Housing

PROGRAM DESCRIPTION AND OBJECTIVES

The County's Housing Program is designed to allow for acquisition of affordable rental properties that are in need of rehabilitation or are at risk of having significant rent increases that would result in displacement of lower-income working families.

HIGHLIGHTS

- Provide an additional $33 million for the Affordable Housing Acquisition and Preservation program, exceeding by $110 million the County's goal of providing $100 million in funding for public/private partnerships to maintain and grow the stock of affordable housing for low income residents, including the senior population.

PROGRAM CONTACTS

Contact Tim Goetzinger of DHCA at 240.777.3728 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this department's housing capital budget.

CAPITAL PROGRAM REVIEW

One ongoing project comprises the recommended FY19-24 Capital Improvements Program in Housing for DHCA, for a total six-year cost of $33.0 million.

In addition, the County has made in-kind contributions in support of affordable housing through below-market land sales which allow for the creation of affordable housing units where the estimated land value is $37.8 million.

Affordable Housing Acquisition and Preservation

(P760100)

Category	Community Development and Housing	Date Last Modified	12/19/17
SubCategory	Housing (MCG)	Administering Agency	Housing & Community Affairs
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Land	210,025	118,991	58,034	33,000	16,000	17,000	-	-	-	-	-
TOTAL EXPENDITURES	210,025	118,991	58,034	33,000	16,000	17,000	-	-	-	-	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Current Revenue: Montgomery Housing Initiative	4,775	2,500	2,275	-	-	-	-	-	-	-	-
G.O. Bonds	9,725	-	9,725	-	-	-	-	-	-	-	-
HIF Revolving Program	140,765	105,165	16,087	19,513	4,154	15,359	-	-	-	-	-
Loan Repayment Proceeds	50,220	11,326	25,407	13,487	11,846	1,641	-	-	-	-	-
Recordation Tax Premium (MCG)	4,540	-	4,540	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	210,025	118,991	58,034	33,000	16,000	17,000	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 19 Request	16,000	Year First Appropriation	FY01
Appropriation FY 20 Request	17,000	Last FY's Cost Estimate	177,025
Cumulative Appropriation	177,025		
Expenditure / Encumbrances	119,259		
Unencumbered Balance	57,766		

Project 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 Housing Opportunities Commission 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 FY19 and FY20 to provide continued support for this project.

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.

Disclosures

Expenditures will continue indefinitely.

Coordination

Housing Opportunities Commission, non-profit housing providers, and private sector developers.