



Howard County

HOUSING



Director's Report

December 2015

Department of Housing and Community Development
Howard County Housing Commission

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DIRECTOR'S NOTE

On November 4, 2015, the County Executive's Joint Task Force on the Reorganization of the Departments of Citizen Services and Housing and Community Development issued its final recommendations. The Task Force recommended, among other things, that the Housing Commission be separated from the Department of Housing and Community Development by facilitating the Commission's hiring of its own staff. In addition, the County's statutory housing programs would be re-organized within a re-constituted Department of Citizens Services.

The Joint Task Force was formed by the County Executive in response to suggestions by the Executive's Transition Team to consider reorganization of the two departments. The Task Force was made up of a diverse group of 20 individuals representing many facets of the community, including members of the Housing Commission and the Housing and Community Development Board. The goal of the Task Force was to recommend changes that would provide improved services to the community through greater efficiency and effectiveness of County government.

With respect to the Commission, the Task Force found that, while the Commission has been effective in pursuing its mission, it can be more efficient, flexible, and nimble with a separate staff. More specifically, it found that separation can enable the Commission to (a) attract and retain the best workers for its specialized business, (b) avoid ethical and legal conflicts that arise when the County and Commission are both parties to a transaction, and (c) allay confusion and public misperception about the role and function of the Commission vis-à-vis the County. As the report notes, most public housing authorities in the United States are separately staffed.

If the Commission hires its staff separately, approximately eight employees would remain with the County. These employees currently staff the programs within the Divisions of Housing Opportunities (e.g., MIHU, SDLP) and Grants Management (e.g., CDBG, HOME). As a matter of organizational efficiency, the Task Force found that it makes sense to transfer these programs to the Department of

Citizen Services. These programs will find a “natural fit” with similar program currently within DCS, such as the Coordinated System for Homeless Services and the Community Services Partnership grants. We expect the transition will be seamless and cost-effective.

I would like to thank Commission Chair Carole McPhee and Commissioners Maurice Simpkins and Mike Reimer, as well as HCD Board Chair Caroline Harper, for serving on the Task Force. Their contributions to the Report were invaluable. I especially want to thank Mike and JoAnne Davis, the Task Force co-chairs, for their dedication and stewardship in helping the Task Force produce a clear, concise, and meaningful report.

Finally, I want to point out that both the Transition Team and the Task Force were extremely complimentary of the professionalism, diligence, efficiency, creativity, and passion shown by Housing staff. These recommendations in no way reflect any dissatisfaction with our performance; rather they were developed to help give us the tools to grow even stronger to meet the emerging needs in the community.

Of course, at this stage the Task Force report is a recommendation only; it will need to be reviewed and vetted by the County Executive and, to the extent legislation is necessary, by the County Council. We look forward to participating in the process.

Thomas P. Carbo
Director/Executive Director

PROJECT DEVELOPMENT & ASSET MANAGEMENT

BURGESS MILL STATION

On August 5, 2015, the Commission issued its tax-exempt general obligation bonds to finance Phase Two of the Burgess Mill Station development, which consist of the redevelopment of the 60-unit Ellicott Terrace Apartments into a new 60-unit, mixed-income community. The seventeen households that were remaining on the property have begun to receive relocation benefits. There are seven scheduled relocations for the month of December. Eight former households have already relocated. Two remaining households are searching for new residences. Demolition is expected to occur this winter, with new construction commencing by spring of 2016.

SUPPORTIVE HOUSING/DAY RESOURCE CENTER

On May 2, 2013, the County announced plans for a supportive housing facility (SEA) and a non-residential Day Resource Center (DRC) to be located on Guilford Road near the intersection of Route 1 and Route 32. The project will be constructed and managed through a partnership with Volunteers of America Chesapeake (VOAC), a leading provider of housing and services for the homeless. The DRC will replace the existing facility located in close proximity to the new site and offer 35 efficiency

apartments to fill a sorely-needed gap in the County's housing stock. Howard County acquired eight acres for the project for \$3.25 million in July 2013.

Ownership of the three-acre portion of the site that will house the SEA/DRC will be transferred by the County to the Housing Commission. VOAC will develop, build and provide case management services at the facility. To date, the County has received approval of a State bond bill that will provide \$250,000 toward the cost of the DRC. This amount will be matched by County funds. The Department will also allocate \$225,000 in CDBG funds towards the SEA/DRC development costs. In July 2014, the Commission issued \$4.25 million in bonds to help fund the DRC portion of the facility. Recently, the project was awarded a \$500,000 grant from the Federal Home Loan Bank Board. VOAC has submitted an application to the Maryland Department of Housing and Community Development (DHCD) for Partnership Rental Housing Program and Transitional Housing Program funds.

Following review of project plans by the County's Design Advisory Panel, in June 2014, the Environmental Concept Plan was approved. The Site Development Plan has been approved as technically complete by the County. Subdivision plats are also in process.

The Salvation Army, owner of an adjacent parcel, executed a land exchange agreement for 0.61 acres, allowing the County to gain access to the remaining 5-acre portion of the property, once the subdivision process is complete.

The Commission issued an RFP to award 35 project-based vouchers for the creation of a supportive housing facility to serve formerly chronically homeless persons. The Commission received a response from VOAC, which proposed to utilize the PBVs for the SEA portion of the project. On November 18, 2014, the Board of Commissioners authorized the development of SEA/DRC project and approved VOAC as the contractor for the administration of the project-based vouchers.

In January, during a community meeting held at Carroll Baldwin Hall in Savage, amid community concerns regarding the project, County Executive Allan H. Kittleman expressed his support for the proposed SEA/DRC for the homeless in Jessup. According to press secretary Andy Barth, the County Executive said building the center was "the right thing to do."

In February, the County Council approved the transfer of the 3-acre parcel from the County to the Commission (CR124-2014). The Planning Board approved the project's site development plan at its May 7 meeting.

CDA's Housing Finance Review Committee has approved both \$4.65M requests for a combination of Partnership and Transitional funds. This project was presented and approved by the Board of Public Works on August 26. It is anticipated that closing will occur in January 2016.

RIVERWATCH

The Commission received a donation of land in Elkridge as part of an MIHU alternative compliance. It has ground leased the parcel to a partnership created by Kirby Development, of which the Commission is a member. The partnership will develop the land into an 84-unit mixed-income community. Project financing closed on October 21, 2015 and is currently under construction. Completion is anticipated by October 2016.

ACQUISITION/REHAB PROGRAM

The Department's FY15 budget includes funds for the acquisition and rehabilitation of existing scattered site properties. The Commission has entered into a Master Lease Agreement with Bridges to Housing Stability, Inc., a local non-profit housing agency, to use some of these funds to provide much-needed permanent supportive housing for the community.

The Commission has purchased, renovated, and leased seven condos to Bridges for this program. These units have been turned over to Bridges for rental to households earning up to 60% of Howard County area median income. Two other units are undergoing renovations and will be turned over to Bridges in December. A contract for a unit in Columbia was signed in November and should close in January.

The Commission closed on a new \$2,000,000 line of credit with Howard Bank on October 8, 2015. This line of credit will be used to purchase additional units for the Bridges program. The Commission settled the first unit on the new line of credit on November 30, 2015.

HOUSING OPPORTUNITIES

MODERATE INCOME HOUSING UNIT PROGRAM

Please see the attached MIHU Report.

SETTLEMENT DOWNPAYMENT LOAN PROGRAM

The County enacted an FY 2016 budget that includes funding for the Settlement Downpayment Loan Program. For FY 2016, 13 MIHU buyers have received SDLP loans for a total of \$310,952. These low-interest, deferred payment loans are important to the success of the MIHU homeownership program.

For the second time this calendar year, the Department has made \$400,000 available through its Settlement/Downpayment Loan Program to help working families buy homes in Howard County. The Department will use the funds to make deferred second mortgage loans that can be used to pay for the settlement costs and down payments needed for home purchases. For FY16, 8 non-MIHU buyers have received loans to assist with closing costs under the Homestarter and Workforce SDLP programs. In recent years, funds in the program were only available to households purchasing properties through the County's Moderate Income Housing Unit (MIHU) program.

Funds are available now and offered on a first-come, first-serve basis. As of December 1, the available balance for new non-MIHU purchasers is \$281,526. Staff will continue to market the program to area realtors and lenders. Interested homebuyers should contact a participating first mortgage lender to begin the application process. The Department's website has been updated to provide current information about the program.

NEIGHBORHOOD STABILIZATION PROGRAM

The \$750,000 program is focused on purchasing foreclosures in zip codes 21045 (East Columbia) and 20723 (North Laurel) to help stabilize those areas. All four of the homes purchased with the grant funds have been renovated and resold. Program income from the sale of the previous homes was used to purchase a fifth property last year. Rehab of the home is expected to be completed in December. The

Department will offer this home for sale to an income-eligible family in the next few months. Staff is scheduled to meet with the State for a HUD monitoring visit on December 14, 2015.

MARYLAND HOUSING REHABILITATION PROGRAM

The Maryland Housing Rehabilitation Program (MHRP) can be used to assist eligible homeowners in securing low interest loans 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. Applications are available by phone, mail and online. Homeowners must be current on their mortgage, insurance and property tax payments to be eligible for the program.

DHCD recently increased the number of loan processing days for a MHRP loan to 195 days. This change in the number of "cumulative days to start construction" could negatively impact homeowners that request assistance for emergency repairs (i.e. furnace stops working during cold weather days). As of December 1, the Department is processing 3 MHRP applications.

COMMUNITY PLANNING AND GRANTS MANAGEMENT

FFY 2014 CAPER

The FFY14 Consolidated Annual Performance and Evaluation Report (CAPER) was submitted to HUD on October 5, 2015, and is being reviewed for acceptance. The final CAPER will be uploaded to the web-site when it is formally accepted by HUD.

FFY2016-FFY20 CONSOLIDATED PLAN (5YR PLAN)/WITH FFY16 ACTION PLAN

The process for adopting the County's 5-year Consolidated Plan, which includes the FFY16 Annual Action Plan, began with a Division meeting on December 1, 2015. The Division will decide among different formats to gather the required community insight, both public and private, regarding the needs of the County. This information will allow for goal development that will steer federal funds to accomplishing those goals over the next 5 years.

HOME INVESTMENT PARTNERSHIP - PROGRAM MONITORING

All HOME Projects required to be monitored have been monitored for FFY2015. The Monitoring Reports will be sent to the project owners by December 23, 2015.

REPROGRAMMING OF CDBG AND HOME FUNDS

The Division is working on reprogramming CDBG funds through the current year. This exercise will zero out all Entitlements and Program Income through FFY14. The CDBG Reprogramming will also identify and fund Activities to replace the funds appropriated for the DRC/SEA in FFY15. HOME funds will be reprogrammed to eliminate old Program Administration money, along with the unspent FFY14 Burgess Mill Activity funds and the FFY15 funds appropriated for the Ellicott Terrace Redevelopment. A public notice was published on November 19, 2015 and a public hearing will be held on December 8, 2015.

RENTAL ALLOWANCE PROGRAM (RAP)

The State-funded RAP Program is now being administered by the Community Action Council of Howard County (CAC). CAC is now the Local Administering Agency for Howard County and the FY15 Subgrantee Agreement with Howard County has been fully executed. The Housing Commission will provide supplemental funding to CAC for the program.

RENTAL ASSISTANCE

WAITING LIST

On July 1, 2012, the waiting list for the Housing Choice Voucher program was officially closed. Closing the list prevents false hope among families that assistance will be available in the near future. As a reminder, the program will remain open for emergency preferences in accordance with the Administrative Plan. There has been little change in the waiting list numbers over the past year. Staff is recommending that the waiting list remain closed as there are still over 5,000 families waiting for assistance.

HOUSING CHOICE VOUCHER PROGRAM

In 2015, funding for the Housing Choice Voucher Program increased from \$9,366,949.00 to \$9,775,735. Most of the increase in funding is the result of the addition of 60 Deep Run Opt Vouchers that were recently transferred to the Commission for administration. Preliminary information from HUD indicates that voucher assistance will not be pro-rated in 2016, so there should not be a reduction in voucher funding in 2016.

A public hearing was held on April 8, 2015, to solicit public comment on the Public Housing Program Annual Plan. The Annual Plan serves as a plan of action for the Commission to address local housing needs. It also outlines policies and procedures for administration of federal housing programs and examines local resources available to low-income and moderate-income families. The public hearing was also used as a forum to address proposed changes to the Housing Choice Voucher Administrative Plan and to provide comment on proposed Capital Fund expenditures for the Public Housing Program. The plan was approved by the Commission at its April 13 meeting and approved by HUD on June 24, 2015.

HOPWA (HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS)

The Commission is currently spending FY2014 funding in the amount of \$228,337.00. The Commission has been awarded funding in the amount of \$233,886 for FY 2015. The Commission has three calendar years from the contract effective date to expend HOPWA funding. Referrals for HIV positive families come from the Howard County Health Department. Seven (7) families were referred for eligibility interviews in 2015. Only two of the families referred were determined to be eligible. The other families did not qualify for a residency preference for living or working in Howard County.

HOUSING STABILITY SUBSIDY PROGRAM (HSSP)

The Housing Stability Subsidy Program (HSSP) is a component of the Coordinated System of Homeless Services (CSHS) and provides a housing subsidy for residents that have exhausted all the services of local homeless prevention, housing stability, rapid re-housing and/or shelter programs available in Howard County and continue to be unable to secure affordable, stable housing due to extreme and often

multiple barriers to conventional, permanent housing. To date, 16 rental subsidies have been provided to eligible Howard County households. There are currently two vacant slots in the HSSP Program due to two recent terminations. One family was recently issued a voucher by Anne Arundel County, and the other family is being terminated from the program for violation of program obligations. Referrals have been submitted to the Coordinated System so that new families may be selected for participation in the program.

AUDIT & SEMAP (SECTION 8 MANAGEMENT & ASSESSMENT PROGRAM) CERTIFICATION

The Housing Choice Voucher team has submitted all of the required documentation for the annual audit. The audit is complete and there were no findings or corrective action required. Part of the audit process also involves drafting the HUD SEMAP Certification which rates housing authority performance during the fiscal year. The Howard County Housing Commission was rated as a high performer during the most recent rating period.

OUTREACH

HOMEOWNERSHIP WORKSHOP

This month's Homebuyer Education Workshop is scheduled for Monday, December 14, 2015, from 6-9 p.m., at the Columbia Gateway building. Pre-registration is required. The Department's website provides ongoing workshop dates through 2016 and FAQs.

HOWARD COUNTY BOARD OF EDUCATION PARTNERSHIP

HCH's partnership with Howard County Board of Education continues to grow as we have received more than a dozen inquiries from HCPSS employees after our presentation to HCPSS during a union meeting in September. All inquiries were seeking information about applying for and qualifying for the MIHU program. Since the presentation, we have fielded calls and emails from a number of education employees seeking more information.

"COME HOME TO HOWARD COUNTY" SPRING HOUSING FAIR

HCH will host the "Come Home to Howard County" Housing Fair on Saturday, April 9, 2016, from 10 a.m. to 3 p.m. at a new venue - Howard High School. Plans are now underway to notify exhibitors and prepare for more than a dozen educational classes on topics such as home buying, renting, home inspection and qualifying for a mortgage. The Department also expects to include credit repair consultations for fair attendees to be held on site. As in past years, we will host property tours and conduct a lottery drawing for a new home! We look forward to another exciting and engaging event.

Attachment: MIHU Report
