

Appendix B – Affordable Housing Task Force Status Report

This is the latest status report on the implementation of the recommendations of the Affordable Housing Task Force (2008) and was prepared in conjunction with the FY12 Consolidated Plan for Housing and Community Development in spring of 2011.

ISSUE 1: PRESERVE AFFORDABLE HOUSING

Recommendation: Create a Short Term Property Acquisition Fund (Housing Acquisition and Rehabilitation Program).

Implementation: Develop and fund an instrument to provide short term acquisition and project 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: Through March 2011, the Housing Acquisition and Rehabilitation Program has been used to make twenty-one (21) loans totaling over \$53 million. The loans helped with the acquisition and development of 11,479 units, including 750 affordable units.

Recommendation: Create a revolving equity fund. (This recommendation is currently on hold.)

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, this activity is on hold.**

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. 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 affordable 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 has been the lead agency in working with M-NCPPC on the Housing Element of the General Plan. The Housing Element was adopted by the Montgomery County Council on March 29, 2011.

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: Discussions with DHCA and M-NCPPC Planning Director and staff – drafted steps to achieve goal. Planning Director indicated that M-NCPPC intended to survey other jurisdictions regarding housing linkage programs and fees.

July 2009: The newly adopted (March 29, 2011) 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”.

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: Zoning Text Amendment (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 new mixed-use Commercial Residential Zones that permit 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:

Ongoing: Discussions about this are ongoing (spring 2011) as a part of the zoning ordinance rewrite process.

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

Status and Timeline:

In the Planning Board's draft of the 2009-11 Growth Policy projects meeting certain Smart Growth criteria would be able to have a portion of their mitigation costs distributed to transit infrastructure (50%) and affordable housing (25%). However, in approving the final version in November 2009 the County Council chose to redirect the housing portion to transportation infrastructure. Mitigation costs are separate from impact taxes, which are levied on development. Changes to impact taxes could be considered during FY12 for adoption in November 2012.

Recommendation: Reduce parking requirements for housing developments.

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

Status and Timeline:

Ongoing: Discussions about this are ongoing (spring 2011) as a part of the zoning ordinance rewrite process.

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. The Silver Spring Library is a current example of successfully integrating housing into a public, mixed-use project.

March 2011: The newly adopted (March 29, 2011) Housing Element of the General Plan includes the following Policy: "4.5 Include housing affordable for low, moderate, and middle income households 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: A group was convened and released a report in March 2010: Report on the Conflict Resolution Workgroup on Ways to Improve the Development Application Process in Montgomery County, MD. The report modeled the development review process, including timelines, and identified ways to streamline the process and avoid inter-agency conflicts and overlapping areas of concern. Implementation is hoped to follow soon.

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.

March 2011: The draft Housing Element of the General Plan contained a policy allowing accessory apartments in residential zones by-right. This issue is not without debate and was not included in the final Housing Element adopted March 29, 2011. It is possible that the Zoning Ordinance rewrite project may propose for adoption 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 Department of Permitting Services 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.

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, consideration of this initiative is delayed until FY 2013.

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.

On-going: Annual production and preservation goals are set every year for the coming fiscal year based on data regarding recent and expected costs as well as expected funding. Figures are updated on a quarterly basis and shared with the CountyStat team as a part of our data-driven planning process.

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.

There were 57 loans made to county employees under the overall Closing Cost Assistance Program from July 1, 2009 through December 31, representing 28% of all loans.