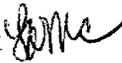


MEMORANDUM

February 19, 2016

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession** – FY17-22 Recommended Capital Improvements Program
Housing Opportunities Commission (HOC)

Those expected for this worksession:

Stacy Spann, Executive Director, Housing Opportunities Commission
Gail Willison, Chief Financial Officer, HOC
Kayrine Brown, Director of Mortgage Finance, HOC
Zachary Marks, Assistant Director of New Development
Terri Fowler, Budget Officer, HOC
Jennifer Bryant, Office of Management and Budget

FY15-20 Capital Improvements Program

The section from the Executive's Recommended CIP is attached at ©1-12. The following projects have either been requested by HOC or recommended by the County Executive.

- Demolition Fund (©3-4)
- HOC Guarantee Bond Projects (©5)
- HOC MPDU/Property Acquisition Fund (©6-7)
- HOC Opportunity Housing Development Fund (©8)
- Preservation and Expansion of Affordable Housing at Elizabeth Square (©9-10)
- Supplemental Funds for Deeply Subsidized HOC Units Improvements (©11-12)

“Sprinkler Systems for HOC Elderly Properties” does not have any new funding in the six years and no PDF is included in the CIP. HOC is continuing to complete the sprinklers and fire suppression upgrades that were funded.

1. Demolition Fund

(FY17-22 Request from HOC at ©4; the project is not recommended by the Executive ©3)

HOC has requested \$2 million that would be used to demolish the Ambassador Apartments and Emory Grove Village. The Executive is not recommending this funding but instead has added language to expand the project that provides funds to improve and maintain deeply subsidized units to allow HOC to access those fund for demolition.

Demolition Fund

	TOTAL	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
HOC Request	2,000	NA	2,000	2,000	0	0	0	0	0
CE Recommend*	0	NA	0	0	0	0	0	0	0
Funding Source: Current Revenue	2,000	NA	2,000	2,000	0	0	0	0	0

*The Executive would allow HOC to use funding in the “Supplemental funds for Deeply Subsidized HOC Owned Units Improvements” for demolition.

The Ambassador

The Ambassador Apartments are located at the corner of Veirs Mill Road and University Boulevard in Wheaton. The building was originally constructed as a hotel but turned into a 162 unit apartment building in 1994. It is an expired Low Income Tax Credit building. Given an aging structure and significant maintenance, HOC has stopped leasing units and has been relocating current tenants in order to redevelop the property.

HOC has provided the following update on the Ambassador:

- A relocation plan for The Ambassador has been developed. Staff will meet with the Maryland Department of Housing and Community Development to outline and seek approval of the plan as required under the low income housing tax credit program. Once approved, staff will continue to work with the owner of retail condominium concerning demolition and redevelopment plans. HOC expects the demolition of the property to occur in 2017/2018.
- The outside date to commence the construction is 2019 for a two-year duration.
- HOC expects the cost of demolition to be between \$1.3 and \$1.5 million.

Emory Grove

Emory Grove is being redeveloped as a part of the Rental Assistance Demonstration (RAD) program. At its December 2015 update on the RAD, the Committee was informed that all residents of Emory Grove have been relocated to newly renovated homes throughout the county

and that the property is vacant. It will be redeveloped into a mixed-income community that includes 40 to 60 new affordable units.

HOC has provided the following update on Emory Grove:

- The Emory Grove site was pulled from the Gaithersburg Vicinity and will be subject to a Floating Rezoning process. HOC projects that the rezoning will be approved and all entitlements conveyed upon the property by 2019. In the meantime, HOC desires to demolish the site to avoid it being a blight on the neighborhood.
- Construction is estimated to commence in calendar year 2020.
- HOC expects the cost of demolition to be between \$600,000 and \$800,000.

Council staff recommendation

Council staff does not recommend approving the Executive’s recommendation to expand the purpose of the Supplemental Funding for Deeply Subsidized Units to include demolition of these two developments. (1) The County has long recognized that HOC has needed additional funding for upkeep of kitchens and bathrooms, building systems, and exterior features such as landscaping and parking lots. While the RAD program allows funds to be leveraged to make improvements, HOC must also maintain its scattered site and tax credit units. Funding should remain for these purposes. (2) There is \$1.25 million in each year of the Supplemental Funding project. That means that almost all of two-years of funding would be used for these demolitions leaving no or very little funding for the original purpose of the project.

Council staff recommends inclusion of a Demolition Fund CIP project that provides \$1.3 million in FY18 and \$600,000 in FY19. The \$1.3 million in FY18 would provide for demolition of the Ambassador in the 2017/2018 timeframe. Council staff is concerned that once this building is completely vacant it will detract from the Wheaton CBD and should be demolished even if redevelopment is not ready to commence. The \$600,000 in FY19 would be used to demolish Emory Grove. While Emory Grove is already vacant and could be demolished immediately, its buildings are not a structurally problematic as the Ambassador.

Demolition Fund

	TOTAL	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
HOC Request	2,000	NA	2,000	2,000	0	0	0	0	0
CE Recommend*	0	NA	0	0	0	0	0	0	0
Council Staff	0	NA	0	0	1,300	600	0	0	0

Council staff recommends that the source of funding be G.O. Bonds. Council staff understands that since there are plans to redevelop and that redevelopment would create HOC assets, the demolition costs can be G.O. Bond funded. It would be considered part of the equity funding of the redevelopment project.

2. HOC County Guaranteed Bond Projects

(FY17-22 Recommended PDF ©5)

Both HOC and the Executive are requesting a continuation of the \$50 million authorization limit for the County Guaranteed Bond Project. The PDF says that this project is included in the CIP in order to provide the legal authorization of ultimate County backing of specific projects. The PDF notes that bonds issued under this project are for self-supporting projects, are backed by revenues of the developments, by the pledge of subsidy funds if appropriate, and by the full faith and credit of Montgomery County.

HOC County Guaranteed Bond Projects

	TOTAL	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
FY15 Approved	50,000	50,000	0	0	0	0	0	NA	NA
HOC Request	50,000	50,000	0	0	0	0	0	0	0
CE Recommend	50,000	50,000	0	0	0	0	0	0	0

Council staff recommends approval as requested by HOC and recommended by the County Executive.

3. HOC MPDU/Property Acquisition Fund

(FY17-22 Recommended PDF ©6-7)

This is a revolving loan fund from which HOC is authorized to use up to \$12.5 million at any one time. HOC must use this money for interim financing of MPDUs (in tandem with federal, state or local subsidy programs) or for planning, acquisition, or improvements of sites or existing properties for low- and moderate-income residents that are owned and operated by HOC or its designees. Upon receipt of permanent financing, monies are returned to the fund for reuse. No MPDU may be held by the fund for more than 24 months without an extension from the Director of the Department of Housing and Community Affairs. HOC may determine that a County lump sum subsidy is required to secure independent financing or to meet federal, state, or local program guidelines for itself or its designees. This fund helps to ensure that HOC has the resources to respond promptly to MPDU acquisition.

HOC MPDU/Property Acquisition Fund

	TOTAL	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
FY15 Approved	12,507	12,507	0	0	0	0	0	NA	NA
HOC Request	12,507	12,507	0	0	0	0	0	0	0
CE Recommend	12,507	12,507	0	0	0	0	0	0	0

Council staff recommends approval as requested by HOC and recommended by the County Executive.

4. HOC Opportunity Housing Development Fund

(FY17-22 Recommended PDF ©8)

This is a revolving fund. It provides the availability of up to \$4.5 million in short-term financing and front-end costs at favorable interest rates for projects determined by HOC and the County to be in support of the County Housing Assistance Plan and housing policy. The funds temporarily cover project planning, site improvements, building construction loan guarantees, construction financing, short-term financing, insurance for permanent financing, notes and bonds, and associated professional and financing fees for housing developments undertaken by HOC or its designees. Outstanding draws as of June 30, 2013 totaled \$3,842,545.

HOC Opportunity Housing Development Fund

	TOTAL	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY22	FY23
FY15 Approved	4,500	4,500	0	0	0	0	0	NA	NA
HOC Request	4,500	4,500	0	0	0	0	0	0	0
CE Recommend	4,500	4,500	0	0	0	0	0	0	0

Council staff recommends approval as requested by HOC and recommended by the County Executive.

5. Preservation and Expansion of Affordable Housing at Elizabeth Square

(FY17-22 Request from HOC at ©10; the project is not recommended by the Executive ©9)

HOC has requested \$7 million as a contribution toward the construction of a new Elizabeth House for seniors, the renovation of Alexander House and the redevelopment of the current Elizabeth House that are, in total, the Elizabeth Square development. The current Elizabeth House has been converted from public housing as a part of the RAD program.

Elizabeth Square

	TOTAL	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
HOC Request	7,000	NA	4,200	2,800	0	0	0	0	0
CE Recommend*	0	NA	0	0	0	0	0	0	0
Funding Source: G.O. Bonds	7,000	NA	4,200	2,800	0	0	0	0	0

*The Executive recommends this project be coordinated with DHCA and programmed in the HIF capital project.

At its December 2015 update on the RAD, the Committee discussed issues of continued affordability and the expectation that the RAD redevelopments would result in additional affordable housing. The Committee was assured that all seniors at Elizabeth House would move to housing that has the types of services they need and that they could return to the new Elizabeth House once it is built (although the expectation from surveys is that most will not want to move back.) There was discussion that the number of additional affordable units is dependent on cost and financing for the finalized project. The request from HOC indicates that the cost attributable to delivering 52 subsidized units is \$11 million and that market rate units can offset about \$4 million of this cost, thus the need for \$7 million in County support.

The following is an updated table on the number of units, affordable units, and workforce housing units that are expected in Elizabeth Square.

	Current Total	Current Affordable	Future Total	Future Affordable	Workforce Housing Units
Alexander House	311	69	305	90	32
New Elizabeth House* (senior)			267	106	12
Elizabeth House IV (not senior)			274	55	28
Totals			846	251	72

*Current Elizabeth House has 160 Affordable Units. 108 residents will relocate to other affordable housing. It is expected that 52 seniors will relocate to the new Elizabeth House or Alexander House.

Council Staff recommendations and discussion issues

\$7 Million Funding Request

HOC has requested \$7 million in County funding in order to expand the number of affordable housing units in the new Elizabeth House for seniors in Elizabeth Square. The Executive’s budget does not recommend the project as requested by HOC but instead says:

“The Executive supports HOC’s request for funding of the preservation and expansion of affordable housing at Elizabeth Square and recommends that this project be coordinated in concert with DHCA. Funding for this project will be provided through funds programmed in the Affordable Housing Acquisition and Preservation project.”

The Executive’s recommended PDF for the Affordable Housing Acquisition and Preservation program does not have any specific language about Elizabeth Square. Executive staff has told Council staff that there has not been a commitment to an exact amount as the \$7 million is an estimated amount. The County contribution would be based on HOC providing project details and financing options. HOC has asked for some certainty about the County contribution so that they may use this in completing their financing package.

Council staff is not recommending a separate project for Elizabeth Square but in the memo on the DHCA CIP (Agenda item #3) recommends the addition of \$4 million in FY17 and \$3 million in FY18 to the Affordable Housing Acquisition and Preservation project that would be shown as “Senior Housing” rather than specifically for Elizabeth House. The source of funds would be G.O. Bonds. This would be similar to the approach used for the senior housing next to the new Silver Spring Library, where there was a

specific line that restricted the use of funds to senior housing before all the specifics of the project had been analyzed. Council staff also recommends that Finance and bond counsel look at whether this project is G.O. Bond eligible. Council staff asks that the \$7 million be reflected in the CIP tracking but that this issue be revisited in April in case there is further information on the amount of funds or the source of funds that may be used.

Additional Affordable Units in Elizabeth House IV (not senior restricted)

Elizabeth House IV (not only seniors), which will be built on the site of the current Elizabeth House is expected to have 20% affordable units. Given the need for affordable family housing, Council staff asked what the estimated cost would be to have 15 of the planned market rate units restricted to households with incomes of 60% or below AMI.

HOC has responded that converting an additional 15 market rate units to serve residents at 60% AMI or below, the project would lose additional \$139,440 annually in revenue. The reduction in annual income, limits the project to leverage additional \$1,825,666 in loan proceeds, thus creating a financing gap required to be funded from other sources.

Council staff is not recommending an additional funding at this time but believes that HOC and DHCA should continue to look at whether resources are available as the project moves forward to increase the number of affordable units. It is particularly important for two-bedroom units that can be home to households with children.

Public Amenities in Elizabeth Square

Elizabeth Square is an important and ambitious development. It will provide new senior housing, a renovated Alexander House, new family housing, and increase the number of affordable housing units. It is over 3 acres with over 766,000 square feet of residential development.

In reviewing the June 2015 site plan amendment for Alexander House and the July 2015 Preliminary Plan approval for Elizabeth Square, Council staff noted that the Planning Board resolutions discuss in detailed the required public amenities and that some of these amenities are described as “government-operated.” This is also described on the Lee Development website information. Specifically,

“the indoor public use space will be the government operated recreation and service facility, proposed to be managed and operated by the Montgomery County Department of Recreation and open to the public. The indoor public use space includes the pool, fitness center and lockers, meeting/class space, the wellness center, and bistro kitchen...”

This raises three concerns with Council staff. (1) These are expensive public amenities to manage and operate. (2) There is currently no plan for County government to operate them. (3) How do the public facilities described for this intergenerational housing complex impact

discussions about proposals for an intergenerational center at the site of the old Silver Spring Library?

HOC has told Council staff that the cost of operating and maintaining these spaces will come from user fees. If this is to be the case, then it is important that the plans for the facilities reflect what is needed to have enough users to support operations. For example, does the pool meet Department of Recreation design standards for recreational and lap swimming? Is the recreation center adequate for Recreation Department programming?

Council staff has raised this issue with both HOC and County government staff and believes that all recognize there is a need to discuss these plans beyond some preliminary discussions that happened in the initial development of the project. Council staff suggests that the PHED Committee request that HOC, County, and Planning Board staff meet and provide an update to the PHED Committee by April 15th.

6. Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements
(FY17-22 Recommended PDF ©11-12)

This project provides funding for HOC to make ongoing capital improvements to certain HOC-owned housing units for low and very low income residents. Income from these units is insufficient to cover capital improvements in addition to the ongoing operating costs of the building or scattered site unit. In addition to CIP funding, HOC has at times received funding through the HIF, CDBG, and Federal grants to make repairs and improvements to kitchens, bathrooms, etc. in certain units. The funds are restricted to units that affordable to housing earning 60% or less of Area Median Income.

Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements

	TOTAL	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
FY15 Approved	7,500	2,500	5,000	1,250	1,250	1,250	1,250	NA	NA
HOC Request	10,000	0	7,500	1,250	1,250	1,250	1,250	1,250	1,250
CE Recommend	10,000	0	7,500	1,250	1,250	1,250	1,250	1,250	1,250

Council staff recommends approval of the funding as requested by HOC and recommended by the County Executive.

Council staff recommends deleting the Executive’s recommended language that says, “This project is also being expanded to allow funds to be used for demolition where needed to avoid blight on the surrounding neighborhoods.”

Housing Opportunities Commission

AGENCY DESCRIPTION

The Housing Opportunities Commission (HOC) of Montgomery County, Maryland, is a public corporation authorized by State and local law to act as builder, developer, financier, owner, and manager of housing for low and moderate-income persons in Montgomery County.

The agency was first established in Montgomery County in 1939 and reactivated by the County Council in 1966 as the Housing Authority of Montgomery County. It was retitled in 1974 as the Housing Opportunities Commission. Specific powers of the HOC include: acquiring land; utilizing Federal/State housing subsidies; executing mortgage loans, construction loans, and rent subsidy payments; providing permanent financing; purchasing mortgages; and issuing bonds.

PROGRAM DESCRIPTION AND OBJECTIVES

To meet its public mandate, HOC acts in cooperation with the County Department of Housing and Community Affairs, the Federal Department of Housing and Urban Development, the State Department of Housing and Community Development, local developers, lenders, realtors, and property owners to provide affordable rental and homeownership opportunities. The County, acting through the County Department of Housing and Community Affairs, sets housing policy, part of which is implemented by HOC.

HOC provides assisted housing to three income levels: very low, low, and moderate-income households. This objective is achieved, in part, through a full range of Federally-subsidized housing programs which consist of Public Housing Rental and Homeownership, the Federal Tax Credit Program, and the Housing Choice Voucher (HCV).

The HOC also provides below-market-rate housing through the use of non-County mortgage revenue bonds, as provided for under Federal and State statutes and regulations, in the following programs:

- The Single Family Mortgage Purchase Program
- Multi-Family Revenue Bond Program

The Strategic Plan, which the Commission publishes biennially, with annual updates of estimated unit production figures, provides a full description of the agency's plans for the production of new housing units and the maintenance of HOC current housing stock.

During the period covered by the most recent seven-year Strategic Plan, below-market-rate housing will be produced under the following programs, most of which rely heavily on County support.

- Moderately Priced Dwelling Units (MPDU) Programs
- New Construction
- Acquisition and Rehabilitation
- Rental Assistance Demonstration (RAD) Programs
- Homeownership Program

HIGHLIGHTS

- Continue funding to support Public Housing Improvements through the Supplemental funds for Deeply Subsidized HOC Owned Units Improvements project and expand the allowable use of funds to include other HOC owned income-restricted scattered site units and for demolition of HOC owned structures in cases where the absence of demolition would create blight on the surrounding neighborhoods.
- Support the preservation and expansion of affordable housing at Elizabeth Square in coordination with DHCA. Funding for Elizabeth Square will be provided through the Affordable Housing Acquisition and Preservation project.
- Complete installation of Sprinkler Systems for HOC Elderly Properties in FY17.

PROGRAM CONTACTS

Contact Ben Hine at 240.627.9693 or Jennifer Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's capital budget.

CAPITAL PROGRAM REVIEW

Because the HOC capital program includes two revolving funds for interim financing, as well as one statutorily determined loan guarantee, there may be years when all funds are in use, and, thus, the six-year period shows no funding. This apparent lack of funding and activity is actually a reflection of the fact that fund capacity has been reached in the three projects. As repayments flow into the funds, additional expenditures may be made. For that reason, the HOC recommended FY17-22 Capital Program shows no expenditures in the six-year period for the non-County funded projects. The County Executive's FY17-22 Recommended Capital Improvements Program includes full funding of the Housing Opportunities Commission's requested budget by making resources available through the County's affordable housing project and providing flexibility for use of funds within HOC's capital program.

The HOC relies on five funding sources to support the seven projects included in its Capital Program: Current Revenue; General; General Obligation Bonds; County revolving funds for interim financing with expenditures up to a specified maximum; permanent financing provided by direct Federal Public Housing assistance; and HOC bonds that are guaranteed by the County up to a maximum of \$50 million. Funds are replenished when HOC obtains permanent financing or in certain circumstances, through an additional County appropriation.

For more information on the five ongoing projects in the HOC capital program, refer to the respective project description forms.

STATUTORY AUTHORITY

The Housing Opportunities Commission is authorized by Articles 44A and 44B of the Annotated Code of Maryland and Article VI, Housing Opportunities Act, Chapter 56, Montgomery County Code. The Montgomery County Code, Chapter 25A, Housing, Moderately Priced, and Chapter 25B, Housing Policy, further specifies the role of the Commission in implementing County housing policies.

Seven HOC Commissioners are appointed by the County Executive with concurrence of the County Council for five-year terms. The Commissioners determine HOC policies and programs and appoint an Executive Director who carries out policy and administers the activities of the Commission.

EXECUTIVE RECOMMENDATION

Demolition Fund (P091704)

Project Category	Housing Opportunities Commission	Date Last Modified	11/17/14
Project SubCategory	Housing	Required Adequate Public Facility	No
Project Administering Agency	Housing Opportunities Commission (AAGE12)	Relocation Impact	None
Project Planning Area	Countywide	Status	Planning Stage

EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
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	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

COMPARISON (\$000s)

	Total	Thru FY15	Est FY16	5YR Total	FY 17	FY 18	FY 19	FY 20	FY 21	Bey 5Yr	FY17 Approp.
Current Approved	0	0	0	0	0	0	0	0	0	0	0
Agency Request	2,000	0	0	2,000	2,000	0	0	0	0	0	2,000
Recommended	0	0	0	0	0	0	0	0	0	0	0

Change	TOTAL	%	5-YEAR	%	APPROP.	%
Agency Request vs Approved	2,000	0.0%	2,000	0.0%	2,000	0.0%
Recommended vs Approved	0	0.0%	0	0.0%	0	0.0%
Recommended vs Request	(2,000)	(100.0%)	(2,000)	(100.0%)	(2,000)	(100.0%)

Recommendation

The Executive recommends expanding the scope of the Supplemental funds for Deeply Subsidized HOC Owned Units Improvements project (#P091501) to allow funds to be used as needed for demolition to avoid blight on surrounding neighborhoods. The Ambassador site is expected to be redeveloped in the near term and demolition funding may be available through that project. In contrast, Emory Grove Village is not expected to be redeveloped for a number of years. Expanding the scope of this cash-funded Supplemental funds for Deeply Subsidized HOC Owned Units Improvements project will allow necessary demolition activities to proceed without being constrained by reduced projected operating budget revenues.

Demolition Fund (P091704)

Category	Housing Opportunities Commission	Date Last Modified	11/17/14
Sub Category	Housing	Required Adequate Public Facility	No
Administering Agency	Housing Opportunities Commission (AAGE12)	Relocation Impact	None
Planning Area	Countywide	Status	Planning Stage

	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
and	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	2,000	0	0	2,000	2,000	0	0	0	0	0	0
Total	2,000	0	0	2,000	2,000	0	0	0	0	0	0

FUNDING SCHEDULE (\$000s)											
Current Revenue: General	2,000	0	0	2,000	2,000	0	0	0	0	0	0
Total	2,000	0	0	2,000	2,000	0	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	2,000	Date First Appropriation	FY 17
Appropriation Request Est.	FY 18	0	First Cost Estimate	
Supplemental Appropriation Request		0	Current Scope	FY 17
Transfer		0	Last FY's Cost Estimate	0
Cumulative Appropriation		0		
Expenditure / Encumbrances		0		
Unencumbered Balance		0		

Description

In an effort to replace some of the County's least sustainable affordable housing, deliver amenities not currently present along with the return of housing to those sites, and embed the new stock of affordable housing within mixed-income communities, HOC has vacated its Emory Grove Village property and is beginning the process of vacating its Ambassador property. The entitlement and permitting process for each of the sites will take from two to four years. In the meantime, upon vacation, HOC wishes to demolish the existing buildings such that they do not become blights on the surrounding neighborhoods.

Location

Gaithersburg and Wheaton

Capacity

Demolition of 216 units

Estimated Schedule

Demolition of Emory Grove Village would take about three months. The demolition of Ambassador would take about five months.

Justification

Both Emory Grove Village and Ambassador have physical capital needs that far outstrip their ability to support remediation. As both properties are 100% affordable, they have no resources to fund the demolition of improvements. Both sit on prominent corners and would sit vacant for considerable periods of time.

Fiscal Note

The estimated cost of demolition for Emory Grove is between \$600,000 and \$800,000 and the estimated cost of demolition for Ambassador is between \$1.3 million and \$1.5 million. Therefore, HOC believes a \$2 million request can be supported.

Coordination

Department of Finance, Department of Housing and Community Affairs

HOC Cty Guaranteed Bond Projects (P809482)

Category	Housing Opportunities Commission	Date Last Modified	11/17/14
Sub Category	Housing	Required Adequate Public Facility	No
Administering Agency	Housing Opportunities Commission (AAGE12)	Relocation Impact	None
Planning Area	Countywide	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	0	0	0	0	0	0	0	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

HOC MPDU/Property Acq Fund (P768047)

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
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0
Land	2,864	2,864	0	0	0	0	0	0	0	0
Site Improvements and Utilities	4,515	1,915	2,600	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0
Other	5,128	1,605	3,523	0	0	0	0	0	0	0
Total	12,507	6,384	6,123	0						

FUNDING SCHEDULE (\$000s)

Revolving Fund - Current Revenue	107	107	0	0	0	0	0	0	0	0
Revolving Fund - G.O. Bonds	12,400	6,277	6,123	0	0	0	0	0	0	0
Total	12,507	6,384	6,123	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		12,507
Expenditure / Encumbrances		6,384
Unencumbered Balance		6,123

Date First Appropriation	FY 14	
First Cost Estimate		
Current Scope	FY08	12,507
Last FY's Cost Estimate		12,507

Description

This is a revolving loan fund which authorizes the Housing Opportunities Commission (HOC) to use up to \$12.5 million at any one time for: (a) interim financing, including cost of acquisition and finishing by HOC, of Moderately Priced Dwelling Units (MPDUs) as permitted in Chapter 25A of the Montgomery County Code, provided that the unit is used in tandem with a Federal, State, or local subsidy program and is developed to provide housing to low- and-moderate-income households; and (b) planning, acquisition, and improvement of sites and/or existing properties for low and-moderate-income, single, or multifamily housing facilities, which are to be owned and operated by HOC or its designees. Sites may be land-banked in anticipation of future development when adequate public facilities become available. Upon receipt of permanent financing, monies are returned to the fund for reuse. No MPDU may be held by the fund for more than 24 months. The 24-month maximum holding period may be extended in unusual situations for a limited time upon determination by the Director of the Department of Housing and Community Affairs that such an extension would best support purposes of this program. HOC may determine that a County lump sum subsidy is required to secure independent financing or meet Federal, State, or local program guidelines for itself or its designees. Such write-downs from County funds shall be made only for projects serving households whose incomes do not exceed the following limits: 1/3 units - 80 percent of Washington Metropolitan Area Median income; 1/3 units - 80 percent of County Median income; and 1/3 units uncontrolled. In the event that a subsidy is undertaken, then in its next CIP submission, HOC shall include a PDF describing the subsidized program and shall request an appropriation sufficient to fully repay this fund.

Justification

HOC is continually evaluating transactions that will require interim funding from the revolving fund. These transactions include redevelopment activities of older HOC properties that require significant capital infusion to improve their physical conditions or to redevelop and/or reposition them in their respective market areas. In addition, HOC continues to seek new development opportunities, as well as, the acquisition of existing multifamily developments through the conventional real estate sales market that may require interim financing to facilitate the transaction. The County's right of first refusal law changed to include all multifamily properties of more than five units. The change in law provides HOC with greater acquisition opportunities to preserve affordability and greater need for gap and bridge financing. HOC sets aside revolving funds to capitalize on opportunities to acquire and preserve rental units as they are offered under the current law.

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. Beginning in FY'01, as a contribution to affordable housing, HOC was given relief on past due interest payments and is no longer required to pay interest on funding for this project.

Fiscal Note

HOC MPDU/Property Acq Fund (P768047)

Outstanding draws as of June 30, 2015, totaled \$6,383,947. Repayments of \$2,653,989 were made in FY'15 for Pooks Hill- midrise (\$66,500), HOC/HOP (\$2,384,363), and Holiday Park (2 x \$101,563). Repayments of \$2,126,878 are expected in FY'16 for Pooks Hill- midrise (\$66,500), HOC/HOP program (\$1,767,378), and to repay the loan made to purchase a work force unit in King Farm (\$293,000). HOC anticipates continued utilization of the revolving fund for the Housing Opportunities Commission Homeownership program (HOC/HOP) (\$2,500,000) as well as to take advantage of preservation opportunities in the market.

Coordination

Department of Finance, Department of Housing and Community Affairs

HOC Opportunity Housing Dev Fund (P767511)

Category Housing Opportunities Commission
 Sub Category Housing
 Administering Agency Housing Opportunities Commission
 Planning Area (AAGE12) 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
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EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	4,500	1,140	3,360	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	0	0	0	0	0	0	0	0	0	0	0
Total	4,500	1,140	3,360	0	0	0	0	0	0	0	0

FUNDING SCHEDULE (\$000s)

Revolving Fund - Current Revenue	4,500	1,140	3,360	0	0	0	0	0	0	0	0
Total	4,500	1,140	3,360	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		4,500
Expenditure / Encumbrances		1,140
Unencumbered Balance		3,360

Date First Appropriation	FY 75	
First Cost Estimate		
Current Scope	FY 80	4,500
Last FY's Cost Estimate		4,500

Description

The Opportunity Housing Development Fund (OHDF) is a revolving loan fund from which Housing Opportunities Commission (HOC) is authorized to use up to \$4.5 million at any one time. The project provides funds to temporarily cover project planning, site improvements, building construction loan guarantees, construction financing, short-term financing (including second trusts), insurance for permanent financing, notes and bonds, and associated professional and financing fees for housing developments undertaken by HOC or its designees. Since a separate fund is established for site acquisition and Moderately Priced Dwelling Units (MPDU) acquisition, land and MPDUs shall not be acquired from the OHDF (with the exception of MPDUs acquired under the last resort provision of the MPDU Ordinance). This fund is to be repaid when permanent financing is obtained or when other sources of financing are made available from HOC housing developments. If sufficient funds are not available in the MPDU/Property Acquisition Fund, this fund can also be used, upon County approval, for the acquisition of sites and/or existing properties for low and moderate-income, single, or multi-family housing facilities, which are to be owned and operated by HOC or its designees.

Justification

This project assures availability of short-term financing and front-end costs at favorable interest rates for projects determined by HOC and the County to be in support of the County Housing Assistance Plan and housing policy. The fund permits existing and new properties to be reviewed and insured and, in other ways, secures prompt decisions when time demands require them.

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. Beginning in FY'01, as a contribution to affordable housing, HOC was given relief on past due interest payments and is no longer required to pay interest on funding for this project.

Fiscal Note

Outstanding draws as of June 30, 2015 totaled \$1,139,992. Repayments totaling \$3,307,354 were made in FY'15 consisting of annual repayments for Smith Village (\$21,817) and Alexander House (\$67,381) loans, Paddington Square (\$3,000,000) and Jubilee Homes (\$218,156). In FY'04, \$3 million was used to acquire Paddington Square that preserved 166 affordable units in Silver Spring. The permanent financing for Paddington Square closed in FY'2015 and the loan was repaid in full. Also, \$218,156 which was drawn to provide local matching funds to be leveraged with a grant from the Maryland Department of Mental Hygiene to fund the acquisition of a home for developmentally disabled adults, was repaid in FY'15. Repayments totaling \$548,198 are projected in FY'16 representing annual loan payments for Smith Village and Alexander House, as well as the repayment of matching local funds for Jubilee Homes.

Coordination

Department of Finance, Department of Housing and Community Affairs

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EXECUTIVE RECOMMENDATION

Preservation & Exp. of Affordable Housing at Elizabeth Square (P091703)

Project Category	Housing Opportunities Commission	Date Last Modified	11/17/14
Project SubCategory	Housing	Required Adequate Public Facility	No
Project Administering Agency	Housing Opportunities Commission (AAGE12)	Relocation Impact	None
Project Planning Area	Silver Spring	Status	Planning Stage

EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
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	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

COMPARISON (\$000s)

	Total	Thru FY15	Est FY16	6YR Total	FY 17	FY 18	FY 19	FY 19	FY 20	FY 21	Bey 6Yr	FY17 Approp.
Current Approved	0	0	0	0	0	0	0	0	0	0	0	0
Agency Request	7,000	0	0	7,000	4,200	2,800	0	0	0	0	0	7,000
Recommended	0	0	0	0	0	0	0	0	0	0	0	0

Change	TOTAL	%	6-YEAR	%	APPROP.	%
Agency Request vs Approved	7,000	0.0%	7,000	0.0%	7,000	0.0%
Recommended vs Approved	0	0.0%	0	0.0%	0	0.0%
Recommended vs Request	(7,000)	(100.0%)	(7,000)	(100.0%)	(7,000)	(100.0%)

Recommendation

The Executive supports HOC's request for funding of the preservation and expansion of affordable housing at Elizabeth Square and recommends that this project be coordinated in concert with DHCA. Funding for this project will be provided through funds programmed in the Affordable Housing Acquisition and Preservation project (#P760100).

Preservation & Exp. of Affordable Housing at Elizabeth Square (R091703)

Category	Housing Opportunities Commission	Date Last Modified	11/17/14
Sub Category	Housing	Required Adequate Public Facility	No
Administering Agency	Housing Opportunities Commission (AAGE12)	Relocation Impact	None
Planning Area	Silver Spring	Status	Planning Stage

Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0
and	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0
Construction	7,000	0	0	7,000	4,200	2,800	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	7,000	0	0	7,000	4,200	2,800	0	0	0	0

FUNDING SCHEDULE (\$000s)

P.O. Bonds	7,000	0	0	7,000	4,200	2,800	0	0	0	0
Total	7,000	0	0	7,000	4,200	2,800	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	7,000
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditure / Encumbrances		0
Unencumbered Balance		0

Date First Appropriation	FY 17
First Cost Estimate	
Current Scope	FY 17 7,000
Last FY's Cost Estimate	0

Description

HOC plans to develop a parcel neighboring its Alexander house and Elizabeth House properties in downtown Silver Spring with the potential to yield up to 277 units of new rental housing. This new development will have both a senior component and family component and will be a mixed-income community that will serve low- and moderate-income as well as market rate households. HOC will also redevelop the existing Elizabeth House upon the relocation of its existing tenants to newly constructed, age-restricted housing in downtown Silver Spring (including at the newly constructed community on the parcel next door). This will yield up to 311 units of new rental housing for families including at least 20% affordable units. As part of the conversion of all of HOC's multifamily public housing units to project based section 8 rental assistance via HUD's Rental Assistance Demonstration ("RAD") program, HOC is replacing all of the 160 subsidized units at Elizabeth House in various locations, nearly all in newly constructed, age-restricted, amenity-rich, mixed-income communities. HOC is projecting that 52 subsidized units will remain after the completion of the Elizabeth Square redevelopment.

Location

Silver Spring Central Business District

Estimated Schedule

Construction is projected to start in October of 2016. Completion of the mixed-use building – including the market rate housing, workforce housing, affordable housing, and the 60,000 square feet of public space is projected in October of 2018.

Justification

Because none of the 160 existing subsidized units at Elizabeth House are being lost (108 are being replaced off site), and the number of affordable housing units at Alexander House will not change (though the depth of affordability is increased), the redeveloped Elizabeth Square will actually represent a 108-unit increase in the county's affordable housing inventory. Providing a comprehensive solution for existing low income residents of Elizabeth House is very costly. To meet these residents' needs, to maximize the potential of the vision for Elizabeth Square as supported by the many public and community stakeholders, to make economic the redevelopment of the existing ten-floor Elizabeth House building, to manifest the opportunity to deliver substantial amenities and public space, and in pursuit of economic development in silver spring, Elizabeth Square must be built as a set of high-rise structures.

Fiscal Note

The cost attributable to delivering the 52 subsidized is approximately \$11 million. HOC is able to use the market rate units that will be present in the redeveloped Elizabeth Square to offset about \$4 million of this cost. HOC requests \$7 million in CIP funding for the net remaining cost.

Coordination

Department of Finance, Department of Housing and Community Affairs

Supplemental funds for Deeply Subsidized HOC Owned Units Improvements (P091501)

Category	Housing Opportunities Commission	Date Last Modified	11/17/14
Sub Category	Housing	Required Adequate Public Facility	No
Administering Agency	Housing Opportunities Commission	Relocation Impact	None
Planning Area	(AAGE12) Countywide	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	10,000	0	2,500	7,500	1,250	1,250	1,250	1,250	1,250	1,250	0
Total	10,000	0	2,500	7,500	1,250	1,250	1,250	1,250	1,250	1,250	0

FUNDING SCHEDULE (\$000s)											
Current Revenue: General	10,000	0	2,500	7,500	1,250	1,250	1,250	1,250	1,250	1,250	0
Total	10,000	0	2,500	7,500	1,250	1,250	1,250	1,250	1,250	1,250	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	1,250
Appropriation Request Est.	FY 18	1,250
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		2,500
Expenditure / Encumbrances		0
Unencumbered Balance		2,500

Date First Appropriation	FY 15
First Cost Estimate	
Current Scope	FY 17
Last FY's Cost Estimate	7,500

Description

Typical improvements include, but are not limited to, replacement of roofs, windows and doors; improvements to unit interiors such as kitchen and bathroom modernization; replacement of major mechanical, electrical, plumbing systems and equipment; appliance replacement; life-safety improvements; site improvements such as fencing, site lighting, landscaping, and sidewalk and parking lot replacement. In the FY15-20 Capital Improvements Program this project was expanded to allow these funds to be used for deeply subsidized HOC owned unit improvements on public housing units both pre- and post- conversion. The project scope is being expanded to include other HOC owned income-restricted scattered site units. This project is also being expanded to allow funds to be used for demolition where needed to avoid blight on the surrounding neighborhoods.

Capacity

Income-restricted HOC owned units restricted to households making less than 60% of the median income for the Washington Metropolitan statistical area.

Cost Change

The increase is due to the addition of FY21 and FY22.

Justification

These properties are original MPDUs that are owned by HOC and are subject to Commission imposed or financing restrictions, or have approximately 15 years left on the Low Income Housing Tax Credit (LIHTC) restrictive covenants requiring continued affordability. Given the age of the properties, they now need comprehensive renovation but lack the net operating income to generate sufficient proceeds to both retire the existing debt and fund the vital renovations. Montgomery County has a higher property standard than the Federal government. In addition, neighbors in the communities with the units expect the properties to be well maintained. Many of these units are scattered throughout the County in communities governed by Home Owner Associations (HOAs), and some have higher standards than the County code. Additional funding is necessary if HOC units are to be maintained at levels consistent with community norms and standards. In an effort to stay true to its mandate to provide decent, safe and sanitary housing to low and moderate income residents in Montgomery County and to ensure that its properties and communities are maintained at a level consistent with community norms, HOC will use a combination of its own funds and County funds to make capital improvements to this housing stock.

Fiscal Note

The Commission's portfolio includes hundreds of income-restricted scattered site units throughout the county, most approximately 30 years of age. Many of these units were acquired into a Low Income Housing Tax Credit limited partnership more than 15 years ago and are subject to continued affordability restrictions under the LIHTC program. In addition, there are limited partnerships that are expected to contribute units to HOC and, upon doing so, HOC becomes the sole owner of these units. Finally, other units are simply older Moderately Priced Dwelling Units (MPDUs) that continue to be restricted to households of low- and moderate-income. With significant debt remaining on those units, the net operating income from these affordably priced units cannot support both the repayment of that debt and the additional proceeds needed to complete a comprehensive scope of renovation, which includes new windows, roof replacement, installation of energy-efficient heating and air conditioning systems, electrical and plumbing repairs, new flooring, new lighting, new cabinetry, installation of energy-efficient appliances, and new bathrooms.

Disclosures



Supplemental funds for Deeply Subsidized HOC Owned Units Improvements (P091501)

A pedestrian impact analysis will be performed during design or is in progress.

Coordination

Maryland Department of Housing and Community Development, Department of Housing and Community Affairs



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Elizabeth Square

Key Facts	Map	Photos/Renderings	Documents
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Fenwick Lane
Silver Spring MD 20910



Lee Development Group (LDG) and the Housing Opportunities Commission of Montgomery County (HOC) are co-applicants for the development of a mixed-use project (residential and ground level retail) in downtown Silver Spring.

Elizabeth Square, a multi-phase project, will ultimately consist of three buildings on the block bounded by Fenwick Lane, Apple Avenue, Second Avenue and the railroad/metro tracks. HOC currently owns and manages two buildings on the block, Elizabeth House and Alexander House. Alexander House, built in 1992, is a 16-story apartment building. Elizabeth House, built in 1966 is a 14 story building with 160 affordable units for seniors. LDG owns Fenwick Professional Park, a two-story townhouse style office complex built in 1953.

The Elizabeth Square project grew out of the need to replace Elizabeth House with a new, modern and higher quality building while minimizing the disruption to the current Elizabeth House residents. Phase I of the project will be to build a new Elizabeth House on the site currently occupied by LDG's Fenwick Professional Park, which has reached the end of its useful life. Phase II of the project is the replacement of the current Elizabeth House with a new multi-family residential building. Alexander House will be incorporated into the Elizabeth Square project, but will not be replaced.

The Elizabeth Square Preliminary Plan was been submitted to MNCPPC and is available on the [Montgomery County Planning Development Activity Center](#). The application number for the Elizabeth Square project is 120150030.

A few highlights from the submission's justification statement follow. For more details and explanations, please see the application (when available) on the MNCPPC website. Please keep in mind, Elizabeth Square is a multi-phased project; plans and renderings are subject to change.

- * The Elizabeth Square project assembles three properties and will be a combination of existing and new construction. The three buildings that will comprise the finished project will be roughly 771,000 sf. Of that roughly 314,000 sf is an increase over the existing buildings.
- * The goal is to create a cohesive, inter-generational, mixed-income development with shared public use and public amenities spaces. It is a development that is an improvement on the current configuration which presents itself as a 'wall' to the surrounding community; instead Elizabeth Square will 'invite' people to into the public areas of the project.
- * The Silver Spring Central Business District (CBD) Sector Plan contains six themes to describe its vision for the downtown CBD. Four of these themes apply to the Elizabeth Square project: a downtown that is transit-oriented, residential, green and pedestrian-friendly.
- * The majority of the public use and amenity space will be incorporated into the new Elizabeth House and is designed around the themes of health, wellness and art. The plans call for a 'government operated recreation center'; two floors at the plaza level with swimming pool and fitness center along with Holy Cross's senior source and wellness center. These facilities will be under the control of the Montgomery County Department of Recreation.
- * The goal of the project is to be welcoming. The massing of the buildings is designed to allow as much sunlight as possible into the central plaza, which is above street level accessible by ramps and stairways from Second Avenue and Fenwick Lane and a pathway from Apple Lane. Bike racks will be available at street level. Pedestrian flows will be laid out to facilitate walking circuits and there are plans for two entrances to the bike trail that will be part of the Capital Crescent bike trail.

* Plans call for the central plaza to include a large lawn area surrounded by plantings that provide butterfly and bird habitats as well as providing a buffer between residences and the lawn area. Shaded seating and chess/game tables are also called for.

* There will be four access points for vehicles providing drop-off locations, underground parking entrances and access to loading docks. While the plans do include an underground parking garage, Elizabeth Square will have easy access to Montgomery County managed parking garages and is a short walk to the future Silver Spring Transit Center. On Second Avenue there are stops for VanGo shuttles and Ride-On buses.



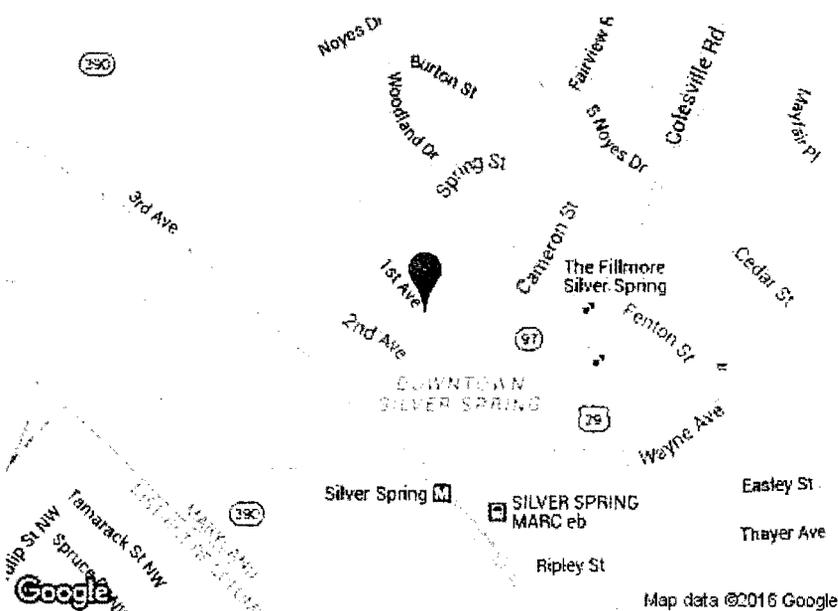
Fenwick Lane
Silver Spring MD 20910

Opportunities

Fenwick Lane
Silver Spring MD 20910

Tenants

Fenwick Lane
Silver Spring MD 20910



[Google Maps](#)

Fenwick Lane
Silver Spring MD 20910