



Affordable Housing Acquisition and Preservation

(P760100)

Category	Community Development and Housing	Date Last Modified	03/13/22
SubCategory	Housing (MCG)	Administering Agency	Housing & Community Affairs
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Land	441,986	237,109	47,877	157,000	22,000	32,000	32,000	27,000	22,000	22,000	-
TOTAL EXPENDITURES	441,986	237,109	47,877	157,000	22,000	32,000	32,000	27,000	22,000	22,000	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: Montgomery Housing Initiative	4,775	2,500	2,275	-	-	-	-	-	-	-	-
HIF Revolving Program	295,331	165,931	17,603	111,797	14,896	19,414	19,372	19,367	19,367	19,381	-
Loan Repayment Proceeds	112,340	64,138	27,999	20,203	7,104	2,586	2,628	2,633	2,633	2,619	-
Recordation Tax Premium (MCG)	29,540	4,540	-	25,000	-	10,000	10,000	5,000	-	-	-
TOTAL FUNDING SOURCES	441,986	237,109	47,877	157,000	22,000	32,000	32,000	27,000	22,000	22,000	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Approp. Request	22,000	Year First Appropriation	FY01
Appropriation FY 24 Approp. Request	32,000	Last FY's Cost Estimate	358,236
Cumulative Appropriation	284,986		
Expenditure / Encumbrances	246,255		
Unencumbered Balance	38,731		

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

Cost increase due to the addition of \$25 million in Recordation Tax Premium (CIP) for additional housing acquisition and/or preservation activities in FY24 through FY26, a \$14,750,000 FY22 supplemental, as well as the addition of FY27 and FY28 funding.

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 (MHI) Fund. In addition to the appropriation shown above, future loan repayments are expected and will be used to finance future housing activities in this project. FY22 supplemental appropriation in Loan Repayment Proceeds for the amount of \$14,749,992.

DISCLOSURES

Expenditures will continue indefinitely.

COORDINATION

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