

**Rockville Housing Enterprises
Board of Commissioners Meeting Minutes
February 22 2023 Board Meeting**

**The Board of Commissioners for Rockville Housing Enterprises Annual Meeting on
February 22, 2023, at 6:30 p.m.**

MEETING TO BE HELD VIA ZOOM/ TELECONFERENCE

To Join via Zoom Video Conference:

<https://zoom.us/join> Meeting ID: 92765065009 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 – Nathan Robbins
Commissioner – Stacy Kaplowitz
Commissioner – Steve Marr

In Attendance

Jessica Anderson, Executive Director RHE
Christele Etienbla, RHE Staff Deputy Director
Monique Ashton, Councilperson City of Rockville
Asmara Habte, Director of DHCD, City of Rockville
Tosha Dyson, RHE Staff Manager of Special Programs
Wynston Smith, RHE Project Manager
Barack Matite, Deputy City Manager

6:32 PM Call to Order

Chairman – James Hedrick, PhD called the February 22, 2023, meeting of the Rockville Housing Board of Commissioners Meeting to Order.

6:34 PM Consent Items

Chairman – James Hedrick, PhD called for a vote to approve the meeting minutes from the following Board Meeting; January 25, 2022; Commissioner- Edward J. Duffy seconded this motion. All present voted aye.

6:37 PM Citizen Forum

Chairman – James Hedrick, PhD asked if there were any citizens present that had any comments. There were none.

Chairman – James Hedrick, PhD called for the next item on the agenda, Executive Director’s Report:

Activities during the month January 2023

Meetings/Activities

- Parkside Landing Property Management calls are now held monthly
- RHE assumed the property management of Scarborough Square as of January 10, 2023.

Upcoming Activities

- RHE Scarborough Square closing reception February 28, 2023
- RHE Annual Report Vol. 1 is completed, and will be distributed on February 28, 2023

RHE received the draft documents of the City of Rockville approved loan, agreement for Scarborough Square and they are being reviewed by legal.

Financial Management (See Tab 3)

Housing Choice Voucher (HCV) Program (404 Regular Vouchers ;) FYB 10-1-2022

The Net Restricted Assets (HAP) for the month of January 2023 is a positive \$1,328. Year to date the HAP is a positive \$72,259.70.

The Un-Restricted Net Assets (Administrative Expenses) for the month ending January 2023 is a negative (\$92,460.25) due to the payment of CDBG invoices. Year to date is a negative (\$47,023.04).

Mainstream Vouchers (50 Mainstream) FYB 10-1-2022

The Net Restricted Assets (HAP) for the month of January 2023 is a negative (\$8,789) due to retroactive payments made to the landlord. Year to date is a negative (\$8,627).

The Unrestricted Net Assets (Administrative Expenses) for the month ending January 2023 is a positive \$2,093.53. Year to date is a positive \$11,788.28.

Mod Rehab Program (5 Mod Vouchers) FYB 10-1-2022

The Program cash flow for the month of January 2023 is a negative (\$249). Year to date the HAP is a negative (\$996).

Public Housing Program (PH) (79 PH Units) FYB 10-1-2022

The Net Income on the PH Cash Flow Report for the month of January 2023 indicates a positive \$33,232.79. Year to date is a positive \$3,751.75.

RHE Properties Scattered (29 – Scattered Units) FYB 01-1-2023

The Cash Flow Statement for the month ending January 2023 indicates a positive \$27,736.99. Year to date is a positive \$27,736.99.

RELP – (56 Low Income Housing Tax Credit Units) FYB 01-1-2023

The net income for RELP One for the month of January 2023 is positive \$2,680.29. Year to date net income is a positive \$2,680.29

RHE Properties (4 – Affordable Units) FYB 01-1-2023

The Cash Flow Statement for the month ending January 2023 indicates a positive \$2,454.98. Year to date is a positive \$2,454.98.

RHE Corporation (the General Partnership entity for RELP One) FYB 01-1-2023

There was no activity for this entity during the month of January 2023. 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 January 2023 indicates a positive \$41,087.32. Year to date net income is a negative (\$13,493.12).

RHE FIRESIDE PARK FYB 01-2023

The Cash Flow Statement for the month ending January 23 indicates a positive \$131,063.69. Year to date net income is a positive \$131,063.69.

RHE Scarborough Square FYB-01-1-2022- From Bainbridge

The Cash Flow Statement for the month ending November 2022 indicates a positive \$208,399.37. Year to date net income is a positive \$208,399.37.

The Cash Flow Statement for the month ending December 2022 indicates a positive \$221,540.41. Year to date net income is a positive \$480,760.02

Asset Management January 2023 (See TAB 4 and TAB 6 of Board Report)

- PH Occupancy (David Scull) was as follows (76 units):
 - 98.68% for the month ending January – (1 vacancy)
 - Rent Collection Percentage 99.66%
- RHEP PBV Scattered Sites Occupancy (Scattered Sites) was as follows (29 units):
 - 96.55% for the month ending January - (1 vacancy)
 - Rent Collection Percentage 100.79%
- RELP One Occupancy was as follows (56 units).:
 - 98.21% for the month ending January – (1 vacancy)
 - Rent Collection Percentage 99.85%
- RHEP Occupancy was as follows: (4 units).

- 100% for the month ending January
- Rent Collection Percentage 100.04%
- Fireside Occupancy was as follows:
 - Occupancy – 98% occupancy rate for the month ending January.

Maintenance Activity Summary for January 2023

- RHE maintenance staff completed 94 work orders in January.
- RHE maintenance staff accompanied pest control on 38 preventive pest control appointments for David Scull.
- The maintenance department facilitated 16 HQS inspections with third-party landlords in the month of January.
- There were 0 move-ins and 0 move-outs in the month of January. Vacant units are in process of turnover.

Housing Choice Voucher Program (HCVP) Management

January 2023

- HCV Program voucher units leased for the month ending January 2023 was 82.69%, and calendar year to date in January 2023 was 82.69%. HCV Program budget utilization for the month ending January 2023 was 96.29% and calendar year to date in January 2023 was 96.29%.
- 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 January 2023.
- The 5-unit Moderate Rehabilitation Single Room Occupancy (SRO) program, for which funds are allocated dollar for dollar based on utilization, is 80% leased for the month of January 2023.
- 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 (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.
- Sixteen (16) youth has leased.
- Four (4) on waitlist

Parkside Landing

Reporting Period: January 2023

Updates

- LIHTC qualifications are ongoing for households.
- Landscaping: Stump grinding remaining.
- Key Fobs: 19 of 22 buildings complete.
- Underground Sewer Line Break under sidewalk & driveway.
- Bldg. 705 (fire bldg.) PVC water supply lines – Repaired. May need to survey other stacks/fire buildings.
- HVAC condensation lines freezing.
- Warranty Walks: Warranty walk with Harkins conducted on 10/10 and 1/25.
- Water & Sewer: Rockville Water issued \$50k credit to the project.
- Jubilee’s Concerns: The development team and management staff have been Marketing: Additional Signage needed – Leasing Office Sign, Employee Parking Signs
- Pre-REAC: Discuss plan to resolve deficiencies identified with Harkins and the WINN management team.

Look-Ahead

- 100% walk on the 5 buildings which were completed in 2022 (717, 719, 743, 745 & 747)
- Landscaping: Stump grinding remaining.
- Key Fobs: System not yet operational. 19 of 22 buildings ready.
- RHE conducts bi-weekly transition progress/coordination calls with WINN management
- Follow up on site team walks to formally close out chronic unit/site issues identified post construction completion.
- Work with management team to maintain both economic/physical vacancy goals for stabilization and conversion.
- Occupancy Report attached

Family Self Sufficiency/Resident Services Report-Period YTD: January 2023

25- Public Housing
 22- FSS Progress Reports
 47- Voucher

9- Homeownership
 1- Homeownership Closings Pending

Resident Opportunities and Self-Sufficiency Services Detailed Report-Period YTD: January 2023

43- Public Housing Enrollments

8- Progress Reports

YOUTH SERVICES

- After school programming Tues & Thursday 3:30 – 6:30 pm

NEWSLETTER

- VITA Tax Preparation

EMPLOYMENT

- City of Gaithersburg Police Dept

EDUCATION

- Montgomery College – Certified Nursing Assistant (CNA)
- Montgomery College – GED Preparation

CAREER SERVICES

- Career Catchers

Chairman – James Hedrick, PhD moves on to Actions and Discussion.

7:00 PM Actions and Discussion –

Resolution- Acknowledgement of regular and annual board meetings and affiliated subsidiary entities where Rockville housing enterprises' mission is to be an effective and innovative agency dedicated to enhancing opportunities for self-sufficiency and providing affordable housing. Commissioner- Edward J. Duffy moved to adopt the resolution; Commissioner Steve Marr seconded the motion. All present voted aye.

Annual elections of Officers. Director Anderson confirmed this election is for Rockville Housing Enterprises and RHE affiliate entities. Commissioner Duffy recommended that the existing Chair James Hedrick and Vice Chair Stacy Kaplowitz. Commissioner- Edward J. Duffy moved to nominate James Hedrick and Chairperson and Stacy Kaplowitz and Vice Chairperson Commissioner Steve Marr seconded the motion. All present voted aye.

Amended Articles of Organization and Cooperation Agreement with the City of Rockville Director Anderson presented the Amended Articles of Organization and Cooperation Agreement to the Board. Director Anderson noted RHE's desire to no longer get approval from the mayor and council for the following actions; property acquisition, creation of nonprofit entities, entering a new partnership, etc. Chairman James Hedrick, PhD noted this is a good move. Commissioner –Steve Marr noted he believes it is worth a try. It would give RHE greater autonomy. Commissioner- Edward J. Duffy recognized RHE is a different organization than when the first cooperation agreement was adopted in 1958. Commissioner Stacy Kaplowitz also noted the changes are a good move. Asmara Habte, Director of DHCD, City of Rockville, asked what the timing of this submission of the requested changes would be.

Director Anderson noted Commissioner – Steve Marr moved to approve the submission of the Amended Articles of Organization and Amended Cooperation agreement to the City of Rockville for consideration. Commissioner Edward J. Duffy seconded the motion. All present voted aye.

Award Approval for the RFP for Scarborough Square Asset management and Refinance consultant award.

Director Anderson presented the proposal submitted by CDC Capital for award approval. Director Anderson noted there was only one respondent to the RFP. The services include the asset management of the property from now until the completion of the refinance and construction through the issuance of the 8609; and services to provide the financing package for the refinance of Scarborough Square. The fee proposal included a monthly asset management fee of \$4,750 and a refinance service fee of either 1.5 % of the total project costs or 35% of the developer fee.

Commissioner Stacy Kaplowitz noted the cost was high while acknowledging the fees were within HUD established safe harbor. Commissioner Kaplowitz asked how the RFP was published? Director Anderson noted it was published on Public Housing Authority Directors Association, the RHE website and was sent directly to 3 bidders that might be interested. Commissioner Kaplowitz expressed the importance of the contractor providing a high level of service.

Commissioner Nathan Robbins noted he felt the fee was high. Commissioner- Edward J. Duffy noted the need to complete the refinance within the next two years and he referred to previous experience with fireside. Commissioner Duffy requested Director Anderson negotiate the fees lower if possible. Chairman Hedrick noted the importance of moving forward quickly to be able to meet the timeline. Commissioner Steve Marr expressed concern over the cost but also noted the importance of moving forward timely. James H. Chairman – James Hedrick, PhD called for a motion to approve. Commissioner Stacy Kaplowitz’s moved to approve the contract award to CDC Capital Commissioner Steve Marr seconded the motion. All present voted aye.

7:45 PM Commissioner’s Comments

Commissioner – Stacy Kaplowitz raised concern regarding the movement toward setting caps for rent increases. Commissioner Kaplowitz noted Prince George County is about to implement this and Montgomery County is talking about it. She is going to send out background information in that regard. Commissioner Kaplowitz noted the policy cap wouldn’t be good because it inhibits the ability to adjust to the market.

Commissioner- Edward J. Duffy noted that rent controls actual worsen housing situations. It closes the market to new housing and development because there is no chance of reselling with maximum equity.

Jessica Anderson, Executive Director RHE shares concerns with Commissioner Kaplowitz noting RHE's mission is to operate properties at affordable levels for our residents. However, we can only operate with sufficient cash flow. If RHE can't adjust to the market level expenses, the properties cannot be operated efficiently, which would lead to dilapidated housing.

Chairman James Hedrick, Ph.D. noted his hesitance to jump into the rent control discussion because currently, there are more immediate concerns RHE needs to address regarding the PILOT on the Montgomery County level..

Asmara Habte, Director of DHCD, City of Rockville, noted the voluntary rent guideline will be discussed at the Mayor-Council meeting staff on March 6, 2023. The voluntary rent guideline will be discussed, but rent control will more than likely be discussed because of the complaints from residents.

8:10 PM Adjourned

Chairman – James Hedrick, PhD called for a motion to adjourn. Chairman – James Hedrick, PhD moved to adjourn; Commissioner Kaplowitz seconded the motion. All present voted Aye.