



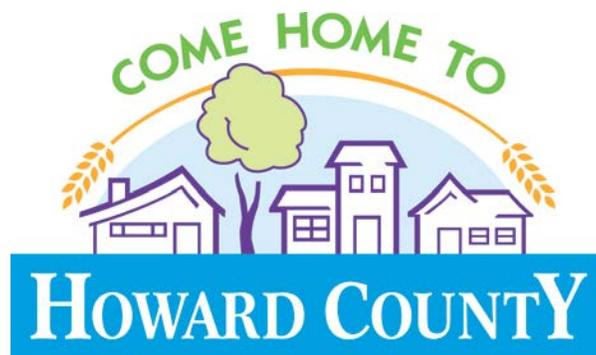
HOWARD COUNTY DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
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Voice/Relay

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# Director's Report

February 2019



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## **DIRECTOR'S NOTE**

February marks the beginning of the County's budget season. County Executive Ball announced the formation of a Spending Affordability Advisory Committee (SAAC) on February 4, 2019. The SAAC will prepare recommendations regarding revenues and expenditures for County government over the next 5 years. Dr. Ball named 20 community members and seven current leaders of Howard County government to serve on the committee, which will be led by Budget Administrator Holly Sun. The FY2020 SAAC must prepare and present their report by March 1, 2019.

I presented to the SAAC on behalf of the department on February 5<sup>th</sup>. This was an opportunity to highlight the past successes of the department programs and initiatives and to detail the challenges ahead based on current revenue estimates and recent changes to the Adequate Public Facilities Ordinance (APFO) that could impact the department's funding for the next several years. I would like to thank the committee members for serving on the SAAC and providing sound fiscal recommendations.

On February 15<sup>th</sup> and 28<sup>th</sup>, I met with the budget office and county administration to discuss the department's FY20 budget request. It was another opportunity to discuss continuation of the department's programs and initiatives in a challenging fiscal environment. I appreciate the administration's support and guidance during the budget process.

February 27<sup>th</sup> marked County Executive Ball's first State of the County Address to those in attendance at a lunch event at Turf Valley Resort. The theme of the address was "Our Time is Now". The County Executive confirmed his commitment to stand up for all residents. He outlined his plans to be the best county in the nation by governing decisively and having a sense of urgency in addressing the challenges of today and seizing the opportunities of tomorrow, while advancing Howard County values. The event was sponsored by the Chamber of Commerce which is celebrating its 50th Anniversary this year. This was also the year (1969) that Howard County began a Charter form of government and swore in its first County Executive and County Council. It is an exciting time to be a part of this new administration.

I have been asked to present information about the Department's accomplishments and future projects at the March 6<sup>th</sup> meeting of the Howard County Housing Affordability Coalition. The meeting will be held at the Non-Profit Collaborative at 9770 Patuxent Woods Drive from 3:30 – 5:00 pm. The Coalition is made up of organizations and individuals interested in advocating for affordable housing in the County. The Coalition met for the first time on January 21, 2019. According to the presentation at the kick-off meeting, the Coalition's purpose is to "Productively, constructively and respectfully contribute to the preservation, development, geographic distribution and accessibility of housing for special needs populations and individuals with incomes at or below 80 percent of Howard County median income through monitoring, educating, facilitating, coordinating, partnering and advocating." The Department is excited to work with the group and provide more affordable housing opportunities for families that want to live in the County.

*Kelly Cimino, Director*

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## **HOUSING OPPORTUNITIES PROGRAMS DIVISION**

### **MODERATE INCOME HOUSING UNIT PROGRAM (MIHU)**

Please see the attached MIHU Report.

### **SETTLEMENT DOWNPAYMENT LOAN PROGRAM (SDLP)**

The Settlement Downpayment Loan Program is funded by the Department's Community Renewal fund. This program is responsible for increasing homeownership in the County and is critical to the success of the MIHU program. Homebuyers must be income-eligible and demonstrate a need for downpayment and closing cost assistance.

For FY19 so far, 14 MIHU buyers received SDLP loans, including 7 Workforce Initiative loans, totaling \$283,477, and 40 non-MIHU buyers received SDLP loans, including 20 Workforce Initiative loans, for a total of \$711,853. Requests for funding from this program have exceeded estimates for the first 6 months of the fiscal year. While funds remain limited, funding is currently available for 2019. Potential buyers and lenders may visit the department's website for funding updates.

### **REINVEST\*RENOVATE\*RESTORE HOUSING REPAIR PROGRAM (RRR)**

The Reinvest\*Renovate\*Restore Housing Repair Program is funded by the Department's Community Renewal fund. This program can help income eligible homeowners make repairs to enhance safety, accessibility and livability in their homes. Applicants who are ineligible based on income or credit are referred to Rebuilding Together and/or the Maryland Whole Home Program for assistance. One home loan was funded and renovations were completed in February. Renovations are underway on two homes. Two new applications were received this month, but applicants did not meet loan eligibility criteria. The Loan Review Committee meets twice a month to review loan applications for funding.

### **MARYLAND WHOLE HOME PROGRAM**

The Maryland Whole Home Program (formerly known as MHRP) can be used to assist eligible homeowners secure low interest loans or grants to make home repairs and bring properties into compliance with applicable building codes and standards. The program is designed to benefit households with incomes that are at or below 80% of the statewide median income. Homeowners must be current on their mortgage, insurance and property tax payments to be eligible for the program. While this program often provides grants or 0% interest loans to income-eligible homeowners, the State's processing time for these loans is approximately 6 – 8 months. Homeowners that have urgent or immediate needs are not a good fit for this program. One loan closed and received funding in February. Renovations to the property have begun and should be completed in the next 30-60 days.

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## **COMMUNITY PLANNING AND GRANTS DIVISION**

### **FFY2019 ANNUAL ACTION PLAN**

In accordance with federal requirements for jurisdictions receiving funds from the U.S. Department of Housing and Urban Development (HUD) for housing and community development programs, the County is preparing its FFY2019 Annual Action Plan. This Action Plan will outline how the County will use federal funding resources to address the current housing and community development needs of our low- to moderate income population, while remaining aligned with the goals outlined in our FFY2016-2019 Consolidated Plan.

Household incomes are not keeping pace with the cost of housing and the number of available, affordable housing units is scarce. The concern about rent and mortgage overburdened households is that low-income residents that pay a high percentage of their income to housing expenses can become unstable and face homelessness with a first-time crisis, loss of income, or health issues.

The FFY19 Annual Action Plan, the last year of our 4-year plan, will award funding to projects that address the priorities identified through the County's needs hearings, citizen participation and consultation process. The second Needs Hearing on January 10, 2019, revealed that the County's current needs and priorities remain to be reflective of the broader input received during the development of the County's FFY2016-2019 Consolidated Plan.

### **FFY2019 Annual Action Plan Dates of Interest:**

**February 25, 2019** – *30-Day Public Comment Period began-continues through March 26<sup>th</sup>*

**March 13, 2019** – *Public Hearing # 3* – at Department of Housing and Community Development

**April 11, 2019** – *Public Comment # 4* – at Howard County Housing Board Meeting

**April 22, 2019** – *Public Hearing # 5* – at County Council Hearing at George Howard Building

**May 6, 2019** – County Council votes on resolution regarding FFY2019 Annual Action Plan Submission

**May 17, 2019** – County submits the FFY2019 Annual Action Plan to HUD

### **CDBG and HOME Program Combined**

During the month of February, the Grants Division accepted grant applications for the upcoming fiscal years; FFY2019 and Howard County's FY2020. This year there were a total of 19 applications received. Two applications that did not meet minimum thresholds were not shared with the reviewers.

The Grants Review Committee (GRC) met in late February to review, score and discuss the merit of the applications. The GRC voted in favor of funding ten (10) CDBG activities and five (5) Community Renewal projects.

Following the review of and selection of projects, all recommendations were presented to the director. The draft Annual Action Plan was updated accordingly and posted on the County's webpage to begin the thirty-day public comment period.

To meet HUD requirements, the annual review of rent and income on HOME-assisted rental units was conducted during the month of February. The review showed that of the eight (8) reports submitted, the

rental projects comply with HOME Program rent and income standards. On-site monitoring visits are being scheduled for several HOME-assisted units to take place during the spring and summer months.

## **COUNTY FUNDED PROJECTS**

### **RENEW HOWARD PROGRAM**

The Real Estate Charitable Foundation of Maryland, Inc., a 501 (c)(3) non-profit corporation (the "Administrator"), a supporting organization of the Community Foundation of Howard County, also a 501(c)(3) nonprofit corporation ("Cfhoco") announced that it was soliciting competitive applications (Request for Proposals or RFP) from eligible mortgage lending institutions to participate in a neighborhood revitalization loan program, Revitalizing Neighborhoods EveryWhere in Howard County "RENEW Howard" (referred to as the "Program") whereby Lenders would be incentivized to make low-interest loans to homebuyers to acquire and improve aging homes in Howard County. The purpose of the Program is to encourage new investment in and revitalization of neighborhoods throughout the County.

To incentivize Lenders, the County has provided grant funds to the Administrator to be used as a Loan Loss Reserve Fund for this proposed mortgage program in the amount of approximately \$2,000,000. It is anticipated that this level of funding will be sufficient to induce a private Lender or Lenders to contribute loan funds of as much as \$20 million to the Program.

A second Request for Proposals (RFP) seeking lenders for the program will be released on March 27, 2019. The RFP will be posted on the Department's website and interested lenders may contact Linda Phillips at [lphillips@howardcountymd.gov](mailto:lphillips@howardcountymd.gov).

### **ACQUISITION/REHAB PROGRAM**

There are funds in the Department's FY19 budget for the acquisition and rehabilitation of existing scattered site properties to be leased to low-income individuals and families in Howard County. For the second year, the Department granted funds directly to Bridges. Bridges acquires units to lease to households earning up to 60% of Howard County area median income as part of their Bridges Alliance program. Bridges received \$500,000 of funding on July 1, 2018. By adding matching funds of \$125,000., they have been able to purchase and renovate 4 condominium units in Columbia and Ellicott City. One unit is housing a family of 3 at a lower rent burden so they are stably housed. One unit is housing a family of 6 that was previously living in a cramped 2-bedroom apartment. One family moved into a unit that is closer to their work and schools so transportation access is improved. Bridges helps low wage working households reduce their rent burden and find affordable housing units. As of 12/31/18, the Bridges Alliance is renting 33 units to income eligible households in the county.

### **RENTAL ASSISTANCE FOR SPECIAL POPULATIONS**

The Department could use MIHU fee in lieu funds to provide rental assistance to populations at risk of homelessness such as youths aging out of foster care and inmates leaving the County's detention center. In 2017, the Department funded the acquisition of a property by Bridges to Housing Stability to house

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returning citizens when they are released from the detention center. The home is currently occupied by a full-time house manager. The Department of Corrections will refer eligible returning citizens to the property for rent-free transitional housing for up to 24 months. This transitional housing unit will fulfill an unmet need in the community and prevent potential homelessness for its residents. There was a dedication ceremony at the property on January 8, 2019. The first resident moved in on January 28, 2019. A second resident moved into the house in February. The Department is continuing to work with Voices for Children and other County and State agencies to formulate strategies to provide affordable rental housing units for youths aging out of foster care in our County.

## **OUTREACH**

### **HOMEBUYER EDUCATION WORKSHOP**

This month's Homebuyer Education Workshop was held on Saturday, February 9, 2019. The next workshop led by Making Change is scheduled for Saturday, March 9, 2019, from 9:00 a.m. – 3:00 p.m. at the Community Resources Campus (9820 Patuxent Woods Drive, Columbia, MD 21046). Pre-registration is required. The 2019 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](mailto:homebuyerclass@howardcountymd.gov).

### **MIHU WORKSHOP**

The Department is sponsoring an MIHU Workshop on Wednesday, March 20<sup>th</sup>, from 12- 1 pm for County employees that would like to learn about programs that could help them live in the county. The workshop will be held at the Community Resources Campus on Patuxent Woods Drive. April is the next open enrollment period for the MIHU homeownership program. The Department will hold informational workshops for potential MIHU renters and homebuyers during that time. Applications for MIHU rental units are available throughout the year. Visit our website for more information at [www.howardcountymd.gov/housing](http://www.howardcountymd.gov/housing).

### **CREDIT AND DEBT MANAGEMENT WORKSHOP SERIES**

This 5-week workshop series is offered to MIHU applicants with low credit scores and/or excessive debt. Making Change leads the workshop sessions and works individually with applicants to help them become mortgage ready for the MIHU and SDLP programs. The series began on February 7<sup>th</sup> at the Community Resources Campus at Patuxent Woods. Interested applicants for future sessions may contact the homeownership team for more information at (410) 313-6318.

Attachment: MIHU Report

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