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Voice/Relay

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# Director's Report

March 2017



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## **CONTENTS**

<u>Director's Note</u>	2
<u>Housing Opportunities</u>	3
<u>Community Planning and Grants</u>	3
<u>County Funded Projects</u>	6
<u>Outreach</u>	7

## **DIRECTOR'S NOTE**

At a press conference at the Columbia Gateway building on March 30, 2017, the County Executive announced two important projects in the proposed Fiscal Year 2018 Capital Improvement Program budget. He stressed the importance of these initiatives as important steps in demonstrating the County's commitment to economic development and in consolidating community resources to better serve all Howard County residents.

First, the County Executive announced the creation of the Howard County Innovation Center in the Gateway Building. Consolidation of the Maryland Center for Entrepreneurship and the County's Economic Development Authority into the Columbia Gateway Innovation District will advance future business and economic development in Howard County.

Second, the County Executive announced the creation of the Howard County Community Resources Campus, just a few miles down the road off Patuxent Woods Drive. Last year, the County committed the resources to create a Non-profit Center at this same location to bring numerous nonprofits that were scattered throughout the county together in one place.

The County will be furthering its commitment to this concept by relocating the Department of Community Resources and Services, Department of Housing and Community Development and Office of Human Rights to the same campus. It will co-locate the human services agencies with their non-profit colleagues, and at the same time, it will free up much needed space in the Gateway Building to allow for the creation of the Innovation Center.

This consolidation will allow departments to more effectively implement the "No Wrong Door" approach to human service delivery and will streamline services to operate more efficiently and effectively. These moves will also allow for better service coordination with other county offices and non-profit partners.

The new location will provide classroom space for the Housing Department to offer classes and workshops to educate residents about opportunities to live and work in the County. And while the Housing Department and Housing Commission officially separated in July, 2016, relocating to the same business park will facilitate continued collaboration between the two agencies.

As the County Executive stated at the press conference, "As our population has grown, so have the needs of our residents. All of our agencies are serving more people, often with more complicated needs. This move will improve accessibility, accountability and coordination among all human service agencies."

*Kelly Cimino, Director*

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## **HOUSING OPPORTUNITIES**

### **MODERATE INCOME HOUSING UNIT PROGRAM**

Please see the attached MIHU Report.

### **SETTLEMENT DOWNPAYMENT LOAN PROGRAM**

As of March 31, 2017, funding for the FY 2017 Settlement Downpayment Loan Program has been exhausted. Due to an increase in demand, these funds were depleted earlier this year than in previous years. Funding for FY18 will be available after July 1, 2017.

For FY17, 33 MIHU buyers received SDLP loans, including 13 Workforce Initiatives loans, for a total of \$802,215. The Department also made \$400,000 available to help working families to buy non-MIHU homes in Howard County. For FY17, 29 non-MIHU buyers received loans to assist with closing costs for a total of \$400,000. In recent years, funds in the program were only available to households purchasing properties through the County's Moderate Income Housing Unit (MIHU) program.

### **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 will search the database for eligible applicants and schedule a lottery in April to award this home. 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**

### **FFY2017 ANNUAL ACTION PLAN**

#### **Delay in receiving Final FFY2017 CDBG and HOME Program Allocation Amounts**

Anticipating a delay in receiving the final allocation amounts for the CDBG and HOME Program funding, Howard County prepared and submitted the FFY2017 Annual Action Plan to HUD using estimated amounts that the County received in FFY2016. On guidance from HUD we did this to maintain compliance with requirements and timing for the submission of the Annual Action Plan.

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## Continuing Resolution

Through updates from the HUD Baltimore CPD Director, no final decision has yet been made on the FY 2017 budget for HUD; however, there is a continuing resolution which runs out on April 28, 2017. It is not known what steps the Congress may take at that time or whether the FY 2017 budget will include changes from the appropriations we have received over the last several years. There may or may not be cuts in HUD programs, including CPD programs, in whatever final budget measure is approved. Whenever the final allocation amounts are released, the County will update budget pages and projects submissions to reflect the correct amounts.

## As It Appears

According to additional research done for this report, it appears that in the FY2017 Continuing Resolution (CR) CDBG is currently funded at \$3 billion and HOME at \$950 million. This would match the funding in the County's current application submission.

## Time to Advocate

On March 16, 2017 President Trump's Administration released their "skinny" budget for *Federal Fiscal Year 2018*. This "skinny" budget represents the first step in the annual appropriations process. Contained within this initial budget is a \$6.2 Billion reduction for the HUD's budget that eliminates the CDBG and HOME Programs.

Howard County has always used CDBG and HOME Program funding to further affordable housing through development, construction, acquisition or preservation activities to try and mitigate the lack of quality affordable housing. In addition, the County uses these funds to address the complex issues contributing to homelessness in our community. Through public service funding received by local nonprofits, a multi-faceted network of programs and support services coordinates care for homeless individuals and families so they may remain housed and become self-sufficient as quickly as possible.

## Talk About the Results

Outcomes for Programs & Activities receiving funding through Howard County Department of Housing and Community Development's Community Planning and Grant Division that serve special needs populations:

- **15 Units of Affordable Housing Created through CDBG and HOME - \$1,199,104.18** in combined funding was used during Calendar Year 2016 to create affordable housing for Special Needs Populations.
  - **Howard County Food Bank:** In Howard County, Maryland, which has a median household income of \$110,000, more than 11,000 or 15% of its children are food insecure. Because this need continues to grow, Howard County awarded a total of **\$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.
  - **Route One Day Resource Center:** 128 individuals, with 121 being extremely low-income clients, were served at the Route One Day Resource Center. Through this program, clients
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accessed the basic subsistence needs, caring attention and access to social services that enabled these low-income individuals move toward permanent housing. **\$46,681.15 in CDBG funding.**

- **North Laurel Multi-Service Center:** 2,515 individuals, 1474 of those served were extremely low-income residents, received services from the North Laurel Multi-Service Center. Services included access to Legal Aid, Veteran, Workforce Development and Inmate Re-Entry among others. **\$45,017.00 in CDBG funding.**
- **HopeWorks of Howard County:** 204 adult women and children received sheltering and emergency support services related to their fleeing and escaping domestic violence and/or sexual assault. **\$24,000.00 in CDBG funding.**
- **Avoiding Homelessness:** 222 extremely-low to very low-income households received eviction prevention funding from the Community Action Council of Howard County. **\$80,000.00 in CDBG funding.**

### **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

The Division focused on Subrecipient Management and Funding Reconciliation during the Month of March while waiting for the FFY17 Draft Action Plan 30-day Public Comment Period to end on March 15<sup>th</sup>. A meeting was held with Making Change to review reporting and data collection improvements for the final half of the FFY16 Federal Calendar year while a desk review was initiated and finalized for the Housing Stability (Eviction Prevention) Program administered by CAC.

The IDIS System administered by HUD for the CDBG Program shows spending consistent with County dollars. The Division is focusing on this review because the CDBG Timeliness Test deadline is May 2, 2017. The Timeliness Test must prove that Howard County does not have more than 1.5X the amount of its last CDBG Grant Award remaining. If Howard County fails that test, the County may be forced to return CDBG funds to the Federal Government. This information is required to be tracked internally, while also being reviewed by the County's Finance Department and within the IDIS. The Division expects to pass the Timeliness Test with payments and draws made for 3<sup>rd</sup> Quarter charges and anticipated charges before May 2, 2017.

### **HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM**

In March, the HOME Program Specialist completed some critical document review of HOME Program Loan Agreements, Regulatory Agreement, Deed of Trust and Deed of Trust Note. These documents serve as the basis for most transactions. The HOME Program Specialist and Chief Grant Administrator met with one of the County's solicitors to work on updated templates for the documents noted above; ensuring that documents contained the most updated regulatory citations. The Department has also begun the review of the homebuyer HOME documents as this Department will soon begin to use HOME Program funds for eligible homebuyers to purchase homes in the County.

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The HOME Program Specialist also downloaded the results of the Annual Action Plan survey. The survey results will be added to the Appendices of the Annual Action Plan final document. The data is also being analyzed further and will be made available on the Department's website later this spring.

## **COUNTY FUNDED PROJECTS**

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

The Leola Dorsey Community Resource Center on Guilford Road in Jessup is under construction (about 70% complete) and is expected to be completed in June 2017. The Housing Commission, along with the support of the Department, its partners, stakeholders and neighbors, is proud of this project's progress and looks forward to its opening. When completed, the three-story center will provide services three days a week by Grassroots Crisis Intervention Center; and offer homeless persons 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.

The project is owned by the Housing Commission and will be operated by Volunteers of America. In January, the Housing Commission was awarded a \$65,520 Maryland Affordable Housing Trust (MAHT) grant which will fund a security deposit escrow for those residents earning up to 30% AMI. The County's Coordinator of the Coordinated System of Homeless Services (CSHS) recently released information regarding the application process for prospective tenants.

### **RIVERWATCH**

The Housing Commission received a donation of land in Elkridge as part of an MIHU alternative compliance plan. The developer of Annapolis Junction Town Center project in Savage transferred 31 MIHUs to this project. A ribbon cutting ceremony was held on October 26, 2016. The 84-unit, mixed income rental community is nearing completion. The community is fully leased and occupied.

### **ACQUISITION/REHAB PROGRAM**

The Department's FY17 budget includes funds for the acquisition and rehabilitation of existing scattered site properties. The Housing Commission 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. As of December 31<sup>st</sup>, the Housing Commission has purchased, renovated, and leased 13 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.

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## **OUTREACH**

### **HOMEBUYER EDUCATION WORKSHOP**

This month's Homebuyer Education Workshop was held on Monday, March 20, 2017. The next workshop is scheduled for Monday, April 17, 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. Call 410-313-6328 for more information.

### **MIHU WORKSHOP**

April will be the next open enrollment month for the MIHU homeownership program. Information Workshops for potential MIHU renters and homebuyers are scheduled on April 19<sup>th</sup> and 20<sup>th</sup>. Staff is available to partner with builders and nonprofits to present MIHU workshops throughout the year. Interested partners or applicants should visit our website or call 410-313-6343 for more information.

Attachment: MIHU Report

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