

**Rockville Housing Enterprises
Board of Commissioners Meeting Minutes
October Board Meeting**

**The Board of Commissioners for Rockville Housing Enterprises Regular Meeting on
October 27, 2021**

To Join via Zoom Video Conference:
<https://zoom.us/join> Meeting ID: 927 6506 5009 Passcode: 226657
To Join via Zoom Telephone Conference:
Dial In: 301-715-8592 Meeting ID: 927 6506 5009 Passcode: 226657

Present

Chairman – James Hedrick, PhD
Commissioner- Edward J. Duffy
Commissioner – Steve Marr

Absent Excused

Commissioner – Stacy Kaplowitz

In Attendance

Jessica Anderson, Executive Director RHE
Asmara Habte, Director, DHCD, COR
Monique Ashton, City Councilperson, City of Rockville
Christele Etienbla, RHE Staff
Tosha Dyson, RHE Staff
Patience Tardy, RHE Staff
Rebecca Niaba, RHE Staff

6:32 PM Call to Order

Chairman Hedrick called the October 27, 2021, meeting of the Rockville Housing Board of Commissioners Meeting to Order. Chairman Hedrick called the roll for RHE Board Members present.

6:35 PM Consent Items

Chairman Hedrick called for a motion to approve or make changes or corrections to the meeting minutes for the board meetings held on September 22, 2021. Commissioner Duffy moved to approve the meeting minutes from the September 22, 2021 meeting. Commissioner Marr seconded the motion. All present voted Aye.

6:38 PM Citizen Comments

Chairman Hedrick asked if there were any citizens present that wanted to make a statement. There were none present.

Chairman Hedrick called for the next item on the agenda, Executive Director's Report:

Activities during the month of September 2021

Meetings/Activities

- Fireside Park Property Management calls were held bi-weekly.
- Staff continues a telework schedule due to COVID 19 Social Distancing restrictions.
- Food Distributions at the David Scull Community have been transitioned to only two days a week.
- RHE continues to engage in social distancing measures. RHE continues to not see clients in the office, but are servicing clients through email, mail, phone and fax.
- Resident Meeting on the Scattered Site Conversion was held on September 24, 2021.
- Resident meeting held on October 19, 2021, to review the MTW Supplement Agency Specific Waiver.
- Public Hearing on the Annual Plan and the MTW Supplement was held on October 20, 2021, and was presented in Spanish on October 21, 2021.

Move to Work (MTW) Program Implementation

The Move to Work Annual Plan public hearing and MTW Supplement was presented on October 20, 2021. The comments received are included in Tab 7 of the Board Packet. Upon HUD approval RHE will begin implementing the MTW policy waivers.

RELP Limited Partner Exit

The Limited Partner Investor has officially accepted RHE Corporation's buy out offer of the payment of exit taxes to purchase the Limited Partner's interest and the agreement has been negotiated. All lender approvals/concurrences have been received. The City of Rockville's attorney declined to provide a concurrence due to the loan documents not requiring the City's concurrence. However, RHE did inform the City of the pending transaction. Staff continue to work with the State DCHD on their approval/concurrence of the tax credit investor exit. Once the State's approval is received the closing can occur.

Scattered Site Conversion Update

RHE has received HUD approval for the Scattered Site Conversion. The tenant protection voucher application to the HUD Field Office has been submitted. Resident meetings were held on September 24, 2021. RHE has engaged Village Settlements to begin the title work. Only one cloud on the tile was discovered. A lien release was received from the City of Rockville on an old CDBG grant from 1988 that preceded RHE's ownership of the unit. Legal counsel, Reno Cavanaugh has been in contact with the HUD assigned attorney on the HUD Declaration of Trust releases and new Restrictive Covenant Agreement. Staff are looking at a November 2021 closing for this transaction with a December HAP contract start date. Staff have begun processing the voucher program new admission actions for the scattered site residents. New leases will be created for the scattered site Project Based Voucher residents as well. A fourth quarter closing is necessary to receive the voucher funding for CY2022.

Technology Upgrades

RHE is working on implementing the new electronic filing system and on-line recertifications. RHE has officially begun provided client utility allowance payments via debit card. The new client portal allows all RHE tenants to check their tenant account ledgers on line as well as pay their rent electronically.

Financial Management (See Tab 3)

Public Housing Program (PH) (108 PH Units)

The Net Income on the PH Cash Flow Report for the month of September 2021 indicates a negative (\$34,189.57). This is due to over \$30,000 in accrued turn over expenses which included window covering, flooring, hardware supplies, building repairs, HVAC repair for First Street, the payment of property taxes, the payment of the grant writer fee for the ROSS Grant Application, and administrative salaries-3 pay periods. Year to date is a negative (\$1,193.57). This fiscal year end negative includes the Fireside development fee earned and carried over from the previous fiscal year.

Housing Choice Voucher (HCV) Program (404 Regular Vouchers ;)

The Net Restricted Assets (HAP) for the month of September 2021 is a positive \$36,740. Year to date the HAP is a positive \$785,289. The large NRA is due to HUD providing RHE with a front loaded two months of HAP funding due to our MTW status. These funds are available for non-HAP flexible uses and does not have a negative impact on utilization.

The Un-Restricted Net Assets (Administrative Expenses) for the month ending September 2021 is a positive \$16,368.79. Year to date is \$0. With the use of the MTW flexible funding, RHE is able to end the fiscal year with a net zero in expenditures.

Mainstream Vouchers (50 Mod Vouchers)

The Net Restricted Assets (HAP) for the month of September 2021 is a positive \$2,616. Year to date the HAP is negative (\$27,031.96).

The Unrestricted Net Assets (Administrative Expenses) for the month ending September 2021 is a positive \$1,089.85. Year to date is positive \$1,690.11.

Mod Rehab Program (5 Mod Vouchers)

The Program cash flow for the month of September 2021 is a positive \$12,730. Year to date the HAP is positive \$23,235.

REL P – (56 Low Income Housing Tax Credit Units)

The net income for RELP One for the month of September 2021 is a negative (\$32,297.07) due to the payment of the property taxes, over \$9000 turn over expenses which included carpet replacement, flooring, and painting for one unit, purchase of appliances for two units, and consultant fee for the LP Valuation (Tax/Audit). Year to date net income is a negative (\$48,469.46).

RHE Properties (4 – Affordable Units)

The Cash Flow Statement for the month ending September 2021 indicates a negative (\$9,665.99) due the property taxes, and the insurance payment. Year to date is a negative (\$2,740.68).

RHE Corporation (the General Partnership entity for RELP One)

There was no activity for this entity during the month of September 2021. Year to date net income is \$0.

RHE Development Account (bank account that receives and holds non-federal funds)

The Cash Flow Statement for the month ending September 2021 indicates a positive \$6,496. Year to date net income is a positive \$38,847.29.

FIRESIDE PARK

At the time of the printing of this report, the Financials have not yet been received from Fireside Park.

Asset Management September 2021 (See TAB 4 and TAB 6 of Board Report)

- PH Occupancy (David Scull) was as follows (76 units):
 - 94.7% for the month ending September – (2 vacancies)
 - Rent Collection Percentage 85.4%
- PH Occupancy (Scattered Sites) was as follows (29 units):
 - 96.6% for the month ending September – (2 vacancies)
 - Rent Collection Percentage 86.4%
- RELP One Occupancy was as follows (56 units):
 - 100% for the month ending September – (1 vacant)
 - Rent Collection Percentage 96.9%
- RHEP Occupancy was as follows: (4 units).
 - 100% for the month ending September
 - Rent Collection Percentage 65.2%
- Fireside Occupancy was as follows:
 - Occupancy – 97% occupancy rate of available units
 - 44 – units off-line reserved for current construction/hospitality
 - 3 - units vacant available for rent
 - Applications are being processed

Maintenance Activity Summary for September

- RHE Maintenance Staff completed 68 work orders in September.
- The Maintenance Department facilitated 42 HQS inspections including 29 for RHE's Scattered Sites. 18 work orders were created for re-inspection prior to Section 18 conversion.

- There was 0 move-ins, 1 transfer and 2 move-outs for September. Turnovers on all vacant units are completed.
- Started work on the FY22 CDBG Grant. RHE will be replacing roofs on 5 single-family homes and 6 interconnected townhomes on First Street by the end of October.
- Inspected 39 units (Scattered Sites, RELP and RHEP) with COR and renewed these same units' rental licenses for the next two years.

Housing Choice Voucher Program (HCVP) Management

September 2021

- HCV Program voucher units leased for the month ending September 2021 was 89%, and calendar year to date in September 2021 was 90.85%. HCV Program budget utilization for the month ending September 2021 was 96.87% and calendar year to date in September 2021 was 79.50%.
- The 50-unit Mainstream Disabled Voucher program for which funds are allocated dollar for dollar based on utilization is 98% leased for the month of September 2021.
- The 5-unit Moderate Rehabilitation Single Room Occupancy (SRO) program, for which funds are allocated dollar for dollar based on utilization, is 100% leased for the month of August 2021.
- The 5 VASH vouchers are 80% leased. A follow up email was sent to Veterans Affairs on October 13, 2021 as a referral has not yet been received.

Fireside Park Rehabilitation

Reporting Period: September 1 – September 30, 2021

Milestones

- RHE conducts bi-weekly transition progress/coordination calls with the property manager.
- The management team is actively working with residents to leverage Maryland's Emergency Rental Relief funding program for assistance.
- Management Team submitted the Housing Initiative Fund Compliance Report to Montgomery County
- Jubilee Housing has transitioned to a new project manager and is working on placing clients for the remaining Project Based Voucher units.
- Lead and delivery time of cabinets continues to be an issue. General Contractor is working on alternative solutions.
- Site branding and marketing campaign has been initiated with RHE and leadership evaluating logos and naming concepts.

Schedule

- The project is 68.99% complete
- Construction schedule has a two-week calendar day gain for the overall

projectschedule

- o The project recently experienced a 28 day delay due to supply chain issues with cabinet delivery resulting in a May 2022 substantial completion.

Section 3/MBE Participation

	Goal	Actual
Section 3 Goal	10%	11.64%
MBE Goal	29%	31.96%

Construction Look-Ahead

- Building 3
 - o Trims
 - o Door & Hardware
 - o Flooring
 - o Appliances
 - o Touch-Up
- Building 709
 - o Prime paint
 - o Tub Surrounds
 - o Door & Hardware
 - o Start Flooring

Family Self Sufficiency/Resident Services Detailed Report-Period YTD: September 2021

26- Public Housing

41- Voucher

21- FSS Progress Reports

9- Homeownership

Community/Resident Services

Youth Programming/Summer

- Team of Stars- with Project Change, which includes theater arts and takes place in fall/winter sessions.
- After School Programming- K-12 active engagement around health and wellness, sustainability, mindfulness, service, sports, and social-emotional wellness.

Community Events

- Food, Fresh Produce, Clothing, Household Items, and Infant and Toddler items distributed Monday-Friday 10:30 am – 6:00 pm.
 - o Open to all Montgomery County residents. – Location changed to Lakeforest Mall.

- Meeting with Mt. Calvary Baptist Church for Harvest Festival.

Fostering Youth into Independence (FYI) Vouchers

- RHE has received fifteen (15) referrals from Montgomery County Child Welfare.
- RHE has been awarded fifteen (15) Fostering Youth into Independence Vouchers.
- RHE has issued fourteen (14) vouchers to youth transitioning into housing.
- Eleven (11) youth has leased.
 - Meeting with Lead for Life- Lead for Life helps youth transitioning from foster care with life skills.
 - Meeting with Generation Hope- Generation Hope helps youth transitioning from foster with vocational training, day care, scholarships and continuing education.
 - Quarterly Transitioning Youth Learning Collaborative.
 - Met with FYI participant to work on goals.

Resident Services

- Meeting with T Mobile for Government
- Meeting with Montgomery College
- FSS training- Cultural Humility in Financial Coaching
- FSS Regional Round Table
- FSS training- Family Wealth Management- Generational
- Briefing on the Evaluation of Family Self-Sufficiency Programs with Greater Boston (virtual)
- 1 Referral for Furniture – A Wider Circle
- 1 Referral for Washer/Dryer – Community Forklift

7:00 PM City of Rockville (COR) Report

Director Habte, noted the City Council Fall Agenda will include possible extending the Affordable Housing MPDU terms to 99 yrs. Staff will recommend a carve out for RHE MPDUs so the new rules do not negatively affect RHE properties that are 100% Affordable properties. The CDBG applications were due by September 27, 2021, RHE's application was received. The Buick Development site is moving forward. The redevelopment will be a 100% LIHTC development of 200 units of which 58 will be MPDUs. Another new development is coming on line near Shady Grove Metro where the old Car Max was located. There will also be a grocery store. Mayor and Council subsequently approved the ARP funding which will be used for utility assistance and other infrastructure expenses, and will provide the flood victims with \$2,500 to help with expenses. The city's mandatory vaccine mandate for City Staff has been implemented and is going well. The opening of City Hall is scheduled to occur in January 2022. Ms. Habte noted she has been working with the City Attorney on getting approval for the reference letter for the RELP Investor Exit as well as the PILOT continuation for the 29 scattered site unit conversion.

Councilmember Ashton, noted the City has approved water bill relief. RHE's balance will be waived. The City also approved funding for families that experienced hardships due to the flooding event that occurred. Councilmember Ashton also commented on the City's Neighborhood grants application process that is opening for community projects.

7:10 PM Actions and Discussion –

Annual Plan MTW Supplement Approval

Director Anderson presented the Annual Plan and MTW Supplement to the Annual Plan along with the Housing Choice Voucher Administrative Plan including the updated Payment Standards and the Public Housing Admissions and Continued Occupancy Policy updates for approval.

Chairman Hedrick called for a motion to approve the Annual Plan and MTW Supplement to the Annual Plan along with the Housing Choice Voucher Administrative Plan including the updated Payment Standards and Public Housing Admissions and Continued Occupancy Policy updates for approval.

RELP One LP Investor Exit Agreement

Director Anderson requested the Board give approval for the RELP One LP Investor exit agreement.

Chairman Hedrick asked if there were any questions regarding the agreement. Commissioner Marr asked to confirm the buyout price and the source of the funds. Director Anderson confirmed the amount and noted the funds would come from the initial lease up reserve that was released to the General Partner RHE shortly after the stabilized occupancy in 2005.

Chairman Hedrick called for a motion to approve the final RELP One LP Investor Exit Agreement. Commissioner Duffy moved to approve the final RELP One LP Investor Exit Agreement. Commissioner Marr seconded the motion. All present voted aye.

7:20 PM Commissioner Comments

Chairman Hedrick asked if RHE would institute a vaccine mandate. Director Anderson stated that it would not be good for RHE to have a vaccine mandate. About 90% of RHE staff have been vaccinated including the maintenance staff. Those that are not vaccinated are for medical reasons. Staff will continue to be required to wear masks. It was also discussed that Board Meetings can continue to be held virtually if it works for everyone.

7:35 PM Adjourned

Chair Hedrick called for a motion to adjourn. Commissioner Duffy moved to adjourn; Commissioner Marr moved to second. All present voted Aye.