

Worksession

Agenda Item #	6
Meeting Date	December 3, 2007
Prepared By	Linda Walker Affordable Housing Manager
Approved By	Barbara B. Matthews City Manager

Discussion Item	Affordable Housing Opportunities and Update of the Takoma Park Affordable Housing Policy and Action Plan.
Background	<p>Adopted by the Council in July 2002, the Affordable Housing Policy and Action Plan has been utilized as the framework in the development of affordable housing initiatives in Takoma Park. The policy and programming have been periodically reviewed and updated to adapt to changes in the housing market. Subsequent to the adoption of the revised Rent Stabilization Law (Chapter 6.20 of the Takoma Park Code) in July 2007, Council recommended that a discussion should take place regarding a comprehensive approach to the maintenance and development of affordable housing in Takoma Park.</p> <p>The planned presentation will provide the Council with an opportunity to become more familiar with opportunities available in five general categories of affordable housing programming: Housing Development; Housing Preservation; Homeownership; Tenant Assistance; and Legislative and Regulatory Initiatives. A general overview of the types of programs designed to address each of these categories and, to the greatest extent possible, the cost of these efforts will be presented by staff. A brief update on the progress made in addressing the actions identified in the Council's 2006 Affordable Housing Action Plan will be provided. Following the presentation, the Council will be given an opportunity to discuss its interest in the development of programming which addresses one or more of the identified aspects of affordable housing.</p>
Policy	<p>“(To) provide affordable home ownership opportunities throughout the city; provide appropriate and affordable rental housing to all residents; and to improve and maintain our community’s existing housing stock.”</p> <p style="text-align: right;"><i>Affordable Housing Policy and Action Plan (2005)</i> <i>Council Goals (FY07-FY08)</i></p>
Fiscal Impact	To be determined.
Attachments	<ul style="list-style-type: none"> • Takoma Park Affordable Housing Policy and Action Plan (Revised June 2005) • Update on Affordable Housing Policy and Action Plan (October 2006) • Affordable Housing Opportunities (October 2007)
Recommendation	Review affordable housing opportunities and identify area of interest (housing development, housing preservation, homeownership, tenant assistance or legislative and regulatory initiatives) for further analysis by staff.
Special Consideration	This agenda item was first distributed for discussion at the October 29, 2007 meeting. That discussion was postponed. The attachments have not been revised.

Affordable Housing Policy and Action Plan

City of Takoma Park Maryland
Department of Housing and Community Development
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July 2005

The 2005 Affordable Housing Policy and Action Plan

Housing and Community Development
July 2005

Policy Statement

In July 2002, the Takoma Park City Council adopted an affordable housing policy and plan which, since that date, have provided a solid foundation and guide for developing affordable housing initiatives in Takoma Park. It outlined a commitment to provide vision, leadership and support to public and private efforts which:

- Provide affordable home ownership opportunities throughout the City;
- Provide appropriate and affordable rental housing to all residents;
- Improve and maintain our community's existing housing stock;
- Prevent housing discrimination based on race, color religious creed, ancestry, national origin, sex, sexual orientation, marital status, presence of children, age physical or mental disability, or source of income;
- Develop housing and supportive services for seniors and for those who have mobility or sensory impairment, developmental or emotional disabilities or mental illness;
- Provide alternatives to traditional housing choices;
- Prevent homelessness, and
- Promote Smart Growth practices in redevelopment and infill projects.

Many of the recommendations brought forth in the plan have either been implemented or are in the planning stages of development. In the past couple of years, the City has taken important steps to cultivate partnerships with local nonprofit organizations and government agencies that have similar goals and want to work with the City to create more housing opportunities for low to moderate income families.

When the Affordable Housing Plan was adopted by Council in 2002, it was inconceivable that the availability of reasonably priced housing for low to moderate income residents in Montgomery County would become even more scarce than it was in 2002. However, in just a few short years, we are confronted with that reality. Maintaining affordable housing opportunities in Takoma Park has been a race against time.

Our reliance on the implementation of new affordable housing programs has been dependent on the

City's acquisition of grants, loans, and Community Development Block Grant (CDBG) monies and City budgeted funds for specified programs. We have sought to become creative in our objective to maintain affordable housing in Takoma Park, both rental and privately owned. A positive approach has helped to bring to fruition a number of programs that are beginning to offer some opportunities to our residents in need of housing solutions. Additionally, we know that legislative changes will play an important part in protecting tenants who are residing in properties being converted to condominiums or cooperatives. The plan is to move forward despite the fact that current statistics show this area has housing that has rapidly become financially out of reach for low to moderate income families.

Factors Affecting Affordable Housing

The loss of opportunities for low to moderate income families to rent and buy affordable housing in Montgomery County is a concern for all. Below are a few of the reasons why we are facing this dilemma.

■ ***Dramatic Increase in The Prices of Homes As Compared to Wage Increases***

The single most important factor affecting the availability of affordable housing in our region has been the dramatic increase in the cost of housing in the metropolitan area. Recent Council of Government's statistics show that the average cost of a single family home in Montgomery County jumped from \$275,000 in 2001 to \$363,000 in 2003, a 32% increase in the price for a home. In 2004 alone, average prices in Montgomery County sky rocketed from \$386,600 in the 1st quarter to \$440,360 in the 3rd quarter, another 14% rise in the price of a home. Not only are the houses priced high, but the average amount of time a property is on the market for sale has dropped from 103 days in 2000 to 27 days in 2003. In 2004, the average amount of time dropped to 24 days.

In contrast, the Maryland Department of Planning and the Maryland Association of Realtors reported a 5% increase in median income from 2000 to 2003. Because of this disparity, living near where you work is becoming next to impossible, especially for first time home buyers looking to purchase in Montgomery County. So who can afford to buy these homes? Figures show that a minimum annual income of \$100,000 is needed to purchase a \$300,000 to \$400,000 home. Occupational wage estimates from the State of Maryland show that average salaries for police officers and teachers are around \$40,000. Office workers earn about \$30,000. The solution for many has been to move out of the County which means longer commutes, higher transportation costs and, of course, less free time for recreation and relaxation.

The situation for those who are already homeowners in Takoma Park and Montgomery County is also precarious, especially for those living on fixed incomes, (seniors, disabled, and families on government programs). With rising property tax assessments, many are fearful that they may not be able to continue living in their current homes because of the increased expenses associated with maintaining a home.

■ ***Loss of Rental Units in Takoma Park***

The number of rental units in the City has decreased by approximately 6% (180 units) in the past four to five years. The reasons are varied, but there has been a recent trend where purchasers of two to five unit rental properties are converting them to non-rental single family homes or homes with only one rental accessory apartment. Additionally, we are seeing more multi-family buildings being taken out of the rental housing stock due to conversion to condominiums.

Condominium conversion may occur in two different ways. The first is when an owner sells the rental property and the tenants are able to match the third party contract and acquire the property via the Tenant Opportunity to Purchase Law. Tenants in this position usually need the assistance of legal counsel and a developer who can assist with the acquisition and conversion. The second way is when an owner does not sell the property, but instead converts the building and sells the individual units to either the tenants in occupancy or to outside buyers. More often than not, lower purchase opportunities exist for tenants already in occupancy if the conversion is conducted via the first method, however the trend is showing that the second method of conversion is becoming common in Takoma Park, which means that low to moderate income tenants will quickly be displaced from these buildings unless something can be done to assist them. Condominiums on the open market appear to be selling in Takoma Park for \$200,000 and up. This is by no means an affordable housing option for a low- income family.

■ ***Federal/State Budget Cuts - Changes in Housing Assistance Programs***

Because of proposed budget cuts for the U.S. Department of Housing and Urban Development (HUD) for FY2006, the Housing Opportunities Commission (HOC), which administers the Housing Choice Voucher Program (Section 8 Program), will have to undergo significant changes to keep the program intact. The program serves low-income families who pay up to a minimum of 30% of their rent and utilities. Recent statistics show that there are approximately 5,600 Montgomery County families receiving assistance under this program. One hundred and forty (140) of these families live in Takoma Park. HOC reports that the fiscal picture is not good. There are currently 10,000 families on the housing voucher waiting list. Normally each year, HOC is able to serve 200-300 new families from the waiting list; however, the changes in the funding will severely limit the number of new families that can be served. The proposed budget cut means that Housing Voucher recipients, who are financially struggling, will have to shoulder more of the burden. Changes already implemented by HOC in January 2005 include the following:

- Recipients now have to pay at least \$50 in rent each month, up from \$25.
- If a family's salary increases, their rent contribution will increase immediately, when in the past there was a short grace period .
- HOC is paying a smaller share of rents, leaving it to tenants to make up the difference.

HUD's proposed budget cuts have not only affected the County's Housing Choice Voucher Program, but have impacted the budgets of state housing agencies. The Maryland Department of Housing and Community Development reported that the Maryland General Assembly passed a bill

proposing more than \$20 million cut from critical housing programs. This legislation will weaken assistance for first-time home buyers, hurt senior citizens and families seeking affordable rental units and cut funding for neighborhood revitalization programs.

Additionally, it was proposed that the CDBG Program, which funds many of the programs proposed by local non-profits and has supported the City's Capacity Building Program, may be taken out of HUD's budget and transferred to the Department of Commerce. This would more than likely lead to funding cuts to the local level. Although the ramifications of this change are unknown, the polls are indicating that it does not speak well for new housing initiatives.

■ ***Rising Rents Countywide***

Each year, the County conducts a Rental Apartment Vacancy Report which surveys multifamily rental housing in Montgomery County (properties with 12 units or more). This report includes Takoma Park as a segment of the overall survey. The survey included 70,270 units Countywide and concluded that the average vacancy rate was 5.1%. One thousand nine hundred (1,900) of these units were surveyed in Takoma Park and showed a 3.2% vacancy rate--an increase from 2.6% in 2003.

An average of the rents for Unincorporated Areas, the City of Gaithersburg, the City of Rockville and the City of Takoma Park were calculated as follows:

Unincorporated Areas	\$1,164
City of Rockville	\$1,332
City of Gaithersburg	\$1,025
City of Takoma Park	\$ 761
County average	\$1,154

It appears from the survey that the largest average rent increase Countywide occurred in 2001 and was around 11%. Since then, the average rent increase has been 4.5% in 2002, 3.3% in 2003 and 3.9% in 2004. Rent Stabilization has governed rent increases in Takoma Park since the early 1980's and allowed up to 1.5% in 2001, 2.3% in 2002, 1.7% in 2003, 1.8% in 2004, and 1.9% in 2005.

Because of the rising rents in the County, Takoma Park's Rent Stabilization Program has proven to be an important factor in keeping rents affordable. However, what is unknown is how many of the vacant units over time are still being rented to low to moderate income residents.

Having sufficient rental housing in Takoma Park is a necessity, especially given the fact that purchasing a home is often not financially realistic for many in the County. Rent Stabilization limits the rent increases that can be taken on any unit subject to the program. Landlords owning two or more rental units in Takoma Park can increase the rent on an occupied unit by 70% of the Consumer Price Index (CPI-U) once every 12 months. Currently the rent stabilization allowance is 2.1%. As shown by the County's vacancy survey and by our own statistics, rents are indeed lower than they are outside the City limits.

Pursuant to the City’s goal of recodifying the entire City code, Council is currently reviewing the rent stabilization law and will be addressing the issues raised by tenants, landlords and staff.

Careful evaluation and public discussion of the rent stabilization law will hopefully assist the Council in formulating a program that will help keep low to moderate income families in Takoma Park. Offering an incentive to landlords who continue to rent to low to moderate income families is an option to be considered. Because of the recent trend in the conversion of properties to condominiums, the retention of rental units is seen as a priority, which can hopefully be balanced with the advent of the condominium conversions.

Analyzing Current Legislation

The following laws come into play when a rental property is being sold, loses its rental units due to renovation or is converted to a condominium or cooperative.

- Maryland Condominium Act (Maryland Annotated Code, Title 11)
- Montgomery County Code - Chapter 53A - Displacement
- Montgomery County Code - Chapter 11A - Condominiums
- Montgomery County Code - Chapter 11C - Cooperatives
- Takoma Park Code - Tenant Opportunity to Purchase Law -Chapter 6.32

The manner in which the laws complement or work contrary to each other has been the focus of the Affordable Housing Program in the last couple of years, especially since there has been quite a few rental properties that have been sold or are in the process of conversion. All the above laws attempt to protect tenants when a property is being converted to a condominium or cooperative. As it appears that condominiums are on the rise in Takoma Park, it is prudent that the City evaluate all the laws at work and consider changes in the Tenant Opportunity to Purchase Law and possibly initiate discussions with County and state legislators to change County and state laws that deal with displacement and condominium conversion so that tenants are better protected. It might even be worthwhile to consider a local Condominium Law that would work hand in hand with the County and state laws. After a preliminary review, here are some of the issues that need to be addressed:

- Tenants do not have a vote on whether a property is converted to a condominium as they do in the District of Columbia. Having a vote would allow tenants greater leverage to negotiate with the owner for more affordable prices for those interested in buying, or more time to possibly buy the building themselves. This would mean a change in the Maryland Condominium Act, which governs how a property is converted.
- Tenants who are categorized as “Designated Households” (seniors, disabled, and eligible low income tenants) who are allowed to stay as tenants when a property is being converted to condominiums do not have absolute protection against high rent increases. Although the Maryland Condominium Act states that rent increases for these units can be no higher than the CPI for the local area, a special provision in the City’s Rent Stabilization Law needs to be added to emphasize the rent protection for these tenants. It also appears that a designated household in “good standing” may be a term that can be interpreted by landlords in different ways.

- Landlords thinking of renovating their properties in preparation for a condo conversion often advise their tenants informally of their objective. This information has often motivated tenants to move out early, which eliminates the landlord's obligation to evaluate whether they would qualify for an extended lease or give displacement costs for moving to the tenant. A required notice to the City about an anticipated condo conversion would possibly help. In that way, the Capacity Building organizers would be able to meet with the tenants early on and advise them of their rights and options.
- More research needs to be done on whether small properties (ten units and less) are at a disadvantage for conversion to condominiums. More and more prospective purchasers of small buildings are inquiring about the laws dealing with condominium conversions prior to their buying the properties. The issue appears to be that the rents, which are lower because of rent stabilization, do not support the asking prices for the properties. Some landlords are not researching the local laws when they purchase the property. Once they find out the restrictions, it has caused them to quickly resell to an unknowing purchaser, consider converting to a condominium or reduce the number of apartments by possibly combining some of the units to create new and larger rental units. The overall result is usually a decrease in the number of rental units.
- The displacement or relocation stipends given to "qualified" tenants who decide not to stay in a property that is being renovated or converted to a condominium is only effective for 180 days from the date of the notice of the conversion. Should a tenant move out after that period, he or she is not entitled to any relocation costs.

These are just some of the issues that have come to our attention during the last year. Legislative changes can sometimes be difficult to implement, but now is the time to fully investigate these matters and determine how much the City of Takoma Park can do to protect tenants who are in the middle of a conversion of a rental property to condominiums or cooperatives.

Accomplishments in 2003 and 2004

Despite the obstacles, much progress has been made in the past couple of years in regard to the development of housing programs that are aimed at low to moderate income Takoma Park residents. Although the lack of funding remains a problem, the following accomplishments have started us on the right road to providing better housing services to the residents.

- ***Established Staff Responsibility for The Affordable Housing Program***

With the assignment of the Affordable Housing program to one staff person and the creation of a contract position for the Tenant Capacity Building Program, the program now has a direction that is more consistent in its approach. Greater attention is being paid to the overall goals of the Action Plan developed in 2002, to how those goals can be achieved and, if not attainable, the creation and implementation of new priorities. Although the lack of funding is a fundamental issue that has yet to be resolved, the City has achieved successes which have had a significant impact and will also be

the catalysts for future affordable housing programs.

■ ***Started the Tenant Capacity Building Program***

This program has brought an expertise to the City that has been utilized by approximately 25 rental properties in the past two years. Not only have Rozanne Look and Mario Cristaldo, the program's Community Organizers assisted tenants when the tenants expressed interest in forming associations to work on issues in their rental properties, but they are assisting six tenant associations in exploring their goals of eventually becoming home owners. An example of services rendered include the residents of 22-24 Manor Circle, who closed on their condominiums at the end of March. In their long purchasing process, the City's community organizers assisted them with such tasks as selecting a developer, choosing a management company and coordinating essential services for the building. Currently there are five properties in varying stages of condominium transitions and the Capacity building services have been instrumental in assisting tenants in their struggles to become cohesive, healthy condominium associations. Acquiring and rehabilitating a rental property is no small task and it isn't often that an association can do this on their own. The professional services of a developer and attorney are needed and tenants are given a clear idea of the decisions they need to make during this process by the Tenant Capacity Building Community Organizers.

■ ***Implemented Improved Processes in The Tenant Opportunity to Purchase Program***

With the recodification and revision of the Tenant Opportunity to Purchase law in 2003, the goal has been to closely link this program to the Capacity Building Program. There is now a clear process that has been set up whereby correspondence is sent to tenants notifying them of their rights under the City's tenant opportunity to purchase law when the City is informed of the pending sale of the property. If the tenants are interested in the purchase, the Capacity Building Community Organizers meet with them to discuss the various options they face and the ramifications of their decision to pursue or to not pursue purchase. Notification is now routinely sent to prospective purchasers of rental property, informing them of licensing, housing maintenance, rent stabilization and landlord-tenant laws in Takoma Park. All prospective purchasers are encouraged to attend the Certification Program, even before the purchase so that they are fully aware of their responsibilities as rental property owners.

■ ***Conducted Educational Outreach***

For Tenants

The City continues to be a sponsoring partner for the Montgomery County Housing Fair, which takes place the first weekend every October. This year, the Fair will also include Consumer Protection as a major educational objective. This is a collaborative effort by County and city governments and housing and social service nonprofit organizations to bring important housing and consumer protection information to the general public. For those who cannot attend the Housing Fair, a *First Time Home Buyers Resource Guide* has been developed by City staff; the Guide outlines County and State first time home buyer programs, tips for how to become an informed consumer in regard to purchasing a home and recommendations on credit counseling services. Incentives to come to the Fair are offered. As luck may have it, a Takoma Park renter was the recipient of a \$500 cash prize

that could be used toward rent or a mortgage payment at the 2004 Housing Fair.

The area of Financial Literacy is an important aspect of becoming a home owner. Articles on topics such as Consumer Fraud and Identity Theft have been presented in the Takoma Park Newsletter in both English and Spanish to help spread the word about scams that are being committed more frequently than we know. Predatory lending practices are at an epidemic proportion in the area and it is important that first time home buyers know how to protect themselves when it comes time to purchasing a home. Montgomery County is now forming a coalition of partners that will be outreaching to the community on consumer scams and frauds. Takoma Park will be a part of this effort to ensure that our community receives all the information that it needs to protect itself from these practices.

For Landlords

Montgomery Housing Partnership (MHP), a nonprofit organization that provides affordable housing in the County, continues to service the owners of small rental properties in Takoma Park by having periodic educational seminars. Staff works with MHP in an effort to keep landlords up to date on new legislation, County requirements or topics of interest. This past year, a seminar was held on the State Lead Paint Program and its requirements. In May 2005, an additional seminar was held on “Budgeting for Owners of Small Rental Facilities”

The *Landlord Certification Program* is offered each month to new landlords in Takoma Park and to prospective purchasers of rental property. The course is required every three years to obtain a rental license and in fact has proven to be very popular with those attending the sessions because of the vast amount of information that is disseminated.

■ ***Partnered With County Agencies and Non-Profit Organizations***

Partnering with other organizations has been the key to initiating new programs in Takoma Park. The City has been able to arrange for the Consumer Credit Counseling Services of Greater Washington to meet with newly formed tenant associations if opportunities to purchase the rental property exist.

Staff regularly communicates with local nonprofit organizations such as MHP and Habitat for Humanities so that opportunities for them to partner with tenants residing in buildings that are being sold are fully investigated.

The City’s partnership with the Adventist Community Services of Greater Washington has created a financial resource that is being utilized by residents who have been caught in critical need situations. The agreement that exists between the City and the Service Center allows residents who are financially at risk to apply for monetary grants which often make the difference in a crucial situation. During the 2004 calendar year, 25 Takoma Park residents received assistance under this program. The Executive Director has recently informed the City that significant budget cuts in the County and the Federal Emergency Management Agency (FEMA) have resulted in less money available for their programs. Staff will work with the Service Center to discuss avenues for increasing the voluntary contributions to this very important fund.

The City's ongoing partnership with Montgomery County government has been beneficial to landlords and residents alike. The Multi-Family Rehabilitation Program continues to offer low interest loans to owners of small rental properties (two to 40 units) who desire to improve their properties by, for example, installing new windows, replacing a roof or a heating system. Single Family Rehabilitation Loans are also available through the County for home owners who are faced with major home improvement projects.

Since Property Maintenance enforcement for rental properties has been transferred to the County, this partnership has created an improved consistent application of the minimal housing standards for rental property in the City.

With a dramatic increase in the assessed value of properties in Montgomery County, the City has an interest in supporting the passage of County legislation that will help keep seniors and those living on limited incomes in their homes. For those needing tax relief, a review of the Tax Credit Law by the County and state will hopefully bring about an increase in the guidelines, thereby making more people eligible for the program.

Additionally, our partnership with the County has allowed the City to be a part of the Credit Check Program that was instituted a few years ago by Montgomery County. It is available to Takoma Park landlords and allows a landlord to obtain credit reports for prospective tenants for a mere \$11.

■ ***Researched Home Buyer Assistance Programs***

Two new housing assistance programs were researched and will be initiated this year which will help tenants take advantage of home buying opportunities. These programs include the implementation of the Home Buyer's Club, sponsored by the City of Takoma Park in partnership with the Consumer Credit Counseling Service of Greater Washington, Inc., and the creation of the Affordable Housing Revolving Loan Fund.

The first Home Buyers Club, which got underway in June 2005, is a year-long HUD accredited program that is available to tenants who want to financially ready themselves to become first time home buyers. Meeting once a month, the program explains in detail the home buying process, from evaluating finances and credit issues, examining the mortgage application process, to how to maintain and budget for expenses associated with owning a new home. Those completing the course will be savvy consumers in the home buying process and eligible for low interest loans through the County.

The Guidelines for the Affordable Housing Revolving Loan Fund were formulated this past year and will be presented to the Council for adoption in the fall of 2005. It is anticipated that funds from this account can be accessed by eligible tenant associations that are interested in purchasing their rental facility via the Tenant Opportunity to Purchase Law. A set amount can be applied for and utilized at the front end of their negotiations with the owner for needed services, such as architectural or engineering studies and legal expenses. The money will be paid back to the City at the time of closing if the tenant association is successful in their purchase or will be forgiven if for some reason the purchase does not materialize. Increasing the funds for the program will be a goal in the next

year.

- ***Sponsored the Temporary Lodging Fund and Storage Assistance Program***

The City's continual interest in providing emergency assistance for tenants in need, such as temporary housing for one to two nights or storage assistance when an eviction is imminent, is still needed and provided on a year-to-year basis. Although the amount of money allotted to this service is minimal, it is utilized and gratefully received by all the tenants who are in need. Residents in need of Social Services are referred to the appropriate agencies for assistance and the City's partnership with the Adventist Community Services has helped 25 families in the past two years.

ACTION Plan for 2005-2010

Our goals for 2005 to 2010 are focused and attainable.

Short -Term Goals (One Year)

- ***Review the Current State and County Condominium Conversion and Displacement Legislation and Takoma Park's Tenant Opportunity to Purchase Law and Propose Changes That Will Benefit Residents of Takoma Park.***

In the next year, staff will review and assess the city's Tenant Opportunity to Purchase Law and the County and State Displacement and Condominium Conversion laws to see if changes in these laws could benefit the tenants in Takoma Park who are trying to remain in this area as home owners and renters. Partnering with other jurisdictions will increase the opportunity to create legislation that will accomplish the goals that we seek for the residents of Takoma Park.

- ***Continue the Successes of The Tenant Capacity Building Program***

The Tenant Capacity Building Program has been a key effort in the Affordable Housing Program. In the past two years, the community organizers have assessed the needs of various tenant groups and have assisted them in getting the services that they need. They have given information and direction to the tenants when their rental properties have been put on the market for sale or when they have been informed that their properties are being turned into condominiums.

On April 30, 2005, the first Tenant Leadership Summit was held. Discussion at this meeting revealed that tenants are more and more concerned that they will be displaced when a property is converted into a condominium. Some of the efforts this next year will focus on assisting tenants in their goal of becoming first time home buyers by meeting with County and state officials to propose legislative changes to the Moderately Price Dwelling Unit (MPDU) Program, such as encouraging the County to include condominium conversions as part of the program. They are also interested in assessing other means that will afford more individual rights to tenants when properties are being converted.

■ ***Continue the Sponsorship of a Home Buyers' Club***

As noted earlier, the first Home Buyers' Club got underway in June 2005. This year-long program, which will help tenants prepare for home ownership, will be offered in Spanish during the next fiscal year. The goal is to reach as many residents as possible so that the process of purchasing a home becomes less intimidating and more of a reality through education and long-term financial planning.

■ ***Create an Inventory of Vacant/Abandoned Properties and Begin to Formulate an Action Plan That Will Rehabilitate Them Into Usable Housing Facilities***

An assessment of vacant and abandoned properties in Takoma Park needs to be compiled with a prioritization of goals to either convert the properties to usable housing facilities or to compel the owners to maintain them. The process is often complicated and expensive, but a careful selection can possibly bring results that can serve not only the residents of these neighborhoods but also those who may want to become a home owners in Takoma Park. Partnering with certain nonprofit organizations can be the key to making this program happen.

■ ***Establish and Fund the Revolving Loan Fund***

Although a recent application for state funding of a \$100,000 loan through the Community Legacy Program was not successful this past year, the goal is to continue to search for methods to fund the revolving loan fund as it assists registered tenant associations in paying for immediate costs that are associated with converting rental properties to condominiums or cooperatives. Staff will seek out grants, loans and possibly methods of voluntary contributions that will help make this program successful.

■ ***Promote the Housing Tax Credit Program for Home Owners and Renters***

Staff attended training on this state-sponsored program and will continue to provide information to Takoma Park residents via the Newsletter, City Website and the Office on Landlord-Tenant Affairs. This program is often overlooked by low to moderate income residents. Currently, both the state and Montgomery County are reviewing their tax credit programs to bring the guidelines more in line with today's housing prices and incomes. This will make more residents eligible if these changes are implemented for the 2006 program.

■ ***Optimize Use of The City's Website - Establish Links to Housing Resources***

With the recent improvements made to the City's website, information about affordable housing programs should be easily accessed via links to other important web sites. This year, the goal is to carefully plan out the information that needs to be disseminated and continue to update this information on a monthly basis. As new programs develop, they will also be publicized on all the City's informational networks. Concerted efforts are being made to provide the information in Spanish and French.

■ ***Promote the Landlord Certification Program to Real Estate Agents***

Landlords in Takoma Park are now more knowledgeable about the local codes dealing with licensing, property maintenance and landlord-tenant issues because of the Landlord Certification Program. Efforts were made this year to enlist the support of the Board of Realtors of Greater Washington to accept this informative training program as a credited course for their members. Unfortunately as we have not been able to sell the idea to the Board, staff will make a concerted effort this year to individually inform local real estate agents of the availability of this course so that they and prospective purchasers can attend. The more knowledgeable everyone is about local law, the smoother the transition will be when rental properties are sold.

■ ***Continue Proactive Enforcement of the Air-conditioning Ordinance***

Air conditioning is an amenity that is desired by many living in this region. As the option of having window air conditioners (whether tenant or landlord owned) has been available to many tenants, staff is monitoring the use of air conditioners in each rental property so that owners do not now charge an additional fee if none was previously charged, and that all tenants previously having the option of air conditioning at no charge are allowed to retain this amenity. The adoption of the air-conditioning Ordinance in December 2004 set this new enforcement in motion.

Mid-Term Goals (One to Three Years)

■ ***Research and Apply for Gap Funding Grants for Tenants Seeking to Purchase Their Rental Properties***

A critical need exists for gap financing for the purchase and conversion of rental properties to condominiums/cooperatives if tenant associations decide to exercise their rights to purchase under the Tenant Opportunity to Purchase Law. As rental properties continue to sell for higher and higher prices, the feasibility of purchase and conversion is questionable. In the next few years, staff will investigate more options for financing through foundations and other funding resources and will cultivate partnerships with non-profits and financial institutions to see if there is some stone unturned in regard to financing programs or projects.

Continue Efforts in Sponsoring Changes to the County and State Displacement and Condominium Conversion Laws to Benefit the Residents of Takoma Park

Changes to these laws will enhance the efforts to maintain an economic and culturally diverse population in Takoma Park. Partnerships with other jurisdictions and non-profit organizations remain an important aspect of this goal.

■ ***Continue Implementation of the Action Plan for Vacant/Abandoned Properties***

Continue to move forward in eliminating vacant and abandoned properties from the City. Partner with Montgomery County government, non-profit organizations and financial institutions to

accomplish the goals set forth in the Action Plan.

■ ***Complete the Recodification of Chapter 6.20 - The Rent Stabilization Law***

With recent Council discussion of the rent stabilization law continuing, the goal is to fully engage tenants and landlords in the process so that the Council can complete the review and the new law can be codified. In addition, departmental regulations will need to be revised and updated to accommodate new internal procedures.

■ ***Update the Rent Stabilization Database***

With the City's utilization of the Pentamation program, housing staff has proposed integrating the rents database into this program so that landlords eventually will be able to input their rent information directly on-line. The process for developing this system is unique and complicated, but it is staff's goal to make the entire rent stabilization program more technologically updated and thereby more cost effective to monitor.

■ ***Establish Partnerships With Local Financial Institutions to Create More Opportunities for First-Time Home Buyers***

State and County budget cuts have negatively affected funding for first-time home buying programs. In the coming year and beyond, staff will seek supportive partnerships with local financial institutions so that the goals of the Affordable Housing Program are fulfilled. Key to the program this year is educational outreach. Banks interested in fulfilling their obligations under the Credit Reinvestment Act (CRA) may also be interested in financially supporting our already established programs or can work with staff to create new programs that fit in with the City's Affordable Housing goals.

Long -Term Goals (three to five years)

■ ***Continue Action Plan to Eliminate Vacant/Abandoned Properties***

Continue the ongoing effort to constructively convert vacant and abandoned properties into usable housing facilities. Evaluate action plan and assess changes as needed.

■ ***Research the Development of Individual Development Accounts (IDA) That Can Be an Integral Part of The Home Buyer's Club***

IDAs are similar to 401(k)s and is a most promising tool that enables low to moderate income families save and build assets for major purchases such as a home. Typically, the sponsoring government agency or a private organization matches the individual's contribution, thus enabling a more rapid financial growth. Partnering with a financial institution plays an important part in the development of this program.

■ ***Research the Development of a Land Trust***

Staff will research land trusts to determine whether they can play a role in keeping affordable housing units in Takoma Park. A land trust can receive or purchase homes in need of rehabilitation and then sell them to new owners once the property is renovated. The trust is given the right of first refusal so that ownership remains within the trust.

In Summary

With the rapidly changing housing environment in the Washington, D.C. area, purchasing a home or condominium or finding affordable rental housing has become more and more difficult for families with low to moderate incomes. Takoma Park is still making inroads to keep and improve affordable housing opportunities within the City. The City's economic and cultural diversity needs to be maintained. That has been the pride of the City for many years and that is what the Affordable Housing Program strives to do, now and in the years to come.

Affordable Housing Policy and Action Plan
Status Report
October 2006

Adopted by Council resolution in July 2005, the Affordable Housing Policy and Action Plan identifies a number of activities developed to address the housing needs of the community and expand affordable housing options available to city residents.

The progress made toward the individual goals identified in the Plan is noted below.

Tenant Capacity Building Initiative

- Assisted in the organization of the Hampshire Towers Tenant Association and its efforts to purchase the rental facility. Facilitated their eventual partnership with Community Preservation Development Corporation (CPDC) and Tenacity Group, Inc. to purchase property. Met with seniors and disabled tenants to clarify their rights under the state and county condominium conversion laws.
- Assisted in the organization of a new tenant association at 1001-03 University Boulevard East and facilitated their analysis of the feasibility of the purchase of the property. The tenant association supported the purchase of the property by Montgomery Housing Partnership (MHP) and its continued use as rental housing.
- Assisted in the organization of a tenant association at 8624-26 Flower Avenue and facilitated a discussion of their interest in purchasing the property and the feasibility of such purchase. The tenant association supported the purchase of the property by MHP and its continued use as rental housing.
- Assisted in the organization of a tenant association at 719-21 Erie Avenue and facilitated their discussion of the feasibility of purchasing the property. The tenant association has expressed its interest in purchasing the property. Assisted association in obtaining legal counsel, allowing the group to investigate all of its options.
- Assisted tenants association at 8508-10 Flower Avenue in exploring its rights under the Tenant Opportunity to Purchase ordinance. The tenant association is supporting the efforts of MHP to purchase the property. Assisted the tenant association in obtaining pro-bono legal counsel which will be representing the tenants as the owner has filed a lawsuit claiming that the tenant association and the interested nonprofit organization lack standing to purchase.
- Worked extensively with city staff and tenants to help formulate proposed revisions to state legislation affecting condominium conversions.
- Worked with tenants residing at 641 Houston Avenue to ensure that their rights under the

state condominium laws were protected. Assisted in the eventual purchase of the rental property by MHP and its continued use as a rental facility.

- Assisted the tenants at 701-703 Ethan Allen Avenue organize a tenants association and hire an attorney when it appeared that the tenants right to purchase the rental property were violated. The City, the County' attorney, the purchaser of the property and the previous owner are currently in negotiation regarding the eventual sale of this property to either the tenants or a nonprofit organization.
- Attended a meeting conducted by landlord-tenant staff for tenants at 7600 Maple Avenue, (Park Ritchie) following the filing of a Hardship Rent Increase Petition by owner, Southern Management. They are proposing a 38% increase in rents. The tenants have expressed an interest in forming a tenants association so they can better participate in the petition process.
- Assisted HCD staff in promoting programming and events such as the Revolving Loan Fund, the annual housing fair, discussion of rent stabilization and the Affordable Housing Forum held on May 23, and the First Time Home Buyer Seminars.

Home Buyer's Club

- Developed Takoma Park's first Home Buyer's Club. Six of the thirty residents initially registered for the club graduated with HUD certificates in May 2006.
- Contracted with Latino Economic and Community Development to sponsor four First Time Home Buyer's Seminars. A representative from the State of Maryland's "More Home 4 Less," a real estate agent and a bank representative were among those who spoke at the first seminar conducted in Spanish on September 16, 2006. The second seminar, in English will be held on October 22, 2006 and the two others will be in the Spring of 2007.
- Partnered with Housing and Community Initiatives, Inc. to conduct two "Financial Fitness" classes during the Fall. These classes stress the concept of budgeting and living within your means so that major purchases, like buying a house, a condominium or a car may be realized.

Revolving Loan Fund

- Developed regulations, application form and other legal documents required prior to the implementation of the program.
- Marketed program to registered tenants associations, in the Takoma Park Newsletter, and through the Tenant Capacity Building Initiative.
- Approved two applications for funding, the first from the 719 -721 Erie Avenue Tenant Association and the second from Adams Court Tenant Association at 701-703 Ethan Allen Avenue.

Housing Tax Credit Program

- Attended training offered by the State of Maryland.
- Marketed the program in the Takoma Park Newsletter and on the City's website.
- Sent approximately 20 applications to residents who were interested in applying for the homeowner or renter's tax credit programs.

City of Takoma Park Website

- Revised the housing sections of the website, reformatting, expanding and updating information on the City's landlord tenant, rent stabilization and affordable housing activities. Currently finalizing proposed change.

Landlord Certification Program

- Pro-actively marketed the program to local real estate brokers and agents.
- Marketed program to prospective landlords unfamiliar with local rental housing laws.

Recodification of Rent Stabilization Law

- Researched rent control and rent stabilization legislation of other jurisdictions.
- Developed background information to assist in Council review of the current ordinance.
- Developed recommendations for recodification of the current ordinance.
- Advised tenants, landlords, and the community at large of the Council's review of the ordinance, promoted the public hearing held in March, and encouraged participation in the discussion.
- Facilitated the adopted of Ordinance 2006-3 which exempts certain properties from rent stabilization: Units leased to tenants assisted under the federal Tenant-based Assistance Program or similar programs; rental facilities in which one or more rental units are subject to a regulatory agreement with a government agency that controls rent levels and are available to only low-moderate income tenants; and new construction.
- Met with the Montgomery County Housing Opportunities Commission to coordinate processing of landlords' request for exemptions.
- Facilitated the execution of a contract for services with Dr. Kenneth Baar for an analysis of the current ordinance, the development of alternative means of regulating rents, and the recodification of the ordinance.
- Conducted a survey of all rental property owners to determine which properties include utility

costs in the rent. Information will be utilized when Council discusses the possibility of implementing utility surcharges.

Enforcement of Air-Conditioning Ordinance

- Developed informational sheet outlining the requirements of the ordinance. Material included with notice of violations issued by Montgomery County Code Enforcement staff.
- Monitored inspection reports to ensure compliance with the ordinance.
- Contacted more than 100 owners of licenses rental property to ensure that there is compliance with the Air Conditioning Ordinance. Two property owners informed the City they would be vacating their rental facilities in response to the enforcement.

Condominium Legislation

- Developed easy to understand informational material, summarizing pertinent state, county and city laws.
- Researched current state legislation governing condominium conversions and developed recommendations for Council consideration.
- Worked closely with tenants seeking legislative changes in the condominium laws.
- Assisted the Community and Government Liaison by providing information on key issues that the City was recommending for change to Maryland's Condominium Conversion Law.

Development of Land Trust and Affordable Housing Partnerships

- Initiated discussion with MHP regarding feasibility of establishing a local land trust.
- Attended a training that MHP sponsored on Land Trusts.
- Cosponsored with the Council of Governments, the May 23 Affordable Housing Forum.
- Participated in the planning and sponsoring of the Montgomery County Housing Fair and Financial Literacy Day, held on October 7, 2006.

Vacant/Abandoned Property Program

- Researched programming offered in other communities to address problems associated with vacant and abandoned or neglected property.
- Assisted in the development of a city-wide property survey that would assess the exteriors of all properties in Takoma Park.

- Applied for a grant through the CDBG program to obtain funds for homeowners whose properties have been noted as having exterior problems. The program, which was granted \$50,000 will be initiated in 2008 and will be available to seniors, disabled and families with limited incomes.

Tenant Emergency Assistance Program

- Developed regulations, donation form and other required materials clarifying the purpose and structure of the program.
- Developed informational insert for distribution with storm water billing.
- Promoted the opportunity to donate to the program in the Takoma Park Newsletter. A total of \$2,870 has been donated this year.
- Provide information to residents on how to access available support.

AFFORDABLE HOUSING OPPORTUNITIES

Regional Examples of Programing

October 2007

HOUSING DEVELOPMENT

Federal and State Programs . . .	1
Housing Trust Funds . . .	2
Community Land Trusts . . .	3
Tax Incentive Programs . . .	4
Regulatory Measures . . .	5

HOUSING PRESERVATION

Multi-Family Rehabilitation . . .	6
Single Family Rehabilitation . . .	6
Repair and Maintenance Assistance . . .	6
HOME Investment Partnership . . .	6
Homeowners Tax Credits . . .	6

HOMEOWNERSHIP

Purchase and Refinancing Assistance . . .	7
Educational/Capacity Building Programs . . .	9

TENANT ASSISTANCE

Rental Assistance . . .	11
Energy Assistance . . .	11
Emergency Assistance . . .	11
Renters Tax Credits . . .	11
Capacity Building Programs . . .	12
Educational Programs . . .	12

LEGISLATIVE AND REGULATORY MEASURES

Rent Stabilization . . .	13
Condominium Conversion . . .	13
Right of First Refusal/Tenant Displacement	13
Tenant Opportunity to Purchase . . .	13

EXAMPLE: Affordable Housing Projects . . .	14
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- KEY -

CDA Community Development Administration

DAT Department of Assessments and Taxation

DHCA Department of Housing and Community Affairs

DHCD Department of Housing and Community Development

DPS Department of Permitting Services

HHS Department of Health and Human Services

OHEP Office of Home Energy Programs

**- HOUSING DEVELOPMENT -
FEDERAL AND STATE PROGRAMS**

<p>Federal Grant programs are a major funding source for the development of affordable housing units nationwide. These programs are often administered by each state's housing agency. The programs empower people and communities to design and implement strategies tailored to their own need and priorities. The programs emphasize partnerships among all levels of government and the private sector in the development of affordable housing.</p>			
Program	Sponsoring Agency	Funding Source(s)	Available in Takoma Park
<p><u>HOME Investment Partnership (HOME)</u></p> <p>The HOME program is a federal program that provides funds to the State and certain local governments to promote affordable housing activities. HOME funds may be used to finance the construction, acquisition, and rehabilitation of rental housing, owner-occupied housing, and special needs housing such as group homes.</p>	<p>Montgomery County - DHCA</p>	<p>U.S. Dept. of Housing and Urban Development (HUD)</p> <ul style="list-style-type: none"> • FY08 Budget: \$2.86 million 	<p>Yes</p>
<p><u>Community Development Block Grant Program (CDBG)</u></p> <p>CDBG funds are provided on a formula basis to entitled cities and counties such as Montgomery County to develop viable urban communities by providing affordable housing. A portion of these funds have been allocated to the City of Takoma Park.</p>	<p>Montgomery County - DHCA</p> <p>City of Takoma Park</p>	<p>U.S. Dept. of Housing and Urban Development (HUD)</p> <ul style="list-style-type: none"> • County FY08 Budget: \$4.94 million • City PY34 Budget: \$135,000 	<p>Yes</p>
<p><u>Community Legacy</u></p> <p>Gap financing (loans and grants) designed to assist in the revitalization of targeted neighborhoods and communities.</p>	<p>State of Maryland - DHCD</p>	<p>State of Maryland</p> <ul style="list-style-type: none"> • FY08 Budget: \$6.5 million 	<p>Yes</p>

**- HOUSING DEVELOPMENT -
HOUSING TRUST FUNDS**

“Housing trust funds are powerful tools for providing locally targeted and managed assistance for affordable housing. The funds can have a variety of revenue sources. The most commonly used is a percentage of the local real estate transfer tax, penalties on late payments of real estate taxes, and/or fees on other real estate related transactions. Each housing trust fund has a governing body that decides how the funds are used. Some support demand-side solutions, such as subsidizing the down payment on a home purchase by low to moderate-income residents. Housing trust funds often address housing supply by providing financing, such as zero-interest loans or gap financing for affordable housing construction or preservation. “

“Toolkit for Affordable Housing Development” Washington Area Housing Partnership (Dec 2005)

Program	Sponsoring Agency	Funding Source(s)	Available in Takoma Park
Maryland Affordable Housing Trust Fund	State of Maryland - DHCD	Portion of interest generated by title company escrows <ul style="list-style-type: none"> • Maximum of \$150,000 per unit 	Yes
Montgomery County Housing Initiative Fund (HIF)	Montgomery County - DHCA	2.5% of property taxes, loan repayments, interest income, appropriations, condominium conversion fees, developer fees, MPDU fees, etc. <ul style="list-style-type: none"> • FY08 Budget: \$28.67 million • Average of \$14,000 per unit 	Yes
Greater Washington Area Trust Fund	Washington Area Housing Partnership (WAHP)	Donations from region’s larger employers and the Foundation community <ul style="list-style-type: none"> • \$25,000 to \$150,000 per project 	Yes

**- HOUSING DEVELOPMENT -
COMMUNITY LAND TRUSTS**

“Community Land Trusts (CLT) are private nonprofit corporations created to acquire and hold land for the benefit of a community and provide secure affordable access to land and housing for community residents. In particular, CLTs attempt to meet the needs of residents least served by the prevailing market. Improvements on community land trust property such as single-family or apartment dwellings are privately owned and can be bought and sold within certain terms, but the land remains under the ownership of the trust.”

Douglas Robinson - NeighborWork America (July 2006)

Program	Sponsoring Agency	Funding Source(s)	Available in Takoma Park
Burlington County Community Land Trust	Burlington County Community Land Trust (Nonprofit organization in Vermont)	Capitalized with a \$200,000 grant from the city in 1983. Supplemented with public funds, donations, revenue generated from the resale of properties and rents. • FY05 Budget: \$3.1 million	No
New Columbia Community Land Trust	New Columbia Community Land Trust (Nonprofit organization in Washington, D.C.)	Public funds and donations	No

**- HOUSING DEVELOPMENT -
TAX INCENTIVE PROGRAMS**

<p>Tax incentives ranging from the abatement of federal, state, county and local property and income taxes as well as tax free investment tools are often provided as incentives for the development of affordable housing, reducing the high cost of housing while insuring respectable profits for developers.</p>			
Program	Sponsoring Agency	Funding Source(s)	Available in Takoma Park
<p><u>Low-Income Housing Tax Credits (LIHTC)</u> Typically used in multi-family housing developments, the equity created by the sale of tax credits allows a reduction of the property's mortgage, allowing the owner to lower rents, making property affordable.</p>	State of Maryland - DHCD	<p>Federal and State Income Taxes</p> <ul style="list-style-type: none"> • Spring 2007: \$5.6 million • Average: \$8,000 per unit 	Yes
<p><u>Tax Exempt Bonds</u> Tax-exempt bond holders are exempt from federal taxation and generally from local taxation. Two types of bonds are typically available: affordable multifamily rental housing bonds (a private-activity bond) and 501(c)(3) bonds for nonprofit developers.</p>	State of Maryland - DHCD	<p>Federal / State Income Taxes Multi-family Bond Program (MBP)</p> <ul style="list-style-type: none"> • Fall 2007: \$34.5 million Rental Housing Fund (RHF) • Spring 2007: \$14.1 million • Average: \$20,00 per unit 	Yes
<p><u>Payment in Lieu of Taxes Agreements (PILOTS)</u> A waiver of property taxes for a defined period of time. The terms of the PILOTS authorized by Montgomery County and the City of Takoma Park have ranged from five to 40 years in length.</p>	Montgomery County - DHCA City of Takoma Park	<p>County Property Taxes</p> <ul style="list-style-type: none"> • FY08 PILOTS: \$8.7 million <p>City Property Taxes</p> <ul style="list-style-type: none"> • FY08 PILOTS: \$37,500 	Yes

**- HOUSING DEVELOPMENT -
REGULATORY MEASURES**

“Rigid zoning and land use control may limit the development of affordable housing. Growth control measures designed to protect open space increase the base cost of the land available for residential development. A variety of zoning and land use tools are available to remove barriers and encourage the development of affordable housing.”

“Toolkit for Affordable Housing Development” Washington Area Housing Partnership (Dec. 2005)

Program	Jurisdiction	Available in Takoma Park
<p><u>Inclusionary Housing Programs</u></p> <p>Designed as a local regulatory tool, inclusionary housing (zoning) requires developers to include a number of affordable homes in new residential developments over a certain size. Generally its 12%-15% of the total number of units. The cost of providing the affordable units is offset with a density bonus. The designated units are reserved for particular income groups and the resale price of the affordable units is restricted for a number of years.</p> <ul style="list-style-type: none"> • Moderately Priced Dwelling Unit Program (MPDU) • Workforce Housing Program (WHP) - Pending 	Montgomery County - DHCA	Yes
<p><u>Expedited Permitting or Redesigning Zoning Regulations</u></p> <p>Delays during any stage of development add to the final costs of new housing. Expedited permitting is a cost efficient and effective way of reducing developer costs by reducing the delays that may occur during the review and permitting process. Redesigning zoning regulations could include a waiver of height restrictions or streamlining of the accessory apartment process, thus creating additional housing units in a community.</p>	<p>Montgomery County - DPS</p> <ul style="list-style-type: none"> • Green Tape Program • Commercial Revitalization Overlay Zone (CROZ) 	<p>Commercial Districts</p> <p>Enterprise Zone</p>
<p><u>Density Bonuses</u></p> <p>Density bonuses are granted for projects in which the developer agrees to include a certain number of affordable housing units. For every one unit of affordable housing, a developer agrees to build a greater number of market rate units than would be allowed otherwise. A density bonus can vary from project to project.</p>	Fairfax County, Virginia	No

- HOUSING PRESERVATION PROGRAMS -

<p>Programs that promote maintenance and rehabilitation of current housing stock, including multifamily and single family properties, and/or provide financial assistance to qualified homeowners at risk of losing their homes. Funding available to individual homeowners and/or nonprofit housing developers.</p>			
Program	Sponsoring Agency	Funding Source(s)	Available in Takoma Park
Multi-Family and Single Family Rehabilitation Loan Programs	<p>Montgomery County - DHCA</p> <ul style="list-style-type: none"> • Rehabilitation Program for Small Rental Properties • Single Family Home Improvement Loan Program 	<ul style="list-style-type: none"> • Community Development Block Grant (CDBG) • HOME Investment Partnership (HOME) • Montgomery Housing Initiative Fund <p>FY08 Budget: \$1.46 million</p>	Yes
Single Family Home Rehabilitation Grant Programs	<p>Montgomery County - DHCA</p> <ul style="list-style-type: none"> • Weatherization Program <p>City of Takoma Park</p> <ul style="list-style-type: none"> • Property Maintenance Grant Fund 	<ul style="list-style-type: none"> • U.S. Dept. of Energy • Utility Companies <ul style="list-style-type: none"> • Community Development Block Grant (CDBG) <p>FY08 Budget: \$50,000</p>	Yes
Repair and Maintenance Assistance	<p>Rebuilding Together (Nonprofit 501 (c)(3) organization)</p>	<ul style="list-style-type: none"> • Corporate and Public Grants Donations • Volunteer labor 	Yes
HOME Investment Partnership (HOME)	<p>Montgomery County - DHCA</p> <ul style="list-style-type: none"> • FY08 Budget: \$2.86 million 	<ul style="list-style-type: none"> • U.S. Dept. of Housing and Urban Development (HUD) 	Yes
Homeowners Tax Credit Program	<p>State of Maryland - DAT</p> <p>City of Takoma Park</p>	<p>Property Taxes</p> <ul style="list-style-type: none"> • City FY08 Budget: \$160,000 	Yes

**- HOMEOWNERSHIP -
PURCHASE AND REFINANCING ASSISTANCE**

<p>Programs designed to assist first time home buyers with low interest loans, down payment assistance and/or closing cost assistance. Includes programming recently developed to assist home owners facing financial difficulty due to an adjustable rate or unfavorable mortgage. Programming assistance is provided directly to the individual or, in the case of the City of Takoma Park's Tenant Opportunity to Purchase Revolving Loan Fund, qualified tenant associations.</p>			
Program	Sponsoring Agency	Funding Source(s)	Available in Takoma Park
<p>More House 4 Less Program Low interest loan and down payment and closing cost assistance for first time home buyers.</p>	State of Maryland - CDA	State of Maryland	Yes
Mortgage Assistance Program and Purchase Assistance	Housing Opportunities Commission	US Dept. of Housing and Urban Development (HUD) - HOME	Yes
Revolving Closing Cost Assistance Program	Housing Opportunities Commission	<p>US Dept. of Housing and Urban Development (HUD) - HOME</p> <ul style="list-style-type: none"> • FY08 Budget: \$180,000 • Average: \$9,000 per loan 	Yes
Housing Choice Voucher Home Ownership Program	Housing Opportunities Commission	US Dept. of Housing and Urban Development (HUD) - Housing Choice Voucher Program	Yes
Home Purchase Program	Habitat for Humanities	<p>Grants Donations Sweat equity (150-500 hrs)</p>	Yes

Tenant Opportunity to Purchase Revolving Loan Fund Available for predevelopment costs	City of Takoma Park	City of Takoma Park • FY08 Budget: \$25,000	Yes
House Keys 4 Employee Workforce Housing Initiative	State of Maryland - DHCD / CDA • Matching funds up to \$5,000	State of Maryland MC Housing Initiative Fund • FY08 Budget: \$500,000	No
Lifeline Refinance Mortgage Program	State of Maryland - DHCD / CDA	State of Maryland	Yes

**- HOMEOWNERSHIP -
EDUCATIONAL AND CAPACITY BUILDING PROGRAMS**

<p>Programs that further home ownership opportunities by providing prospective homeowners with increased knowledge of the home buying process, post purchase issues and available services. Additional programming, such as that offered by the City of Takoma Park, provides the resources and knowledge needed when a qualified tenant association begins to pursue the purchase of a multi-family rental property.</p>			
Program	Sponsoring Agency	Funding Source(s)	Available in Takoma Park
<p>Montgomery County Housing Fair and Financial Literacy Day</p>	<p>Federal, State, County and Local Governments Nonprofit affordable housing organizations Financial Institutions Realtors</p>	<p>Exhibitor Fees</p>	<p>Yes</p>
<p>Individual Deposit Accounts (IDA) Educational and savings program which acts as an incentive program for first time home buyers, providing matching funds for participants</p>	<p>Montgomery Housing Partnership</p>	<p>Individual contributions Financial Institutions US Dept. of Housing and Urban Development (HUD) State of Maryland • 3:1 matching funds MHP: \$3,960 Individual: \$1,320</p>	<p>Yes</p>
<p>Home Buyers Club Working in conjunction with an IDA program, provides resources and knowledge needed to become a successful first time home buyer.</p>	<p>MANNA (Nonprofit organization - Washington, D.C.)</p>	<p>Foundation / Corporate Grants Donations</p>	<p>No</p>

Home Ownership Education Classes (Rockville)	Montgomery County- DHCA <ul style="list-style-type: none"> Housing and Community Initiative Inc. 	Montgomery County	No
First Time Home Buyer Classes (Takoma Park)	City of Takoma Park <ul style="list-style-type: none"> Latino Economic Development (LEDC) 	City of Takoma Park <ul style="list-style-type: none"> FY08 Budget: \$6,000 	Yes
Tenant Capacity Building Program Assists tenants interested in exercising their right to purchase a multi-family rental facility, in organizing as a tenant association, providing support through the development process	City of Takoma Park	City of Takoma Park <ul style="list-style-type: none"> FY08 Budget: \$35,000 	Yes

- TENANT ASSISTANCE PROGRAMS -

<p>Programs offering rental assistance and other financial assistance to income qualified tenants. To qualify, an individual or household generally must meet income guidelines established by the US Department of Housing and Urban Development (HUD) or the State of Maryland and which are based upon the median income for the area. Referrals to these programs are routinely made by the City of Takoma Park's Office on Landlord-Tenant Affairs.</p>			
Program	Sponsoring Agency	Funding Source(s)	Available in Takoma Park
Housing Choice Voucher Program (Section 8)	Housing Opportunities Commission	U.S. Department of Housing and Urban Development (HUD) <ul style="list-style-type: none"> • FY07 Budget: \$62.6 million • Ave: \$865 per voucher/month 	Yes
Rental Assistance Program (RAP)	Montgomery County - HHS	U.S. Department of Housing and Urban Development (HUD) <ul style="list-style-type: none"> • Maximum of \$200/month 	Yes
Maryland Energy Assistance Program (MEAP)	Montgomery County - OHEP	State of Maryland	Yes
Emergency Financial Assistance One time per year assistance for payment of rent, utilities, etc.	Montgomery County - HHS / OHEP	Montgomery County	Yes
Emergency Assistance Fund	City of Takoma Park <ul style="list-style-type: none"> • Adventist Community Services 	Donations	Yes
Renters Tax Credit Program	State of Maryland - DAT	State of Maryland	Yes

<p>Capacity Building - Tenant Associations</p> <p>Semi annual gathering designed to promote networking between tenants and tenant associations providing participants with the opportunity to become involved in legislative matters, tenant opportunity to purchase issues, and other topics of shared interest and concern.</p>	<p>City of Takoma Park</p>	<p>City of Takoma Park</p>	<p>Yes</p>
<p>Educational Programs - Tenants</p> <p>Periodic seminars providing tenants with information on their rights and responsibilities under the City of Takoma Park's Landlord and Tenant Affairs Ordinance.</p>	<p>City of Takoma Park</p>	<p>City of Takoma Park</p>	<p>Yes</p>

- LEGISLATIVE AND REGULATORY MEASURES -

<p>Legislative and regulatory measures designed to ensure an adequate supply of affordable rental housing is available and to preserve existing affordable rental housing. Measures include limitations on the frequency and level of rent increases that may be instituted by a landlord and regulations which provide additional homeownership opportunities to in-place tenants.</p>		
Program	Regulatory Agency	Available in Takoma Park
<p>Rent Stabilization - (Chapter 6.20 of the Takoma Park Code) Limits frequency and extent of rent increases that can be applied to a regulated rental unit.</p>	City of Takoma Park	Yes
<p>Maryland Condominium Act (Title 11 of the Real Property Annotated Code of Maryland) Affords tenants the right to purchase their unit when property is converted to a condominium. Provides an option for extended leases (3 year) to income qualified families.</p>	State of Maryland	Yes
<p>Montgomery County Condominium Law (Chapter 11A) Affords tenants residing in rental properties of 10 or more units, the right to purchase their unit when the property is converted to a condominium. Provides an option to enter into an extended leases (lifetime) to income qualified families. Extends the first right to purchase the property to the County or a recognized tenant association.</p>	Montgomery County - DHCA	Yes
<p>Montgomery County Right of First Refusal and Tenant Displacement Law (Chapter 53A) Extends the first right to purchase a multifamily rental facility to the County, HOC and the tenant associations the event the property is being sold. Requires owners of properties with four or more rental units to provide relocation benefits to tenants displaced due to substantial renovation of the unit and/or the property.</p>	Montgomery County - DHCA	Yes
<p>Tenant Opportunity to Purchase (Chapter 6.32 of the Takoma Park Code) Affords tenants - regardless of the size of the rental facility - the first right to purchase the property where they reside when it becomes available for sale.</p>	City of Takoma Park	Yes

PROJECT EXAMPLE
PRESERVATION OF EXISTING AFFORDABLE HOUSING

PROPERTY NAME: Victory Tower

PROPERTY OWNER: Victory Housing, Inc.

ADDRESS: 7051 Carroll Avenue, Takoma Park MD

NUMBER OF UNITS: 187 rental units

Project included the purchase and substantial rehabilitation of a 12-story apartment building in Old Town, resulting in the preservation of 187 units of existing affordable rental housing (99 efficiency units / 88 one bedroom units) for low income seniors. Minimum age of residents is 62. Maximum income is equal to 50 percent of median income for the Washington area, which varies according to family size. Tenants pay thirty-percent (30%) of income for rent and utilities in accordance with Section 8 regulations established by the U.S. Department of Housing and Urban Development.

PROJECT BUDGET:	Acquisition and Rehabilitation	\$ 12.6 million
	Cost on a per unit basis	\$ 67,400 per unit

FINANCING:	Low Income Housing Tax Credits	\$ 5.6 million
	Conventional / Construction Loan	\$ 5.2 million
	Housing Initiative Fund	\$ 1.1 million
	Montgomery County Revenue Authority	\$ 700,000

PROJECT EXAMPLE
PRESERVATION OF EXISTING AFFORDABLE HOUSING

PROPERTY NAME: Takoma Park Preservation - Scattered Sites

PROPERTY OWNER: Montgomery Housing Partnership

ADDRESS: 641 Houston Avenue, Takoma Park MD
8624-26 Flower Avenue, Takoma Park MD
1001 - 1003 - 1005 University Avenue, Takoma Park MD

NUMBER OF UNITS: 75 rental units

Project included the purchase and substantial rehabilitation of three scattered site multi-family rental housing properties in Ward 5 and Ward 6, resulting in the preservation of 75 units of affordable rental housing for low and moderate income households. Seven of the units are required to be rented to households with incomes at 40% of the area median income (AMI), 10 of the units at 50% of the AMI, and 50 units at 60% of the AMI which varies according to family size. A total of eight of the units are leased at market rate rents.

PROJECT BUDGET:	Acquisition and Rehabilitation	\$14.4 million
	Cost on a per unit basis	\$192,000 per unit

FINANCING:	Housing Initiative Fund	\$ 6.1 million
	Low Income Housing Tax Credits	\$ 4.75 million
	Conventional / Construction Loan	\$ 2.8 million
	Deferred Development Fees	\$ 436,000
	Neighbor Works America	\$ 267,000
	Enterprise Green Communities Grant	\$ 50,000