Housing Opportunities Commission

AGENCY DESCRIPTION

The Housing Opportunities Commission (HOC) of Montgomery County, Maryland, is a public corporation authorized by State and local law to act as builder, developer, financier, owner, and manager of housing for low- and moderate-income persons in Montgomery County.

The agency was first established in Montgomery County in 1939 and reactivated by the County Council in 1966 as the Housing Authority of Montgomery County. It was retitled in 1974 as the Housing Opportunities Commission. Specific powers of the Commission include: acquiring land; utilizing Federal/State housing subsidies; executing mortgage loans, construction loans, and rent subsidy payments; providing permanent financing; purchasing mortgages; and issuing bonds.

PROGRAM DESCRIPTION AND OBJECTIVES

To meet its public mandate, HOC acts in cooperation with the County Department of Housing and Community Affairs, the Federal Department of Housing and Urban Development, the State Department of Housing and Community Development, local developers, lenders, realtors, and property owners to provide affordable rental and homeownership opportunities. The County, acting through the County Department of Housing and Community Affairs, sets housing policy, part of which is implemented by HOC.

HOC provides assisted housing to three income levels: very low, low, and moderate-income households. This objective is achieved, in part, through a full range of Federally-subsidized housing programs which consist of Public Housing Rental and Homeownership, the Federal Tax Credit Program, and the Housing Choice Voucher (HCV).

The Housing Opportunities Commission also provides below-market-rate housing through the use of non-County mortgage revenue bonds, as provided for under Federal and State statutes and regulations, in the following programs:

- The Single Family Mortgage Purchase Program
- Multi-Family Revenue Bond Program

The Strategic Plan, which the Commission publishes biennially, with annual updates of estimated unit production figures, provides a full description of the agency's plans for the production of new housing units and the maintenance of HOC current housing stock.

During the period covered by the most recent seven-year Strategic Plan, below-market-rate housing will be produced under the following programs, most of which rely heavily on County support:

- Moderately Priced Dwelling Units (MPDU) Programs
- New Construction
- Acquisition and Rehabilitation
- Homeownership Program

HIGHLIGHTS

- Supplemental funding for a new Telecommunications system at the Housing Opportunities Commission's headquarters
- Additional funding in FY06 and a greater level of funding in FY09-12 to support Public Housing Improvements

PROGRAM CONTACTS

Contact Gail Willison 301.929.2397 or Anita Aryeetey of the Office of Management and Budget at 240.777.2784 for more information regarding this department's capital budget.

CAPITAL PROGRAM REVIEW

Because the HOC capital program includes two revolving funds for interim financing, as well as one statutorily determined loan guarantee, there may be years when all funds are in use, and, thus, the six-year period shows no funding. This apparent lack of funding and activity is actually a reflection of the fact that fund capacity has been reached in the three projects. As repayments flow into the funds, additional expenditures may be made. For that reason, the Housing Opportunities Commission recommended FY07-12 Capital Program shows expenditures in the six-year period for the non-County funded projects. Shown in the FY07-12 Recommended Capital Improvements Program is the HOC request along with the Executive's recommendation, where the recommendation is different from the Agency's request.

The Housing Opportunities Commission relies on four funding sources to support the four projects included in its Capital Program: Current Revenue: General; County revolving funds for interim financing with expenditures up to a specified maximum; permanent financing provided by direct Federal Public Housing assistance; and HOC bonds that are guaranteed by the County up to a maximum of $50 million. Funds are replenished when HOC obtains permanent financing or in certain circumstances, through an additional County appropriation. HOC expects to purchase approximately 80

MPDU's and develop or acquire a total of 555 other affordable housing units over the six-year period.

For more information on the four ongoing projects in the HOC capital program, refer to the respective project description forms.

STATUTORY AUTHORITY

The Housing Opportunities Commission is authorized by Articles 44A and 44B of the Annotated Code of Maryland and Article VI, Housing Opportunities Act, Chapter 56, Montgomery County Code. The Montgomery County Code, Chapter 25A, Housing, Moderately Priced, and Chapter 25B, Housing Policy, further specifies the role of the Commission in implementing County housing policies.

Seven HOC Commissioners are appointed by the County Executive with concurrence of the County Council for five-year terms. The Commissioners determine HOC policies and programs and appoint an Executive Director who carries out policy and administers the activities of the Commission.