

# Affordable Housing Acquisition and Preservation (P760100)

Category: Community Development and Housing  
 Sub Category: Housing  
 Administering Agency: Housing & Community Affairs (AAGE11)  
 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 |
|--------------------------------------|----------------|----------------|---------------|---------------|---------------|---------------|----------|----------|----------|----------|--------------|
| <b>EXPENDITURE SCHEDULE (\$000s)</b> |                |                |               |               |               |               |          |          |          |          |              |
| Planning, Design and Supervision     | 0              | 0              | 0             | 0             | 0             | 0             | 0        | 0        | 0        | 0        | 0            |
| Land                                 | 176,786        | 103,635        | 40,151        | 33,000        | 16,000        | 17,000        | 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                                | 0              | 0              | 0             | 0             | 0             | 0             | 0        | 0        | 0        | 0        | 0            |
| <b>Total</b>                         | <b>176,786</b> | <b>103,635</b> | <b>40,151</b> | <b>33,000</b> | <b>16,000</b> | <b>17,000</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>     |

|                                    | Total          | Thru FY15      | Est FY16      | Total 6 Years | FY 17         | FY 18         | FY 19    | FY 20    | FY 21    | FY 22    | Beyond 6 Yrs |
|------------------------------------|----------------|----------------|---------------|---------------|---------------|---------------|----------|----------|----------|----------|--------------|
| <b>FUNDING SCHEDULE (\$000s)</b>   |                |                |               |               |               |               |          |          |          |          |              |
| G.O. Bonds                         | 9,725          | 0              | 9,725         | 0             | 0             | 0             | 0        | 0        | 0        | 0        | 0            |
| HIF Revolving Program              | 121,252        | 89,809         | 10,191        | 21,252        | 13,409        | 7,843         | 0        | 0        | 0        | 0        | 0            |
| Loan Repayment Proceeds            | 36,494         | 11,326         | 13,420        | 11,748        | 2,591         | 9,157         | 0        | 0        | 0        | 0        | 0            |
| Montgomery Housing Initiative Fund | 4,775          | 2,500          | 2,275         | 0             | 0             | 0             | 0        | 0        | 0        | 0        | 0            |
| Recordation Tax Premium            | 4,540          | 0              | 4,540         | 0             | 0             | 0             | 0        | 0        | 0        | 0        | 0            |
| <b>Total</b>                       | <b>176,786</b> | <b>103,635</b> | <b>40,151</b> | <b>33,000</b> | <b>16,000</b> | <b>17,000</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>     |

### APPROPRIATION AND EXPENDITURE DATA (000s)

|                                    |       |         |
|------------------------------------|-------|---------|
| Appropriation Request              | FY 17 | 14,635  |
| Appropriation Request Est.         | FY 18 | 17,000  |
| Supplemental Appropriation Request |       | 0       |
| Transfer                           |       | 0       |
| Cumulative Appropriation           |       | 145,151 |
| Expenditure / Encumbrances         |       | 103,635 |
| Unencumbered Balance               |       | 41,516  |

|                          |         |
|--------------------------|---------|
| Date First Appropriation | FY 01   |
| First Cost Estimate      |         |
| Current Scope            | FY 17   |
| Last FY's Cost Estimate  | 145,151 |

#### Description

This project provides funding for acquisition and/or renovation of properties for the purpose of preserving or increasing the County's affordable housing inventory. The County may purchase properties or assist not-for-profit, tenant, or for-profit entities, or HOC with bridge financing to purchase and renovate properties. The monies may be used to purchase properties that are offered to the County under the Right of First Refusal law or otherwise available for purchase. A portion of the units in these properties must serve households with incomes that are at or below incomes eligible for the Moderately Priced Dwelling Unit (MPDU) program. A priority should be given to rental housing.

#### Cost Change

Increase funding in FY17 and FY18 to include the issuance of \$21.3 million of taxable debt along with the use of loan repayments to provide continued support for this project.

#### Justification

To implement Section 25B, Housing Policy, and Section 53A, Tenant Displacement (Right of First Refusal), of the Montgomery County Code. Opportunities to purchase property utilizing the County's Right of First Refusal arise without advance notice and cannot be planned in advance. Properties may be acquired by the County, non-profit developers, HOC or other entities that agree to develop or redevelop property for affordable housing.

#### Other

Resale or control period restrictions to ensure long term affordability should be a part of projects funded with these monies.

#### Fiscal Note

Debt service will be financed by the Montgomery Housing Initiative Fund. In addition to the appropriation shown above this PDF assumes that any actual revolving loan repayments received will be appropriated in the subsequent year as displayed above. Future loan repayments are expected and will be used to finance future housing activities in this project. General Obligation bonds will be used for Housing Opportunities Commission and other projects that bond counsel determines are eligible for tax-exempt bond funding.

#### Coordination

Housing Opportunities Commission (HOC) Nonprofit housing providers Private sector developers