

EXECUTIVE RECOMMENDATION



Predevelopment Funds for HOC Office Headquarters (P091902)

Category	Housing Opportunities Commission	Date Last Modified	01/03/18
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Countywide	Status	Planning Stage

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
TOTAL EXPENDITURES	-	-	-	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
TOTAL FUNDING SOURCES	-	-	-	-	-	-	-	-	-	-	-

COMPARISON (\$000s)

	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years	FY 19 Approp.
Prior Year Approved	-	-	-	-	-	-	-	-	-	-	-	-
Agency Request	2,500	-	-	2,500	2,500	-	-	-	-	-	-	2,500
Recommended	-	-	-	-	-	-	-	-	-	-	-	-

CHANGE	TOTAL	%	6-YEAR	%	APPROP.	%
Agency Request vs Prior Year Approved	2,500	-	2,500	-	2,500	-
Recommended vs Prior Year Approved	-	-	-	-	-	-
Recommended vs Agency Request	(2,500)	-100.0%	(2,500)	-100.0%	(2,500)	-100.0%

Recommendation

Not Recommended. The Executive recommends that new projects that require County Revenue funding be considered within the context of the Operating Budget due to fiscal constraints.



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EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Planning, Design and Supervision	2,500	-	-	2,500	2,500	-	-	-	-	-	-
TOTAL EXPENDITURES	2,500	-	-	2,500	2,500	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Current Revenue: General	2,500	-	-	2,500	2,500	-	-	-	-	-	-
TOTAL FUNDING SOURCES	2,500	-	-	2,500	2,500	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	2,500	Year First Appropriation	
Appropriation FY 20 Request	-	Last FY's Cost Estimate	-
Cumulative Appropriation	-		
Expenditure / Encumbrances	-		
Unencumbered Balance	-		

Project Description

- The headquarters location of the Housing Opportunities Commission ("HOC") of Montgomery County is 10400 Detrick Avenue in Kensington (the "Kensington Office"), inside a former elementary school. HOC has occupied this space since 1983, subject to a lease agreement pursuant to which nominal lease payments are required.

The Kensington Office is an adaptive reuse of a former school building which was constructed in 1955. Consequently, there are a number of deficiencies, most of which cannot be easily cured. These include, but are not limited to, physical obsolescence of the building and some of its systems, inefficient layout that would be available in a purpose built office building, and the inability to comply with requirements of the Americans with Disability Act ("ADA"). The Kensington Office is also inconveniently located making client access a challenge for those who rely on public transportation.

Further, Montgomery County Public School ("MCPS"), which has an option on the site, is currently working to identify properties that could be brought back into service to meet the growing population educational needs. In the event 10400 Detrick

became available, MCPS would likely identify the location as one of these properties.

To effectively carry out its business of delivering affordable housing to persons of eligible income, the Commission requires appropriate administrative office space from which to conduct business. Staff estimates that HOC requires approximately 50,000 square feet of office space for its operations, and it anticipates consolidating the Silver Spring Service Center at a new headquarters site, bringing the estimated requirement to approximately 65,000 square feet of space. Relocating service center operations to a new building would both reduce future costs of HOC operations and more conveniently serve HOC clients.

Therefore, staff proposes the submission of a request for \$2,500,000 from the Montgomery County Capital Improvements Plan for FY'19. If approved, the funds will be used to conduct a search for suitable office space for HOC and to conduct third party studies to construct a new HOC office building or to procure, renovate, and retrofit an existing building.