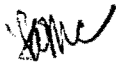


MEMORANDUM

February 19, 2016

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession** – FY17-22 Recommended Capital Improvements Program
Department of Housing and Community Affairs
(Recommended CIP is attached at ©1-6)

Those expected for this worksession:

Clarence Snuggs, Director, Department of Housing and Community Affairs (DHCA)
Chris Anderson, Chief, Division of Community Development
Jay Greene, Chief, Division of Housing
Tim Goetzinger, DHCA Management and Budget
Jennifer Bryant, Office of Management and Budget

As background, attached at ©7-35 is the FY15 Annual Report from the Department of Housing and Community Affairs.

1. Affordable Housing Acquisition and Preservation
(FY17-22 Recommended PDF ©2)

For FY17-22, the County Executive is recommending a total of \$176.786 million in expenditures for this project, which is a revolving account that must be used for acquisition and/or renovation of properties for the purpose of preserving or increasing the county's stock of affordable housing.

Affordable Housing Acquisition and Preservation – EXPENDITURE SCHEDULE

	Total	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
Recommend	176,786	143,786	33,000	16,000	17,000	0	0	0	0

Affordable Housing Acquisition and Preservation – FUNDING SOURCES for FY17-22 Recommended

	Total	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
GO Bonds	9,725	9,725	0	0	0				
HIF Revolving Program	121,252	100,000	21,252	13,409	7,843	0	0	0	0
Loan Repayments	36,494	24,746	11,748	2,591	9,157	0	0	0	0
HIF – Current Revenue	4,775	2,500	0	0	0	0	0	0	0
Recordation Tax Premium	4,540	4,540		0					
TOTAL	176,786	143,786	33,000	16,000	17,000	0	0	0	0

This project originated in FY09 when the Council approved the County Executive's recommendation to issue \$25 million in taxable debt in each of FY09 and FY10 to create a \$50 million revolving acquisition and preservation program within the Housing Initiative Fund. The Executive recommended and the Council later authorized a total of \$100 million in taxable debt to fund the revolving account. The program also uses funding from G.O. Bonds for projects that would be considered eligible as they will either be owned by the County (such as Progress Place) or are in partnership with the Housing Opportunities Commission.

Last year, the Executive recommended and the Council agreed to use funds from the Recordation Tax Premium to fund this program. This funding is from the portion of the Recordation Tax Premium that can be assigned to any project in the CIP; it is not the portion that is dedicated to rental assistance. The rental assistance portion of the Recordation Tax is included in the Operating Budget portion of the Housing Initiative Fund.

DHCA has a pipeline of projects that are under consideration for financing assistance. It is not certain what or what amount of funding will be provided, but DHCA estimates the need may be between \$40 to \$50 million. Funding would come from the current uncommitted balance (about \$23 million) and the proposed new funding. Projects include: Rockville Fire Station, Grand Bel II, Housing at Bethesda Conference Center, Mt. Jezereel, Scotland Community (rental), Artist Live/Work, Glenville Road, Kimberly Place, East County Reginal Service Center Senior Housing, UpCounty Reginal Service Center Housing, and Cornerstone. The projects as currently planned would produce over 800 affordable units.

Updates on Selected Recent Projects

Council staff has asked DHCA to update the PHED Committee on selected recent projects. Note that not all these projects will need to access Housing Initiative Fund (HIF) funding to move forward as the County contribution is the decreased cost of land.

Bonifant Senior Living

- Estimated completion of spring 2016
- The residences will be located in downtown Silver Spring adjacent to a future Purple Line Metro stop and the new Silver Spring Library.
- This 11-story mixed-use, mixed-income development will contain 149 units for independent seniors
 - 139 units will be reserved for seniors with incomes at or below 60 percent of the Area Median Income (AMI)
 - 15 units reserved for seniors with incomes at or below 30 percent of the AMI
 - 10 efficiency units, 119 one bedroom/one bath units and 20 two bedroom/one bath units)
- The projected total development cost is approximately \$44 million
 - Financing includes 4 percent Low Income Housing Tax Credits
 - Community Development Administration—Rental House Works (CDA—RHW)
 - HUD 221(d)(4) paired with tax-exempted bonds
 - Permanent financing from DHCA in two loans, \$11.7 million and \$1.7 million

Artist Live / Work (Old Silver Spring 3rd District Police Station)

- The County's selected developer, Artspace, is spearheading the redevelopment efforts of the former Third District Police Station located at 801 Sligo Avenue.
- The proposed development will include the repurposing of the current structure into artist and commercial space, new construction of 68 artist live work multifamily rental units and 11 for-sale townhomes (7 market; 4 workforce).
- Montgomery County will lease, under a long term lease agreement, the portion of the property to be utilized for the rental housing, and sell the portion to be used for the development of the for-sale townhomes.
- The estimated total development costs for the project is \$22.4M.
- The proposed sources of financing are: State of MD, Montgomery County, Developer loans/equity and LIHTC equity.
- The Developer is proceeding through the rezoning and entitlement process with the goal to submit the preliminary plan and site plan to MNCPPC by March of 2016.
- In addition, the developer is anticipating applying for the next round of 9% LIHTC in September of 2016. Based on this application date, the projected closing on all financing is estimated to occur by June/July of 2017.

East County Regional Service Center Senior Housing

- Project includes approx. 120 units of senior housing; 50% affordable at 60% and below
- Currently no direct investment from DHCA
- County contributed with a discounted land lease
- The Developer is proceeding through the entitlement process with the goal to submit the preliminary plan and site plan to MNCPPC by July of 2016.
- In addition, the developer is anticipating applying for 9% LIHTC in September of 2016 or most probably 2017. Based on this application date, the projected closing on all financing is estimated to occur by June/July of 2017 or 2018.

Up County Regional Service Center Housing

- Project includes approx. 112 units of housing; 30% affordable to 60% and below
- County contributed with a discounted land lease
- MHP and Buzzuto are developing housing on the surface lot
- County agreement specifies replacing parking spaces
 - Previous estimate was 70 spaces; new estimate is much higher
- Additionally discussions are underway to incorporate capitalized rental assistance (like in The Bonifant aka Silver Spring Library Senior Housing) to buy down 10 units to affordability at 30% AMI.
- The Developer is proceeding through the entitlement process with the goal to submit the preliminary plan and site plan to MNCPPC by May of 2016

Council Staff Recommendations and Discussion Issues

Council staff is recommending that the PHED Committee not make final recommendations on this project until after it can consider the Executive's recommendations for the Operating Budget portion of the HIF. However, Council staff suggests the Committee discuss the following issues and interim recommendations.

Revenue from Taxable Debt

The Executive is recommending \$21.252 million in resources that would come from the issuance of taxable (rather than tax-exempt) debt. This was the source of the original revenues for the revolving account. Taxable debt is expected to cost about .5% more than G.O. Bonds. The reason for using taxable debt is flexibility as G.O. Bonds can only be used for certain projects, such as those where the County will own the asset or where the Housing Opportunities Commission is the developer. Executive staff advises that generally for G.O. Bonds to be used the project would be a government project with no expected payback. For the Rockville Fire Station project, the Fire Station is G.O. Bond eligible but an evaluation would need to be completed by bond counsel to see if the housing component will be. There is \$9.725 million in G.O. Bond resources allocated to the HIF.

The debt service for taxable debt must be allocated to the HIF and then transferred out to the Debt Service Fund. In FY16, \$7.2 million was allocated to the HIF for the debt service associated with the existing taxable debt.

Council staff has two concerns about the Executive's recommendation:

1. The County is concerned about the increasing requirements for debt service. While this taxable debt would not be considered in decisions on G.O. Bonds over the six years, it is debt and would impact the other guidelines. As budget worksessions continue, if another source of current funding could be found to replace this new debt this would reduce the long-term costs.

2. Taxable debt is more expensive than G.O. Bonds. While the margin is currently not large, if projects are eligible for G.O. Bond funding then it would be preferable to use the less costly debt.

Elizabeth Square

The PHED Committee will have discussed the Housing Opportunities Commission (HOC) CIP in the agenda item prior to this. HOC has requested \$7 million in County contribution in order to expand the number of affordable housing units in the new Elizabeth House for seniors in Elizabeth Square. Council staff noted that the Executive said that some of this project will be used to support HOC's Elizabeth Square project. Executive staff has told Council staff that there has not been a commitment to an exact amount as the \$7 million is an estimate amount. The County contribution would be based on HOC providing project details and financing options. HOC has asked for some certainty about the County contribution so that they may use this in completing their financing package.

Council staff recommends the addition of \$4 million in FY17 and \$3 million in FY18 to this project that would be shown as "Senior Housing" rather than specifically for Elizabeth House. The source of funds would be G.O. Bonds. This would be similar to the approach used for the senior housing next to the Silver Spring Library, where there was a specific line that restricted the use of funds to senior housing before all the specifics of the project had been analyzed. Council staff also recommends that Finance and bond counsel look at whether this project is G.O. Bond eligible. Council staff would ask that the \$7 million be reflected in the CIP tracking but that this issue would be revisited in April in case there is further information on the amount of funds or the source of funds that may be used.

2. Facility Planning:HCD

(FY17-22 Recommended PDF ©3-4)

	TOTAL	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
Recommended	4,420	3,670	750	125	125	125	125	125	125

Source of Funds: Current Revenue

This project provides funding for facility planning studies that are not eligible for CDBG funding. It is included in the CIP because the efforts generally take more than one year.

Council staff recommends approval.

3. Colesville/New Hampshire Avenue Community Revitalization

(FY17-22 Recommended PDF ©5)

	TOTAL	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
Recommended	3,250	700	2,550	550	600	650	750	0	0

Source of Funds: Current Revenue

Update on Colesville/New Hampshire

In Colesville, a commercial façade and retail center signage program, similar to the Burtonsville program, is moving forward with a prominent building at the corner of New Hampshire Avenue and Randolph Road (the 7-11 building). This property's design has been approved by the ARC, and the DHCA Director. The property owner has accepted the County's offer of \$150,000 to leverage their own funds, and the required 30-day notice period has been completed. Notice to Proceed was given to the owner on February 1, 2016, and the project is now in the permitting process. We anticipate construction and completion in the summer/fall of this calendar year. Our hope is that this first project will serve as a catalyst for further collaboration with additional owners in the project area, much as the first improvements in Burtonsville did.

Council staff recommends approval.

4. Burtonsville Community Revitalization (No PDF)

There is no new funding recommended for this project. Total funding is \$4.040 million. While it is not designated as being on pending close-out, there is no separate PDF included in the Executive's recommended CIP.

Update on Burtonsville

The Burtonsville Commercial Revitalization Program, winner of a 2015 NACo Award, continues to move forward. The "lift building," which houses an auto repair shop, is in the final design stages after resolving a potentially serious setback regarding the re-alignment of MD Rte 198. State Highway Administration (SHA) has re-opened its planning process for the realignment and would be taking some land from the "lift building" parcel. It has been determined that such taking would not affect the building structure, but rather would remove some parking spaces. Another issue regarding the release of WSSC drawings (for a MCPS easement alongside the building) has recently been resolved. The project is now in the permitting stage. DHCA expects to see work beginning in spring 2016.

Seibel's Restaurant in Burtonsville re-submitted drawings and answered questions from the Architectural Review Committee's initial review in 2015. DHCA has reviewed the re-submittal and expects to be able to move forward with an easement offer to the property owner as soon as a legal requirement regarding the signatory authority of the ownership Trust has been resolved. Subsequently, the project will go through permitting with the goal of beginning demolition and construction by the summer of 2016.

Will it be completed during FY16 as shown in the recommended CIP?

Both of the Burtonsville projects involve new construction to which DHCA is not a party: the lift building needs additional garage space in the rear before the lift can be demolished, and the restaurant will be adding handicapped restrooms to its structure. For this reason, and because of the unexpected delays related to the re-alignment of MD Rte. 198 and the Siebel's signatory issue, the completion date will most likely be shifted into the first half of FY17.

Housing and Community Development

PROGRAM DESCRIPTION AND OBJECTIVES

The County's Housing and Community Development Program involves the design and implementation of intergovernmental strategies that address problems contributing to the physical decline of residential and commercial areas, and that support improvements to the quantity and quality of housing for low- and moderate-income families.

The mission of the Department of Housing and Community Affairs (DHCA) is:

- To plan and implement activities which prevent and correct problems that contribute to the physical decline of residential and commercial areas;
- Ensure fair and equitable relations between landlords and tenants;
- Increase the supply of new affordable housing; and
- Maintain existing housing stock in safe condition.

The activities carried out within the Capital Program of DHCA includes: land and building acquisition; design and construction of street improvements, sidewalks, and other infrastructure improvements; public facilities and amenities to assure the compatibility of assisted housing and small retail centers with surrounding areas; and Central Business District (CBD) revitalization.

Housing activities in this program are designed to allow for acquisition of affordable rental properties that are in need of rehabilitation or are at risk of having significant rent increases that would result in displacement of lower-income working families.

The Community Development Block Grant (CDBG) program provides the County with the opportunity to develop sustainable communities by funding activities that provide decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The Community Development Advisory Committee assists DHCA in recommending the distribution of Community Development Block Grant program funds and in making recommendations on other Federally-assisted housing programs. The members of this Committee are appointed by the County Executive to serve three-year terms. In FY15, Community Development Block Grant funds previously budgeted in the CIP were shifted to the Operating budget.

The Department's commercial revitalization activities are designed to encourage renewal of older shopping areas to meet

contemporary commercial demands as well as revitalization of smaller commercial centers as focal points for the local community.

HIGHLIGHTS

- Provide an additional \$33 million for the Affordable Housing Acquisition and Preservation program, exceeding by \$76.8 million the County's goal of providing \$100 million in funding for public/private partnerships to maintain and grow the stock of affordable housing. Funding of \$21.3 million in taxable bonds and \$11.7 million in loan repayments will be used to continue the County's commitment to the creation and preservation of affordable housing units for low income residents, including the senior population.
- Continue funding for façade easements in the Burtonsville area.
- Continue funding for commercial revitalization of the Colesville/New Hampshire Avenue corridor to support existing small businesses and create new opportunities for private investment.

PROGRAM CONTACTS

Contact Tim Goetzinger, of DHCA at 240.777.3728 or Jennifer Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's capital budget.

CAPITAL PROGRAM REVIEW

Three ongoing projects comprise the recommended FY17-22 Capital Improvements Program for DHCA, for a total six-year cost of \$36.3 million, which is a \$3 million, or 7.5 percent decrease from the Amended FY15-20 total six-year cost of \$39.3 million. In addition, the County has made in-kind contributions in support of affordable housing through below-market land sales which allow for the creation of affordable housing units where the estimated land value is \$37.8 million. The decrease in direct expenditures in this program are attributed to the Colesville/New Hampshire Avenue Community Revitalization project moving forward, resulting in project expenditures moving out of the six year period; also, the nearly completed Long Branch Pedestrian Linkages project and completion of the Fenton Street Village Pedestrian Linkages project. Other project expenditures supported by Community Development Block grant funding that were previously budgeted in the CIP have been shifted to the Operating budget (Focused Neighborhood Assistance) to support community development activities and allow for more cohesive accounting of CDBG expenditures.

Affordable Housing Acquisition and Preservation (P760100)

Category Community Development and Housing
Sub Category Housing
Administering Agency Housing & Community Affairs (AAGE11)
Planning Area Countywide

Date Last Modified 11/17/14
Required Adequate Public Facility No
Relocation Impact None
Status Ongoing

Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
-------	--------------	----------	------------------	-------	-------	-------	-------	-------	-------	-----------------

EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0
Land	176,786	103,635	40,151	33,000	16,000	17,000	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	176,786	103,635	40,151	33,000	16,000	17,000	0	0	0	0

FUNDING SCHEDULE (\$000s)

G.O. Bonds	9,725	0	9,725	0	0	0	0	0	0	0
HIF Revolving Program	121,252	89,809	10,191	21,252	13,409	7,843	0	0	0	0
Loan Repayment Proceeds	36,494	11,326	13,420	11,748	2,591	9,157	0	0	0	0
Montgomery Housing Initiative Fund	4,775	2,500	2,275	0	0	0	0	0	0	0
Recordation Tax Premium	4,540	0	4,540	0	0	0	0	0	0	0
Total	176,786	103,635	40,151	33,000	16,000	17,000	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	14,635
Appropriation Request Est.	FY 18	17,000
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		145,151
Expenditure / Encumbrances		103,635
Unencumbered Balance		41,516

Date First Appropriation	FY 01
First Cost Estimate	
Current Scope	FY 17
Last FY's Cost Estimate	145,151

Description

This project provides funding for acquisition and/or renovation of properties for the purpose of preserving or increasing the County's affordable housing inventory. The County may purchase properties or assist not-for-profit, tenant, or for-profit entities, or HOC with bridge financing to purchase and renovate properties. The monies may be used to purchase properties that are offered to the County under the Right of First Refusal law or otherwise available for purchase. A portion of the units in these properties must serve households with incomes that are at or below incomes eligible for the Moderately Priced Dwelling Unit (MPDU) program. A priority should be given to rental housing.

Cost Change

Increase funding in FY17 and FY18 to include the issuance of \$21.3 million of taxable debt along with the use of loan repayments to provide continued support for this project.

Justification

To implement Section 25B, Housing Policy, and Section 53A, Tenant Displacement (Right of First Refusal), of the Montgomery County Code. Opportunities to purchase property utilizing the County's Right of First Refusal arise without advance notice and cannot be planned in advance. Properties may be acquired by the County, non-profit developers, HOC or other entities that agree to develop or redevelop property for affordable housing.

Other

Resale or control period restrictions to ensure long term affordability should be a part of projects funded with these monies.

Fiscal Note

Debt service will be financed by the Montgomery Housing Initiative Fund. In addition to the appropriation shown above this PDF assumes that any actual revolving loan repayments received will be appropriated in the subsequent year as displayed above. Future loan repayments are expected and will be used to finance future housing activities in this project. General Obligation bonds will be used for Housing Opportunities Commission and other projects that bond counsel determines are eligible for tax-exempt bond funding.

Coordination

Housing Opportunities Commission (HOC) Nonprofit housing providers Private sector developers

Facility Planning: HCD (P769375)

Category
Sub Category
Administering Agency
Planning Area

Community Development and Housing
Community Development
Housing & Community Affairs (AAGE11)
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

11/17/14
No
None
Ongoing

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	4,420	2,665	1,005	750	125	125	125	125	125	125	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	4,420	2,665	1,005	750	125	125	125	125	125	125	0

FUNDING SCHEDULE (\$000s)											
Community Development Block Grant	893	334	559	0	0	0	0	0	0	0	0
Current Revenue: General	3,227	2,031	446	750	125	125	125	125	125	125	0
Current Revenue: Parking - Montgomery Hill	100	100	0	0	0	0	0	0	0	0	0
Federal Aid	200	200	0	0	0	0	0	0	0	0	0
Total	4,420	2,665	1,005	750	125	125	125	125	125	125	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	125
Appropriation Request Est.	FY 18	125
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		3,670
Expenditure / Encumbrances		2,665
Unencumbered Balance		1,005

Date First Appropriation	FY 96	
First Cost Estimate		
Current Scope	FY 17	4,545
Last FY's Cost Estimate		4,295
Partial Closeout Thru		0
New Partial Closeout		0
Total Partial Closeout		0

Description

This project provides funds for Department of Housing and Community Affairs (DHCA) facility planning studies for a variety of projects for possible inclusion in the CIP. In addition, facility planning serves as a transition stage for a project between the master plan or conceptual stage and its inclusion as a stand-alone project in the CIP. Prior to the establishment of a stand-alone project, DHCA will develop a Program of Requirements (POR) that outlines the general and specific features required in the project. Selected projects range in type including: land and building acquisition; conversion of surplus schools/ school sites or County-owned land into housing resources; design and construction of street improvements, sidewalks, and other infrastructure improvements in neighborhoods and small commercial area revitalization including streetscaping and circulation along with Central Business District (CBD) revitalization. Facility planning is a decision-making process to determine the purpose and need of a candidate project through a rigorous investigation of the following critical project elements: community revitalization needs analysis; economic, social, environmental, and historic impact analyses; public participation; investigation of non-County sources of funding; and detailed project cost estimates. Depending upon the results of a facility planning determination of purpose and need, a project may or may not proceed to construction. For a full description of the facility planning process, see the CIP Planning Section.

Cost Change

Increase due to the addition of FY21 and FY22.

Justification

There is a continuing need for development of accurate cost estimates and an exploration of alternatives for proposed projects. Facility planning costs for all projects which ultimately become stand-alone PDFs are included here. These costs will not be reflected in the resulting individual project. Future individual CIP projects, which result from facility planning, will each reflect reduced planning and design costs.

Other

The proposals studied under this program will involve the Office of Management and Budget staff, consultants, community groups, and related program area staff, to ensure that completed studies show full costs, program requirements, and have community support.

Fiscal Note

This project includes \$75,000 in FY13 to develop a program of requirements for a potential Colesville New Hampshire Avenue corridor improvement project between Midland Road and Hollywood Boulevard.

Disclosures

Expenditures will continue indefinitely.

Facility Planning: HCD (P769375)

Coordination

Office of Management and Budget, M-NCPPC, Department of Transportation, Department of General Services, Regional Services Centers

Colesville/New Hampshire Avenue Community Revitalization (P761501)

Category	Community Development and Housing	Date Last Modified	11/17/14
Sub Category	Community Development	Required Adequate Public Facility	No
Administering Agency	Housing & Community Affairs (AAGE11)	Relocation Impact	None
Planning Area	Colesville-White Oak	Status	Preliminary Design Stage

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	950	0	400	550	200	200	100	50	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	2,300	0	300	2,000	350	400	550	700	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	3,250	0	700	2,550	550	600	650	750	0	0	0

FUNDING SCHEDULE (\$000s)											
Current Revenue: General	3,250	0	700	2,550	550	600	650	750	0	0	0
Total	3,250	0	700	2,550	550	600	650	750	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	550
Appropriation Request Est.	FY 18	600
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		700
Expenditure / Encumbrances		0
Unencumbered Balance		700

Date First Appropriation	FY 15	
First Cost Estimate		
Current Scope	FY 15	3,250
Last FY's Cost Estimate		3,250

Description

This project provides for commercial revitalization in the Colesville Community focused on the four commercial intersections along New Hampshire Avenue (MD Route 650). The objective is to support the existing small businesses and create new opportunities for private investment, as well as improving the visual appearance of the area. Project elements include gateway signage, pedestrian lighting, connectivity, streetscape elements, landscaping/screening, acquisition of long term façade and center signage easements, and other amenities.

Location

The focus areas are: the four quadrants at the intersection of New Hampshire Avenue and Randolph Road; the commercial area at New Hampshire Avenue and Vital Way; the commercial area between Thomas Drive and Eldrid Drive on the west side of New Hampshire Avenue; and the commercial node east of New Hampshire Avenue at Hollywood Avenue.

Justification

The Colesville Commercial area is primarily older local, neighborhood retail centers with some office space. The White Oak Master Plan (1997) recommended providing a more unified "Main Street" form of development, integrating the commercial development with neighboring residential communities while providing buffers between the adjacent residential neighborhoods. The Colesville Community is interested in enhancing the viability of the commercial centers along New Hampshire Avenue.

Other

Plans and Studies: M-NCPPC White Oak Master Plan (1997), Colesville Commercial Area and Design Study (2013).

Fiscal Note

This area is not eligible for CDBG funding.

Disclosures

A pedestrian impact analysis will be performed during design or is in progress.

Coordination

Department of Transportation, Maryland State Highway Administration, M-NCPPC, Maryland Department of the Environment, Department of Permitting Services.

Expenditure Detail by Category, Sub-Category, and Project (\$000s)

Run Date: 01/11/2018 12:16 PM

Community Development and Housing

Community Development

Fenton Street Village Pedestrian Linkages (P760500)

Long Branch Pedestrian Linkages (P760600)

Burlingtonville Community Revitalization (P760800)

Focused Neighborhood Assistance (P761100)

CDBG Capital Appropriation (P767820)

Facility Planning: HCD (P789375)

Colesville/New Hampshire Avenue Community Revitalization (P761501)

Community Development

Housing (SC69)

Affordable Housing Acquisition and Preservation (P760100)

Housing (SC69)

Community Development and Housing

	Total Thru FY16	Est FY16	6 Year Total	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs	Approp.
*	2,899	2,028	871	0	0	0	0	0	0	0	0
*	4,031	2,144	1,887	0	0	0	0	0	0	0	0
	4,040	1,670	2,370	0	0	0	0	0	0	0	0
*	2,855	2,423	432	0	0	0	0	0	0	0	0
*	0	0	0	0	0	0	0	0	0	0	0
	4,420	2,665	1,005	750	125	125	125	125	125	0	125
	3,250	0	700	2,550	550	600	650	750	0	0	550
	21,495	10,930	7,285	3,300	575	725	775	875	125	125	675
	178,788	103,835	40,151	33,000	16,000	17,000	0	0	0	0	14,635
	178,788	103,835	40,151	33,000	16,000	17,000	0	0	0	0	14,635
	198,281	114,665	47,416	36,300	16,675	17,725	775	875	125	125	15,310

* = Closeout or Pending Closeout

CIP230 - CB Recommended



Annual Report 2015

**MONTGOMERY COUNTY
DEPARTMENT
of
HOUSING and COMMUNITY AFFAIRS**

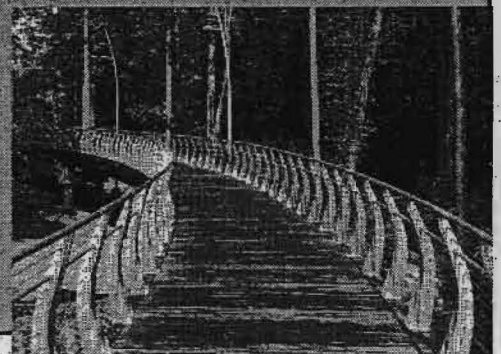


Table of Contents

A Message from the County Executive	4
A Message from the Director	5
Mission Statement and Organization Chart	6
DHCA and County Priority Objectives	7
Collaborations	9
Serving the Community	10
Multifamily Housing Development	12
Working Together	17
Neighborhood Revitalization	18
Grants	20
Group Home Rehabilitation Loans	23
Making a Difference	24
Landlord-Tenants Mediation	25
Licensing and Registration	26
Code Enforcement	26
Moderately Price Dwelling Unit Program	27
Thanks to the Former Director	28
Numbers at a Glance	29

Montgomery County Department of Housing and Community Affairs

100 Maryland Avenue, 4th Floor

Rockville, Maryland 20850

Visit our website - www.montgomerycountymd.gov/dhca

Information and Assistance

Call 311

or

240-777-0311 (For Cell Phones or Outside Montgomery County)

www.montgomerycountymd.gov/311



DHCA's Front Desk Support
Ready to Serve



Top Row: Churchill Senior Living, Burtonsville Signage, and Glenville Project.

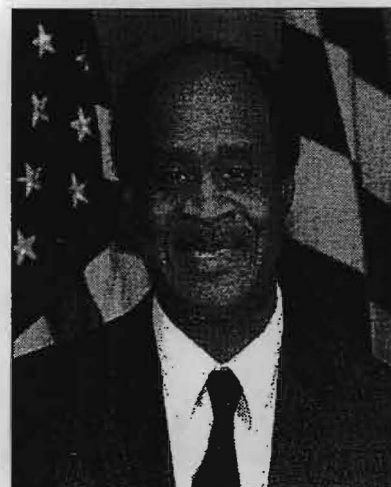
Bottom Row: Thayer Avenue and Victory Court.

Front Page: Bonifant Senior Living (rendering) and Long Branch Bridge.

Department of Housing and Community Affairs

9

MESSAGE FROM THE Montgomery County Executive Isiah Leggett



It is with pleasure that I present the Fiscal Year 2015 Annual Report of Montgomery County's Department of Housing and Community Affairs (DHCA).

Providing affordable housing opportunities for Montgomery County residents has been a priority of my administration since I assumed office. This past year, DHCA administered \$43.7 million in funding the acquisition and preservation of affordable housing units, the creation of housing units for special needs residents, services for "Building Neighborhoods to Call Home" and "Housing First", the creation of mixed income housing, the renovation of distressed housing as well as direct rental assistance to more than 2,000 households.

We preserved about 200 more affordable housing units in Fiscal Year 2015 than in FY 2014, and are producing about 100 more units. That is steady, substantial progress.

Including my FY16 budget, the County's total investment in affordable housing during the last eight years has been nearly \$660 million. This funding has enabled us to preserve and create over 36,700 affordable housing units. These funds have leveraged nearly an \$1 billion investment in other housing development and rehabilitation during this period of economic uncertainty.

The department has also helped to reduce the incidences of foreclosure in the County. In partnership with the State of Maryland Department of Housing and Community Development and local housing counseling agencies, DHCA has held nearly 400 workshops and counseled over 13,000 residents facing foreclosure. These efforts have directly contributed to the decline of foreclosures in the County, outpacing most in the region. We will continue our efforts to keep families in their homes, which is one of the most effective means of addressing homelessness.

DHCA does a lot more. It enforces County Codes designed to prevent deterioration, promote safety, and maintain sanitary conditions. It provides a mechanism for landlords and tenants to resolve conflicts. It works with nonprofits and local municipalities to offer financial management and homeownership counseling; and works with Federal, State, and community stakeholders to promote a broad range of affordable housing opportunities to low- and moderate-income households.

DHCA staff takes seriously its missions of affordable housing and the right to quality living conditions. I am extremely proud in the work they have performed and their dedication to the valuable services they deliver in this fiscal year and in every fiscal year.

A handwritten signature in black ink that reads "Isiah Leggett". The signature is fluid and cursive, written in a professional style.





MESSAGE FROM THE DIRECTOR

Clarence J. Snuggs

It is with pleasure that I present the Fiscal Year 2015 Annual Report for the Montgomery County Department of Housing and Community Affairs (DHCA).

I would like to start by thanking former Director, Richard Y. Nelson, Jr., for his outstanding service to the citizens of Montgomery County for the past eight (8) years. It was through his leadership and the work of the DHCA team that the Department was able to achieve the terrific results outlined in this report.

I am honored to serve as Housing Director in the Leggett Administration. I come to this responsibility as a community developer, having served in State government, with two national community development intermediaries, two regional banking institutions, as well as on various boards, task forces, and committees, all focused on housing and community building.

I had the pleasure of working with Mr. Nelson and the DHCA team for the past eight (8) years, while I served as Deputy Secretary at the Maryland Department of Housing and Community Development. DHCA is known for its strong relationships and for supporting its community and business partners strategically. I look forward to advancing the Department's outstanding history of offering innovative and pragmatic solutions to address the affordable housing and community development needs of hard-working families and individuals throughout the County.

The mission of the Department has not changed. We will continue to work to increase the supply of quality affordable housing opportunities throughout the county; we will continue to support community programs which benefit our residents and improve the quality of life; we will enforce housing codes to assure that existing housing is maintained in a safe, sanitary fashion; and, we will work with residents and property owners to prevent and correct problems that may contribute to the physical decline of residential and commercial areas.

We welcome your comments and feedback on this report and look forward to working with you to continue our efforts to make Montgomery County a great place to live, work and enjoy.

A handwritten signature in cursive script that reads "Clarence J. Snuggs".

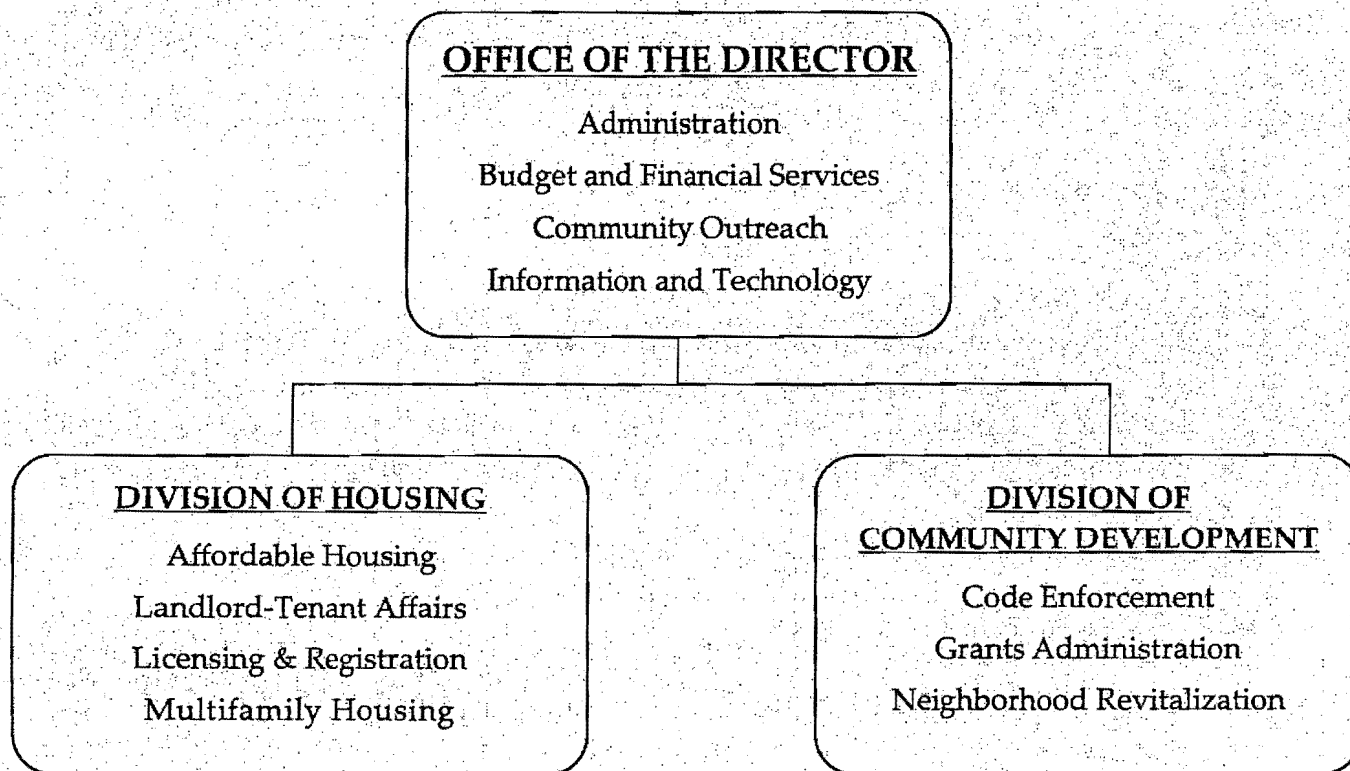


DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Mission Statement

The mission of the Department of Housing and Community Affairs is to plan and implement activities which prevent and correct problems that contribute to the physical decline of residential and commercial areas; ensure fair and equitable relations between landlords and tenants; increase the supply of affordable housing; and maintain existing housing in a safe and sanitary condition.

Organization Chart



DHCA AND COUNTY PRIORITY OBJECTIVES

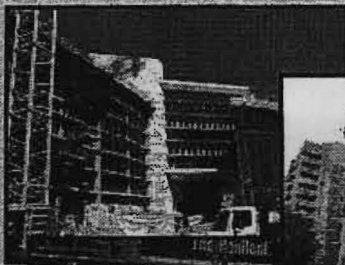


Montgomery County Data

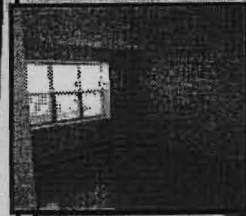
April 2010 to July 2014 Population Growth.....	58,641
2014 Estimated Population.....	1,030,447
2015 Projected Population.....	1,036,000
2010 to 2014 Number of New Multifamily	
Housing Units Authorized for Construction.....	9,539
FY2015 Affordable Housing Units Preserved.....	2487
FY2015 Affordable Housing Units Produced.....	609

The Department of Housing and Community Affairs is committed to supporting the County's mission to provide "A Responsive and Accountable County Government," "Affordable Housing in an Inclusive Community," and "Healthy and Sustainable Communities." DHCA's goals, programs, and relationships with community stakeholders focus on housing production and preservation for low- and moderate-income households, senior citizens, and residents with special needs. The Department works with businesses and residents providing direction on improving their surroundings. In addition, DHCA is a vehicle that allows homeowners, landlords, and tenants to bring and address issues that affect the quality of their living conditions. As Montgomery County grows, DHCA will continue to collaborate with partners and work to improve the quality of living conditions where it is most needed.

SOURCE: Population data from Population Division, U.S. Census Bureau, release date March 2015.
Projections prepared by the Maryland Department of Planning, 2014 *Maryland Statistical Handbook*.
Photo: Thayer Avenue



Silver Spring Bonifant



Gaithersburg
North Frederick

Silver Spring
Long Branch Walkway Bridge
And Pedestrian Bridge



Before
Bethesda Avondale
Today



Silver Spring
Charter House



Silver Spring
Long Branch



COLLABORATIONS

DHCA collaborates with Federal and State agencies, and with other Montgomery County departments to better serve the residents and businesses of Montgomery County. Combining resources and drawing on the expertise of our partners enables DHCA to build greater leverage of County resources in order to achieve its goals and fulfill its mission.

Federal and State Agencies

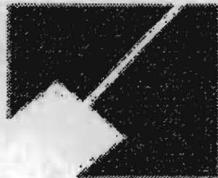
Federal Department of Housing and Urban Development (HUD)

Maryland-National Capital Park and Planning Commission (M-NCPP)

Maryland State Highway Administration

State of Maryland Department of Assessments and Taxation

State of Maryland Department of Housing and Community Development



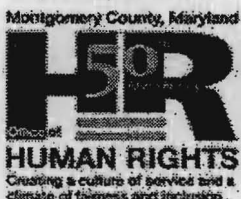
Montgomery County Departments and Agencies

Environmental Protection • Fire and Rescue Services • General Services

Health and Human Services • Office of the County Attorney • Office of Human Rights

Permitting Services • Police • Procurement • Recreation • Transportation

Housing Opportunities Commission



Department of Housing and Community Affairs

SERVING THE COMMUNITY

The **Office of Landlord-Tenant Affairs (OLTA)** assists landlords and tenants by informing them of their rights and responsibilities. OLTA offers free information seminars designed specifically for landlords and tenants. Landlord seminars cover such topics as the Federal, State, and County Fair Housing laws, and Chapter 26 of the Montgomery Code; licensing; the eviction process; security deposits - maintenance, interest earned and refunds; and obligations of landlords. Tenant seminars include topics on the lease application process; lease agreements; obligations of tenants and landlords; tenants rights; security deposits; ordinary wear and tear; complaint process; and court actions. OLTA holds these seminars on a regular basis.

In addition, DHCA's **Senior Fellow** in conjunction with OLTA sponsored a program geared toward informing seniors citizens of the services provided by Montgomery County at little or no cost to residents. Topics included transportation services, recreational activities, and programs to assist seniors with routine medical care. Participants included:

Holy Cross Hospital
Montgomery County Renter's Alliance
Department of Health and Human Services
Montgomery County Recreation



The Seminar on Senior Services was attended by residents of:

Charter House
Randolph Village
Victory Forest
Willow Manor of Coleville

DHCA SERVING THE COMMUNITY

The **Code Enforcement Section** conducted a campaign to work with the residents in the Middlebrook Mobile Home Park to bring their residences up to applicable Montgomery County Codes. Violations and mitigative measures included:

General Cleaning

- Clean roof and exterior walls, remove dirt and foreign matter
- Discard outdoor solid waste

Repairs and Maintenance

- Remove peeling and chipped paint; repaint if necessary
- Replace or repair gutters, downspouts, dilapidated fences
- Cut grass, remove weeds and maintain yard on a regular basis

Vehicles (cars, trucks, etc.)

- Ensure all vehicles are properly tagged and operable
- Remove vehicles that have expired tags, no tags or inoperable



The Code Enforcement campaign provided an opportunity to get the residents to work together to improve their community; to welcome bilingual conversations; and, to ask questions and take actions to correct code violations.

Some of the highlights to the campaign's success included:

- Eighty-eight percent of the residents took corrective action to comply with Montgomery County Codes
- Neighbors helped neighbors to achieve compliance (painting, repairing, cleaning, etc.)
- Residents expressed pride in the outcome and overall new appearance of the neighborhood

Code Enforcement continues to visit the area to answer questions and to help the community to stay in compliance with County Code.



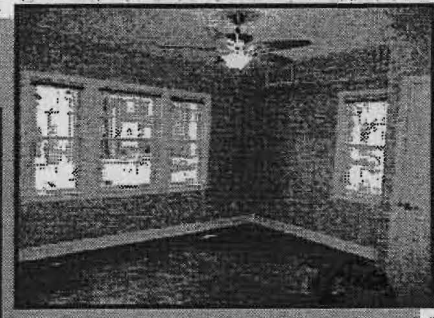
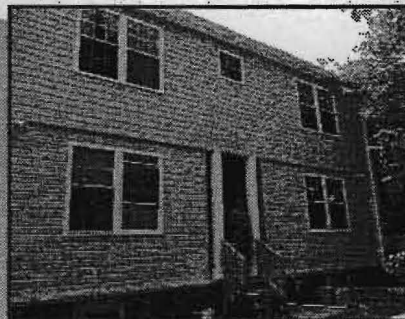
MULTIFAMILY HOUSING DEVELOPMENT

DHCA's Multifamily Housing Section is responsible for financing and monitoring the acquisition, production, and preservation of affordable housing units; renovation of distressed housing; creation of housing units for special needs residents; creation of mixed-income housing; and the administration of services to the "Building Neighborhoods to Call Home" program.

The County invested over \$27.7 million in affordable housing through the Montgomery Housing Initiative (MHI) fund and utilized \$15.9 million from the Affordable Housing Acquisition and Preservation CIP project. This increased funding for affordable housing by more than 12 percent over FY14.

Avondale Street Apartments - completed.

DHCA purchased two properties on Avondale Street in accordance with the County's Right of First Refusal laws matching a contract price of \$1,100,000 or \$275,000/unit. The National Center for Children and Families developed the properties in Bethesda. The rehabilitated properties provide affordable housing for formerly homeless persons and families. Each Avondale property contains four (4) one bedroom /one bath/den units in a two-story walk-up garden-style building. The units will serve households earning between 30 percent and 50 percent of the Area Median Income (AMI). In addition, the project location, in downtown Bethesda, is accessible to public transportation, has a close proximity to the Bethesda Metro Station, and supports the concept of transit-oriented affordable housing.

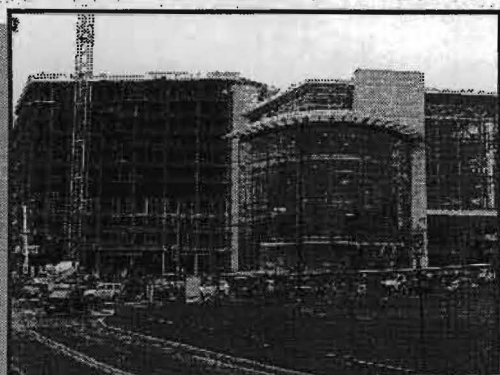


MULTIFAMILY HOUSING DEVELOPMENT - continued

Bonifant Senior Living - under construction, estimated completion: June 2016.

Bonifant Senior Living will be located in downtown Silver Spring adjacent to a future Purple Line Metro stop and the new Silver Spring Library. This 11-story mixed-use, mixed-income development will contain 149 units for independent seniors (including 10 efficiency units, 119 one bedroom/one bath units and 20 two bedroom/one bath units) of which 129 units will be reserved for seniors with incomes at or below 60 percent of the Area Median Income (AMI), and an additional 10 units will be reserved for seniors with incomes at or below 30 percent of the AMI.

The projected total development cost is approximately \$44 million or \$295,000 per unit. Financing includes 4 percent Low Income Housing Tax Credits; Community Development Administration—Rental House Works (CDA—RHW); HUD 221(d)(4) paired with tax-exempted bonds; and permanent financing from DHCA in two loans, \$11.7 million and \$1.7 million.

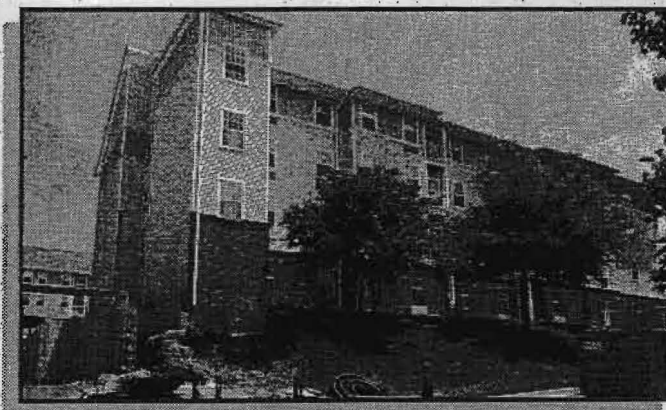
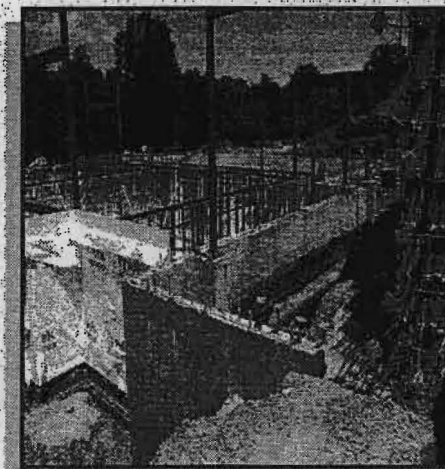


MULTIFAMILY HOUSING DEVELOPMENT - continued

Churchill Senior Living II - under construction, estimated completion: June 2016.

This six-story, 133-unit senior rental community will be located on the west side of Father Hurley Boulevard in Germantown and include 30 one bedroom/one bathroom units, 79 two bedroom/one bathroom units, and 24 two bedroom/two bathroom units. One hundred twenty-one (121) of the 133 units will be reserved for seniors at or below 60 percent of the AMI with an additional five units for seniors at or below 50 percent of the AMI.

The total development cost is approximately \$33 million or \$248,000 per unit. County financing for the project includes a HOME Program loan for \$2.0 million and a Housing Initiative Fund (HIF) loan of \$1.1 million.



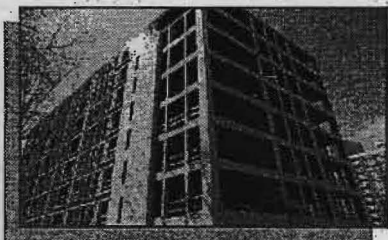
MULTIFAMILY HOUSING DEVELOPMENT - continued

Fenwick Lane - under construction, estimated completion, March 2016.

The Fenwick Lane project consists of the acquisition, rehabilitation, and conversion of a 79,462 square foot eight-story office building into 102 market rate, for-sale condominiums located in downtown Silver Spring. The residential building will be comprised of 69 one bedroom/one bath units and 33 two bedroom/one bath units. The average sale price is expected to be \$230,000 for one bedroom units and \$345,000 for two bedroom units.

The primary focus of the project is to fill a gap in the residential market in Silver Spring by providing new for-sale housing at a price that is rarely offered elsewhere in the Washington DC Metropolitan Region, and is affordable to the workforce housing market. The project will be marketed to single, young professionals and couples with no children, including, service-oriented professionals (police, fire, and teachers) that have been priced out of the homeownership market.

The total development cost is estimated at \$23 million. County financing includes a Housing CIP loan of \$4.1 million at eight percent for 36 months. The County loan was used to fund a portion of the acquisition, development, and construction costs.



HOC Jubilee - a continuing project.

The Housing Opportunities Commission of Montgomery County, Maryland (HOC) in collaboration with the Jubilee Association of Maryland Inc. (Jubilee) was awarded grant funding from the Maryland Department of Health and Mental Hygiene (DHMH). The funds will be used to purchase two, three-bedroom single family houses to provide housing for six individuals with developmental disabilities.

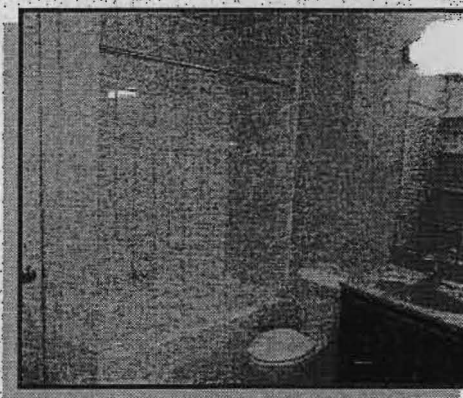
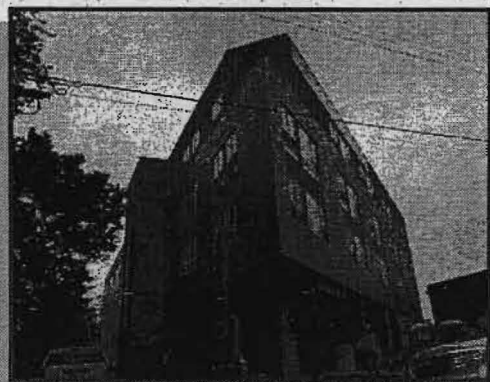
The State's grant provides up to \$835,000 and covers 75 percent of the total cost of the acquisition and renovation of the two houses to make them handicapped accessible. DHCA will utilize HIF funding to match the remaining 25 percent.

MULTIFAMILY HOUSING DEVELOPMENT - continued

Thayer Avenue - completed.

Thayer Avenue is a newly constructed 52 unit apartment building located in Silver Spring. Forty-two (42) of the 52 units are affordable under the Low Income Housing Tax Credit (LIHTC) guidelines serving families earning between 50 percent to 60 percent of the Area Median Income (AMI). The apartment building has 41 one bedroom/one bath units, and 11 two bedroom/two bath units.

The total development cost was approximately \$18.4 million. Financing for the project included LIHTC equity of \$3.05 million, Maryland Housing and Community Development funds of \$10.21 million, a Housing Initiative Fund (HIF) Loan of \$4.50 million, and a deferred developer's fee of \$685,510.





WORKING
TOGETHER



Montgomery Housing Partnership (MHP) serves more than 1,400 families in Montgomery County and since 1989 their mission has gone unchanged - to preserve and expand quality affordable housing in Montgomery County by housing people, empowering families, and strengthening neighborhoods. In 2013, MHP purchased an abandoned, boarded up property on Glenville Road in Silver Spring's Long Branch Neighborhood and currently owns five (5) of the 16 small apartment buildings on the cul-de-sac. The non-profit group was awarded a \$500,000 grant from the State of Maryland's National Conservation Initiative (NCI) and received a \$150,000 loan from DHCA comprised of HOME funds to purchase and renovate the foreclosed property. The renovation provides homes for four (4) new families - three at the market rate and one reserved for a family earning 50 percent of the area median income.



8808 Glenville Ribbon Cutting -

Robert Goldman, MHP President (front, left), Clarence Snuggs, DHCA Director (front, right) and Belle family (center).

Mrs. Guanee Belle, a teacher's assistant at Galway Elementary School in Silver Spring, her husband, a certified living assistant, and their two children (girl, age 7 and boy, age 9) recently moved into one of the newly renovated apartments.



NEIGHBORHOOD REVITALIZATION

The Long Branch Walkway Bridge and Pedestrian Bridge is a safe ADA compliant pedestrian and bicycle pathway that connects the Silver Spring's Long Branch Community Center, the Long Branch Library, and the communities on both sides of the Long Branch Creek.



Before



Today

Long Branch Walkway and Pedestrian Bridge

Burtonsville Commercial Revitalization - DHCA became involved in the Burtonsville commercial core area along MD Route 198 after the realignment of US Route 29 (Old Columbia Pike). Based on recommendations of the Community Legacy Plan, DHCA partnered with private property owners to leverage funds for facade and signage improvements as well as for parking lot illumination.



Before

New Facades



Today

New Commercial Signage



NEIGHBORHOOD REVITALIZATION

- continued

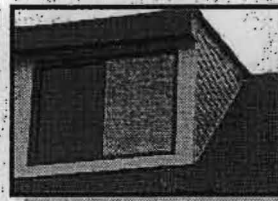
McKendree Exterior Home Improvement Project - The McKendree neighborhood is located in Montgomery Village on the outskirts of Gaithersburg. McKendree was constructed in 1976 and 1977 as the first Moderately Priced Dwellings Units (MPDU) in the County and consists of 212 townhomes.

As part of DHCA's nationally recognized, data driven, Focused Neighborhood Assistance Program, there was an identifiable need to make exterior and energy efficiency improvements to some of the homes. DHCA provided home improvement loans to 24 homeowners who were eligible to receive federal Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development (HUD).

Before



Today



Homes had weathered and damaged wooden battens.

The front of the homes were completely resurfaced with aluminum siding; windows and patio doors were replaced.





DHCA GRANTS

DHCA administers federal housing and community development grants awarded by the U.S. Department of Housing and Urban Development (HUD) as well as local grants awarded by the County Executive and County Council. Federal grants include the Community Development Block Grant (CDBG), the HOME Program Grant, and the Emergency Solutions Grant (ESG). In FY15, DHCA monitored 34 grants that totaled more than \$2.85 million.

Grantees included:

Asian-American Homeownership Counseling, Inc. - Assists in foreclosure prevention and financial management including rebuilding credit and assets.

Asian American LEAD - Provides culturally appropriate enrichment activities, college prep assistance, and leadership development for low income high school students in Wheaton and Silver Spring.

Boys & Girls Clubs of Greater Washington Inc. - Provides homework assistance, tutoring and reading time for elementary students at the Germantown Boys and Girls club.

CASA de Maryland, Inc - Provides individual and group counseling, workshops, and technical assistance in the Long Branch area. Topics covered include home safety, financial management, health lifestyles, disease prevention and legal assistance for housing-related issues.

CASA de Maryland, Inc - Operates the Pine Ridge community Center in Long Branch for low-income residents. The Center provides regular classes in ESOL, computer, citizenship and Spanish literacy; after-school homework help; and activities to promote healthy lifestyles and disease prevention.

Catholic Charities of the Archdiocese of Washington, Inc. - Provides legal services to enable Montgomery County residents to resolve immigration issues concerning naturalization/citizenship, employment and family-based permanent residency and consular processing.

City Rockville - Funds home rehab programs.



GRANTS - continued

City of Takoma Park - Funds CROSSROADS Microenterprise - job training in starting a new microenterprise; YMCA - provides therapeutic group meetings for at-risk middle school students; and Flower Avenue Greenscape Project - street lighting and safety improvements.

College Tracks - Funds College Success Program and College Access Program.

Eastern Montgomery Emergency Assistance Network, Inc. (EMEAN) - Eviction prevention/utility assistance.

Ethiopian Community Center in Maryland - Provides training and counseling on health related issues related to hypertension, diabetes, obesity, and HIV/AIDS to low-income residents.

Faith Connections, Inc. - Provides operating support for GED program.

Habitat for Humanity/Metro Maryland, Inc. - Help supports operations.

Home Care Partners, Inc. - Provides weekly homecare aid services to frail elderly or disabled clients living in subsidized housing.

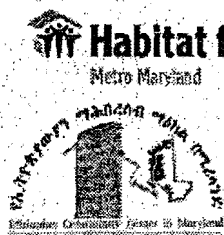
Housing Unlimited, Inc. - Help supports operations and HOME - Community Housing Development Organization administration.

Interfaith Works - Coordinates volunteers providing meals to homeless individuals.

Jewish Foundation for Group Homes, Inc. - Assists low-income residents of JFGH homes with Autism Spectrum Disorders.

Jewish Social Service Agency - Provides community integration support - including assessment, referrals, employment assistance, citizenship preparation and ESOL assistance - to refugees and recent immigrants.

Mobile Medical Care, Inc. - Provides an Anticoagulation Clinic for high-risk, low-income, uninsured individuals who have atria fibrillation, venous thromboembolism, hereditary disease or other illnesses that require close monitoring.



GRANTS - continued

Montgomery County Coalition for the Homeless - Funds a housing locator position at a men's housing shelter to assist clients to obtain affordable long term housing.

Montgomery County Historical Society - Provides support for the Society's education and outreach program.

Montgomery County Renters Alliance - Provides support to tenants through their advocacy programs and efforts.

Montgomery Housing Partnership - Funds neighborhood revitalization and the Play and Learn program, which provides an opportunity for preschool children to explore, socialize and acquire necessary skills for kindergarten, in a safe and nurturing learning environment.

National Center for Children and Families, Inc. - Provides program support for immigrant women and their American-born children who are survivors of domestic violence residing in Betty's House.

National Center for Children and Families, Inc. - Provides housing, counseling, life skills support for young adults who have aged out of the care of public systems and are homeless or living in unstable conditions.

Rebuilding Together Montgomery County - Help supports operations and Critical Needs program.

The Salvation Army - Provides financial assistance and case management for families in housing crisis.

Sunflower Bakery, Inc. - Supports wraparound employment services for Sunflower students to secure employment after completion of the Pastry Arts Training Program.

A Wider Circle - Help funds Center for Professional Development, Center for Community Services, client services and solid waste operations.





GROUP HOME **REHABILITATION LOANS**

Group Home Rehabilitation Loans are awarded to groups to carry out programs that directly serve low-income people with special needs. These special needs populations include some of our most vulnerable residents: children and youth, people with mental and physical disabilities, people with chronic illnesses, people with addictions, and victims of violence. In FY15, Group Home loans funded by the Community Development Block Grant (CDBG) program totaled \$525,000.

Group Home providers that benefited from the program include:

Community Housing Initiative, Inc. - A private, non-profit agency that helps low- and moderate-income households achieve their housing goals by providing education in housing and financial issues. The programs help participants to make good housing decisions, provide information on funding resources and services in our area, and increase their chances of housing and financial success.

Community Support Service, Inc. - A non-profit charitable organization that is committed to providing quality, community-based service to children and adults with autism and other severe developmental disabilities.

Cornerstone Montgomery, Inc. - An independent, nonsectarian, organization that has the capacity to serve more than 2,200 adults and transition age youth. Cornerstone specializes in the provision of comprehensive, community- and evidence-based, mental health and co-occurring mental health and substance use disorder treatments and interventions.

Housing Unlimited, Inc. - A non-profit organization that provides affordable, permanent housing for low-income individuals in mental health recovery. HUT's mission is to promote independence and recovery by providing tenants with a stable and comfortable home.

Jubilee Association of Maryland - The association provides opportunities and support for adults with intellectual and other developmental disabilities so that they may live in and enrich their community while fulfilling their personal, family, social and spiritual needs.




C·H·I Inc.

Supporting people with disabilities since 1948



Cornerstone
Montgomery





DHCA MAKING A DIFFERENCE

Housing Unlimited Inc., a non-profit organization in Montgomery County, provides affordable, permanent housing for low-income individuals in mental health recovery. Their mission is to promote independence and recovery by providing tenants with a stable and comfortable home. With the security of knowing their housing is secure, Housing Unlimited tenants can focus on becoming valued and integrated members of the community.

One such tenant is Marc Lande. Marc wears many hats - nursing assistant, sports lover, volunteer, and student - and prior to moving into his Housing Unlimited home, he had primarily lived with his parents. Now, Marc is empowered and excited to live independently. He enjoys setting his own schedule, buying his own groceries, and taking responsibility for getting himself to school and work.

Marc moved into his home in February 2012 and did not waste any time. He accelerated his college studies and quickly started making friends. He received a Mark and Katherine Simon Scholarship to help with his tuition at Montgomery College and earned his certificate to work as a physical therapy aide. In addition, Marc joined a baseball team and took a swing dancing class.



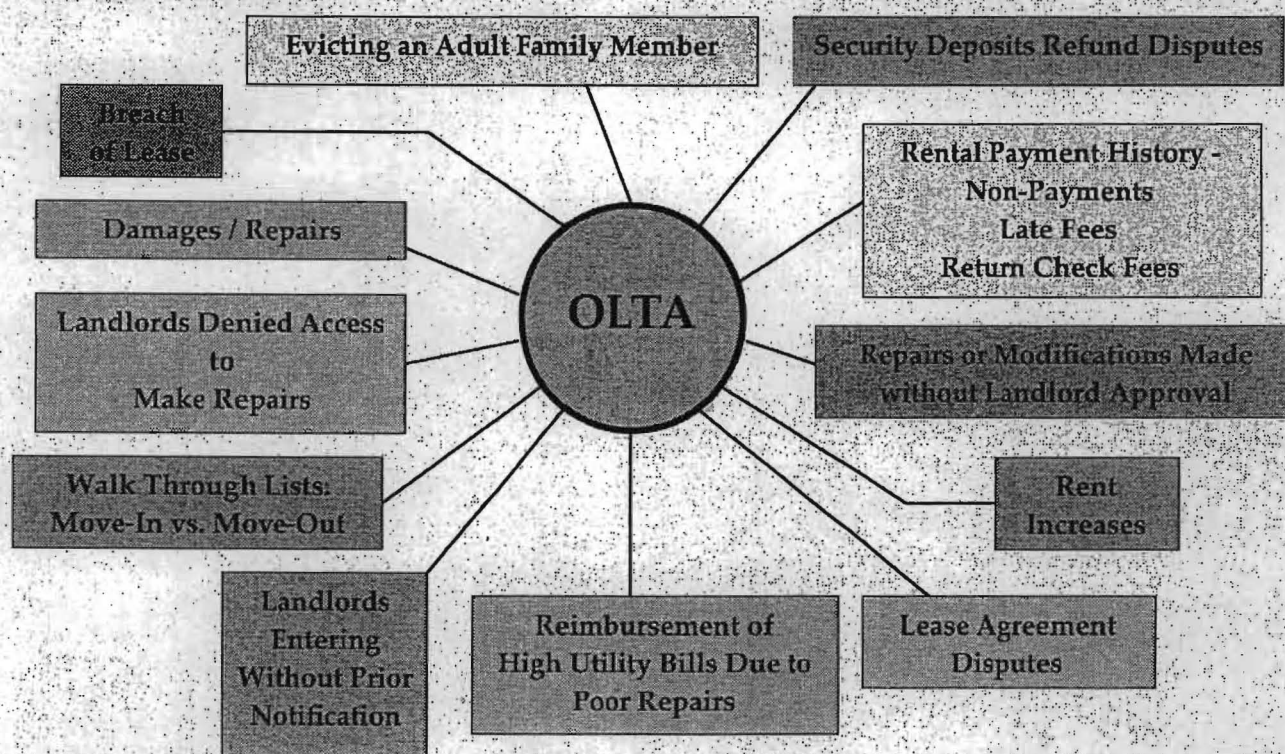
Three days a week, Marc provides companion care to John, an 89 year-old gentleman with dementia. Marc picks up John and together they head to Starbucks for coffee and a treat; afterwards, they head to the library. Marc uses his nursing assistant training to help John manage his diabetes; provides John the physical activity to maintain strength and mobility; but even more, he is a friend. Marc, with obvious pride, explains, "Part of the wonder of the job is that John always seems happy to see me."

Although Marc notes he faces challenges as a person recovering from schizophrenia and anxiety, he is happy with the direction his life is going. Marc's positive attitude fuels his desire to continue to move forward. Now confident in his ability to live on his own, Marc has an apartment only five minutes away from his parents. And that is not all. Marc is considering going back to school for a nursing or physical therapy assistant degree.

Go Marc!



LANDLORD-TENANT MEDIATIONS



The Office of Landlord-Tenant Affairs (OLTA) provides assistance to landlords and tenants to resolve their disputes amicably, quickly, and free of charge - without having to go through the District Court process.

When a case is filed, an OLTA Investigator acts as a fact-finder. Documents are examined, and both parties are interviewed by the Investigator to determine if there has been a violation of the lease or landlord-tenant law. The Investigator attempts to conciliate the dispute between parties; and when needed, will convene a conciliation conference. In FY15, Investigators mediated 684 cases - up 3.9 percent from the previous year. Ninety-seven percent (97%) of cases were mediated successfully and did not need to proceed to the Montgomery County Commission of Landlord-Tenants Affairs - a quasi-judicial body with the power to hold hearings, and issue Decisions and Orders that have the force of law regarding Landlord-Tenant complaints. In addition, the Office of Landlord-Tenant Affairs provided walk-in assistance to over 1,000 people and responded to over 9,000 MC311 calls.



LICENSING AND REGISTRATION

DHCA's Licensing and Registration Unit administers and enforces Montgomery County's residential rental facility licensing laws for multifamily, single family and accessory apartments. In FY15, licenses were issued for more than 98,500 rental units and over \$5.1 million in fees were collected; an increase from FY14 of 2.30 percent.

Annually, the Licensing and Registration unit surveys all multifamily rental facilities in Montgomery County. The survey provides data on unit sizes and styles; average rents; turn-over rents; vacancy rates; utilities and amenities; and proximity to Metro stations. The 2014 DHCA Rental Housing Survey report is available online on the County Stat | Montgomery County website at <https://reports.data.montgomerycountymd.gov/countystat/objective/housing>.



CODE ENFORCEMENT

DHCA's Code Enforcement Section conducts inspections of single-family, multifamily, and condominium rental units to ensure safe and sanitary conditions. In FY15, Code Inspectors performed 24,254 inspections; responded to 7,633 cases; recorded 17,394 violations; and issued 1,439 citations relating to Montgomery County Codes Chapter 26, Housing and Building Maintenance Standards; Chapter 48, Solid Waste; and Chapter 58, Weeds.

Inspectors work closely with homeowners, homeowners' associations, tenants, landlords and apartment managers to address violations such as the accumulation of debris, rubbish, furniture, appliances and inoperable or untagged vehicles. In FY15, 93 percent of the cases were met with compliance and only 69 cases were repeat violators, down from the 73 cases the previous year.





MODERATELY PRICED DWELLING UNIT (MPDU) PROGRAM

Established in 1974, the Moderately Priced Dwelling Unit (MPDU) program is the country's first mandatory, inclusionary-zoning law. The program markets units to renters and first-time homebuyers with moderate incomes. An award-winning program, it has been used by more than 400 jurisdictions across the country as a model and has led to the construction of far more units than any other inclusionary housing program.

Montgomery County Code presently requires that 12.5% of the total number of units in every subdivision or building of 20 or more units be moderately price. Since the program's inception, over 14,000 moderately price dwelling units have been built. Of these units, approximately 68 percent have been for-sale units and priority in the sale of the MPDUs is given to people who either live or work in the County and have a household income of less than 70 percent of the area median income. For owner occupied, for-sale MPDUs, the price for which the unit can be resold is County controlled for 30 years. The rental units must comply with MPDU rent restrictions for 99 years.

Olney Springs on Bowie Mill Road is one such residential development. The 36-acre, 114 unit community is one of the first mixed-income communities in Montgomery County to feature workforce priced homes in addition to affordable and market-rate homes. Montgomery Housing Partnership (MHP) is co-developer with Elm Street Development of this new community of townhouses and single family, detached homes.

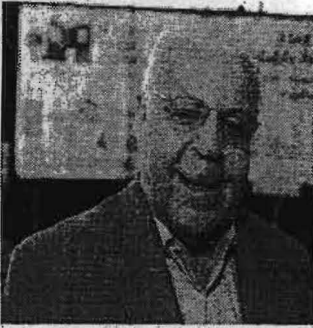


Left - June 24, 2015
ribbon cutting at
Olney Springs.

Right - An MPDU's
First Time Home
Buyer Session



Additionally, DHCA, through the Community Housing Initiative, Inc., offers seminars each month to Montgomery County residents who are first time home buyers and whose household income falls within the guidelines. The seminars cover topics on budget and credit management; rent vs. buy decision; the home buying and loan process; and homeownership responsibilities. In FY15, 2,291 people attended First Time Home Buyer Sessions and 1,703 people attended MPDU Orientation Seminars.



THANKS TO THE FORMER DIRECTOR

Richard Y. Nelson, Jr., who retired January 2, 2015, held the helm of the Department of Housing and Community Affairs (DHCA) since his appointment in February 2007 by County Executive Isiah Leggett. "Rick" had the respect of his staff and in many eyes was the perfect boss – supportive, decisive, with a sense of humor, and the experience and knowledge to lead DHCA.

Under Mr. Nelson's leadership, DHCA tackled the issues of affordable housing and improved the quality of living conditions for Montgomery County residents; weathered the housing foreclosure crisis; oversaw a Housing Initiative Fund that provided over \$320 million for affordable housing; increased the use of "Right of First Refusal" and no cost rental agreements to preserve affordable housing; worked closely with nonprofit housing providers to increase the supply of affordable housing for persons with special needs; supported effective housing code enforcement and landlord-tenant relationships, strengthened the MPDU program; and instituted a nationally recognized Focused Neighborhood Assistance program to enhance and strengthen the County's single-family neighborhoods.

While Mr. Nelson's life before DHCA included Executive Director of the National Association of Housing and Redevelopment Officials (NAHRO), Chair of the Housing Opportunities Commission (HOC), and Urban Renewal Representative with the U.S. Department of Housing and Urban Development (HUD), his life after DHCA we can only guess, but we are sure it will include the sun and sand of the beach, as well as affordable housing and community building.

Thanks for the opportunity to have worked for you and with you.

Your family at DHCA





NUMBERS AT A GLANCE

FY15 Operating Budget	\$40,166,479
Revenue - Fees, Fines, and Taxes	\$17,523,149
Total Employees	75
Including	
Landlord-Tenant Investigators	7
Code Inspectors	22
Bi-Lingual Staff	15
Volunteers	2
Total Affordable Housing Produced, FY15	983
(Units includes County funded, no-cost and pipeline)	
Cost per Unit Produced	\$64,317
Total Affordable Housing Preserved, FY15	2,646
(Units includes County funded, no-cost and pipeline)	
Cost per Unit Preserved	\$3,346
New Moderate Priced Dwelling Units (MPDU) Purchased, FY2015.....	127
MC311 Service Requests Total:	26,524
Code Enforcement	11,066
Landlord-Tenant Affairs	9,121
Licensing and Registration	3,953
Moderately Priced Dwelling Unit (MPDU)	2,052
Single Family Home Improvement Loan	72
Multifamily Loan Program	24
Community Development	7
Other, Unspecified or Default	229

To see DHCA FY15 Approved Budget, go to:

www.montgomerycountymd.gov/OMB/Resources/Files/omb/pdfs/FY15/psp_pdf/hca1.pdf