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# Director's Report

July 2017



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## **DIRECTOR'S NOTE**

The start of a new fiscal year is an exciting time. There is new funding availability for several of our programs, including the Settlement Downpayment Loan Program (SDLP). A major barrier to homeownership is the lack of funds for downpayment and closing costs. Last year this program provided loans to 76 first-time buyers in Howard County. Funds are limited and are awarded on a first-come, first-serve basis. Buyers work with their mortgage lenders to determine eligibility for the program.

A new program for existing homeowners will be launched this summer. The Reinvest\*Renovate\*Restore loan program will offer rehabilitation loans to income-eligible homeowners. Loans up to \$45,000 can be used to make health and safety repairs, facilitate aging in place, and even make some cosmetic repairs. Staff will begin marketing this program at outreach events, senior centers and village board meetings in the next few months.

As announced by the County Executive at a press conference in March, our office is moving to the new Community Resources Campus scheduled to open on Patuxent Woods Drive in Columbia. Several other County health and human service agencies are moving to the campus as well. The tentative move date is February 2018. I have been working with Facilities and Technology Services on the space planning needs for our department in the new building. More details will be provided as the moving date gets closer.

The **National Low Income Housing Coalition (NLIHC)** released their *Out of Reach 2017* report in June, highlighting the disturbing mismatch between renters' wages and the cost of rental housing. According to the report, Maryland has now replaced New York as the fourth most expensive State in the country.

In Maryland, the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,470. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$4,900 monthly or \$58,803 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$28.27 per hour, making Maryland the fourth most expensive State to live in across the country behind Hawaii, DC and California (Source: National Low Income Housing Coalition's Annual Report, *Out of Reach 2017*).

This report continues to emphasize the need for more affordable housing in Maryland. The MIHU, CDBG and HOME programs are some of the tools we use to address this need in the County. Many of our activities are highlighted in this report. If you would like to learn more, you are cordially invited to attend our Housing and Community Development Board meetings on the 2<sup>nd</sup> Thursday of each month.

I had the privilege of participating in Government Day for Leadership U for the 2<sup>nd</sup> year in a row on July 25<sup>th</sup>. This camp for high school students offers the opportunity to showcase how departments in County government work together. The theme this year was the Ellicott City Flood Response and Recovery. This was a timely presentation as we remember the 1 year anniversary of the tragic event last July 30<sup>th</sup>.

*Enjoy your summer!*

*Kelly Cimino, Director*

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## **HOUSING OPPORTUNITIES PROGRAMS**

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

Please see the attached MIHU Report.

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

As of July 1, 2017, funds are available for SDLP loans to income-eligible homebuyers. For FY18 so far, 4 MIHU buyers received SDLP loans, including 2 Workforce Initiatives loans, for a total of \$99,528. The Department has set aside \$400,000 to help working families to buy non-MIHU homes in Howard County as well. For FY18, 6 non-MIHU buyers received SDLP loans, including 4 Workforce Initiatives loans, for a total of \$96,802.

### **NEIGHBORHOOD STABILIZATION PROGRAM (NSP)**

The NSP program 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. Rehab of the 5<sup>th</sup> property is complete. The Commission requested assistance from the Department to sell this home to an income-eligible household. The Department awarded the unit through a lottery in April 2017. A contract was signed, but the buyers decided not to move forward. The Department is in the process of selecting a new buyer. The NSP grant will be closed out once the last home is sold. Any proceeds from the sale of the home will be returned to the State as program income.

### **MARYLAND HOUSING REHABILITATION PROGRAM**

The Maryland Housing Rehabilitation Program (MHRP) can be used to assist eligible homeowners secure 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.

## **COMMUNITY PLANNING AND GRANTS**

### **FFY2016 CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT (CAPER)**

The CAPER timeline and deliverable schedule has been set. The various sections of the report will be sent to all relevant staff members to report back on activities that occurred during previous program year. The Community Planning and Grants Management staff will review and edit the information received into the related sections of the CAPER which will be sent to HUD. The accomplishments detail the progress made in the first year of the previous 4-Year Consolidated Plan (FFY2016-FFY2019 Consolidated Plan).

#### **Future CAPER Dates of Interest:**

August 31, 2017 – 15 Day Public Comment Period Begins

September 14, 2017 – Public Hearing – Columbia Gateway Building @ 6:00 p.m.

September 15, 2017 – 15-Day Public Ends / All Public Responses due

September 28, 2017 – FFY2016 CAPER due to HUD

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## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

### HIGHLIGHTING A PROGRAM RECEIVING CDBG IN FFY2016

**The Community Action Council of Howard County (CAC)**, a local nonprofit, uses CDBG funding to provide housing assistance to low- and moderate-income families in Howard County to prevent or resolve eviction proceedings and to help stabilize families. CAC utilizes the CDBG funding to provide direct payment to landlords for rent/payment arrears to keep families housed.

#### LAST YEAR THROUGH CDBG FUNDING CAC RECEIVED:

- **Avoiding Homelessness:** 222 extremely-low to very low-income households received eviction prevention funding from the Community Action Council of Howard County. This activity received **80,000.00 in CDBG** funding.
- **Howard County Food Bank:** In Howard County, Maryland, which has an annual median household income of \$110,000, more than 11,000 or 15% of its children, are food insecure. Howard County provided **\$484,524.49 in CDBG** funding to the Community Action Council of Howard County for acquisition of real property for the *new* location for the Howard County Food Bank to address this growing need. The new Food Bank increases its capacity to serve more income eligible residents that are food insecure.

## HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM

In July, the HOME Program Specialist completed the SF425 or Federal Financial Report. The report is due to the Department of Housing and Urban Development (HUD) at the end of every quarter. This report essentially summarizes the amount of “cash on hand” that the County carries. Since the cash on hand is a negative number, this proves that Howard County operates entirely on a reimbursement basis.

The HOME Program Specialist has been working closely with the staff of the Howard County Housing Commission (HCHC) on the Bickley House project. This project was funded in program year FFY 2016 and the units is not yet occupied. The County is concerned, and has been providing much needed guidance and technical assistance to HCHC staff to ensure the project becomes a success. HCHC has proposed to sub-lease the house to another non-profit that houses another income eligible and vulnerable population. The HOME Loan Agreement and subsequent program documents will be updated following the leasing of these single-room occupancy units.

In late July, Hud Exchange disseminated the most recent HOME Program Compliance report. This report shows whether participating jurisdictions (PJ) are at risk of having any of their program funds returned to the U.S Treasury for not committing program funds to eligible projects within the 24-month commitment deadline. Due to the 2017 Consolidated Appropriations Act, this mandate applies only to CHDO (Community Housing Development Organization) funds. Howard County has met this statutory requirement and is not in jeopardy of having HOME Program funds de-obligated.

The National Development Council (NDC) hosts monthly webinars entitled, “The Changing Landscape in Washington” which essentially provides real time updates of legislation that affects the affordable

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housing industry. The most recent webinar outlined details of the proposed FFY18 Federal Budget. Even though the President proposed to cut both CDBG and HOME budgets, both the House and Senate voted to keep these program at \$950 million for HOME and \$3.36 billion for CDBG programs respectively. Both speakers reminded listeners to continue to advocate, especially during the August recess when Senators are at home. Howard County has already been participating in several advocacy activities.

## **COUNTY FUNDED PROJECTS**

### **SUPPORTIVE HOUSING/DAY RESOURCE CENTER**

The Leola Dorsey Community Resource Center on Guilford Road in Jessup is nearing completion and is expected to open in August 2017. The project is owned by the Housing Commission and will be operated by Volunteers of America. Once completed, the three-story center will provide services three days a week by Grassroots Crisis Intervention Center. The Center will assist homeless individuals by offering access to meals, showers, laundry, email, and visits to the center's pantry to receive donated necessities. Medical, counseling and social services will also be made available.

### **ACQUISITION/REHAB PROGRAM**

The Department's FY18 budget includes funds for the acquisition and rehabilitation of existing scattered site properties. In the past, the Department provided funds to the Housing Commission to work with Bridges to Housing Stability, Inc. on this program. Beginning July 1, the Department is planning to work directly with Bridges to provide units for the Bridges Alliance. The units will be leased to households earning up to 60% of Howard County area median income.

## **OUTREACH**

### **HOMEBUYER EDUCATION WORKSHOP**

This month's Homebuyer Education Workshop was held on Monday, July 17, 2017. The next workshop is scheduled for Monday, August 21, 2017, from 6-9 p.m., at the Columbia Gateway building. Pre-registration is required. The Department's website provides ongoing workshop dates through 2017 and FAQs. Prospective homebuyers can register to attend a workshop by sending an email to [homebuyerclass@howardcountymd.gov](mailto:homebuyerclass@howardcountymd.gov).

### **MIHU WORKSHOP**

July was an open enrollment month. The MIHU Renters workshop was held on July 18<sup>th</sup> and the MIHU Homebuyers workshop was held on July 19<sup>th</sup> at the Columbia Gateway building. Both were very well attended. Staff is available to partner with employers, builders and nonprofits to present MIHU workshops throughout the year. Interested partners or applicants should visit our website or email Lisa Wiseman for more information.

Attachment: MIHU Report

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