

Project Name	Stewarton Homes Apartments
Address	9310 Merust Lane, Gaithersburg, MD
Owner	Housing Opportunities Commission
Total # of Units	94
# of Affordable Units	94
Population Served	Low-income families

COUNTY FINANCING AND SOURCE:

DHCA Loan	\$2,425,420
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DATE OF COUNTY LOAN:

OTHER FINANCING SOURCES:

Existing CDA 236 Mortgage	\$2,543,579
CDA Discount on mortgage	\$393,579
New Bond-financed Mortgage	\$2,814,373
HOC Loan (from development fees)	\$526,554
Seller Existing Replacement Reserve	\$125,000
State of Maryland Loan	\$400,000
Tax Credit Equity	\$2,773,639

LEVERAGE RATIO OF COUNTY FUNDS:

5.24 to 1

TOTAL PROJECT COST:

\$11,402,144

PROJECT DESCRIPTION:

HOC acquired the Stewarton Homes Apartments to preserve and renovate this affordable housing development. The property includes 19 project-based Section 8 units. It is located just outside the boundaries of Montgomery Village, on the eastside of Stewarton Road at its intersection with Goshen Road.

The previous owner had allowed the property to deteriorate substantially. No major renovation had taken place since the original construction in 1976, and the property suffered from substantial deferred maintenance. When HOC purchased the property, nearly one-third of the units were off-line and could not be rented because they were in such poor condition. The property had hundreds of housing code violations. HOC will be completely renovating each unit, the grounds, and the community center. The County's "bridging the digital divide" effort will create a Community Resource & Technology Center at Stewarton Homes to enable high-speed access to broadband and Internet services. Educational and training programs will be provided to residents by a local nonprofit organization. All of the units will be affordable to working families.

