

Resolution No.: 16-433
Introduced: January 22, 2008
Adopted: January 29, 2008

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Planning, Housing, and Economic Development Committee,
Councilmember Leventhal and Council President Knapp

SUBJECT: Use of the Housing Initiative Fund to Fund Advanced Land Acquisitions

Background

1. Chapter 25B-9 of the Montgomery County Code establishes the Montgomery Housing Initiative in order to promote a broad range of housing opportunities in the county. Executive regulations promulgated to administer the Housing Initiative Fund (HIF) specify that funds may be used to (A) construct new affordable housing units, (B) acquire land upon which affordable housing may be constructed, (C) buy and rehabilitate existing rental units that might otherwise be removed from the supply of affordable housing, (D) participate with non-profit and for profit sponsors of projects containing affordable housing in mixed-use developments, (E) make loans for the development or rehabilitation of housing that will enhance the affordability of some or all of the units, and (F) provide rent subsidies to low and moderate income tenants.
2. The County's Capital Improvements Program authorizes expenditures and the Capital Budget appropriates monies to the Advanced Land Acquisition Revolving Fund for the Montgomery County Government (ALARF-MCG). ALARF-MCG was established to support capital projects by permitting the County to buy land in advance of actual construction to save money and secure suitable locations for capital construction projects. ALARF-MCG is reimbursed through appropriation to the specific CIP project or program.
3. On January 17, 2008 the Council's Planning, Housing, and Economic Development (PHED) Committee was provided with an update on approved and planned uses of FY08 HIF funds. Included is \$3,630,000 to buy an un-defined portion of a 9 acre parcel near Route 29 and New Hampshire Avenue for future affordable housing. The rest of the parcel is scheduled to be acquired through ALARF-MCG for a new District 3 police station, as described in Project No. 470302 of the Recommended FY09-14 Capital Improvements Program.

4. PHED Committee members agreed that as the parcel is being purchased because a new police station is needed and because there has been no discussion by the Council about whether the remainder of the parcel should be used for other county facilities, programs, or affordable housing, the parcel should be purchased using ALARF-MCG. If part of the parcel is eventually used for another county facility, ALARF would be reimbursed by that project. If a portion of the parcel is eventually used for affordable housing, ALARF would be reimbursed by the HIF in that future fiscal year.

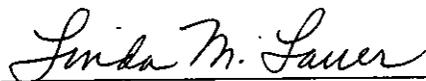
Action

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

The Housing Initiative Fund (HIF) must not be used to purchase land that may be appropriately purchased through the Advanced Land Acquisition Revolving Fund for the Montgomery County Government (ALARF-MCG). The Housing Initiative Fund may be used to reimburse ALARF-MCG if land purchased with ALARF-MCG funds is eventually used for an affordable housing project.

The County Executive must notify the Council 30 days in advance of entering into an agreement to purchase unimproved land exclusively for an affordable housing project using the HIF.

This is a correct copy of Council action.



Linda M. Lauer
Linda M. Lauer, Clerk of the Council