

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

**The Board of Commissioners for Rockville Housing Enterprises Regular Meeting on  
December 15, 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  
Commissioner – Stacy Kaplowitz

**In Attendance**

Jessica Anderson, Executive Director RHE  
Christele Etienbla, RHE Staff  
Tosha Dyson, RHE Staff  
Monique Ashton, City Councilperson City of Rockville

6:45 PM Call to Order

Chairman Hedrick called the December 16, 2021, meeting of the Rockville Housing Board of Commissioners Meeting to Order. Chairman Hedrick called the roll for RHE Board Members present.

6:46 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 November 17, 2021. Commissioner Kaplowitz moved to approve the meeting minutes from the November 17, 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 November 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.
- The RHEP loan repositioning was completed and closed November 24, 2021.
- RHE received confirmation of the obligation of funding for the 29 tenant protection vouchers that will fund the scattered site project-based voucher conversion.

#### Move to Work (MTW) Program Implementation

The Move to Work Annual Plan and MTW Supplement submittal has been accepted by HUD for approval. HUD has 75 days to review the MTW Plan for final approval. It is anticipated RHE will be able to implement the waivers in April 2022.

#### 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. Staff continue to work with the State DCHD on their approval/concurrence of the tax credit investor exit. RHE was unable to get DCHD approval by November 30, 2021. The investor gave RHE an extension until December 6, 2021, to get DCHD approval without an increase in the exit price. The Investor Exit transaction closed successfully on December 3, 2021.

#### RHE Properties Loan Update

RHE successfully closed the loan renewals for the 4 RHE Properties November 14, 2021.

#### 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 approved and the 29 tenant protection vouchers have been funded. The title proforma has been issued and is being reviewed by legal counsel. RHE has been working with the City on the continuation of the PILOT for the 29 scattered sites the PILOT is on the Mayor and Council consent agenda for December 20, 2021. The Project Based Voucher HAP contract has been completed. The development is awaiting HUD legal review and approval of the transaction. It is anticipated HUD final approval and closing will occur in December with an effective start date of January 1, 2022.

#### Waiting List

RHE will be opening the Public Housing Waiting List for 4 Bedroom units. The waiting list will be open on December 14<sup>th</sup> and will close on December 15<sup>th</sup>. All applications must be submitted on line. Additional assistance will be provided to disabled applicants needing additional assistance.

#### 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 November 2021 indicates a negative (\$9,636.01) due to Fireside tax return preparation and employees' bonus awards. Year to date is a positive \$8,639.56.

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

The Net Restricted Assets (HAP) for the month of November 2021 is a negative (\$141,474) due to a significant reduction in the Housing Voucher HAP Funds. Year to date the HAP is a negative (\$114,764.69). HUD reduced the HAP amount 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 November 2021 is \$0. Year to date is a positive \$4,742.85. With the use of the MTW flexible funding, RHE is able to end the month with a net zero in expenditures.

**Mainstream Vouchers (50 Mod Vouchers)**

The Net Restricted Assets (HAP) for the month of November 2021 is a positive \$9,686. Year to date the HAP is positive \$11,625.

The Unrestricted Net Assets (Administrative Expenses) for the month ending November 2021 is a positive \$2,076.38. Year to date is positive \$5,299.07.

**Mod Rehab Program (5 Mod Vouchers)**

The Program cash flow for the month of November 2021 is a positive \$931. Year to date the HAP is positive \$1,872.

**RELP – (56 Low Income Housing Tax Credit Units)**

The net income for RELP One for the month of November 2021 is a positive \$33,611.01. Year to date net income is a negative (\$6,759.88).

**RHE Properties (4 – Affordable Units)**

The Cash Flow Statement for the month ending November 2021 indicates a positive \$1,075.03. Year to date is a negative (\$175.50).

**RHE Corporation (the General Partnership entity for RELP One)**

There was no activity for this entity during the month of November 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 November 2021 indicates a negative (\$96,513) due to CDBG invoice which will be reimbursed by the City of Rockville and the development services fee progress payment. Year to date net income is a negative (\$89,518.72).

## **RHE FIRESIDE PARK**

The Cash Flow Statement for the month ending October 2021 indicates a positive \$121,897.91. Year to date net income is a positive \$1,498,319.39.

### **Asset Management November 2021 (See TAB 4 and TAB 6 of Board Report)**

- PH Occupancy (David Scull) was as follows (76 units):
  - 97.4% for the month ending November – (2 vacancies)
  - Rent Collection Percentage 100%
- PH Occupancy (Scattered Sites) was as follows (29 units):
  - 93% for the month ending November – (2 vacancies)
  - Rent Collection Percentage 75.1%
- RELP One Occupancy was as follows (56 units):
  - 94.6% for the month ending November – (2 vacant)
  - Rent Collection Percentage 107.6%
- RHEP Occupancy was as follows: (4 units).
  - 100% for the month ending November
  - Rent Collection Percentage 97.8%
- Fireside Occupancy was as follows:
  - Occupancy – 100% occupancy rate of available units
    - 51– units off-line reserved for current construction/hospitality
    - 0- units vacant available for rent

### **Maintenance Activity Summary for November**

- RHE Maintenance Staff completed 53 work orders in November.
- The Maintenance Department facilitated 16 HQS inspections with third-party landlords in the month of November.
- There were 2 move-ins, 2 transfers and 4 move-outs for November. Turnovers on all vacant units are completed.

### **Housing Choice Voucher Program (HCVP) Management**

#### **November 2021**

- HCV Program voucher units leased for the month ending November 2021 was 91%, and calendar year to date in November 2021 was 90.77%. HCV Program budget utilization for the month ending November 2021 was 132.30% and calendar year to date in November 2021 was 84.06%.
- 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 November 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 November 2021.

- The 5 VASH vouchers are 80% leased. An application has been received from Veterans Affairs and has been approved. Applicant is conducting housing search.

**Fireside Park**

**Reporting Period:** November 1 – November 31, 2021

**Milestones**

- RHE conducts bi-weekly transition progress/coordination calls with the property manager.
- Jubilee Housing has transitioned to a new project manager and is working on placing clients for the remaining PBV units. The next cohort of Jubilee residents will move in March 2022.
- RHE Board and development team have provided final selections and feedback for the site’s new brand identity campaign. The marketing team will circulate updated collateral for final consideration.
- The relocation team and the management company are working collaboratively to complete the final 5 buildings of relocation.

**Schedule**

- The project is 71.53% complete
- Construction schedule has a two-week calendar day gain for the overall project schedule
  - The project recently experienced supply chain issues with cabinet delivery resulting in a May 2022 substantial completion.

**Section 3/MBE Participation**

	<b>Goal</b>	<b>Actual</b>
Section 3 Goal	10%	<b>11.64%</b>
MBE Goal	29%	<b>31.96%</b>

**Construction Look-Ahead**

- Building 713
  - Final Inspections
  - 2<sup>nd</sup> Walk Turnover
  - Tenant Moves
- Building 709
  - Final Inspections
  - 2<sup>nd</sup> Walk Turnover
  - Tenant Moves
- Building 717
  - Demo & Abatement
  - Begin MEPS

- Site
  - Replacement Trees
  - Forestry Re-Inspection
  - SWM Package after re-inspection

#### **Pending Items**

- Units under rehab: 22
- Relocation % Completed: approximately 65.7% Construction betterments that have been implemented:
- Upgraded Window Blinds
- Upgraded Kitchen Faucet
- Extended Countertops
- Interior Bath Accessories
- HVAC Replacements
- Pool House Improvements
- Asphalt Mill and Overlay
- Painting Vents and Chimneys

Construction betterments under consideration:

- Larger Kitchen Layouts
- Exterior Plank Siding
- Interior Doors and Hardware
- Resurface Pool Deck
- Landscape Upgrades
- Retaining Wall Replacement

### **Family Self Sufficiency/Resident Services Detailed Report-Period YTD: November 2021**

25- Public Housing

47- Voucher

48- FSS Progress Reports

8- 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 at Lakeforest Mall
- Meeting with City of Rockville Department of Recreation, Police Department, Mount Calvary Baptist Church and Chores for Charity in preparation for the Nando's Peri Peri food distribution.
- RHE, the City of Rockville, and Mount Calvary Baptist Church partnered with Chores for Charity on November 24, 2021, to give out 300 meals donated from Nando's Peri Peri.

### **Fostering Youth into Independence (FYI) Vouchers**

- RHE has received sixteen (16) referrals from Montgomery County Child Welfare.
- RHE has been awarded fifteen (15) Fostering Youth into Independence Vouchers.
- RHE has issued fifteen (15) vouchers to youth transitioning into housing.
- Eleven (11) youths have leased.
- 1 Youth has ported (transferred) to Prince Georges County.
- Transitioning Youth Learning Collaborative (TYC) meeting.

### **Resident Services**

- Holiday Drive (Thanksgiving and Christmas).

### **7:00 PM City of Rockville (COR) Report**

In Director Habte's absence, Councilperson Ashton delivered the City of Rockville Report. Councilperson Ashton noted the following:

The Mayor and Council held a public hearing on the proposed MPDU amendments on December 6th. Thank you for providing your public testimony. The Mayor and Council will take action on the same at its December 20<sup>th</sup> meeting. At the December 6<sup>th</sup> M&C meeting, the Mayor and Council approved the CDBG application for submission to the county. The approved non-profit applicants include: Christian Church Facilities for the Aging Incorporated, Housing Unlimited and Rockville Housing Enterprise. For RHE, \$47,275 of the requested \$105k was approved to help finance the installation of water usage monitoring system that will track usage at the unit level. Staff recommended that the balance be funded with other sources, including potentially ARPA. The City will be implementing smart meters that track usage at the property level (account level).

At the December 15<sup>th</sup> M&C meeting, the Mayor and Council held a work session to discuss FY23 budget and ARPA. For the FY23 budget, M&C discussed M&C priorities based on a survey. The budget survey is online for all residents. <https://www.surveymonkey.com/r/VDM9TK3> The survey close on April 15<sup>th</sup>. The Mayor and Council voted to encumber an additional \$1.9m of ARPA funds in addition to the previous allocation/encumbrance, leaving \$3.8m. Mayor and Council will discuss the remaining balance at a future meeting.

WMATA redevelopment concepts for the Rockville Station. Members of M&C highlighted affordable housing as part of the redevelopment plan.

The Mayor and Council will take action on the PILOT item at its December 20<sup>th</sup> meeting. In addition to the PILOT, M&C will also vote on a resolution that seeks to :

- Authorize and Approve the Disposition of Certain Real Property by Rockville Housing Enterprises
- Authorize the Acceptance of an Annual Payment in Lieu of Regularly Assessed Property Taxes from RHE Properties, Inc. for Thirty-Three (33) Scattered Site Single-Family Housing Units Located in the City of Rockville; and
- Retroactively Authorize and Approve the Establishment of RHE Properties, Inc.

The Mayor and Council will discuss 2022 legislative priorities for District 17 at the December 20<sup>th</sup> meeting. The legislative priorities will include:

*Enabling Authority for Jurisdictions to Post Electronic Legal Notices*

- o This priority entails advocating for enabling legislation that would authorize jurisdictions to post electronic Legal notices. Currently, Rockville and other municipalities are forced to post costly print notices in the Washington Post, since there are no local newspapers in Montgomery County.

*Support of Educational Needs Across the Spectrum*

- o This priority entails advocating in support of educational needs across the spectrum, by prioritizing engagement in all aspects of education policy, from birth through community college, including childcare, in order to secure additional State funding for capital and operating needs.

*Municipal Government – Highway User Fund Restoration*

- o This propriety entails advocating in support of the 2022 Maryland Municipal League and Rockville priority to preserve full and permanent restoration of Municipal Highway User Revenues beginning in FY25. Municipal HUR is funded at 85% of pre-recession level funding from FY20-24.

*Advocate that No Rockville Homes, Businesses, and Infrastructure are Taken in the I-270 & I-495 Managed Lanes Study*

- o This priority entails advocating in support of the City’s longstanding opposition to the project. Rockville residents are greatly concerned about the project's physical and equity impacts on their communities, encroachment on their lands, effects on traffic, and the high tolls. The District 17 Delegation and State legislature should continue to press the Administration to demonstrate how this massive P3 project can be financially viable.

Also, at the December 20<sup>th</sup> meeting, M&C will take action on Project Plan Application PJT2020-00012, to Allow Up to 350 Multifamily Units Instead of Office Development on an Undeveloped Property Within the Falls Grove Comprehensive Planned Development (CPD) at 1800 Research Boulevard; Key West Center Falls Grove LLC,



Applicants. This project is projected to deliver over 350 residential units (rental) and if M&C approve to amend the MPDU code, it could generate 15% MPDUs.

Finally, the City plans to open City Hall to the public On January 3<sup>rd</sup>. Vaccinations are required for employees, unless religious or medical exemptions are granted. Where exemptions are granted, weekly COVID testing is required. The Mayor and Council will discuss vaccinations requirement for Boards and Commissions, vendors, and contractors.

7:10 PM Actions and Discussion –  
**Scattered Site Conversion**

Director Anderson noted the Scattered Site Conversion PILOT and other associated approvals will be on the City Council Agenda for December 20, 2022. Director Anderson asked the Board if they had any last-minute comments or changes to the PILOT Agreement. Chairman Hedrick inquired about the address being removed and the additional restrictive covenant being removed. Director Anderson confirmed those removals from the final version of the PILOT agreement. Councilperson Ashton, also noted the fee in lieu of payment would not have a negative impact on the City as RHE has not been paying taxes on those properties. Director Anderson acknowledged the hard work that Ms. Habte and they City Attorney put in the create the PILOT and get it on the City Council Agenda.

Chairperson Hedrick read the Board Resolution for the additional resolution the HUD attorney requested that authorizes RHEP to acquire the 29 scattered sites and presented it for approval. Commissioner Duffy moved to approve the resolution; Commissioner Kaplowitz seconded the motion. All present voted aye.

**2022 Board Meeting Schedule** – Director Anderson presented the draft 2022 Board Meeting Schedule for review and approval by the Board. The January meeting date was adjusted to Thursday, January 20, 2022. Chairman Hedrick called for a motion to approve the 2022 Board Meeting Schedule as amended. Commissioner Marr moved to approve the 2022 Board Meeting Schedule; Commissioner Kaplowitz seconded the motion all present voted aye.

**RHE Foundation Creation Approval** - Director Anderson introduced the creation of the RHE Foundation to be the not-for-profit entity that will serve to accept large financial donations and apply for grants that require a not-for-profit status. The RHE Foundation will focus on grants for the development of resident services programs such as domestic violence, creating programs for our foster care youth and other self sufficiency related resident programs. Chairman Hedrick called for a motion to authorize the Executive Director to create RHE Foundation as a not-for-profit entity. Commissioner Kaplowitz moved to authorize the Executive Director to create RHE Foundation as a not-for-profit entity; Commissioner Marr seconded the motion. All present voted aye.

7:20 PM Commissioner Comments

Commissioners Marr, Duffy, Kaplowitz and Hedrick complemented Director Anderson and the Staff on completing the 3 project closings this year. Councilperson Ashton also provide thanks and congratulations to RHE on the progress made in 2021.

Chairman Hedrick noted that there are two persons that have expressed interest in being on the RHE Board. Chairman Hedrick noted he would send around their resumes to the rest of the Board.

7:35 PM Adjourned

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