

County Council of Howard County, Maryland

2024 Legislative Session

Legislative Day No. 4

Resolution No. 39-2024

Introduced by: The Chairperson at the request of the County Executive

Short Title: Adopting – Annual Action Plan

Title: A RESOLUTION adopting Howard County’s Annual Action Plan for housing and community services to qualify for the receipt of federal Community Development Block Grant and Home Investment Partnership Program funds.

Introduced and read first time April 1, 2024.

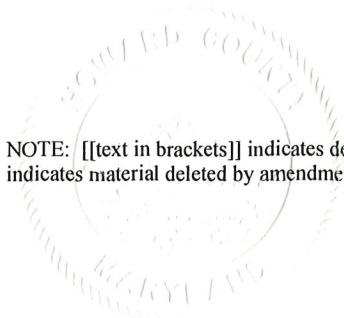
By order Michelle Harrod
Michelle Harrod, Administrator

Read for a second time at a public hearing on April 15, 2024.

By order Michelle Harrod
Michelle Harrod, Administrator

This Resolution was read the third time and was Adopted , Adopted with amendments___, Failed___, Withdrawn___, by the County Council on May 6, 2024.

Certified By Michelle Harrod
Michelle Harrod, Administrator



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

1 **WHEREAS**, the Department of Housing and Urban Development ("HUD") has
2 determined that Howard County qualifies as an Urban County and is eligible to receive funds
3 under the Community Development Block Grant ("CDBG") and Home Investment Partnership
4 Program ("HOME"); and

5
6 **WHEREAS**, the primary objective of HUD in awarding CDBG and HOME funds is to
7 develop viable urban communities by providing funding and programs to ensure decent housing,
8 suitable living environments, and expanded economic opportunities, principally for persons of
9 low and moderate incomes; and

10
11 **WHEREAS**, in order to keep Howard County eligible to receive Entitlement Grants, the
12 County Council approved a Consolidated Housing Plan by adopting Council Resolution No. 54-
13 2020 on May 4, 2020; and

14
15 **WHEREAS**, in order to obtain the yearly entitlement of CDBG and HOME funds, the
16 County must adopt an Annual Action Plan that implements the Strategic Plan as required under
17 the Consolidated Housing Plan.

18
19 **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,
20 Maryland this 6 day of May, 2024 that it adopts the Howard County Annual
21 Action Plan Federal Fiscal Year 2025 in substantially the form as attached hereto for purposes of
22 qualifying for Community Development Block Grant and Home Investment Partnership Program
23 funds.



Howard County

Internal Memorandum

Subject: Testimony and Fiscal Impact Statement for:
Resolution No. - _____
Adopting the FFY2024 Annual Action for Community Development Block
Grant (CDBG) & HOME Investment Partnership Program (HOME)

To: Brandee Ganz
Chief Administrative Officer

From: Kelly A. Cimino *K. Cimino*
Director
Department of Housing and Community Development

Date: March 21, 2024

Resolution No. ___ - 2024 requests approval of the FFY2024 Annual Action Plan for the Community Development Block Grant (CDBG) program and the Home Investment Partnership Program (HOME). The FFY2024 Annual Action Plan is Howard County's application to the U.S. Department of Housing and Urban Development (HUD) for CDBG and HOME funding. The FFY2024 Annual Action is required as a precondition to receiving the County's annual entitlement of CDBG and HOME Program funds from HUD.

BACKGROUND

In 2020, Council Resolution 54-2020 adopted Howard County's current Five-Year Consolidated Plan. The Consolidated Plan is a planning document that summarizes local housing and non-housing needs; details housing market and inventory conditions; outlines a five-year strategy; identifies available federal, state, and local resources needed and anticipated to implement the strategies; and presents specific goals and objectives for each strategy. The Annual Action Plan is the implementing document for the strategies in the Consolidated Plan and is required by HUD to receive CDBG and HOME Program funding.

The primary objective of the CDBG and HOME Programs is to develop viable communities by providing funding for decent affordable housing, creating suitable living environments, and expanding economic opportunities, principally for persons of low and moderate income.

For the County to receive the annual entitlement grants for FFY2024, which will begin on July 1, 2024, and to continue to be eligible as an Urban County Entitlement community, the County must adopt an Annual Action Plan. The Annual Action Plan outlines the proposed activities that will be undertaken for the upcoming program year. The FFY2024 Annual Action Plan is the fifth and final year under the current Consolidated Plan.

Howard County Department of Housing and Community Development has developed the draft Annual Action Plan in consultation with multiple county agencies, various nonprofit agencies, local advocates, the Housing and Community Development Board, and several local and regional service providers of housing and human services.

The Department is adding two Section 108 loan requests for the Ranleagh Court and Waverly Winds redevelopment projects. These projects will preserve and significantly expand affordable housing opportunities for the County's most vulnerable populations by replacing two aging complexes with higher density, modern, mixed income communities.

As a result of construction cost increases and interest rate hikes, both projects face a funding shortfall; therefore, the County intends to offer Section 108 loan funding. Specifically, Section 108 funds will be used to support costs associated with relocation, demolition and remediation, and site preparation. These redevelopments are squarely aligned with the Howard County HUD Consolidated Plan and meet the CDBG national objective of "activities benefitting low- and moderate-income persons."

The two properties are nearly identical in appearance and part of an existing 300-unit portfolio in Columbia consisting of 2- and 3-story townhomes and 1-bedroom apartments. Developed in the late 1960's and early 1970's, both properties are functionally obsolete. Ranleagh Court, located off Route 175 in the Harper's Choice neighborhood, will include 82 units. Waverly Winds, located near Wilde Lake High School off Twin Rivers Road, will include 123 units.

After extensive consultation with the existing resident community, the communities are proposed to be demolished and replaced with new, higher density, multifamily structures. The properties are supported by a Housing Assistance Payment ("HAP") Contract through HUD and are subject to a HUD Use Agreement that requires 40% of units to be made affordable to households at 50% AMI, and the remaining units to be restricted to households at 80% AMI or less.

Ranleagh Court and Waverly Winds are owned, through an affiliate, by Enterprise Community Development, Inc. ("ECD"), a non-profit organization with extensive experience as an owner and developer of affordable housing. ECD will continue to own the properties after redevelopment, and to execute the transactions before the properties will be transferred to new single purposes entities controlled by ECD.

Ranleagh Court will be financed primarily with 4% LIHTC equity, a Section 221(d)(4) HUD-insured loan, and soft debt from the State of Maryland DHCD, Community Homes Housing Inc., and Howard County. The Community Homes HAP Contract will be bifurcated and allow for 29 project-based rental assistance units.

Waverly Winds is a "twin" project consisting of two separately financed components. One building, with 55 units (including 28 HAP-assisted units), will be financed primarily with 9% LIHTC equity and is referred to herein as the "9% Project." The second building includes 68 units (including 14 HAP-assisted units), will be financed primarily with 4% equity and soft debt from the State of Maryland DHCD, Community Homes Housing Inc., and Howard County.

Howard County, in compliance with the County's Citizen Participation Plan, advertised and held five (5) public hearings on the needs and goals of the County's CDBG and HOME Programs. The public hearings provided residents with the opportunity to

discuss the programs and to offer their suggestions on future program priorities. The first two public hearings were advertised on the DHCD webpage and in The Howard County Times and Baltimore Sun on November 30, 2023, and in both papers again on December 17, 2024. The third hearing was advertised on the DHCD webpage in the Howard County Times and in the six Howard County library branches on February 29, 2024. The fourth and fifth hearings were advertised on the DHCD webpage and in the six Howard County library branches on March 11, 2024, and in the Howard County Times on March 14, 2024.

The draft FFY2024 Action Plan was available for the required 30-day public review and comment period at the Housing Department's office at Patuxent Woods. The comment period ran from February 29 thru April 1, 2024. The Plan was also available during the comment period on the department's webpage at www.howardcountymd.gov.

FISCAL IMPACT

Based on the prior FFY2023 funding awards, the County expects to receive \$1,884,343.00 (CDBG: \$1,310,347; HOME: \$573,996) in FFY2024. The grant awards will cover both program and administrative costs. The anticipated amounts have been incorporated into the County's FY2025 budget. A list of proposed grantees and amounts has been provided to the County Council in advance of this public hearing.

The Department and the Housing and Community Development Board recommend approval of this Resolution.

Cc: Calvin B. Ball, Howard County Executive (w/draft Action Plan)
Angela Cabellon, Chief of Staff (w/draft Action Plan)
Jennifer Sager, Legislative Coordinator (w/draft Action Plan – 12 copies)
Gary W. Kuc, County Solicitor (w/draft Action Plan)
Holly Sun, Budget Administrator (w/draft Action Plan)
Kim Zanti, Chief, Community Planning and Grants
Housing and Community Development Board

Attachment

Department of Housing and Community Development
FFY2024 Annual Action Plan Briefing Notes
Recommended funding amounts shown in parentheses

The following activities are proposed for funding in the FFY2024 Annual Action Plan:

1. HUD Community Development Block Grant Projects (CDBG) (\$1,310,347)

- a. **REBUILDING TOGETHER, HOWARD COUNTY (\$200,000) – Year-Round Critical Repair**
As part of the national nonprofit organization dedicated to providing rehabilitation of residential structures to provide decent, safe, and affordable housing for low- and moderate-income households, Rebuilding Together of Howard County has provided free home repairs to residents for 32 years. The average income of a client is \$29,000/year. Rebuilding Together will provide free home repairs for 50 low-income homeowners.
- b. **HOPE WORKS (\$36,600) – Transitional Housing for Domestic Violence Survivors**
Providing a wide range of services to people who have experienced domestic violence, Hope Works is an integral member of the County’s Continuum of Care. CDBG funds will support the Transitional Housing Program for approximately 30-40 clients who are experiencing homelessness because of Domestic or Intimate Partner Violence.
- c. **COMMUNITY ACTION COUNCIL (\$109,500) – Eviction Prevention**
This longstanding organization serves Howard County residents with household incomes at or below 80% AMI, who are at risk of becoming homeless due to eviction, or who need assistance with first month’s rent. This program will maintain housing for 41 households, including veterans, families with children below five, single parents, persons over the age of 65, and individuals who identify as Black or African American. The program ensures housing stability and reduces the need for cost-intensive homeless programs.
- d. **GRASSROOTS CRISIS INTERVENTION CENTER (\$50,000)– Emergency Shelter**
The most vulnerable residents are served by the Grassroots Emergency Shelter including those with a mental health diagnosis, substance abuse problem, serious physical health condition, and/or who fall in the Extremely Low to Low Income Limits Range (0-50%). CDBG funds will support the Family Shelter Program that will serve 40 households (90 individuals) and the Men’s Shelter Program (50 individuals).
- e. **THE ARC OF HOWARD COUNTY – Rehabilitating Residential Structures (\$215,021)**
CDBG funds will fund renovations to seven locations that provide safe, healthy, and



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affordable housing for vulnerable County residents with intellectual and/or developmental disabilities (I/DD) who are income-qualified. The project will benefit approximately sixteen (16) residents with I/DD in six (6) residential houses, 200 individuals with I/DD supported by a variety of day programs, and a staff of 70 working in rotating shifts at six sites.

f. **COLUMBIA HOUSING CENTER (\$110,000) – Affirmative Marketing Program**

Through housing advisory and educational programming, the Columbia Housing Center champions the original vision of founding developer, James Rouse, for integrated neighborhoods that are welcoming and attractive to all. The Affirmative Marketing Program furthers fair housing in Columbia, Maryland, in accordance with the Federal Fair Housing Act.

g. **ADMINISTRATION AND PLANNING (\$18,242)**

Howard County will use CDBG funds towards the administration of the CDBG program. Activities performed by County staff ensure that all aspects of the program requirements are met as the grant is being administered. Staff is responsible for performing program-related duties, such as financial, environmental, and eligibility review according to the grant award terms and conditions.

2. Multi-year CDBG Commitments

a. **ROGER CARTER COMMUNITY CENTER (\$196,984) Public Facility Support**

In collaboration with the Howard County Housing Commission, DHCD invests annual CDBG funds under an approved pre-award strategy to support this key facility for neighborhood revitalization, while meeting HUD's National Objective for Low-Mod Area Benefit. DHCD is invested for forty (40) years (06/01/03 - 06/01/2043) in the Roger Carter Community Center to ensure the continued well-being of the residents of Burgess Mill Station and surrounding Ellicott City neighborhoods. The Center includes a swimming pool, splash pad, gymnasium, dance room, meeting rooms, fitness rooms, rock climbing wall, walking track & more.

b. **HOWARD COUNTY HOUSING COMMISSION (\$24,000) Safe House Lease**

Established in 1990 as the public housing authority for Howard County, the Howard County Housing Commission operates a 'safe house' on several acres of land in a "campus-like" setting that provides housing for low- and moderate-income women and mothers who are victims of domestic violence. The facility houses up to 10 individuals and one (1) on-site director.

c. **BALTIMORE METROPOLITAN COUNCIL (BMC) (\$15,000) Fair Housing Coordinator**

DHCD is a member of the BMC, a consortium of Regional Participating Jurisdictions and Public Housing Authorities that contribute to the total funding of BMC's Housing Policy Coordinator position. This essential position is responsible for carrying out the Baltimore



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Regional Fair Housing Action Plan and developing an Analysis of Impediments (AI) Report. DHCD contributes 7.5% annually to BMC for this purpose.

3. HUD CDBG Section 108 Guaranteed Loan Program Projects (\$350,000)

a. RANLEAGH COURT (\$175,000)

The community will be redeveloped by replacing the existing 41 units with a new, 82-unit multifamily building with new amenity spaces and onsite leasing office. The new community will preserve all existing affordability and add new workforce and market rate units.

b. WAVERLY WINDS (\$175,000)

The current development of 62 units will be demolished and rebuilt as 123 units in two new multifamily buildings. In both redevelopments, the affordability and unit types will be preserved, and additional workforce and market rate housing will be added.

Ranleigh Court and Waverly Winds are owned, through an affiliate, by Enterprise Community Development, Inc. (“ECD”), a non-profit organization with extensive experience as an owner and developer of affordable housing. ECD will continue to own the properties after redevelopment, and to execute the transactions before the properties will be transferred to new single purposes entities controlled by ECD.

Ranleigh Court will be financed primarily with 4% LIHTC equity, a Section 221(d)(4) HUD-insured loan, and soft debt from the State of Maryland DHCD, Community Homes Housing Inc., and Howard County. The Community Homes HAP Contract will be bifurcated and allow for 29 project-based rental assistance units. Waverly Winds is a “twin” project consisting of two separately financed components. One building, with 55 units (including 28 HAP-assisted units), will be financed primarily with 9% LIHTC equity (the 9% Project). The second building, with 68 units (including 14 HAP-assisted units), will be financed primarily with 4% equity and soft debt from the State of Maryland DHCD, Community Homes Housing Inc., and Howard County (the 4% Project). As a result of construction cost increases and interest rate hikes, the projects are facing a funding shortfall for which Howard County wishes to provide Section 108 loan funds. Specifically, Section 108 funds will be used to support costs associated with relocation, demolition and remediation, and site preparation.

The redevelopments align with the Howard County HUD 5-year Consolidated Plan and meet the CDBG national objective of “activities benefitting low- and moderate-income persons” (§570.208(a)).

4. HUD HOME Partnership Funds Proposed Projects (\$573,996)

a. iHOMES/HUMANIM–Acquisition-(\$225,000)

iHomes is a part of the Howard County Continuum of Care system and a private, non-



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profit Community Housing Development Organization (CHDO). With HOME Funds, iHomes will acquire two (2) properties to accommodate six (6) residents. iHomes serves adults with incomes at or below 30% of area median income and with a developmental or psychiatric disability. A majority are Medicaid recipients with an average annual income of \$12,552.

- b. **SETTLEMENT/DOWNPAYMENT LOAN PROGRAM (SDLP) – (\$160,000)**
With HOME funds, DHCD will provide Settlement and Downpayment Loan Payment assistance for four (4) income eligible, prospective homebuyers in Howard County.
- c. **CHDO SET ASIDE (\$86,099.40)**
CHDO set-aside finds may be used for projects that are owned, developed, or sponsored by a nonprofit that qualifies as a CHDO as defined at 24 CFR 92.2. Previously, these roles were limited to development activities that is, projects that involved acquisition, rehabilitation, and/or new construction of housing for sale or rent to low-income families. However, the 2013 HOME Final Rule amended the definitions of these roles and now nonprofits can also own and manage HOME-assisted housing that it does not develop.
- d. **ADMINISTRATION AND PLANNING (\$57,399.60)**
The County will use HOME funds towards the administration of the HOME program. Activities performed by County staff ensure that all aspects of the program requirements are met as the grant is being administered. Staff members are responsible for performing program-related duties, such as financial, environmental, and eligibility review according to the grant award terms and conditions.

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 39-2024

Introduced: April 1, 2024

Auditor: Lisa Geerman

Fiscal Impact:

In Federal Fiscal Year (FFY) 2024, the County anticipates receiving a total of \$1,884,343 from the United States Department of Housing and Urban Development (HUD). This amount includes \$1,310,347 in Community Development Block Grant (CDBG) funds and \$573,996 in Home Investment Partnership Program (HOME) funds.

The HUD funding requires a 25 percent County match for HOME grants. The County match is \$107,625 for FFY 2024. According to the Director of the Department of Housing and Community Development, the County match will be deducted from the County's Banked Match account held by HUD. The Banked Match account consists of the value of the donated land from the redevelopment of the Hilltop project in Ellicott City. The appraised value of \$6,732,000 was banked for future HOME projects. A balance of \$5,903,703 remains in this account.

In addition, the CDBG Program is expected to contribute \$10,000 of Program Income towards the FFY 2024 Annual Action Plan.

Purpose:

The County must adopt an Annual Action Plan for housing and community services in order to qualify for the receipt of Federal CDBG and HOME funds. The Annual Action Plan outlines the proposed activities that will be undertaken for the upcoming program year.

The County must also adopt a Consolidated Housing Plan every five years in order to remain eligible for CDBG and HOME funds, and the last plan was adopted by passage of Council Resolution 54-2020.

This legislation adopts the Howard County Annual Action Plan FFY 2024, as required under the Consolidated Housing Plan, for the purpose of qualifying for the Community Development Block Grant and Home Investment Partnership Program funds.

Other Comments:

Proposed activities for the upcoming program year are as follows, according to the Howard County Annual Action Plan FFY 2024:

CDBG Activities (\$1,310,347 plus \$10,000 program income):

- Rebuilding Together, Howard County - \$200,000
- Hope Works - \$36,600
- Community Action Council - \$109,500
- Grassroots Crisis Intervention Center - \$50,000
- The ARC of Howard County - \$215,021
- Columbia Housing Center - \$110,000
- Administration and Planning - \$28,242
- Roger Carter Community Center - \$196,984
- Howard County Housing Commission - \$24,000
- Ranleagh Court - \$175,000
- Waverly Winds - \$175,000
- **TOTAL CDBG - \$1,320,347**

HOME Activities:

- iHomes/Humanim - \$225,000
- Settlement Downpayment Loan Program (SDLP) - \$160,000
- CHDO Set Aside - \$86,099
- Administration and Planning - \$57,400
- Future Housing - \$45,497
- **TOTAL HOME - \$573,996**