

***Administrative Guide  
for  
Commissioners  
and Staff***

**Spring 2003**



**Purpose and Introduction**

The purpose of this Guide is to provide a complete and concise document that reflects the policies, administrative procedures and guidelines that govern the operation of the Commission. It is designed for use by Commissioners and staff as a quick reference on all operational procedures.

The Housing Opportunities Commission (HOC) is a quasi-governmental entity authorized by State and County law to build, own, manage and finance affordable rental and homeownership housing for people of low and moderate income in the County.

**HOC's Mission and Vision Statements**

MISSION:

*To provide affordable housing and supportive services*

VISION:

- *All families in Montgomery County live in decent, safe and sanitary housing, regardless of income*
- *Families and communities in Montgomery County are strengthened as good neighbors through supportive services*
- *Establish an efficient and productive environment that fosters trust, open communication and mutual respect*
- *Partner effectively and aggressively with advocates to maintain support for all the work of the Commission*

The mission and vision statements reflect the dual nature of the Agency in providing quality housing and quality services to families so as to strengthen both families and communities. The Housing Opportunities Commission will be responsive to those we serve: neighbors, employees and the



community at large. The Agency will endeavor to create new partnerships that increase and/or preserve affordable and accessible housing that meets the needs of the populations served.

### **Historical Perspective**

HOC was originally established 1939 as the Housing Authority of Montgomery County, and like similar agencies in Maryland, derived its powers from State authorizing legislation after a finding of public need by the County government. Thus, it has characteristics of both State and Local government agencies. Its current structure dates to 1974, when State and Local laws were amended to expand the housing mission for the County, and provided HOC with authority to issue tax-exempt mortgage revenue bonds. The State law authorizes HOC to exercise certain housing powers, and authorization for HOC to undertake specific duties related to affordable housing for low and moderate income residents pursuant to local law or contract with the County.

In addition, the County Council adopted its own Opportunity Housing Act giving itself broad housing powers. The County now contracts with HOC and other non-profit corporations to carry out the opportunity housing powers. This mechanism has allowed HOC to create its own housing programs without the assistance of federal subsidy by purchasing units, normally through the MPDU program, which are rented or sold to persons at income levels higher than could be served under the low income federal public housing program.

Structurally, HOC is composed of nine (9) divisions: Executive (including Administrative Services and Human Resources), Finance, Information Technology, Housing Management, Legislative and Public Affairs, Real Estate, Mortgage Finance, Rental Assistance, and Resident Services.

There are approximately 15 different housing programs managed by HOC including Opportunity Housing, Public Housing, Tax Credit Partnerships, State Partnership Rental, Housing Choice Voucher Program (Formerly Section 8),



Multi-Family and Single-Family loans, Neighborhood Initiatives, Homeownership, Family Self-Sufficiency, and McKinney Supportive Housing just to name a few.

HOC owns, manages, and administers 12,431 units (as of December 2002). HOC administers 6,048 units through the Housing Choice Voucher Program, Transitional Housing and specialized program. HOC owns 4,604 units which includes 1,563 Public Housing rental units. Outside management companies manage 2,305 of these HOC-owned units. HOC also manages 1,779 units owned by other organizations.

### **By-Laws**

#### **ARTICLE I - THE COMMISSION**

Section 1. *Name of the Commission.* The name of the Commission shall be "The Housing Opportunities Commission of Montgomery County".

Section 2. *Seal of the Commission.* The seal of the Commission shall bear the name of the Commission and the year of its organization.

Section 3. *Office of the Commission.* The office of the Commission shall be at 10400 Detrick Avenue, Kensington, Maryland 20895. The Commission may hold its meetings at its offices or such other place as it may designate by resolution.

#### **ARTICLE II - OFFICERS**

Section 1. *Officers.* The officers of the Commission shall be a Chair, Vice-Chair, Chair Pro Tem and a Secretary-Treasurer.

Section 2. *Chair.* The Chair shall preside at all meetings of the Commission. Except as otherwise authorized by resolutions of the Commission, the Chair shall sign all contracts,



deeds, and other instruments made by the Commission. At each meeting, the Chair shall submit such recommendations and information, as the Chair may consider proper concerning the business affairs and policies of the Commission.

Section 3. *Vice-Chair.* The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair and, in case of the resignation or death of the Chair, the Vice-Chair shall perform such duties as are imposed on the Chair until the Commission shall select a new Chair.

Section 4. *Chair Pro Tem.* The Chair Pro Tem shall perform the duties of the Chair in the absence or incapacity of the Chair and Vice-Chair.

Section 5. *Secretary-Treasurer.* The Commission may employ a Secretary-Treasurer who shall serve as Executive Director. The Secretary-Treasurer shall keep the records of the Commission, shall act as secretary of the meetings of the Commission and shall be responsible for having records maintained of all votes. A record of all the proceedings of the Commission in a journal of proceedings shall be kept for such purpose in accordance with the state public information act, article 10-600 of the State Government Article. The Secretary-Treasurer shall perform all duties incident to such office. The Secretary-Treasurer shall keep in safe custody the seal of the Commission and shall have the power to affix such seal to all contracts and instruments authorized to be executed by the Commission.

The Secretary-Treasurer shall have the care and custody of all funds of the Commission and shall deposit the same in the name of the Commission in such bank or banks and in such manner, as the Commission shall determine by resolution. Except as otherwise authorized by resolution, the Secretary-Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such monies under the direction of the Commission.

The Secretary-Treasurer shall provide for the maintenance of regular books of accounts showing receipts and expenditures and shall render to the Commission, upon request but not less than quarterly, an account of all transactions and

also of the financial condition of the Commission.

The Commission shall determine the compensation of the Secretary-Treasurer provided that a temporary appointee selected from among the Commissioners of the Commission shall serve without compensation, other than the payment of necessary expenses.

Section 6. *Additional duties.* The officers of the Commission shall perform such other duties and functions as may from time to time be required by the Commission or by laws or rules and regulations of the Commission.

Section 7. *Election or Appointment.* The Chair, Vice-Chair, and Chair Pro Tem shall be elected at the annual meeting of the Commission and annually thereafter, from among the Commissioners of the Commission, and shall hold office for one year or until their successors are elected and qualified. The Commission shall appoint the Secretary-Treasurer. Any person appointed to fill the office of Secretary-Treasurer, or any vacancy therein, shall have such term as the Commission fixes, but no Commissioner shall be eligible to this office except as a temporary appointee.

Section 8. *Vacancies.* Should the office of Chair, Vice-Chair, or Chair Pro Tem come vacant, the Commission shall elect a successor from its membership at the next regular meeting, and such an election shall be for the un-expired term of said office. When the office of Secretary-Treasurer becomes vacant, the Commission shall appoint a successor, as aforesaid.

Section 9. *Additional personnel.* The Commission may from time to time employ such personnel, as it deems necessary to exercise its powers, duties and functions as prescribed by the Housing Authorities Law and all other laws of the state of Maryland and Montgomery County applicable thereto. The selection and compensation of such personnel (including the Secretary-Treasurer) shall be determined by the Commission, subject to the laws of the state of Maryland.



### ARTICLE III - MEETINGS

Section 1. *Annual meeting.* The annual meeting of the Commission shall be held on the first regular meeting day of the Commission in the month of February at such location as shall be designated by the Commission.

Section 2. *Regular meetings.* The Commission shall hold regular meetings for the purpose of conducting any or all of its business at such time and location as it may determine by resolution or subject to a call by the Chair, provided that no less than one such regular meeting shall be held each month.

Section 3. *Special meetings.* The Chair of the Commission may, when deemed expedient, shall upon the written request of three members of the Commission, call a special meeting of the Commission for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the Commission or may be mailed to the business or home address of each member of the Commission at least two days prior to the date of such special meeting. At such special meeting, no business shall be considered other than as designated in the call, but if all of the members of the Commission are present at a special meeting, any and all business may be transacted at such special meeting. In the event of an emergency requiring immediate action when there is insufficient time to provide the notice required above, or when it is not feasible to delay action to a regular meeting and it is not possible to physically convene the Commission. A special meeting by conference call may be convened by the Chair, or in the absence of the Chair, by the Vice-Chair, or Chair Pro Tem as the case may be. In which a majority of the Commission is party, provided that suitable provision is made for notice of the meeting and attendance by the general public at the Commission offices in accordance with the state open meetings Acts, Article 10-500 et seq. of the state Government Article, action at such a meeting may be taken only when at least

four (4) members of the Commission concur. Any such action shall be recorded in the minutes of the next regular meeting of the Commission.

Section 4. *Quorum.* The powers of the Commission shall be vested in the Commissioners thereof in office from time to time. A simple majority of the Commission shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may convene from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Commission upon a majority vote provided that no less than three (3) votes are cast on the matter. For the purpose of the foregoing, a vote shall be any vote other than an abstention.

Section 5. *Order of Business.* At the regular meetings of the Commission, the order of business shall be set by the Chair and provided to the Commission in advance of the meeting.

All resolutions shall be in writing and shall be copied in a journal of the proceedings of the Commission.

Section 6. *Manner of Voting.* The voting on all questions coming before the Commission shall be by voice vote. At the order of the Chair, a roll call vote may be taken with the Chair voting last. The yeas and nays shall be entered upon the minutes of such meeting.

Section 8. A written agenda shall be prepared for each meeting by the Chair or in the manner established by Resolution. The agenda shall include an order of proceeding and description of items for consideration.

Section 9. Any Commissioner may move to add to or delete any item from the agenda.

#### ARTICLE IV - AMENDMENTS

Section 1. *Amendments to the By-laws.* The by-laws of

the Commission shall be amended only with the approval of at least four of the members of the Commission at a regular or special meeting. But no such amendments shall be adopted unless at least three days written notice thereof has been previously given to all members of the Commission.

## ARTICLE V - INDEMNITY

Section 1. The Commission shall indemnify any person who was or is a party or is threatened to be a party to any action, suit or proceeding whether civil, criminal or administrative by reason of the fact that the party is or was a Commissioner, officer or member of the Commission or is or was serving at the request thereof as a Commissioner, officer or member of another corporation or as an official of any other entity, against expenses (including attorney's fees), judgments, awards, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding. If the actions were in good faith, performed in discharge of reasonably believed to be in, or not opposed duties authorized by law and in a manner to, the best interests of the Commission and, with respect to any criminal action or proceeding by judgment. Order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith. Or in discharge of duties authorized by law or in a manner that was reasonably believed to be in. Or not opposed to, the best interests of the Commission, and with respect to any criminal action or proceedings, that there existed no reasonable cause to believe that the conduct was lawful.

Section 2. The indemnification provided herein shall not be deemed exclusive of any other rights to which a person seeking indemnification there under may be entitled under any by-law, agreement or otherwise. The indemnification shall continue as to a person who has ceased to be a Commissioner, officer or member, and shall inure to the benefit of the heirs and personal representatives of such person.

Section 3. The Commission shall have power to purchase or reimburse the cost of insurance on behalf of any person who is or was a Commissioner, officer or member thereof, or is or was serving at the request of the Commission as a director, officer or member of any other entity, against any liability asserted which may be incurred in any such capacity, or arising out of such status, whether or not the Commission would have the power to indemnify against such liability under the provisions of section 1 herein.

Section 4. Anything to the contrary notwithstanding, no Commissioner, officer, or member shall be indemnified against any liability to which he would otherwise be subject to reason of willful misfeasance, malice, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of the office.

### **Commissioner Appointment Process**

Appointment to the Housing Opportunities Commission is made by the County Executive and confirmed by the County Council. Federal regulation requires appointment of at least one resident Commissioner. The resident Commissioner must be directly assisted by HOC through the Public Housing or the Housing Choice Voucher Program.

In making appointments, the County Executive considers the following: diversity of background and professions, relevant experience and expertise, and geographic, gender, and ethnic balance. The selection process includes an interview by the County Executive or his designees and an interview by the County Council. The County Executive forwards the names of those selected to serve on the Commission to the Council for confirmation. When an appointment has been approved by a majority of the Council, the Individual receives notice of appointment by mail. The application and resumes of those who are appointed become public documents.

The length of appointment is for five years, but it may vary. It is generally intended that terms be staggered to allow for continuity. To promote participation, Council policy is that no individual should serve more than two consecutive full

terms. When applying for reappointment, members should indicate their current employment in their letter of application to the County Executive. Financial disclosure statements will be required by all applicants.

### **Attendance**

Unless law provides another method, a Commissioner who is absent from 25 percent or more of the scheduled meetings or hearings during any six-month period is considered to have resigned from the Commission. When a member resigns through absence, the Chair must promptly notify the County Executive and all members of the Commission. The County Executive may waive the resignation for illness, emergency, or other good cause.

In addition to the regular Commission meetings, Commissioners are expected to attend other meetings such as quarterly meetings with the County Executive. This is done on a rotating basis with the Chair, one other Commissioner and designated staff. There are meetings on an annual basis with other entities such as the County Council, the Planning Board, the School Board, the Resident Advisory Board, the Human Relations Commission, and the Fair Housing Sub-Committee.

### **Compensation**

Compensation is not provided, however, Commissioners will be reimbursed for mileage and dependent care at rates established by the County.

The Special Assistant to the Commission prepares the appropriate travel and dependent care forms for the Commissioner's signature and submits the forms to the County for reimbursement. The checks are mailed directly to Commissioners via U.S. mail. Commissioners are also provided a meal allowance from HOC. The Special Assistant also prepares this reimbursement on a quarterly basis for processing.

## **Ethics**

Generally, the Montgomery County Public Ethics Law prohibits Commissioners from participating in matters that affect a Commissioner in an economic or financial manner different than the general public. Commissioners are also prohibited from participating in a matter that involves an economic interest of a relative. Relatives include siblings, parents, grandparents, children, grandchildren, a spouse, a spouse's relatives and the spouses of these relatives.

The ethics law prohibits Commissioners from accepting or soliciting gifts from lobbyists and persons doing business with or regulated by the agency with which the Commission is affiliated. A Commissioner must not solicit a gift while identifiable as a Commissioner unless expressly authorized to do so for the benefit of the County by the appropriate authority.

A Commissioner must comply with the employment provision of the ethics law. A Commissioner is not required to obtain approval for employment with respect to employment held when the Commissioner was appointed, if the Commissioner publicly disclosed the employment relationship to the appointing authorities before appointment. A Commissioner must not seek a contract with the County or take as a client an entity that contracts with or is regulated by the agency with which the committee member is affiliated without first referring the matter to the Ethics Commission.

A Commissioner should not represent a person if the person's interest is adverse to that of the County without first referring to the Ethics Commission.

A Commissioner must not disclose confidential information or attempt to use the prestige of office for private gain or the gain of another. A Commissioner must not use an Official County agency title or insignia in connection with any private enterprise or use a County facility or property for personal use or the use of another unless the use is generally available to the public.

**This description of the County's Ethics law is intended to provide a general overview only. In specific cases, the ethics law itself should be reviewed and, where appropriate, a request for an advisory opinion or waiver made to the Ethics Commission.**

Commission Chairs are responsible for reviewing County ethics law periodically with membership. Each Commissioner has a responsibility to adhere to the County's sexual harassment and non-discrimination policies.

## **Liability**

Commissioners have liability protection under the Local Government Tort Claims Act for actions arising out of their scope of employ, i.e. Commissioner responsibilities. Commissioners will also receive certain medical benefits. This coverage is limited, however, to benefits for reasonable medical treatment comparable to medical benefits payable under the Maryland Worker' Compensation Act. Members must be registered with the County's Risk Management System. Commissioners should ask staff for the appropriate form.

### **Minutes**

The State Open Meetings Act requires public agencies to keep written minutes of all meetings. The minutes should be prepared as soon as practicable and, except for minutes of a closed session, should be open to public inspection during ordinary business hours. The Chair of the Commission must designate the appropriate person to record the minutes of the meetings and in the case of public minutes transmit a copy as soon as practicable to the Rockville Regional Library local government documents section. The original minutes should be kept in the official files of the Commission. Minutes should include the names of those in attendance, the date, time, and place of the meeting, any items considered during the course of the meeting, all actions taken, and any recorded votes taken. The Commission can close meetings for specific purposes provided by law upon a vote of the Commissioners. Generally, closed sessions are permitted for the purpose of discussing legal issues, property acquisitions, personnel matters, and preliminary issues regarding procurement and selection of contractors.

### **Role of the Special Assistant**

The Special Assistant to the Commission serves as an administrative and legislative liaison for the Commission with staff and legislators. The Special Assistant monitors and reports on the local and state regulations impacting housing. In terms of Commission support, the Special Assistant develops the agenda for the Commission in collaboration with the Executive Staff. The Special Assistant attends all Commission meetings, including Executive Sessions, and transcribes the proceedings from those meetings. The Special Assistant supervises all administrative aspects of the Commission's office.

## **Commissioner Committees and Appointments**

Committee appointments are made by the Chair, in consultation with the members of the Commission. These appointments will be reviewed annually.

### **Agenda Formulation Committee**

This Committee was formed for the following purposes:

- set the agenda for the next Commission meeting
- do mid-range agenda planning for Commission meetings
- make suggestions to the Executive Director on information materials, etc., needed by the Commission to set policies
- assess recent Commission meetings (identify areas needing improvement and lessons learned)
- provide informal input to the Executive Director on items solicited

The Composition of the Agenda Formulation Committee shall be the Chair of the Commission, who shall also serve as Chair of the Agenda Formulation Committee, an additional Commissioner, selected among the Commissioners on a two-month rotating basis, the Executive Director, Chief of Staff, and the Special Assistant to the Commission.

The Committee will hold regular telephone conference call meetings at a time to be mutually agreed upon to formulate the agenda. The Committee will draw from the strategic plan and input from the Executive Director based upon the goals, objectives and action plans in performing its duties.

### **Budget, Finance and Audit Committee**

The Committee was created with the following composition, term, and scope of responsibilities and procedures:

1. **Composition and Term:** The Committee shall consist of three Commissioners recommended by the Chair of the Commission and approved by the Commission, each of whom shall serve a term of one year and who may be re-appointed. The Committee Chair shall be recommended by the Chair of the Commission and approved by the Commission.

2. **Scope of Responsibilities:** The Committee shall:

(a) Conduct a detailed review of the Executive Director's Recommended Budget and present a budget recommendation to the full Commission.

(b) Approve the process for the selection of an auditor to perform the audit of the agency's combined financial statements and approve or recommend to the Commission the selection of an auditor for this engagement, in accordance with the Commission's procurement policy.

(c) Review all audits of HOC or properties in which H O C has interest and are not reviewed by other boards. The annual audit of the combined financial statements will be reviewed by the Committee and presented to the Commission prior to its issuance by the agency.

(d) Approve the annual work program and receive the reports of the Internal Auditor, in accordance with the policy on internal audits.

(e) Periodically evaluate the current financial performance of the agency and assure that the agency's financial affairs are being conducted in an appropriate manner.

(f) Address other budgetary and financial issues as needed.

3. **Procedures:** The Committee will establish procedures for the conduct of its meetings as it deems appropriate.

### Hearing Board

The Hearing Board was established in August 1972 and was restructured in 1996. It was established in an effort to better protect the interests of the HOC residents and to equalize the bargaining power between the residents and HOC by placing the decision for eviction in the hands of an unbiased, impartial body.

The Hearing Board is a three-member panel of individuals selected by use of HUD approved criteria to hear grievances and render decisions in an unbiased, impartial manner. The three-person panel consists of a resident, a public member and a Commissioner who serves on a rotating basis. At a hearing session, the resident or applicant and HOC staff present information concerning a dispute to the Board and based on the information presented, a decision is rendered. If the resident is dissatisfied with the decision of the Hearing Board an appeal can be made to the Circuit Court or, in the case of an eviction, the resident can contest the matter in a trial in the District Court.

### Legislative and Regulatory Committee

This Committee was established to review proposed legislation at national, state and county levels of government that may impact housing and HOC in particular. The Committee makes recommendations to the full Commission as to the desired position of the Commission on the proposed legislation and represents the Commission as directed on matters of legislative interest. Three Commissioners, the Public Affairs Officer, and the Executive Director or designee (s) serves on this Committee.

### Development and Finance Committee

This Committee was established to analyze and review land acquisition and development activities. The Committee members also make decisions regarding the purchase of Moderately Priced Dwelling Units (MPDUs) and the connection to various available subsidies, while balancing the long-term interests and concerns of the agency and its residents in the process. Three Commissioners are appointed to this Committee and act on behalf of the Commission in determining whether available MPDUs should be pur-

chased.

#### Planning Committee

This Committee was established in 1983 for the purpose of establishing procedures using basic assumptions and a work program for the development of a long-range plan of no less than three, and no more than five years for the development, management and general administrative functions of the Commission, and to present said procedures, basic assumptions and work program to the Commission for its consideration and approval. The deliberation of the plan and subsequent annual updating shall take place each year as the first phase of the budget cycle.

#### Community Partners Board

*HOC Community Partners, Inc.* was established in March of 1999 to succeed the Resource Sharing Network. This 501 (c) (3) entity is HOC's means of collecting financial donations, gifts and other services for the citizens of Montgomery County. The Board is composed of nine members: two Commissioners, one staff member, and six public members.

#### Liaison to the Resident Advisory Board

The Resident Advisory Board (RAB) is the officially designated resident group that provides a voice for resident's concerns, ideas and recommendations for improvements and changes to HOC policies and procedures. One Commissioner is appointed to be the liaison between the Commissioners and the RAB.

### **Non-Profit Boards**

In accordance with Section 236 of the National Housing Act, the following corporations were established and irrevocably dedicated to and operated exclusively for non-profit purposes; and no part of the income or assets of the Corporation shall be distributed to, nor inure to the benefit of any individual.

*Banor Housing Inc. (Bauer Park)* - Located off Norbeck Road at 14635 Bauer Drive in Rockville. This is a complex of three

three-story buildings with elevators which houses elderly and handicapped residents. The units are efficiencies and one-bedroom apartments. It is managed by HOC with the oversight of a seven-member Board of Directors originally established May 10, 1978. Four public members and three HOC Commissioners are appointed to the Board. The three Commissioner appointments are two-year terms; other appointments are for three-year periods. Meetings are held two to three times a year.

*Camp Hill Square Inc.* - Located at 17825 Washington Grove in Gaithersburg. This 51-unit garden apartment development has two and three-bedroom units. These apartments are managed by HOC with oversight of a five-member Board of Directors including two HOC Commissioners appointed to the Board. The two Commissioner appointments on this Board are two-year terms; other appointments are for three-year periods. Meetings are held quarterly.

*Leafy House, Inc.* - Located at 10000 Brunswick Avenue in Silver Spring. This is a 180 unit high-rise apartment complex serving the elderly and handicapped. Two hot meals are served daily. Congregate Housing Services are provided for those residents who need assisted living care. Shelter Properties, Inc. currently manages this property. Oversight is entrusted to a five-member Board of Directors organized on April 23, 1975. The Board is made up of two Commissioners, one public member and two representatives from the National Association of Retired Federal Employees (NAFRE). The two Commissioner appointments on this Board are two-year terms and the other appointments are for three-year periods. Meetings are held two to three times a year.

*Town Center Apartments, Inc.* - Located at 90 Monroe Street in Rockville, across from the County's Executive Office Building. This 10 story high-rise apartment has 74 one-bedroom apartments and 38 efficiency units. It is managed by HOC and the oversight is entrusted to a five-member Board of Directors which was incorporated May 12, 1976. The Board members include two HOC appointed Commissioners and three public members. The two Commissioner appointments on this Board are two-year terms; other appointments are for three-year periods. Meetings are held two to

three times a year.

### **Development Corporations**

The FHA/HFA Shared Risk Program derived from legislation enacted in 1992 which authorizes HUD to provide full FHA mortgage insurance for 30,000 multifamily units to be underwritten by qualified state and local HFAs over a two year period. There are two levels of shared risk for this program. With Level I, the Housing Finance Agency (HFA) assumes 50-90% of the risk and uses its own underwriting standards and loan terms without HUD review. With Level II, the HFA can take less than 50% of the risk of loss, but the participant must submit its underwriting standards and loan terms to HUD at the beginning of the program for review and approval. If the loan-to-cost ratio or loan-to-value ratio is greater than or equal to 75%, the HFA must assume 15% of the risk of loss. If the loan-to-cost ratio or loan-to-value ratio is less than 75%, the HFA can assume either 10% or 25% of the risk of loss.

HUD determines the qualification of an HFA based upon the adequacy of administrative capacity of the HFA, strength of HFA relationship with state and local government, fiscal soundness, investment policies, HFA's ability to meet monetary objectives, and funding level. In addition, participants must be approved to originate and service loans as a HUD multi-family Mortgagee. HOC has been approved as a Level I FHA.

Properties financed under the risk-sharing program must be owned by separate entities for each development. The current Development Corporations include: Alexander House, Inc.; The Metropolitan; Oaks at Four Corners, Inc.; Sligo Hills, Inc.; Timberlawn, Pomander, MPDUs (TPM), Inc.; and Damascus Gardens. The HOC Commissioners serve as the members of the Boards of each of the Corporations and the officers of the corporation are the same as the Officers of the Commission.

## **Administrative Procedures**

### **Agenda Development**

The Special Assistant to the Commission compiles the agenda based on items received from the Executive Committee staff. On the Monday a week before the scheduled Commission meeting, the Executive Committee reviews the proposed agenda at which time additions, corrections, revisions and deletions are made. The revised agenda along with the Calendar and To Do Action are faxed to the Chair and the Commissioner rotating on the Agenda Formulation Committee. Once the agenda is agreed upon, it is distributed to staff and the public. There is a public distribution list of approximately 200 people who receive the agenda.

### **Brief Book Preparation**

Between Tuesday and Thursday, staff prepares the agenda materials and submits to the Executive Director for review and approval. This is completed by 1:00 pm on Thursday. On Friday, all materials are reproduced and submitted to the Special Assistant for inclusion in the brief book delivered to the Commissioners. Delivery is made on Friday through the use of a courier service. (Rare circumstances may dictate delivery of the brief books on Saturday). Staff and public distribution of the brief book is done on the Monday before the Commission meeting.

### **Bond Closings**

There are several steps that must be followed before a bond can come to closure. The first step begins with the application form #202. This must be completed in its entirety along with all supporting documents. This is followed by an eligibility review, including credit worthiness. It is then ready for an inducement resolution by the Commission. Approval of the inducement resolution by the Commission does not constitute any guarantee to the applicant about any financing or future action. It merely confirms that the proposed development has merit and will provide affordable housing units. The development then goes through the fea-

sibility analysis, commitment analysis, commitment letters, initial loan closing/endorsement, construction period procedures, final endorsement, management and marketing requirements, appraisals, and loan servicing.

### Commission Meetings

Commission meetings are held at least once each month and are open to the public. The duration of the meetings varies from one to three hours depending upon the agenda. A portion of the meeting is set aside to hear concerns, comments or complaints from the community. Often Public Hearings, Work Sessions, Development Corporation or Committee meetings are held prior to the beginning of the Commission meeting. The Commission meetings cover items under the Consent, Information and Deliberation Calendars. Status Report items are generally given as a follow-up to Commissioner requests or an update on various developments and are not usually discussed unless a Commissioner has a question or concern. Monthly divisional updates are also provided in this section. Information for Future Action items are provided to give the Commissioners a preview of items coming up at subsequent Commission meetings. It also provides the community and general public with information on upcoming items.

### Other Meetings

The Chairman and one Commissioner on a rotating basis attend, with designated staff members, a quarterly meeting with the County Executive. The Executive Director prepares the agenda for these meetings which are held to brief the County Executive on current issues facing the Commission.

Annual meetings are held with the County Council, Planning Board, Resident Advisory Board, and Human Relations Commission. These are meetings to provide an exchange of information impacting all agencies.

### Land Acquisitions

**Staff is first made aware that a potential site exists, by either:**

- contact from the owner
- for sale sign
- aggressive outreach
- federally aided project in trouble, or
- through other government agencies

**Asking price is determined:**

- staff will look at property
- determine the location
- development team will look at the property
- management and finance teams will look at the property
- what controls are in place (in terms of income)
- draft initial proforma for rents, income mix, cost
- determine the cost to build/renovate

**Staff will seek Commission approval to pursue:**

- present Commission with proforma
- request authority to proceed

**Commission Directive to proceed with existing property (no structure)**

- get appraisal (2)
- negotiate a contract subject to:
  1. title search
  2. contingencies, such as financing, due diligence, appraisal, environmental studies

**Commission Directive to proceed with existing property (with structure)**

- determine cost of rehab (development & management)
- develop a pro-forma
- negotiate a contract subject to:
  1. appraisal (2)
  2. environmental study

3. rehab/engineering study
  4. financing
  5. due diligence
- report on findings and seek Commission approval to purchase
  - present above information (appraisals, purchase price, contingencies, etc.)
  - present options

#### **Seek Community Involvement**

- meet with community
- identify community issues and concerns
- resolution/options
- conduct Chapter 25B hearing when applicable

#### **Procurement Procedures**

Because HOC receives federal funds to carry out its programs, it is obligated by law to follow the rules and regulations established by the government agencies that control those funds (HUD). The entire procurement process consists of four phases:

- (1) Requisition, which includes the development of specifications;
- (1) Vendor Selection including competition, approvals, awarding of purchase and documentation;
- (2) Receipt of Goods and Services including inspection, acceptance and documentation; and
- (3) Vendor Payment.

#### **Public Hearings**

Chapter 25B of the Montgomery County Code and the Annotated Codes of the State of Maryland require HOC to hold a public hearing with respect to the sponsorship of assisted family housing proposals. The provision states that

HOC shall hold a public hearing on its proposed assisted family housing with an advertisement to be placed in two newspapers prior to the hearing. Assisted family housing is defined in the Montgomery County Housing Policy as privately or governmentally owned rental dwelling units for which the owners receive subsidies from the federal, state or local government in the form of rent supplements or mortgage interest subsidies. This does not include units receiving only tax exempt mortgage financing and which have restrictions on eligibility to families of certain incomes as established by Executive Regulations adopted pursuant to Chapter 25B. After the hearing, findings are prepared, and if a determination is made that the proposal is not contrary to the County's Housing Policy, the acquisition can proceed.

### *Grant Applications and Expenditures*

There are two components to be considered in whether to apply for a grant:

- 1) will the grant be worthwhile, and
- 2) who will it serve.

#### **In making the determination regarding grants, staff considers:**

- HOC's mission and priorities,
- funding options for the program,
- grant funded and unfunded costs,
- length of the grant and likelihood of its continuation,
- availability of match,
- the impact on other HOC programs,
- staff workload,
- competitiveness, and
- political consideration.

**The guidelines below are followed in applying for grants:**

- Grants are prepared within 45-60 days of publication in the Federal Register.
- Staff from outside agencies and HOC staff from other Departments are consulted as indicated.
- Approval is sought from the State or County to submit application as dedicated.
- A match from a local contributor is mandated to be competitive.
- Present to the Commission for authorization to submit.











## INDEX OF A CURRENT OPERATING POLICIES

#	Resol #	Description	Date Adopted	Admin. Area
1	82-41	Real Estate Appraisal Policy	3-24-82	Development
2		Admissions and Continued Occupancy Policy	12-8-99	Management
3		Administrative Plan – Section 8		Rental Assist.
4	98-125	Budget Policy	12-9-98	Finance
5	98-126	Capitalization Policy	12-9-98	Finance
6	85-115	Chargeback Policy (Charges to Residents)	8-14-85	Finance
7	80-08	Condominium Conversion Policy	1-23-80	Development
8	81-15	Condo Displacement or Threatened Displacement Pol.	2-11-81	Development
9	68-29	Disposition Policy	7-11-68	Executive
10	75-43	Executive Session/Public Information Act	8-6-75	Executive
11	86-75	Fund Raising Policy	7-16-86	Executive
12	91-14	Housing Integration Policy	1-23-91	Development
13	84-131	Mortgage Increase Policy	11-28-84	Mort. Fin.
14	97-42	Investment Policy	4-9-97	Finance
15	81-82	Mutilated or Lost Bonds Policy	7-15-81	Mort. Fin.
16	86-65	Pet Policy	6-18-86	Management
17	82-62	Press and Media Policies	5-26-82	Public Affairs
18	82-39	Public Hearing Policy	3-24-82	Executive
19	81-12	Purchasing/Procurement Policy	2-4-81	Executive
20	75-17	Professional Services/Contract Policy	5-7-75	Executive
21		Personnel Policy and Amendments	7-1-80	Human Res.
22	86-95	Policy on Selection & Appointment to non-profit Boards	9-17-86	Executive
23	78-23	Scatteration Policy for Section 8	4-19-78	Rental Assist.
24	91-15	Solicitation Policy	2-6-91	Executive
25	79-48	Tax and Trustee Sales Policy	6-6-79	Finance
26	81-64	Transfer Policy	5-20-81	Management
27	99-109	Information Technology Policy	11-10-99	Executive
28	99-111	Tax Credit Policy	11-10-99	Finance
29	00-45	Internal Audit Policy	5-3-00	Executive
30	00-103	Pet Policy for Family Public Housing	10-18-00	Management



## INDEX OF A CURRENT ADMINISTRATIVE GUIDELINES

#	Ref.#	Description	Adoption Date	Admin. Area
1	AG-01	Chapter 25 B		All
2	AG-02	By-Laws	9-8-39	All
3	AG-03	Public Hearing Procedures	3-24-82	
4	AG-04	Real Estate Site Search Guidelines		Development
5	AG-05	Financial Disclosure		Executive
6	AG-06	Establishment of Audit Committee (Rescinded)*		Finance
7	AG-07	Establishment of Housing Honor Roll		Public Affairs
8	AG-08	Establishment of Long Range/Strategic Plan		Finance
9	AG-09	Establishment of Legislative Committee		Public Affairs
10	AG-10	Establishment of Agenda Formulation		Executive
11	AG-11	Establishment of Budget and Finance* (Replaces the Audit Committee)		Finance
12	AG-12	Delegation of Authority	2-26-86	Executive
13	AG-13	MPDU Purchase Guidelines		Development
14	AG-14	Retention of Supply of Moderate Income Rental Units		Development
15	AG-15	Establishment of HOC Community Partners, Inc.		Res. Serv.
16	AG-16	Delegation of Lease Signing Authority	1-20-88	Executive
17	AG-17	Affirmative Action Plan		EEO
18	AG-18	Acquisition of Existing Housing Complexes	12-14-79	Development
19	AG-19	Security Deposit Guidelines for Residents	5-21-75	Mgmt/Fin.



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