



10400 Detrick Avenue
Kensington, MD 20895-2484
(240) 627-9425



ADMINISTRATIVE AND REGULATORY COMMITTEE

February 24, 2022
4:00 p.m. – via Zoom

YouTube: <https://youtu.be/c4n-7m6BhnY>

Approval of Minutes:

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Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Administrative and Regulatory Committee Minutes

November 15, 2021

For the official record of the Housing Opportunities Commission of Montgomery County, an open meeting of the Administrative and Regulatory Committee was conducted via an online platform and teleconference on Monday, November 15, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:01 p.m. There was a livestream of the meeting held on YouTube, available for viewing [here](#). Those in attendance were:

Present

Frances Kelleher, Chair – Legislative and Regulatory Committee
Linda Croom – Commissioner

Also Attending

Jackie Simon – Commissioner

Absent

Pamela Byrd – Commissioner

Also Attending

Kayrine Brown, Acting Executive Director
Aisha Memon, General Counsel
Ahu Manafi
Frederick Colas
Billy Buttrey
Darcel Cox

Christina Aution, Director - LPA
Lynn Hayes
Guidy Paul
Fred Swan
Elliot Rule
Lucinda Scott

Patrice Birdsong, Spec. Asst. to Commission

APPROVAL OF MINUTES

The minutes of the June 25, 2021 Legislative and Regulatory Committee (now named the Administrative and Regulatory Committee) meeting was approved upon a motion by Commissioner Croom and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Kelleher and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

DISCUSSION/ACTION ITEMS

1. **Housing Resources:** Authorization to Implement Voucher Payment Standards Based on the Housing and Urban Development (HUD) Fiscal Year 2022 (FY22) Small Area Fair Market Rents

Lynn Hayes, Director of Housing Resources, provided an overview of a presentation requesting the Administrative and Regulatory Committee to recommend to the full Commission the establishment of the Voucher Payment Standards, and authorization for the Acting Executive Director, or her designee, to implement the Voucher Payment Standards for HOC's administration of the Housing Choice Voucher Program. Guidy Paul, Management Analyst – Housing Resources Division, Kashif Paul, Financial Analyst – Housing Resources Division, and Frederic Colas, Senior Financial Analyst – Property Management Division, provided a presentation of the methodology used for the financial values of the standards.

Staff addressed questions of the Commissioners during the presentation. Commissioner Kelleher acknowledged Commissioner Simon as an observer of the meeting. Commissioner Simon provided comments and thanked the staff for a well prepared presentation.

A motion was made by Commissioner Croom to join staff in recommending to the full Commission for approval at the December 8, 2021 monthly Commission meeting. Affirmative votes were cast by Commissioners Kelleher and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

Commissioners Kelleher thanked the staff and the meeting adjourned at 4:38 p.m.

Respectfully submitted,

Kayrine Brown
Acting Secretary-Treasurer

/pmb

Discussion Items

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County
Administrative and Regulatory Committee

VIA: Kayrine Brown, Acting Executive Director

FROM: Staff: Fred Swan Division: Resident Services Ext. 9732

RE: Authorization to Execute Lease Agreements for the Supportive Housing Program

DATE: February 24, 2022

STATUS: Consent Deliberation Status Report Future Action

OVERALL GOAL & OBJECTIVE:

To authorize the Acting Executive Director, or her designee, to execute lease and agreements for the Supportive Housing Program.

BACKGROUND:

The Supportive Housing Program (the “Program”) is a HUD-funded permanent supportive housing program that provides housing subsidies and case management services to persons with disabilities who are formerly homeless. HOC administers the program through McKinney grants for the Montgomery County Homeless Continuum of Care. HOC currently serves 230 program participants. The Program serves some of the most vulnerable residents of the County.

Per HUD regulations, each jurisdiction must administer the Program under one of two program structures. These structures are Rental Assistance and Leasing. Under the **Rental Assistance** structure, program participants execute lease agreements with their landlords and pay a portion of the monthly rent directly to the landlords. The administering agency, through HUD funding, pays the balance of the monthly rent to program participants landlords. Under the **Leasing** structure, the administering agency executes lease agreements with landlords. The administering agency, through HUD funding, pays the full amount of the monthly rent to landlords and the program participants pay their portion of the monthly rent to the administering agency.

As the administering agency, HOC must operate under one of the two a program structures. The Resident Services Division, which administers the Supportive Housing Program on behalf of HOC, proposes the Leasing structure for operation of the Program. There are clear disadvantages of the Rental Assistance structure and clear benefits of the Leasing structure, which are discussed in the paragraphs that follow.

Rental Assistance – Disadvantages

The Rental Assistance structure limits program flexibility and program income. Program participants often have challenges that sometimes impact their ability to comply fully with a lease, and are frequently subject to landlord eviction action under the Rental Assistance structure. Although the program attempts to move participants to another unit after an eviction has occurred, this is often difficult due to the negative impact evictions has on participant's tenant/credit rating. As a result, some program participant's struggle to find alternative housing. Additionally, under the Rental Assistance structure the program would not be able to generate income as all rent payments from participants and HUD go directly to landlords.

Leasing Structure - Benefits

The Leasing structure allows the most program flexibility and generates the highest program revenue. Under the Leasing structure, program participants would execute occupancy agreements with HOC as opposed to lease agreements with landlords. As mentioned above, program participants often face evictions under the Rental Assistance structure. This negatively impacts participant's tenant/credit rating. Under the Leasing structure, program participants would be shielded from this as HOC would work more liberally with a program participant and be able to freely move them to other units that would be leased by HOC. Additionally, the program would generate income from the program participants' payment of their portion of the rent directly to HOC. Because HUD pays 100% of the participant's rent, this revenue will be available to serve more people and provide additional supportive services.

ISSUES FOR CONSIDERATION:

Does the Administrative and Regulatory Committee ("A&RC") wish to join staff in its recommendation that the Commission authorize the Acting Executive Director, or designee, to execute lease agreements with landlords on behalf of participants in the Supportive Housing Program?

PRINCIPALS:

Resident Services Division

BUDGET IMPACT:

The Supportive Housing Program is funded 100% from HUD and does not impact the HOC budget. Operating as a leasing program will result in generating program revenue, which can be utilized to serve additional participants and provide additional supportive services.

TIME FRAME:

For discussion by the A&RC at its meeting on February 24, 2022. For formal Commission action on March 2, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommend that the A&RC join its recommendation to the Commission authorize the Acting Executive Director, or designee, to execute lease agreements with landlords on behalf of participants in the Supportive Housing Program?
