



# Howard County

## Internal Memorandum

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DATE: January 26, 2022

TO: Lonnie R. Robbins  
Chief Administrative Officer

FROM: Kelly Cimino, Director - *K. Cimino*  
Department of Housing and Community Development

SUBJECT: Testimony on SAO3- FY22

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The Department of Housing and Community Developments is requesting the release of \$6,560,000 from the FY22 General Fund - Contingency Reserve to the Department of Housing and Community Development – Community Renewal Fund for affordable housing initiatives. Proposed projects for funding:

- \$2,500,000 to provide gap financing to the Ranleagh Court redevelopment project in Columbia. This project received an award of 4% Low Income Housing Tax Credits (LIHTC) from the State. These credits will fund a large portion of the project budget, but there is a gap that the developer needs assistance to fill to move the project towards completion.
- \$1,200,000 to provide gap financing for the Patuxent Commons new development project in Columbia. The project received an award of 4% Low Income Housing Tax Credits (LIHTC) from the State; however, rising interest rates and constructions costs, as well as delays due to COVID-19, have impacted the project's budget. This funding is critical to maintain the viability of the project and meet the timelines for closing and construction.
- \$2,860,000 to support affordable homeownership initiatives, including funding for the Moderate Income Housing Unit (MIHU) program, the Settlement Downpayment Loan Program (SDLP) and the Homeownership Assistance Program (HAP), to increase homeownership opportunities for low- and moderate income households in the county.

Enterprise Community Partners will redevelop the 100% low income Ranleagh Court development into a new, mixed income community. All the existing residents will be allowed to return to the new community. The new community will be a four-story, elevator building with 82 units that will offer several benefits to the residents, including energy efficient units, indoor and outdoor recreational spaces, a club room and an after-school

space as well as a parking garage. Redevelopment projects like this one are supported by the goals in the Housing Opportunities Master Plan.

Mission First Housing Development Corporation will construct the Patuxent Commons project to create rental housing units for older adults, families and adults with disabilities. This project will provide units for residents earning up to 80% of HUD Baltimore AMI. The project site is close to shopping, employment, recreation and transit. More importantly, it will provide an opportunity for adults with disabilities to live with others in a supportive environment.

For FY21 and FY22 year-to-date, the department has awarded 49 MIHU homeownership units and funded 133 SDLP loans for new homebuyers. As of January 1, 2022, the County's area median income increased to \$121,160. This higher income figure increased MIHU home prices above \$300,000. In response, the department began offering HAP loans to help low- and moderate income households qualify for the higher priced units. For FY22, the department has funded 6 HAP loans. This additional funding from the contingency reserve for affordable housing initiatives will allow the department to continue to provide opportunities for low- and moderate income households to participate in these programs. Thank you for your consideration.