

Presentation to Racial Equity Task Force

Department of Housing and
Community Development

By Kelly A. Cimino, Director

March 9, 2021





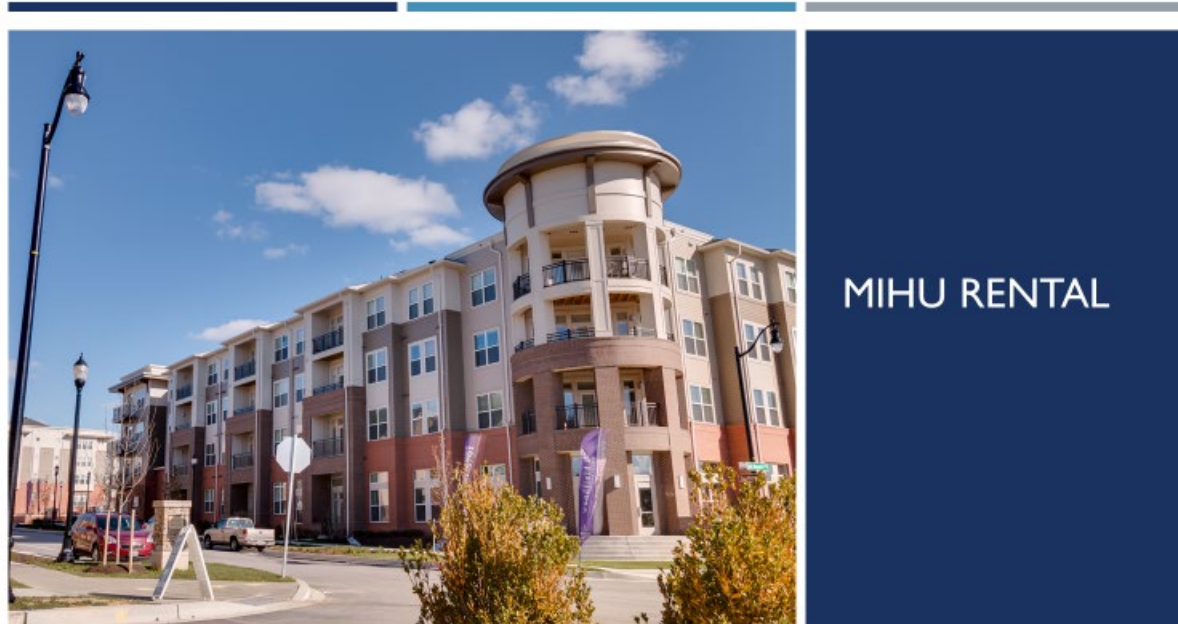
Department of Housing and Community Development

FUNDING SOURCES

	FY2020	FY2021
County Transfer Tax	3,750,000.00 (12.5%)	5,435,000.00 (15.0%)
MIHU Fee in Lieu Revenue	1,900,000.00	2,100,000.00
HUD Funding - CDBG & Home & PI	1,799,240.00	2,570,356.00
Interest Income	75,000.00	185,000.00
Total Funding	<u>7,524,240.00</u>	<u>10,290,356.00</u>

- Housing Opportunities Master Plan will be completed in March 2021
- Ongoing challenges for housing initiatives - APFO

Housing Opportunities Program Initiatives



MIHU (Moderate Income Housing Unit) Program

The MIHU Program is an inclusionary zoning program that requires developers of new housing in specific zoning districts to sell or rent a portion of the dwelling units to households of moderate income. MIHUs are sold or rented through the Department of Housing at affordable prices and rents. MIHUs are interspersed throughout each development and residents enjoy all the amenities in the community.

The Howard County median income for 2021 is \$117,730. A household of moderate income is defined as one whose income does not exceed 80% of the Howard County median income for purchasers and 60% of the Howard County median income for renters. All dwelling types are available for purchase or rent, including apartments, condominiums and townhouses. The purchase price and rental rate for each type of MIHU is calculated according to an affordability formula established by the MIHU regulations. MIHU prices are set twice a year. Applicants that meet the minimum household income requirement for new and resale units will be contacted as housing units in communities throughout the county become available. Applications for MIHU rental units are available throughout the year.





MIHU Household Income Limits

Program Eligibility:

For Sale units (80% of Median) and For Rent units (60% of Median)			
Howard County Median Household Income (family of four)=		\$117,730	
Family Size	For Sale	For Rent	
One Person.....	\$ 65,929	\$ 49,447	
Two Persons.....	\$ 75,347	\$ 56,510	
Three Persons.....	\$ 84,766	\$ 63,574	
Four Persons.....	\$ 94,184	\$ 70,638	
Five Persons.....	\$ 101,719	\$ 76,289	
Six Persons.....	\$ 109,253	\$ 81,940	
Seven Persons.....	\$ 116,788	\$ 87,591	
Eight Persons.....	\$ 124,323	\$ 93,242	

Settlement Downpayment Loan Program (SDLP)

The Settlement Downpayment Loan Program is used to assist potential homebuyers with the purchase of a home. The program is critical to the success of the MIHU program and helps increase the rate of homeownership in the County. Homebuyers must be income-eligible and demonstrate a need for downpayment and closing cost assistance. Potential homebuyers must attend a HUD-approved homebuyer pre-purchase workshop prior to closing.

Household Size	Maximum Permitted Income (effective 1/1/21)			
	HomeStarter Loan 80% Baltimore Region	HomeSteadier Loan 80% Howard County Median	DreamMaker Loan 100% Howard County Median	Revitalization Loan and Workforce Initiative Loan 110% Howard County Median
1	\$54,950	\$65,929	\$82,411	\$90,652
2	\$62,800	\$75,347	\$94,184	\$103,602
3	\$70,650	\$84,766	\$105,958	\$116,554
4	\$78,500	\$94,184	\$117,730	\$129,503
5	\$84,800	\$101,719	\$127,149	\$139,864
6	\$91,100	\$109,253	\$136,566	\$150,223
7	\$97,350	\$116,788	\$145,985	\$160,584
8+	\$103,650	\$124,323	\$155,404	\$170,944





Housing Repair Loan Programs

The Reinvest*Renovate*Restore (RRR) Housing Repair Loan Program can help income eligible homeowners make repairs to enhance safety, accessibility and livability in their homes. The Department also processes applications for the State's Housing Repair Loan Programs. Applicants who are ineligible based on income or credit for either program are referred to Rebuilding Together for assistance.

Household income limits up to 80% of HC AMI

Interest rates at 0%, 1%, or 2% (based on household income level)

Maximum loan amount \$40,000

Term of loan up to 30 yrs.

Property must be owner occupied.

Measuring Impact



Settlement Downpayment Loan Program & Workforce Development Loans

SDLP Workforce	FY2019		FY2020		*6 months FY2021	
	Amount	#	Amount	#	Amount	#
MIHU	468,028.00	33	472,070.00	29	171,169.00	11
Non-MIHU	885,151.00	75	600,790.00	54	496,037.00	31
	<u>\$ 1,353,179.00</u>	<u>108</u>	<u>\$ 1,072,860.00</u>	<u>83</u>	<u>\$ 667,206.00</u>	<u>42</u>
Net households receiving assistance		<u>73</u>		<u>56</u>		<u>32</u>

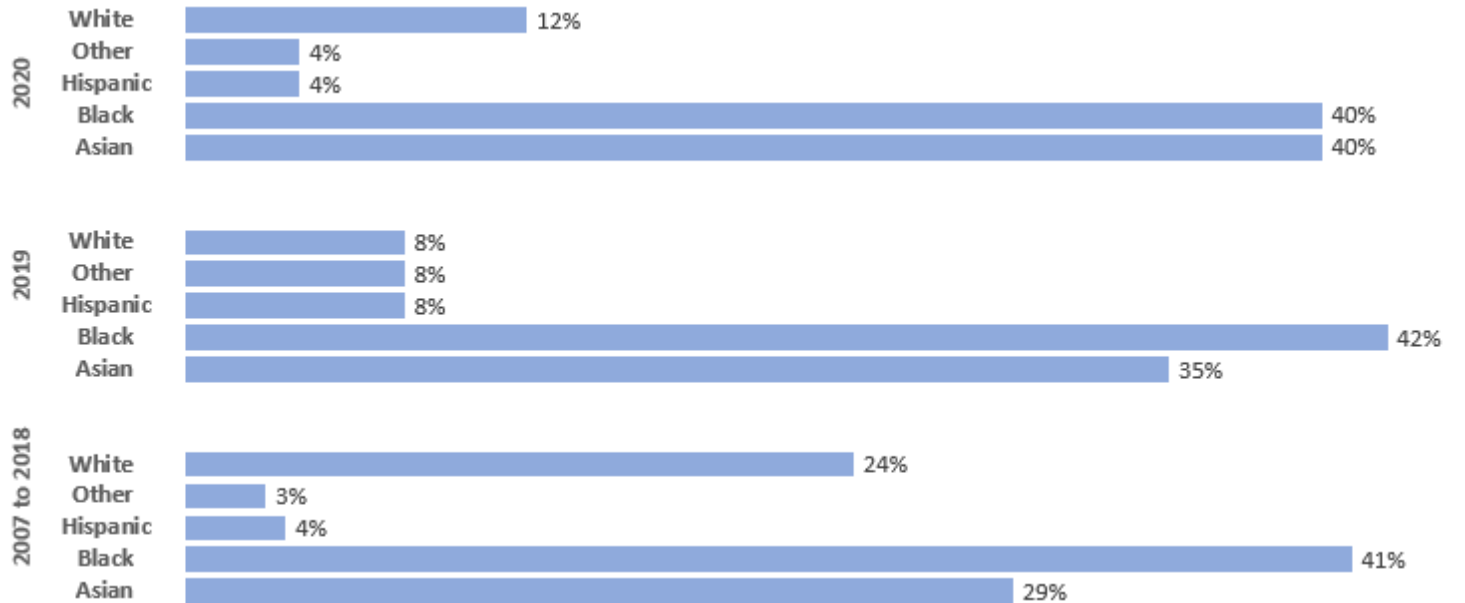
- Projecting \$1,200,000 for 12 months in FY2021
- FY22 SDLP and Workforce loans budgeted for \$1,500,000
Increase of \$300,000

Moderate Income Housing Units

Unit Type	FY2007 to FY2018	FY2019	FY2020
Homeownership Units	258	287	303
Rental Units	564	600	678



Moderate Income Homeowner Units - % Race



Education and Outreach



HOMEBUYER EDUCATION WORKSHOP

Potential homebuyers are required to receive a homebuyer education certificate from a HUD-approved counseling agency to purchase an MIHU home and/or qualify for SDLP funding. In-person homebuyer education workshops sponsored by the Department could resume once the County Executive lifts the Coronavirus State of Emergency Order. Currently HomeFree is presenting online workshops for the Department. Prospective homebuyers must register to attend an online workshop by sending an email to homebuyerclass@howardcountymd.gov.

A calendar of 2021 class dates and FAQs is posted on the Department's webpage.

MIHU WORKSHOP

The MIHU homeownership program has 4 open enrollment periods during the year – January, April, July and October. The Departments presents MIHU workshops during open enrollment months. Due to COVID-related restrictions, the MIHU Homeownership and Rental workshop presentations are available on the Department's website for applicants to view remotely.

Education and Outreach (cont.)



THINK LIKE A LENDER SESSIONS

Potential MIHU homebuyers that do not meet the minimum credit score requirements or have past due credit histories are referred to the Think like a Lender credit counseling sessions. This free, 6-week course is presented by the Department in partnership with a local credit agency, Making Change. Participants attend 3 group sessions to learn how to build a good credit history. Then they work one-on-one with a credit counselor to create a household budget and resolve past credit issues to prepare for homeownership. When the participant obtains a 620 credit score, their information is updated in the MIHU database and they are qualified for available MIHU homes based on the program guidelines. From 2017 – 2019, 10 participants purchased an MIHU home after completing the course.

HOUSING OPPORTUNITIES MASTER PLAN

County Executive Ball created the Housing Opportunities Master Plan Task Force in Fall 2019 to assess the current state of housing in Howard County and to assist in the preparation of the Housing Opportunities Master Plan. The Housing Opportunities Master Plan will assess housing programs and policies in all County government departments and agencies to improve efficiency and effectiveness, identify ways to create and preserve housing opportunities for residents of all income levels, and provide metrics and timelines to measure progress towards achieving goals in the plan. The final plan is expected to be completed in March 2021.



COVID-related assistance for residents

RENTAL ASSISTANCE FUNDING FOR RENTERS:

First application round opened July 7, 2020

Second application round opened October 4, 2020

Next application round will open March 11, 2021

FORECLOSURE PREVENTION FUNDING FOR HOMEOWNERS:

First application will open on March 11, 2021

Howard County COVID-19 Rent Assistance

Awardees	Funding Source						Total
	Cares Act	CRRA	CDBG	Emergency Rental Assistance	MDDHCD Grant	County Funding	
Bridges to Housing	-	-	257,643.00	-	-	-	257,643.00
Community Action Council	1,103,250.00	-	562,921.00	2,350,000.00	2,000,000.00	-	6,016,171.00
Family & Childrens Services	98,820.00	-	115,000.00	200,000.00	-	-	413,820.00
FIRN	175,000.00	200,000.00	200,000.00	1,000,000.00	-	-	1,575,000.00
Grassroots	175,000.00	200,000.00	200,000.00	1,000,000.00	-	-	1,575,000.00
Help End Homelessness Howard County	-	-	8,000.00	-	-	-	8,000.00
HopeWorks	-	-	10,873.00	-	-	-	10,873.00
Howard County Housing Commission	-	-	512,713.00	500,000.00	-	-	1,012,713.00
Living in Recovery	-	-	13,290.00	-	-	-	13,290.00
The Arc of Howard County	-	-	106,497.00	-	-	-	106,497.00
The United Way	37,500.00	-	-	-	-	-	37,500.00
Volunteers of America Chesapeake	10,430.00	-	-	-	-	-	10,430.00
To Be Determined	-	-	-	4,685,056.00	-	1,400,000.00	6,085,056.00
	1,600,000.00	400,000.00	1,986,937.00	9,735,056.00	2,000,000.00	1,400,000.00	\$ 17,121,993.00

Grant Spending Prioritization

1 Cares Act	1,600,000.00
2 Corona Relief Rental Assistance	400,000.00
3 Cares Act - HUD (CDBG)	1,986,937.00
4 Emergency Rental Assistance	9,735,056.00
5 MDDHCD	2,000,000.00
6 County Funding	1,400,000.00
	\$ 17,121,993.00



Funding Source	Award Amount	1/31/2021 Expensed	Balance	% Complete
Cares Act	1,600,000.00	1,599,996.05	3.95	100%
Corona Relief Rental Assistance	400,000.00	399,997.00	3.00	100%
Treasury Emergency Rental Assistance*	9,735,056.00	-	9,735,056.00	0%
Cares Act - HUD	1,986,937.00	374,760.62	1,612,176.38	19%
Community Development Block - Corona	2,000,000.00	-	2,000,000.00	0%
County Funding	1,400,000.00	-	1,400,000.00	0%
	17,121,993.00	2,374,753.67	14,747,239.33	



Howard County COVID-19 Rent Funding Summary

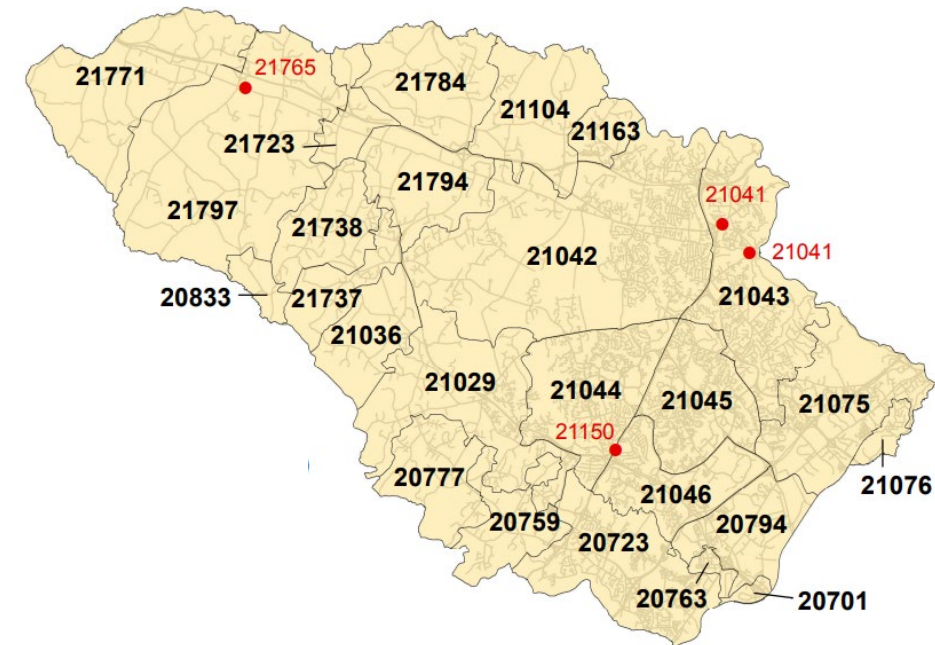
Total Expensed	2,374,753.67	
Admin Costs	197,467.21	8%
Direct payments for rent assistance	2,177,286.46	92%
Households	538.00	
Average per household	4,047.00	

* Can be used for utility assistance

Challenges

- 100% increase in number of grants to manage
- Monitoring
 - Correct household income limits used
 - Ensure no duplication of services
- Different grant end dates & criteria

Zip Code	Amount	Households
21044	477,037.95	113
21045	361,777.11	101
21043	340,865.98	80
21075	268,324.13	69
20723	243,502.96	59
20794	184,747.72	40
21046	127,772.69	34
21042	82,414.22	19
21076	27,154.05	7
20763	26,061.07	6
21029	23,041.00	5
20701	14,587.58	5
	2,177,286.46	538





Questions?

Kelly A. Cimino,

Director

Howard County Department of Housing and Community Development

kcimino@howardcountymd.gov

(410) 313-0190