

**Rockville Housing Enterprises  
Board of Commissioners Meeting Minutes  
October 26, 2022 Board Meeting**

**The Board of Commissioners for Rockville Housing Enterprises Regular Meeting on  
October 26, 2022**

**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 – Absent Excused  
Commissioner – Nathan Robbins

**In Attendance**

Jessica Anderson, Executive Director RHE  
Monique Ashton, Councilperson City of Rockville  
Christele Etienbla, RHE Staff Deputy Director  
Asmara Habte, Director of DHCD, City of Rockville  
Joseph Micallef, City of Rockville Senior Housing Analyst

6:30 PM Call to Order

Chairman Hedrick called the October, 2022, meeting of the Rockville Housing Board of Commissioners Meeting to Order.

6:47 PM Consent Items

Chairman Hedrick called for a vote to approve the meeting minutes from the following Board Meetings; September 28, 2022, and October 14, 2022; Commissioner Duffy moved the meeting minutes be approved; Commissioner Marr seconded the motion. All present voted aye.

6:49 PM Citizen Forum

Chairman Hedrick asked if there were any citizens present that had any comments. There were none.

Chairman Hedrick called for the next item on the agenda, Executive Director's Report:  
**Activities during the month of September**

## Activities during the month of September 2022

### Meetings/Activities

- REAC Inspections RELP One. September 12, 2022.
- REAC Inspection David Scull September 19, 2022
- Parkside Landing Property Management calls were held bi-weekly.
- Parkside Landing Ribbon Cutting held on September 13, 2022
- Weekly closing calls held for Parkside final endorsement.
- Mayor and Council Meeting September 12, 2022
- MTW Resident Meetings held on September 20 and 21, 2022
- MTW/Annual Plan Public Hearing held on October 5, 2022

### Upcoming Activities

- Mayor and Council presentation October 24, 2022
- Closing on acquisition November 1, 2022. Assumption of property management 10-31-2022

### Financial Management (See Tab 3)

#### **Housing Choice Voucher (HCV) Program (404 Regular Vouchers ;) FYB 10-1-2021**

The Net Restricted Assets (HAP) for the month of September 2022 is a positive \$37,985. Year to date the HAP is a negative (\$347,463.39). The RNP based on the prior year balance of \$687,865 carried over is \$340,401.61.

The Un-Restricted Net Assets (Administrative Expenses) for the month ending September 2022 is a positive \$3,743.25. Year to date is a positive \$11,873.09.

#### **Mainstream Vouchers (50 Mainstream) FYB 10-1-2021**

The Net Restricted Assets (HAP) for the month of September 2022 is a positive \$2,524. Year to date the HAP is positive \$3,887.52 due from HUD reconciliation against held reserves necessary to reduce equity deficit to zero for financial reporting purpose.

The Unrestricted Net Assets (Administrative Expenses) for the month ending September 2022 is a positive \$2,685.22. Year to date is positive \$1,455.01.

#### **Mod Rehab Program (5 Mod Vouchers) FYB 10-1-2021**

The Program cash flow for the month of September 2022 is a positive \$8,692. Year to date the HAP is negative (\$5,023). The prior year positive carry over amount is \$17,116 resulting in a program balance of \$12,093.

#### **Public Housing Program (PH) (79 PH Units) FYB 10-1-2021**

The Net Income on the PH Cash Flow Report for the month of September 2022 indicates a (\$33,289.06) due to administrative salaries-3 pay periods, the payment of property taxes, and two payments for the water and sewer bills. Year to date is a positive \$33.27.

Expenses were reallocated from PH to RHEP Scattered Site to end the fiscal year in a positive position.

**RHE Properties Scattered (29 – Scattered Units) FYB 01-1-2022**

The Cash Flow Statement for the month ending September 2022 indicates a negative (\$204.29) due to two unit turnover invoices. Year to date is a positive \$124,879.84.

**RELP – (56 Low Income Housing Tax Credit Units) FYB 01-1-2022**

The net income for RELP One for the month of September 2022 is a negative (\$18,450.87) due administrative salaries-3 pay periods, real estate taxes bills, several Pre-REAC repairs such as building repairs, painting, plumbing and one unit turnover. Year to date net income is a negative (\$28,914.86)

**RHE Properties (4 – Affordable Units) FYB 01-1-2022**

The Cash Flow Statement for the month ending September 2022 indicates a negative (\$7,208.14) due to the real estate taxes and tax preparation invoices. Year to date is a negative (\$3,767.64).

**RHE Corporation (the General Partnership entity for RELP One) FYB 01-1-2022**

There was no activity for this entity during the month of September 2022. Year to date net income is \$0.

**RHE Development Account (bank account that receives and holds non-federal funds) FYB-10-1-2022**

The Cash Flow Statement for the month ending September 2022 indicates a positive \$84,887.44. Year to date net income is a positive \$109,026.15.

**RHE FIRESIDE PARK FYB 01-2022**

The Cash Flow Statement for the month ending August 2022 indicates a positive \$143,437.10. Year to date net income is a positive \$1,091,590.01. At the time of the printing of this report, the Financials for the month of September has not yet been received from Parkside Landing Apartments.

**Asset Management September 2022 (See TAB 4 and TAB 6 of Board Report)**

- PH Occupancy (David Scull) was as follows (76 units):
  - 97.37% for the month ending September– (2 vacancies)
  - Rent Collection Percentage 111.35%
- RHEP PBV Scattered Sites Occupancy (Scattered Sites) was as follows (29 units):
  - 100% for the month ending September
  - Rent Collection Percentage 99%
- RELP One Occupancy was as follows (56 units).:
  - 96% for the month ending September – (2 vacant)
  - Rent Collection Percentage 107.73%
- RHEP Occupancy was as follows: (4 units).

- 100% for the month ending September
- Rent Collection Percentage 76%
- Fireside Occupancy was as follows:
  - Occupancy – 95% occupancy rate for the month ending September

Maintenance Activity Summary for September

- RHE maintenance staff completed 155 work orders in September due Pre REAC-Inspections.
- REAC inspection were completed for RELP 1, Fireside, and David Scull. Both RELP 1 and Fireside received scores of 93%. The score for David Scull is still pending.
- RHE maintenance staff accompanied pest control on 38 preventive pest control appointments.
- The maintenance department facilitated 19 HQS inspections with third-party landlords in the month of September .
- There were 0 move-in and 2 move-outs for September. Vacant units are in process of turnover.

Housing Choice Voucher Program (HCVP) Management

**September 2022**

- HCV Program voucher units leased for the month ending September 2022 was 85.10%, and calendar year to date in September 2022 was 85.01%. HCV Program budget utilization for the month ending September 2022 was 93.42% and calendar year to date in September 2022 was 100.98%.
- The 50-unit Mainstream Disabled Voucher program for which funds are allocated dollar for dollar based on utilization is 90% leased for the month of September 2022.
- 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 September 2022.
- The 10 VASH vouchers are 40% leased. Two additional VASH vouchers have been issued and the clients are searching for a unit.

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

- RHE has received twenty-two (22) referrals from Montgomery County Child Welfare.
- RHE has been awarded eighteen (18) Fostering Youth into Independence Vouchers.
- RHE has issued eighteen (18) vouchers to youth transitioning into housing.
- Seventeen (17) vouchers are leased.

**Parkside Landing**

**Reporting Period:** September 2022

**Updates**

- The upper and lower parking lot entrance retaining walls have been completed and the installation of the vegetation is underway.
- Development Team has completed the cost certification and submission of the final draw.
- Ownership team is holding regular calls with the PNC debt team to drive towards the permanent loan conversion process.
- RHE’s Ribbon cutting ceremony was a success.

**Section 3/MBE Participation**

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

**Look-Ahead**

- RHE conducts bi-weekly transition progress/coordination calls with WINN management
- Jubilee Housing will be hosting a community celebration for their residents at Parkside Landing on Friday, Oct. 21<sup>st</sup>.
- Site team, development team, general contractor, property management conducting detailed site walks to evaluate and troubleshoot chronic unit/site issues post construction completion.
- Work with management team to achieve both economic/physical vacancy goals for stabilization and conversion.
- Occupancy Report attached.

**Family Self Sufficiency/Resident Services Report-Period YTD: August 2022**

25- Public Housing

9- Homeownership

22- FSS Progress Reports

2- Homeownership Closings Pending

47- Voucher

**Resident Opportunities and Self-Sufficiency Services Detailed Report-Period YTD: September 2022**

37- Public Housing Enrollments

12- Progress Reports

**YOUTH SERVICES**

- After school programming Mon-Friday 3:30 – 6:30 pm

## **NEWSLETTER**

### **COMMUNITY AND PUBLIC**

- COVID Rent relief
- Rocktoberfest

### **EMPLOYMENT**

- Second Chance Job & Resource Fair (virtual)
- Montgomery County Police Department
- City of Rockville Police Department
- Montgomery County Public Schools
- Frito Lay
- Salisbury University Job & Internship Fair
- Maryland Department of Public Safety and Correctional Services Healthcare Virtual Job Fair

### **LIFE SKILLS/TRAINING**

- Gilchrist - Citizenship Preparation Classes

### **EDUCATION**

- Montgomery College – Certified Nursing Assistant (CNA)
- College Bound Scholarship
- Emma’s Torch – Culinary Job Training
- Montgomery College – GED Preparation
- Maryland Department of Labor Adult High School Program
- Montgomery College Trio-Educational Opportunity Center
- Montgomery College Make Your Move College and Career Services

### **FINANCIAL LITERACY**

- Affordable program for broadband internet
- Beginners guide to fintech products
- Managing Debt
- Conquering debt
- What every family should now about money
- Managing your money
- Passport to Financial Literacy for youth
- Your money values and influences

### **CAREER SERVICES**

- Maryland Workforce Exchange

- Worksource Montgomery
- Career Catchers

### **7:08 PM City of Rockville (COR) Report**

Asmara Habte presented the City of Rockville report.

- CDBG Application Due date has been extended to 12-12-2022
  - RHE's application has been received
- Next Presentation to Mayor and Council on Scarborough Square is set for November 5<sup>th</sup> (actually the 7<sup>th</sup>). There could also be a November 21, meeting and Mayor and Council action on December 5<sup>th</sup>.
- Bank of Rockville is planning to launch in December.
- City of Rockville Budget season has started. Ms. Habte will send out link to the budget survey. Ms. Habte encouraged RHE Board Members and Staff to complete the survey.

7:15 PM Actions and Discussion –

### **Executive Session**

Chairman Hedrick called for a motion to suspend the open session and enter into Executive Session in accordance with Article 3-305(b)(3) to consider the acquisition of real property and matters related thereto. Commissioner Duffy moved to suspend the open session and enter into Executive Session; Commissioner Robbins seconded the motion. All present voted aye. The open session was suspended and Executive Session began. Executive Session discussions were held.

Chairman Hedrick called for a motion to conclude the Executive Session and open the Regular Session. Commissioner Duffy moved to conclude the Executive Session and commence the Regular Session; Commissioner Marr seconded the motion. All present voted aye.

Chairman Hedrick called for a motion to approve Resolution Number 2022-12 authorizing RHE Corporation to contribute the sum of \$100.00 to the Company for use in acquisition of the Scarborough Square or such other manner deemed necessary or desirable by RHE Corporation. The Executive Director of RHE is authorized to execute the Articles of Organization and file them with the Department to form the Company. The Executive Director of RHE and the Secretary of RHE Corporation are each authorized to execute the Assignment of Membership Interest to assign and transfer all of RHE's membership interest in the Company to RHE Corporation. The Secretary of RHE Corporation is authorized to execute the Purchase and Sale Agreement on behalf of the Company to acquire Scarborough Square from the County or an affiliate owned and/or controlled, directly or indirectly, by the County. The Executive Director of RHE and the Secretary of RHE Corporation are each authorized to execute and deliver all documents necessary, desirable or appropriate to consummate the Interim County Loan,

the County Refinancing Loan, the ORLO Loan and the City Loan, including any note, deed of trust, regulatory agreement, loan agreement, guaranties, if any, and/or other related loan documents on behalf of RHE, RHE Corporation or the Company, including any documents necessary, desirable or appropriate to effectuate the assignment of the City Loan to the Company.

Commissioner Marr moved to adopt Resolution 2022-12. Commissioner Duffy seconded the motion, all present voted aye.

Chairman Hedrick called for a motion to adopt the Assignment of Membership interest for RHE Corporation. Commissioner Duffy moved to adopt the Assignment of Membership interest for RHE Corporation; Commissioner Marr seconded the motion. All present voted aye.

Chairman Hedrick called for a motion to approve the Operating Agreement for RHE Scarborough Square LLC. Commissioner Duffy moved to approve the Operating Agreement for RHE Scarborough Square LLC; Commissioner Marr seconded the motion. All present voted aye.

Chairman Hedrick called for a motion to approve the Property Management Agreement with The Bainbridge Mid Atlantic Management for Scarborough Square. Commissioner Duffy moved to approve the Property Management Agreement with Bainbridge Mid Atlantic Management; Commissioner Marr seconded the motion. All present voted aye.

#### **Internal Control Policy Review**

Director Anderson reviewed the updates to the Internal Control Policy.

Chairman Hedrick called for a motion to approve the updates to the RHE Internal Control Policy. Commissioner Duffy moved to approve the updates to the RHE Internal Control Policy; Commissioner Marr seconded the motion. All present voted aye.

#### **Public Housing Tenant Accounts Receivable Write Offs**

Director Anderson reviewed the updates to the Internal Control Policy.

Chairman Hedrick called for a motion to approve the tenant account receivables write offs for the Public Housing Program in the amount of \$5,537.41. Commissioner Duffy moved to approve the tenant account receivables write offs for the Public Housing Program in the amount of \$5,537.41; Commissioner Marr seconded the motion. All present voted aye.

#### **RHE Annual Plan and MTW Supplement FY2023 Approval**

Director Anderson note the FY 2023 Annual Plan and MTW Supplement was presented at 3 separate resident meetings; the Public Hearing Held on October 5, 2022 and was reviewed with the Board during the regular September Board Meeting.

Chairman Hedrick called for a motion to approve the FY 2023 Annual Plan and MTW Supplement which includes the updates to the Housing Choice Voucher Program

Administrative Plan and Public Housing Admissions and Occupancy Policy. Commissioner Marr moved to approve the FY 2023 Annual Plan and MTW Supplement; Commissioner Duffy seconded the motion. All present voted aye.

**Other Items Discussed**

Director Anderson noted the RHE Administrative Offices no longer has space available for new employees. The office suite next door is available and Management is considering the additional space to house the Resident Services Staff.

Director Anderson put for December 13<sup>th</sup> and December 14<sup>th</sup> for the RHE Strategic Planning Sessions. Director Anderson inquired of the Board if morning meeting times or afternoon meeting times would work best. The consensus was morning meeting times.

**Commissioners Comments**

Commissioner Marr offered commendation to Director Anderson and her team for the Scarborough Square acquisition.

**7:45 PM Adjourned**

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