

Income-Based Assisted Housing in Rockville

10/1/2010

Attachment B

Please see Attached Key to Housing Programs for definitions and discussion of the terms in this table

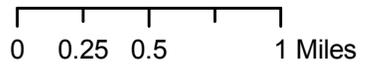
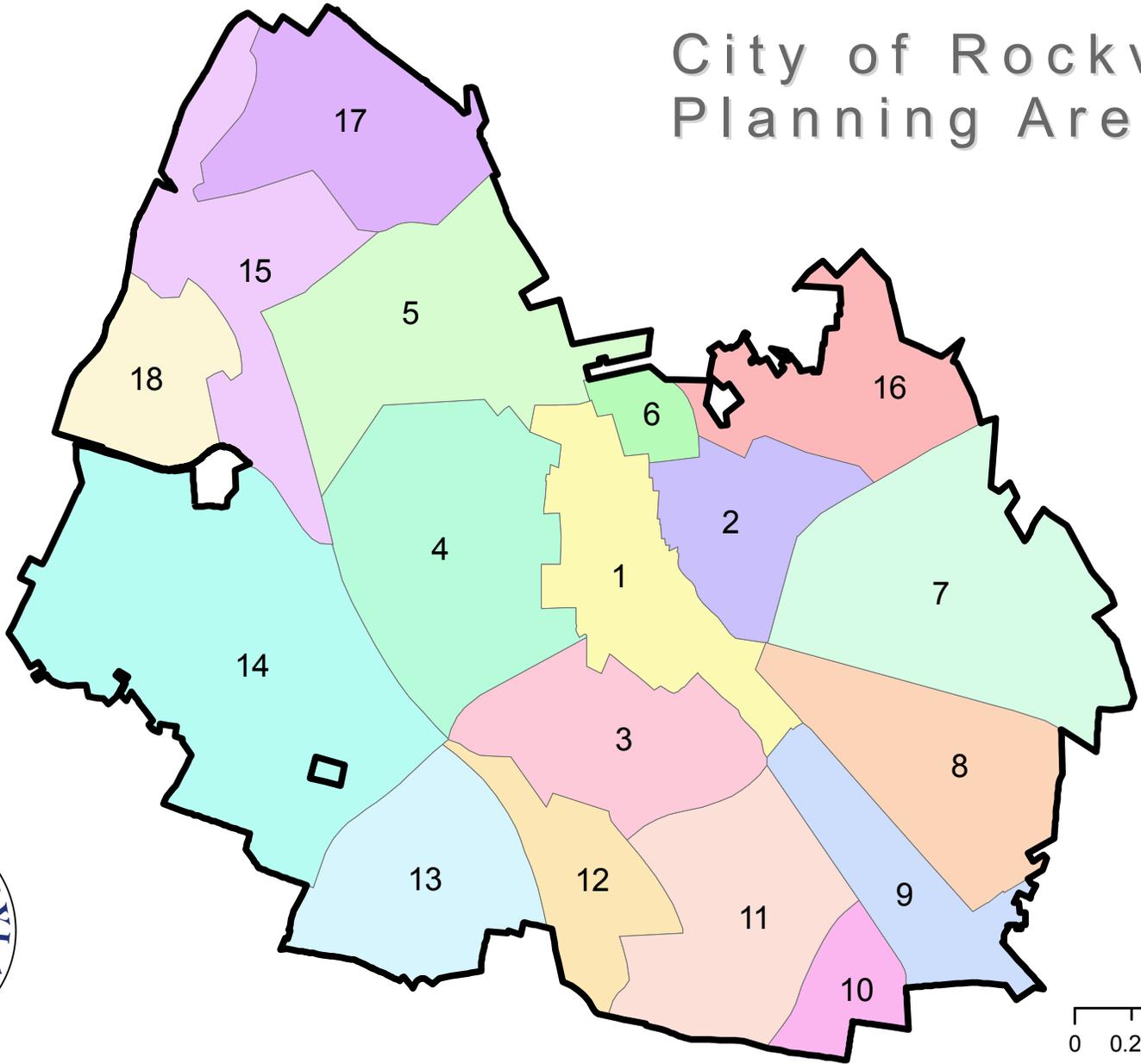
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	Planning Area	MPDU (rental and home-ownership)	R.E.A.C.H Affordable Home-ownership	Workforce Housing (ownership)	HUD Assisted Project Based (202 + 236+Sec 8)	Mixed-Income rental (incl LIHTC)	Housing Choice Vouchers (Sec 8)	Tax-Exempt Financed (<60% AMI)	RHE Scattered-Site Public Housing	RHE Conventional Public Housing	Totals
Existing											
King Farm	17	328		49							377
Fallsgrove	18	204									204
Rockville Pike	9	88			256						344
Town Center	1	166			225	60	69				520
West End/Woodley G. E-W	4	16									16
Hungerfor/Lynfield	3							190			190
Lincoln Park	6	8	38				59				105
Southlawn	16									76	76
Twinbrook Station	*	42									42
City Wide							359		29		388
Total		852	38	49	481	60	487	190	29	76	2262
Pipeline											
Town Center (KSI,Duball)	1	121									121
Upper Rock	15	106									106
Twinbrook Station	*	213									213
Victory Court **	1					86					86
Total		440	0	0	0	86	0	0	0	0	526
Total (Existing+Pipeline)		1,292	38	49	481	146	487	190	29	76	2,788

1. Rockville Program
2. Rockville Program
3. Montgomery County / HOC Program
4. Federal Program: HUD & FHA
5. Federal Program/ IRS / Other
6. Federal Program / HUD
7. Federal Program / IRS
8. Federal Program / HUD Public Housing
9. Federal Program / HUD Public Housing

- Data Information Sources:
- City of Rockville
 - City of Rockville
 - Montgomery County
 - City of Rockville
 - Rockville Housing Enterprises
 - Rockville Housing Enterprises

Notes: * Twinbrook Station has not been formally placed into any single planning area since it was annexed into the City after the last Comprehensive Master Plan (CMP)
 ** This report reflects the total number of units for Victory Court. The final number of assisted units is contingent upon the final financing of the project.

City of Rockville Attachment B Planning Areas



- | | | |
|--|--|--|
| EAST ROCKVILLE (2) | ORCHARD RIDGE, POTOMAC WOODS, AND FALLS RIDGE (13) | TOWN CENTER (1) |
| HUNGERFORD, STONERIDGE, AND NEW MARK COMMONS (3) | RESEARCH/PICCARD AREA (15) | TWINBROOK (8) |
| KING FARM (17) | ROCKSHIRE AND FALLSMEAD (14) | TWINBROOK FOREST AND NORTHEAST ROCKVILLE (7) |
| LINCOLN PARK (6) | ROCKVILLE PIKE (9) | WEST END AND WOODLEY GARDENS EAST WEST (4) |
| MONTROSE (10) | SOUTHLAWN/REDGATE (16) | WESTMONT/TOWER OAKS (12) |
| NORTH FARM (11) | THOMAS FARM (18) | WOODLEY GARDENS AND COLLEGE GARDENS (5) |

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Key to Housing Programs in Rockville (Not a complete list of all housing programs)

Note: Some Programs are Blended with Other Programs, as discussed below

City of Rockville Programs

Moderately Priced Dwelling Units (MPDU)

The City of Rockville administers the Moderately Priced Dwelling Unit Program. It is targeted to assist those making up to 60% of the area median income, with a current limit of \$62,100 for a family of four. The program, established in 1990, is based on a similar program that began in Montgomery County. However, the County houses those families with an income that is up to 70% of the AMI (Adjusted Median Family Income). Within Rockville, all new developments exceeding 50 units must lease at least 12.5% of all units as Moderately Priced Dwelling Units. Within the Town Center and the Rockville Pike Corridor, 15% of new units must be designated as MPDUs. The MPDU program is the result of inclusionary zoning. The program requires no financial support from the local, county, state, or federal government. It is totally financed by private funds. It uniquely guarantees that a unit is affordable for up to 30 years or more, depending on the amount of restrictions imposed.

A MPDU unit may be either leased or sold by the developer/owner. All units that are sold must be owner-occupied. Purchasing costs and rents for MPDU units are based on a formula within the City of Rockville's MPDU ordinance and regulations. MPDU rental prices are calculated yearly, in March, and based on the Department of Labor's Consumer Price Index.

As of June 1, 2010, MPDU rents are as follows: Studio/Efficiency = \$906.00; One bedroom = \$ 1035.00; Two bedrooms = \$1,164.00; and Three bedrooms = \$1,294.00

A Housing Choice Voucher (HCV), described below, may be utilized as payment for MPDU rental cost. This program is formerly known as "Section 8." Montgomery County chooses to set rents at 25% of a household's income level, meaning that all rents are "affordable" which is not true for MPDU units in the City of Rockville. There is no computation that limits payment to 30% of income for the Rockville MPDU program.

Priority is given to those applicants who wish to rent, and who are 62 or older. Currently, there are 327 MPDU units within King Farm, 203 units within Falls Grove, 88 units in the Rockville Pike planning area, 166 units within Town Square, 16 units within West End, and 8 units within Lincoln Park. Locations of approved but unbuilt projects that, once developed, will provide MPDU units include 121 units within Town Center, 106 units within Upper Rock, and 213 units within Twinbrook Station.

Additional information regarding the Rockville MPDU Program can be obtained at <http://www.rockvillemd.gov/residents/MPDU>

R.E.A.C.H. Affordable Homeownership

The City of Rockville, in partnership with Housing and Community Initiatives, Incorporated, provides funds to assist first-time homebuyers (individuals who have not owned a home within the past 3 years). They are assisted with down payment and closing costs. The program targets those who can afford to make a monthly mortgage payment, but are not able to fully afford the down payment or closing costs necessary to purchase a home. The maximum assistance given is \$12,000, in the form of an interest-free loan that must be repaid over 7 years. Applicants must live or work within the incorporated limits of the City of Rockville, and the home being purchased must also be located within the City. The applicant must pre-qualify for a permanent mortgage loan from a bank or mortgage company, and household income must be at least \$22,000 and less than or equal to \$98,400.

Montgomery County Programs

Montgomery County provides the **Workforce Housing** program. The law applies to developments in certain high-density, transit-oriented zones in the County, and to future new developments that are approved by the Maryland-National Capital Park and Planning Commission (M-NCPPC). The Workforce Housing bill requires developers of projects with 35 units or more, and which are located in Metro Station Policy Areas in the County, to provide 10 percent of the units as Workforce Housing units. Also, when the County makes county-owned land available for residential development through a competitive process, it requires that a Workforce Housing component be included. The Housing Opportunities Commission (HOC) administers Montgomery County's Workforce Housing Program, which is available to those making 71 – 120% of the Area Median Income (AMI), and targeted to public employees working in the County. There are 49 units in the Village at King Farm, which are located in buildings where the first floors are retail businesses. One unit of parking is provided per unit. Units are sold at below-market prices. Three different sales tiers are enforced, depending on the income range of the household: 71-85%, 86-100%, or 101-120% of the AMI. The County notes that not all units may be affordable to all households. Twelve of the units were filled through priorities established by the City of Rockville.

Federal Housing Programs

This housing is owned or developed by private owners who apply for subsidies.

Section 202 of the Housing Act of 1959 is Housing For the Elderly. It has financed:

- **Christian Church Facilities for the Aging.**
- **Bethany House**, opened in 1968, contains 256 apartment units, and can house up to 372 residents. Monthly fees range from \$0 - \$1000. The minimum age is 62.
- **Wallace Campbell and Company**
Heritage House Co-Op contains 100 -1-bedroom units

Section 236 is a program of the National Housing Act (added in 1968), which has the distinction of requiring households to pay full operating costs and cover what the landlord's mortgage costs would be if the interest rate were one percent ("basic rent"). The subsidies pay the landlord the difference between tenant rents and total costs. These are called private subsidized projects (or "project based"). This requirement keeps out many low-income households, who cannot afford the rent, so HUD Section 8 (Housing Choice Voucher) subsidies have been added to two-thirds of the Section 236 units (LMSA "Section 8 Loan Management Set Aside"). These LMSA units have the more usual rule that tenants pay 30% of their adjusted income.

The **Low Income Housing Tax Credit** is a program of the Internal Revenue Service, where landlords obtain tax benefits for renting to low income households. The Maryland Department of Housing and Community Development (DHCD) administers the program in Maryland.

Tax-Exempt Financed Housing takes advantage of the tax code to use tax-exempt bonds to construct housing that will serve households under 60% of AMI.

Housing Choice Vouchers (HCV), formerly *Section 8 Certificates+Vouchers* (see below under RHE, as well) One of the main programs of the Housing Act of 1937 (this section was added in 1974). Local and state governments receive funding to assist low-to-moderate income residents with payment to private landlords to ensure that no more than 30% of income is paid for housing cost. Eligible incomes are up to 80% of the median family income. The housing is usually privately owned. The household can relocate anywhere in the United States and the subsidy stays with the tenant. Private landlords participate in the program by choice. There is no requirement that a landlord or owner must participate. HCVs are "tenant-based", not "project based". There is an extensive waiting list maintained by the Local Public Housing Authority for the HCV.

Rockville Housing Enterprises (RHE) -- <http://www.rockvillehe.org/index.html>

RHE is Rockville's Housing Authority and receives HUD funding to finance, built and operate housing units.

Public Housing

RHE operates 105 units of public housing, including 29 single-family **Scattered-Site Public Housing** units throughout Rockville and 76 **Conventional Public Housing** units at David Scull Courts. Rent is either set at approximately 30% of the household's income, or is set at market value, although HUD (through RHE) has established \$50 per month as the minimum payment. 75% of new admissions must meet the guidelines for extremely low income, meaning \$31,050 for a family of four. To be eligible for public housing, a family of four must make under \$51,750. RHE maintains a waiting list for the program.

Housing Choice Voucher (HCV) Program

RHE currently administers 414 units in its Federally funded Housing Choice Voucher (HCV) Program. HCVs are different from public housing in that they are linked to the tenant, rather than a specific property. The HCV program allows tenants to rent in the private market while ensuring that only 30% of their income goes towards rent. After the tenant has paid his/her share, RHE pays the remaining balance to the landlord, up to the guidelines set for the unit size that is being rented. RHE maintains a waiting list for the program.

MPDU/RELP/ Low-Income Housing Tax Credit (LIHTC) Program

RHE's subsidiary, RELP One, LLP, owns and operates 58 LIHTC rental units, condominiums and townhomes, primarily in the King Farm and Falls Grove neighborhoods. Prospective residents must fall within specific income guidelines (\$36,000 to \$61,620 for a family of four) as well as passing criminal and credit checks. The LIHTC Program allows families to pay below-market rate for rental housing, while giving the owners tax credits to offset costs. These units are also a part of the MPDU program and receive referrals from the City of Rockville. No waiting list is maintained for the units.

Some Facts on Affordable Housing

Affordable Housing

Affordable housing is defined by U.S. Department of Housing and Urban Development as that for which “the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities,” (HUD).

Government Assisted Housing

Government housing assistance is available to low-income persons through three major programs: public housing, Section 8, and Section 202. Public housing and Section 8 programs are managed by local housing authorities, and Section 202 housing is sponsored on a complex-by-complex basis by non-profit companies. Most of these programs are over-subscribed, with waiting lists that vary in length.

Income Limits

The 2010 Annual Median Family Income For A Family Of Four Persons in Rockville Is \$103,500. The table, below, defines the income levels recognized by HUD for Rockville, for various family sizes.

Family Size (Number of Persons)	Maximum Income For Family Earning 30% of Median Family Income (Extremely Low Income)	Maximum Income For Family Earning 50% of Median Family Income (Very Low Income)	Rockville MPDU Income Limits – Family Earning 60% of Median Family Income	Maximum Income For Family Earning 80% of Median Family Income (Low Income)	Workforce Housing (up to 120% of Median Family Income)
1	\$21,750.	\$36,250.	\$43,500.	\$45,100.	\$83,000.
2	\$24,850.	\$41,400.	\$49,700.	\$51,550.	\$95,000.
3	\$27,950.	\$46,600.	\$55,900.	\$58,000.	\$107,000.
4	\$31,050.	\$51,750.	\$62,100.	\$64,400.	\$119,000.
5	\$33,550.	\$55,900.	\$67,100.	\$69,600.	\$128,000.
6	\$36,050.	\$60,050.		\$74,750.	
7	\$38,550.	\$64,200.		\$79,900.	
8	\$41,000.	\$68,350.		\$85,050.	

Sources: HUD (U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT), MONTGOMERY COUNTY, MD., CITY OF ROCKVILLE, MD.