

## Appendix B – Affordable Housing Task Force Status Report

The latest status report on the implementation of the recommendations of the Affordable Housing Task Force (2008) is the following, taken from a memo from Richard Y. Nelson, Jr., Director, Department of Housing and Community Affairs, to Timothy L. Firestine, Chief Administrative Officer:

### **ISSUE 1: PRESERVE AFFORDABLE HOUSING**

**Recommendation:** Create a Short Term Property Acquisition Fund.

***Implementation:*** Develop and fund an instrument to provide short term acquisition financing for public, nonprofit, and for-profit agencies.

***Status and Timeline:***

Completed July 2008: FY 2009 Budget includes \$25million Bond issue for Housing Initiative Fund to support acquisitions.

January 2009: First use of the Acquisition Fund – a \$3,635,000 loan to Montgomery Housing Partnership for the purchase of Maple Towers apartments.

Ongoing: To date, the Short Term Property Acquisition Fund has been used to make seven loans totaling \$15.7 million. The seven loans helped with the acquisition of 143 units, including 117 affordable units. Three additional loans totaling \$8.3 million are in the pipeline with formal funding commitments, and will help in the acquisition of 76 affordable housing units.

**Recommendation:** Create a revolving equity fund.

***Implementation:*** Develop legislation to create a revolving equity fund and incorporate a managing board.

***Status and Timeline:***

Current: The current economic climate is limiting the likelihood that private investors will be willing to make substantial new investment in this type of fund. **Given workload requirements associated with stimulus funding and other program commitments, and resource restrictions, we recommend delaying the implementation of this initiative until FY 2012.**

**Recommendation:** Work proactively with owners of developments that provide affordable housing

***Implementation:*** Create an “early warning system” to head off the loss of affordable housing inventory.

***Status and Timeline:***

Ongoing: DHCA has updated its comprehensive list of price and income controlled multifamily properties to include federal, state, and County assisted and regulated multifamily housing. Staff is working with HOC and M-NCPPC to create a searchable, geocoded database. DHCA also maintains close contact with apartment owners and industry and owners to get advanced notice of potential sales. DHCA, by law, is notified of contract sales or conversions of multifamily housing.

**Implementation:** Develop a range of tools and incentives that can be used to preserve endangered affordable housing.

**Status and Timeline:**

Ongoing: DHCA is making use of the new HIF acquisition funding, and continuing to use Housing Code Enforcement, Multifamily Rehabilitation Loans and assignment of right-of-first-refusal contracts to nonprofit housing providers to promote extended affordability in housing developments.

**ISSUE 2: CREATE AFFORDABLE HOUSING**

**Recommendation:** Add “Increasing Affordable Housing” as a new objective in all master plans.

**Implementation:** Secure an agreement with M-NCPPC to address affordable housing in all future master and sector plans.

**Status and Timeline:**

Completed: DHCA now comments on all master plans and sector plans, advocating that affordable housing be addressed in the plans, and that M-NCPPC establish an “affordable housing goal” in each plan area.

Ongoing: DHCA meets regularly with M-NCPPC Planning Director and staff to discuss this recommendation and other housing and neighborhood revitalization related issues.

Ongoing: DHCA is the lead agency in working with M-NCPPC on the Housing Element of the General Plan – adopted by the Planning Board on July 23, 2009. The draft Housing Element will be transmitted to the County Executive and County Council in the immediate future.

**Recommendation:** Investigate and Implement the use of an affordable housing impact fee or a reasonable alternative on all new non-residential development.

**Implementation:** After research and analysis of other jurisdiction’s programs, draft legislation.

**Status and Timeline:**

December 2008: Met with M-NCPPC Planning Director and staff to discuss this recommendation and develop joint steps to achieve goal. Planning Director indicated that M-NCPPC intended to survey other jurisdictions regarding housing linkage programs and fees. If conducted, the results of the survey have not yet been released.

July 2009: The draft Housing Element of the General Plan includes a statement that “the regulatory system should link provision of housing to nonresidential development by encouraging mixed uses or a fee-in-lieu payment to the County’s Housing Initiative fund”. (emphasis added)

**Recommendation:** Create a more attractive planning and economic environment for the development of affordable housing.

**Implementation:** Develop zoning text amendments to increase heights, densities, FAR, and provide more flexibility.

***Status and Timeline:***

Completed August 2008: ZTA 08-08 becomes effective allowing additional height in the Fenton Village Overlay Zone for Workforce Housing.

Continuing: Study and draft ZTAs to respond to additional needs for height, density and flexibility. M-NCPPC, with DHCA input on affordable housing issues, is pursuing a rewrite of the County Zoning Ordinance. One important initiative is the creation of a new mixed-use CR Zone that permits height and density incentives in return for providing public amenities including affordable housing.

***Implementation:*** Develop amendment to the zoning process to allow zoning map amendments in a more timely manner

***Status and Timeline:***

January 2009: Met with Planning Board Chairman and M-NCPPC Planning Director to discuss the AHTF recommendation that may be addressed in the zoning ordinance rewrite.

***Implementation:*** Amend impact tax laws to allow additional tax waivers for Affordable Housing.

***Status and Timeline:***

Winter/Spring 2009: Worked with M-NCPPC Planning Director and staff to discuss these recommendations as part of the drafting of the 2009-11 Annual Growth Policy.

**Recommendation:** Reduce parking requirements for housing developments.

***Implementation:*** Develop a zoning text amendment to revise parking requirements in certain areas.

***Status and Timeline:***

Ongoing: Meeting with M-NCPPC Planning Director and staff to discuss this AHTF recommendation as part of the zoning ordinance rewrite.

**Recommendation:** Develop a comprehensive inventory of all publicly owned sites and properties.

***Implementation:*** Evaluate all capital development projects for potential inclusion of affordable housing.

***Status and Timeline:***

Ongoing: All capital development projects are now assessed for potential affordable housing development. Projects that are planned to include housing are the Silver Spring Library and the 3<sup>rd</sup> District Police Station. The RFP for the 2<sup>nd</sup> District Police Station asks for an option of including mixed income housing in a joint development.

July 2009: The draft Housing Element of the General Plan includes the following Policy: “4.5 Include affordable and workforce housing in all suitable public building projects in appropriate locations throughout the County.”

**ISSUE 3: ADOPT REGULATORY REFORM**

**Recommendation:** Expedite regulatory reviews.

**Implementation:** Amend development process to expedite review of affordable housing.

**Status and Timeline:**

Ongoing: Meeting with M-NCPPC Planning Director and staff to discuss this recommendation and develop joint steps to achieve goal.

**Recommendation:** Permit accessory apartments by right, subject to conditions.

**Implementation:** Develop zoning text amendment to allow accessory apartments by right, adding conditions for administrative approval

**Status and Timeline:**

Spring/Summer 2009: A draft Zoning Text Amendment was reviewed by the staff ZTA Review Group and submitted to the County executive for transmittal to County Council.

July 2009: The draft Housing Element of the General Plan contains the following Policy: “2.4 Allow accessory apartments in residential zones by-right under appropriate design standards and conditions.” M-NCPPC indicates that the Zoning Ordinance rewrite will support by-right accessory apartments in residential zones.

**Recommendation:** Establish a centralized authority for affordable housing.

**Implementation:** County Executive should designate a single point of contact for coordination of affordable housing efforts.

**Status and Timeline:**

Completed: The County Executive has confirmed that the Director of the Department of Housing and Community Affairs is the designated staff person for coordination of affordable housing projects and programs.

**ISSUE 4: ACHIEVE COMMUNITY ACCEPTANCE OF AFFORDABLE HOUSING**

**Recommendation:** Promote well-designed, low-impact affordable housing to foster public acceptance.

**Implementation:** Work with M-NCPPC and DPS to promote good design and positive community impacts from affordable housing.

**Status and Timeline:**

December 2008: Met with M-NCPPC Planning Director and staff to discuss this recommendation and develop joint steps to achieve goal.

Spring 2009: Convene study group to develop County design guidelines for affordable housing development.

**Recommendation:** Develop and implement an extensive community support campaign.

**Implementation:** Through an RFP process, solicit a plan for the development and implementation of a public education program for affordable housing.

*Status and Timeline:*

**Due to current resource restrictions and staff workload requirements associated with implementing ARRA stimulus package programs, we recommend delaying this initiative until FY 2012.**

**ISSUE 5: GOALS FOR AFFORDABLE HOUSING PRESERVATION AND PRODUCTION**

**Recommendation:** Establish affordable housing preservation and production goals.

***Implementation:*** Convene service providers and advocates to review and assess the County's current affordable housing productions goals and recommend new goals

***Status and Timeline:***

Fall 2009: Convene stakeholders to review existing annual production and preservation goals.

Winter 2009-10: Adopt revised annual production and preservation goals.

**ISSUE 6: HOME PURCHASE ASSISTANCE FOR PUBLIC EMPLOYEES**

**Recommendation:** Establish a program to assist county employees in purchasing a home in the County.

***Implementation:*** Submit request for State enabling legislation to permit property tax, transfer tax, and recordation tax waivers for County employees.

***Status and Timeline:***

Completed fall, 2008: Convened stakeholders to determine steps for overcoming impediments to implementing home purchase assistance program.

Completed October 2008: Local Bill filed to permit Montgomery County to set rates and terms for abatement of property taxes, transfer taxes, and recordation taxes.

***Implementation:*** Initiate participation in the State House Keys 4 Employees (HK4E) program.

***Status and Timeline:***

Completed, October 2008: State DHCD approved County participation in HK4E program, announced by CE and Council President on 12/1/2008.

Completed, January 2008: Employee Closing Cost Assistance Program begun – administered by HOC. HK4E program becomes available to eligible County employees.

June 2009: From January through June 2009, 44 new loans were made by the County Closing Cost Assistance Program, a 550 percent increase in the number of loans from the first half of FY 2009.

Ongoing: Office of the County Attorney has concluded that implementation of an expanded employee closing cost assistance program, a program not restricted by income level or sales price of house, will require new legislation and Executive regulations. The Office of the County Attorney is currently preparing draft legislation and regulations to implement this recommendation.

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