



**Committee:** PHP  
**Committee Review:** N/A  
**Staff:** Naeem M. Mia, Legislative Analyst  
**Purpose:** To receive testimony – no vote expected  
**Keywords:** Affordable Housing, Nonprofit Developers, DHCA, HOC, Capital Lending, NOAH

AGENDA ITEM #7  
July 11, 2023  
**Public Hearing**

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## SUBJECT

Amendment to the FY23-28 Capital Improvements Program: Nonprofit Preservation Fund CIP

## EXPECTED ATTENDEES

None.

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Introduction on June 20, 2023.
- Action is scheduled for July 18, 2023.

## DESCRIPTION/ISSUE

The County has over 25,900 unrestricted housing units affordable to households earning under 65% of area median income (AMI); however, the 2020 Planning Department Preservation Study identified the risk of losing between 7,000 to 11,000 affordable housing units due to expected rent increases.

The Planning, Housing, and Parks (PHP) Committee began exploring the creation of an affordable housing preservation revolving fund in the spring of 2022; the fund is to be modeled after the Housing Production Fund (HPF) administered by the Housing Opportunities Commission (HOC), with a focus on providing capital lending to nonprofit housing developers to preserve existing affordable housing.

Subsequent discussions with the Executive branch and HOC led to the current proposal to establish a new Nonprofit Preservation Fund (NPF) CIP project in FY24. Initial funding will be provided by up to \$20 million of loan repayment proceeds from the Naturally Occurring Affordable Housing (NOAH) Fund CIP (P76 that is expected to be received in mid-FY24; a supplemental appropriation will be transmitted by the Executive branch once the proceeds are received by the County. The County will consider options in the future to ultimately increase appropriations to a \$50 million revolving fund.

Approval and establishing the NPF in early FY24 will expedite the use of the fund to provide capital lending to nonprofit developers. More details and terms of the NPF can be found in the attached draft PDF on ©2-3.

### **This report contains:**

- |   |      |
|---|------|
| 1. Draft Resolution   | ©1   |
| 2. Draft Project Description Form (PDF)                       | ©2-3 |
| 3. Memorandum from Councilmember Friedson dated June 14, 2023 | ©4   |

4. Planning Department Presentation on Montgomery County Preservation Study  
dated July 16, 2020

©5-28

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Resolution No.: \_\_\_\_\_  
Introduced: June 20, 2023  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Councilmember Friedson

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**SUBJECT:** Amendment to the FY23-28 Capital Improvements Program  
Montgomery County Government  
Department of Housing and Community Affairs: Nonprofit Preservation Fund (No.  
762301)

**Background**

1. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
2. This amendment is needed because the County is at risk of losing 7,000 to 11,000 naturally occurring affordable housing units by 2030 according to a 2020 preservation study by the Montgomery County Planning Department and the Council has identified the need to create a nonprofit housing preservation fund to manage this risk.
3. In FY24, the County expects to receive loan repayment proceeds from the Preservation of Naturally Occurring Affordable Housing Fund CIP (P762201), of which up to \$20 million from is directed by the Council to the Nonprofit Preservation Fund CIP (P762301).
4. Notice of public hearing was given and a public hearing was held.

**Action**

The County Council for Montgomery County, Maryland, approves the following action:

The FY23-28 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form.

This is a correct copy of Council action.

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Sara R. Tenenbaum  
Clerk of the Council



# Nonprofit Preservation Fund (P762301)

Category	Community Development and Housing	Date Last Modified	06/13/23
SubCategory	Housing (MCG)	Administering Agency	Housing & Community Affairs
Planning Area	Countywide	Status	Planning Stage

Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
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### EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	1	-	-	1	-	1	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### FUNDING SCHEDULE (\$000s)

Current Revenue: General	1	-	-	1	-	1	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	-
Appropriation FY 24 Request	-	Last FY's Cost Estimate	-
Supplemental Appropriation Request	1		
Cumulative Appropriation	-		
Expenditure / Encumbrances	-		
Unencumbered Balance	-		

### PROJECT DESCRIPTION

This project provides funding to preserve existing affordable housing in areas at risk of rent escalation to higher market rents. The fund is expected to reach \$20 million in FY24, with the goal of up to \$50 million in the revolving fund. The Nonprofit Preservation Fund (NPF) CIP will be used to provide capital lending to nonprofit entities to support acquisitions and preservation to ensure continued affordability of the County's existing affordable housing stock. The Fund is modeled after the County's Housing Production Fund (HPF), a \$100 million revolving loan facility administered by the Housing Opportunities Commission (HOC). Funds are expected to revolve based on refinancing or redevelopment financing.

To qualify for capital lending, entities must be a 501c3 with experience in affordable housing development or be the local housing authority. Loans will be for specific properties, which must:

- have been constructed at least 20 years ago;
- have other necessary capital identified for the acquisition, unless this requirement is conditionally waived for 90 days;
- restrict rental increases on the affordable units to no more than the Voluntary Rent Guidelines (VRG) issued by the Department of Housing & Community Affairs (DHCA);
- agree to a minimum 30-year agreement on the affordability restricted units; and
- achieve at least 20% of units at 50% of Area Median Income (AMI) or below and 10% of units at MPDU level or below within three (3) years of acquisition.

Lending applications will be considered on a rolling basis and are subject to available funds. HOC shall conduct underwriting for each loan and will connect applicants to potential investors for individual projects. DHCA will administer the Fund and will review and approve or reject loan recommendations. County priorities will be taken into consideration during the review of applications.

While HOC is eligible for loans from the Fund, HOC cannot be awarded more than 25% of the fund at any given time. Loans will include an origination fee of 1%, except for HOC projects, which would not include an origination fee. The maximum loan term is for seven (7) years, which may be extended to a total of ten (10) years in certain instances.

### PROJECT JUSTIFICATION

The County has over 25,900 unrestricted housing units affordable to households earning under 65% of area median income; however, the 2020 Planning Department Preservation Study identified the risk of losing between 7,000 to 11,000 affordable housing units due to expected rent increases.

The Nonprofit Preservation Fund will support efforts by the County's nonprofit development partners to preserve these at-risk properties and will provide much needed additional capital to preserve and create affordable housing units.

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## OTHER

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Resale or control period restrictions will be included to ensure long-term affordability for activities funded with this project.

## FISCAL NOTE

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The Council may direct up to \$20,000,000 in loan repayments associated with the Preservation of Naturally Occurring Affordable Housing Fund (P762201) project that is received in FY24 to this CIP project.

## COORDINATION

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Department of Housing and Community Affairs, Housing Opportunities Commission, and nonprofit housing providers and developers.



MONTGOMERY COUNTY COUNCIL  
ROCKVILLE, MARYLAND

ANDREW FRIEDSON  
COUNCILMEMBER, DISTRICT 1

CHAIR, PLANNING, HOUSING AND PARKS COMMITTEE  
GOVERNMENT OPERATIONS AND FISCAL POLICY COMMITTEE

MEMORANDUM

**TO:** Montgomery County Councilmembers  
**FROM:** Andrew Friedson  
**DATE:** June 14, 2023  
**SUBJECT:** CIP Amendments for a New Nonprofit Housing Preservation Fund

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In April, I shared a proposal to establish a \$50 million Nonprofit Preservation Fund, modeled after our very successful \$100 million Housing Production Fund. With the County at risk of losing 7,000-11,000 unrestricted, naturally occurring affordable housing units by 2030, this would represent the most meaningful and immediate commitment to preservation in County history. Working in partnership with our nonprofit organizations, once the program is fully funded, we could preserve roughly half of the at-risk units.

Our goal, as previously discussed, is to start with \$20M in FY24 and gradually ramp up to \$50M over time. To establish this fund, we would utilize \$1,000 in general revenue now. These funds would not be appropriated as they are just needed to create the CIP project. Later this year, when loan repayments from the Preservation of Naturally Occurring Affordable Housing Fund (NOAH) project become available, working with the executive branch, we have agreed to redirect \$20M to reach the target funding level.

We look forward to discussing these details with you and answering your questions.

# Montgomery County Preservation Study



(5) Neighborhood Fundamentals, LLC

Presentation - July 16<sup>th</sup>, 2020

**Draft- DO NOT RECIRCULATE**

# Approach

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**Preserving the existing inventory of affordable housing is essential as part of a comprehensive approach to retain affordable options for all residents.**

**This study is organized around six questions:**

## **Housing Landscape**

- What are the characteristics of the County's deed-restricted and unrestricted housing stock?
- How has the County's housing stock changed over time, and how will it look in the future?

## **Deed-Restricted and Naturally Occurring Affordable Housing**

- How will the County's deed-restricted housing stock change over time?
- What are the risk criteria for units losing affordability?

## **Preservation Framework**

- Which existing and potential funding sources, policies, tools and programs are Montgomery County using currently?
- How can the County support the preservation of affordable housing, to meet its housing goals?

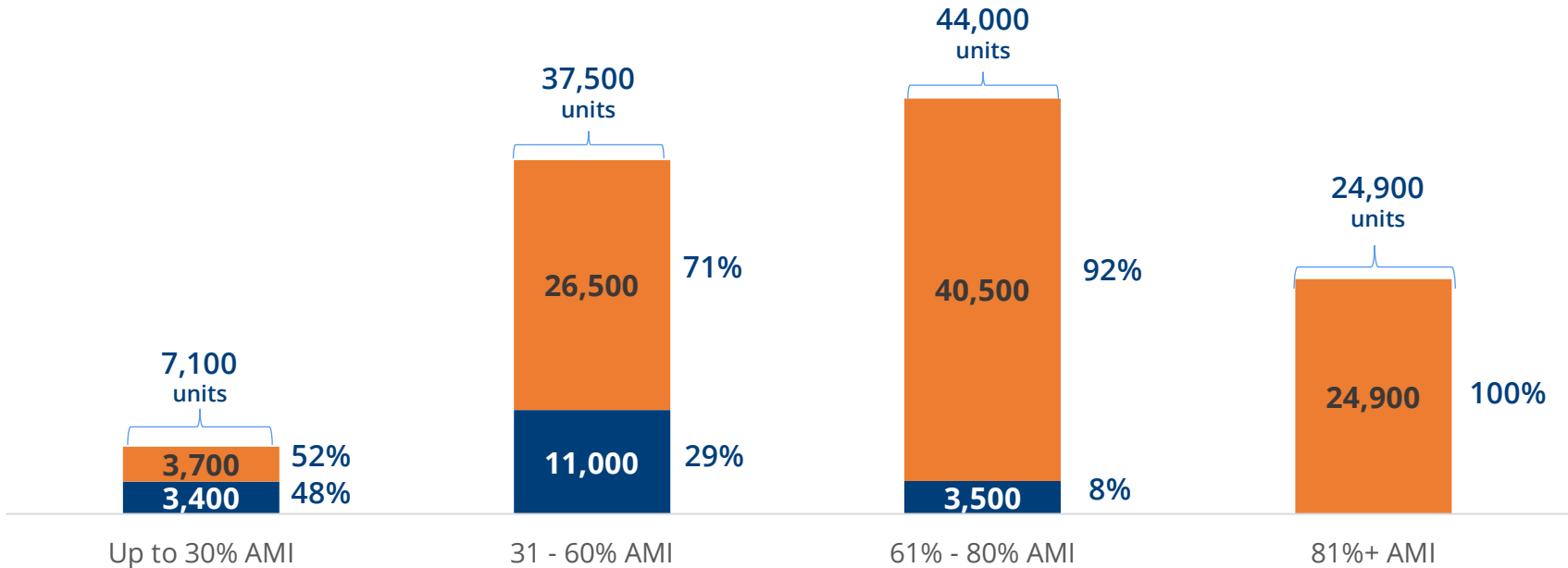


# Rental Housing Supply

While most of the County's housing stock is affordable under 80% AMI, the vast majority is in unrestricted units—making preservation a vital component to an affordable housing strategy.

## Multifamily Units by Affordability Level

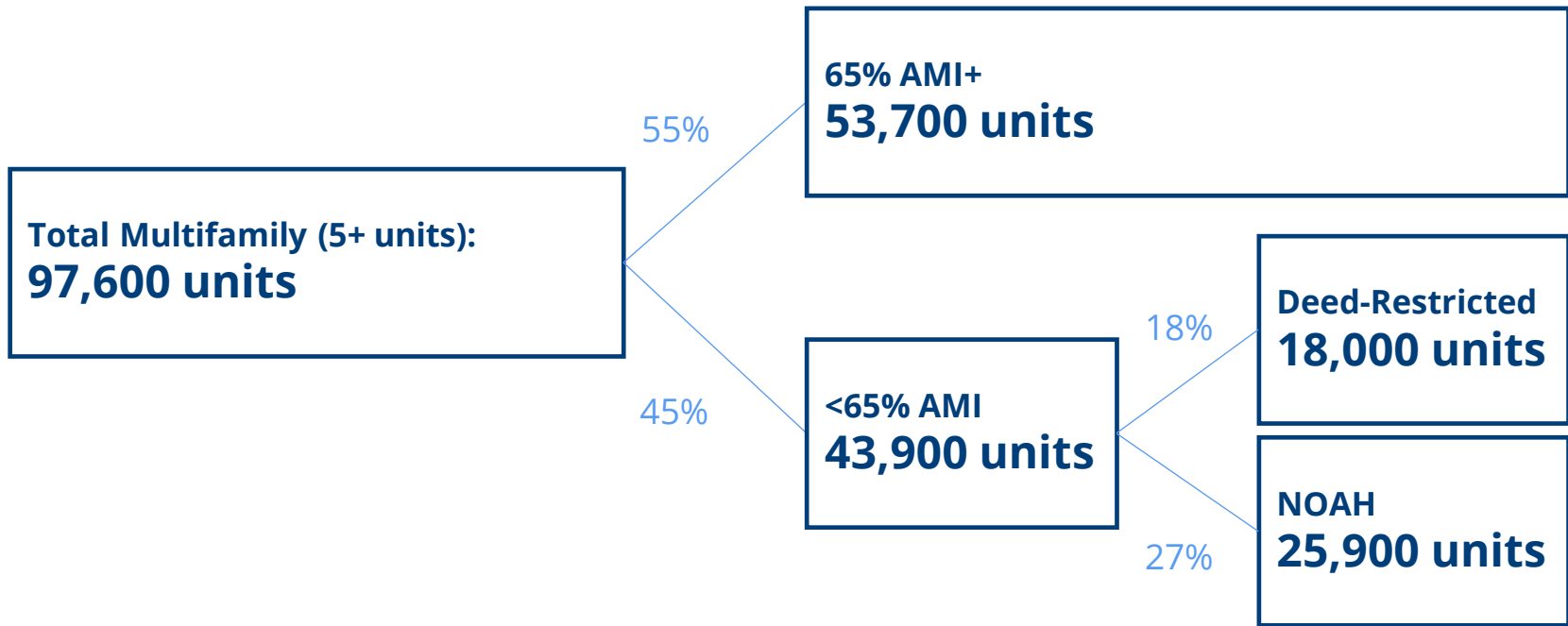
■ Deed-Restricted Units ■ Unrestricted Units



Source: ACS 2018 1-year

# Current Conditions

About 80% of the County's multifamily housing stock is unrestricted, or subject to market forces. 25,900 of these market-rate units rent for less than 65% of AMI and are classified as naturally occurring affordable housing (NOAH), comprising 27% of the total multifamily housing stock.

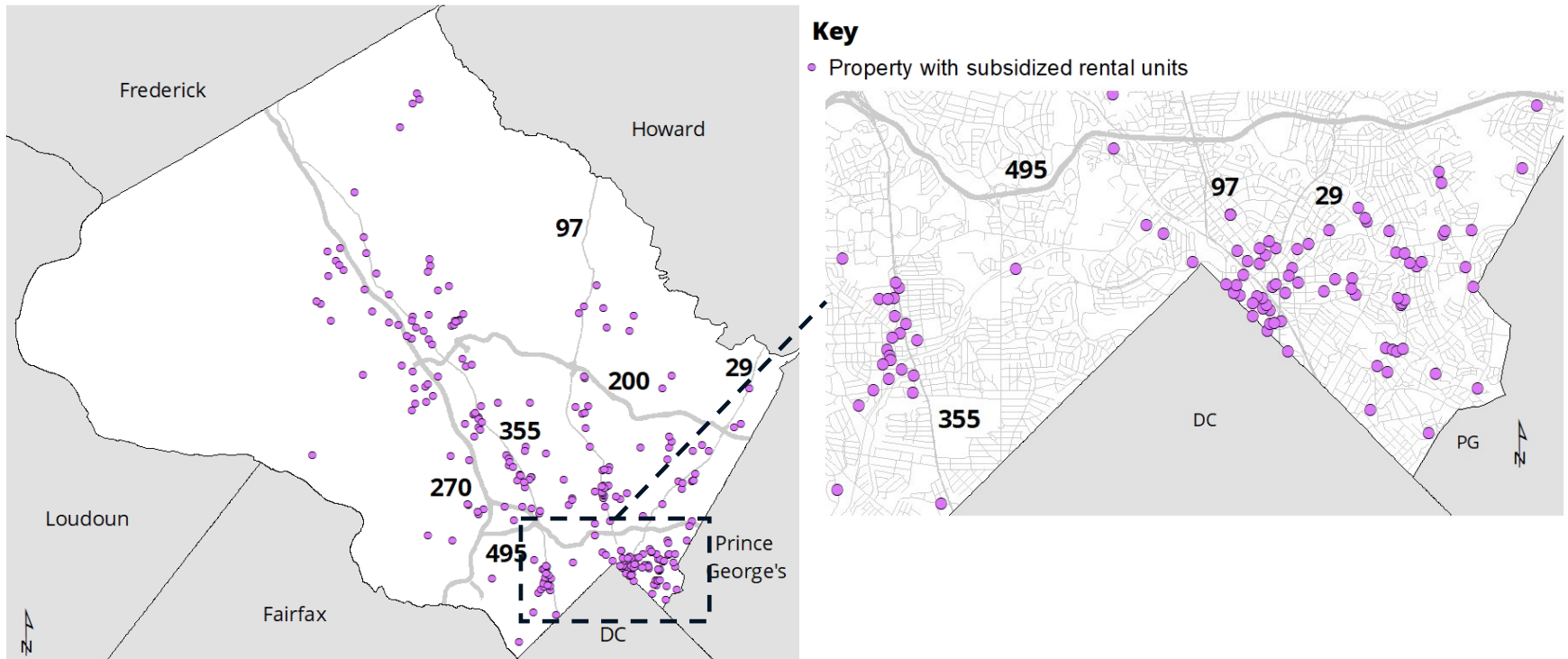


Sources: DHCA, ACS 2018 1-year

# Deed-Restricted Inventory

**There are approximately 18,000 units in the County's deed-restricted rental housing inventory. Most of the units are in the more densely populated areas where multifamily housing is more prevalent.**

**Deed-Restricted Inventory (5+ units), 2020**



Source: DHCA, NHPD, HUD

# Deed-Restricted Inventory Risk Criteria

**A set of risk criteria was applied to the deed-restricted rental housing inventory in Montgomery County to assess the level of affordability-loss risk across deed-restricted properties, and to identify high-risk deed-restricted properties.**

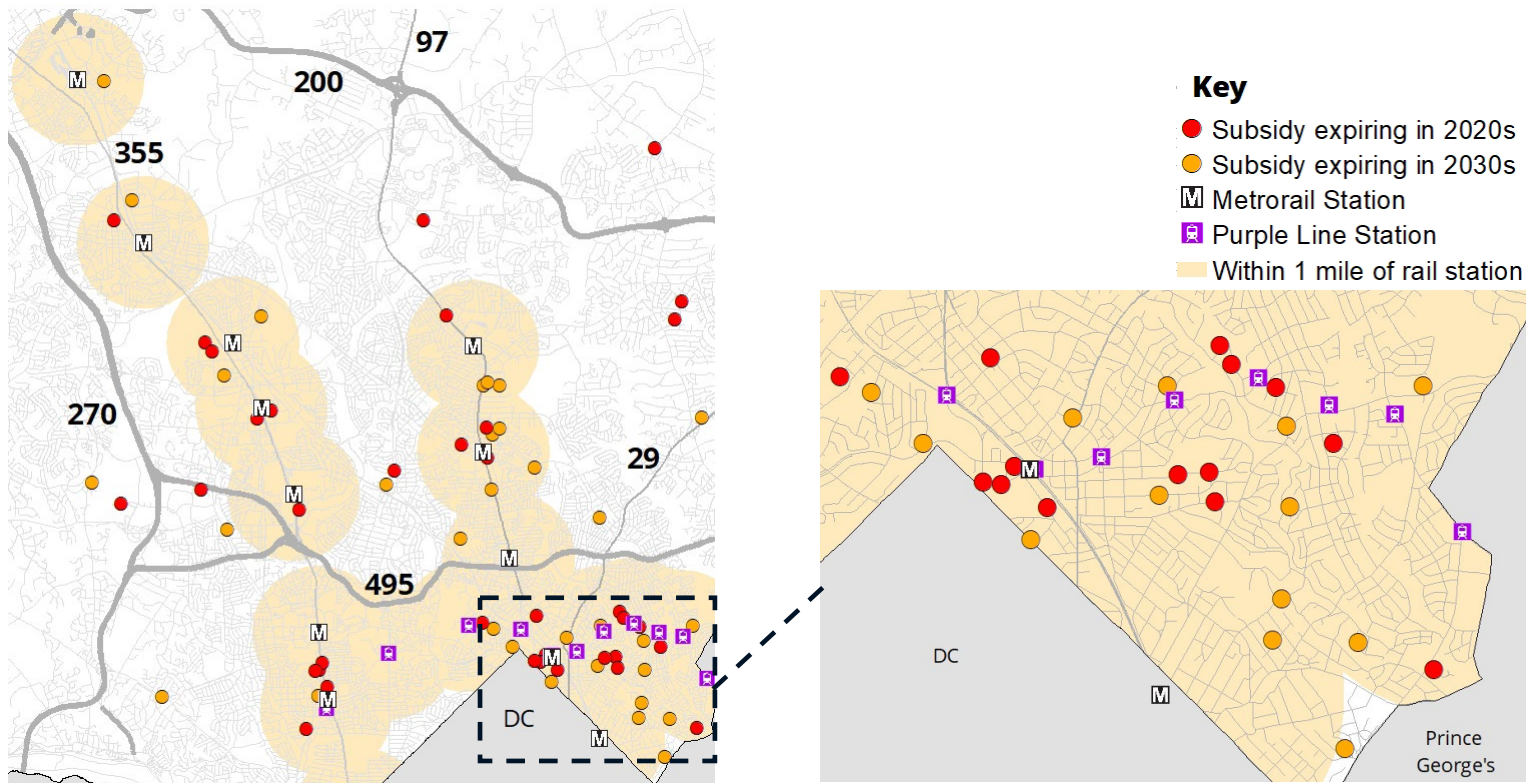
Risk Criteria	Description
<b>Upcoming subsidy expirations</b>	Subsidy expirations set to occur in the 2020s and 2030s. Property owners with near-term expirations are more likely to explore options ahead of the expiration date, which could include new ownership, rehabilitation, renovation, and redevelopment, all of which could impact affordability.
<b>Ownership type</b>	For-profit ownership or non-profit ownership. Properties owned by for-profit entities are more likely to be lost from the deed-restricted rental stock once the subsidy compliance period ends. Properties that are owned by non-profit and mission-based entities are more likely to work with the County to find solutions to extend the affordability period to align with the goals, mission, and vision of their organizations.
<b>Age of buildings</b>	The age of a building can play a significant role in the decision-making process of apartment owners. Many of the decisions can directly impact affordability. Typically, if a building is 30 years or older, renovations, rehabilitation, and redevelopment become more common scenarios. Major investments into a property are more likely to trigger a rent increase and could therefore impact the affordability.
<b>Proximity to transit</b>	Properties near transit infrastructure are more likely to command higher market rents when subsidy expirations expire, and in some cases are more likely to be facing redevelopment pressures.
<b>Rent trends in neighborhood</b>	Deed-restricted rental properties located in neighborhoods with rising rent trends are more likely to lose affordability when the subsidy compliance period expires.
<b>Income trends in community</b>	Rising income levels in communities around deed-restricted rental properties could have an impact on market-rents, and therefore increase the possibility of rent increases when the subsidy compliance period expires.

# Proximity to Transit Infrastructure

**About 62% of the deed-restricted units that are set to expire in the 2020s and 2030s are located within 1 mile of a rail transit station (existing or planned).**

Most of these units are clustered around the Silver Spring, Bethesda, and Wheaton Metrorail stations, all of which have experienced increased development activity/pressure in recent years. There are 2,085 deed-restricted units that are expiring in the next 20 years that are located within 1 mile of a Purple Line station.

## 2020s/2030s Subsidy Expirations and Rail Transit



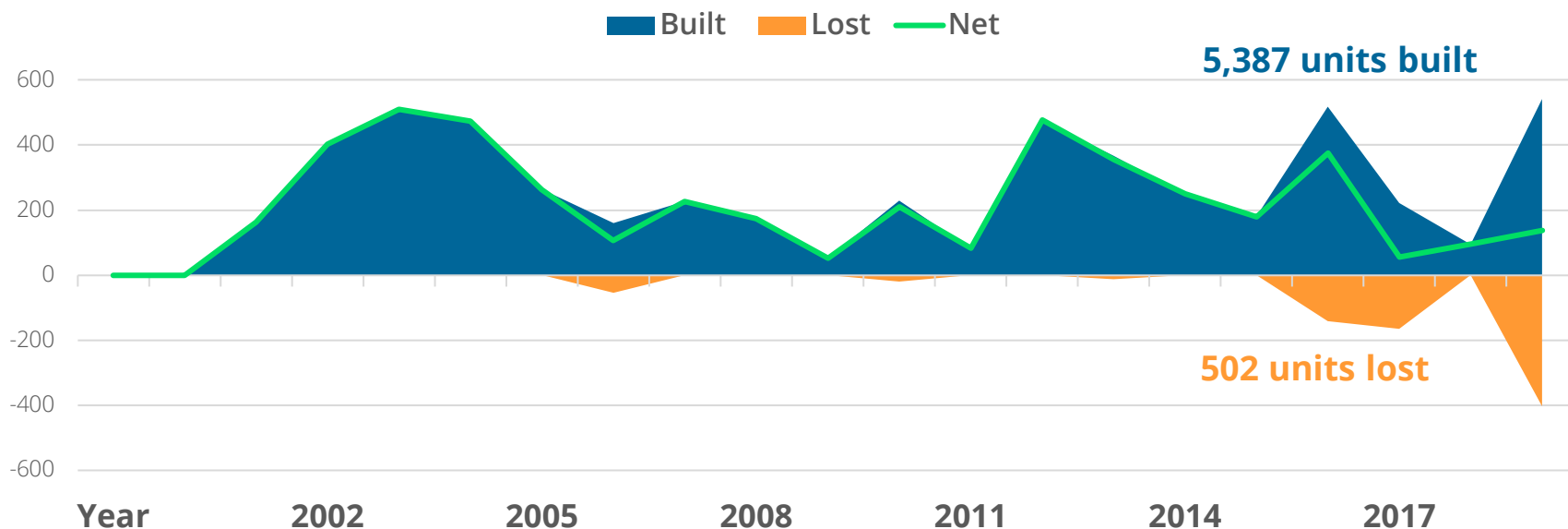
Source: DHCA, NHPD, HUD, WMATA, MDOT

# Deed-Restricted Inventory Loss and Gain

**Overall, the County has been gaining deed-restricted rental housing stock at a faster rate than it is being lost. Since 2000, approximately 502 deed-restricted rental housing units have been lost from the inventory.**

In 2000, the County began to implement preservation strategies for the deed-restricted rental housing stock that was at risk of being lost. A series of tools and policies have been used (often in tandem) over the years to effectively preserve deed-restricted rental housing in the County.

**Net Change in Deed-Restricted Rental Housing 2000 – 2019**



Source: DHCA, NHPD, HUD, MD Dept. of Assessments and Taxation, Montgomery County Property Tax Records

# Properties Most At-Risk

**Based on the risk assessment, there are about 1,400 deed-restricted units that are the most at risk of losing affordability when their respective subsidy compliance periods expire over the next 2 decades. Notably, all these higher-risk units are affordable below 60% AMI, many of which are at or below 30% AMI.**

## 2020s/2030s Subsidy Expirations, Higher-Risk Properties

Property Name	Subsidy Expiration	Subsidized Units	AMI			Rail Transit < 1 mile	Ownership Type	Building Age (Years)	Census Tract Trends (2012 to 2017)	
			<30%	40% - 60%	60% - 80%				Median Rent	Median HH Income
Heritage House	2021	100	100	0	0	Yes	For-Profit	39	13%	7%
Silver Spring House	2022	46	0	46	0	Yes	For-Profit	57	9%	1%
Lenox Park	2022	82	0	82	0	Yes	For-Profit	29	7%	1%
Sligo House Apartments	2024	50	0	50	0	Yes	For-Profit	61	9%	1%
Croydon Manor	2027	96	0	96	0	Yes	For-Profit	71	7%	11%
Fields At Bethesda	2029	369	0	369	0	Yes	For-Profit	67	9%	-3%
Franklin Apartments	2030	185	185	0	0	Yes	For-Profit	65	16%	26%
Fields Of Gaithersburg	2031	168	0	168	0	No	For-Profit	46	20%	15%
Barrington Apartments	2037	310	125	185	0	Yes	For-Profit	68	24%	-4%

Source: DHCA, NHPD, HUD, MD Dept. of Assessments and Taxation, Montgomery County Property Tax Records, Census Bureau 5-Year ACS

# Naturally Occurring Affordable Housing | Key Takeaways

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**25,900 units are currently affordable to households earning at or below 65 percent of AMI. The unrestricted units at these rent levels are naturally occurring affordable housing.**

## **Key Takeaways**

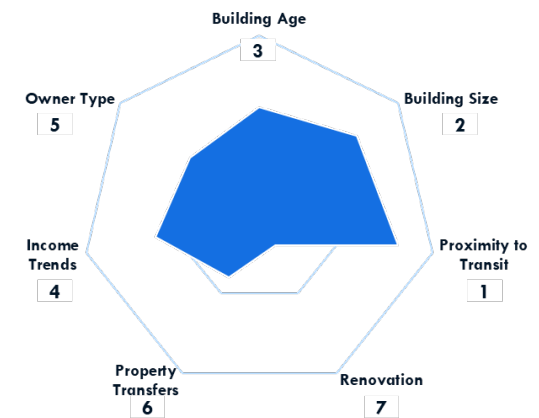
- **78% percent of all NOAH housing was built before 1990, with a plurality built from 1960 to 1989.**
- **Between 7,500 to 11,000 units of NOAH are projected to be lost between 2020 and 2030.**
- **The largest stock of NOAH is in smaller buildings—with fewer than 20 units.**
- **NOAH largely lies on the east side of I-270 and outside the Beltway and is consistent with areas that have seen less growth in high-income demand.**
- **Property ownership transfers correlate closely with rent shifts and loss in NOAH.** Between 2010 and 2019, NOAH properties made up over half (57%) of property transfers of non-deed-restricted buildings.
- **Proximity to transit is a strong signal for loss in units under \$1250, especially for stations inside the beltway.**



# NOAH Risk Criteria

**Based on our findings, proximity to transit, building size, income trends, and building age are the greatest risk indicators for NOAH units to lose affordability.**

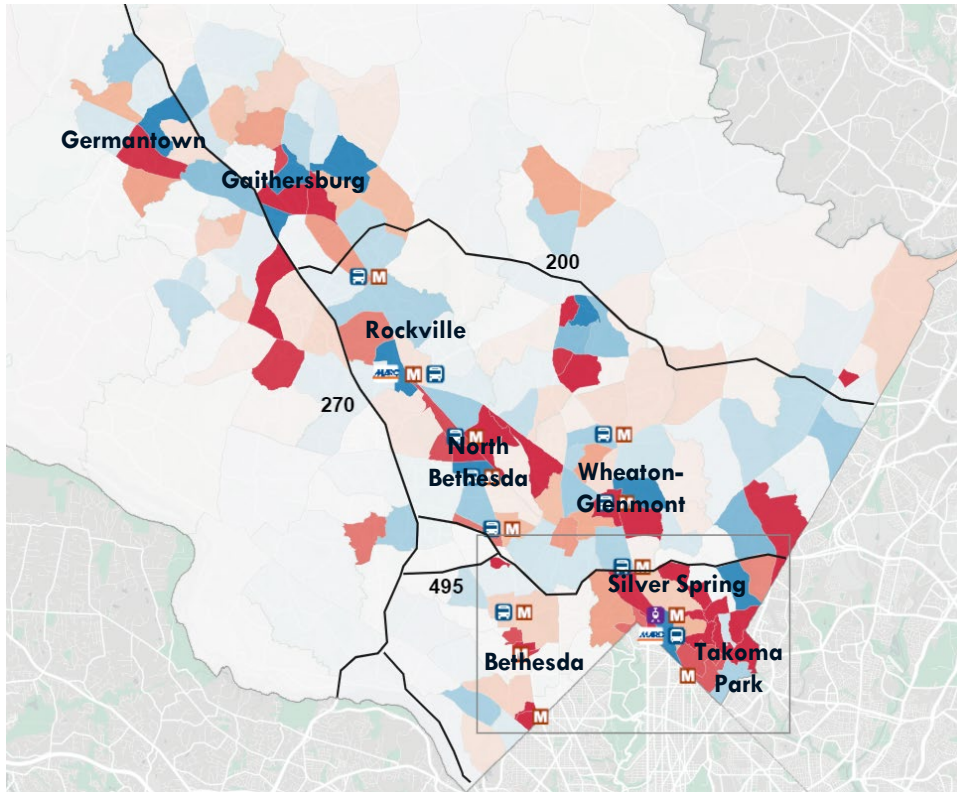
Risk Factor	
<b>Building Age</b>	While we did not find a linear relationship, we found that older units built between the 1960s and 1970s have the greatest risk for redevelopment or increase in prices as the neighborhood around them shifts.
<b>Building Size</b>	Smaller buildings are more likely to be affordable, but are losing affordability rapidly as 5 – 9 unit buildings are sold to larger investors. Larger properties that are affordable are most likely to be deed-restricted.
<b>Proximity to Transit</b>	Proximity to transit and new infrastructure is the strongest indicator for increase in assessment land values and rents, although jurisdictional zoning and transit access (not just proximity) remain key confounding variables.
<b>Renovation</b>	Although a large capital investment suggests an increase in future revenue, the data remains unclear on the quantitative effect on rents in Montgomery County. More longitudinal data may be required to assess long-term impacts.
<b>Property Transfers</b>	Property transfers and sales are a lagging indicator of NOAH risk—as investors see increasing rents, more transfer activity occurs.
<b>Owner Type</b>	Consistent with findings around building size, larger property owners (with 10+) units tend to own properties at risk of loss.



Sources: DHCA, ACS 2018 1-year

# Proximity to Transit

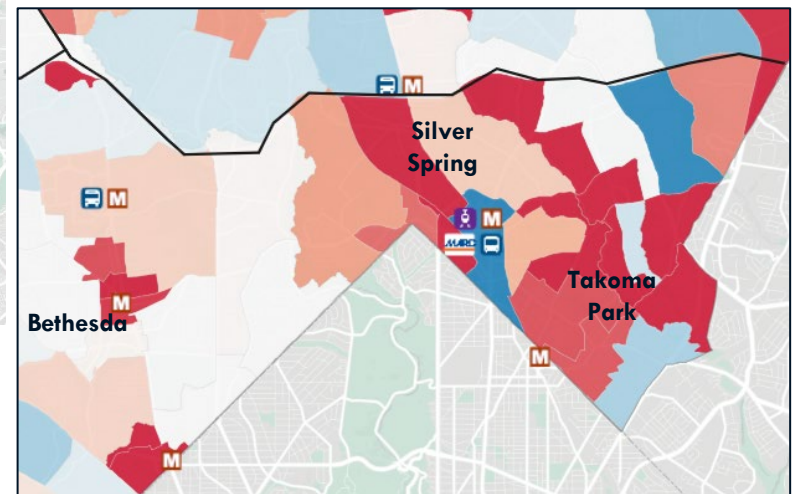
**Proximity to transit is a strong signal for loss in units under \$1250, especially for stations inside the Beltway.**



 Metro Station

Decrease in <\$1250 units  Increase in <\$1250 units

Per-acre change in units renting for <\$1250, 2010-2018  
(per-acre calculation to adj. for submarket density)



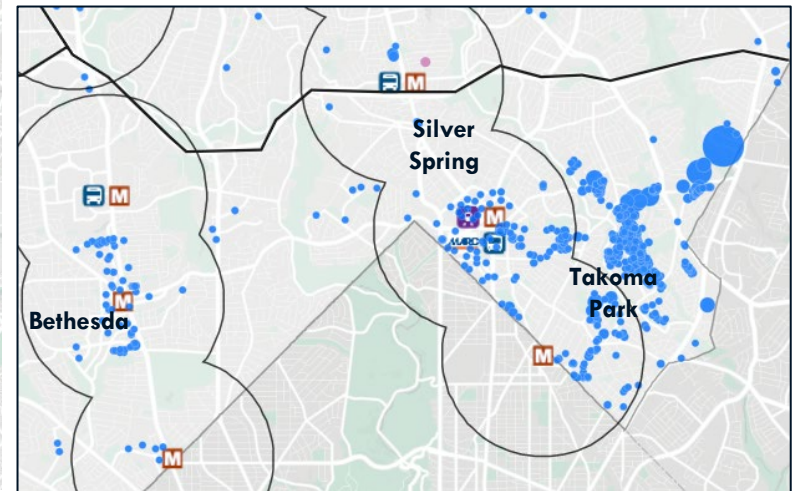
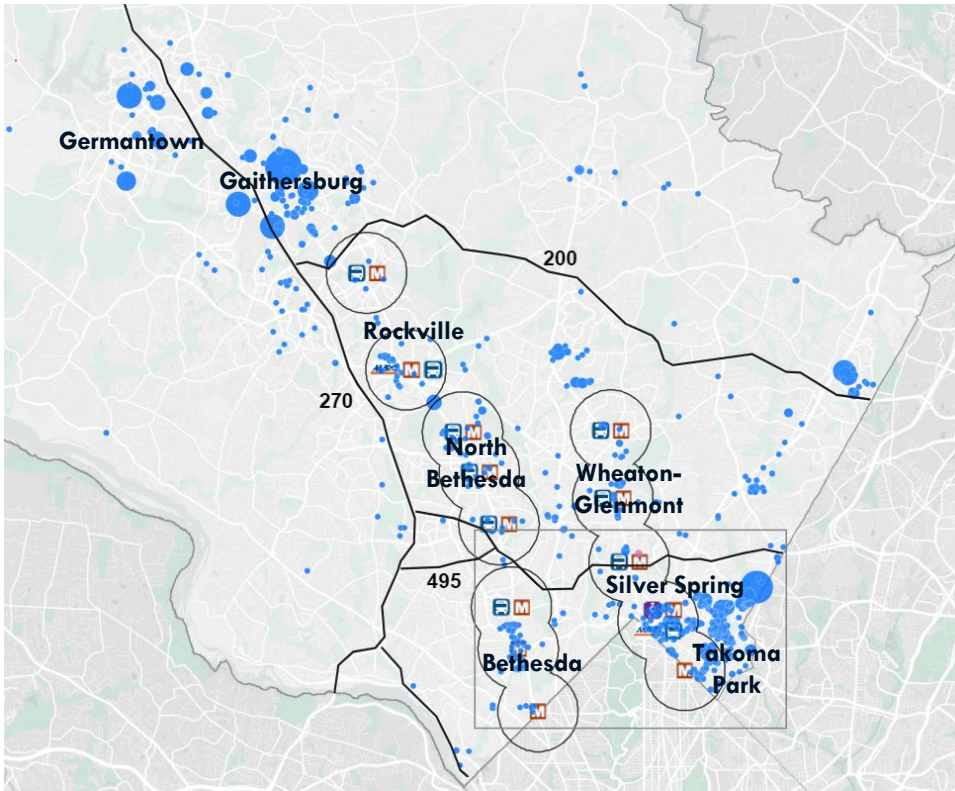
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Montgomery County Preservation Study | 12

# Proximity to Transit

**Roughly 2,300 (or 8% of all NOAH units and 2% of the total housing stock) are “at risk” and within one mile from transit.**

## Inventory of NOAH Properties + 1-Mile Radii Around Existing High-Capacity Transit Facilities

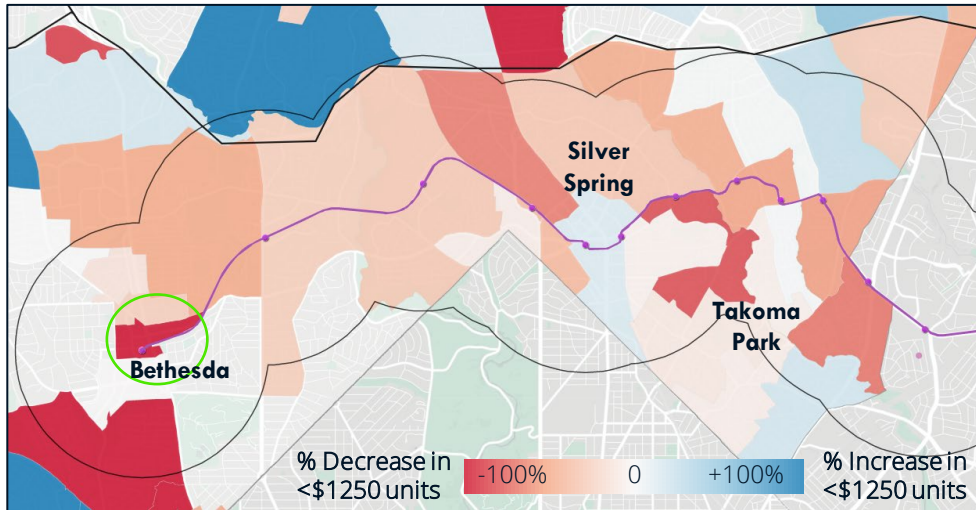


 Metro Station     NOAH units (bubble size ~ # of units)

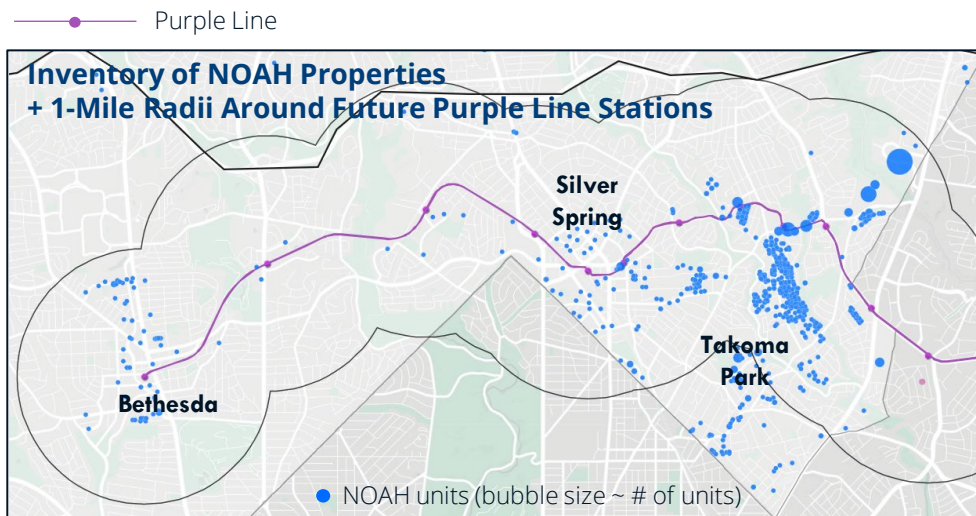
Sources: 2018 ACS 5-Year Estimates; MoCo Parcel Database; DHCA Data

# Proximity to Transit – Purple Line

## Percent Shift in Rental Units Priced \$1250 and Below, 2010 – 2018 + Prospective Purple Line Stations



Areas along the planned Purple Line have already demonstrated a rapid decrease in low-rent units in the past decade. The loss of low-rent units has been most rapid around the Bethesda Metro station.

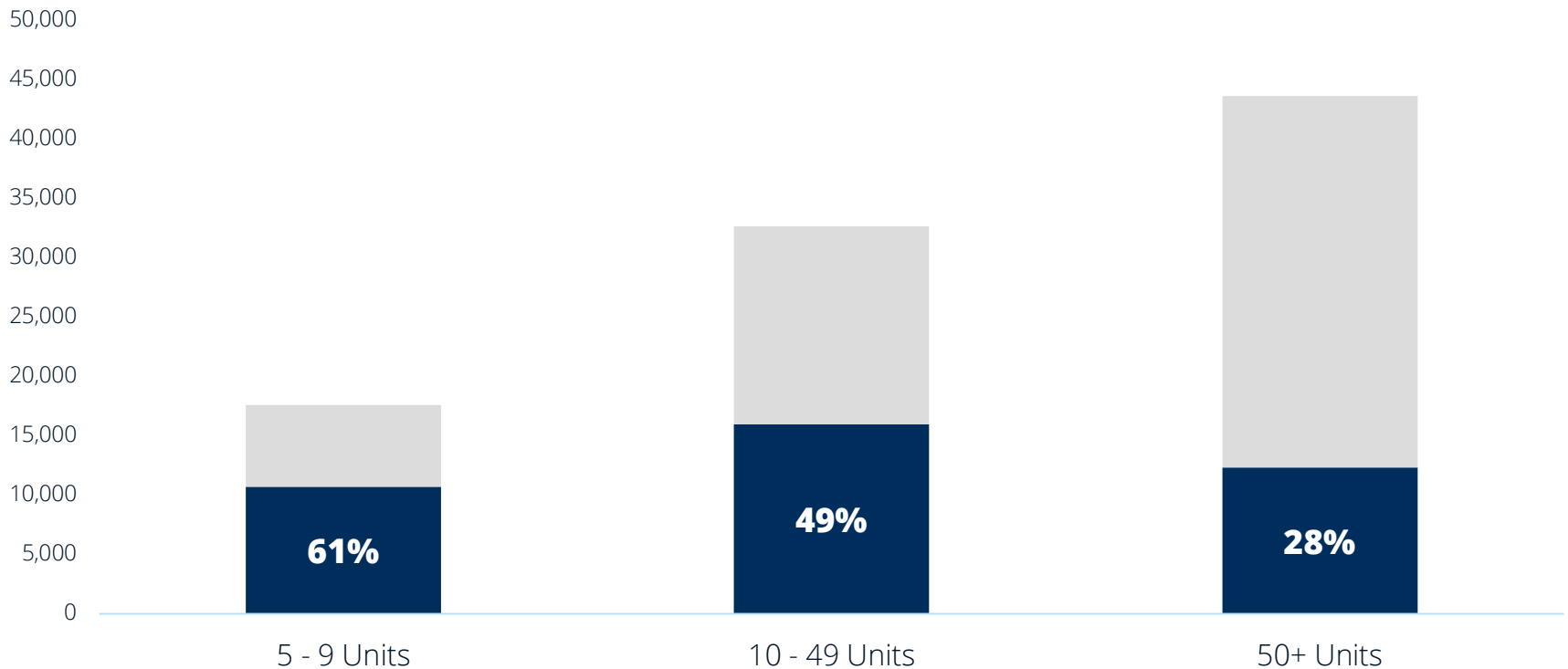


Sources: 2018 ACS 5-Year Estimates; MoCo Parcel Database; DHCA Data


# Building Size

**Over half of units in buildings with fewer than 50 units are affordable to households earning up to 65% of AMI.**

**Units Built by Decade and Affordability Level (+/- 65% AMI households)**



Sources: DHCA, ACS 2018 1-year

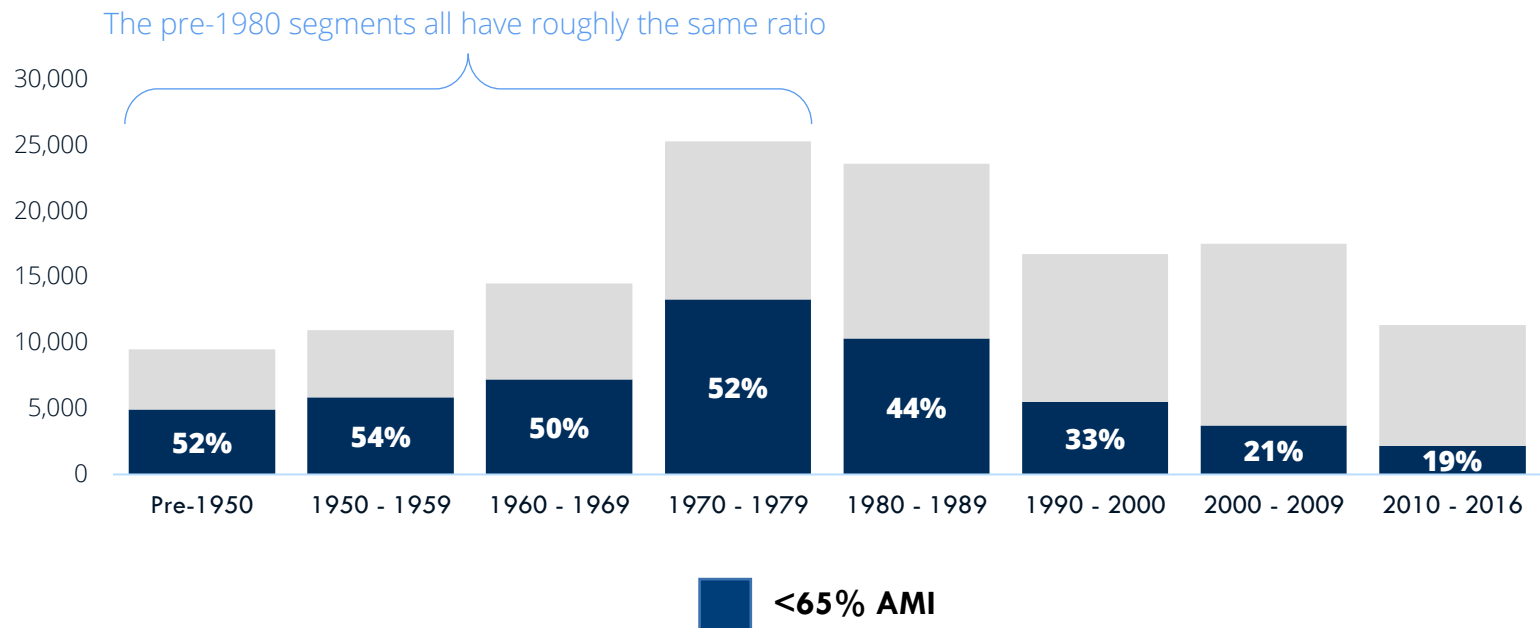
 **<65% AMI**

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# Building Age

**78% of units affordable to households earning up to 65% AMI were built before 1990.**

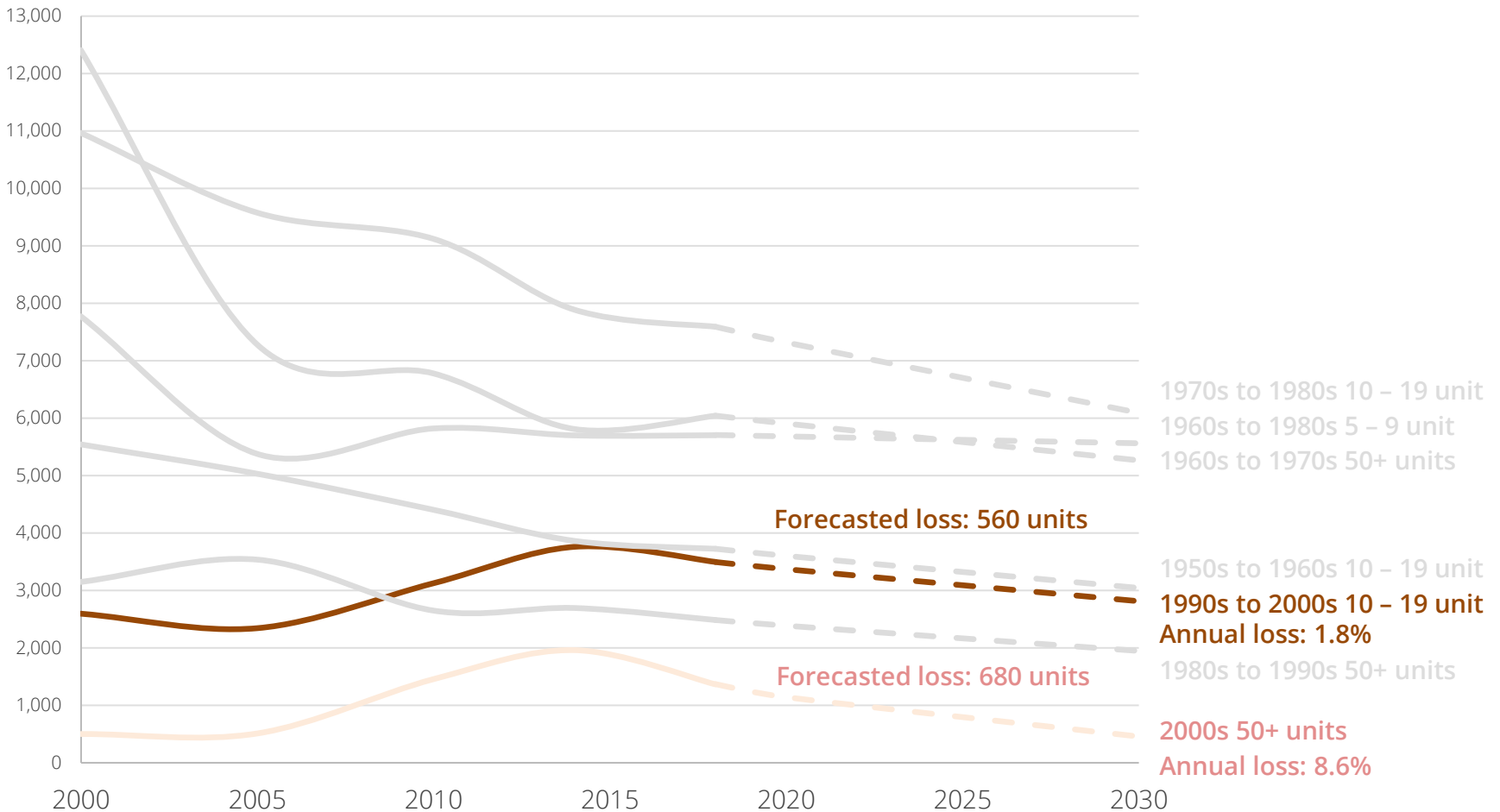
**Units Built by Decade and Affordability Level (+/- 65% AMI households)**



Sources: DHCA, ACS 2018 1-year, CoStar

# Future Trends by Building Typology

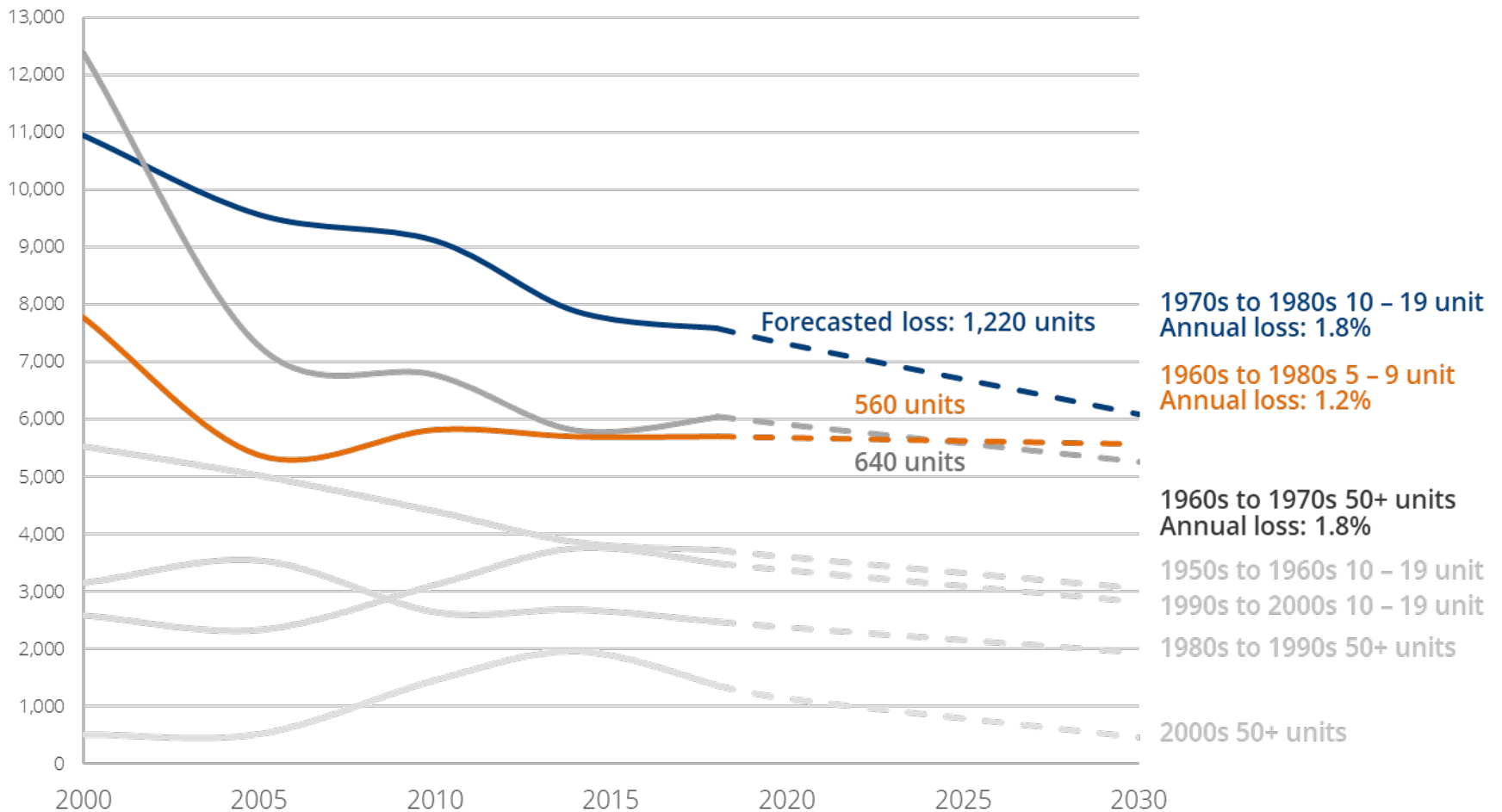
**There are fewer newer NOAH units (built after 1990s), but they are losing units at a faster rate**



Sources: DHCA, ACS 2018 1-year

# Future Trends by Building Typology

**Older units built between the 1960s and 1970s are projected to be lost slower rate, but account for a larger share of lost units.**



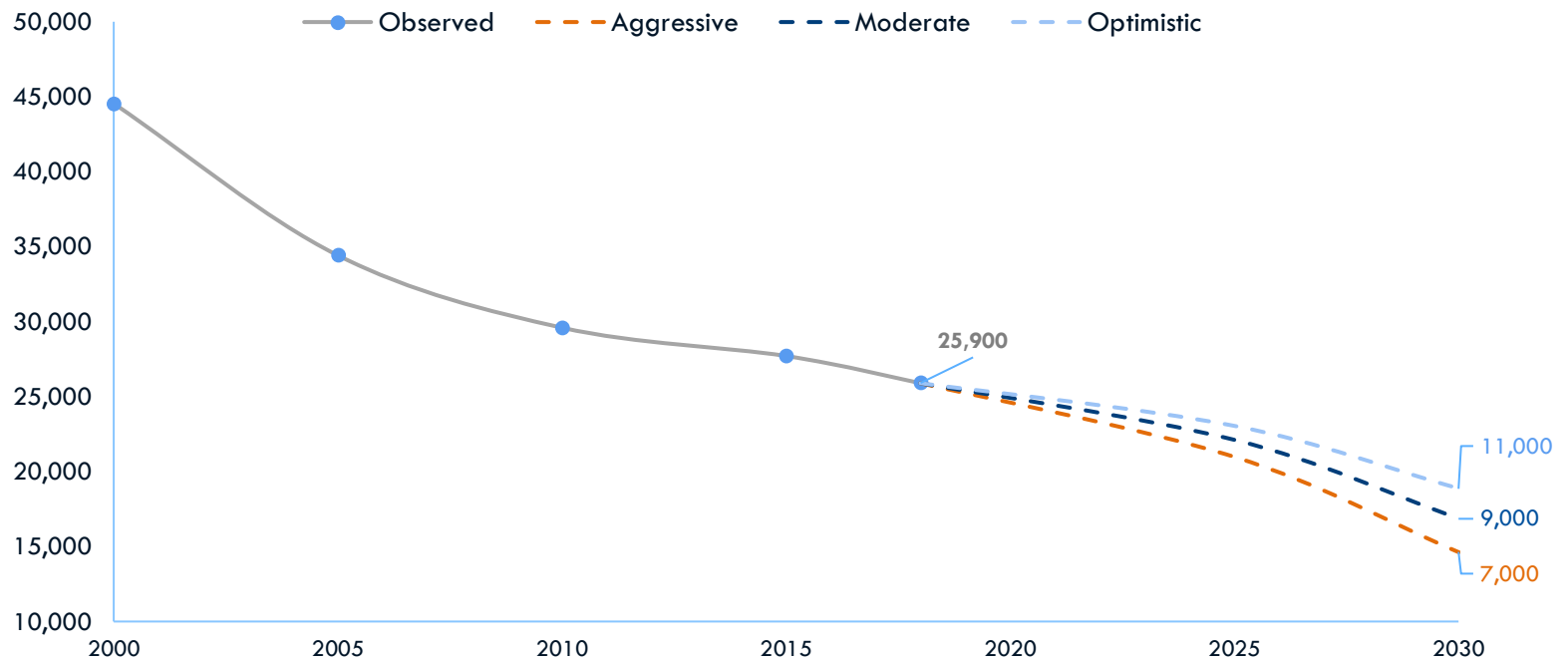
Sources: DHCA, ACS 2018 1-year



# Projected Change

**Based on these criteria, we forecast a loss of NOAH between 7,000 – 11,000 units by 2030.**

### Units Classified as NOAH 2000 – 2030 (forecast)



Sources: DHCA, ACS 2018 1-year

# Projected Change

**Based on these criteria, we forecast a loss of NOAH between 7,000 – 11,000 units by 2030.**

## **Common NOAH Property Typologies by Category** (sorted by projected loss of affordability)

<b>Typology</b>	<b>Total Units &lt;65% AMI</b>	<b>Estimated Loss (2020 – 2030)</b>
<b>1970s to 80s 10 - 19 unit</b>	<b>5,080</b>	1,227 units
<b>Post-2000 50+ unit</b>	<b>917</b>	680 units
<b>1960s to 1970s 50+ unit</b>	<b>4,046</b>	650 units
<b>1990s to 2000s 10 - 19 unit</b>	<b>2,342</b>	560 units
<b>1950s to 1960s 10 - 19 unit</b>	<b>2,493</b>	550 units
<b>1980s to 1990s 50+ unit</b>	<b>1,662</b>	440 units
<b>1960s to 1980s 5- 9 unit</b>	<b>3,817</b>	120 units
<b>Total</b>	<b>20,357</b>	<b>4,200 units</b> (50% of total loss)

Sources: DHCA, ACS 2018 1-year

# Preservation Framework | Unit Loss

**There are four key ways in which a housing unit can be lost from the affordable stock. Each has different implications for how we approach preservation.**

## **Physical Deterioration**

As a NOAH or deed-restricted affordable property ages, there is insufficient investment in the property to maintain habitability, and the property is eventually removed from the building stock. This can result from insufficient cash flow from operations, poor management and/or intentional neglect.

## **Erosion of affordability via rent increase**

If rents in NOAH properties increase faster than tenant incomes, eventually some rental units will no longer be considered “affordable,” despite no other changes to the property, building, or business model.

## **Value-add Investment**

In response to market demand from middle- and high-income rental properties, NOAH or expiring deed-restricted properties may undergo light-to-moderate rehabilitation to improve the property to be repositioned in the rental market or convert to for-sale condominiums. This process may be initiated by a transfer in ownership.

## **Redevelopment**

In areas where the market can support redevelopment, an owner may completely redevelop a NOAH or expiring deed-restricted property, which can include a full rehabilitation, demolition and new construction, or a combination of both approaches. Such properties are generally targeted at the top of the market to offset the major investment in the property.

## There are two primary conditions required to preserve a property:

### 1. Achieve a sustainable financial position.

The property must generate a net operating income (NOI) to sustain operations and repairs. If a property cannot sustain itself through NOI, it is at risk of being lost through lack of upkeep or be sold through a distressed sale.

### 2. Protected from exposure to market pressure.

There are a two key ways to ensure that properties are not exposed to existing market pressures:

- A legal restriction, policy or loan agreement that regulates the increase of rent on the property; or
- Transferring ownership to non-profit motivated owners (mission-oriented nonprofits, tenant ownership.)

There are three primary intervention points to preserve buildings: change in **ownership**, **recapitalization**, and **redevelopment**.

When a property is bought or sold, facilitating transfer to mission-driven ownership can restrict rent increases. The property must generate a net operating income (NOI) to sustain operations and repairs. If a property cannot sustain itself through NOI, it is at risk of being lost through lack of upkeep or be sold through a distressed sale.

# Preservation Framework | Policy Categories

**There are five key policy categories in which different permutations of preservation approaches can be combined to develop a sustainable preservation framework for Montgomery County.**

<b>Strategy and outreach</b>	Analyzing preservation needs, opportunities, approaches, and interventions in the local context; and coordinating and executing efforts (often across agencies) to achieve identified goals and targets.
<b>Land use and planning</b>	Leveraging the rules governing or guiding development within a jurisdiction (including zoning codes and area plans) to incentivize or require preservation of affordability.
<b>Tenants' rights</b>	Leveraging the rules that govern how various stakeholders (owners, property managers, developers) participate in the market to preserve affordability and protect tenants.
<b>Capital financing</b>	Providing the financial resources necessary to undertake preservation interventions.
<b>Operating subsidy and cost reduction</b>	Operating subsidy/cost reduction: Offering incentives and resources that make it financially feasible for landlords/owners to offer reduced rents to lower-income tenants.

The most appropriate preservation approach and intervention is likely to depend on multiple factors, including but not limited to: the type of unit (NOAH, expiring deed-restricted); risk of loss; most likely loss type(s); property characteristics (scale, building typology, location, redevelopment potential); and priorities for resource allocation. **All these tools will be required for an effective preservation framework.**

# Preservation Framework | Recommendations

**There are five key policy categories in which different permutations of preservation approaches can be combined to develop a sustainable preservation framework for Montgomery County.**

Category	Key Recommendations
<b>Strategy and outreach</b>	<ul style="list-style-type: none"> <li>• Triage opportunities to preserve affordability, focusing on near-term opportunistic approaches such as COVID-19-related policies to bridge towards future comprehensive preservation efforts.</li> </ul>
<b>Land use and planning</b>	<ul style="list-style-type: none"> <li>• Allow or incentivize directly preserving existing NOAH as an alternative to MPDU compliance.</li> <li>• Consider a transfer of development rights program that builds off the County’s agricultural TDR program to preserve priority existing affordability and continue to designate affordable housing as a public benefit.</li> </ul>
<b>Tenants’ rights</b>	<ul style="list-style-type: none"> <li>• Consider expanding rent stabilization after the Covid-19 crisis following the 90-day rent relief bill. Rent stabilization needs to be designed carefully to ensure a healthy pipeline of new development along with preservation of residents at risk (especially in areas along the Purple Line expansion). Such a policy would need to balance and accommodate the necessary costs of property operations and maintenance.</li> </ul>
<b>Capital financing</b>	<ul style="list-style-type: none"> <li>• Explore opportunities to expand the Housing Initiative Fund to meet the needs of the preservation pipeline.</li> <li>• Adjust HIF administration guidelines to align with new LIHTC income averaging regulations.</li> <li>• Review allocation decisions to ensure that funding criteria promotes preservation, especially at lower income levels.</li> </ul>
<b>Operating subsidy/cost reduction</b>	<ul style="list-style-type: none"> <li>• Expand utilization of rental agreements through the County’s PILOT provision.</li> <li>• Evaluate the previous County reduced rent program for elderly tenants and explore development of a new preservation property tax credit.</li> </ul>