

Council Resolution 40-2026 Fiscal Analysis

Introduced: March 2, 2026

Fiscal Manager: Yusef Ibrahim

Legislative Intent: CR40-2026 proposes a Charter amendment to modify Section 601 of the Howard County Charter to include affordable housing projects financed through the Housing Opportunities Trust Fund within the definition of a capital project, allowing such projects to be financed through County bonds, subject to Administration request and County Council authorization.

ANALYSIS

Fiscal Impact:

The proposed legislation is not expected to have a fiscal impact on the County’s operating or capital budgets. Specifically, this Charter amendment itself does not authorize the issuance of bonds or create an immediate fiscal impact on the County’s operating or capital budgets. However, if approved by voters, the amendment would allow the Administration to request authorization from the County Council to issue bonds in support of affordable housing projects financed through the Housing Opportunities Trust Fund (HOTF).

According to the Administration, the Housing Opportunities Trust Fund has received \$15 million in total funding to date, including \$5 million (FY22) in PAYGO funding and \$10 million provided through the Community Renewal Program Fund (FY25). The Administration noted that these funds have been fully awarded to eligible housing projects supporting activities such as redevelopment, affordable homeownership and rental assistance¹.

Additionally, preliminary financing estimates provided by the Administration indicate that potential bond issuances between \$10 million and \$15 million have been evaluated. Estimated annual debt service varies depending on the financing structure and whether the bonds are issued as general obligation or revenue bonds. See charts below:

General Obligation Bonds Financing Scenarios (20-year term):

Financing Type	Bond Amount	Annual Debt Service	Total Debt Service
GO Bond (Tax-Exempt)	\$10,000,000	\$750,534	\$15,010,677
GO Bond (Taxable)	\$10,000,000	\$853,529	\$17,070,853
GO Bond (Tax-Exempt)	\$15,000,000	\$1,125,801	\$22,516,016
GO Bond (Taxable)	\$15,000,000	\$1,280,294	\$25,605,875

¹ See Attachment A for full list of projects and funding status

Revenue Bonds Financing Scenarios (20-year term):

Financing Type	Bond Amount	Annual Debt Service	Total Debt Service
Revenue Bond (Tax-Exempt)	\$10,000,000	\$750,534	\$15,010,677
Revenue Bond (Taxable)	\$10,000,000	\$853,529	\$17,070,853
Revenue Bond (Tax-Exempt)	\$15,000,000	\$1,125,801	\$22,516,016
Revenue Bond (Taxable)	\$15,000,000	\$1,280,294	\$25,605,875

Budget Implications:

FY 2026 Operating Budget Line²: Total Housing Opportunity Trust Fund (\$2,000,000)

No changes to the FY 2026 Operating Budget are anticipated due to this bill. Debt service associated with bonds issued to support HOTF projects is expected to be paid through the Community Renewal Program Fund. Any future debt issuance and associated debt service would require separate Council authorization and would be incorporated into the County’s capital and operating budget processes at the time of issuance.

Other Notes:

None

² Attachment B-Page 372 in HC FY26 Approved Operating Budget

Attachment A
CR40-2026

Housing Opportunities Trust Fund Activity through February 2026

Year	Description	Organization	Awarded	Funds Disbursed	02/28/2026 Availability
FY2023	Patuxent Commons Development	Mission 1st	1,600,000.00	1,600,000.00	-
FY2023	Tenant based rental assistance	ARC of Howard County	67,229.00	67,229.00	-
FY2023	Acquisition of rental units	Bridges to Housing Stability	500,000.00	500,000.00	-
FY2023	Weatherization program	Community Action Council	482,771.00	477,580.14	5,190.86
FY2023	Rehabilitation of homeowner units	Rebuilding Together	100,000.00	100,000.00	-
FY2023	Downpayment Assistance for HCV Buyers	Howard County Housing Commission	250,000.00	62,000.00	188,000.00
				-	-
FY2025	Waverly Winds redevelopment	Enterprise Community Developers	2,275,000.00	2,275,000.00	-
FY2025	Ranleagh Court redevelopment	Enterprise Community Developers	2,000,000.00	2,000,000.00	-
FY2025	Homesharing Program	Bridges to Housing Stability	350,000.00	350,000.00	-
FY2025	Rehabilitation of rental units	ARC of Howard County	80,000.00	80,000.00	-
FY2025	Rehabilitation of homeowner units	Bridges to Housing Stability	135,000.00	22,534.48	112,465.52
FY2025	Rental Subsidy Program for Older Adults	United Way	2,160,000.00	179,904.80	1,980,095.20
FY2025	Foreclosure Prevention	DHCD	1,000,000.00	578,735.70	421,264.30
FY2025	Affordable Homeownership Project	DHCD	4,000,000.00	-	4,000,000.00
	Total		15,000,000.00	8,292,984.12	6,707,015.88

Governmental Funds

Housing Opportunities Trust Fund

Description

This is a non-reverting fund to be used to promote equitable access to affordable housing for households of limited income in the County.

	FY 2024 Actual	FY 2025 Estimated	FY 2026 Budget
Revenues			
Appropriation From Fund Balance	0	0	2,000,000
Transfer From Other Funds	0	10,000,000	0
Total Revenues	0	10,000,000	2,000,000
Expenses			
Contractual Services	3,000,000	8,000,000	2,000,000
Total Expenses	3,000,000	8,000,000	2,000,000
Fund Balance			
Beginning Balance	5,000,000	2,000,000	4,000,000
Net Change Current Year	(3,000,000)	2,000,000	0
Appropriation from Fund Balance	0	0	(2,000,000)
Fund Balance Ending - Unrestricted	2,000,000	4,000,000	2,000,000