

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council of Howard County, Maryland

2014 Legislative Session

Legislative Day No. 5

Bill No. 18- 2014

Introduced by: Council Member Calvin Ball
Co-sponsored by: Council Member Greg Fox, Council Member Mary Kay Sigaty,
Council Member Jennifer Terrasa and Council Member Courtney Watson

AN ACT amending the Rehabilitation Loan Program to allow loans for renovations and expansions; amending the moderate income housing unit provisions to prohibit certain alternatives in certain areas; requiring the use of fee in lieu funds for homeownership opportunities in certain areas; prohibiting the Department of Housing and Community Development and the Housing Commission from participating in certain housing projects; and generally related to moderate income housing units and the Rehabilitation Loan Program in Howard County.

Introduced and read first time _____, 2014. Ordered posted and hearing scheduled.

By order _____
Sheila Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2014.

By order _____
Sheila Tolliver, Administrator

This Bill was read the third time on _____, 2014 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Sheila Tolliver, Administrator

Sealed with the County Seal and presented to the County Executive for approval this ____ day of _____, 2014 at ____ a.m./p.m.

By order _____
Sheila Tolliver, Administrator

Approved by the County Executive _____, 2014

Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Section 1. Be It Enacted** by the County Council of Howard County, Maryland, that the
2 Howard County Code is amended as follows:

3 *By amending*

4 *Title 13. Housing and Community Development*

5 *Subtitle 3. Rehabilitation Fund*

6 *Section 13.300 Purpose*

7 *Section 13.301 Application*

8 *By amending*

9 *Title 13. Housing and Community Development*

10 *Subtitle 4. Moderate Income Housing Units*

11 *Section 13.402 Development procedures; moderate income housing unit*
12 *agreement; alternative.*

13 *Section 13.402C Alternatives to Moderate Income Housing Unit*
14 *obligation in certain zones.*

15 *By adding*

16 *Title 13. Housing and Community Development*

17 *Subtitle 15. Howard County Participation in Housing Projects.*

18
19
20 **Title 13. Housing and Community Development**

21 **Subtitle 3. Rehabilitation Fund**

22
23 **Sec. 13.300. Purpose.**

24 (a) A County-wide rehabilitation loan fund is established for the purpose of making
25 available certain funds FOR THE PRIMARY RESIDENCE OF [[to]] owners of improved
26 real property or mobile homes within Howard County, for the purpose of making
27 low-interest loans [[to said owners]] FOR A HOMEOWNER'S PRIMARY RESIDENCE
28 for [[basic]] home improvements in order that they may meet conditions related to
29 public health, safety[[and]], welfare, AND REVITALIZATION.

1 **Sec. 13.301. Application.**

2 (a) The loan shall be made available to Howard County residents [[for repairs not
3 covered under other rehabilitation programs and]] who are unable to obtain credit
4 from private institutions on terms and conditions they can reasonably be expected to
5 meet. The rehabilitation loans are for [[basic]] home improvements, including, but
6 not limited to, EXPANSIONS, RENOVATIONS, water and sewer connections, plumbing
7 repairs, central heating installation and repairs, home insulation, roof repairs,
8 transportation of mobile homes, trailer tiedowns and other structural repairs.

9 (b) The length of the loan AND ITS TERMS shall be determined by the homeowner's ability
10 to repay the money, but for a period not to exceed [[25]] 30 years. Interest rates shall
11 be LOWER THAN THE MARKET RATE based on adjusted family income and shall be
12 made a part of the rules and procedures administering this fund.

13 (c) If the loan is for improvements to real property and is made for more than \$500.00, a
14 mortgage shall be obtained from the property owner to secure the loan before the
15 work for which the loan is obtained is commenced.

16 (d) If the loan is for improvements to a mobile home and is for more than \$500.00, the
17 owner of the mobile home shall provide the County, before the work begins, with a
18 security interest in the mobile home to secure the loan.

19

20 **Title 13. Housing and Community Development.**

21 **Subtitle 4. Moderate Income Housing Units.**

22

23 **Sec. 13.402. Development procedures; moderate income housing unit agreement;**
24 **alternative.**

25 (1) *Prohibited Transfers.* A developer using an optional or alternative method of
26 compliance may not provide the required moderate income housing units on
27 property:

28 (1) Wholly owned by the Howard County Housing Commission; [[or]]

- 1 (2) Owned by a limited partnership or limited liability company formed solely for
2 the purpose of obtaining the benefit of low income housing tax credits under
3 section 42 of the Internal Revenue Code and in which the Commission is the
4 general partner or managing member; [[or]]
- 5 (3) Owned by the County[.]; OR
- 6 (4) IN A CENSUS TRACT BLOCK GROUP WHERE THE POVERTY LEVEL IS 10 % OR
7 GREATER ACCORDING TO THE MOST RECENT CENSUS.

8 **Sec. 13.402C. Alternatives to moderate income housing unit obligation in certain**
9 **zones.**

- 10 (e) *Fee-In-Lieu.* The developer may pay a fee-in-lieu to the Department for each unit in
11 the development or portion of the development that is not providing MIHUs onsite:
 - 12 (1) The fee-in-lieu for Fiscal Year 2014 shall be \$2.00 per square foot of residential
13 space for each unit in the development as calculated for the building excise tax,
14 section 20, subtitle 5 of the Howard County Code of Maryland;
 - 15 (2) The fee-in-lieu shall be set yearly by Council resolution based upon the
16 percentage of increase in the ENR Construction Cost Index for the Baltimore
17 Region as reported in ENR, Engineering News Record;
 - 18 (3) The fee-in-lieu shall be published on the County's website together with the base
19 sales prices and rents for moderate income housing units;
 - 20 (4) If the developer chooses to provide a portion of the required MIHUs on site, the
21 fee shall be prorated accordingly.
 - 22 (5) Except as provided in paragraph (a) of this section, a developer may not pay a
23 fee in lieu of a single-family attached or apartment moderate income housing
24 unit except in an age-restricted adult housing or planned senior community;
 - 25 (6) A developer shall pay the fee-in-lieu before a use and occupancy permit may be
26 issued for any unit in the development;
 - 27 (7) The fee-in-lieu collected by the Department shall be used for the following:

- 1 (i) The Settlement Downpayment Loan Program;
- 2 (ii) The Rehabilitation Loan Program;
- 3 (iii) Grants to other County entities for rental housing subsidies, the purchase
4 and rehabilitation of existing properties for sale or rent to low or moderate
5 income households, emergency eviction support, or other housing
6 opportunities for low and moderate income households; and
- 7 (8) By February 1 of each year, the Department shall provide a detailed annual
8 report to the Council of each collection and expenditure of all fee-in-lieu funds
9 for the prior calendar year.
- 10 (9) IN CENSUS TRACT BLOCK GROUP WHERE THE POVERTY LEVEL IS 10% OR GREATER
11 ACCORDING TO THE MOST RECENT CENSUS, THE FEE-IN-LIEU COLLECTED BY THE
12 DEPARTMENT SHALL BE USED ONLY FOR THE SETTLEMENT DOWNPAYMENT LOAN
13 PROGRAM AND THE REHABILITATION LOAN PROGRAM.

14

15 **TITLE 13. HOUSING AND COMMUNITY DEVELOPMENT**

16 **SUBTITLE 15. HOWARD COUNTY PARTICIPATION IN HOUSING PROJECTS.**

17

18 **Sec. 13.1500. PROHIBITED PARTICIPATION**

19

20 NEITHER THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT NOR THE
21 ~~HOUSING COMMISSION MAY CONSTRUCT A HOUSING PROJECT IN A CENSUS TRACT BLOCK~~
22 ~~GROUP IF THE POVERTY LEVEL IN THE CENSUS TRACT BLOCK GROUP IS 10% OR GREATER.~~
23 HOUSING COMMISSION MAY CONSTRUCT OR PROVIDE FINANCING OR FINANCIAL
24 ASSISTANCE FOR A HOUSING PROJECT THAT WOULD:

- 25 (A) INCREASE THE POVERTY LEVEL IN A CENSUS TRACT BLOCK GROUP IF THE
26 POVERTY LEVEL IN THE CENSUS TRACT BLOCK GROUP IS 10% OR GREATER;
27 OR
28 (B) INCREASE THE POVERTY LEVEL IN A CENSUS TRACT BLOCK GROUP TO 10%
29 OR GREATER.

1 **Section 2. And Be It Further Enacted** by the County Council of Howard County,
2 Maryland, that this Act shall become effective 61 days after its enactment.

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