

AGENDA ITEM #2(U)
December 8, 2009

Introduction and Action

MEMORANDUM

December 4, 2009

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst *gome*

SUBJECT: **Introduction/Suspension of Rules/Action** – Resolution to support State Financing for Renovation of National Park Seminary Apartments and Allocation of Low Income Housing Tax Credits

On December 2, the Council received a request from the County Executive to approve a resolution in support of State financing and the allocation of Low Income Housing Tax Credits for the National Park Seminary Apartments in Silver Spring. The building has a total of 66 units of which 43 rental units will be made available to households with incomes at or below 60% of area median income and 13 rental units will be made available to households with incomes at or below 50% of area median income. A financing summary is included at ©4. The County is supporting the project with financing from the Housing Initiative Fund and a Payment in Lieu of Taxes agreement.

Because approval of this resolution is needed before the end of 2009 and because this is the last scheduled Council session of 2009, **approval of this request will require the Council suspend its rules** so that the resolution is introduced and acted on in a single session.

Attached to this Memo

Circle

Memo from County Executive	1
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Housing

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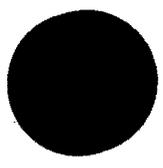
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

052944

Isiah Leggett
County Executive

MEMORANDUM

December 1, 2009



TO: Nancy Floreen, President
Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Resolution in Support of State Financing for National Park Seminary Apartments

I am requesting the County Council's approval of a resolution supporting the Alexander Company's request for financing from the Maryland Community Development Administration for the renovation of National Park Seminary Apartments on Linden Lane in Silver Spring, a 66-unit apartment community that provides 56 affordable housing units.

The Alexander Company completed the renovation of this apartment community using a loan from the County's Housing Initiative Fund, a bank loan, Historic Tax Credits, and an equity and deferred developer's contribution. The property provides 43 units with rents affordable to households at or below sixty percent of the area median income, and 13 units with rents affordable to households at or below fifty percent of the area median income.

The Alexander Company will also use funds from the Low Income Housing Tax Credit Program; however, the Maryland Community Development Administration requires that the County Executive and the County Council sign a local resolution of support prior to the issuance of IRS Form 8609, which is needed to begin claiming credits. Low Income Housing Tax Credits are provided pursuant to the Internal Revenue Code, 26 USC Sec. 42.

Thank you for your consideration of this resolution.

IL:tjg

Attachments

2009 DEC -2 AM 11:40

RECEIVED
MONTGOMERY COUNTY
COUNCIL

1

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: Support of State Financing for Renovation of National Park Seminary Apartments and allocation of Low Income Housing Tax Credits.

Background

1. The County Executive and the Council of Montgomery County, Maryland recognize that there is a significant need for quality housing in Montgomery County for households of limited income.
2. The Alexander Company has renovated the 66-unit apartment building known as National Park Seminary Apartments. Of the 66 units, 56 are affordable for households of limited income.
3. The Department of Housing and Community Development of the State of Maryland (CDA) has received an application for nine percent Low Income Housing Tax Credits (LIHTC) for this project.
4. Low Income Housing Tax Credits are being provided pursuant to the Internal Revenue Code, 26 USC Sec. 42.
5. The Montgomery County Department of Housing and Community Affairs has provided funds from the Housing Initiative Fund totaling \$1,250,000 and a Payment In Lieu Of Taxes Agreement (PILOT) for the forgiveness of all County real estate property taxes.
6. The regulations of CDA require that the chief elected official and the governing body of the locality in which the project is located approve all projects financed with CDA programs.

Resolution No: _____

Action

The County Council for Montgomery County, Maryland, approves the following resolution:

The County Council and County Executive of Montgomery County endorse the Alexander Company's renovation of National Park Seminary Apartments and the allocation of Low Income Housing Tax Credits.

This is a correct copy of Council action.

Linda Lauer, CMC
Clerk of the Council

I approve this Resolution.

Isiah Leggett, County Executive

Date

HOUSING DEVELOPMENT SUMMARY

Property Name National Park Seminary Apartments

Developer The Alexander Company

Location Linden Lane, Silver Spring, Maryland

Description National Park Seminary Apartments consists of the substantial renovation of 66 rental housing units of which 56 will be affordable, offering one, two and three bedroom apartments, access to the historic ballroom, an on-site laundry room, and a community room with complimentary internet access. The rent for these 56 units will be affordable to households making at or below 50 and 60 percent of the area media income.

Financing Sources

First Mortgage	4,020,000.00
Montgomery County (Second Mortgage)	1,250,000.00
Low Income Housing Tax Credit Equity	8,537,386.00
Federal Historic Tax Credit Equity	4,109,239.00
State of MD Historic Tax Credit Equity	2,580,000.00
Deferred Developer Fee	824,637.00
Total	21,321,262.00

County Contact

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