



# Howard County

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## *Internal Memorandum*

**Subject:** Testimony on Council Bill No. \_\_-2025, an ACT authorizing the County to sign a multi-year agreement, contract and related loan documents for Section 108 Loan Guarantee Assistance funding.

**To:** Brandee Ganz, Chief Administrative Officer

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

**Date:** December 13, 2024

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### **Summary**

Bill \_\_-2025 provides authorization to the County Executive to sign a multi-year agreement, contract and related loan documents, and establish a debt service reserve account, to secure a loan of \$5,848,000 from the U.S. Department of Housing and Urban Development for the Ranleigh Court and Waverly Winds redevelopment projects in Columbia, Maryland. This authorization is required under Section 612 of the County Charter.

### **Background**

The County Council approved the County's Annual Action Plan to HUD, which specifically detailed the Section 108 Loan Guarantee Assistance program to support the redevelopment projects at Ranleigh Court and Waverly Winds, by Council Resolution 39-2024 on May 6, 2024. Section 108 funds will be used to support project costs associated with relocation, demolition, remediation, and site preparation. Both redevelopment projects are aligned with Howard County's FFY2020 – 2024 HUD Consolidated Plan and meet the CDBG national objective of activities benefitting low- and moderate-income individuals.

### **Fiscal Impact**

Howard County has been a HUD entitlement jurisdiction since 1996 and receives a federal funding allocation each year. Howard County's Fiscal Year 2024 allocation of federal Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) funds totaled \$1,823,419.65. These grant funds provide the financial tools to support low-to-moderate income individuals, families, and communities to address homelessness, affordable housing challenges, aging infrastructure, and economic hardships.

Since Section 108 loans are federally guaranteed, the County can borrow up to five times of its current CDBG allocation to access loan capital for larger projects at a low interest rate. Based on the County's current CDBG allocation and outstanding Section 108 balance as of May 14, 2024,



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the County's maximum borrowing authority is \$6,633,650. HUD encourages jurisdictions to consider using this CDBG multiplier for high priority housing projects, such as housing rehabilitation and mixed-use development.

### **Conclusion**

This bill authorizes the County Executive to sign a multi-year Agreement, contract and other loan documents, to receive the Section 108 Loan Guarantee Assistance funds to support the creation and preservation of affordable housing units in Howard County.

Please contact my office with any questions. Thank you for your consideration.

Cc: Elizabeth Walsh, Council Chair  
Opel Jones, Council Vice Chair  
Christiana Rigby, Councilperson  
Deb Jung, Councilperson  
David Yungmann, Councilperson  
Michelle Harrod, Administrator  
Lisa Geerman, Acting County Auditor  
Kristen Perry, Deputy County Solicitor  
Constance Tucker, Principal Counsel