



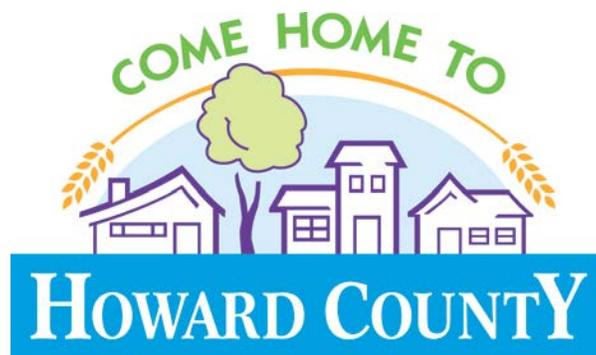
HOWARD COUNTY DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
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Voice/Relay

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Director's Report

December 2018



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DIRECTOR'S NOTE

On December 3, 2018, an installation ceremony for the new County Executive and the new members of the County Council was held at Howard High School. It was an exciting evening filled with energy and enthusiasm. On December 12, 2018, I met with the Housing Sub-Committee for the newly-elected County Executive's transition team. I was joined by Peter Engel of the Howard County Housing Commission and Joan Driessen of the Association of Community Services. We presented information regarding past accomplishments, current challenges and plans for the future. The Housing Sub-Committee's recommendations were sent to the County Executive on December 21, 2018.

On December 10, 2018, I attended the Economic Opportunity and Prosperity Task Force Report Presentation at the George Howard building. The final report was submitted to the County Council on December 14, 2018. Peter Engel and I met with the task force in June 2018 to discuss housing affordability concerns in the County and provide data when requested. The final report details the task force's recommendations as 5 Pillars of Growth. The Housing and Community Development Committee made the following recommendation regarding housing affordability, the 1st Pillar, in the final report:

Develop a master plan for identifying the housing affordability needs of a broad spectrum of vulnerable populations, establish goals for addressing the needs, including sources of adequate sustained funding, and providing metrics for regularly evaluating progress toward achieving the goals¹.

I look forward to working with the County Council and County Administration to implement new strategies and address challenges related to affordable housing as presented in the Transition Team Housing Sub-Committee Report and the Economic Opportunity and Prosperity Task Force Report in the year ahead.

The Housing and Community Development Board, an advisory board to the Department, met on Thursday, December 13, 2018. Board members are appointed by the County Executive and confirmed by the County Council. Board members can serve for 2 5-year terms. At that meeting, the Board voted for Caroline Harper and Maurice Zeitler to serve as Chair and Vice Chair for 2019. The Board meets 6 times per year on the 2nd Thursday of the month. Meeting dates are noted on the Department's webpage.

Twice a year the Board must approve the MIHU and LIHU pricing and standards that will be used to determine affordable rent and sale prices, as well as household income eligibility limits, based on the County's area median income (AMI) for the next year. For January 2019, the County's area median income is \$111,473. Household income eligibility for the MIHU homeownership program is based on 80% of the County's AMI, while income eligibility for the MIHU rental program is based on 60% of the County's AMI. The income eligibility limits for the LIHU program are based on 60% for homeownership and 40% for rentals. The Board approved the 2019 MIHU and LIHU pricing and standards as submitted. The new standards are available on the Department's webpage.

Kelly Cimino, Director

¹HOWARD COUNTY, MD ECONOMIC OPPORTUNITY AND PROSPERITY TASK FORCE REPORT, DECEMBER 2018

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, 12 MIHU buyers received SDLP loans, including 7 Workforce Initiative loans, totaling \$243,477, and 39 non-MIHU buyers received SDLP loans, including 19 Workforce Initiative loans, for a total of \$686,320. Requests for funding from this program have exceeded estimates for the first 6 months of the fiscal year. The Department is monitoring the availability of funds closely and will make an announcement regarding continued funding for this program in January.

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 income or credit are referred to Rebuilding Together and/or the Maryland Whole Home Program for assistance. Three (3) loans closed in December and work has begun on these homes. Currently there is one (1) application in process. The Loan Review Committee meets twice a month to review loan applications.

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. There are four (4) applications currently in underwriting with the State. One (1) application has been approved and the homeowner is preparing for closing in January. 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.

COMMUNITY PLANNING AND GRANTS DIVISION

FFY2019 ANNUAL ACTION PLAN

The Community Planning and Grants Division officially kicked off its planning for the writing of Howard County's FFY19 Annual Action Plan, the upcoming application to HUD, with the 1st of 5 Public Needs Hearings on December 6, 2018.

This session was an opportunity for human service agencies and advocates to inform the County concerning the needs of their clients. The group presented a broad spectrum of needs which service providers in the continuum encounter while serving vulnerable, at-risk sub-populations in our community.

The attendees were given an opportunity to brief Howard County staff about their agency initiatives and client-related needs for the populations they serve. The intended goal of the hearing was to begin to identify whether there are on-going, persistent needs since the last series of public needs hearings were conducted during Howard County's FFY18 Annual Action Plan process and to find out if new needs have been identified in the past year. Along with the comments taken during the needs hearing, a survey was completed by each participant.

Action Plan Survey

The Grant's division has created an online survey to acquire additional feedback from human service and housing providers, as well as advocates serving clients in Howard County, as part of the planning phase for the County's FFY2019 Annual Action Plan. Anyone that is interested in taking the survey can access the online link through the Department of Housing and Community Development's Community Planning and Grants division web page. The survey will be accessible until February 4, 2019.

FFY2019 Annual Action Plan Dates of Interest:

January 10, 2019 – *Public Needs Hearing # 2*

Request for Proposals announced and application posted on the Department's website

February 4, 2019 – *Deadline for FFY2019 CDBG & HOME Program Application Requests*

February 25, 2019 – *30-Day Public Comment Period begins-continues through March 26th*

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 17, 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

Combined CDBG and HOME Program Activity:

During the month of December, the Grants division was preparing for the second Needs Hearing to be held in the afternoon during the second week of January. Registration is underway and the grants team expects a good turnout. At the second Needs Hearing, the grants team will discuss the wide uses for federal funds and distribute the Request for Proposals.

During the month of December, another HOME-eligible homeowner utilized HOME Program funds toward the settlement and down payment costs associated with the purchase of a new home. To date, four income-eligible households have been assisted. Based on available funding, we anticipate being able to assist two more families.

The Grants division is working closely with the only Community Housing Development Organization (CHDO) in Howard County to determine the best strategies for affordable acquisition. Due to adding the requirement to ensure that condominium acquisitions do not negatively impact a condominium's ability to remain FHA insurable, it is difficult for the CHDO to find affordable units to purchase for their clients. Over the next few weeks, there will be several meetings to discuss these issues and determine next steps for the acquisition of affordable units without hampering future and existing condominium homeowners.

FFY17/18 ANNUAL ACTION PLAN AMENDMENT

A Public Comment Meeting was held on December 12, 2018, for an Amendment to the FFY17 and FFY18 Annual Action Plans. No attendees were present. The grant division can now reallocate program funds to other eligible activities. The current government shutdown in Washington could cause significant delays in the appropriation and administration of FFY19 federal grants.

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 pre-application conference to discuss and answer questions related to the Program was held on Thursday, September 13, 2018. Representatives from M&T Bank, Old Line Bank and The Columbia Bank attended. Unfortunately, no applications were received on the RFP due date of October 15, 2018. Lenders were concerned that the program requirements do not provide Community Reinvestment Act (CRA) credits for the participating banks. Department staff met with the Program Administrator on November 27th to discuss potential changes to the RFP to entice banks to participate. An amendment to the RFP will be released in early 2019.

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. Last year Bridges acquired 4 units for the Bridges Alliance. We expect the Bridges Alliance to acquire at least 4 units with the FY19 funding.

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 returning citizens when they are released from the detention center. The home is currently occupied by a full-time house manager. Documents were signed in November to provide HILP (Housing Initiative Loan Program) funds to Bridges to cover the operating expenses for this transitional housing unit from 2019-2022. 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. Potential tenants are expected to move in after January 8, 2019. 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, December 8, 2018. The next workshop led by Making Change is scheduled for Saturday, January 12, 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.

MIHU WORKSHOP

January will be 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. The new application will be available on January 2, 2019. Applications for MIHU rental units are available throughout the year. Visit our website for more information at www.howardcountymd.gov/housing.

Attachment: MIHU Report
