

**Rockville Housing Enterprises
Board of Commissioners Meeting Minutes
Wednesday, November 20, 2024, at 6:30 pm**

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

Chair- Stacy Kaplowitz
Vice Chair – Edward J. Duffy
Commissioner- Kapres Meadows
Commissioner- Mayela Ngimbi
Commissioner- Bobby Bird

In Attendance

Christele Etienbla, RHE Staff Executive Director
Tosha Dyson - Manager of all Special Programs
Rebecca Niaba - Voucher Manager
Karshia Farrow-Butler- RHE Asset Manager
Kurt Turnier-Youth Build Program Manager
Irving Hyde, Waiting List/Housing Financial Analyst
Modoya Likekele- ROSS Coordinator
Planmedi Ngoy – Project Coordinator
Monique Ashton – Mayor of the City of Rockville
Hyunsuk Choi - CDC-Scarborough Square Consultant
Dominique Bonomolo – Parkside Landing Asset Manager

6:33 PM Call to Order

Chair Stacy Kaplowitz called the November 20th, 2024, meeting of the Rockville Housing Board of Commissioners Meeting to Order.

6:33 PM Consent items

Chair Stacy Kaplowitz discussed the previous month's meeting minutes to be approved, which included October 23rd, 2024.

Chair Stacy Kaplowitz inquired whether RHE had provided follow-up information concerning Council member Zola Shaw's concern about the 38 outstanding work orders at Parkside Landing.

Executive Director Christele Etienbla confirmed that the information had been provided.

Chair Stacy Kaplowitz motioned to approve the previous month's meeting minutes. Commissioner Kapres Meadows made a motion to accept the motion moved. Vice Chair Edward Duffy seconded it. All present voted aye in favor of this motion.

6:34 PM Citizens Forum

Chair Stacy Kaplowitz called for the following item on the agenda, the Citizens Forum. No speaker.

6:34 PM Executive Director's Report

Chair Stacy Kaplowitz called for the following item on the agenda: The Executive Director Report.

Rockville Housing Enterprises
Executive Director's Report
As of November 20, 2024

Activities during the month of October 2024

Meetings/Activities

- Monthly Property Management meetings for Parkside Landing were held.
- Weekly Property Management meetings for RHE Scarborough Square are held.
- Monthly meetings with the HUD Officer were conducted to discuss HCV utilization.
- Biweekly meetings were held with Oak Ridge Construction LLC regarding the progress of the Community Center renovation.
- Weekly discussions focused on submitting Scarborough Square's Low-Income Housing Tax Credit application.
- RHE began the HVAC replacement at First, funded by a \$72,000 CDBG grant from the City.
- Housing Choice Voucher staff training took place from October 7-11.
- The Refuse Grant application was submitted to the City on October 31, 2024.
- The camera installation at Scarborough Square was completed on October 31, 2024.

Financial Management (See Tab 3)

Housing Choice Voucher (HCV) Program (400 Regular Vouchers ;) FYB 10-1-2024

The Net Restricted Asset (HAP) for October 2024 is negative (\$24,673). Year to date is a negative (\$24,673).

The Un-Restricted Net Assets (Administrative Expenses) for the month ending October 2024 is negative (\$3,501.40) due to the insurance policy renewal. Year to date is a negative (\$3,501.40)

Mainstream Vouchers (50 Mainstream) FYB 10-1-2024

The Net Restricted Assets (HAP) for October 2024 is negative (\$3,857). Year to date is a negative (\$3,857).

The Unrestricted Net Assets (Administrative Expenses) for the month ending October 2024 is positive \$6,153.22. Year to date is a positive \$6,153.22.

Mod Rehab Program (5 Mod Vouchers) FYB 10-1-2024

The Program's cash flow for October 2024 is positive \$2,752. Year to date, it is a positive \$2,752.

Public Housing Program (PH) (79 PH Units) FYB 10-1-2024

The Net Income on the PH Cash Flow Report for the month of October 2024 is positive \$101,965.06. Year to date is a positive \$101,965.06.

RHE Properties Scattered (29 – Scattered Units) FYB 01-1-2024.

The Cash Flow Statement for the month ending October 2024 indicates a positive \$15,988.45. Year to date is a positive \$10,197.69.

RELP – (56 Low-Income Housing Tax Credit Units) FYB 01-1-2024

The net income for RELP One for the month of October 2024 is positive \$6,044. Year-to-date net income is negative (\$40,427.74). The replacement reserve reimbursement for RELP is still pending.

RHE Properties (4 – Affordable Units) FYB 01-1-2024

The Cash Flow Statement for the month ending October 2024 indicates a positive \$1,599.03. Year to date is positive \$22,932.23.

RHE Corporation (the General Partnership entity for RELP One) FYB 01-1-2024

This entity did not have any activity during October 2024. Its year-to-date net income is \$0.

RHE Development Account (bank account that receives and holds non-federal funds) FYB-10-1-2024.

The Cash Flow Statement for the month ending October 2024 indicates a positive \$29,453.13. Year to date net income is a positive \$29,453.13

RHE PARKSIDE LANDING FYB 01-2024

As of the report date, the Cash Flow Statement for the month ending October 2024 has not yet been received.

RHE Scarborough Square FYB-01-1-2024

The Cash Flow Statement for the month ending October 2024 indicates a negative (\$56,505.63) due to reduced rent collections and predevelopment expenses. Year to date net income is negative (\$337,993.05).

Asset Management October 2024 (See TAB 4 and TAB 6 of Board Report)

- PH Occupancy (David Scull) was as follows (76 units):
 - 93.42% for the month ending October – (3 move-outs for October and 5 vacancies as of October due to a resident passing away, a pull from the HOC waiting list for a voucher, personal reasons, a home acquisition, and an eviction).

- Rent Collection Percentage 106.84%
- RHEP PBV Scattered Sites Occupancy (Scattered Sites) was as follows (29 units):
 - 93.10% for the month ending October - (**0** move-out for October **2** vacancies as of October due to a home acquisition and a pull from the HOC waiting list for a voucher).
 - Rent Collection Percentage 97.11%
- RELP One Occupancy was as follows (56 units):
 - 94.64% for the month ending October – (**0** move-out for October and **3** vacancies as of October due to one downsize, one skipped, and one flooded unit).
 - Rent Collection Percentage 100.59%
- RHEP Occupancy was as follows: (4 units):
 - 100% for the month ending October.
 - Rent Collection Percentage 125.95%
- RHE Scarborough Square Occupancy was as follows: (121 units):
 - 68.60% for the month ending October- (**11** move-outs for October and **38** vacancies as of October due to renovation, job relocation, termination, and home acquisition)
 - Rent Collection Percentage 90.27%
- Parkside Landing Occupancy was as follows: (232 units):
 - 94% for the month ending October (**2** move-outs for October and 12 vacancies as of October due to evictions, personnel reasons, and a skip due to non-payment).

Maintenance Activity Summary for October 2024

Work orders.

RHE maintenance staff completed **138** work orders in October

Work Order Period Activity

Completed Date From 10/01/2024

Completed Date To: 10/31/2024

Period Date From: 10/01/2024

Period Date To: 10/31/2024

Property	Opening Balance	Created	Closed	Closing Balance
David (David)	9.00	23.00	32.00	0.00
RELP LP (relp1)	9.00	9.00	18.00	0.00
RHE Scarborough Square (rhe-sq)	9.00	71.00	80.00	0.00
RHEP PBV SCATTERED SITE (rhep-sca)	3.00	5.00	8.00	0.00
Total	30.00	108.00	138.00	0.00

Pest Control

- The RHE maintenance staff attended pest control appointments at David Scull and Scarborough Square with ASAP Pest Control LLC for both preventive services and special resident requests. Please note that these special requests were made by residents outside of the regular monthly preventive pest control schedule.
- RELP1, Scattered Site, and RHEP properties receive pest control services as needed.

Scarborough Square is currently on a weekly pest control schedule; **121** units were scheduled for pest control service in October.

David Scull is on a weekly pest control schedule; **76** units were scheduled for pest control service during October for David. For October, we had **4** special requests-units 1278 and 1280 were treated for bedbugs; units 1301 and 1303 were treated for roaches.

HQS

- The maintenance department facilitated **3** HQS inspections in October.

Vacancy

- There were **0** move-in and **14** move-outs in October. Vacant units are being turned over.
 - David Scull: **0** move-in. **3** move-outs.
 - RELP: **0** move-in, **0** move-out.
 - RHEP (Scattered and MPDU): **0** move-in. **0** move-out.
 - Scarborough Square has **0** move-in and **11** move-outs.

Housing Choice Voucher Program (HCVP) Management

October 2024

- HCV Program voucher units leased for the month ending October 2024 were 83.79%, and the calendar year to date in October 2024 was 84.41%. HCV Program budget utilization for the month ending October 2024 was 101.74%, and the calendar year to date in October 2024 was 96.20%.

RHE purposely keeps some vouchers utilized for various reasons. There are vouchers deliberately not leased, so they can be reserved for purposes such as unutilized project-based vouchers at Scarborough Square. RHE has also set aside vouchers for Foster Youth, which

only have a 3-year term. Once the 3-year term is up, RHE will issue the Foster Youth Voucher holders a regular RHE voucher. RHE must also issue a tenant-based voucher to PBV voucher holders once they have lived in a PBV unit for at least 2 years. The units are purposely under-leased to ensure RHE has enough vouchers to meet future voucher issuance obligations.

- The 50-unit Mainstream Disabled Voucher program, in which funds are allocated dollar for dollar based on utilization, is 100% leased for October 2024.
- The 5-unit Moderate Rehabilitation Single Room Occupancy (SRO) program, in which funds are allocated dollar for dollar based on utilization, is 60% leased for the month of October 2024.
- The 10 VASH vouchers are 70% leased. Two additional VASH vouchers have been issued, and the clients are searching for a unit.

	Allocated	Utilized
Regular Voucher (TP, PBV, Port Out)	359	311
Additional Voucher	6	1
Vash	10	7
Scattered	29	26
Stability	5	0
Foster	26	22
Total	435	367
Mod Rehab	5	3
MS	50	50

Fostering Youth into Independence (FYI) Vouchers

Referral	Voucher Issued	Searching	RFTA in Process	Lease-Up	HAP Pending	Total Current Paid Vouchers	Total Existing Vouchers
0	4	3	3	1	1	22	29

Parkside Landing

Air Conditioning

Eight (8) remaining air conditioning units need to be repaired. Replacement involves compressors, a pressure switch, and a Pepco thermostat. The maintenance team is coordinating to secure parts and schedule repair dates.

Key Fobs

Completed.

No-Heat Prevention

The property will provide 70 space heaters, 30 of which are in and pending installation, and 10 have been installed.

General Maintenance

Currently, there are 118 outstanding tickets as of 11/13/24.
Annual Unit Inspections were conducted from 10/15-10/17.

Look Ahead

- RHE conducts monthly transition progress/coordination calls with WINN management.
- Ongoing coordination with the management team to maintain both economic/physical vacancy goals for stabilization and conversion.

RHE Scarborough Square

Reporting Period: October 2024

- The property collected 90.27% of the rent in October.
- The percentage of delinquent tenants with a balance this month decreased from 24.5% in September to 20.1% in October. RHE staff is currently processing evictions, and the RHE team is working diligently to collect the rent on time

Look-Ahead

June/July/August 2024

- Kickoff call with CDA
- Submission of the Combined Viability/Commitment Package

September/October/November 2024

- Issuance of Building Permit
- Will submit Application Submission Package to HUD for Firm Commitment
- The Architect will issue the Construction Document Set

1st Quarter 2025

Estimated closing

Low-Income Housing Tax Credit Status Update

The Physical Needs Assessment (PNA) consultant inspected the property and issued the PNA report, which was shared with Bennett Frank McCarthy (BFM) Architects to develop the scope of work. BFM inspected and measured the apartments, townhouses, and community spaces and identified the Uniform Federal Accessibility Standard (UFAS) units.

The 4% LIHTC application was submitted to the Department of Housing and Community Development (DHCD), and the CDA's Threshold Review has been completed and approved. A kickoff call was held with CDA, including all consultants and the Combined Viability-Commitment application was submitted on August 23, 2024. The MAP lender is expected to submit the firm application in October, and staff received the approved building permit in October.

DHCD provided their comments on our application on November 13, 2024. Due to the high volume of applications, DHCD Housing Finance Review Committee (HFRC) meetings have been temporarily suspended. Additionally, DHCD Rental Lending (RL) is focusing on a number of projects facing Qualified Census Tracts (QCT) and Difficult Development Areas (DDA) issues that need to be resolved by the end of the year, which is testing our manpower. Therefore, we are expecting to close in March 2025.

Family Self Sufficiency (FSS) /Resident Services Report-Period YTD: October 2024

- 25 Active Public Housing
- 4 Progress reports
- 52 Active HCV
- 2 FSS Completion
- FSS Office Hours with HUD

**Resident Opportunities and Self-Sufficiency Services (ROSS) Detailed Report-Period YTD:
October 2024**

50 - Public Housing Active Participants

Client Services Detailed Report-Period: October 2024

- Laptop Distributions-44
- Food Referrals -2
- Emergency Rental Assist. – 3
- Housekeeping Workshops- 3
- Emergency Services -3
- Holiday Drive – 48
- Career Coaching – 2
- Financial Literacy -1
- 5 RHE Participants received the BERNIE award scholarship
- Bridging Gaps: Integrating harm reduction into housing services: Montgomery County CoC
- David Scull Renovation
- Understanding ROSS program requirements and training
- Community Safety Event with the City of Rockville Police (David Scull)
- City of Rockville Steering Committee meeting
- CoC-Wide Training:
 - How to support clients with severe mental health issues and submit a referral
 - Webinar: Mental Health Support: Leveraging the 988 Suicide & Crisis Lifeline in the workplace
 - Monthly calls for Parkside and Jubilee are on the 3rd Wednesday of each month, and our monthly call with the Department of Veterans Affairs is on the 10th.

Youth Build Services Detailed Report

- Youth Build Bi-Weekly Call with Dept. of Labor & YB Coach
- Construction at Scarborough Sq.
- Mental Toughness session
- 20 new youths

Commissioner Bobby inquired whether RHE received a summary of the comments from the tax credit app.

Hyunsuk Cho, CDC Consultant, explained that CDA provided construction-related comments, which have been shared with the architect and contractors. The team is addressing each item with CDA's construction management team. Issues include corrections to unit identification, unit requirements for townhouse units (which are not feasible due to the building's design), and the request for a sprinkler system, which is unnecessary for the existing structure. The project also evaluates the installation of solar panels, but due to the building's age and tree cover, it is unlikely to be beneficial.

Chair Stacy Kaplowitz asked if there was any supporting analysis of the lack of solar feasibility.

Hyunsuk Cho clarified that the project is not pursuing green certification, and there's no mandatory requirement to install solar panels. They are working with a solar provider to assess potential costs and utility savings. However, given the site conditions, including trees and the building's structure, it's unlikely to be beneficial.

Chair Stacy Kaplowitz then inquired about the interest rate volatility and whether the project had enough cushion.

Hyunsuk Cho confirmed that while the project can lock in the interest rate, HUD allows for repricing if interest rates drop. However, this will depend on the timing and market conditions. The goal is to ensure that the underwriting includes enough cushion for potential fluctuations in interest rates.

Chair Stacy Kaplowitz called for a motion to approve the Executive Director's report.

Vice Chair Edward Duffy moved the motion, and Commissioner Kapres Meadows seconded it. All present voted aye.

7:02 City of Rockville Report

Chair Stacy Kaplowitz inquired whether anyone from the City of Rockville was present for the City of Rockville report. Chair Kaplowitz confirmed that no one from the City of Rockville was present.

7:03 Action Items

Chair Stacy Kaplowitz called for the following item on the agenda: PH Write-Offs.

- Executive Director Christele Etienbla requested approval to write off debts due to non-payment for PH fiscal year 2024.

Chair Stacy Kaplowitz inquired whether this could be compared to the total from previous years.

Executive Director Christele Etienbla confirmed that a chart could be created to show write-offs over the past three years.

Chair Stacy Kaplowitz motioned to approve the PH write-offs for FY2024.

Vice Chair Edward Duffy seconded the motion. Commissioner Kapres Meadows also seconded. All present voted aye.

- Executive Director Christele Etienbla presented the second item on the agenda: approval of a \$500 Christmas bonus for all employees.

Chair Stacy Kaplowitz motioned to approve the Christmas Bonus. Commissioner Kapres Meadows seconded the motion, and Vice Chair Edward Duffy seconded. All present voted aye.

7:09 Commissioners Comments

Chair Stacy Kaplowitz raised concerns about rent control and construction costs.

7:12 Meeting Adjourned

Chair Stacy made the motion to adjourn the meeting. Commissioner Bobby Byrd moved the motion. Vice Chair Edward Duffy seconded. All present voted aye.

