

## Montgomery County

### Major Existing Policies & Programs Related to Rental Housing

1. The Moderately Priced Dwelling Unit (MPDU) Program. The MPDU Program is Montgomery County's innovative inclusionary zoning program. In effect for nearly 40 years, with periodic modifications, the MPDU law ensures that developments of 20 units or more set aside between 12.5% and 15% of rental and for-sale unit for moderate income households.
2. The Montgomery Housing Initiative (MHI) Fund. The MHI Fund is the County's local housing trust fund that provides loans to the Housing Opportunities Commission (HOC), nonprofit developers, experienced rental property owners, and for-profit developers to build new housing units, renovate deteriorated multi-family housing developments, preserve existing affordable housing, and provide special needs rental housing.
3. Workforce Housing (WFH) Program. The WFH Program provides rental and for sale housing serving households up to 120% of Area Median Income (AMI). The WFH program is voluntary for private developers but the inclusion of WFH units can be offered as a public benefit used to achieve higher densities in CR zones. The county requires WFH units as a condition of development agreements related to the use of county owned land used for housing.
4. State and Federally-Funded Housing Renovation and Special Needs Housing Programs. Federal agencies provide essential funds to County programs for the construction, acquisition, and renovation of housing for special needs populations, and the weatherization and renovation of single-family homes owned by lower income households. Most funds have come from the U. S. Department of Housing and Urban Development through programs such as the Community Development Block Grant (CDBG) program, federal HOME Investment Partnership Program, the HUD 202 Supportive Housing for the Elderly Program, and the HUD 811 Supportive Housing for Persons with Disabilities Program. The County also utilizes federal assistance through the Low Income Housing Tax Credit (LIHTC) program.
5. Housing First and Homelessness Programs. Montgomery County provides important housing and services to homeless individuals and families, persons with mental health and substance abuse issues, individuals with developmental disabilities, and seniors. Working with public and private agencies, the County's Department of Health and Human Services (HHS) operates a variety of programs that include the Housing Initiative Rental Subsidy Program which provides rental subsidies for special needs households with income below 30% of AMI; Eviction Prevention and Emergency Housing Assistance to households experiencing a housing emergency; and Supportive Services to help stabilize households through assistance with budgeting and linkages to community resources.
6. County-funded Rental Assistance Programs. The Rental Assistance Program (RAP) serves elderly and/or disabled, low-income intact families, and low-income single parent headed households. The County RAP program provides monthly subsidies to households with income below 50% of AMI. The County also has a Rent Supplement Homelessness Prevention Program, and a Handicapped Rental Assistance Program.

7. Housing Code Enforcement and Rental Licensing. The Housing Code Enforcement section inspects and enforces the county's housing code, while the Rental Licensing program issues licenses for rental housing. Both programs ensure that health and safety standards are met, and provides an environment where tenants are less willing to accept unsafe or unsanitary living conditions.

8. Accessory Apartments and Registered Living Units. Accessory Apartments are additional residential units on single-family lots that have their own kitchens, bathroom facilities, and sleeping areas. A related type of unit is a Registered Living Unit. They are similar to accessory apartments, except that the units are occupied rent-free by either a relative or a household employee of the owner occupant. Both housing types comprise a little more than one thousand units at present.

9. Condominium Conversion Tax Program. The Condominium Conversion program ensures that the conversion of rental housing to for sale condominiums includes tenant notification and displacement mitigation. The County and HOC have the first right to purchase a rental property with 10 or more units where the owner plans to convert the units to condominiums.

10. Use of County-owned Land. Surplus public properties suitable for affordable housing have been made available to for-profit and non-profit developers for assisted or below market housing. In addition, new county facilities, such as police and fire stations, often include an on-site affordable housing component. Several projects have been completed in the past years that include rental housing.

11. Payment-in-Lieu-of-Taxes (PILOT). The County may agree to accept a negotiated PILOT, including special area taxes, that would otherwise be levied on a qualifying housing development. In general, the PILOT results in a reduced tax bill for a specified period of time.

12. Right-of-first-Refusal (RoFR). The RoFR law requires that the County and/or HOC have the right to match any signed bona fide third-party sales contract for an existing rental building in the county.

13. Rental Agreements. Rental Agreements are utilized by the County in conjunction with landlords and multifamily property owners to assist in the preservation of affordable housing units in the County. In many cases, such agreements are entered into voluntarily between existing tenants and property owners to address the specifics of future rent increases and are also utilized with multifamily housing developers to address future rent increases with a Rent Regulatory Agreement is not feasible or applicable.