

**MEMORANDUM**

April 22, 2019

TO: Planning, Housing, and Economic Development Committee  
FROM: Linda McMillan, Senior Legislative Analyst *lame*  
SUBJECT: **Worksession: FY20 Operating Budget**  
**Housing Opportunities Commission**  
PURPOSE: Committee recommendation; vote required

***Those expected to attend this worksession:***

Stacy Spann, Executive Director, Housing Opportunities Commission (HOC)  
Fred Swan, Director of Resident Services, HOC  
Terri Fowler, Budget Officer, HOC  
Pofen Salem, Office of Management and Budget

**Overview**

For FY20, the County Executive recommends that \$6,788,049 in County tax-supported funding be provided to the Housing Opportunities Commission in support of HOC activities. This is an increase of \$107,779, or 1.6% increase from the FY19 originally approved amount of \$6,680,270. These funds are appropriated to the HOC Non-Departmental Account (NDA) and then provided to HOC.

FY14 Approved	6,093,310
FY15 Approved	6,376,480
FY16 Approved	6,401,408
FY17 Approved	6,513,040
FY18 Approved	6,536,889
FY19 Approved	6,680,270
FY20 Recommended	6,788,049
% Change FY19-20	1.6%

Approved is original approved and does not include any Savings Plan reduction

The Executive's budget indicates he took the following adjustments into account in his FY20 Recommendation:

Compensation Adjustment:	\$220,000
Rental License Fee Adjustment:	\$ 21,384
Miscellaneous Operating:	<u>(\$133,605)</u>
Net Change:	\$107,779

In addition to these funds, HOC also receives County funding through the Capital Improvements Program, the Housing Initiative Fund (affordable housing financing assistance, Rent Supplement Program, and Crossroads Homeownership Program), the Department of Health and Human Services and an abatement of taxes through the Payment In Lieu of Taxes (PILOT) program. However, most of HOC's budget does not come from County funding. HOC's FY19 Adopted Budget has revenues and expenditures of \$264.7 million, with the largest revenue and expense item being the Housing Choice Voucher Program.

Regarding the use of this NDA funding, HOC does not adopt its fiscal year budget until June. However, HOC has provided Council staff with the expected use of the funding from the Non-Departmental Account.

	FY19 Approved*	FY20 CE
Resident Services	\$4,688,115	\$4,923,041
Customer Services Centers – Client Services	781,321	632,790
Customer Service Centers - Rent	100,000	100,000
Homeowners Association Fees	157,640	157,640
Holy Cross Center at Elizabeth House	10,000	10,000
Rental License Fees	413,194	434,578
Public/Affordable Housing Electricity	530,000	530,000
<b>Total</b>	<b>\$6,680,270</b>	<b>\$6,788,049</b>
* Does not include FY19 Savings Plan Reduction of \$100,204		

Attached at © 1-9 is an excerpt from the HOC FY19 Approved Budget that provides a summary of HOC's activities regarding real estate development (both new construction and renovations), in mortgage financing, its assistance to help first-time, and certain non-first-time, homebuyers both through an enhancement of its Mortgage Purchase Program and through the new Crossroads to Homeownership Pilot Program that assists people with credit scores between 620 and 650. This new program is supported by the Housing Initiative Fund. The summary also describes some of the programs that support HOC families including the HOC Academy and Fatherhood Initiative.

Attached at © 10-11 is a summary of HOC's Mission and Vision Statements and Strategic Plan Goals that is included in its Approved Budget. Notably, HOC has an outcome measure of adding 1,000 affordable housing units by 2022. Related to the Committee's previous discussion of eviction prevention, HOC also has a goal of "Keeping People Housed" including providing at-risk HOC customers with an assessment to determine appropriate supportive services and intervention alternatives. HOC also has goals regarding increasing participation in adult education, workforce development, and youth education and enrichment programs.

**Council staff recommendation:** Approve County Executive's recommended total amount of \$6,788,049 recognizing that HOC may need to allocate the funding differently.





# **Adopted Budget Fiscal Year 2019**



# Budget Message

Adopted Budget  
June 6, 2018

## From Stacy L. Spann, Executive Director

According to a recent study by the Harvard professor Raj Chetty, the earlier a low-income child moves to a good neighborhood the greater their chance at achieving upward mobility. For the most vulnerable children, the vast majority of census tracts in the United States fail to provide that opportunity. The good news is that Montgomery County ranks among the top ten counties in the country for offering vulnerable children a chance at real success. The results of this study tell us what we already know - that the work we do at the Housing Opportunities Commission (HOC), as Housers, matters.

HOC's Fiscal Year (FY) 2019 budget reflects the urgency of our mission and aligns with the Agency's 2018-2022 strategic plan. As Housers, our work is focused on just three things:

- 1) Getting People Housed;
- 2) Keeping People Housed; and
- 3) Helping Customers Reach Their Fullest Potential.

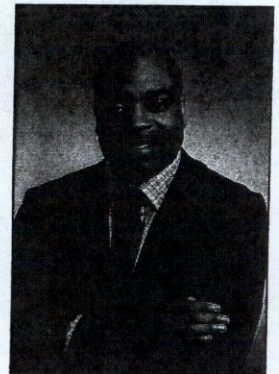
One of the most important ways we do this is by creating Community Connected Housing and serving the whole family. Community connected housing exists in "healthy" neighborhoods that provide strong employment, educational and recreational access as well as environmental amenities that include local service institutions.

With these priorities in mind, this FY 2019 budget sets a course that

continues to *invest in affordable housing assets as we expand and preserve the County's affordable housing supply*. We will do this by enhancing affordability and increasing the number of housing resources available within the County.

To accomplish this, HOC employs diverse financing and development strategies to get people housed and meet the range of affordable housing needs in the County. One example is the way we have maximized the opportunity presented through the use of HUD's Rental Assistance Demonstration (RAD) Program, where we are positioned to increase the overall supply of mixed-income affordable housing in Montgomery County, creating integrated communities where crucial resources exist. In the spring of 2019, we will have completed the conversion of all our multifamily Public Housing properties to project based subsidies. HOC's ability to pivot toward more sustainable funding has resulted in significant reinvestment in our real property assets. As a result, we are able to provide stable, high-quality affordable housing that families can depend on.

In addition to investing in our housing and increasing the overall supply, HOC intends to *leverage our valuable and scarce resources to strengthen agency operations* by being strategic in how we use resources. One way that we will do this is by reducing and streamlining paperwork wherever possible to get people housed as quickly as possible.



### Special points of interest:

"The FY 2019 budget sets a course that continues to *invest in affordable housing assets as we expand and preserve the county's affordable housing supply*."

This budget continues to make technology investments that provide more self-service options so that customers can get answers to questions, submit paperwork, or request service 24 hours a day.

HOC will keep people housed by ensuring units are maintained to the highest standards and that customers remain connected to their community. By offering service connections and counseling services to at-risk households, HOC helps increase housing stability for vulnerable populations, including seniors and persons with disabilities. Over the past year, HOC customers have benefited from increased programming on financial literacy and budget counseling in addition to other supportive services that help keep families stably housed. Developing and implementing interventions that meet customers where they are along the spectrum of affordable housing needs is crucial to stemming housing loss for at-risk populations.

Furthermore, keeping families connected to their homes requires significant attention to and investment in both property maintenance and property management. Effective and efficient operation of both divisions are necessary to ensure the preservation of affordable best-in-class properties.

Streamlining programs and operations will allow staff to *spend less time processing paperwork and more time focusing on our customers*. By enhancing both program efficiency and service delivery, HOC can provide greater support to our most vulnerable customers so they remain stably housed.

Through programs like HOC Academy, Family Self-Sufficiency, and the Fatherhood Initiative, HOC helps customers reach their fullest potential by developing strategic community partnerships that offer robust workforce, training and educational opportunities. Together with non-profit organizations, schools, and other agencies, HOC provides customers with the tools and training to take charge of their futures and pursue their ambitions. Using a two-generational approach, we look for opportunities to engage both

parents and children together, ensuring the whole family has access to HOC's basket of services.

This Fiscal Year 2019 budget demonstrates these priorities of connecting customers to opportunity and reinforcing our identity as Housers. As mission-driven Housers and Montgomery County's foremost affordable housing provider, we embrace our role as community-builders and conveners, using housing as a platform.

Essential to our work are partners and volunteers who demonstrate an unwavering sense of duty to this community. Their passion helps drive our work, and will help propel our mission forward. Our ability to continue innovating in Montgomery County requires strong partnerships and collaboration with the County Executive and County Council. Finally, with the steady guidance of our Commissioners and the hard work of our staff, HOC will continue to pursue a vision of Montgomery County where individuals can improve their economic status, remain stably housed and reach the goals they hold for themselves and their families.

The research findings are clear, Montgomery County is among the best communities in the country for vulnerable children to live and grow so they have the best opportunity to reach their potential if their basic needs are met. *One of the most basic of needs we all have is shelter*. We believe a community like Montgomery County deserves world-class housing options so that all of its citizens may thrive.

The FY 2019 Operating Budget of \$264.7 million and Capital Budget of \$249.7 million support these priorities and objectives and endeavors to honor the support we continue to receive from all of our partners.



# Budget Highlights

Adopted Budget  
June 6, 2018

## FY 2019 Budget Highlights

### Real Estate Development

During FY 2019, the Real Estate Development Division will continue to reflect on community building within the context of the HOC Real Estate Portfolio. This continued effort will be driven through three (3) basic principles: revitalization, regeneration and preservation. HOC's revitalization efforts will continue to focus on the modernization of the physical improvements to HOC's comprehensive design and efficiency guidelines. As a result of this implementation, more of the portfolio will be highly amenitized and desirable for our residents. The regeneration effort will continue to closely focus on the people in the communities HOC serves. HOC has directed its efforts around building partnerships with existing residents and neighbors to honor the sacredness of the created space and transform it without excluding or displacing long-term community members. These efforts require creative thinking, innovative partnerships and patience to implement, and the results will create a model that is scalable and welcomed throughout the County. The preservation effort will be through acquiring affordable rental communities throughout Montgomery County that are vulnerable to redevelopment and resident displacement. HOC is unique in that through the Montgomery County, Maryland Right of First Refusal (ROFR) Ordinance, HOC has the right to match a sales contract, should HOC deem that the acquisition fits within its mission and is able to obtain financing.

In FY 2019, HOC will have converted its tenth Public Housing assets to Project Based Section 8 subsidy via the Rental Assistance Demonstration (RAD) program. These conversions included total combined project budgets of \$100 million and raised capital sufficient to perform \$26 million in hard cost renovations to the properties. Including the

completed renovations to the RAD 6 properties now complete, which converted via RAD during FY 2015, HOC has now funded renovations for eight (8) of its 11 Public Housing assets. HOC plans to redevelop and permanently relocate the residents from the remaining Public Housing assets. Emory Grove, one of the remaining three, completed its permanent relocation in FY 2015 and demolition will occur in FY 2019. Holly Hall converted in FY 2018; however, some residents will remain at the property until the completion of 8240 Fenton, formerly known as 900 Thayer, which is the transfer of assistance property for 84 of the Holly Hall RAD subsidies. Once the transitions have completed, HOC would have effectively stabilized its former Public Housing portfolio, which comprised some of HOC's most vulnerable and underperforming assets.

FY 2017 saw HOC's first new construction start in a decade. In early FY 2017, HOC closed on the construction financing for and began building a new 11-story, 200-unit multifamily rental building on Chevy Chase Lake Drive in Chevy Chase, Maryland, called The Lindley. The \$74 million project will deliver 40 new affordable housing units and 40 new workforce housing units to one of the most affluent parts of the eighth most affluent county in the United States. A comprehensive renovation of HOC's 312-unit Alexander House with a total project cost of \$70 million also began in FY 2017. The Alexander House renovation is the first phase of HOC's Elizabeth Square project – the redevelopment of an entire downtown block of Silver Spring to be completed in four (4) phases. The first of two new-construction phases of the redevelopment will begin in FY 2019.

HOC started a second new construction project – 8240 Fenton, formerly known as 900 Thayer – in the fourth quarter of FY 2018. The land at 8240 Fenton



was purchased fully entitled for 124 multifamily units during FY 2016. The Commission will be able to place this new rental community into service by FY 2020, as relocation housing for its 10th RAD conversion, Holly Hall. Designed as a market-rate rental property, the use of 8240 Fenton as relocation housing will produce deeply subsidized but highly amenitized rental units in one of the most desirable parts of downtown Silver Spring.

In each of the five (5) fiscal years to follow FY 2019, HOC expects to start at least one additional new construction project. The advent of what is becoming the most productive period in HOC's history is largely driven by the coincidence of the emergence of RAD in response to the Public Housing funding crisis and Montgomery County's revisiting its sector and master plans (usually done every 20 to 30 years).

In FY 2018, the Real Estate Development Division also concentrated on completing the renovation of Arcola Towers and Waverly House, both senior housing communities and former Public Housing that were converted under RAD. With a combined renovation costs of \$36 million, Arcola Towers and Waverly House are effectively "like new", which have greatly improved the lives of 141 and 158 senior households, respectively. In addition, HOC exercised its rights under the ROFR Ordinance, and purchased toward the end of FY18 Cider Mill Apartments, an 864-unit affordable community located on 43 acres in Montgomery Village with rents below 60% of the Washington Metropolitan Statistical Area Median Income ("AMI").

In FY 2019, HOC will begin to address another large set of vulnerable assets within its portfolio. These are properties which have come to the end of the 15-year initial compliance periods ("Year 15 Portfolio") related to their use of Low Income Housing Tax Credit ("LIHTC") equity in funding prior renovations. Much like the Public Housing properties, the Year 15 Portfolio requires a reinvestment plan that produces either a comprehensive renovation of the property or a redevelopment of it.

However, in addition to being substantially larger, the restructuring and recapitalization of the 1,491-unit Year 15 Portfolio also differs from the restructuring and recapitalization of the Public Housing portfolio in two important ways. First, each of the Year 15 properties has at least two existing

debt obligations. Second, each has an existing limited partner investor. Ensuring that all physical capital needs are met, while still retiring all existing debt and maximizing value to HOC, will require implementing strategies that are possibly more challenging to produce but essential. The first two Year 15 properties to undergo redevelopment will be Shady Grove Apartments and Stewartown.

Owning property in nearly every Montgomery County sector and master plan, HOC has had several properties receive substantially increased density through the revision of zoning within those plans. By the time all of the sector and master plans have been reviewed in five (5) years' time, HOC will have had more than a dozen properties receive additional height and density – almost every time in a multiple of its existing density.

The re-syndication and renovation of some of the Year 15 properties, the two new construction starts, and several other related renovations, will generate approximately \$4.3 million in expected development fees in FY 2019.

#### **Mortgage Finance**

In 2013, the Commission, in conjunction with the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program, embarked on an initiative to convert the Agency's Public Housing to Project Based Voucher subsidy, thereby allowing the Commission to exit the traditional Public Housing program. This effort has presented an opportunity for the Multifamily Program, allowing for the issuance of tax-exempt financing, to participate in the rehabilitation or redevelopment of all 11 multifamily developments in the HOC Public Housing portfolio, with an emphasis on green, high quality, amenity rich rehabilitation to meet the needs of the residents and to clear a large and long backlog of capital needs. In FY 2015 and FY 2016, the Multifamily Program successfully financed the rehabilitation of eight (8) former Public Housing properties: Washington Square, Ken Gar Townhomes, Parkway Woods Townhomes, Towne Centre Place Townhomes, Sandy Spring Meadows Townhomes, Seneca Ridge Townhomes, Arcola Towers and Waverly House. RAD transactions will continue in FY 2019 and beyond, until the Commission exits Public Housing all together.



In August 2015, the Commission continued to widen its financing resources by authorizing the participation in a Federal Housing Administration (FHA) partnership with the Department of Treasury's Federal Financing Bank (FFB), whereby FFB would finance mortgages for stabilized and moderately rehabilitated developments that are insured by the FHA Multifamily Mortgage Risk-Sharing Program. The initiative builds on the success of the Risk Sharing Program by reducing the interest rate for affordable multifamily apartment development, compared to the cost of tax-exempt bonds, and provides long-term financing at rates benchmarked to a Ginnie Mae execution. Ginnie Mae is permitted to back other FHA mortgage insurance programs (i.e. HUD Section 221(d)(4) and 223(f)). In FY 2017, the Commission issued its first commitments to fund permanent mortgages under the FFB/FHA program for Alexander House and The Lindley, and in FY 2018, closed two (2) FFB/FHA mortgage loans for a combined amount of \$145 million issued for Cider Mill Apartments, Timberlawn Apartments and Pomander Court. This program is also offered to private developers, and in FY18, the Commission issued its first commitment to fund a third-party transaction slated to close in FY 2019.

The Multifamily Program continues to issue tax-exempt bonds for LIHTC transactions that provide the financing for the acquisition, construction or rehabilitation of affordable, mixed-income communities. These mortgages are insured by the FHA Risk Sharing Program. In FY 2018, the Commission issued \$12 million in tax-exempt bonds to finance the acquisition and rehabilitation of Greenhills Apartments, located in Damascus, Maryland.

In FY 2019, the Multifamily Program will continue to contribute Commitment Fees, Loan Management Fees, and other overhead revenue to the Agency's Operating Budget. This fiscal year will continue to present challenges: a changed financial and real estate market landscape; competition for development and acquisition opportunities in Montgomery County; pressures on tax exempt yields; and, limited access to soft debt to support affordable housing. Further, interest rates are expected to trend upward as the Federal Government tapers off its quantitative easing. The challenges notwithstanding, the Multifamily Program anticipates earning approximately

\$3.5 million in Commitment Fees in FY 2019.

In the Single Family Mortgage Purchase Program, the housing market has shown signs of improvement reflected in increased property values, resale prices, and shorter time periods on the market. Delinquencies and foreclosures have also seen an improvement, as numbers continue to trend downward; however, the amount of available affordable for-sale options have decreased, as seen in the decline of affordable home closings. As interest rates continue to push higher, having varied affordable mortgage and down payment assistance options will be necessary.

On May 5, 2012, the Commission enhanced the Single Family Mortgage Purchase Program (MPP) by adding a mortgage-backed security option and approved U.S. Bank National Association, as the Master Servicer for the program. The Commission now purchases guaranteed mortgage securities rather than whole loans. Servicing rights and responsibilities are transferred to U.S. Bank, thereby reducing delinquency and foreclosure risks for the Commission, while continuing to provide low cost mortgages to Montgomery County residents. In addition, Fannie Mae approved the Commission's participation in its HFA Preferred MBS program, in July of 2014. Therefore, since the Commission's MBS implementation, the Commission not only delivers MBS's that are guaranteed by Ginnie Mae for FHA insured loans, but also MBS's that are guaranteed by Fannie Mae, allowing the Commission to reenter the conventional market.

Due to this expansion, in August 2015, the Commission approved adding to the Single Family MPP below market interest rate loans (relative to MBS pricing) for first-time homebuyers, U.S. Department of Veterans Affairs (VA) loans, a non-first time homebuyers product, and governmental and conventional refinancing loans.

In 2017, HOC developed the Crossroads to Homeownership Pilot Program to provide an opportunity for first-time homebuyers who fall below the Single Family Program's minimum credit score of 660 but within the allowed credit score limits of FHA insured mortgages. For the Crossroads Program, a borrower must have a credit score between 620 and 659, and meet certain other requirements. Also in 2017, the Commission approved accepting a \$1 million grant from

Montgomery County to establish the Montgomery County Homeownership Assistance Fund, which will provide down payment and closing cost assistance for up to 40% of the household's qualifying income for a maximum of \$25,000. This new fund will roll out in FY 2019.

In June 2018, the Single Family Program completed a bond issuance that included the redemption of \$8.45 million of single family mortgage revenue bonds and \$29.45 million in new monies to purchase MBS's, which will be backed by below market interest rate mortgage loans for first-time homebuyers. Of these monies, \$2 million have been set aside for the Crossroads to Homeownership Pilot Program, which will be whole loans insured by FHA. Funds will be available to first-time homebuyers in the coming fiscal year.

In FY 2019, the Single Family Program is expected to continue to operate within the MBS secondary market and introduce a Freddie Mac conventional option to its loan products. For FY 2019 one (1) single family bond issuance is anticipated that will generate approximately \$30 million of new monies to purchase MBS's or make mortgage loans. Two scheduled redemptions will also be completed in FY 2019 totaling approximately \$13 million under the Mortgage Revenue and Housing Revenue Bond Indentures.

#### **Property Management Division**

The Property Management Division was restructured during FY 2016, and is now focused on managing the Agency's assets by providing operational and financial oversight and managing the operating budgets and capital budgets for the Agency's portfolios. Three Asset Managers oversee performance of onsite management staff, conduct regular property inspections, coordinate communication from the properties to HOC corporate office, and prepare reports and analyses to evaluate property performance.

#### **Property Maintenance Division**

In 2016, the Maintenance Division was bifurcated from Property Management to form its own division under the direction of a Chief Maintenance Officer, a Maintenance Manager, and four Maintenance Supervisors. The Maintenance Division supervises and coordinates all HUB maintenance operations,

fire and safety programs, and equipment inventory control, and ensures that the condition and appearance of the properties meet HOC standards. To ensure housing stock is maintained, Maintenance creates Requests for Proposals (RFPs) and Invitations for BID (IFBs), generate new service contracts, and approves purchase requisitions.

#### **Housing Choice Voucher and Public Housing (Federally Funded Programs)**

As Montgomery County's Public Housing Authority, HOC administers a Housing Choice Voucher (HCV) Program and is authorized to provide 7,179 vouchers. The voucher assistance is provided to families throughout the County, in apartments, townhouses, single family homes, mid- and high-rise buildings, and senior apartment communities. HOC was required to implement the mandatory use of Small Area Fair Market Rents (SAFMR) on April 1, 2018. As a result, we now have 26 different Voucher Payment Standards according to Montgomery County zip codes. The Voucher Payment Standards (VPS) are used to calculate the maximum subsidy that HOC will pay toward rent and utilities for rental units leased to HCV families in Montgomery County. In addition, HOC still owns and manages 136 Public Housing elderly units.

#### **Housing Choice Voucher**

HUD's allocation of vouchers includes Mainstream Disabled, Moderate Rehabilitation, Rental Assistance Demonstration (RAD) and Veterans Affairs Supportive Housing (VASH) vouchers. The voucher programs provide housing subsidy assistance through an array of categories such as Non-Elderly Disabled vouchers, Witness Protection vouchers and Opt-Out vouchers. HOC also administers a Project-Based Voucher (PBV) Program wherein the subsidy is tied to the actual unit. PBV contracts cannot exceed 20% of HOC's program baseline of 7,179 units are granted through the Request for Proposal (RFP) process. Additionally, HOC supports a Voucher Homeownership program which allows eligible voucher clients to use their voucher subsidy towards mortgage payments. The FY 2019 Adopted Budget was developed based on current utilization projections for FY 2018 and the anticipated funding levels provided by HUD for CY 2018 which projects a funding level for FY 2019 of \$89.8 million. The 2014 Appropriations Act requires that HUD apply a re-benchmarking renewal formula based on

validated leasing and cost data in the Voucher Management System (VMS) for CY 2018 to calculate the PHA's renewal allocation. Staff anticipates allocations of new vouchers and associated funding will be limited to special projects, Disposition, or for Veterans and Disabled persons. HOC will continue to respond to funding opportunities as they are presented.

#### **Public Housing and RAD**

HOC was approved for the Disposition of 669 Public Housing Scattered Site units through the Public Housing Demolition and Disposition program as described in Section 18 of the Housing Act of 1937. The Disposition was completed in August 2015. The program maintains long term affordability of the units and allows clients residing in the units, at the time of the Disposition, to use Housing Choice Vouchers to assist with rental expenses.

HOC also applied for and was approved to participate in the Rental Assistance Demonstration Program (RAD). HUD's RAD program preserves our housing stock and improves the lives of the clients we serve by converting multifamily properties receiving Public Housing subsidy to long-term project based Section 8 rental assistance contracts. Eight multifamily Public Housing communities had converted to RAD by December 2015, and the remaining properties began conversion in February 2018 with completion of the transition expected by Spring 2019.

HOC will continue to receive operating subsidy on the remaining Public Housing portfolio from HUD to bridge the gap between what residents pay in rent, which equals 30% of their adjusted gross income, and the cost of operating the units. The FY 2019 Budget was based on an 90% appropriation of eligibility and anticipates HOC will receive approximately \$750 thousand for FY 2019. The FY 2019 Adopted Budget also includes funding from Montgomery County via the County Main Grant to help offset rising utility costs.

#### **County Budget**

Montgomery County remains an important partner in the work of the Commission. The County provides both ongoing operating and capital support to the Commission. Most of the County's \$6.7 million operating budget supported social services and programs to clients and residents. Not only does the

funding create the fundamental infrastructure of that work, it is also the foundation for HOC to apply for grants to expand the reach of its supportive services. HOC's Resident Services Division leverages the County's operating support. The County's appropriation also supports HOC's properties, Housing Resource Service and Customer Service Centers.

Montgomery County has also been generous in providing capital support to HOC. For FY 2019, the County Executive's Adopted Capital Improvement Program includes \$1.25 million for capital improvements for HOC's deeply affordable units as well as a continuation of the funding necessary to complete the installation of sprinkler systems at Arcola Towers and Bauer Park.

#### **HOC Academy**

HOC offers expanded client services designed to help families and children break the cycle of inter-generational poverty. Started in 2014, HOC Academy has introduced programs to enable clients to become more self-sufficient through workforce development, training workshops and higher education opportunities.

In the area of youth enrichment, through HOC Academy, the Agency has increased the number of youth programs to include Science Technology Engineering and Math (STEM) activities; summer camps; educational field trips; and internships using grant awards totaling more than \$50,000. In the summer of 2015 HOC Academy offered two robotics camps and a game design camp, through those programs we were able to accommodate 60 youth. During the fall HOC Academy hosted 40 middle-school students at the West Point Mobile STEM Workshop and started our first afterschool robotics program at Tanglewood Apartments. In November 2015, HOC launched its new Girls Got IT! program using a \$3,000 grant from the National Center for Women & Information Technology (NCWIT). Since then, the program was awarded additional grants that allow the Agency to expand and serve more youth. Girls Got IT! targets girls in middle and high school. Using a near-peer model, Girls Got IT! inspires them to pursue technology-driven interests and careers.

From its beginning in the summer of 2015, HOC Academy's youth program has engaged over three



time as many young people in STEM programs. Over 400 youth have participated in STEM programs and events during the past fiscal year. Through new partnerships with MD Bio and Gap Buster, Inc. we hope to grow our STEM outreach even further.

**Fatherhood Initiative**

HOC is the first public housing agency ever awarded the Fatherhood Initiative grant from the U.S. Department of Health and Human Services' Administration for Children and Families. HOC's Fatherhood Initiative program kicked off in June 2016. The \$695,000 grant is renewable for five years and provides resources for classes, counseling, workforce development training and other services to fathers and their families.

# Summary

Adopted Budget  
June 6, 2018

## Mission and Vision Statements

### Mission

The mission of the Housing Opportunities Commission is to provide affordable housing and supportive housing services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland so that:

- No one in Montgomery County lives in substandard housing;
- We strengthen families and communities as good neighbors;
- We establish an efficient and productive environment that fosters trust, open communication and mutual respect; and
- We work with advocates, providers

### Strategic Plan Goals

#### Getting People Housed

HOC will increase the supply of affordable units in Montgomery County through development, financing, maximizing federal resources, and advocacy at the Federal, state and local level.

#### Measure:

Expand the supply of affordable housing within the county by 1,000 by 2022.

#### Implementation Actions:

- Maximize the number of households served by the Housing Choice

and community members to maintain support for all the work of the Commission.

### Vision

It is our vision that everyone should live in quality housing that is affordable, with dignity and respect. At HOC we believe this vision can be achieved by ensuring amenity rich, community connected housing for all of Montgomery County's residents where all people can reach their fullest potential. We believe supportive programs, delivered through mission-aligned partnerships, help our customers improve their economic status, remain stably housed and reach the goals they hold for themselves and their families.

Voucher program.

- Expand the supply of affordable housing by developing Community Connected Housing.
- Increase the number of affordable units in HOC's portfolio through development, redevelopment and acquisition.
- Preserve the current supply of affordable housing units through acquisition as well as investing in HOC's current portfolio to ensure units are not lost to obsolescence or disrepair.

### Special points of interest:

Mission and Vision Statements  
Strategic Plan  
Operating Budget Fund Summary  
Revenue Restrictions  
General Fund Summary  
Grant Summary  
Public Housing Fund Summary  
Housing Choice Voucher Fund Summary  
Opportunity Housing & Development Corp.  
Property Listings  
Bond Program

- Increase the number of affordable units developed in the county by supporting the development of non-HOC-owned affordable units through bond issuances.
- Increase the number of mortgages provided to Montgomery County residents.
- Advocate for additional housing resources and supportive policies sent within the county through Housing Choice Vouchers, Tax Credits and other affordable housing tools.

#### **Keeping People Housed**

HOC will provide every high-risk customer with assessment and service coordination in an attempt to stem housing loss and keep our most vulnerable customers connected to housing and their community.

#### **Measure:**

Increase housing stability for vulnerable populations by offering service connections and counseling services for 100% of vulnerable households identified as "at risk".

#### **Implementation Actions:**

- Conduct assessments for every HOC customer identified as "at-risk" for termination to assess supportive service needs and appropriate intervention alternatives.
- Develop and implement an early intervention system that identifies and offers services to all elderly and disabled residents who are at-risk for eviction and/or termination.
- Implement new initiatives that expand housing assistance for vulnerable populations.
- Strengthen our partnership with Montgomery County Department of Health and Human Services (DHHS).
- Explore data sharing agreement with key service providers, including DHHS, to facilitate access to physical and mental health services and intervention among shared clients.

#### **Helping Customers Reach Their Fullest Potential**

HOC will extend enrichment and supportive services beyond the 13,800 households served by our current housing programs to some of the nearly 32,100 households on our Housing Path wait list by making training available online.

#### **Measure:**

Increase participation in Adult Education, Workforce Development and Youth Education and Enrichment programs by 30%, touching 1,300 households annually.

#### **Implementation Actions:**

- Expand participation in the Family Self Sufficiency Program among HCV customers.
- Develop strategic partnerships with employers to create a Job Pipeline for HOC customers who successfully complete employment and other education based training programs.
- Expand the number of internet based training programs available to persons on the HOC Housing Path wait list.
- Extend recruitment for Workforce Development, Adult Education and Youth Education and Enrichment services to customers on the HOC Housing Path wait list where appropriate and resources are available.