



HOWARD COUNTY DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
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Director's Report

April 2020



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DIRECTOR'S NOTE

County offices were closed to the public during the month of April. Most of the staff continued to work from home and meetings were facilitated through conference calls, WebEx and Zoom. Keeping the website up-to-date with COVID resources and program updates has proven to be an effective tool to get information to residents and the community.

April was an open enrollment month for the MIHU homeownership program. The Department added an online application to the program about 2 years ago, but this was the first time that the open enrollment period was solely offered online. Staff created PowerPoint presentations that were posted on the Department's website for potential applicants to learn more about the MIHU rental and homeownership programs. Staff worked with residents throughout the month to answer questions about the program and the application process. Despite the virtual environment, staff received 76 new MIHU homeownership applications.

On April 16th, Peter Engel of the Howard County Housing Commission and I were interviewed virtually by Cris Oveido of Howard Community College's Dragon Radio. I have been interviewed by Cris a few times before. This was an opportunity to promote the MIHU open enrollment period and to discuss resources for unemployed residents struggling to pay rent during COVID-19 closures.

County Executive Ball introduced the FY21 operating and capital budgets to the County Council. The FY21 budget includes expected new revenue from a transfer tax increase and a recordation tax increase. It is difficult to contemplate tax increases when the County is dealing with the additional costs of COVID-19, but the increases could help the County address the anticipated shortfalls in both budgets. If the County Council passes the transfer tax increase, 25% of the increase will be allocated to the Housing Department's revenue. These funds could be used to provide additional housing units and services for low- and moderate-income households in the County. The Council will vote on the FY21 budgets on May 27, 2020.

The work on the Housing Opportunities Master Plan continues. See more detailed summary on page 3.

Earlier this year, I began participating in the MD Department of Housing and Community Development's (MD DHCD) Housing Needs Assessment led by Enterprise Community Partners and University of Maryland's National Center for Smart Growth Research and Education. I attended the 4th meeting on April 29th. These meetings are an opportunity to hear how other jurisdictions are addressing affordable housing challenges. The consultants are planning to submit the draft report to MD DHCD in August 2020. The State plans to use this report to help design programs and allocate resources for the next 5 years.

Kelly Cimino, Director

COMMUNITY RENEWAL HOUSING INITIATIVES

MODERATE INCOME HOUSING UNIT PROGRAM

Please see the attached MIHU Report.

SETTLEMENT DOWNPAYMENT LOAN PROGRAM

The Settlement Downpayment Loan Program is used to assist potential homebuyers with the purchase of a home. The program is critical to the success of the MIHU program and helps increase the rate of homeownership in the County. Homebuyers must be income-eligible and demonstrate a need for downpayment and closing cost assistance. Potential homebuyers must attend a HUD-approved homebuyer pre-purchase workshop prior to closing.

For FY20 so far, 17 MIHU buyers received SDLP loans, including 9 Workforce Initiative loans, totaling \$371,812 and 29 non-MIHU buyers received SDLP loans, including 14 Workforce Initiative loans, for a total of \$462,917.

While the office is closed to the public, there are still funds available for SDLP loans. The current fiscal year ends on June 30. Mortgage lenders must email the Program Coordinator prior to sending an SDLP package for underwriting. The Department is accepting emailed SDLP packages and will process them as they are received. Lenders must allow the full 9 days from the date of receipt to provide adequate time for underwriting and funding. Online homebuyer education certificates from HUD-approved counseling agencies are acceptable to meet the SDLP homebuyer education certification requirement.

HOUSING REPAIR LOAN PROGRAMS

The Reinvest*Renovate*Restore Housing Repair Loan Program can help income eligible homeowners make repairs to enhance safety, accessibility and livability in their homes. The Department also processes applications for the State's Housing Repair Loan Programs. Applicants who are ineligible based on income or credit for either program are referred to Rebuilding Together for assistance. Staff is reviewing 2 new applications for eligibility in April.

HOUSING OPPORTUNITIES MASTER PLAN

The Department continues weekly update calls with RCLCO. The RCLCO team facilitated a Zoom meeting with the 3 workgroup chairs, Jeff Bronow from DPZ and myself on April 27th to discuss progress on the plan and agenda items for the upcoming workgroup meetings set for May 11, 13 and 14. It was decided that this group would continue to meet prior to all workgroup and full task force meetings to help keep the project moving forward. The survey was also discussed. It should be posted by the end of June. The full task force will be asked to share it widely with their networks when it is released. Meetings are open to the public and information to access the upcoming workgroup meetings through Zoom is posted at www.howardcountymd.gov/housingtaskforce.

Upcoming Workgroup Meeting Schedule:

May 11th – 3 pm - Housing Policy Workgroup led by Allysha Lorber of JMT, Inc.

May 13th – 3 pm - Housing Affordability Workgroup led by Tracee Strum-Gilliam of PRR, Inc.

May 14th – 3 pm - Housing Market Workgroup led by Elisabeth McCollum of JMT, Inc.

GRANT PROGRAM INITIATIVES

FFY2020 – FFY2024 CONSOLIDATED PLAN & FFY2020 ANNUAL ACTION PLAN

Howard County has concluded all the statutorily required elements of the planning and writing of the FFY2020 – FFY2024 Consolidated Plan and the FFY2020 Annual Action Plan. On May 4, 2020, the County Council voted to approve the resolution allowing Howard County to submit the final plans to HUD. The Final FFY2020 – FFY2024 Consolidated Plan and FFY2020 Annual Action Plan will be submitted to HUD well before the deadline on May 15, 2020.

CDBG -CV Funding

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law by the President on March 27, 2020. The CARES Act will ultimately make \$5 billion in supplemental Community Development Block Grant (CDBG) funds available to be used for grants to ***prevent, prepare for, and respond to*** the Coronavirus. Howard County has been awarded an allocation of **\$770,356** in CDBG-CV funds, which will be available in the form of grants to local nonprofits.

The Grants Division notified HUD that the County will prepare a Substantial Amendment to our FFY2019 Annual Action Plan in response to the CDBG-CV award of \$770,356.00. Our Citizen Participation Plan will be amended to allow for virtual public hearings and a 5-day Public Comment Period. Last week a Waiver Letter requesting the use of those waivers a for the virtual public hearings and the 5-day public comment period was submitted to HUD.

The Grants Division created an invitation to encourage participation in the three virtual public needs hearings. The invitation was emailed to 138 stakeholders from the division's nonprofit stakeholder list. The application for the FFY2019 CDBG-CV funding from the CARES Act was created and posted on the DHCD's webpage for our nonprofit partners to apply to the County for funding to respond to the COVID-19 struggles many low-income residents have experienced since the declared state of emergency began.

COVID-19 Needs Hearings WebEx Conference Calls

Dates & Times of Calls

1. Thursday, April 30, 2020 – 1:00 PM – 3:00 PM
2. Tuesday, May 5, 2020 – 10:00 AM – 12:00 PM
3. Thursday, May 7, 2020 – 2:00 PM – 4:00 PM

The CARES Act

The CARES Act requires that expenditures be incurred “due to” the public health emergency. This means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, *such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.*

Framework of Call: Participants were asked to provide the following information during each call:

- Name and the organization you represent.
- What are the struggles your clients are identifying to your organization since the COVID-19 State of Emergency was declared in mid-March?
- What is the significant impact this shutdown has had on your organization?

Application Process:

To get the funding out into the community as quickly as possible, nonprofits must have an established process in place. This CDBG-CV funding is not for establishing a new program.

- Activities related to short-term rental assistance, eviction prevention and housing stability will be given priority consideration.
- Administrative cost will be limited to 15% of award. The majority is for direct client services.
- These applications will also be used for future award consideration if additional County funding is allocated for COVID-19 housing concerns.
- **Applications Due Date: Friday, May 22, 2020 at 5:00 PM**

CDBG AND HOME COMBINED ACTIVITIES

The Grants team has been finalizing procedures for the allocation of the CDBG-CV funding this month. The three (3) virtual public hearings will allow local non-profits to discuss in detail how the current pandemic has affected the delivery of their services, and how these funds could help them plan for, prepare for and respond to COVID-19. Applications for these funds are due on May 22nd. The Grants team will review, score and make funding awards in early June.

The grant cycle includes the submission of quarterly narrative reports, which are usually due one week after the quarter ends. The last quarter ended on March 31st. The grants team has been reviewing quarterly reports received from subrecipients on April 6th. These reports provide program highlights, accomplishments and/or setbacks faced by the grantee and are critical to effectively managing the grants. The information provided is analyzed, recorded electronically and assessed to determine whether a grantee needs technical assistance or not. As expected, due to the current health crisis, many of the grantees have had to reduce, cease or delay services. This reduction in services has resulted in grant funds being unspent. Normally grant agreements are executed with one-year terms and program funds are expected to be expended by June 30. Because of COVID-19, the grants team is planning to extend some of the grant agreements beyond the end of the current fiscal year.

EDUCATION AND OUTREACH

HOMEBUYER EDUCATION WORKSHOP

Potential homebuyers are required to receive a homebuyer education certificate from a HUD-approved counseling agency to purchase an MIHU home and/or qualify for SDLP funding. Homebuyers with a signed contract of sale should contact their mortgage lender for a referral to an online homebuyer education class to receive their certification prior to closing.

HomeFree USA was recently selected as the Department's homebuyer education workshop provider. Due to COVID-19 closures, HomeFree will provide an online class option to registered applicants. Applicants must register to receive instructions for the online class option. This month's class was held on April 11, 2020. The next online class is scheduled for May 9, 2020.

Homebuyer education workshops sponsored by the Department will resume once the County Executive lifts the Executive Order. The 2020 workshop calendar is posted on the Department's website as well as FAQs. Prospective homebuyers can register to attend a workshop by sending an email to homebuyerclass@howardcountymd.gov.

MIHU WORKSHOP

April was an open enrollment period for the MIHU homeownership program. 76 new applications were received. Applications for MIHU rental units are available throughout the year. See the attached MIHU Report for more details or visit the Department's website for pricing, standards or more information at www.howardcountymd.gov/departments/housing.
