

I. Introduction

Prince George's County has many housing programs, related policy tools and financing mechanisms to support housing development and facilitate preservation efforts throughout the county. Many of these programs are supported by federal, state and local resources. The Program and Policy Assessment included a review of the following programs, policies and financing tools currently used by the County to address housing related conditions and challenges:

Housing Programs	Policies	Financing
<ul style="list-style-type: none">•Housing Production Program•Acquisition and Rehabilitation•Pathway to Purchase•Housing Rehabilitation Assistance Program (HRAP)•Housing Choice Voucher Program•Moderate Rehabilitation Program•Veterans Affairs Supportive Housing•Homeless Rental Assistance•Rental Allowance Program•Clean Energy Programs	<ul style="list-style-type: none">•Density Bonus•Right of First Refusal•Parking Waivers•Deferred Land Sales•Public Land Disposition•Public Safety and School Charge Exemption•Revitalization Tax Credit	<ul style="list-style-type: none">•Housing Investment Trust Fund•Payment In Lieu of Taxes (PILOT)•Tax Increment Financing (TIF)•EB-5 (Immigrant Investor) Program•Economic Development Investment (EDI) Fund• Parking Revenue•Property Assessed Clean Energy (PACE)•New Market Tax-Credits (NMTC)•Federal Housing Resources (HOME, CDBG, LIHTC)

The assessment sought to answer two questions, including:

1. How do these housing programs, related policies and financing tools address the County's housing conditions?
 - Limited housing options
 - Shortage of affordable rental units
 - Aging and poor-quality housing stock
 - Neighborhood revitalization
 - Residents vulnerable to displacement
2. How do these housing programs, related policies and financing tools advance the County's key goals?
 - Attracting new residents (this includes implications for millennials, employers, developers)
 - Supporting existing residents (this includes implications for long-time residents, seniors, and other residents at-risk of displacement)
 - Building on strategic investments (e.g. TOD areas, including Purple Line, high-value parcels, and TNI areas)

II. Summary of Key Findings from Review of Programs

The following summarizes key findings from the review of the County's housing programs and how they **currently** address the conditions and goals above.

Programs	Market conditions					Strategic goals		
	Limited housing options	Shortage of affordable rental units	Housing quality concerns	Neighbor-hood revitalization	Displacement concerns	Attracting new residents	Supporting existing residents	Building on strategic investments
Housing Production Program	X	X				X	X	X
Acquisition and Rehabilitation			X	X			X	
Pathways to Purchase Program	X					X	X	
Housing Rehabilitation Assistance Program (HRAP)			X	X			X	
Housing Choice Voucher Program		X					X	
Housing Choice Voucher Home-ownership Program	X						X	
Moderate Rehabilitation Program		X	X				X	
VASH Vouchers		X					X	
HOPWA		X					X	
Rental Allowance Program		X			X		X	
Clean Energy Programs	*	*	*	*	*	X	X	

*Subject to finalized program details (still under development)

- the County's current programs do not prioritize preservation of existing affordability. The HRAP program is focused on preservation of owner-occupied housing, and the HITF includes preservation as an eligible use however additional or updated programmatic, policy and financing tools may be needed to ensure the County maintains this asset moving forward.
- Existing programs do not specify or prioritize more diverse housing products, contributing to the limited housing options available in the County. Aligning priorities with desired projects and established geographic targets can help address this.
- There are a several current County programs that offer direct financial assistance to residents to help with housing costs (Pathway to Purchase, Housing Choice Vouchers, Rental Allowance Program), but they have not been able to keep up with residents' needs. More specific targeting of programs and other policy changes (e.g. requiring the acceptance of vouchers when investing resources in a project) may help magnify the impact of these programs. There is also clear interest in additional support for homeownership among residents. Bolstering homeownership counseling, particularly for eligible voucher recipients, may help build new pathways from existing rental programs into homeownership and create a steady pipeline for the Pathway to Purchase loan program. The County may wish to leverage this program through a Community

Land Trust or otherwise apply re-sale restrictions to homeownership projects it invests in, to preserve longer-term affordability.

- Currently, the County's programs emphasize new construction over preservation, which limits the County's ability to address its aging housing stock and preserve quality and affordability of existing rental housing. It may be more timely and cost-efficient for the County to preserve these properties now, rather than waiting to build new affordable units, especially as various markets throughout the county continue to heat up (e.g. areas around the Purple Line). New tools like PACE and Section 108 could capitalize initial efforts to improve quality and affordability of existing stock.
- Many of the County's housing programs are offered countywide. While this creates flexibility, it limits the impact the County's investment can have on existing housing conditions, particularly given the significant variation observed across the County's various submarkets. In addition to considering additional targeting and scaling of existing programs, the County should leverage opportunities to create new programs that address specific market conditions. For example, the County's Clean Energy Programs offer an opportunity to leverage new programs and resources to support strategic investments, and programs targeting innovative and lower cost housing design could support both market rate and affordable housing.

III. Summary of Key Findings from Review of Policy Tools

The following summarizes key findings from the review of the County's housing policies and how they **currently** address the conditions and goals above.

Policy tools	Market conditions					Strategic goals		
	Limited housing options	Shortage of affordable rental units	Housing quality concerns	Neighbor-hood revitalization	Displacement concerns	Attracting new residents	Supporting existing residents	Building on strategic investments
Density Bonus	X	X				X	X	X
Right-of-First Refusal		X	X				X	
Deferred Land Sale Price	X	X	X			X	X	X
Public Land Disposition	X	X	X			X	X	X
School Surcharge Exemptions	X	X				X		X
Revitalization Tax Credit				X			X	X

- There are few current policies to support residents vulnerable to displacement. There are a variety of ways the County can better support existing residents vulnerable to growing market pressures, e.g. exploring additional protections for renters or offering tax relief to long-time homeowners. Additionally, developing a relocation/displacement policy when redeveloping multifamily properties would support vulnerable residents.
- The County can create stronger connections between existing housing programs, particularly those that target TOD areas, and other available tools to capitalize on existing market trends.

For instance, if the County relaxes Adequate Public Facilities Ordinance requirements within Regional Transit Districts and provides upfront infrastructure investments so critical to priming the pump for TODs, these combined actions may support higher density development around transit.

IV. Summary of Key Findings from Review of Financing Tools

The following summarizes key findings from the review of the County's financing tools and how they **currently** address the conditions and goals above.

Financing tools	Market conditions					Strategic goals		
	Limited housing options	Shortage of affordable rental units	Housing quality concerns	Neighbor-hood revitalization	Displacement concerns	Attracting new residents	Supporting existing residents	Building on strategic investments
Housing Investment Trust Fund	X	X						
Payment In Lieu of Taxes (PILOT)	X	X						X
Tax Increment Financing (TIF)		X		X				X
EB-5 (Immigrant Investor) Program		X						X
Economic Development Investment (EDI) Fund								X
Parking Revenue	X	X				X		X
Property Assessed Clean Energy (PACE)			X	X	X		X	
New Market Tax-Credits (NMTC)		X						X
Federal Housing Resources (HOME, CDBG, LIHTC)	X	X	X	X		X	X	
Housing Investment Trust Fund	X	X						

- Broadly, there are limited resources and few tailored financing products to support housing development. Developing financing term sheets across County departments engaged in development activities would provide more transparency on priorities, subsidies or incentives available, and accessible evaluation criteria for existing financing mechanisms could create a more appealing environment for development in the county. Accounting for these market-based perspectives in updating existing policies, programs, and financing will support a more robust environment for development.
- Additional resources can be cultivated to support more preservation, mixed-income, and mixed-use development (e.g. parking revenue, Section 108, PACE, etc.). The Revenue Authority currently had a \$33.6 million net position in 2017. Revenue generated from parking could provide a substantial resource to support housing development in the County, if the funds could be reserved for housing development on an annual basis. While parking revenue is currently dedicated for other uses in the coming years, these funds could be used as a dedicated source to support housing development in the future. This funding source could be designed as an

equity, preservation or acquisition tool to support development. The County has \$20.6 million in Section 108 borrowing capacity which could be leveraged to support more mixed-income and mixed-use development projects.

- The County can expand on existing efforts to target policy tools to TOD areas (e.g. Housing Production Program, Density Bonus, Public Safety and School Charge Exemptions) by establishing priorities for access to transit and other pathways to opportunity to guide financing decisions. As noted above, the County could strengthen its existing Housing Production Program by creating consistent funding term sheets and an outline of the review process to increase transparency. The County has aligned local application timelines with applications for other financing/incentives (across the local, state, and federal levels). This additional transparency and financing availability will provide additional leverage opportunities, allowing developers to provide more units affordable to different income levels in these priority areas.

V. Preview of Full Task 4 Report

The full Task 4 report will be released as part of the final Comprehensive Housing Strategy document. That report provides a more in-depth assessment of each program, policy and financing tool, plus recommendations to better leverage and modify existing tools. The report also summarizes new programs, tools and financing the County could pursue to address existing and future housing market conditions and achieve the County's housing goals.