

Tab 1

Meeting Minutes

**Rockville Housing Enterprises
Board of Commissioners Meeting Minutes
February 26, 2025 Board Meeting**

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

Vice Chair – Edward J. Duffy
Commissioner- Kapres Meadows
Commissioner – Bobby Byrd

In Attendance

Christele Etienbla, RHE Staff Executive Director
Tosha Dyson – Manager of Client Services and Community Engagement
Karshia Farrow-Butler – Asset Manager
Irving Hyde, Waiting List/ Housing Financial Analyst
Modouya Likekele, ROSS Coordinator
Monique Ashton – Mayor of the City of Rockville
Ryan Trout, City Director of Housing and Community Development
Jacki Mills, Grady Management Regional Manager
Dominick Bonomolo, Hampstead Asset Manager
Hyunsuk Choi-CDC-Scarborough Square Consultant

6:32 PM Call to Order

Vice Chair Edward Duffy called the February 26, 2025, meeting of the Rockville Housing Board of Commissioners Meeting to Order.

6:33 PM Consent items

Vice Chair Edward Duffy motioned to approve the previous month's meeting minutes for January 22, 2025. Commissioner Kapres Meadows moved this motion, and Commissioner Bobby Byrd seconded it. All present voted aye in favor of this motion.

6:34 PM Citizens Forum

Vice Chair Edward Duffy called for the following item on the agenda: the Citizens Forum. No speaker

6:34 PM Executive Director Report

Vice Chair Edward Duffy called for the following item on the agenda: The Executive Director Report.

Rockville Housing Enterprises

Executive Director's Report

As of February 20, 2025

Activities during the month of January 2025

Meetings/Activities

- Monthly property management meetings for Parkside Landing were conducted.
- Weekly property management meetings for RHE Scarborough Square continue to take place.
- Monthly meetings with the HUD Officer were held to review HCV utilization.
- Weekly discussions were held regarding the submission of Scarborough Square's Low-Income Housing Tax Credit application.
- A meeting with the State regarding the Statewide Voucher Program was held on January 21, 2025. RHE was awarded \$97,858 to support two to three households.

Financial Management (See Tab 3)

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

The Net Restricted Asset (HAP) for January 2025 is negative (\$4,873). Year to date, it is negative (\$1,583.29).

The Un-Restricted Net Assets (Administrative Expenses) for the month ending January 2025 is positive \$10,582.75. Year to date is positive \$27,139.23.

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

The Net Restricted Assets (HAP) for January 2025 is positive \$1,738. The year to date is positive \$4,926.

The Unrestricted Net Assets (Administrative Expenses) for the month ending January 2025 is negative (\$4,377.95) due to not receiving the administration fee from HUD. Year to date is positive \$8,499.69.

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

The Program's cash flow for January 2025 is positive \$431. Year to date, it is positive \$7,371.

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

The Net Income on the PH Cash Flow Report for the month of January 2024 is negative (\$91,877.55) due to a decrease in the HUD operating grant, three administrative pay periods, and snow-related invoices. Year to date is negative (\$66,087.06).

RHE Properties Scattered (29 – Scattered Units) FYB 01-1-2025.

The Cash Flow Statement for the month ending January 2025 indicates a positive \$10,321.42. Year to date is positive \$10,321.42.

RELP – (56 Low-Income Housing Tax Credit Units) FYB 01-1-2025

The net income for RELP One for the month of January 2025 is positive \$13,795.68. Year-to-date net income is positive \$13,795.68. RHE received the check from HOC for \$34,862.

RHE Properties (4 – Affordable Units) FYB 01-1-2025

The Cash Flow Statement for the month ending January 2025 indicates a positive \$3,349.78. Year-to-date is positive \$3,349.78.

RHE Corporation (the General Partnership entity for RELP One) FYB 01-1-2025

This entity did not have any activity during January 2025. 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 January 2025 indicates a negative (\$11,600.38). Year-to-date net income is negative (\$137,735.25).

RHE PARKSIDE LANDING FYB 01-2025

The Cash Flow Statement for the month ending January 2025 indicates a positive \$172,593.30. Year-to-date net income is a positive \$172,593.30.

RHE Scarborough Square FYB-01-1-2025

The Cash Flow Statement for the month ending January 2025 indicates a negative (\$112,358.39) due to reduced rent collections and predevelopment expenses. Year-to-date net income is negative (\$112,358.39).

Asset Management January 2025 (See TAB 4 and TAB 6 of Board Report)

- PH Occupancy (David Scull) was as follows (76 units):
 - 96.05% for the month ending January – (0 move-out; 1 move-in. 3 vacancies as of January due to personal reasons, and 2 home acquisitions).
 - Rent Collection Percentage 99.64%
- RHEP PBV Scattered Sites Occupancy (Scattered Sites) was as follows (29 units):
 - 93.10% for the month ending January - (0 move-out; 0 move-in. 2 vacancies as of January due to a home acquisition and a pull from the HOC waiting list for a voucher).
 - Rent Collection Percentage 92.13%
- RELP One Occupancy was as follows (56 units):
 - 98.21% for the month ending January – (0 move-out; 1 move-in. 1 vacancy as of January due to one skipped).
 - Rent Collection Percentage 101.11%
- RHEP Occupancy was as follows: (4 units):
 - 100% for the month ending January.
 - Rent Collection Percentage 125.95%
- RHE Scarborough Square Occupancy was as follows: (121 units):
 - 59.50% for the month ending January- (4 move-outs; 0 move-in for January. 49 vacancies as of January due to renovation, job relocation, termination, and home acquisition)
 - Rent Collection Percentage 98.35%
- Parkside Landing Occupancy was as follows: (236 units):
 - 86.44% for the month ending January (15 evicted/move-outs; 3 move-ins for January. 30 vacancies as of January due to evictions, personnel reasons, and a skip due to non-payment).
 - Rent Collection Percentage 74%

Maintenance Activity Summary for January 2025

Work orders.

RHE maintenance staff completed **105** work orders in January

Work Order Completed Activity

Completed Date From: 01/01/2025

Completed Date To: 01/31/2025

Period Date From: 01/01/2025

Period Date To: 01/24/2025

Approval Status :

| Property | Total Count | Minimum Days | Maximum Days | Average Days |
|-----------------------------------|-------------|--------------|--------------|--------------|
| David(david) | 29.00 | 0 | 20 | 2 |
| RELP LP(relp1) | 19.00 | 0 | 30 | 4 |
| RHE Property(rhep1) | 1.00 | 0 | 0 | 0 |
| RHE Scarborough Square (rhe-sq) | 54.00 | 0 | 39 | 4 |
| RHEP PBV SCATTERED SITE(rhep-sca) | 2.00 | 9 | 21 | 15 |
| Total | 105.00 | | | |

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.

REL1, 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 **January**.

David Scull is on a weekly pest control schedule; **76 units** were scheduled for pest control service during **January** for David. For **January**, there were no special treatments.

HQS

The maintenance department facilitated **1 HQS** inspection in **January**. The unit passed the inspection.

Vacancy

There were **0** move-ins and **5** move-outs in **January**. Vacant units are being turned over

- David Scull: **0** move-in. **1** move-out.
- RELP:0 move-in. **0** move-out.
- RHEP (Scattered and MPDU): **0** move-in. **0** move-out.
- Scarborough Square **0** move-in. **4** move-outs.

Housing Choice Voucher Program (HCVP) Management

January 2025

HCV Program voucher units leased for the month ending January 2025 was 84.25%, and the calendar year to date in January 2025 was 84.25%. HCV Program budget utilization for the month ending January 2025 was 98.21%, and the calendar year to date in January 2025 was 98.21%.

RHE purposely keeps some vouchers utilized for various reasons. There are vouchers purposely not leased, so they can be reserved for specific 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 years are up, RHE will issue the Foster Youth Voucher holders a regular RHE voucher. RHE is also required to 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, for which funds are allocated dollar for dollar based on utilization, is 98% leased for January 2025.

The 5-unit Moderate Rehabilitation Single Room Occupancy (SRO) program, for which funds are allocated dollar for dollar based on utilization, is 100% leased for the month of January 2025.

The 10 VASH vouchers are 80% leased. Two additional VASH vouchers have been issued, and the clients are searching for a unit.

| | Allocated | Utilized |
|--|------------------|-----------------|
| Regular Voucher (TP, PBV, Port Out) | 365 | 311 |
| Vash | 10 | 8 |
| Scattered | 29 | 26 |
| Stability | 5 | 0 |
| Foster | 29 | 24 |
| Total | 438 | 369 |
| | | |
| Mod Rehab | 5 | 5 |
| MS | 50 | 49 |

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 | 0 | 0 | 0 | 3 | 1 | 24 | 29 |
| | | | | | | | |

Parkside Landing

Physical Updates

Exterior Unit Mechanical Closets:

- In January, the team lowered the heat elements in the closets to help prevent freezing. The issue is no longer present on site primarily due to weather.
- The following building entry doors are to be scheduled for repair. The parts have been ordered for 701,705,717,719,721,723,729,733,747

General Maintenance

22 outstanding tickets as of 02/05/2025

Pest Control Search and Seal for all units started on 1.15.25 and will continue.

Evictions:

- Evictions Scheduled – 9
- Residents Awaiting Eviction Dates – 5
- New Cases Filed – 5
- Cases Redeemed/Dismissed – 8
- Resident Payment Plans: 3

The City of Rockville Housing and Community Development Housing Action Team (HAT) hosted a town hall on February 4, 2025, for Parkside Landing residents to discuss tenant rights, outline available financial resources from the City, and provide a comprehensive overview of the code management division. Additionally, the HAT met with the on-site property management team to debrief after the resident town hall, gain insights into Parkside’s operations and tenant culture, and gather suggestions on how the City could support Parkside Landing. Both meetings were productive.

Rental License in good standing.

Look Ahead

- Monthly transition progress/coordination calls with WINN management.
- Weekly RHE site visit.
- Ongoing coordination with the management team to maintain economic/physical vacancy goals for stabilization and conversion.

RHE Scarborough Square

Reporting Period: January 2025

- The property collected 98.35% of the rent in January.
- The percentage of delinquent tenants with a balance this month has decreased from 23.0% in December to 19.6% in January. RHE staff is currently processing evictions, and the RHE team is working diligently to collect the rent on time

Look-Ahead

October/November/December 2024

- A. Issuance of Building Permit
- B. Submitted Application Submission Package to HUD for Firm Commitment
- C. The Architect issued the Construction Document Set

February 2025

- A. DHCD - Housing Finance Review Committee meeting
- B. DHCD - Revenue Bond Advisory Board meeting

April 2025

Estimated closing

Low-Income Housing Tax Credit Status Update

HUD visited the Scarborough Square apartment on Tuesday, January 21st, and staff expect to receive the HUD Firm Commitment letter very soon.

DHCD provided their comments on November 13, 2024, for construction comments for our application, and staff submitted our responses for construction comments to DHCD before Christmas. Based on the DHCD's staff, the DHCD Housing Finance Review Committee meetings (HFRC) discussed the Scarborough Square project on February 19, 2025, and the Scarborough Square will be presented to the Revenue Bond Advisory Board (RBAB) on February 28, 2025. Closing calls begin as soon as possible after RBAB approval. Typically, closing calls run 6 to 8 weeks, which would yield an April 2025 closing.

Family Self Sufficiency (FSS) /Resident Services Report-Period YTD: January 2025

- 23 Active Public Housing
- 3 Progress reports
- 52 Active HCV

Resident Opportunities and Self-Sufficiency Services (ROSS) Detailed Report-Period YTD: January 2025

- 50-Public Housing Active Participants
- 4- Progress Reports
- Community Food Distribution w/ YouthBuild
- CFPB Training on how to advise clients on what to avoid during tax season
- FDIC webinar on Programs and Resources to Help Consumers.

Client Services Detailed Report-Period: January 2025

- Laptop Distributions-3
- Food Referrals-12
- Emergency Services -2
- Rockville Steering Committee
- Listening session on the FYI initiative
- Jubilee Meeting
- Parkside Park & Scarbrough Square Monthly Meetings
- Meeting w/ SWE to discuss afterschool programming
- Discussion on improving access to and delivery of services monthly meeting with Mont. Co.

RHE Foundation

- Submitted the City of Rockville Empowerment Grant

Youth Build Services Detailed Report

- Submitted USDOL Budget Amendment
- Began Renovation of 534 College Parkway, 472 College Parkway
- Began Recruitment for YouthBuild Spring 2024 Cohort
- Meetings with the USDOL Federal Project Officer and YouthBuild Technical Assistance Coach

- Continued Partnership with Truist Bank, delivering Building on Business Financial Literacy Curriculum
- YouthBuild Participants Handed Out nonperishable food and other household items to RHE residents on First Street
- 13 YouthBuild Participants completed Home Builders Institute: Pre-Apprenticeship Certificate Training

Vice Chair Edward Duffy inquired whether there had been any code enforcement violations. Executive Director Christele Etienbla confirmed that no violations had been reported.

Mayor Dominique Ashton asked if there had been an increase in social service needs. Tosha Dyson, Manager of Client Services and Community Engagement, responded that there had been a few referrals, the majority of which originated from Foster.

City Housing Director Ryan Trout raised a question about potential delays in closing Scarborough Square due to HUD's anticipated layoffs. CDC Asset Manager Hyunsuk Choi assured that they have been in regular communication with HUD and do not anticipate any delays.

6:58 City of Rockville Report

Vice Chair Edward Duffy called for the next item on the agenda, the City of Rockville report.

The City received 77 tenant inquiries, the majority of which related to maintenance requests and emergency assistance. A few cases involved landlord-tenant disputes, which proceeded to full mediation and were successfully resolved.

A total of nine cases under the REAP program were approved, amounting to \$13,000 in assistance.

Several Latino Youth Development program participants received college acceptance letters, marking a significant achievement for the students.

The Human Services Needs Assessment was presented to the Mayor and Council, and the report was subsequently published.

The new Community Services Manager is scheduled to begin on Monday, March 3, 2025.

The Community Services and Enrichment Grant Program has been reviewed and forwarded to the City Manager and will be incorporated into the upcoming budget.

A work session focused on the homeownership program is scheduled for the end of April.

Mayor Ashton shared additional updates, noting that two significant code revisions are forthcoming: one concerning landlord/tenant regulations and the other pertaining to the Molly Price Dwelling Unit Program.

The City of Rockville has also engaged in housing-related legislation in Annapolis, including testifying to the “good cause” rent algorithm concerns. They are scheduled to testify again on Friday, February 28, advocating for greater transparency to ensure tenants are informed of all potential fees upfront.

Additionally, plans are underway to enhance social services, including an upcoming meeting with College Gardens Elementary School to provide further support to students.

7:05 Rent Write-Offs

Vice Chair Edward Duffy called the next item on the agenda: The write-offs for RELP, RHEP Scattered, and RHE Scarborough Square.

Mayor Ashton asked if the \$13,000 write-off was for all the properties. Executive Director Christele stated it was just for the RELP property.

Vice Chair Edward Duffy made the motion to write off RELP, RHEP Scattered, and RHE Scarborough Square. Commissioner Bobby Byrd moved the motion, and Commissioner Kapres Meadows seconded. All present voted aye.

7:07 Annual Election of Officers

Vice Chair Edward Duffy called the next item on the agenda: The annual election of officers.

Vice Chair Edward Duffy made the motion to delay the election due to Chair Stacy Kaplowitz not being present. Commissioner Bobby Byrd moved the motion, and Commissioner Kapres Meadows seconded. All present voted aye.

7:10 Approval of Bridge Loan

Vice Chair Edward Duffy called for the next item on the agenda, the approval of the Bridge loan.

Executive Director Christele Etienbla presented the only proposal received from Fulton Bank.

Commissioner Bobby Byrd expressed concerns regarding the interest rate and project timeline, specifically asking if a cap could be placed on the interest rate.

Hyunsuk Choi responded that once the loan is approved, discussions regarding a possible interest rate cap could take place.

Additionally, Hyunsuk Choi informed the board that the Scarborough Square housing finance committee had received approval from the CDA, but he had yet to receive any updates and was still awaiting further information.

He also noted that the bond amount may exceed four million dollars; however, it is not expected to change significantly as it will be offset by LIHTC equity, with the final amount determined at closing.

Commissioner Byrd inquired whether the bond amount included all associated fees and payments and whether these would be settled at closing or through a drawdown. Hyunsuk Choi clarified that all fees were included, and the funds would be disbursed via drawdown.

Mayor Ashton asked if a community meeting would be held to inform residents, and whether the contractors involved were the same as those from Parkside Landing. Executive Director Christele Etienbla explained that property management and Nix Development Company were in the process of arranging a meeting, and confirmed that the contractors would be different from those used in Parkside Landing.

Mayor Ashton also questioned whether the reported write-offs were typical. Vice Chair Edward Duffy affirmed that there was nothing unusual and the write-offs were consistent with expectations.

Lastly, Mayor Ashton advised the team to stay proactive regarding insurance coverage for the housing agency. Executive Director Etienbla confirmed that all RHE properties are covered under the county's insurance policy.

Vice Chair Edward Duffy made the motion to approve the loan with the stipulation to set a cap. Commissioner Bobby Byrd moved the motion, and Commissioner Kapres Meadows seconded. All present voted aye.

7:27 Commissioners Comments

Vice Chair Edward Duffy called for the next item on the agenda, the commissioners' comments

Commissioner Bobby Byrd inquired whether the agreement with Orlo was intended to remain in effect after the LIHTC closing. Executive Director Christele Etienbla responded that the extension will expire at the end of March and that RHE is continuing its advocacy efforts. She further clarified that the agreement will no longer remain in effect after closing.

7:27 Meeting Adjourned

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

