



Howard County

HOUSING



Director's Report

November 2015

Department of Housing and Community Development
Howard County Housing Commission

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DIRECTOR'S NOTE

News and notes, facts and figures...

- According to the National Association of Realtors, we can expect slow but steady growth in home sales and prices in 2016. However, as the Federal Reserve moves to raise short-term interest rates, mortgage rates will also rise, making homes less affordable, especially for first-time homebuyers.
 - Meanwhile, the U.S. homeownership rate remains at an all-time low of just 63.5%, according to the Department of Commerce.
 - In good news, the Federal Housing Administration announced that its Mutual Mortgage Insurance (MMI) Fund's capital ratio stands at 2.07%—the first time since 2008 that FHA's reserve ratio exceeded the congressionally required 2% threshold. The economic value of the MMI Fund gained \$19 billion in Fiscal Year 2015, driven by strong actions to reduce risk, cut losses and improve recoveries. This is the third consecutive year of economic growth for the MMI Fund, allowing FHA to expand credit access to qualified borrowers even as the broader housing market continues to recover. FHA's annual report also notes a significant increase in loan volume during FY 2015, due largely to a reduction in annual mortgage insurance premium prices announced in January.
 - For renters, stagnant wages, high student debt, and rising rents mean more renter households are becoming "severely cost-burdened" – i.e., they are paying more than 50% of their incomes toward rent. Currently, more than 11 million, or 25%, of all renter households are severely cost-burdened. That number is projected to increase to 36% by 2025. www.jchs.harvard.edu.
 - According to the National Association of Home Builders, approximately 6.5 million low-income households, or roughly 13.3 million people, have lived in affordable apartments financed by the federal Low Income Housing Tax Credit (LIHTC) program between 1986 and 2013. NAHB
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also estimated the economic impacts of the LIHTC program, finding that each year the program supports 95,700 jobs, and generates \$3.5 billion in federal, state and local taxes and \$9.1 billion in economic income. Though the LIHTC program has been one of our nation's primary tools for addressing the affordable housing supply gap, there are still 11 million low-income renter households paying more than half of their income in rent. A significant expansion of the Housing Credit is needed in order to make meaningful progress towards addressing our nation's affordable housing needs. Read more about the need and demand for the Housing Credit on the ACTION Campaign website: <http://rentalhousingaction.org/>.

- It's taken two years, but the Housing Commission has finally completed the HUD process of converting its 50 Public Housing units to the Project-based Voucher program. The conversion reduces administrative costs and allows the Commission greater flexibility to finance property improvements. The Commission is currently reviewing bids from contractors to perform major upgrades to the scattered units. Kudos to staff, especially Samit Paul, for their diligence and fortitude in navigating the complicated RAD 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 17 households currently remaining on the property have begun to receive relocation benefits. 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 December 2015.

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.

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 November.

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 signed a contract to purchase a new unit that will be financed on the line when it closes 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, 12 MIHU buyers have received SDLP loans for a total of \$262,831. 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 will make \$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, 5 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 November 1, the available balance for new non-MIHU purchasers is \$327,544. 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 on December 23, 2013. Rehab of the home is expected to be completed in November. 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 Department began accepting applications for the Maryland Housing Rehabilitation Program (MHRP) on December 16, 2013. The program 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). The Department received two inquiries for MHRP in October.

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 CAPER can be viewed on the Howard County Government website.

HOME INVESTMENT PARTNERSHIP - PROGRAM MONITORING

The Division has completed its HOME Program Monitoring by the U.S Department of Housing and Urban Development (HUD). The subject of the monitoring visit was that of the completed Burgess Mill Station project which includes nine (9) HOME-assisted units. The monitoring visit was extremely successful and we expect to receive a favorable report from HUD by the end of October.

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, along with the Program Income that will be recognized from the Jones Road Land Banking Project.

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. Public notice and an opportunity for public comment will be offered in the coming weeks.

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 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

The Commission recently received the 2015 funding notice from HUD. 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. The first 15 vouchers issued in 2015 have been reserved for homeless families. Thus far, all 15 families have been interviewed and 11 vouchers have been issued. It has been determined that two (2) families are over-income, one (1) family was denied for criminal history, and one (1) family could not prove a previous Howard County residency. Eight (8) families have located units and have been placed under lease.

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.

DEEP RUN OPT-OUT

Deep Run is a mobile Home Park in Elkridge consisting of 60 HUD-subsidized units. The units were converted to Enhanced Vouchers effective January 1, 2015. The Housing Commission has assumed administration of the Enhanced Vouchers and has leased 59 of the 60 to participating families. One family declined the voucher.

HOPWA (HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS)

The Commission is currently spending FY2014 funding in the amount of \$228,337.00. The contract for FY 2015 funding is in the process of being executed. The Commission has been awarded funding in the amount of \$233,886 for FY 2015. The Commission has three (3) 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 have been referred for eligibility interviews thus far in 2015.

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.

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

The Housing Choice Voucher team is currently providing program information and undergoing file reviews for the Annual Audit. Part of that process also involves drafting the HUD SEMAP Certification which rates housing authority performance during the fiscal year. The Howard County Housing Commission has consistently been rated as a high performer since inception of the federally mandated scoring mechanism.

OUTREACH

HOMEOWNERSHIP WORKSHOP

This month's Homebuyer Education Workshop is scheduled for Monday, November 16, 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.

50+ EXPO FAIR

Howard County Housing (HCH) hosted a vendor booth at this year's 50+ Plus Expo, sponsored by the Howard County Office on Aging held on Friday, October 16, 2015, at Wilde Lake High School. HCH provided targeted marketing information for the 55+ audience on affordable living in Howard County, its programs of moderate income homeownership opportunities, and home repair assistance. More than 100 attendees received giveaways—cloth, blue aprons, with a logo that read, "Come Home to Howard County." Staff reported that a number of persons expressed interest in learning more about the MIHU program, which resulted in three (3) solid leads as MIHU candidates. Similarly, staff promoted the Home Repair Assistance program to a number of interested persons.

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 2 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.