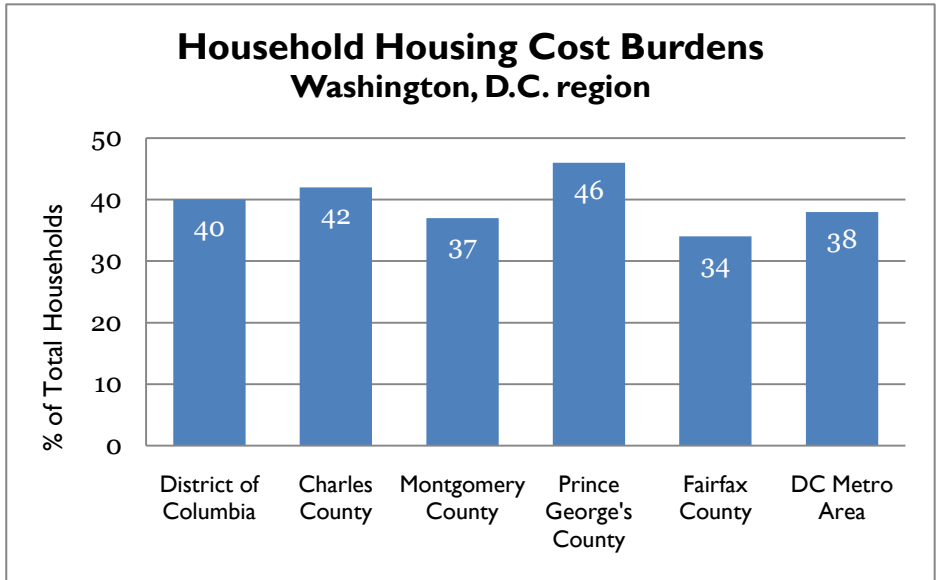
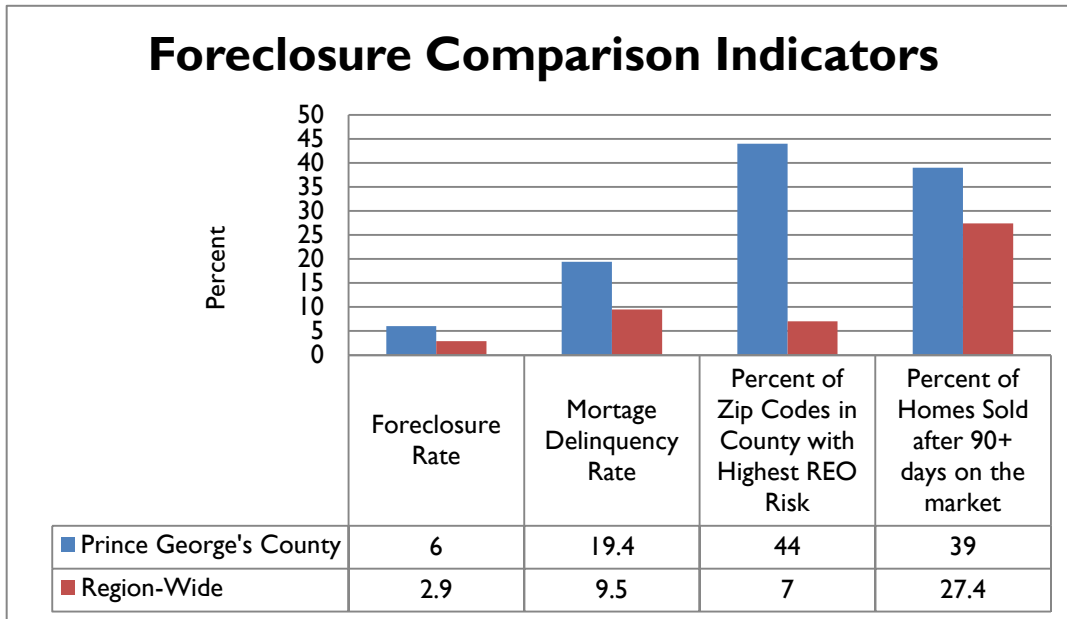


Nearly Half of County Residents Pay Too Much for Housing

Prince George's County households face the highest housing cost burdens in the region. Families are considered cost burdened if they spend more than 30 percent of their monthly income on housing costs, which can impact both renters and homeowners alike. In Prince George's County, 46 percent of households experience these burdens, compared to a region-wide average of 38 percent.



Source: Prince George's FY 2011-2015 Consolidated Plan for Housing and Community Development



Source: Washington Area Foreclosure Monitor for Spring 2010, Urban Institute

High Foreclosure Rate Hits Communities

The County is also home to the highest foreclosure rates in the region. In addition to the hardship of distressed homeowners, this impacts the safety and livability of neighborhoods. The County has a higher mortgage delinquency rate, more homes at risk of being reclaimed by lenders, and a higher number of days on the market for for-sale homes than the region as a whole.

Federal NSP Helps with Foreclosures, But Needs Persist

In 2009, Prince George's County received \$10.8 million in Neighborhood Stabilization Program (NSPI) funds, a federal emergency fund set up to combat the housing foreclosure crisis. It will receive another \$1.8 million in NSP3. Since 2009, Prince George's has efficiently spent NSP funds on down-payment and closing cost assistance for first-time homebuyers, as well as on the acquisition, rehabilitation, and resale of foreclosed single family homes. Housing counseling organizations have also received increased funds to assist distressed homeowners.

Still, high housing costs persist. Moreover, the county has a large stock of aging rental housing that is either already blighted or threatens to become so. At the same time, the County has stalled on deploying adequate resources that could help both homeowners and renters who are burdened by their housing costs.

“The County has a history of nonperformance and noncompliance with respect to administration of its HOME Program.”

– Mercedes Marquez, Assistant Secretary for HUD
Community and Planning Development

Prince George's Returning Funds that Could Help Residents

Prince George's County Department of Housing and Community Development (DHCD) is responsible for expending more than \$80 million annually on community and economic development activities. Two of the largest federal grants it receives each year, CDBG and HOME, can be used for affordable housing

development, homeownership financial assistance, and rental rehabilitation. However, in January 2010, the County was forced to return \$2 million in HOME funds to HUD after failing to expend the funds by the mandated deadline. The event was indicative of DHCD's historical struggles with capacity, staffing, and efficiency. The County is the lowest ranking jurisdiction in the region for HOME performance. In contrast to a history of poor performance, the County's NSP program has successfully met its goals on time, ranking among top NSP programs nationally. This demonstrates that the County can do better.

Prince George's Needs a Plan for Building Strong Leadership, Expert Capacity and Diverse Resources

Recommendations to the incoming County leadership:

- **Create a comprehensive strategy** that: (1) identifies housing needs across a range of households (including income, size and composition); (2) audits existing capacity to meet those housing needs; and (3) strategizes with a diverse set of public and private sector stakeholders to make recommendations to fill gaps in capacity and resources.
- **Build capacity in the Department of Housing and Community Development** to accomplish the County's housing goals by cultivating agency leadership and staff that demonstrate expertise in housing finance, effectively administering federal and state housing resources, and aggressively managing the County's interest in development deals.
- **Build capacity among small local non-profits** to help meet the County's housing goals by establishing a mentoring program between these non-profits and high capacity housing development organizations. These partnerships could produce County-supported demonstration projects that would improve the county's housing stock while increasing the capacity of the smaller non-profits.
- **Improve the existing housing stock** by efficiently utilizing existing resources like HOME, CDBG, and state tax credits, and establishing new, locally-funded resources like a housing trust fund and an acquisition fund; and using land use and zoning tools to promote mixed-income development.
- **Establish housing policies and processes that promote and support development projects** that fit the county's larger goals, are competitively selected, meet stringent underwriting requirements and are a good investment given the time and resources required.
- **Demonstrate political willingness to support and invest in a diverse range of housing options** by aggressively backing DHCD to meet the county's housing needs and soliciting participation from industry investors, policy experts and non-profit developers through advisory committees and project review panels.