



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

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DIRECTOR'S NOTE

Council Bill 50 was introduced by Council Chairperson at the request of the County Executive on October 7, 2019. Following my testimony on October 21st, the Council unanimously approved this bill on November 4, 2019. I would like to thank the County Executive and County Council for their support.

The purpose of Council Bill No. 50-2019 ("CB50") is to revise and update several provisions of the County's Moderate Income Housing Unit Program (the "Program" or "MIHU Program") set forth in Title 13, Subtitle 4 of the Howard County Code. The Program was last revised in 2017. The revisions set forth in CB50 will define certain terms; provide for Disability Income Housing Units as an optional method of providing moderate income housing units; provide for certain numbers of units when Disability Income Housing Units are used; provide the unit type and minimum size for studio units that are used as Moderate Income Housing Units offered for sale or rent; amend the language regarding certain prohibited transfers; amend the fee in lieu; adopt rental rates for Disability Income Housing Units; establish the pricing for subsequent sale of previously occupied Moderate Income Housing Units; provide fines and penalties for non-compliance; add criteria for eligibility to rent or purchase Moderate Income Housing Units; require regulations to contain certain criteria related to Moderate Income Housing Units; and make certain technical corrections to enhance the Moderate Income Housing Unit program.

Here are 2 excerpts from the testimony: "The Program is currently addressing the housing needs of moderate income and low income households through the MIHU and LIHU provisions. However, there is an additional need for units that are affordable to very low income households, particularly persons with disabilities that receive only Supplemental Security Income (SSI) or Social Security Disability Income (SSDI). CB50 proposes to amend Section 13.402(e) to provide an optional method of compliance for developers to meet a project's MIHU requirement. This revision defines the Disability Income Housing Unit (DIHU), sets the rental rates for DIHUs at 30 % of household incomes up to 20% of the HC AMI and states the number of DIHUs that can be provided by developers as an optional method of compliance to meet a project's MIHU requirement. Because the DIHU rents will be significantly less than the MIHU rental rates, developers that request to use this optional method of compliance will be allowed to meet the MIHU requirement with fewer units (ex. 1 DIHU on-site for every 3-4 MIHUs required by the zoning regulations). The unit reduction is necessary to incentivize developers to consider using this optional method of compliance; and

The Department will update the regulations necessary to implement and administer this subtitle, including regulations to enforce the owner occupancy requirement, including penalties, for MIHU homeownership units; to enforce the MIHU program requirements, including penalties, for MIHU rental units; and establish criteria for capital improvements and excessive damage for MIHU homeownership units at the time of resale. These regulation changes are necessary to maximize the effectiveness of the Moderate Income Housing Unit program for the County, developers and applicants."

The effective date for program changes authorized by Council Bill 50 is January 6, 2020. The Department is working on applicable regulation changes, so they can be shared at a public hearing in early 2020.

Kelly Cimino, Director

HOUSING OPPORTUNITIES PROGRAMS DIVISION

MODERATE INCOME HOUSING UNIT PROGRAM

Please see the attached MIHU Report.

SETTLEMENT DOWNPAYMENT LOAN PROGRAM

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. Potential homebuyers must attend a HUD-approved homebuyer pre-purchase counseling and education workshop prior to closing.

For FY20 so far, 12 MIHU buyers received SDLP loans, including 7 Workforce Initiative loans, totaling \$258,692, and 20 non-MIHU buyers received SDLP loans, including 10 Workforce Initiative loans, for a total of \$330,628.

REINVEST*RENOVATE*RESTORE HOUSING REPAIR PROGRAM

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 for assistance or considered for the State Housing Repair Programs. The Loan Review Committee meets twice a month to review loan applications for funding. DHCD staff is available to present RRR program information to organizations and service providers in the community.

There are 2 applications currently in processing with closings expected in December. Staff is currently scheduling outreach events in January.

STATE OF MD HOUSING REPAIR LOAN PROGRAMS

The Department processes applications for the State of Maryland's Whole Home and Housing Repair Programs. Both programs can 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 programs are 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 these programs may offer grants or 0% interest loans to income-eligible homeowners, the State's processing time for these loans is approximately 6 – 8 months. Applicants interested in the State's housing repair loan programs should contact the Department for additional information. One new application was received this month. The household's income was very low, so they were referred to Rebuilding Together for assistance.

COMMUNITY PLANNING AND GRANTS DIVISION

FFY2020 – FFY2024 Consolidated Plan & FFY2020 Annual Action Plan (AAP)

Howard County is in the process of preparing its FFY 2020-2024 Five-Year Consolidated Plan and FFY 2020 Annual Action Plan. The County is required to submit these plans to the U.S. Department of Housing and Urban Development (HUD) to receive Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds. Urban Design Ventures (UDV), the consultant selected for the planning and writing of the Consolidated Plan will conduct three days of Public Comment Needs Hearings and face-to-face interviews in December.

All meetings will be held at the Department's office - 9820 Patuxent Woods Drive, Columbia, MD 21046:

- Tuesday, December 10, 2019 at 1:00 P.M. in Meeting Room 212
- Wednesday, December 11, 2019 at 10:00 A.M. in Meeting Room 211
- Thursday, December 12, 2019 at 10:00 A.M. in Meeting Room 211

Agency and Resident Surveys

In preparation for the planning and writing of the FFY2020 – FFY2024 Consolidated Plan, UDV has created an **Agency Survey** for nonprofits and human service agencies to complete and provide insights regarding their organization's role in the County and any unmet needs they see in the communities they serve.

Additionally, UDV has created a confidential **Resident Survey** that will be made available to County residents in December. Non-profits and human service agencies will be asked to share the survey link with their clients. Anyone that is interested in taking the survey can access it through a link on the Department of Housing and Community Development's Community Planning and Grants division web page.

Anticipated FFY2020 Entitlement Funding for Howard County Government:

CDBG: \$1,246,937.00

HOME: \$ 422,239.00

Con Plan / Action Plan Dates of Interest:

January 9, 2020 – Public Needs Hearing #2 –The FFY2020 CDBG and HOME Program Applications for funding will be announced.

February 3, 2020 – CDBG and HOME Applications Due to Howard County DHCD

February 24, 2020 – 30-Day Public Comment Period for the Draft FFY2020 -FFY2024 Consolidated Plan & FFY2020 Annual Action Plan begins.

CDBG and HOME PROGRAM COMBINED

During the month of November, the Grants team prepared for the upcoming 5-Year Consolidated Plan and FFY2020 Annual Action Plan Needs Hearings and Applications. During the week of December 9th, the first of five required public hearings will take place. There will also be several one-on-one meetings with stakeholders, non-profit entities, social service agencies and community development organizations. The 1st public hearing will be held on December 11th at 6:00pm. Those planning to attend are asked to register in advance.

During the last week in August, the Department of Housing and Urban Development (HUD) visited Howard County and monitored several projects funded by the CDBG and HOME programs. Upon receipt of the monitoring report findings, staff is making changes to the administration of both grant programs. These changes were submitted to HUD for final review and approval this month.

The HOME Program Specialist attended a weeklong training hosted by the National Development Council (NDC), titled "ED202- Real Estate Finance." This course presented an in-depth look at developing projects with public funds, such as HOME and CDBG, and developing and analyzing project proformas. This training will enhance execution of the HOME Program and can be utilized for future development of affordable multi-family housing projects by the Department.

The HOME Program Specialist is drafting the monitoring schedule for the upcoming calendar year. Following the conclusion of the draft of the 5-Year Consolidated Plan and Annual Action Plan, the grants team will set out to conduct three (3) on-site monitoring visits of HOME-assisted projects in 2020.

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") is working with the Department to design a neighborhood revitalization loan program known as RENEW Howard (Revitalizing Neighborhoods EveryWhere in Howard County) 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. Staff is working on program parameters for release in 2020.

ACQUISITION/REHAB PROGRAM

There are funds in the Department's FY20 budget for the acquisition and rehabilitation of existing scattered site properties to be leased to low-income individuals and families in Howard County. 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 was awarded \$500,000 on July 1, 2019. Bridges has purchased 2 properties since July and increased the number of properties in the Bridges Alliance to 42.

RENTAL ASSISTANCE FOR SPECIAL POPULATIONS

The Department can 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. The Department is considering several projects with local non-profits to offer funding resources that will provide housing units for underserved and low-income residents in the County.

OUTREACH

HOMEBUYER EDUCATION WORKSHOP

This month's Homebuyer Education Workshop was held on Saturday, November 9, 2019. The next workshop led by Making Change is scheduled for Saturday, December 14, 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. The 2020 workshop calendar will be posted in December.

Making Change is now a HUD-approved housing counseling service. They will continue to offer pre-purchase counseling and homebuyer education to prospective homebuyers in 2020. Potential homebuyers must attend the required pre-purchase counseling and homebuyer education to purchase an MIHU home and/or qualify for SDLP funding.

MIHU WORKSHOP

The MIHU sale pricing and rents will change on January 1, 2020. January is also the next open enrollment period for the MIHU homeownership program. The Department will hold information 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/departments/housing.

Attachment: MIHU Report
