

The Housing Authority of Washington County

Management Plan

The Housing Authority of Washington County (the Authority), is a public corporation established by act of the Board of County Commissioners of Washington County, Maryland under State law. The Authority was established to better access federal and state programs that fund assisted housing initiatives. The Authority sets policy for the administration of public housing and rental assistance programs. The Authority develops rental housing projects in cooperation with the Board of County Commissioners, who review and approve all projects proposed by the Authority. The Housing Authority of Washington County qualifies for a number of programs that can benefit the community, including those funded by the Department of Housing and Urban Development (HUD) and the Maryland Department of Housing and Community Development.

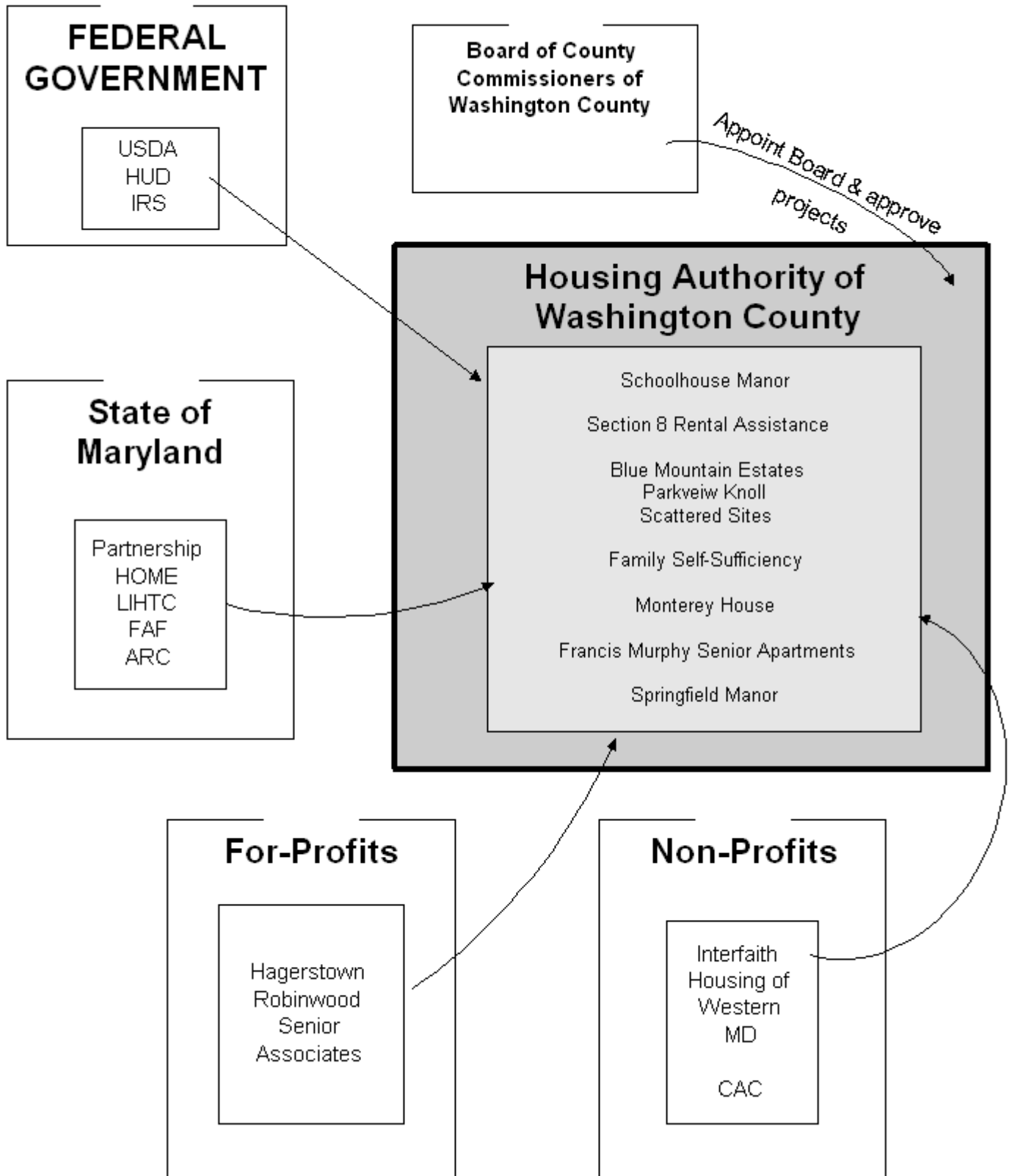
The Authority is governed by a board of seven Commissioners appointed by the Board of County Commissioners. The Authority hires an Executive Director and delegates to the Director hiring of such additional staff as may be necessary to carry forth the programs of the agency.

Contents

This Management Plan includes organizational flow charts and a narrative description of key management responsibilities. The charts that immediately follow these introductory remarks graphically portray the interrelationship of the Housing Authority, major funding agencies and the County. Organizational charts for Housing Authority Commissioners and the agency are provided to show the placement of the major functions within the Authority. Page 7 provides a breakdown of current programs administered in the Authority, the background for the organization flow chart on page 4.

External Partners

December 2008



Housing Authority of Washington County

Board of Commissioners

November 2009

Richard Keesecker
Chair and
Assistant Grievance Officer
Term: 12/01/2008 to 11/30/2013
(Town of Boonsboro)

Tracy Salvagno
Vice Chair and
Grievance Officer
Term: 8/19/2008 to 8/31/2013
(Town of Hancock)

Judith E. Ferro
Commissioner
Term: 9/1/2009 to 8/31/2014
(Town of Smithsburg)

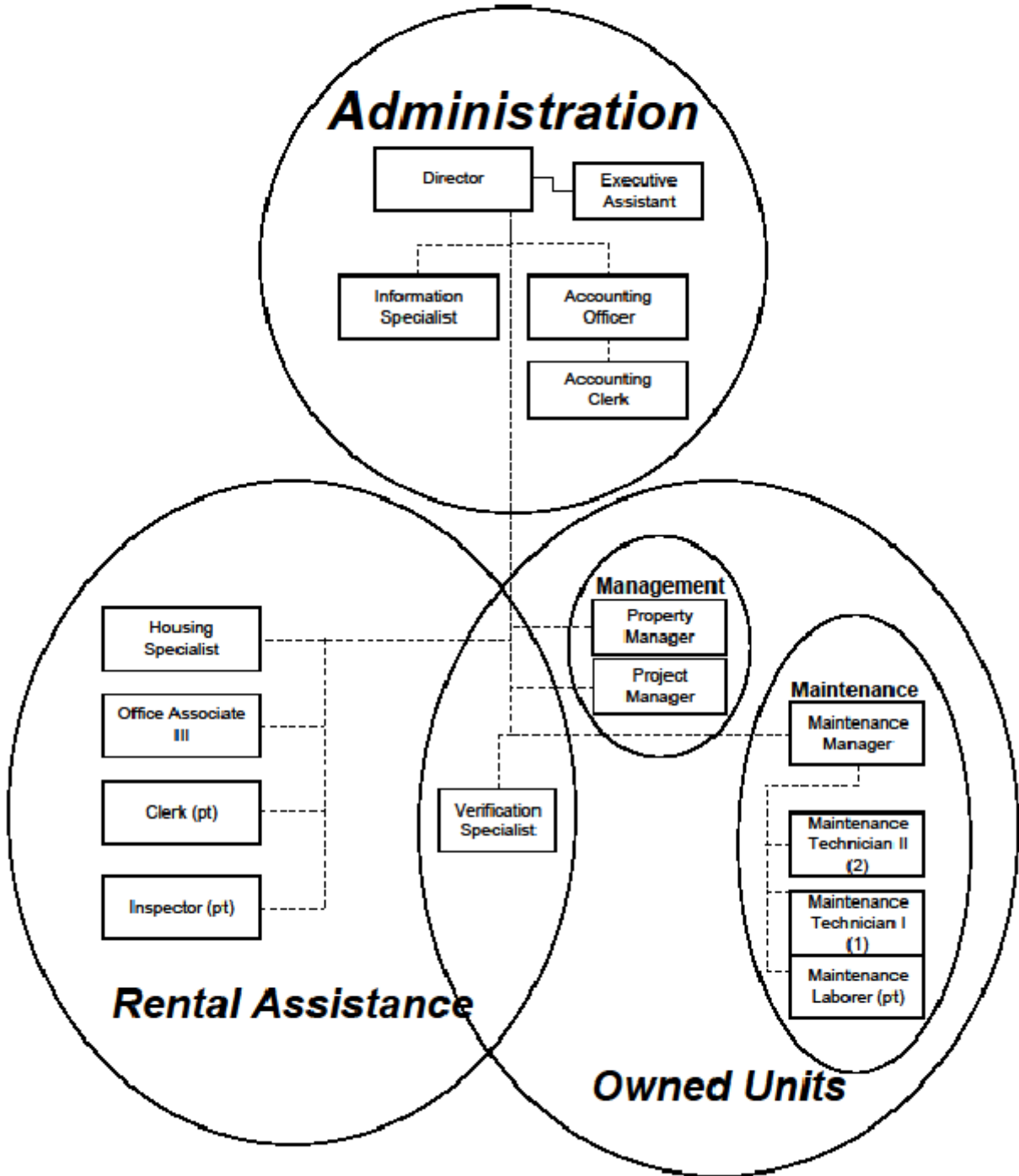
James Brown
Commissioner
Term: 4/1/2008 to 4/30/2013
(Town of Williamsport)

Mark Goldsmith
Commissioner
Term: 3/25/2008 to 4/30/2013

Joel Schoening
Commissioner
Term: 9/1/2009 to 8/31/2014

Tim O'Rourke
Commissioner
Term: 9/1/2009 to 8/31/2014

Housing Authority of Washington County



The Management Job

The goal of the Housing Authority of Washington County is to ensure an adequate stock of affordable housing in the County, outside the corporate limits of the City of Hagerstown. This goal is achieved by (1) focusing public attention on the need for affordable housing, by (2) helping for-profit and nonprofit developers to access federal, state and local resources, by (3) administering programs that help lower income households, and (4) where needed, by developing and managing projects owned by the Authority.

The Housing Authority is responsible for funding contracts that sustain rental assistance programs such as the federally funded Section 8 programs and various state and federally funded programs for new construction.

The management job consists of the following component parts: planning, development, administration, operations and fiscal control. The responsibilities of the Executive Director and the Housing Authority Commissioners with respect to each of these areas are as follows:

1. Planning. The Authority tracks data on housing needs within the Community, educating elected officials and the public with respect to housing needs, and proposing ways available public resources can best be used to meet the housing needs of limited income Washington County Citizens. The planning function includes anticipating the effect of County, State and federal policies on the housing conditions of lower income Washington County citizens.
2. Development. New projects are typically conceived by staff and the Board in conjunction with elected County or municipal officials. Since few federal or state programs cover all costs, the County's willingness to contribute land and planning monies for housing projects is significant in determining the kinds of housing efforts that are feasible.
3. Administration. The administrative function incorporates public relations, adherence to federal and state regulatory requirements and the efficient use of resources. The Housing Authority Commissioners approve all policies and rules developed by staff for the rental assistance programs and employ and oversee an Executive Director. The Executive Director reports to the Board of Housing Authority Commissioners and hires staff within the spending authority of an annual budget approved by the Commissioners. Authority staff routinely solicit feedback from program participants and colleagues in the housing industry to improve the products they deliver.
4. Operations. The Housing Authority operates seven housing projects worth more than \$24,000,000. The Authority performs or contracts for the routine and preventive maintenance of the 300 rental units it owns or manages with the objective of keeping each in "like-new" condition. The Authority also administers approximately 500 units of Section 8 rental assistance. Annually more than \$2.1 million is paid to local landlords as a portion of rent on behalf of eligible low income households. 92% of the funding for these operational efforts comes through the Department of Housing and Urban Development (HUD). The chart on page 7 provides further detail on the specific programs operated by the Authority .
5. Fiscal Control. The Authority manages payroll, purchasing, and insurance programs using software that integrates the payable and receivable functions with the management of the assisted housing programs. Inventory, work orders and preventive maintenance are likewise tied into the general ledger, providing excellent program reporting and control. Each year the Authority adopts an annual plan that incorporates administrative, programmatic and financial goals that emerge from a public process in which program consumers are involved. With the adoption of the annual plan, appropriate revisions to the Authority's five-year capital spending program are made. Authority Commissioners review budget performance in all program areas against actual costs on a quarterly basis.

From its creation in 1978 through 1999, the Authority operated as a department within Washington County government. In 2000 the Authority became an independent agency of Washington County government, taking over responsibility for payroll-related functions and phasing out County provided services including provision of legal counsel and County payment for postage, vehicle insurance and computer services. This was made possible as new housing developments added to the financial resources available.

Responsibilities of the Board of County Commissioners with respect to Housing Activities:

The Board of County Commissioners (BOCC) approves each proposed housing project as provided in the Housing Authority's Articles of Organization. The BOCC appoints the seven Housing Authority Commissioners for staggered terms of five years. Four of the positions are filled based on recommendations from the Mayors and Councils from incorporated towns in which the Authority has built housing projects, the others serve in an "at-large" capacity.

Responsibilities of the Housing Authority Commissioners:

The Housing Authority Commissioners meet monthly to set policy for all Housing Authority operations, monitor program performance and promote the goals and mission of the Authority in the community. The Chairperson or the Vice-Chair co-signs all checks in excess of \$10,000 on Authority accounts with the Secretary Treasurer or Assistant Secretary Treasurer. The Chair signs all resolutions adopted by the Housing Authority. Annually the Housing Authority adopts a maintenance wage rate schedule and forwards the adopted schedule to HUD. (See page 3 for an organizational chart showing the Housing Authority Commissioners.)

The Housing Authority Commissioners delegate responsibility for day-to-day operations of the Housing Authority to the Executive Director, within the context of policies and procedures adopted from time to time by the Housing Authority Commissioners. The Executive Director serves as the Authority's Secretary Treasurer. The Board designates a senior member of the staff as its Assistant Secretary Treasurer.

Housing Authority Programs

Activity	Fiscal Impact	Funding Source	Notes
Blue Mountain Estates (28 unit elderly) Smithsburg, MD	\$190,902 (58%) from tenant rents, \$190,977 from HUD subsidy, and \$8,254,919 in property value	U.S.Department of Housing and Urban Development (HUD)	Built in 1982
Parkview Knoll (28 unit elderly) Williamsport, MD			Built in 1984
Scattered Site Family (22 3-Br & 2 4-Br units)			Houses purchased 1990-1992 and fully rehabilitated
Rental Assistance (Section 8) approx. 500 units	\$238,943 in fees plus rent payments of \$2,146,172	HUD	Some residents of Schoolhouse Manor, and Francis Murphy Senior Apartments receive rental assistance administered by the Authority
Schoolhouse Manor (32 unit elderly) Boonsboro, MD	\$158,842 from rents and a value of \$1,686,200	Maryland Department of Housing & Community Development (DHCD)	Built in 1994
Monterey House (24 unit elderly) Hancock, MD	\$59,370 (32%) from tenant rents, \$124,009 from USDA subsidy and a value of \$2,183,000	DHCD and Rural Development division of the US Department of Agriculture	Built in 2001
Francis Murphy Senior Apartments (120 unit elderly) Hagerstown, MD	\$71,895 in management fees paid to the Authority	DHCD loans and Tax Credits	Phase I Built in 2002 Phase II Built in 2004
Springfield Manor (36 unit elderly) Williamsport, MD	\$199,710 in tenant rents expected and a projected value of \$2,574,737	DHCD provided loan and federal HOME funding	Built in 2004

Program Development History

When the Housing Authority of Washington County was formed in 1978, the primary funding source for low income elderly housing was the **Low-rent Indian and Public Housing** program, better known merely as public housing. Loans for affordable housing development were also available through the U.S. Department of Agriculture; and although the Authority initially sought funding for what was to have been its first project in Williamsport, Maryland from USDA, it was not until twenty years later that HAWC first obtained USDA funding for a rental project, Monterey House in Hancock.

The **Section 8 Rental Assistance** program affords qualified families the opportunity to obtain HAWC help with paying the rent on a decent, safe unit of their own choosing. The income limits for public housing and for Section 8 are set at 50% of the median income in the Hagerstown, Maryland standard metropolitan statistical area (SMSA). In public housing we perform tenant screening. In the Section 8 program landlords are responsible for screening prospective tenants. The earliest form of Section 8 assistance was called the **Certificate**. With a certificate landlord rents were capped by HUD established standards, security deposits were limited to a family's affordability and housing agencies were involved in payment of damage and vacancy claims to make up for the initial limitation on the security deposit. The Certificate form of assistance gained the program a bad name in many markets as landlords spread horror stories about bad tenants and disastrous move-out experiences. **Vouchers** were first authorized by Congress in the mid-1980s introducing the concept of allowing a landlord to collect a "normal" security deposit, underlining the landlord responsibility to choose tenants wisely. In 1999 the Certificate and Voucher programs were merged into today's **Housing Choice Voucher** program, using the more successful Voucher program as the model. HAWC operated Section 8 assistance first as a subcontractor of the State of Maryland; and, then, once a track record had been established, through contracts directly with HUD. When the Authority develops units that do not have a form of rental subsidy, HAWC can, as a landlord, accept the rental voucher of a Section 8 participant that is looking for a place to use their assistance. Projects developed with funding from the State of Maryland, where HAWC must rent to persons of limited income, the Section 8 assistance can make a significant contribution to a project's cash flow, allowing the Section 8 participant to be able to afford a "market" rent.

In the early 1990's HAWC was awarded HUD funding to create 25 units of housing for families needing 3 or 4-bedroom units. HUD was interested in the development of one family housing site, but the HAWC Commissioners were equally determined "not to build a project." HAWC prevailed on HUD to allow the purchase and rehabilitation of existing "starter" homes in scattered locations. In the Authority's scattered program, families that can arrange the financing have the opportunity to purchase the unit from HAWC at market price.

By the mid-1990s Congress had stopped appropriating money for the development of low-rent public housing, and HAWC turned to a new Maryland program, the **Partnership** Rental Housing Program. Under "Partnership" the State of Maryland could provide a capital grant for an affordable housing project if the local government would contribute the land and manage the project so that rents would cover management and maintenance. Partnership was used as the funding vehicle to build Boonsboro's Schoolhouse Manor elderly housing.

Partnership was next sought to fund elderly housing in Hancock, Maryland. HAWC was fortunate to secure USDA funding for part of the development when Partnership dollars ran short. HAWC was doubly fortunate that USDA committed to providing rental assistance for all 24 of the one-bedroom units at

Monterey House, since the lower incomes in the western end of our County would have made it difficult to meet the Partnership criteria of meeting all project expenses based solely on tenant-paid rent.

During the application process for HAWC's latest housing development venture, 36 units of elderly housing to expand rental resources in Williamsport, the State ran out of Partnership funding. Instead, a combination of federal **HOME** funding and a limited pool of special funds controlled by the state housing finance agency, the Community Development Administration, made it possible to get the Springfield Manor project to closing. With our experience at Schoolhouse Manor, we realized that most of the residents of Springfield would qualify for Section 8 assistance and come to the top of that program's waiting list in a relatively short period of time. Our ability to demonstrate a rent potential close to "market" was key in gaining funding approvals.

The Authority's administrative framework and capacity to successfully manage rental properties have enabled several ventures that solidify partnerships in the local community and generate additional revenue to support the core mission: meeting affordable housing needs. HAWC has undertaken the management the tax-credit financed, privately owned 120-unit elderly complex, Francis Murphy Senior Apartments. In addition HAWC provides bi-weekly payroll services for the Washington County Department of Social Services' contractual workforce.

It is our expectation that future affordable housing ventures will rely on multiple funding sources, requiring the creative use of all existing resources combined with the routine raising of gap-filling resources from new partners.

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