voucher program into the Housing Choice Voucher Program.~~

See the Glossary for other terminology.

G. FAIR HOUSING POLICY [24 CFR 982.54(d)(6)]

It is the policy of ~~the Housing Authority~~HOC to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing fair housing and equal opportunity in housing and employment.

~~The PHA shall~~HOC will not deny any family or individual the equal opportunity to apply for, or receive, assistance under the Section 8 Programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability, or sexual orientation.

To further its commitment to full compliance with applicable Civil Rights laws, ~~the PHA will~~HOC provides Federal/State/local information, including the toll free number for the Housing Discrimination Hotline: 1-800-669-9777, to ~~v~~Voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information ~~will be made~~is available during the family briefing session, and all applicable fair

housing information and discrimination complaint forms ~~will be made~~are a part of the Voucher holder's briefing packet, and available upon request at the front desk.

In an effort to affirmatively further fair housing, HOC will:

1. Advertise widely in the community for the coordinator position or positions;
2. Market the program to all eligible persons including persons with disabilities and persons with limited English proficiency (LEP);
3. ~~Make~~Create buildings and communications options that facilitate applications and service delivery accessible to persons with disabilities;
4. Provide fair housing counseling services or referrals to fair housing agencies;
5. Inform participants of how to file a fair housing complaint; and
6. Recruit landlords and service providers in areas that expand housing choice for homeownership participants and housing mobility.

All ~~Housing Authority~~HOC staff ~~will be~~are required to attend fair housing training ~~and to~~ informed them of the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as a part of ~~the HOC's~~ overall commitment to quality customer service. Fair ~~h~~Housing posters are posted throughout ~~the Housing Authority HOC's~~ office/s, including in the lobby and interview rooms, ~~and~~ ~~€~~The equal housing opportunity logo ~~will be~~is used on all outreach materials. Staff ~~will~~ attends local fair housing update training sponsored by HUD and other local organizations to keep current with new fair housing developments.

Except as otherwise provided in the Code of Federal Regulations at 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because ~~the PHA HOC's~~ facilities are inaccessible to, or unusable by, persons with disabilities. Posters and housing information are displayed in locations throughout ~~the PHA HOC's~~ office in such a manner as to be easily readable from a wheelchair. ~~The HOC's~~ offices ~~is~~are accessible to ~~persons~~people with disabilities. Accessibility for the hearing impaired is provided by the Maryland Relay service.

H. REASONABLE ACCOMMODATIONS POLICY [24 CFR 700.245(c)(3)]

It is the policy of ~~this PHA HOC~~ to be service-directed in the administration of ~~our~~its housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to families.

A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of his/her disability before ~~the PHA HOC~~ will treat a person differently than anyone else. ~~The PHA HOC's~~ policies and practices ~~will be~~are designed to provide assurances that

persons with disabilities ~~will be~~ given reasonable accommodations, upon request, so that they may fully access and utilize the housing program and any related services. The availability of requesting an accommodation ~~will be~~ made known by including notices of the availability of disability accommodations on ~~PHA-HOC~~ forms and letters. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities. This policy is applicable to all situations described in this Administrative Plan including when a family initiates contact with ~~the PHAHO~~, when ~~the PHAHO~~ initiates contact with a family (including when a family applies), and when ~~the PHAHO~~ schedules or reschedules appointments of any kind.

~~To be e~~Eligibility to request a reasonable accommodation, requires that the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the following Americans with Disabilities Act (ADA) definition:

A physical or mental impairment that substantially limits one or more of the major life activities of an individual;

A record of such impairment; or

Being regarded as having such an impairment.

Note: This is not the same as ~~the~~ HUD's definition used for purposes of determining allowances.

Rehabilitated former drug users and alcoholics are covered under the ADA. However, a current drug user is not covered. In accordance with 24 CFR 5.403(a), individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Once the person's status as a qualified person with a disability is confirmed, ~~the PHA will~~HOC requires that a reliable, knowledgeable professional health provider, such as a doctor, social worker, or caseworker competent to make the assessment, provide written verification that the person needs the specific accommodation due to his/her disability and that the change is required for the person to have equal access to the housing program.

If ~~the PHAHO~~ finds that the requested accommodation creates an undue administrative or financial burden for the Agency, ~~the PHAHO~~ will either deny the request and/or present an alternate~~alternative~~ accommodation that will still meets the needs of the person with disabilities.

An undue administrative burden is one that requires a fundamental alteration of the essential functions of ~~the PHAHO~~ (i.e., waiving a family obligation).

An undue financial burden is one that when considering the available resources of the Agency as a whole, the requested accommodation would pose a severe financial hardship on ~~the PHAHO~~.

~~The PHA will~~HOC provides a written decision to the person requesting the accommodation within a reasonable time. If a person is denied ~~their requested~~ accommodation or feels that the alternative ~~suggestions accommodation provided is~~are inadequate, they may request an informal hearing to ~~review the PHA~~appeal HOC's decision.

Reasonable accommodations ~~will be~~are made for a person with a disability that requires an advocate or accessible offices. A designee ~~will be~~is allowed to provide some information, but only with the permission of the person with the disability.

~~Upon request, a~~All PHA-HOC mailings ~~will be made~~are available in an accessible format ~~upon request~~, as a reasonable accommodation for customers with disabilities.

Verification of Disability

~~The PHA will~~HOC verifies disabilities ~~under based on the~~ definitions in the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act, and the Americans with Disabilities Act of 1990.

Outreach

Outreach efforts ~~will~~include notification of non-profits and County agencies, as well as all other media and agencies listed in ~~the PHA~~HOC's Administrative Plan regarding public notices (see section ~~on opening and closing~~discussing the waiting list in the "Applying for Admission" chapter of this Administrative Plan.)

Applying for Admission

All persons who wish to apply for any of ~~the PHA~~HOC's programs must submit a pre-application as indicated in ~~our the "Applying for Admission" chapter of this Administrative Plan~~public notice. ~~Upon request, a~~Applications ~~will be made~~are available in an accessible format ~~upon request from to~~assist people ~~a person with a~~disabilities.

~~To provide specific accommodation to persons with disabilities, upon request, the information may be mailed to the applicant and, if requested, it will be mailed in an accessible format. Upon request, HOC will mail application and admissions information in an accessible format to customers with disabilities.~~

The full HCV program application is completed at the eligibility appointment in the applicant's own handwriting, unless assistance is needed, or a request for a reasonable accommodation is requested by a person with a disability. Applicants ~~will be~~are interviewed by ~~PHA-HOC~~ staff to review the information on the full program application form. Verification of disability as it relates to Section 504, the Fair Housing Act, or the ADA ~~are requested as~~ reasonable accommodations ~~will be requested~~at this time. The full application ~~will~~also includes questions asking all applicants whether any reasonable accommodations are necessary.

I. TRANSLATION OF DOCUMENTS

~~The Housing Authority~~HOC has bilingual staff available to assist ~~non-English-speaking~~ families with Limited English Proficiency (LEP) with interpretation and translation services.
~~in the following language:~~

~~Spanish.~~

In determining whether it is feasible to provide translation of documents written in English into other languages, ~~the PHA will~~HOC considers the following factors:

- Number of applicants and participants in the jurisdiction who do not speak English and instead speak ~~the a specific~~ other language;
- Estimated cost to ~~PHA-HOC~~ per client-customer of translation of English written documents into the other language;
- ~~The A~~availability of local organizations to provide translation services to ~~non-English speaking-LEP~~ families;
- Availability of bimulti-lingual staff at HOC to provide translation for ~~non-English speaking~~LEP families.

J. MANAGEMENT ASSESSMENT OBJECTIVES

~~The PHA~~HOC operates its housing assistance program with efficiency and can demonstrate to HUD auditors that ~~the PHA~~HOC is using its resources in a manner that reflects its commitment to quality and service. Accordingly, The PHAHOC policies and practices are consistent with the areas of measurement for the following HUD Section Eight Management Assessment Program (SEMAP) indicators:

1. Selection from the Waiting List
2. Reasonable Rent
3. Determination of Adjusted Income
4. Utility Allowance Schedule
5. HQS Quality Control Inspections
6. HQS Enforcement
7. Expanding Housing Opportunities
8. FMR/exception rent & Payment Standards
9. Annual Re-examinations
10. Correct Tenant Rent Calculations
11. Pre-Contract HQS Inspections
12. Annual HQS Inspections
13. Lease-up
14. Family Self-Sufficiency Enrollment and Escrow Account Balances

Bonus Indicator: Deconcentration of poverty and minorities

~~Supervisory HOC supervisors, Compliance Specialists~~ ~~quality control reviews will be performed by a PHA Supervisor,~~ or another qualified person other than the person who performed the work, as required by HUD, conducts quality control reviews on the following SEMAP factors:

- Selection from the ~~waiting~~ list
- Rent reasonableness
- Determination of adjusted income
- HQS Enforcement
- HQS Quality Control Inspections

The annual sample of files and records ~~will be~~ drawn in an unbiased manner, leaving a clear audit trail.

The minimum sample size ~~to be~~ reviewed of SEMAP's rating factors ~~will~~ relate directly to each factor.

K. RECORDS FOR MONITORING PHA-HOC's PERFORMANCE

~~In order to~~ To demonstrate compliance with HUD and other pertinent regulations, ~~the PHA will~~ HOC maintains records, reports, and other documentation for a time that is in accordance with HUD requirements and HOC's Document Retention Guideline. Records ~~will be~~ maintained in a manner that ~~will allow~~ an auditor, housing professional, or other interested party to follow, monitor, and/or assess ~~the PHA HOC's~~ operational procedures objectively ~~and~~, with accuracy, and in accordance with SEMAP requirements with and other internal supervisory audits.

L. PRIVACY RIGHTS -[24 CFR 982.551]

Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD ~~and/or PHA-HOC will be~~ permitted to release family information.

~~The PHA HOC's~~ policy regarding release of information is in accordance with State and local laws that may restrict the release of family information.

All information which would lead one to determine the nature and/or severity of a person's disability ~~must be~~ is not released except on an "as needed" basis in cases where an disability-related accommodation is under consideration by HOC staff. All requests for access and granting of accommodations based on this information ~~must be~~ are reviewed for approval ~~and~~ by HOC's Fair Housing and Equal Opportunity (FHEO) Officer.

~~The PHA/HOC's~~ practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files ~~will be~~ stored in a secure location that is only accessible by authorized staff.

~~PHA/HOC~~ staff will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information, or improper disclosure of family information by staff, will result in ~~severe~~ disciplinary action.

M. FAMILY OUTREACH [24 CFR 982.153(b)(1)]

~~The PHA/HOC will~~ publicizes and disseminates information to make known the availability of housing assistance and related services for very low-income families on a regular basis ~~using~~. ~~When the PHA's waiting list is open, the PHA will publicize the availability and nature of housing assistance for very low income families in a~~ newspapers of general circulation, minority media, and ~~by~~ other suitable means.

HOC has ~~bi~~multi-lingual staff to assist ~~non-English speaking~~ Limited English Proficiency (LEP) families ~~in Spanish~~. Other local non-profit organizations are available, upon request by ~~the a~~ customer family, to explain un-translated documents or to assist in verbal translation ~~for other languages~~. HOC provides information at ~~its voucher~~ briefing sessions to all selected voucher applicants ~~describing on~~ Federal, State, and local laws ~~regarding housing discrimination~~. ~~At its briefing sessions, HOC also~~ provides a copy of ~~the HUD's~~ housing discrimination complaint form, ~~which is available for HOC customers to be used as an available recourse~~ if they believe they are victims of discrimination.

In order to reach individuals, who cannot, ~~or may not~~, read the newspapers, ~~HOC posts information on its website and at its offices~~, ~~the PHA/HOC will also~~ distributes fact sheets to the local broadcasting media, and initiates personal contacts with members of the news media and community service personnel. ~~The PHA/HOC will may~~ also utilize public service announcements. ~~The PHA/HOC will~~ communicates the status of housing availability to other service providers in the ~~community~~ County, and advises them of housing eligibility factors, ~~and HOC~~ guidelines, ~~and how to guide potential applicants to HOC's wait list~~. ~~All of these efforts help HOC's partners to in order that they can~~ make ~~informed and~~ proper referrals ~~to HOC~~ for housing assistance.

~~In the tenant-based Housing Choice Voucher (HCV) program, e~~Eligible families are responsible for finding units and negotiating lease agreements with private market owners. HOC provides program training and assistance ~~in obtaining units to help guide~~ eligible families ~~in their search for a unit~~. ~~It should be~~ important to note that the legislative intent of ~~the is~~ HCV program is to place the responsibility for ~~obtaining finding and leasing-up in a home unit~~ on the individual family. This responsibility reduces the dependency of families on local housing authorities, and provides families with greater freedom of choice as to type, size, and location of their homes. It is, therefore, HOC's intent to provide the greatest amount of support and assistance to families within the parameters of encouraging families' self-sufficiency and independence. However, no family participating in any of the programs described ~~herein in this Administrative Plan~~ may simultaneously receive the benefit of more than one of the following: Certificate, Voucher, other Section 8 housing assistance, Section 101 rent supplements, Section 236 Rental Assistance

Payments, tenant-based assistance under the HOME Program, Public or Indian housing assistance, any local or State rental subsidy, or other duplicate subsidy as determined by HUD.

In order to administer ~~the~~ HCV program effectively, both in terms of efficient management and attainment of the program's goals, ~~we have~~ HOC developed this comprehensive Administrative Plan. The Plan allows for an administration sufficiently flexible to provide services and support to those in leased units, as well as provide for leasing of additional units. HOC is responsible for complying with all changes in HUD regulations pertaining to these programs and updates this Administrative Plan on an as-needed basis in order to remain up-to-date and compliant with any changes in Federal, State, or local regulations affecting the voucher program.

N. OWNER OUTREACH [24 CFR 982.54(d)(5), 982.153(b)(1)]

~~The PHA~~ HOC makes a concerted effort to keep private owners informed of legislative changes in the tenant-based voucher program, which are designed to make the program more attractive to owners. This includes informing participant owners of applicable legislative changes in program requirements.

~~The PHA~~ HOC encourages owners of decent, safe, and sanitary housing units to lease their units to Section 8 families.

~~The PHA~~ HOC conducts periodic meetings with participating owners to improve owner relations, provide continuing education, and ~~to~~ recruit new owners.

~~The PHA~~ HOC maintains a list of units available for the Section 8 Program and updates this list at least monthly. When listings from owners are received, they ~~will~~ are ~~be~~ compiled by ~~the PHA~~ HOC staff by bedroom size.

~~The PHA~~ HOC ~~will~~ maintains lists of available housing submitted by owners in many neighborhoods within ~~the Housing Authority~~ HOC's jurisdiction to ensure greater mobility and housing choice to very low-income households. The lists of available units ~~may be~~ provided at voucher briefings.

~~The PHA~~ HOC ~~will~~ actively recruits property owners with property units located outside of areas of minority and poverty concentration. HOC also ~~and~~ applies for exception payment standards on a case-by-case basis if ~~the PHA~~ HOC determines it is necessary to make the program ~~more~~ accessible to a given family in the ~~PHA's~~ HOC's jurisdiction.

~~The PHA works with a nonprofit agency through the regional counseling program that contacts other in the area, identifies families in the program, and counsels the families on their prospective move and services available in the areas in which the family is interested.~~

O. CONDUCTING BUSINESS IN ACCORDANCE WITH CORE VALUES AND ETHICAL STANDARDS

The Housing Opportunities Commission of Montgomery County (HOC) and its staff are governed by the provisions of the Montgomery County Ethics Law; Chapter 19A of the Montgomery County Code. ~~The~~ Additionally, HOC's own Ethics Policies and Procedures provide ~~additional further~~ requirements ~~and procedures regarding ethical conduct that to which~~ HOC personnel ~~covered by this Policy~~ must adhere ~~to~~ in their performance of HOC activities and all interactions with HOC customers.

Proposed Revisions to
HOC's Administrative Plan for the Housing Choice Voucher Program

Please note: Existing language is in **BLACK** and proposed changes are in **RED**.

Chapter 2

ELIGIBILITY FOR ADMISSION

[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]

INTRODUCTION

This Chapter defines both HUD's and ~~the PHAHOC's~~ criteria for admission and denial of admission to the HCV program. ~~The HOC's~~ policy ~~of this PHA~~ is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply. ~~The PHAHOC~~ staff ~~will~~ review all information provided by the family carefully and without regard to factors other than those defined in this Chapter. Families ~~will be~~ provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by ~~the PHAHOC~~ pertaining to their eligibility.

A. ELIGIBILITY FACTORS [982.201(B)]

~~The PHAHOC~~ accepts applications only from families whose head or spouse is at least 18 years of age.

~~To be eligible for P~~participation eligibility is determined based on, an applicant ~~must~~ family's ability to meet HUD's criteria, as well as any permissible additional criteria established by ~~the PHAHOC~~.

The HUD eligibility criteria are:

An applicant must be a "family".

An applicant must be within the appropriate Income Limits.

An applicant must ~~furnish~~ provide Social Security Numbers for all family members ~~age six and older~~.

An applicant must furnish Declaration of Citizenship or Eligible Immigrant Status and verification where required.

At least ~~the head of household or spouse~~ one member of the applicant family must be either a U.S. citizen or have eligible immigration status before ~~the PHA may~~ HOC can provide any financial assistance.

Reasons for denial of admission are addressed in the "Denial or Termination of Assistance" chapter. These reasons for denial constitute additional admission criteria.

The ~~f~~Family's initial eligibility for placement on the waiting list ~~will be~~ made in accordance with the eligibility factors described herein.

Evidence of Citizenship/Eligible Immigrant Status ~~will is not be~~ verified until the family is selected from the waiting list for final eligibility processing for issuance of a ~~v~~Voucher.

B. FAMILY COMPOSITION [24 CFR 982.201]

The applicant must qualify as a ~~f~~Family. A ~~f~~Family may be a single person or a group of persons.

"~~F~~family" includes a family with a child or children. A family includes a group of persons consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides ~~is a family~~. ~~The PHAHOC~~ determines if any other group of persons qualifies as a "family".

A single person family may be:

An elderly person;

A displaced person;

A person with a disability; and/or

Individuals ~~may are not be~~ considered disabled, for HCV eligibility purposes, solely on the basis of any drug or alcohol dependence.

Any other single person.

A child who is temporarily away from home because of placement in foster care is still considered a member of the family. However, tThis provision ~~only~~ pertains only to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.

A family also includes:

Two or more persons who intend to share residency whose income and resources are available to meet the family's needs and who have a history as a family unit or show evidence of a stable family relationship.

Two or more elderly or disabled persons living together, or one or more elderly, near-elderly, or disabled persons living with one or more live-in aides ~~is a family~~.

Head of Household

The head of household is the adult member of the household who is designated by the family as the head. ~~The head of household~~; is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law.

Spouse of Head of Household

Spouse means the husband or wife of the head of household.

For proper application of the Non-~~C~~itizens Rule, the definition of spouse is: the marriage partner who, in order to dissolve the relationship, would have to be divorced. ~~It-This~~ includes the partner in a common law marriage. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads of the household.

Co-Head of Household

A co-head of household is an individual in the household who is equally responsible for the lease with the Head of Household. A family may have a spouse or a co-head, but not both. A co-head never qualifies as a dependent.

Live-in AttendantsAides

A Family may include a live-in aide provided that such live-in aide:

Is determined by ~~the PHAHOC~~ to be essential to the care and well-~~being~~, ~~on a twenty-four (24) hour basis~~for at least 12 hours per day, of an elderly person, a near-elderly person, or a person with disabilities~~;~~;

Is not obligated for the support of the elderly and/or disabled person(s) whom they assist~~;~~; and

Would not be living in the unit except to provide care for the elderly and/or disabled person(s) whom they assist.

A live-in aide is treated differently than family members, as follows:

Income of the live-in aide ~~will is~~ not ~~be~~-counted for purposes of determining eligibility or level of benefits~~;~~;

Live-in aides are not subject to the Non-Citizen Rule requirements~~;~~; and

Live-in aides ~~may are~~ not ~~be eligible for~~ consideration as a remaining member of the tenant family.

Relatives are not automatically excluded from being serving as live-in aides, but they must meet all of the elements criteria of ~~in~~ the live-in aide definition described above.

A live-in aide may only reside in ~~the a~~ unit with ~~the a~~ reasonable accommodation approval ~~from of the PHA/HOC~~. Written verification ~~will be~~ required from a reliable, knowledgeable ~~professional health provider~~, such as a medical doctor, social worker, therapist, or caseworker. The health verification provider must certify that a live-in aide is needed for the care of the family member who is elderly (62+), near-elderly (50-61), and/or disabled. The health provider must also list the number of hours for which the elderly, near-elderly, and/or disabled household member requires assistance from the aide each day.

~~Verification must include the hours the care will be provided.~~

~~The PHA will~~HOC periodically requires ~~the families~~ with live-in aides to submit documentation to support the continued need for ~~a their~~ live-in attendant.

At any time, ~~the PHA will~~HOC can refuse to approve a particular person as a live-in aide or may withdraw such approval, in accordance with 24 CFR 982.316, if:

The ~~person aide~~ commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;

The person commits drug-related criminal activity or violent criminal activity; and/or

The person currently owes rent or other amounts to ~~the PHA/HOC~~ or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

If a specific live-in aide is disqualified, they must move out of the unit. Importantly, disqualification of a specific live-in aide does not remove the original live-in aide approval from HOC. Rather, the household member for whom the aide assistance is required needs only to submit the name and information of a new person to take over the role of live-in aide. A new reasonable accommodation request is not needed for this purpose.

Split Households Prior to Voucher Issuance

When a family on the ~~wait~~ing list splits into two otherwise eligible families due to divorce or legal separation and the new families both ~~claims~~ the same placement on the ~~wait~~ing list, and there is no court determination, ~~the PHA will~~HOC makes the final decision taking into consideration the following factors:

Which family member applied as head of household;

Which family unit retains the children or any disabled or elderly members;

Restrictions that were in place at the time the family applied;

Role of domestic violence in the split; and/or

~~Any r~~Recommendations of social service agencies or qualified professionals such as children's protective services.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, ~~they HOC~~ may ~~be denied deny their~~ placement on the wait~~ing~~ list for failure to supply information requested by ~~the PHAHOC~~.

Multiple Families in the Same Household

When families apply which consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they ~~will beare~~ treated as a family unit.

Joint Custody of Children

Children who are subject to a joint custody agreement but live with one parent at least ~~51%~~ ~~percent~~ of the time ~~will beare~~ considered members of the household ~~in which they live at least 51 percent of the time~~. "51% ~~percent~~ of the time" is defined as 183 days of the year, ~~which These 183 days~~ do not ~~have need~~ to run consecutively.

There ~~will beis~~ a self-certification required of families who claim joint custody or temporary guardianship.

When both parents are on the ~~w~~Waiting ~~I~~List and both are trying to claim the child, the parent whose address is listed in the ~~child's~~ school records ~~will beis~~ allowed to claim the school-age child as a dependent.

In cases in which parents have joint custody of a child or children (50/-50 custody), ~~the PHA willHOC~~ grants the child deduction to the household of record provided by Montgomery County Public Schools or ~~a~~ private school. If the child is residing outside of ~~the PHAHOC's~~ jurisdiction, due to joint custody, the principal household of record provided by the applicable school system ~~will beis~~ used to determine living arrangements and the standard deduction.

If the child is not enrolled in school, ~~the PHA willHOC~~ ~~reliesy~~ ~~upon~~ official records from daycare providers, tax records, and insurance providers such as Medicaid.

Split Households during Program Participation

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

C. INCOME LIMITATIONS [24 CFR 982.201(b), 982.353]

~~To be eligible for assistance, an applicant must:~~

~~Have an~~ A family's annual income at the time of admission ~~that does~~ must not exceed the very low-income limits for occupancy established by HUD.

~~To be~~ Income eligibility requires that the applicant ~~must be a~~ family is in the extremely low-income category, which is a family whose income does not exceed 30 percent of the area median income (AMI). HOC may select up to 25 percent of new applicants in the very-low income category, which is a family whose income does not exceed 50 percent of AMI. ~~The PHA~~ HOC will not admit families whose income exceeds 50 percent of ~~the area median income~~ AMI except those families ~~included specifically described in the Code of Federal Regulations (CFR) at 24 CFR 982.201(b).~~

~~To be~~ Income eligibility requires that the applicant family ~~may be~~ is under the low-income limit in any of the following categories ~~described in:~~ [24 CFR 982.201(b)(1)]

A very low-income family.

A low-income family that is continuously assisted under the 1937 Housing Act.

~~An~~ applicant is continuously assisted if the family ~~has~~ received assistance under any 1937 Housing Act program within 120 days of voucher issuance. Programs include any housing federally assisted under the 1937 Housing Act.

A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.

A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.

A low-income non-purchasing family residing in a project subject to a home-ownership program under 24 CFR 248.173.

A low-income family or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.

A low-income family that qualifies for Voucher assistance as a non-purchasing family residing in a project that is subject to a resident homeownership program.

To determine if ~~the a~~ family is income-eligible, HOC compares the annual income of the family to the applicable income limit for the family's size.

Families whose annual income exceeds the income limit ~~will be~~ are denied admission and offered an informal review.

Portability: For initial lease-up at admission, families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving PHA in which they want to live.

D. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216, 5.218]

Families are required to provide verification of Social Security Numbers for all family members ~~age six (6) and older~~ prior to admission, if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

Persons who do not have ~~not been issued~~ a Social Security Number must sign a certification that they have/were never ~~been~~ issued a Social Security Number.

Persons who disclose their Social Security Number but cannot provide verification must sign a certification and provide verification within 90 days. ~~Elderly persons must provide verification within 120 days.~~

HOC permits a 90-day period during which an applicant family may become a program participant, even if the family lacks the documentation necessary to verify the Social Security Number (SSN) of a family member under the age of six (6) years old. HOC must grant a ~~An~~ extension of one additional 90-day period ~~must be granted~~ if HOC determines that, in its discretion, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of the control of the applicant. For example, an applicant may be able to demonstrate timely submission of a request for a Social Security Number, in which case processing time would be the cause of the delay. If the applicant family does not produce the required documentation within the authorized time period, HOC must impose appropriate penalties, in accordance with the Code of Federal Regulations at 24 CFR 5.218.

If merited, HOC ~~will~~ offers a grace period and/or an extension. HOC ~~will~~ implements this provision just as it currently implements the provision for program participants. Specifically, an applicant family with a child under the age of six (6) years may become a participant family, even if the Social Security Number for the child ~~has not been~~ is unverified at the time of admission. If the Social Security Number ~~has not been~~ is still not ~~been~~ verified at the end of the initial 90-day period, then HOC must determine whether a 90-day extension is merited. If it is not merited, then HOC must follow the provisions of 24 CFR 5.218. If a 90-day extension is merited, then HOC must either verify the Social Security Number for the child by the end of the 90-day extension period or follow the provisions of 24 CFR 5.218.

E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR Part 5, Subpart E]

In order to receive assistance, ~~the head of household or spouse~~ at least one member of the household must be a U.S. citizen or have eligible immigration status. Individuals, who are neither, may elect not to contest their status. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed Families: A family is eligible for assistance as long as at least the head of household or spouse is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Such applicant families ~~will beare~~ given notice that their assistance ~~will beis~~ pro-rated and that they may request a hearing if they contest this determination.

All Members Ineligible: Applicant families that include no eligible members are ineligible for HCV assistance. Such families ~~will beare~~ denied admission and offered an opportunity for a hearing.

Non-Citizen Students: Defined by HUD in the non-citizen regulations. Non-Citizen Students are not eligible for HCV assistance.

Appeals: For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

Verification of Status Before Admission

~~The PHA will~~HOC does not provide assistance to families prior to the verification of eligibility for the individual or at least one member of the family, pursuant to this section.

F. OTHER CRITERIA FOR ADMISSIONS [24 CFR 982.552(b)]

~~The PHA will~~HOC applies the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the HCV program:

- The family ~~must has~~ not ~~have~~ violated any family obligations during a previous participation in the Section 8 program for at least three years prior to final eligibility determination.
- ~~The PHA~~HOC will make an exception, if the family member who violated the family obligation is not a current member of the household on the application.
- The family must pay any outstanding debt owed ~~the PHA~~TO HOC or to another PHA as a result of prior participation in any federal housing program within 30 days of the PHA's notice to repay.
- The family ~~must beis~~ in good standing regarding any current payment agreements made with another PHA for a previous debt incurred, ~~before this PHA will allow participation in its Section 8 program.~~
- If any applicant deliberately misrepresents the information on which eligibility or tenant rent is established, ~~the PHA~~HOC may deny their assistance and ~~may~~ refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum).

Program eligibility restrictions ~~have been~~are extended to include any individual who:

- Is enrolled as a student at an institution of higher education, as defined under section 102 of the Higher Education Act of 1965;
- Is under 24 years of age;
- Is not a veteran of the United States military;
- Is unmarried;
- Does not have a dependent child, and
- Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income to HCV assistance under section 8 of the 1937 Act.

For a student under the age of 24 who is not a veteran, is unmarried, does not have a dependent child, and who is seeking Section 8 Assistance, there is an two-part eligibility test. ~~Both parts of this test must be met. That is, B~~both the student and the student's parents (the parents individually and jointly) are part of this eligibility test. The student and his/her parents must be income eligible for the student to receive Section 8 Assistance. If ~~it is determined that~~ the parents are not income eligible, the student is ineligible to receive Section 8 Assistance.

The student's parents' income may ~~not be~~ irrelevant if the student can demonstrate the absence of, or his/~~or~~ her independence from, their parents. All of the following criteria must be met:

- The individual ~~must be~~is of legal contract age under state law.
- The individual ~~must have established~~has a household separate from his/her parents or legal guardians, and has had it for at least one year prior to application for occupancy.
- The individual m~~Meets~~ the status of Independent Student as defined by the U.S. Department of Education.
- The individual ~~must is~~ not ~~be~~ claimed as a dependent by his/her parents or legal guardians pursuant to Internal Revenue Service (IRS) regulations.
- The individual ~~must obtains~~ a certification of the amount of financial assistance that ~~will be provided by his/her~~ parents will provide, signed by the individual providing the support. The certification is required even if no assistance ~~will be~~ ultimately provided.

These restrictions do not affect students residing in a Section 8 assisted unit with his/~~or~~ her parents or one who resides with their parents who are applying to receive Section 8 assistance. The restriction is focused on a student under the age of 24 who is already residing in a Section 8 assisted unit without his or her parents, or one who is seeking on his/~~or~~ her own Section 8 unit in which to reside ~~in a section 8 assisted unit~~.

G. TENANT SCREENING [24 CFR 982.307)]

~~The PHA will~~HOC takes into consideration any of the criteria for admission described in the "Denial or Termination of Assistance" chapter.

~~The PHA will~~HOC does not screen family behavior or suitability for tenancy. ~~The PHA will~~HOC is not be-liable or responsible to the owner or other persons for the family's behavior or the family's conduct in tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before PHA-HOC's approval of the tenancy, ~~the PHA will~~HOC informs the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening families based on their tenancy histories, including such factors as: [24 CFR 982.307(a)(3)]

Payment of rent and utility bills;

Caring for a unit and premises;

Respecting the rights of other residents to the peaceful enjoyment of their housing;

Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and/or

Compliance with other essential conditions of tenancy.

~~The PHA will~~HOC advises families how to file a complaint if they have been discriminated against by experience discrimination from an owner. ~~The PHA will~~HOC advises the families how to make a Fair Housing complaint with HUD. ~~The PHA~~HOC may also report the owner to HUD (Fair Housing/Equal Opportunity) or ~~the a~~ local Fair Housing Organization, if the Agency becomes aware of fair housing discrimination concerns.

H. CHANGES IN ELIGIBILITY PRIOR TO THE EFFECTIVE DATE OF THE CONTRACT

Eligibility cChanges that occur during the period between the issuance of a voucher and lease up by the family may affect the family's eligibility or share of the rental payment.

I. INELIGIBLE FAMILIES

Families who are determined ~~to be~~ineligible will be notified in writing of the reason for their denial and are given an opportunity to request an informal review, or an informal hearing if they were denied due to non-citizen status. See the "Complaints and Appeals" chapter of this Administrative Plan for additional information about reviews and hearings.

J. PROHIBITED ADMISSIONS CRITERIA [982.202(b)]

Admission to the HCV program ~~may is~~ not ~~be~~ based on where the family lives before admission to the program.

Furthermore, a Admission to the HCV program ~~may not be~~ is not based on any of the following:

Discrimination because members of the family are unwed parents, recipients of public assistance, or children born out of wedlock;

Discrimination because a family includes children;

Whether a family decides to participate in a family self--sufficiency program; and/or

Other reasons as listed in the "Statement of Policies and Objectives" chapter under the Fair Housing and Reasonable Accommodations sections.

Proposed Revisions to
HOC's Administrative Plan for the Housing Choice Voucher Program

Please note: Existing language is in **BLACK** and proposed changes are in **RED**.

Chapter 5

SUBSIDY STANDARDS

[24 CFR 982.54(d)(9)]

INTRODUCTION

HUD guidelines require that PHAs establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of HUD's Housing Quality Standards (HQS). This Chapter explains the subsidy standards which will be used to determine the voucher size (family unit size) for various sized families when they are selected from the waiting list, as well as ~~the PHAHOC's~~ procedures when a family's size changes or a family selects a unit size that is different from their vVoucher.

A. DETERMINING FAMILY UNIT (VOUCHER SIZE/SUBSIDY STANDARD)

~~The PHAHOC~~ does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the vVoucher. ~~The PHAHOC's~~ subsidy standards for determining the voucher size shall be applied in a manner consistent with applicable Fair Housing guidelines.

All standards in this section relate to the number of bedrooms on the vVoucher, not the household's² actual living arrangements.

The unit size of the vVoucher remains the same as long as the household composition remains the same, regardless of the actual unit size rented.

Generally, ~~the PHAHOC~~ assigns bedrooms within the following guidelines:

The single head of household ~~will be~~ assigned a-one bedroom.

The head of household with a spousal relationship or significant other ~~will be~~ assigned a-one bedroom.

Beyond the head of household, two persons regardless of age or gender, ~~would be~~ assigned one bedroom.

If approved through ~~the~~HOC's reasonable accommodation process, a live-in aide ~~will be~~is provided an additional, separate bedroom. No additional bedrooms are provided for the ~~attendant's live-in aide's~~ family.

If approved through ~~the~~HOC's reasonable accommodation process, persons with disabilities or with qualifying health issues may be provided a separate bedroom.

Foster children that will reside in the household for a period greater than 180 days, and that are of different genders and over the age of two, may be given separate bedrooms. ~~Except for gender considerations for foster children, foster children and~~Otherwise, remaining household members ~~will be~~are assigned two persons per bedroom.

A child (until age 23) who is away at school, but who lives with ~~their~~ family during school recesses, will remain in the household composition.

Children in court awarded co-parenting cases will remain in the household composition if the children reside in the household at least 51 percent of the time.

A household member on active military duty ~~will remain~~s in the household composition.

Single person households ~~will be~~are allocated one bedroom.

B. EXCEPTIONS TO SUBSIDY STANDARDS

~~The PHA~~HOC may grant exceptions from the subsidy standards if the head of household requests and ~~the PHA~~HOC determines the exceptions are justified.

Request for Exceptions to Subsidy Standards

1. Increases to Voucher Size

~~The PHA~~HOC will consider increases to the voucher size/subsidy standard previously provided to the household under the following circumstances:

- A ~~Live-In~~ aAide is required and approved through ~~the~~HOC's reasonable accommodation procedures;
- If a current household member's health situation changes and a reasonable accommodation is requested and approved through HOC's procedures;-
- If a current household includes a person, or person/s with ~~a~~disabilities and a reasonable accommodation is requested and approved through HOC's procedures.

~~The PHA~~HOC may increase the voucher size due to additions of household members through birth of a child (newborn) or adoption of a child by the head of household, marriage of the head of household if the spouse has minor children, or court-awarded custody of a minor child or

dependent to the head of household or spouse (when custody is greater than 51% percent of the time), and/or foster care of children if they will be in the unit for a period greater than 180 days.

~~The PHA/HOC~~ may increase the voucher size as an accommodation for an elderly relative (age 62 or older) of the head of household or spouse. The head of household must submit a written request regarding the addition of the elderly parent to the household. The request must show that the request results from an effort to provide medical assistance or improve the quality of life to the elderly relative.

A birth or adopted child through the age of 21, that is a returning household member, ~~may be~~ allowed to reside in the contract unit. ~~However,~~ the voucher size/subsidy standard ~~will is~~ not be increased and Housing Quality Standards ~~will be~~ considered prior to HOC and landlord approval of this household addition. If the returning child through the age of 21 has a birth or adopted minor children, their presence ~~will~~ also will not increase the voucher's size.

When a new family member is added due to birth or court awarded custody, and the family will need an increase in their voucher as a result ~~already resides in the unit size in for which the family would is now be eligible due to the household addition~~, PHA/HOC staff will must wait to increase the Voucher Payment Standard (VPS) at until the next reexamination.

~~The PHA/HOC~~ will not increase the voucher size if a spouse is added without children or dependents, whether through marriage or a domestic relationship.

2. Decreases to Voucher Size

~~If a household's voucher is downsized, The Housing Opportunities Commission/HOC~~ will allow the family ~~adequate time (up to 120 days)~~ at the time of an annual recertification or an interim action to relocate to a smaller unit. If the family is unsuccessful in locating a unit within the 120 days ~~provided (unless a reasonable accommodation is granted)~~, the voucher payment standard ~~will is~~ decreased to the appropriate bedroom size.

If it is determined at the current annual recertification that the household no longer qualifies for a reasonable accommodation, such as a previously approved increased voucher size due to a live-in aide or disabilities, the voucher size ~~will be is~~ decreased.

Changes for Participants

~~The HOC must approve all~~ members of the voucher household residing in ~~the a given unit must be approved by the PHA if there are any changes in household composition. Additionally, The~~ head of household must obtain approval by from both ~~the PHA/HOC~~ and the landlord.

If the head of household marries, the spouse must be determined eligible to participate in the program before residing in the unit. The exception is birth, adoption, or court awarded custody of a minor. These occurrences only require the head of household to notify ~~the PHA/HOC~~ within ~~thirty~~ 30 days of the event.

Underhoused and Overhoused Families

If ~~the a~~ unit does not meet HQS space standards due to an ~~PHAHOC~~ approved increase in the household's size, which is consistent with the policies ~~described in 5.b of~~ this section, ~~the PHAHOC~~ will issue a new voucher of the appropriate size. ~~The PHAHOC~~ will allow the family ~~adequate time (up to 120 days)~~ to locate a new unit. In case of a decrease in the household size, ~~the PHAHOC~~ will issue a new voucher of the appropriate size during the annual recertification. If the household decrease occurs between annual recertifications the appropriate voucher size ~~will be~~ issued at the next recertification.

If the household has a requirement for an accessible unit and is under housed, ~~the PHAHOC~~ may grant an exception to the HQS ~~space standards~~.

C. UNIT SIZE SELECTED

Split Households during Program Participation

When families or households currently receiving assistance split up, the voucher assistance will follow the children or dependents if assistance is required. Preference ~~will be~~ given to the person with whom the children reside or who has custody of the children equal to at least 51 percent% of the time, or to any disabled or elderly household member. Recommendations ~~by~~ from social services agencies or other qualified professionals (such as children's or adult protective services) will be considered.

Documentation of these factors is the responsibility of the participating family members.

If there are no children or dependents in the household, the current head of household retains the ~~continual~~ voucher assistance.

Proposed Revisions to
HOC's Administrative Plan for the Housing Choice Voucher Program

Please note: Existing language is in **BLACK** and proposed changes are in **RED**.

Chapter 6

**FACTORS RELATED TO TOTAL TENANT PAYMENT AND FAMILY SHARE
DETERMINATION**

[24 CFR Part 5, Subparts E and F; 982.153, 982.551]

INTRODUCTION

~~The PHA will~~HOC uses the methods as set forth in this Administrative Plan to verify and determine that family income at admission and at annual reexamination is correct. The accurate calculation of Annual Income and Adjusted Income ~~will ensure~~s that families are not paying more or less money for rent than their obligation under the Regulations.

This Chapter defines the allowable expenses and deductions ~~to be~~ subtracted from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices and Memoranda. The formula for the calculation of TTP is specific and not subject to interpretation. ~~The PHA~~HOC's policies in this ~~c~~hapter address those areas which allow ~~the PHA~~HOC discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

A. INCOME AND ALLOWANCES [24 CFR 5.609]

Income: Includes all monetary amounts, which are received on behalf of the family, except any financial assistance received for mandatory education fees and charges (in addition to tuition). For purposes of calculating the Total Tenant Payment, HUD defines what is ~~to be~~ calculated and what is ~~to be~~ excluded in the federal regulations. In accordance with this definition, all income that is not specifically excluded in the regulations is counted.

Annual Income: is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income that has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits. A family who actually works less than 12 months, as required by their employment, will have their income treated as though they worked 12 months.

Adjusted Income: is defined as the annual income minus any HUD allowable expenses and deductions.

HUD has five allowable deductions from Annual Income:

1. **Dependent Allowance:** \$480 each for family members (other than the head or spouse) who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
2. **Elderly/Disabled Allowance:** \$400 per family for families whose head or spouse is 62 or over or disabled.
3. **Allowable Medical Expenses:** Deducted for all family members of an eligible elderly/disabled family.
4. **Child Care Expenses:** Deducted for the care of children under 13 when child care is necessary to allow an adult member to work, attend school, or actively seek employment.
5. **Allowable Disability Assistance Expenses:** Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

Allowable deductions from Annual Income are reviewed at annual reexamination.

Earned Income Disallowance/Disregard [24 CFR 5.617]

The Earned Income Disregard (EID) is designed to promote self-sufficiency for families with disabilities in the housing Choice Voucher (HCV) program who meet the definition of a “qualified family.”

Disallowance of increase in annual income

- (1) *Initial 12-month exclusion.* During the 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, HOC must exclude from annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.
- (2) *Second 12-month exclusion and phase-in.* Upon the expiration of the 12-month period defined in paragraph (1) of this section and for the subsequent 12-month period, HOC must exclude from annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.
- (3) *Maximum two-year disallowance.* The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (1) or (2) of this section is limited to a lifetime 24-month period. The disallowance applies for a

maximum of 12 months for disallowance under paragraph (1) of this section and a maximum of 12 months for disallowance under paragraph (2) of this section, during the 24-month period starting from the initial exclusion under paragraph (1) of this section. Previously, families were eligible to receive the EID benefit for no more than 24 months, but which could be spread across a 48-month time period to account for potential changes in the employment status of the family member whose original employment caused the family to be eligible for EID. That is no longer the case. EID eligibility is now limited to a maximum of only 24 straight months.

B. MINIMUM RENT [24 CFR 5.630]

Minimum Rent

"Minimum rent" is \$50. Minimum rent refers to the TFC and includes the combined amount a family pays towards rent and/or utilities when it is applied.

Hardship Requests for an Exception to Minimum Rent

~~The PHA/HOC~~ recognizes that in some circumstances even the minimum rent may create a financial hardship for families. ~~The PHA/HOC~~ will review all relevant circumstances brought to the PHA's-its attention regarding financial hardship as it applies to the minimum rent. The following section states ~~the PHA/HOC~~'s procedures and policies in regard to minimum rent and financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed.

Criteria for Hardship Exception

In order for a family to qualify for a hardship exception the family's circumstances must fall under one of the following HUD hardship criteria:

The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance;

The family would be evicted as a result of the imposition of the minimum rent requirement;

The income of the family has decreased because of changed circumstances, including:

Loss of employment

Death in the family

Other circumstances as determined by ~~the PHA/HOC~~ or HUD

PHA-HOC Notification to Families of Right to Hardship Exception

~~The PHAHO~~C will notify all families subject to minimum rents of their right to request a minimum rent hardship exception. "Subject to minimum rent" means the minimum rent was the greatest figure in the calculation of the greatest of 30 ~~percent~~% of monthly-adjusted income, 10 ~~percent~~% of monthly income, minimum rent, or welfare rent.

If the minimum rent is the greatest figure in the calculation of TTP, ~~PHA-HOC~~ staff will include a copy of the notice regarding hardship request provided to the family in the family's file.

~~The PHAHO~~C notification will advise families that hardship exception determinations are subject to ~~PHA-HOC's~~ review and hearing procedures.

~~The PHAHO~~C will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing.

~~The PHAHO~~C will request documentation as proof of financial hardship.

~~The PHAHO~~C will use its standard verification procedures to verify circumstances that have resulted in financial hardship.

Requests for minimum rent exception must include a statement of the family hardship that qualifies the family for an exception.

Suspension of Minimum Rent

~~The PHAHO~~C will grant the minimum rent exception to all families who request it, effective the first of the following month.

The minimum rent will be suspended until ~~the PHAHO~~C determines whether the hardship is:

Covered by statute

Temporary or long term

"Suspension" means that ~~the PHAHO~~C must not use the minimum rent calculation until ~~the PHAHO~~C has made this decision.

During the minimum rent suspension period, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly.

If ~~the PHAHO~~C determines that the minimum rent is not covered by statute, ~~the PHAHO~~C will impose a minimum rent including payment for minimum rent from the time of suspension.

Temporary Hardship

If ~~the PHAHOC~~ determines that the hardship is temporary, a minimum rent will not be imposed for a period of up to 90 days from the date of the family's request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension.

~~The PHAHOC~~ will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period. (See "Owner and Family Debts to ~~the PHAHOC~~" in the chapter ~~for which discusses the~~ Repayment Agreement Policy).

Long-Term Duration Hardships [24 CFR 5.616(c)(3)]

If ~~the PHAHOC~~ determines that there is a qualifying long-term financial hardship, ~~the PHAHOC~~ must exempt the family from the minimum rent requirements.

Retroactive Determination

~~The PHAHOC~~ will reimburse the family for any minimum rent charges that took effect after October 21, 1998 that qualified for one of the mandatory exceptions.

If the family is owed a retroactive payment, ~~the PHAHOC~~ will offset the family's future rent contribution payments by the amount in which ~~the PHAHOC~~ owes the family.

C. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT

[24 CFR 982.54(d)(10), 982.551]

~~The PHAHOC~~ must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, ~~the PHAHOC~~ must count the income of the spouse or the head of the household, if that person is temporarily absent, even if that person is not on the lease.

"Temporarily absent" is defined as away from the unit for more than 30 days.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. ~~The PHAHOC~~ will evaluate absences from the unit using this policy.

Absence of Any Member

Any member of the household ~~will be~~ considered permanently absent if s/he is away from the unit for 90 consecutive days, except as otherwise provided in this Chapter.

Absence due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, ~~the PHAHOC~~ will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member ~~will be~~ considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive days, the family member ~~will is~~ not ~~be~~ considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance ~~will be~~ terminated in accordance with ~~the PHAHOC's~~ "Absence of Entire Family" policy.

Absence Due to Full-time Student Status

Full time students who attend school away from the home ~~will be~~ treated in the following manner:

Full time students who attend school away from ~~the~~ home and live with the family during school recesses ~~es will be~~ considered temporarily absent from the household.

Absence due to Incarceration

If the sole member is incarcerated for more than 90 consecutive days, s/he ~~will be~~ considered permanently absent. Any member of the household, other than the sole member, ~~will be~~ considered permanently absent if s/he is incarcerated for 180 consecutive days.

~~The PHAHOC~~ will determine if the reason for incarceration is for drug-related or violent criminal activity. If it is, then HOC must terminate the family

Absence of Children due to Placement in Foster Care

If the family includes a child or children temporarily absent from the home due to placement in foster care, ~~the PHAHOC~~ will determine from the appropriate agency when the child/children will be returned to the home.

If the time period ~~is to~~ will be greater than 12 months from the date of removal of the child/ren, the voucher size ~~will be~~ reduced. If all children are removed from the home permanently, the voucher size ~~will be~~ reduced in accordance with ~~the PHAHOC's~~ subsidy standards (see Chapter 5).

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, ~~the PHAHOC~~ will terminate assistance in accordance with appropriate termination procedures contained in this Administrative Plan.

Families are required both to notify ~~the PHAHOC~~ before they move out of a unit and to give ~~the PHAHOC~~ information about any family absence from the unit.

Families must notify ~~the PHAHOC~~ at least 30 days before leaving the unit, if they are going to be absent from the unit for more than 60 consecutive days.

If the entire family is absent from the assisted unit for more than 60 consecutive days, the unit ~~will be~~ considered ~~to be~~ vacated, and the assistance ~~will be~~ terminated.

If it is determined that the family is absent from the unit, ~~the PHAHOC~~ will ~~not dis~~continue assistance payments.

HUD regulations require ~~the PHAHOC~~ to terminate assistance if the entire family is absent from the unit for a period of more than 180 consecutive days.

"Absence" means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, ~~the PHAHOC~~ may:

Write letters to the family at the unit

Telephone the family at the unit

Interview neighbors

Verify if utilities are in service

Check with the post office

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar days' limit.

If the absence which resulted in termination of assistance was due to a person's disability, and ~~the PHAHOC~~ can verify that the person was unable to notify ~~the PHAHOC~~ in accordance with the family's responsibilities, and if funding is available, ~~the PHAHOC~~ may reinstate the family as an reasonable accommodation, if requested by the family, as so long as the period was within 180 consecutive days.

Caretaker for Children

If neither parent remains in the household and the appropriate agency ~~has determined~~ that another adult ~~is to~~ must be brought into the assisted unit to care for the children for an indefinite period, ~~the PHAHOC~~ will treat that adult as a visitor for the first 30 days.

If by the end of that period, court-awarded custody or legal guardianship ~~has been~~ awarded to the caretaker, the voucher ~~will be~~ transferred to the caretaker.

If the appropriate agency cannot confirm the guardianship status of the caretaker, ~~the PHAHO~~C will review the status at ~~six~~6 month intervals.

If custody or legal guardianship ~~has is~~ not ~~been~~ awarded by the court, but the action is in process, ~~the PHAHO~~C will secure verification from social services staff or the attorney as to the status.

The caretaker ~~will be is~~ allowed to remain in the unit, as a visitor, until a determination of custody is made.

~~The PHAHO~~C will transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 180 days and it is reasonable to expect that custody will be granted.

When ~~the PHAHO~~C approves an ~~adult person~~ to reside in the unit as caretaker for the child/ren, ~~their~~ income ~~should be is~~ counted pending a final disposition. ~~The PHAHO~~C will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than 180 days, the person ~~will be is~~ considered permanently absent.

Visitors

Any adult not included on the HUD 50058 who has been in the unit more than 30 consecutive days without ~~PHAHO~~C approval, or a total of 60 days in a 12-month period, ~~will be is~~ considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address ~~will be is~~ considered verification that the visitor is a member of the household.

Statements from neighbors and/or the landlord ~~will be are~~ considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary ~~shall be is~~ construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual ~~will be is~~ considered an unauthorized member of the household and ~~the PHAHO~~C will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 60 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 180 days per year, the minor ~~will be is~~ considered to be an eligible visitor and not a family member.

Reporting Additions to Owner and PHAHOC

Reporting changes in household composition to ~~the PHAHOC~~ is both a HUD and an ~~PHAHOC~~ requirement.

The family obligations require the family to request ~~PHAHOC~~ approval to add any other family member as an occupant of the unit and to inform ~~the PHAHOC~~ of the birth, adoption, or court awarded custody of a child. The family must request prior approval of additional household members in writing.

If the family does not obtain prior written approval from ~~the PHAHOC~~, any person the family has permitted to move in will be considered an unauthorized household member.

In the event that a visitor continues to reside in the unit after the maximum allowable time, the family must report it to ~~the PHAHOC~~ in writing within 10 days of the maximum allowable time.

Families are required to report any additions to the household in writing to ~~the PHAHOC~~ within 10 days of the move-in date.

An interim reexamination ~~will be~~is conducted for any additions to the household.

In addition, the lease may require the family to obtain prior written approval from the owner when there are changes in family composition other than birth, adoption, or court awarded custody.

Reporting Absences to ~~the PHAHOC~~

Reporting changes in household composition is both a HUD and an ~~PHAHOC~~ requirement.

If a family member leaves the household, the family must report this change to ~~the PHAHOC~~, in writing, within 10 days of the change and certify as to whether the member is temporarily absent or permanently absent.

~~The PHAHOC~~ will conduct an interim evaluation for changes that affect the TTP ~~in~~ accordance with the interim policy.

D. AVERAGING INCOME

When Annual Income cannot be anticipated for a full 12 months, ~~the PHAHOC~~ may:

Average known sources of income that vary to compute an annual income, or

Annualize current income and conduct an interim reexamination if income changes.

If there are bonuses or overtime which the employer cannot anticipate for the next 12 months, bonuses and overtime received the previous year will be used.

If, by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so as to reduce the number of interim adjustments.

The method used depends on the regularity, source and type of income.

E. MINIMUM INCOME

There is no minimum income requirement. Families who report zero income are required to complete a written certification every 90 days.

Families that report zero income ~~will be~~ required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

If the family's expenses exceed their known income, ~~the PHA~~HOC will make inquiry of the head of household as to the nature of the family's accessible resources.

F. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME

[24 CFR 982.54(d)(10)]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, ~~the PHA will~~HOC calculates the income by using the following methodology, and uses the income figure that would result in a lower payment by the family:

Exclude the income of the person permanently confined to the nursing home and give the family no deductions for medical expenses of the confined family member.

OR

Include the income of the person permanently confined to the nursing home and give the family the medical deductions allowable on behalf of the person in the nursing home.

G. REGULAR CONTRIBUTIONS AND GIFTS [24 CFR 5.609]

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment (TTP).

Any contribution or gift received every 180 days, or more frequently, ~~will be~~ considered a "regular" contribution or gift, unless the amount is less than \$500 per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (Please see the "Verification Procedures" chapter [in this Administrative Plan](#) for further ~~definition~~information.)

If the family's expenses exceed its known income, ~~the PHA will~~HOC inquire of~~investigates~~ the family regarding any contributions and/or gifts received.

H. ALIMONY AND CHILD SUPPORT [24 CFR 5.609]

Regular alimony and child support payments are counted as income for calculation of the TTP.

If the amount of child support or alimony received is less than the amount awarded by the court, ~~the PHA~~HOC will use the amount awarded by the court; unless the family can verify that they are not receiving the full amount and verification of item(s) below are provided.

~~The PHA will~~HOC accepts verification that the family is receiving an amount less than the amount awarded by the court if:

~~The PHA~~HOC receives verification from the agency responsible for enforcement or collection.

The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

It is the family's responsibility to supply a certified copy of the divorce decree.

I. LUMP-SUM RECEIPTS [24 CFR 5.609]

Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health, ~~and~~ accident insurance, and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining ~~will be~~is considered an asset. Deferred periodic payments which have accumulated due to a dispute ~~will be~~are treated the same as periodic payments which are deferred due to delays in processing.

In order to determine the amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:

~~The PHA~~HOC uses a calculation method that calculates retroactively or prospectively, depending on the circumstances.

Prospective Calculation Methodology

If the payment is reported on a timely basis, the calculation ~~will be~~is done prospectively and will result in an interim adjustment calculated as follows:

The lump sum ~~will be~~ added in the same way for any interim adjustments that occur prior to the next annual recertification.

If amortizing the payment over one year will cause the family to pay more than 50 percent of the family's adjusted income (before the lump sum was added) for TTP, ~~the PHA/HOC~~ and ~~the~~ family may enter into a RepPayment Agreement, with the approval of the Director of ~~Rental Assistance~~ the Housing Resources Division, for the balance of the amount over the 50% percent calculation. The beginning date for this RepPayment Agreement will start at the next annual reexamination of income.

Retroactive Calculation Methodology

~~The PHA will~~ HOC goes back to the date of receipt of the lump-sum payment ~~was received~~, or to the date of admission, whichever is closer.

At ~~the PHA/HOC's~~ option, ~~the PHA/HOC~~ may enter into a RepPayment Agreement with the family.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

Attorney Fees

The family's attorney fees ~~may be~~ eligible for deducted deduction from ~~the~~ lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney's fees.

J. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS [24 CFR 5.603(d)]

Contributions to company retirement/ pension funds are handled as follows:

While an individual is employed, HOC counts contributions to company retirement/ pension funds as assets only for amounts which the family can withdraw without retiring or terminating their employment.

After retirement or termination of employment, HOC counts any amount the employee elects to receive as a lump sum from a company retirement/ pension fund.

K. ASSETS

Income from assets ~~will be~~ calculated based on the current balance of the account.

L. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

[24 CFR 5.603(d)(3)]

~~The PHAHOOC~~ must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. ~~The PHA-willHOC~~ counts the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

~~The PHAHOOC's~~ minimum threshold for counting assets disposed of for less than Fair Market value is \$1,000. If the total value of assets disposed of within a one-year period is less than \$1,000, they ~~will-are~~ not ~~be~~ considered an asset.

M. CHILD CARE EXPENSES [24 CFR 5.603]

Child-care expenses for children under 13 ~~may-beare eligible for~~ deduction from annual income if they enable an adult to work or attend school full time, or to actively seek employment.

In the case of a child attending a private school, only before/ after-hours care ~~can-beare permitted~~ for counting as child-care expenses.

~~Allowability-Permissibility~~ of deductions for child-care expenses is based on the following guidelines:

Child care to work: The maximum child care expense allowed must be less than the amount earned by the person enabled to work. The "person enabled to work" ~~will-beis~~ the adult member of the household who earns the least amount of income from working.

Child care for school: The number of hours claimed for child care ~~may-cannot~~ exceed the number of hours the family member is attending school, including reasonable travel time to and from school.

N. MEDICAL EXPENSES [24 CFR 5.609(a)(2), 5.603]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, Internal Revenue Service (IRS) Publication 502 ~~will-beis~~ used as a guide.

~~Nonprescription medicines must be doctor recommended in order to be considered a medical expense.~~

Nonprescription medicines ~~will-beare~~ counted toward medical expenses for families who qualify, if the family furnishes legible receipts.

Acupressure, acupuncture, and related herbal medicines, ~~and-as well as~~ chiropractic services ~~will-beare also~~ considered allowable medical expenses.

O. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.520]

Applicability

Pro-ration of assistance ~~must be~~ offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members.

Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible, and multiplying by the percent of the family members who actually are eligible. Calculations for each housing program are performed on the HUD 50058 form.

P. REDUCTION IN BENEFITS

~~Please see~~ the Chapter of this Administrative Plan on recertifications for a description of ~~on~~ how to handle income changes resulting from welfare program requirements.

Q. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

[24 CFR 982.153, 982.517]

The same utility allowance schedule is used for all tenant-based programs.

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual family's actual energy consumption.

~~The PHAHO~~'s utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards.

~~The PHA may~~HOC does not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

~~The PHAHO~~ must classify utilities in the utility allowance schedule according to the following general categories: space heating, air conditioning, cooking, water heating, water, sewer, trash collection,; other electric, refrigerator (for tenant supplied refrigerator), range (cost of tenant-supplied range); and other specified services.

An allowance for tenant-paid air conditioning ~~will be~~ provided in those cases where the majority of housing units in the market have central air conditioning or are wired for tenant installed air conditioners [24 CFR 982.517].

~~The PHA will~~HOC reviews the utility allowance schedule annually. If the review finds a utility rate ~~has~~ changed by 10 percent or more since the last revision of the utility allowance schedule,

the schedule ~~will be~~ revised to reflect the new rate. Revised utility allowances ~~will be~~ applied ~~in to~~ a participant family's rent calculation at their next reexamination.

~~The approved utility allowance schedule is given to families along with their Voucher.~~ The utility allowance is based on the lesser of the size of dwelling unit actually leased by the family or the voucher size issued, as determined under HOC's subsidy standards (~~please see the~~ Subsidy Standards chapter ~~in this Administrative Plan~~ for more information). In cases where ~~a HOC provided a~~ reasonable accommodation ~~has been provided~~ to a family that includes a person with disabilities, HOC ~~must will~~ use the appropriate utility allowance for the size of the dwelling unit actually leased by the family.

Where the calculation on the HUD 50058 results in a utility reimbursement payment due ~~to~~ the family, ~~the PHA/HOC~~ will provide a Utility Reimbursement Payment ~~for to~~ the family each month. The check ~~will be~~ made out directly to the tenant.

**AUTHORIZATION TO SUBMIT
HOC'S FISCAL YEARS 2020-2024 FIVE-YEAR
PUBLIC HOUSING AGENCY PLAN**

April 3, 2019

- The Quality Housing and Work Responsibility Act of 1998 requires that Public Housing Agencies (“PHAs”), such as the Housing Opportunities Commission of Montgomery County (“HOC”), draft Annual and Five-Year PHA Plans.
- The PHA Plan serves as a comprehensive guide to HOC’s policies, programs, operations, and strategies for meeting local housing needs and goals. The Plan informs the U.S. Department of Housing and Urban Development (HUD), residents, and the public of HOC’s mission for serving the needs of low-income and very low-income families as well as HOC’s overarching strategy for addressing those needs.
- This year, HOC is submitting its Fiscal Years (FY) 2020 through 2024 Five-Year PHA Plan. The Five-Year PHA Plan describes HOC’s primary mission of serving the needs of low-income and very low-income families in Montgomery County as well as its long-range goals and objectives for achieving its mission over the five years discussed in the Plan. This is HOC’s fifth Five-Year PHA Plan submission.
- The 45 day public comment period for the FY 2020-2024 Five-Year PHA Plan began on February 15, 2019.
- At this time, staff is requesting authorization to submit the FY 2020-2024 Five-Year PHA Plan to HUD by no later than April 17, 2019.

1. HOC's mission statement for serving the needs of low-income, very low-income, and extremely low-income families in Montgomery County over the next five years;
2. Identification of HOC's goals and objectives that will enable it to serve the needs of low-income, very low-income, and extremely low-income families for the next five years;
3. Report on the progress made by HOC in meeting the goals and objectives described in the FY 2015-2019 Five-Year PHA Plan;
4. Statement of HOC's goals, activities, objectives, policies, and/or programs that enable HOC to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.
5. Statement on the criteria used by HOC for determining a significant amendment or modification to the FY 2020-2024 Five-Year PHA Plan.
6. Confirmation of HOC's efforts to discuss the FY 2020-2024 Five-Year PHA Plan with HOC's Resident Advisory Board (RAB), including a written letter of endorsement or analysis of the RAB's recommendations to the Plan.
7. Certification from Montgomery County's Department of Housing and Community Affairs (DHCA) stating that HOC's FY 2020-2024 Five-Year PHA Plan is consistent with DHCA's Consolidated Plan; and
8. Civil Rights Certification.

Staff released a draft of the FY 2020-2024 Five-Year PHA Plan to the public on February 15, 2019. Staff discussed the FY 2020-2024 Five-Year PHA Plan with the Resident Advisory Board (RAB) on February 25, 2019. In the coming weeks, the RAB will submit their letter of endorsement for the PHA Plan which will be submitted along with the Plan to HUD on, or before, April 17, 2019. To date, HOC has received no public comments on the FY 2020-2024 Five-Year PHA Plan. A public hearing on the FY 2020-2024 Five-Year PHA Plan is scheduled for April 3, 2019.

ISSUES FOR CONSIDERATION:

Does the Housing Opportunities Commission of Montgomery County wish to accept the recommendation of the Legislative and Regulatory Committee to authorize the Executive Director, or his designee, to submit the FY 2020-2024 Five-Year PHA Plan to HUD on, or before, April 17, 2019?

PRINCIPALS:

Housing Resources Division
Property Management Division

BUDGET IMPACT:

None.

TIME FRAME:

The Legislative and Regulatory Committee reviewed this item at its meeting on March 20, 2019 and recommended it for Commission action on April 3, 2019.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Housing Opportunities Commission of Montgomery County accept the recommendation of the Legislative and Regulatory Committee to authorize the Executive Director, or his designee, to submit the FY 2020-2024 Five-Year PHA Plan to HUD on, or before, by April 17, 2019.

RESOLUTION: 19-42

**RE: Authorization to Submit HOC's
Fiscal Years 2020-2024 Five-Year
Public Housing Agency Plan**

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

WHEREAS, the submission of the FY 2020-2024 Five-Year PHA Plan was prepared in accordance with 24 CFR Part 903 regulations and requirements for submission to the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, HOC worked in collaboration with HOC's Resident Advisory Board to obtain recommendations in the development of the proposed Five-Year PHA Plan Submission; and

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

WHEREAS, HOC will conduct a Public Hearing on April 3, 2019 to obtain public comments regarding the proposed Five-Year PHA Plan Submission; and

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

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the FY 2020-2024 Five-Year PHA Plan and its submission to HUD no later than April 17, 2019, as required by federal regulation.

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

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on April 3, 2019.

S
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Patrice Birdsong
Special Assistant to the Commission

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. Form HUD-50075-5Y is to be completed once every 5 PHA fiscal years by all PHAs.

A.	PHA Information.																																
A.1	<p>PHA Name: _____ PHA Code: _____</p> <p>PHA Plan for Fiscal Year Beginning: (MM/YYYY): _____</p> <p>PHA Plan Submission Type: <input type="checkbox"/> 5-Year Plan Submission <input type="checkbox"/> Revised 5-Year Plan Submission</p> <p>Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information on the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official websites. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 20%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 20%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 30%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 15%;">PH</th> <th style="width: 15%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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		PH	HCV																														
Lead PHA:																																	

B.	5-Year Plan. Required for all PHAs completing this form.
B.1	Mission. State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years.
B.2	Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years.
B.3	Progress Report. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.
B.4	Violence Against Women Act (VAWA) Goals. Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.
B.5	Significant Amendment or Modification. Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.
B.6	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the 5-Year PHA Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
B.7	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>

Instructions for Preparation of Form HUD-50075-5Y 5-Year PHA Plan for All PHAs

A. PHA Information [24 CFR §903.23\(4\)\(e\)](#)

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Fiscal Year Beginning** (MM/YYYY), **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the hearing and proposed PHA Plan.

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table.

B. 5-Year Plan.

B.1 Mission. State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years. ([24 CFR §903.6\(a\)\(1\)](#))

B.2 Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years. ([24 CFR §903.6\(b\)\(1\)](#)) For Qualified PHAs only, if at any time a PHA proposes to take units offline for modernization, then that action requires a significant amendment to the PHA's 5-Year Plan.

B.3 Progress Report. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan. ([24 CFR §903.6\(b\)\(2\)](#))

B.4 Violence Against Women Act (VAWA) Goals. Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. ([24 CFR §903.6\(a\)\(3\)](#))

B.5 Significant Amendment or Modification. Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.

B.6 Resident Advisory Board (RAB) comments.

(a) Did the public or RAB provide comments?

(b) If yes, submit comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. ([24 CFR §903.17\(a\)](#), [24 CFR §903.19](#))

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year PHA Plan. The 5-Year PHA Plan provides the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families and the progress made in meeting the goals and objectives described in the previous 5-Year Plan.

Public reporting burden for this information collection is estimated to average .76 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

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

Fiscal Year (FY) 2020-2024 Five-Year Public Housing Agency (PHA) Plan Submission
Housing Opportunities Commission of Montgomery County

Narrative and Additional Information

A. 1 The public may view this PHA Plan, supporting documentation, and obtain information regarding any of the activities outlined in this plan at HOC’s main administrative offices (10400 Detrick Avenue, Kensington, Maryland 20895) and at the following three satellite offices:

HOC Gaithersburg Customer Service Center
101 Lakeforest Blvd.
#200
Gaithersburg, Maryland 20877

HOC Silver Spring Customer Service Center
The Silver Spring Innovation Center
8070 Georgia Avenue
Silver Spring, Maryland 20910

HOC East Deer Park Offices
231 East Deer Park Drive
Gaithersburg, Maryland 20877

Additional documents and supporting documents for this PHA Plan, that are also available for viewing at the above locations, are listed below:

- Form HUD-50077-ST-HCV-HP: PHA Certifications of Compliance with the PHA Plans and Related Regulations (MD004a01.pdf)
- Resident Advisory Board (RAB) comments on PHA Plan (MD004f01.pdf)
- Form HUD-50077-CR, Civil Rights Certifications (MD004j01.pdf)
- Form HUD-50077-SL, Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan (MD004k01.pdf)

The PHA Plan and its supporting documents are also available for review on HOC’s web site at www.hocmc.org.

Staff will meet with the Resident Advisory Board (RAB) on February 25, 2019 to discuss this PHA Plan and receive any comments from the RAB.

A public hearing regarding this PHA Plan will be held on April 3, 2019 at 3:30 p.m. in the Hearing Room at HOC’s main administrative offices (10400 Detrick Avenue, Kensington, Maryland 20895).

B.1 Mission

It is the vision of the Housing Opportunities Commission of Montgomery County (HOC) that everyone should live in quality housing that is affordable, with dignity and respect. At HOC we believe this vision can be achieved by ensuring amenity rich, community-connected housing for all of Montgomery County’s residents where all people can reach their fullest potential. We believe supportive programs, delivered

through mission-aligned partnerships, help our customers improve their economic status, remain stably housed, and reach the goals they hold for themselves and their families.

Accordingly, the mission of HOC is to provide affordable housing and supportive services that enhance the lives of low-income, very low-income, and extremely low-income families and individuals throughout Montgomery County, Maryland so that:

- No one in Montgomery County is living in substandard housing;
- We strengthen families and communities as good neighbors;
- We establish an efficient and productive environment that fosters trust, open communication and mutual respect;
- We work with advocates and providers to maintain support for all the work of the Commission.

To achieve this mission, HOC operates as an affordable housing agency, a housing finance agency and a housing developer.

B.2 Goals and Objectives

In support of its mission, HOC will engage in the following goals and objectives for its Public Housing and Housing Choice Voucher programs over the next five years. This includes fiscal years 2020 through 2024.

a. Public Housing (PH)

HOC anticipates the closing of its final two Public Housing (PH) Rental Assistance Demonstration (RAD) conversions, Victory Haven in March 2019 and Elizabeth House III in May of 2019. Following these two final PH conversions, HOC will no longer have Capital Fund Program (CFP) supported Public Housing units in its portfolio. Accordingly, HOC does not anticipate any further activity related to the Public Housing program in fiscal year 2020 and beyond.

b. Housing Choice Voucher (HCV) Program

During fiscal years (FY) 2020 through 2024, HOC plans to use Component Two of the Rental Assistance Demonstration (RAD) program to assist three existing, and one new, HOC properties. These RAD Component Two projects will impact the Housing Choice Voucher Program as follows:

1. Elizabeth House III

- Using a Public Housing RAD/ Section 18 Disposition blending option, HOC will add 26 Project-Based Tenant Protection Vouchers to the HCV program upon the RAD Elizabeth House III closing. These vouchers are reserved for current PH Elizabeth House residents who are relocating to Elizabeth House III. The effective date for these Project-Based Vouchers (PBV) is May 1, 2019.

2. Stewartown

- HOC received 19 RAD Component Two Project-Based Vouchers for the expired Rental Assistance Payments (RAP) subsidy units at its Stewartown Homes

property. HOC was notified of the award just as the Federal Government shutdown in December 2018 and the effective date is February 1, 2019.

- Additionally, HOC requested Low-Vacancy Vouchers (LVV) for all qualified residents at Stewartown as part of the RAD Component Two process. HOC is still awaiting notification from HUD to confirm receipt. Once confirmed, this activity will add an estimated additional 45 LVVs for Stewartown.

3. Bauer Park

- HOC is converting the expiring Rental Assistance Payments (RAP) subsidies at its Bauer Park property to Project-Based Rental Assistance (PBRA) under the RAD Component Two Program. This will not impact the HCV Program.
- Additionally, HOC is requesting project-based Low-Vacancy Vouchers (LVV) for all qualified residents at Bauer Park as part of the RAD Component Two process. This could add an estimated additional 65 LVVs to HOC's Housing Choice Voucher program.

4. Town Center Apartments

- HOC is converting the expiring Rental Assistance Payments (RAP) subsidies at its Town Center Apartments property to Project-Based Rental Assistance (PBRA) under the RAD Component Two Program. This will not impact the HCV program.
- Additionally, HOC is requesting project-based Low-Vacancy Vouchers (LVV) for all qualified residents at Town Center as part of the RAD Component Two process. This could add an estimated additional 77 LVVs to HOC's Housing Choice Voucher program.

By working toward these goals and objectives HOC will do its utmost to best serve the needs of low-income, very low-income, and extremely low-income families in Montgomery County, Maryland using its Section 8 Housing Choice Voucher program.

B.3 Progress Report

(b) Beginning in FY 2014 and continuing through FY 2019, HOC used the Rental Assistance Demonstration (RAD) program to convert its Public Housing (PH) portfolio to Project-Based Rental Assistance (PBRA) units and Project-Based Voucher (PBV) units. At the completion of HOC's RAD conversions, no PH units will remain in HOC's portfolio.

Of the initial 11 PH properties scheduled for conversion, the actual conversions have occurred in a staggered format over the last five fiscal years. HOC received Commitments to Enter into Housing Assistance Payments Contracts ("CHAP") for all eleven (11) public housing developments and the final PH property will convert in April of 2019. These public housing properties are grouped into multiple Asset Management Projects (the "RAD AMPs"), as follows:

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

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

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

Occupied Units to be Converted Under RAD. Any tenant residing in a PH unit at any of the RAD properties at the time of conversion, is eligible for tenancy in a post-conversion unit. These tenants are eligible for either Project-Based Rental Assistance (PBRA) units or Project-Based Voucher (PBV) units. The PBRA RAD units are located either (i) on-site, after a rehabilitation of the property (the “On-Site PBRA Units”), or (ii) at a new location as new construction replacement units (the “Replacement RAD Units”). The PBV RAD units are units for which the assistance is transferred to other properties owned by an affiliate of HOC (the “Assistance Transfer PBV Units”, referenced jointly with the On-Site PBRA units and the Replacement RAD units as the “RAD units”). Beginning in FY 2015, HOC’s plan was to convert 508 public housing units as On-Site PBRA units, convert 256 public housing units to Replacement RAD units (for the Elizabeth House and Holly Hall properties), and transfer assistance for 113 public housing units. In all cases, each of the 877 public housing units converted under RAD would continue to receive a subsidy.

During FY 2015, HOC completed the above described Assistance Transfer PBV Unit process with all 113 units that were planned to have their PH assistance transferred off-site to PBV assistance. Also during FY 2015, HOC completed the above described On-Site PBRA Unit process for 209 units that were planned to have their PH assistance converted to on-site PBRA assistance. This process included four RAD AMPs: (1)

Seneca Ridge, (2) Parkway Woods and Ken Gar, (3) Towne Centre Place and Sandy Spring Meadow, and (4) Washington Square and Emory Grove.

During FY 2016, HOC completed the conversion of all of the units at the Arcola Towers (141) and Waverly House (145) RAD AMPs to PBRA.

During FY 2018, HOC completed the conversion of all of the units at Holly Hall (96) and 24 of the 160 units at Elizabeth House to PBRA or PBV through transfer of assistance to 900 Thayer and Victory Crossing.

Accordingly, the only remaining RAD conversion, which is anticipated to close in May of 2019, is for the remaining 106 units at Elizabeth House. During its conversion from PH to project-based rental subsidy programming, all of the units from the Elizabeth House property will be transferred fully offsite as Replacement RAD Units.

During FY 2019, HOC will use a Section 18 Disposition to convert 26 of the remaining 106 Public Housing units at Elizabeth House to PBV units at Elizabeth House III. This action is consistent with HUD Notice PIH 2018-04 (HA), Section 3)A.3.c., as HOC certifies that this disposition is in the best interest of the residents at Elizabeth House and HOC. This action is also consistent with the goals of HOC, the FY 2019 PHA Plan, and the 1937 Act.

Furthermore, HOC certifies that it meets the 75 percent threshold by converting 100 percent of the Public Housing units at Elizabeth House under the RAD program. HOC’s Section 18 Disposition also meets the requirements of the RAD Final Implementation Notice REV-3, H-2017-3, and is replacing the units proposed for disposition (up to 25 percent of the remaining Public Housing units within the Elizabeth House project) with Section 8 PBVs in accordance with 24 CFR, Part 983.

As per HUD Notice PIH 2018-04 (HA), HOC will follow the relocation requirements at 24 CFR 970.21 for this Section 18 Disposition, and not those at 49 CFR, Part 24 which implements the Uniform Relocation Act (URA). However, if subsequent acquisition, rehabilitation, or demolition is carried out by HOC with HUD funds or if other HUD-funded activities cause residents to relocate, then URA may apply to those relocations at that time.

All of the former public housing units at Elizabeth House are scheduled for demolition. A replacement building, Elizabeth Square, will be constructed on an adjacent site. The final scope for the new construction will be developed in conjunction with HOC’s selected architect. After construction, the building and housing units are expected to meet Enterprise Green Communities standards. All work to be performed will be completed under the International Existing Building Code (IEBC) and all applicable Montgomery County construction codes. The remaining PH residents at Elizabeth House will move to a combination of the new Elizabeth Square property and the following four new properties:

Property Name	Property Location
900 Thayer	900 Thayer Avenue, Silver Spring, MD 20910
Victory Crossing	1090 Milestone Drive, White Oak, MD 20904
Victory Haven	9616 Main Street, Damascus MD 20872
Elizabeth House III	1400 Fenwick Avenue, Silver Spring, MD 20910

B.4 Violence Against Women Act (VAWA) Goals

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

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

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

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

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

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

1. Notice of Occupancy Rights under the Violence Against Women Act

2. Model Emergency Transfer Plan for Victims of Domestic Violence
3. Certification of Domestic Violence
4. Emergency Transfer Request for Victims of Domestic Violence

B.5 Significant Amendment or Modification

The following shall require the execution and submission to the U.S. Department of Housing and Urban Development (HUD) of a Significant Amendment to HOC's current Five-Year PHA Plan:

- a. Any revision or addition to HOC policies covering demolition or disposition, designation, homeownership programs, or conversion activities; provided, however, that no Significant Amendment shall be required regarding the conversion of public housing units under RAD until HOC has detailed, property-specific plans and information on the conversion.
- b. Changes to rent (excluding changes in flat rent schedules), admissions policies, and/or organization of the waiting lists.

The following shall require the execution and submission to HUD of a Significant Amendment to HOC's current CFP Five-Year Action Plan:

- a. Any revision or addition to HOC policies including, but not limited to, proposed demolition, disposition, homeownership, development, or mixed finance proposals, that would constitute a material change in the allocations of CFP grant funds as identified in the current CFP Five-Year Action Plan.

The following shall not be deemed a Substantial Deviation from the current Five-Year PHA Plan or the current CFP Five-Year Action Plan:

- a. The decision to convert to either PBRA or PBV assistance,
- b. The date the Significant Amendment is submitted to HUD or posted to the PHA Plan website,
- c. Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, irrespective of whether the proposed conversion will include the use of additional Capital Funds,
- d. Changes to the construction and rehabilitation plan for each approved RAD conversion,
- e. Changes to the financing structure for each approved RAD conversion, and
- f. De minimus (less than ten percent (10%)) changes in the number of Assistance Transfer Units.

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

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

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

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

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

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

PHA Name

PHA Number/HA Code

_____ Annual PHA Plan for Fiscal Year 20_____

_____ 5-Year PHA Plan for Fiscal Years 20_____ - 20_____

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

Name of Authorized Official

Title

Signature

Date

Civil Rights Certification

Annual Certification and Board Resolution

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

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

PHA Name

PHA Number/HA Code

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

Name of Authorized Official

Title

Signature

Date

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

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

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

I, Timothy J. Goetzinger, the Acting Director
Official's Name *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the
Housing Opportunities Commission of Montgomery County, Maryland
PHA Name


is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of
Impediments (AI) to Fair Housing Choice of the
Montgomery County Department of Housing and Community Affairs
Local Jurisdiction Name

pursuant to 24 CFR Part 91.

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

The activities planned by HOC during its FY 2020-2024 are consistent with the Montgomery County
Consolidated Plan. This includes the conversion of HOC s former RAP contract properties to Project Based
Rental Assistance (PBRA) and Project Based Voucher (PBV) units under the RAD Component 2 program.
All activities will comply with HOC s and the County s commitment to affirmatively further fair housing.

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

Name of Authorized Official	Title
Timothy J. Goetzinger	Acting Director
Signature 	Date
	3/6/19

Deliberation and/or Action

PRESENTATION OF THE EXECUTIVE DIRECTOR'S FY'20 RECOMMENDED BUDGET

April 3, 2019

- The Executive Director's FY'20 Recommended Budget reflects the Housing Opportunities Commission of Montgomery County's ("HOC", the "Commission", or the "Agency") priorities and strategic objectives.
- The Recommended Operating Budget for FY'20 is \$275.2 million.
- The Recommended Capital Budget for FY'20 is \$192.9 million.
- The Budget, Finance and Audit Committee will review this budget proposal in detail and recommend the FY'20 Budget, as amended, to the full Commission for adoption at the June 5, 2019 Commission meeting.

Choice Voucher program, and the elimination of other community development resources, such as the Community Development Block Grant program. In addition to proposed savings plans at the County level, the County's Voluntary Rent Guidelines were increased just 1.5 percent in 2019, down from a 3.1 percent increase in 2018, which will affect the agency's rental income used to support affordable units.

Despite these pressures, HOC's FY 2020 budget provides a blueprint for investment in the overall quality of Montgomery County's housing stock, a strategy that will yield increased housing supply and improved mixed-income communities that get people housed to meet the range of housing needs throughout the county. Using innovative financing and development tactics, HOC has created a new, more sustainable model for affordable housing development that will help us integrate neighborhoods and bring critical resources to the families that need them. In Silver Spring, completion of 900 Thayer will bring transit-oriented, community-connected housing to families and seniors, while breaking ground on Upton II in Rockville will provide an upgraded community to the senior population.

Crucial to this work are the partners and volunteers who demonstrate an enduring sense of duty to Montgomery County and its residents. Their passion helps drive our work, and will help propel our mission forward. Our ability to continue innovating and investing in Montgomery County requires strong partnerships and collaboration with the County Executive and County Council. Finally, with the steady guidance of our Commissioners and the hard work of our staff, HOC will continue to pursue a vision of Montgomery County where individuals can improve their economic status, remain stably housed and reach their definition of success.

At HOC, our charge is clear: focus on building housing, building *communities* that help Montgomery County residents achieve the goals they hold for themselves and their families, regardless of race, ethnicity, age or economic circumstances. We believe a community like Montgomery County deserves world-class housing options so that all of its citizens may thrive.

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

ISSUES FOR CONSIDERATION:

The Recommended Operating Budget for FY'20 is \$275.2 million. In addition, the Capital Budget for FY'20 is \$192.9 million.

The FY'20 Recommended Budget reflects the Agency's continued commitment to the five-year strategic plan implemented at the outset of FY'18. Through the use of innovative financing and development tactics, HOC has created a new, more sustainable model for affordable housing development that will help us integrate neighborhoods and bring critical resources to the families that need them. Moreover, the Agency recognizes that Property Management and Maintenance

are paramount to realizing the benefits of the substantial investment in its portfolio. To this end, the FY'20 budget reflects ongoing investment in personnel and systems to successfully manage and maintain our properties. In addition to the Agency's focus on efficiently developing, managing and maintaining our real estate portfolio, we continue to deliver cutting-edge services to our clients through HOC Academy and HOC Works.

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

While redevelopment and renovation of HOC's aging mixed-income properties continues to improve the ability to attract market rate renters to offset the affordable units and support the financial viability of the Agency's portfolio, the generation of income on the market units in the FY'20 Recommended budget is suppressed as a result of the reduction of the County's Voluntary Rent Guidelines to 1.5 percent in 2019 from the 3.1 percent increase established in 2018.

The FY'20 Recommended Budget continues to rely on fees from development activity that are one time in nature to support operations. Therefore, the development of the budget required each division to continue the practice of monitoring discretionary spending and introducing appropriate cost savings measures to ensure the long term viability of the Agency. It is likely that additional plans for cost containment and re-envisioning of business practices will be implemented before the budget is adopted.

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

BUDGET IMPACT:

None for FY'19. This budget, when adopted on June 5, 2019, will set the financial plan for the Agency for FY'20.

TIME FRAME:

During April and May, the Budget, Finance and Audit Committee will review this budget proposal in detail and recommend the FY'20 Budget, as amended, to the full Commission for adoption at the June 5, 2019 meeting. The Commission must adopt a budget for FY'20 before the fiscal year begins on July 1, 2019.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

No action is asked of the Commission at this meeting. The following is the meeting schedule for the review and adoption of the FY'19 Budget:

- April 9th,
- April 26th,
- May 7th, and
- May 14th

All meetings will be held in the Hearing Room.

The Budget, Finance and Audit Committee will present the revised FY'20 Budget to the full Commission for adoption at the June 5, 2019 Meeting.

Spreadsheets Highlighting FY'20 Recommended Operating and Capital Budgets



Commission Meeting

FY 2020 Recommended Budget

FY 2020 – Budget Overview

Recommended Budget

Fund Summary Overview		FY 2020 Recommended Budget		
		Revenues	Expenses	Net
General Fund		\$24,615,135	\$25,953,028	(\$1,337,893)
	Restrict to GFOR	\$0	\$1,642,058	(\$1,642,058)
Multifamily Bond Funds		\$16,344,894	\$16,344,894	\$0
Single Family Bond Funds		\$9,289,146	\$9,289,146	\$0
Opportunity Housing Fund				
	Opportunity Housing Reserve Fund (OHRF)	\$5,609,198	\$1,551,142	\$4,058,056
	Restrict to OHRF	\$0	\$4,058,056	(\$4,058,056)
	Opportunity Housing & Development Corporation Properties	\$97,026,621	\$94,190,317	\$2,836,304
	Draw from GFOR for MetroPointe Deficit	\$143,647	\$0	\$143,647
Public Fund				
	Housing Choice Voucher Program (HCVP)	\$104,468,375	\$105,108,195	(\$639,820)
	County Contributions towards HCVP Administration	\$639,820	\$0	\$639,820
	Federal, State, and County Grants	\$17,079,900	\$17,079,900	\$0
TOTAL - ALL FUNDS		\$275,216,736	\$275,216,736	\$0

* Revenues and Expenses include inter-company Transfer Between Funds

FY 2020 – Revenue and Expense Summary

Recommended Budget

FY 2020 Revenue and Expense Statement

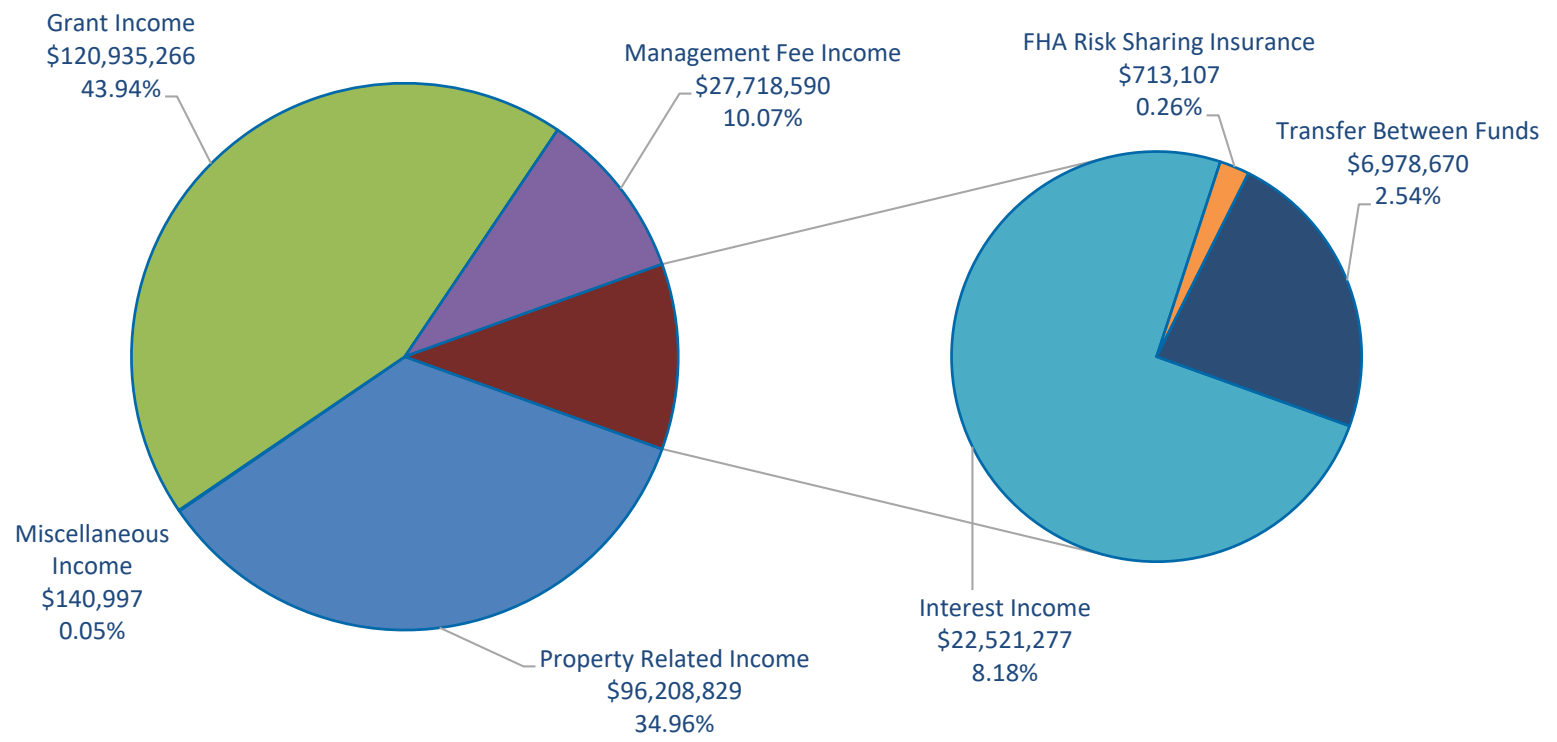
Operating Budget		Non-Operating Budget	
Operating Income		Non-Operating Income	
Tenant Income	\$95,535,141	Investment Interest Income	\$22,521,277
Non-Dwelling Rental Income	\$673,688	FHA Risk Sharing Insurance	\$713,107
Federal Grant	\$110,117,614	Transfer Between Funds	\$6,978,670
County Grant	\$10,817,652		
Management Fees	\$27,718,590		
Miscellaneous Income	\$140,997		
TOTAL OPERATING INCOME	\$245,003,682	TOTAL NON-OPERATING INCOME	\$30,213,054
Operating Expenses		Non-Operating Expenses	
Personnel Expenses	\$47,330,239	Interest Payment	\$36,201,673
Operating Expenses - Fees	\$17,823,454	Mortgage Insurance	\$861,146
Operating Expenses - Administrative	\$8,826,121	Principal Payment	\$10,554,551
Tenant Services Expenses	\$6,903,995	Debt Service, Operating and Replacement Reserves	\$12,005,965
Protective Services Expenses	\$784,627	Restricted Cash Flow	\$9,789,032
Utilities Expenses	\$6,532,772	Development Corporation Fees	\$5,845,007
Insurance and Tax Expenses	\$2,779,914	Miscellaneous Bond Financing Expenses	\$29,424
Maintenance Expenses	\$8,424,692	FHA Risk Sharing Insurance	\$713,107
Housing Assistance Payments (HAP)	\$96,647,339	Transfer Out Between Funds	\$3,163,678
TOTAL OPERATING EXPENSES	\$196,053,153	TOTAL NON-OPERATING EXPENSES	\$79,163,583
NET OPERATING INCOME	\$48,950,529	NET NON-OPERATING ADJUSTMENTS	(\$48,950,529)

FY 2020 – Operating Budget: Source of Funds

Total Income – Proposed – \$275,216,736

Operating Income
\$245,003,682

Non-Operating Income
\$30,213,054



FY 2020 – Operating Budget: Use of Funds

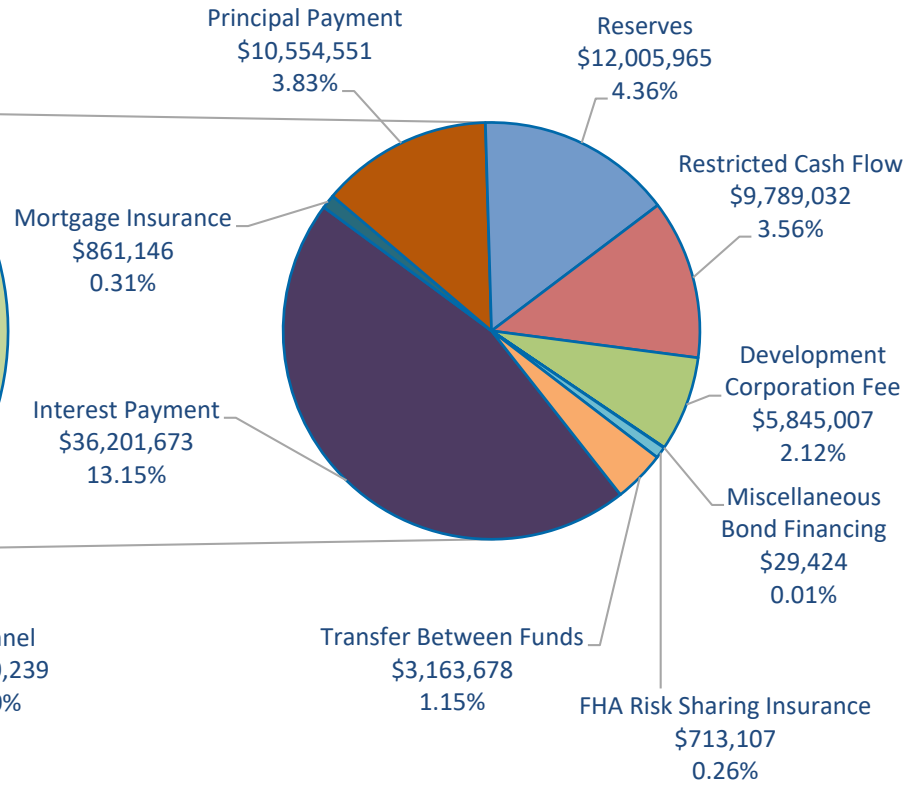
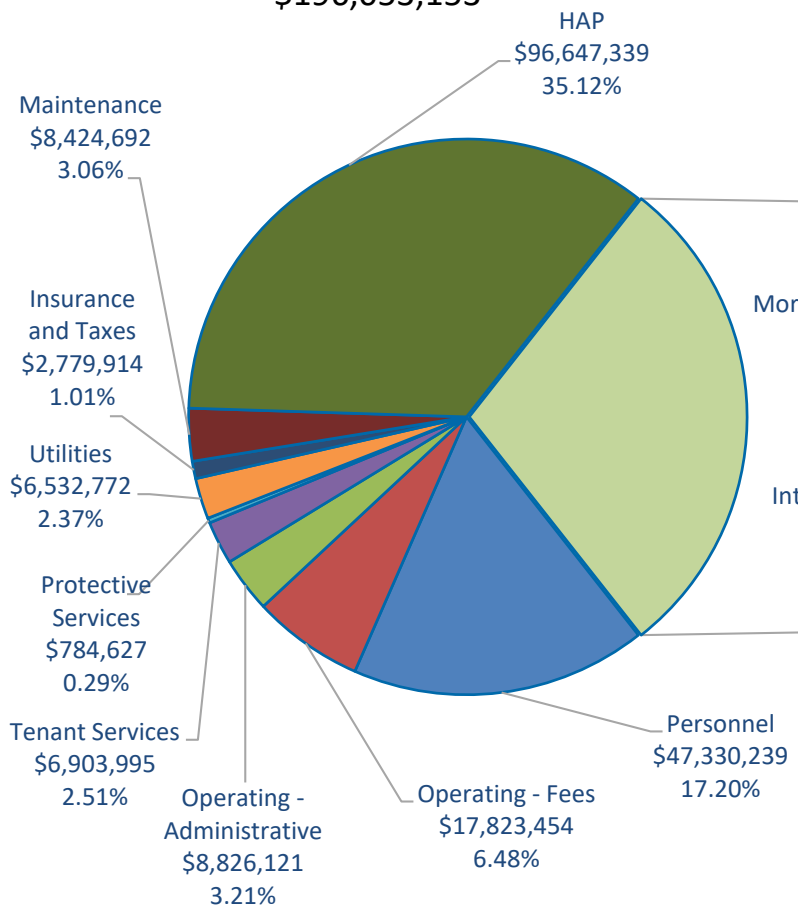
Total Expenses – Proposed – \$275,216,736

Operating Expenses

\$196,053,153

Non-Operating Expenses

\$79,163,583



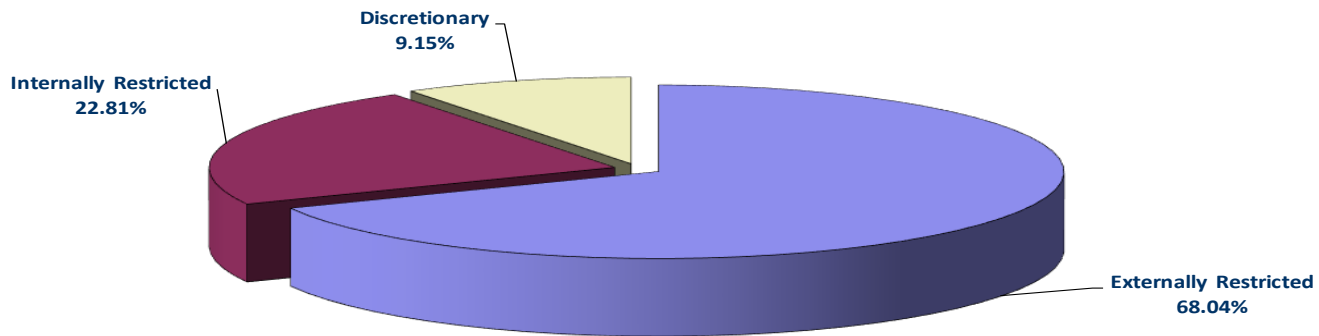
Total Agency Operating Budget Summary – FY 2016 through FY 2020

Total Revenue and Expense Statement

Total Revenue and Expense Statement	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Recommended Budget
Operating Income					
Tenant Income	\$67,455,171	\$67,333,831	\$76,823,091	\$94,983,877	\$95,535,141
Non-Dwelling Rental Income	\$1,346,229	\$1,150,050	\$1,402,219	\$1,044,852	\$673,688
Federal Grant	\$95,780,190	\$97,705,641	\$103,892,095	\$103,128,545	\$110,117,614
State Grant	\$157,083	\$184,480	\$105,990	\$0	\$0
County Grant	\$9,761,734	\$9,877,142	\$9,750,971	\$10,720,642	\$10,817,652
Private Grant	\$0	\$0	\$0	\$0	\$0
Management Fees	\$16,672,501	\$17,879,325	\$20,493,087	\$26,640,109	\$27,718,590
Miscellaneous Income	\$348,240	\$1,642,884	\$181,601	\$170,990	\$140,997
TOTAL OPERATING INCOME	\$191,521,148	\$195,773,353	\$212,649,054	\$236,689,015	\$245,003,682
Operating Expenses					
Personnel Expenses	\$35,610,940	\$37,420,400	\$40,021,952	\$45,051,884	\$47,330,239
Operating Expenses - Fees	\$13,635,450	\$13,787,927	\$15,911,631	\$17,515,677	\$17,823,454
Operating Expenses - Administrative	\$7,695,705	\$8,000,361	\$7,080,545	\$8,040,985	\$8,826,121
Tenant Services Expenses	\$5,444,800	\$5,540,710	\$6,146,396	\$6,827,283	\$6,903,995
Protective Services Expenses	\$756,953	\$678,418	\$812,364	\$812,918	\$784,627
Utilities Expenses	\$5,394,293	\$4,962,367	\$5,567,031	\$6,206,232	\$6,532,772
Insurance and Tax Expenses	\$1,616,298	\$1,553,706	\$1,847,157	\$2,905,429	\$2,779,914
Maintenance Expenses	\$6,779,554	\$6,211,113	\$7,605,304	\$8,482,962	\$8,424,692
Housing Assistance Payments (HAP)	\$81,539,944	\$84,763,551	\$91,157,649	\$92,078,274	\$96,647,339
TOTAL OPERATING EXPENSES	\$158,473,937	\$162,918,553	\$176,150,029	\$187,921,644	\$196,053,153
NET OPERATING INCOME	\$33,047,211	\$32,854,800	\$36,499,025	\$48,767,371	\$48,950,529
Non-Operating Income					
Investment Interest Income	\$23,536,467	\$23,439,972	\$24,414,456	\$24,267,275	\$22,521,277
FHA Risk Sharing Insurance	\$639,692	\$609,502	\$697,624	\$671,566	\$713,107
Transfer Between Funds	\$12,533,892	\$7,398,074	\$7,674,456	\$8,654,883	\$6,978,670
TOTAL NON-OPERATING INCOME	\$36,710,051	\$31,447,548	\$32,786,536	\$33,593,724	\$30,213,054
Non-Operating Expenses					
Interest Payment	\$27,982,289	\$28,212,630	\$33,006,029	\$36,958,454	\$36,201,673
Mortgage Insurance	\$764,050	\$816,079	\$832,655	\$810,515	\$861,146
Principal Payment	\$6,661,644	\$7,111,496	\$7,356,662	\$9,224,950	\$10,554,551
Debt Service, Operating and Replacement Reserves	\$12,208,303	\$13,365,814	\$8,216,656	\$12,524,771	\$12,005,965
Restricted Cash Flow	\$11,865,614	\$6,333,253	\$8,624,226	\$11,031,317	\$9,789,032
Development Corporation Fees	\$5,211,017	\$5,592,375	\$6,435,449	\$6,898,050	\$5,845,007
Miscellaneous Bond Financing Expenses	\$57,343	\$511,025	\$585,994	\$29,429	\$29,424
FHA Risk Sharing Insurance	\$639,692	\$609,502	\$618,857	\$671,566	\$713,107
Transfer Out Between Funds	\$4,870,590	\$4,301,071	\$3,790,711	\$4,212,043	\$3,163,678
TOTAL NON-OPERATING EXPENSES	\$70,260,542	\$66,853,245	\$69,467,239	\$82,361,095	\$79,163,583
NET NON-OPERATING ADJUSTMENTS	(\$33,550,491)	(\$33,405,697)	(\$33,080,703)	(\$48,767,371)	(\$48,950,529)
NET CASH FLOW	(\$503,280)	(\$2,550,897)	(\$181,678)	\$0	\$0

FY 2020 – Revenue Restrictions

Revenue Restriction (Showing externally placed restrictions)	FY 2020 Recommended Budget			
	Externally Restricted	Internally Restricted	Discretionary	TOTAL
Operating Income				
Property Related Income	\$36,052,063	\$57,176,815	\$2,979,951	\$96,208,829
Federal Grant	\$110,117,614	\$0	\$0	\$110,117,614
County Grant	\$10,817,652	\$0	\$0	\$10,817,652
Management Fees	\$0	\$5,609,198	\$22,109,392	\$27,718,590
Miscellaneous Income	\$133,497	\$0	\$7,500	\$140,997
TOTAL OPERATING INCOME	\$157,120,826	\$62,786,013	\$25,096,843	\$245,003,682
Non-Operating Income				
Interest Income	\$22,449,993	\$0	\$71,284	\$22,521,277
FHA Risk Sharing	\$713,107	\$0	\$0	\$713,107
Transfer Between Funds	\$6,978,670	\$0	\$0	\$6,978,670
TOTAL NON-OPERATING INCOME	\$30,141,770	\$0	\$71,284	\$30,213,054
TOTAL - ALL REVENUE SOURCES	\$187,262,596	\$62,786,013	\$25,168,127	\$275,216,736



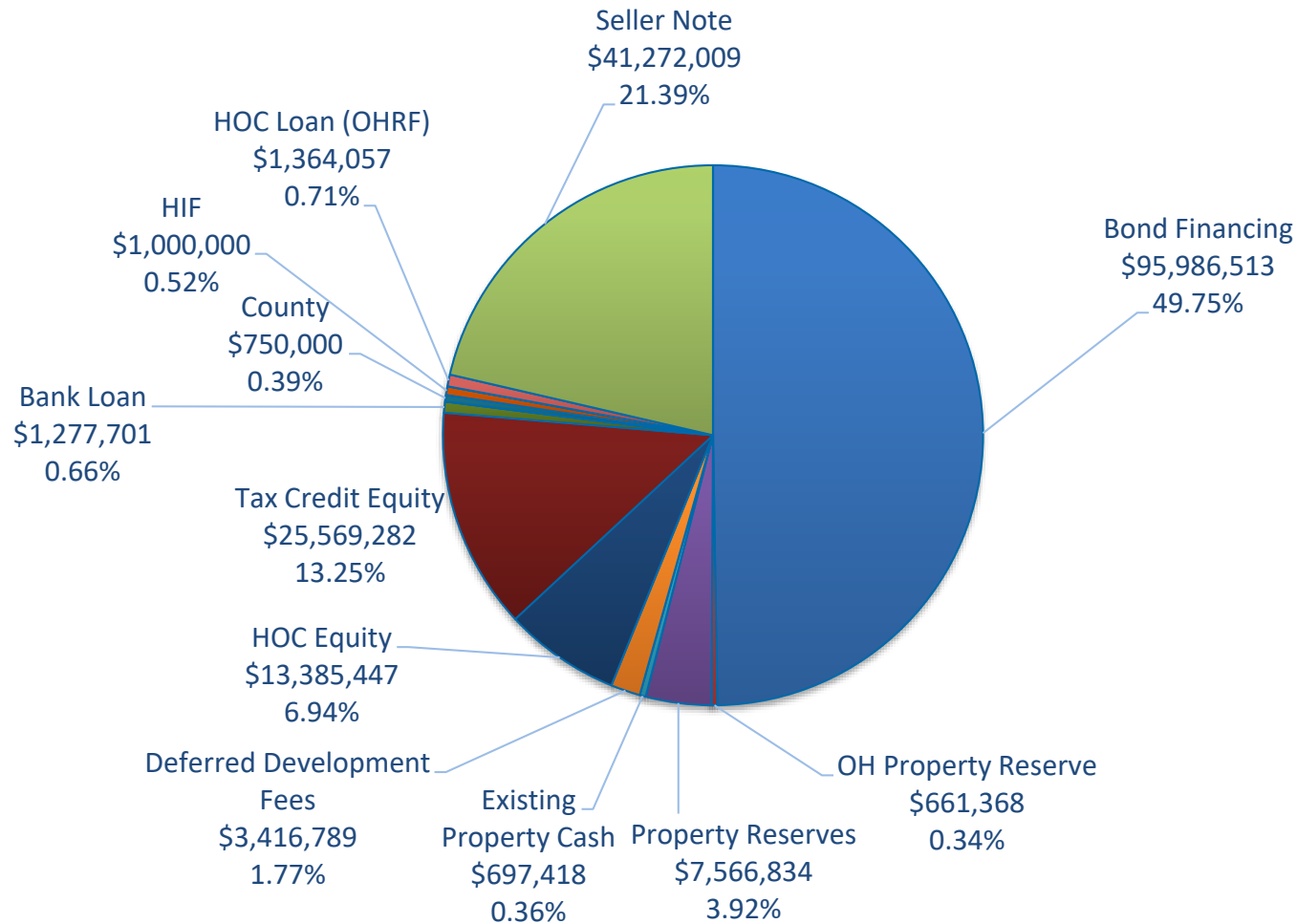
FY 2020 – Capital Budget

Capital Budget Overview

Capital Budget Summary	FY 2020 Recommended Budget
Capital Improvements	
East Deer Park	\$325,000
Kensington Office	\$375,000
Information Technology	\$585,000
Opportunity Housing Properties	\$6,943,202
Subtotal	\$8,228,202
Capital Development Projects	
900 Thayer	\$50,008,847
Alexander House	\$9,616,457
Bauer Park	\$26,227,436
Deeply Affordable Units	\$750,000
Elizabeth House III	\$32,050,739
Georgian Court	\$12,001,713
Greenhills	\$1,830,114
The Lindley (CCL)	\$1,277,701
Shady Grove	\$19,377,409
Stewartown	\$17,815,541
Upton II	\$12,728,883
Waverly House	\$1,034,376
Subtotal	\$184,719,216
TOTAL	\$192,947,418

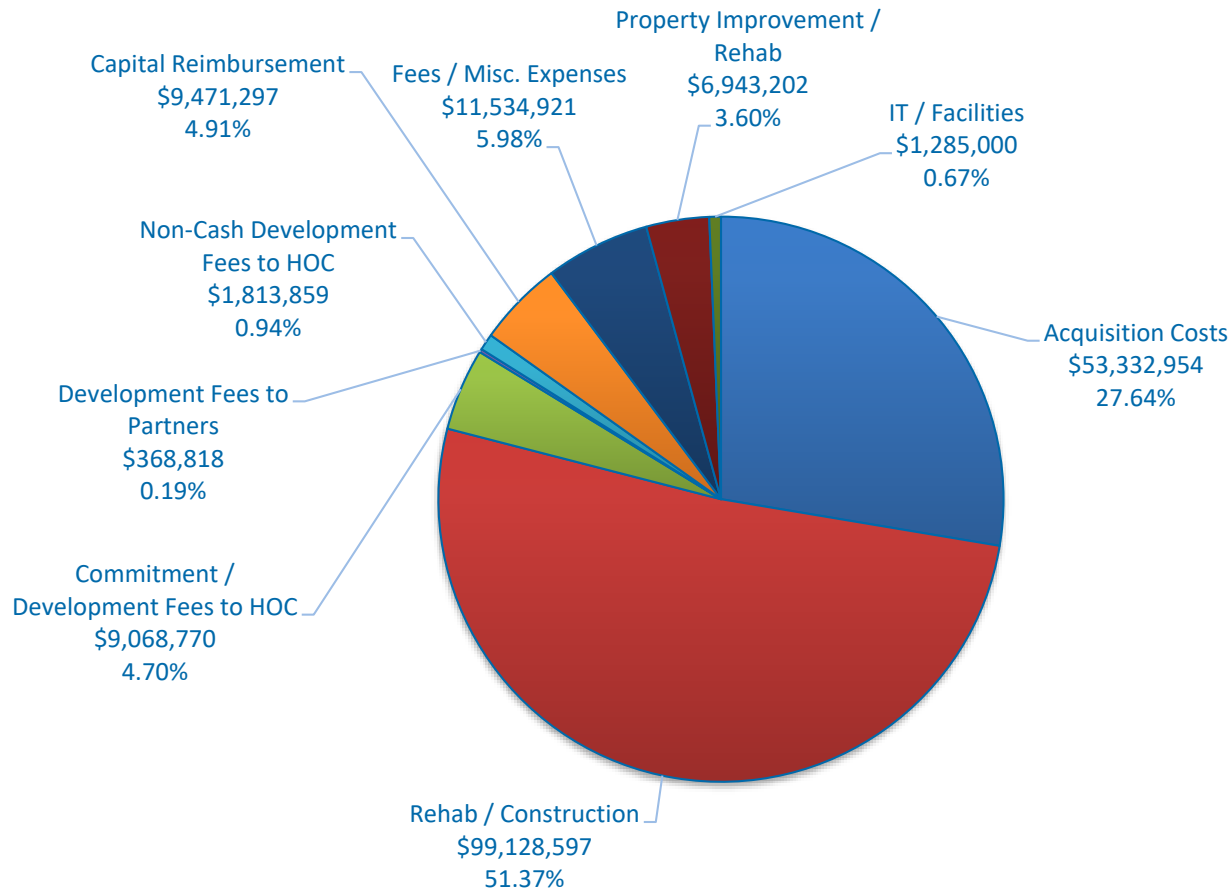
FY 2020 – Capital Budget

Source of Funds - Recommended – \$192,947,418



FY 2020 – Capital Budget

Use of Funds - Recommended – \$192,947,418



Future Action

Adjourn

Administrative Session