

Prince George's County Council

Agenda Item Summary

Meeting Date: 7/23/2014
Reference No.: CR-066-2014
Draft No.: 2
Proposer(s): County Executive
Sponsor(s): Harrison, Franklin, Davis, Patterson
Item Title: A Resolution amending the Annual Action Plan for Housing and Community Development: FY 2014 for the purpose of restructuring the existing "My HOME" program for: FY 2011, FY 2012, FY 2013, and FY 2014

Drafter: Eric C. Brown, Department of Housing & Community Development
Resource Personnel:

LEGISLATIVE HISTORY:

Date Presented:		Executive Action:	7/30/2014 S
Committee Referral:	6/30/2014 - C.O.W.	Effective Date:	
Committee Action:	7/23/2014 - FAV(A)		
Date Introduced:	6/30/2014		
Public Hearing:	7/23/2014 - 10:00 AM		
Council Action (1)	7/23/2014 - ADOPTED		
Council Votes:	WC:-, DLD:A, MRF:A, AH:A, ML:A, EO:A, OP:A, IT:A, KT:A		
Pass/Fail:	P		
Remarks:			

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

COMMITTEE OF THE WHOLE

Date 7/23/2014

Vote: Favorable with amendment, 7-0 (In favor: Council Members Davis, Franklin, Harrison, Lehman, Patterson, Toles and Turner/Absent: Campos and Olson).

Staff provided a summary of the resolution and referral comments that were received. CR-66-2014 approves amending the Annual Action Plan for Housing and Community Development: FY 2014 and restructuring of "My HOME" for FY 2011, FY 2012, FY 2013 and FY 2014 to restructure the homeowner assistance (mortgage principle reduction, down payment and/or closing cost assistance) provided to eligible first time homebuyers.

DHCD Director Eric Brown and Deputy Director Estella Alexander provided testimony in support of a Proposed Draft 2 of CR-66-2014, which would amend the 2014 Annual Action Plan to include changes in HOME funds allocations adopted in CR-62-2014 (Bladensburg Commons) and CR-65-2014 (Conifer Village at Oakcrest). The revised allocations are reflected in Attachment B in Draft 2 of CR-66-2014.

According to the Office of Audits and Investigations adopting CR-66-2014 will not have an adverse fiscal impact on

Prince George's County as it supports the use of State funding for the project.

The Office of Law finds CR-66-2014 to be in proper legislative form with no legal impediments to its enactment.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

This legislation will amend the Annual Action Plan for Housing and Community Development: FY 2014 and approve the restructuring of the existing "My HOME" program for: FY 2011, FY 2012, FY 2013, and FY 2014. This resolution requires a minimum of one public hearing under the "County Citizen Participation Plan: FY 2011-2015" because there is a meaningful change in the description of the program.

The "My HOME Program will assist income eligible first time homebuyers to purchase eligible residential properties by providing homeownership assistance as needed for mortgage principle reduction, down payment and/or closing cost assistance.

The restructuring proposal will change the current amount of homeownership assistance from 5% of the purchase price to the following tiered structure:

1. Up to \$20,000, as needed for households with an annual income between 50%-80% Annual Median Income (AMI).
2. Up to \$60,000 as needed for households with annual incomes at or below 50% of AMI.

The Acquisition and Rehabilitation Program provides funding to developers to acquire, rehabilitate and sell residential properties to income eligible low-income households. The New Construction Program provides subsidies to assist a developer to stimulate construction of new affordable housing for income eligible low-income households.

Financial assistance for homebuyers through these programs, may be in the form of grants, deferred-payment loans, 0% or below-market-rate loans, loan guarantees to mitigate the risk to a lender, or a development subsidy to allow a home to be offered below the market rate to increase the home's affordability for income eligible households.

Applicants must comply with monthly housing costs burden and total debt ratio requirements set administratively by the Department of Housing and Community Development. The loan to value of the first mortgage provided by participating lenders must be a minimum of 65% of the value of the property. All properties must pass a Housing Quality Standards (HQS) Inspection. Eligible "My HOME" properties for homebuyer activities include single family, townhomes, and condominiums.

CODE INDEX TOPICS:

INCLUSION FILES:

I-CR-66-2014 Attachment B.pdf
