

HOC Cty Guaranteed Bond Projects (P809482)

Category Housing Opportunities Commission
 Sub Category Housing
 Administering Agency Housing Opportunities Commission (AAGE12)
 Planning Area Countywide

Date Last Modified 11/17/14
 Required Adequate Public Facility No
 Relocation Impact None
 Status Ongoing

| | Total | Thru FY15 | Est FY16 | Total 6 Years | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 | Beyond 6 Yrs |
|--|-------|-----------|----------|---------------|-------|-------|-------|-------|-------|-------|--------------|
|--|-------|-----------|----------|---------------|-------|-------|-------|-------|-------|-------|--------------|

EXPENDITURE SCHEDULE (\$000s)

| | | | | | | | | | | | |
|----------------------------------|---------------|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Planning, Design and Supervision | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Site Improvements and Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 50,000 | 50,000 | 0 |

FUNDING SCHEDULE (\$000s)

| | | | | | | | | | | | |
|--------------|---------------|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| HOC Bonds | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 50,000 | 50,000 | 0 |

APPROPRIATION AND EXPENDITURE DATA (000s)

| | | |
|------------------------------------|-------|--------|
| Appropriation Request | FY 17 | 0 |
| Appropriation Request Est. | FY 18 | 0 |
| Supplemental Appropriation Request | | 0 |
| Transfer | | 0 |
| Cumulative Appropriation | | 50,000 |
| Expenditure / Encumbrances | | 50,000 |
| Unencumbered Balance | | 0 |

| | | |
|--------------------------|-------|--------|
| Date First Appropriation | FY 14 | |
| First Cost Estimate | | |
| Current Scope | FY 13 | 50,000 |
| Last FY's Cost Estimate | | 50,000 |

Description

This project serves to identify the uses of Housing Opportunities Commission (HOC) bonds for housing construction and permanent mortgage financing. In addition, the County guarantee on these HOC revenue bonds may provide coinsurance with appropriate Federal, State, and private insurers on HOC revenue bonds and notes issued to finance new or existing residential units. These bonds will be backed by the revenues of the developments; by the pledge of subsidy funds if appropriate; and by the full faith and credit of Montgomery County. All developments financed under this approach will be self-supporting. They are included in the Capital Improvements Program (CIP) in order to provide the legal authorization of ultimate County backing of specific projects. This project reflects a total authorization of \$50 million. Control over specific projects which are given County backing is maintained by implementation procedures developed in accordance with local legislation. The legislation provides for specific approval by the County Council, except for certain stated uses for which County Executive approval is permitted, subject to action by the County Council at its discretion.

Justification

Relevant legislation and reports include: Code of Maryland as amended by State legislation providing for County backing of HOC bonds; Opportunity Housing legislation; report of the Task Force on Moderate Income Rental; and other studies. In the opinion of County bond counsel, inclusion in the CIP is required even though no County funds will be required.

Other

The County General Plan refinement stands in compliance with the General Plan requirement of the Maryland Economic Growth, Resource Protection, and Planning Act. County Master Plans must be in compliance with the General Plan.

Fiscal Note

The project has financed the development of housing units at The Oaks at Four Corners (120 units), Magruder's Discovery (134 Section 8 units), Spring Gardens (83 units), Chevy Chase Lake South (68 units), Fairfax Courts (18 units), Montgomery Arms apartments (132 units), The Metropolitan (308 units), Amherst Square (100 units) and Pooks Hill Courtyard (50 units). In FY'95, HOC repaid the Magruder's Discovery bond (\$5.7 million) and financed The Metropolitan (\$33.9 million). During FY'97, HOC repaid the \$4.1 million bond for The Oaks at Four Corners. In FY'98, the bonds that were used to finance The Metropolitan were repaid using bonds guaranteed under the FHA Risk-Sharing program. Subsequently, in FY'99, Pooks Hill's Courtyard (50 units) and Landings Edge (100 units), were financed using \$12.9 million in County G.O. bonds. In FY'07, HOC Issued \$36.35 Million in Taxable Bond Anticipation Notes to fund the construction of MetroPointe. In 2008, HOC issued \$33.05 million in Fixed-Rate Tax-Exempt Short-Term Notes, which were expected to be redeemed and replaced with Long-Term Variable Bonds in 2009. However, continued dislocation in the Financial Markets necessitated the issuance of another Short-Term Financing. In FY'10, HOC issued \$32.3 million in 2 Year Fixed-Rate County Backed Notes which matured on January 1, 2012. Effective December 20, 2011, HOC issued \$33.585 million of Variable-Rate Tax-Exempt Multifamily Housing Development Bonds to, among other things, refinance the FY'10 Tax-Exempt Notes guaranteed by the County's General Obligation Pledge. On January 3, 2012, the two-year notes issued in FY'10 were repaid thereby releasing the County's General Obligation pledge. The mortgages on the property are insured by FHA pursuant to its Risk Sharing Agreement with HOC. The remaining G.O. Bond capacity as of July 1, 2015 is \$43,088,633.

Coordination

Department of Finance