

Montgomery County Executive Regulation on:
ADMINISTRATION OF THE
MONTGOMERY HOUSING INITIATIVE PROGRAM
DEPARTMENT OF HOUSING AND COMMUNITY Development

Issued by: County Executive
Regulation No. 51-93
Authority: Code Section 25B-9
Supersedes: None
Council Review: Method 2
Effective Date: October 20, 1994
Sunset Date: None

Summary: This regulation establishes procedures for the administration of the Montgomery Housing Initiative Program by the Director of Housing and Community Development

Addresses: Department of Housing and Community Affairs
100 Maryland Avenue, 4th Floor
Rockville, MD 20850

Staff: For further information or to obtain a copy of these regulations, call Lawrence Cager at 240-777-3620, TDD 240-777-3679

Section 1 - Background Information

- 1.1 In May, 1988, the County Council enacted Chapter 258-9 to the Montgomery County Code establishing the Montgomery Housing Initiative program which is to be administered by the Department of Housing and Community Development. The program was created to promote a broad range of housing opportunities in the County in order to assist in alleviating the difficulties of many low and moderate income households to obtain and maintain housing at costs that they can afford.
- 1.2 The May, 1988 enactment of the Montgomery Housing Initiative amended Section 52-21(f)P(3) of the Montgomery County to transfer the balance of funds in the Condominium Transfer Tax Fund to the Montgomery Housing Initiative Program, and to expand the kinds of expenditures permitted by the funds to include affordable for sale, as well as rental, housing.

Section 2 - Procedures

2.1 Use of Funds:

The principal use of the Montgomery Housing Initiative is to construct new housing units. Funds appropriated or allocated to or otherwise contributed or dedicated to the Housing Initiative may be expended or committed by the Director of the Department of Housing and Community Development for any of the following purposes:

1. Construct new affordable housing units;
2. Acquire land upon which affordable housing may be constructed;
3. Buy and rehabilitate existing rental units that might otherwise be removed from the supply of affordable housing.
4. Participate with non-profit and for-profit sponsors of projects containing affordable housing in mixed income developments.
5. Make loans for the development or rehabilitation of housing that will enhance the affordability of some or all of the units;
6. Provide rent subsidies to low and moderate income tenants.

2.2 Limitation on Uses of Funds:

The Uses of funds from the Housing Initiative, as outlined in Section 2.1 of this regulation, are limited as follows:

1. No more than 20 percent of the Housing Initiative funds appropriated in any fiscal year may be spent on activities other than the acquisition of land for new affordable housing construction or on activities which result in the construction of new affordable housing, unless specifically authorized by the Director of Housing and Community Development.
- B. Rent subsidies to low and moderate income tenants may be provided from the Montgomery Housing Initiative fund only to increase the affordability of newly constructed housing unless specifically authorized by the Director of Housing and Community Development.

2.3 Submission of Proposals

Proposals for the use of funds from the Montgomery Housing Initiative Program may be submitted in writing in such form as may be required and sent to:

Director
Department of Housing and Community Affairs
100 Maryland Avenue, 4th Floor
Rockville, Maryland 20850

2.4 Evaluation of Proposals:

The Director of Housing and Community Development, in reviewing proposals for the use of funds from the Montgomery Housing Initiative Program, must take into consideration the following:

1. Existing commitments for the use of these funds;
2. The existence and expectation of funds projected to be available in the program;
3. The priority of need for serving the proposed population group and the characteristics of the proposed program;

4. The limitations on the use of Housing Initiative funds listed in Section 2.2 above;
5. The degree to which the proposed use will further the housing policy goals of Montgomery County;
6. Suitability of the location and site for the facility;
7. The degree to which the use of program funds will be leveraged by contributions from other public, private, or non-profit sources;
8. The financial responsibility and reputability of the sponsor; and
9. Other factors as determined by the Director of Housing and Community Development.

2.5 Approval of Proposals

The Director of Housing and Community Development may approve the use of funds under this program, disapprove the use of funds, or authorize further negotiation with persons proposing to use funds. When the use of funds is approved, the director will determine the terms and conditions of the use of the funds and enter into contracts with approved sponsors.

Approved:

County Executive

Date

Approved as to Form and legality:

County Attorney's Office

Date

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