

June
2023

Department of Housing and Community Affairs

AFFORDABLE HOUSING PIPELINE REPORT
SCOTT BRUTON, DIRECTOR

HOUSING AND COMMUNITY AFFAIRS | 1401 ROCKVILLE PIKE, 4TH FLOOR; ROCKVILLE, MD 20852 |



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FY23 Closed Loans

Since the last Quarterly report provided in March 2023, DHCA has closed five additional loans totaling \$85,377,420, including \$68.8 million invested in a short-term acquisition loan to transfer the Westchester West Apartments to a nonprofit developer. These loans will produce or preserve a total of 549 housing units, of which 470 will be affordable. Each project requires varying levels of County investment. DHCA has historically provided between \$50,000-\$70,000 per affordable unit. Of these additional loans provided in FY23 to date, DHCA would have provided an average of \$35,195 per affordable unit once the short-term acquisition loan of \$68.8 million is paid back to the County for future investment. Please note that the per affordable unit amount of funding varies for each unique project; therefore, the lower average for FY23 is not predictive of per affordable unit funding averages for future years.

HUI – Loan 1491

- Owner/Developer: Housing Unlimited, Inc.
- To permanently finance the acquisition of a townhouse and convert it into 3 SRO rental units to serve persons undergoing mental health recovery.
- Project serves persons at or below 50% of Area Median Income (AMI).
- **Loan closed on April 14, 2023.**

HUI – Loan 1492

- Owner/Developer: Housing Unlimited, Inc.
- To permanently finance the acquisition of a townhouse and convert it into 3 SRO rental units to serve persons undergoing mental recovery.
- Project serves persons at or below 50% of AMI.
- **Loan closed on April 14, 2023.**
- *Note: Funding for loans 1491 and 1492 (\$76,828 each) was accounted for in previous pipeline reports.*



Hampshire Village

- Owner/Developer: Victory Housing Inc.
- 3210 Norbeck Rd; Silver Spring MD 20906.
- There are 111 units in 3 story building; 110 units are affordable: 20% of the units are at 30% of AMI and 80% of units are at 50% of AMI.
- The County invested \$4,175,000 AHOF loan and \$5,000,000 HOME loan.
- **Loan closed on April 21, 2023.**

Parkside Terrace

- Owner/Developer: Enterprise Community Development (ECD)
- 506 Easley Street, Silver Spring, MD 20910.
- Acquisition of 87-unit, garden-style apartment community.
- The property is currently a Naturally Occurring Affordable Housing (NOAH). ECD intends to seek permanent financing



planned through a 4% Acquisition/Rehab and Low-Income Housing Tax Credit (LIHTC) transaction.

- 44 of the 87 units will be restricted to 60% of AMI.
- The County invested \$366,638.94 to borrower reserve account to pay property real estate taxes during the initial 3-year period while it works toward establishing eligibility for a By-Right PILOT.
- **Loan closed on April 27, 2023.**

Westchester West Apartments

- Owner/Developer: Westchester Gardens LLC.
- The County exercised its Right of First Refusal to purchase the property, then sold it to its partner Enterprise Community Development.
- 3214 Hewitt Ave, Silver Spring, MD 20906.
- 345-unit in 9 multifamily buildings, with one pool building.
- 310 units are income restricted: 35 units at 50% of AMI, and 275 units 60% of AMI. The remaining 35 units will be unrestricted to prevent displacement of tenants who become over income for the restricted units.
- The County invested \$75,835,782: a 68,835,782 for a short-term acquisition loan of a few months to facilitate transferring the property to Enterprise Community Development and a \$7,000,000 for a term of 10.5 years to preserve affordability for 310 units
- **Loan closed on June 8, 2023.**



FY23 Pipeline Loans – (Committed, closings in process)

DHCA's FY23 pipeline of committed loans includes projects that have closing dates after the end of June 2023. These projects have targeted closing dates and currently consist of eight loans with a total of \$66,813,691 from County investment and an additional \$1,917,547 from the County's dedicated energy fund. The eight projects are expected to produce or preserve 2,405 total units, of which 1,432 will be affordable. In addition, there are three rental agreements that will preserve 110 additional affordable rental units.

Rollingwood Apartments

- Owner/Developer: JV of MHP, MRK and SKS Partners.
- 2535 Ross Road, Silver Spring MD 20910.
- The property is NOAH, consisting of nine buildings and 283 units with a desirable unit mix of studios, one-, two-, and three-bedroom units: 214 units will serve households between 30% – 60% of AMI.
- The Property was originally developed in 1963 and is showing signs of deferred maintenance. Through a joint venture with MHP, SKS, and MRK Partners, the property will be acquired with the intent to preserve the NOAH and address the deferred maintenance through a renovation of approximately \$25,000/door or \$7,000,000.
- The County loan request is \$2,000,000.
- **Anticipated closing July 2023.**



Frederick Avenue

- Owner/Developer: Montgomery Housing Partnership, Inc.
- 439 and 425 Frederick Avenue, Gaithersburg, MD 20877.
- Acquisition and renovation of a 78-unit multifamily property to preserve affordability.
- A minimum of 50% of the units would be affordable at 60% of AMI.
- Anticipated financing structure includes tax-exempt bonds, LIHTC, and subordinate state debt.
- Requested level of County funding is a \$9,208,580 HIF loan and \$1,917,547 Energy loan.
- **Anticipated closing July 2023.**



715 Sligo

- Owner/Developer: REBI, Inc.
- 715-719 Sligo Avenue, Silver Spring, MD 20910.
- Development and new construction of 98-unit multifamily apartment building.
- All 120 units will be affordable.
- Project will be financed utilized both 4% and 9% LIHTC under a “twinning structure.”
- Requested level of County funding is \$9,500,000.
- LIHTCs have already been awarded.
- **Anticipated closing July 2023.**



Park Montgomery

- Owner/Developer: Enterprise Community Development Inc.
- 8660 Piney Branch Road, Silver Spring, MD 20901.
- The proposed project is the refinance/renovation of the existing 141-unit high rise rental apartment and the new construction of a 76-unit building on the same parcel. The development will preserve and create a total of 217 units: all units will be affordable to households between 30% and 60% of AMI.
- The proposed development will be a twinning project, which combines both 9% and 4% LIHTCs in the same development.
- Requested level of County funding is \$10,600,000 and a PILOT agreement to support the affordable units.
- **Anticipated closing July 2023.**



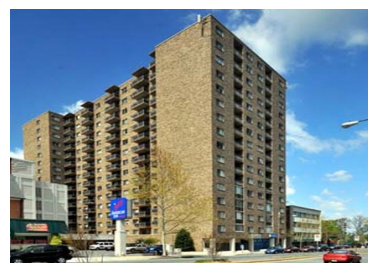
Falkland Chase Acquisition

- Owner/Developer: Arlington Partnership for Affordable Housing (APAH)
- 1545 N Falkland Lane, Silver Spring, MD 20910.
- 170 existing units; up to 1250 total units anticipated.
- National Housing Trust Community Development Fund (NHTCDF) approved a \$3,000,000 loan and recommended a \$8,544,000 AHOF participation, as part of a larger up to \$39.6 million loan.
- The redevelopment of the site could yield 94 MPDUs and 625 affordable units.
- Requested level of County funding is \$10,900,000.
- **Anticipated closing July 2023.**



8200 Wisconsin Avenue

- Owner/Developer: Pinnacle Property Group.
- 8200 Wisconsin Avenue, Bethesda, MD 20814
- The property contains 245 apartment units. Current planning offers forty-six (46) units as two bedroom/two bath units, fourteen (14) units as one bedroom/one bath and six (6) units as studios.
- Sixty-six units will be affordable and evenly divided for households at 50% and 60% of AMI. The affordable units will include a distribution of all the unit types.
- Requested level of County funding is \$10,000,000 for a term of 10 -15 years, subordinate to the senior loan and concurrent with the senior loan term, with a 5% interest rate.
- **Anticipated closing July 2023.**



FY23 Pipeline Loans – (Committed, awaiting closing dates)

DHCA's FY23 pipeline of committed loans are projects that are moving toward closing dates from senior lenders and other partners. Many of these loans are anticipated to close in the third or fourth quarter of calendar year 2023. DHCA has issued or is finalizing the terms of its investment to meet the closing dates. These projects currently consist of 9 loans totaling \$60.13 million, which will produce or preserve 1,150 total units, of which 860 will be affordable.

Parkview Towers – Phase 2

- Owner/Developer: Montgomery Housing Partnership, Inc.
- 7667 Maple Avenue, Takoma Park, MD 20912.
- Stabilization and repairs of exterior façade issues at this 125-unit LIHTC-assisted property.
- 105 units accommodate households with incomes at 30%, 50%, and 60% of AMI.
- Cost to be shared by all project financing sources, private lender, and the MD DHCD.
- Requested level of County funding is \$2,500,000.
- **Anticipated closing TBD.**



4527 and 4531 Avondale Street

- Owner/Developer: The National Center for Children and Families (NCCF)
- 4527 and 4531 Avondale Street, Bethesda, MD 29814.
- The project will be the renovation of 2 properties, each with 4, 2-bedroom rental units, for a total of 8 units.
- When completed, the project will serve residents at or below 50% of AMI.
- The estimated County loan request is approximately \$490,000 for each building, totaling approximately \$980,000.
- **Anticipated closing September 2023.**



Hillandale Gateway – Senior Age Restricted Building

- Owner/Developer: Housing Opportunities Commission
- The project is located at 10110 New Hampshire Ave, Silver Spring, MD 20903.
- The project proposes 155 age-restricted units, of which 130 units will be affordable.
- DHCA loan request \$10,000,000.
- **Anticipated closing December 2023.**



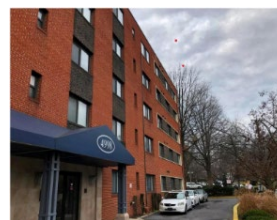
Hillandale Gateway – Non-Age Restricted Building

- Owner/Developer: Housing Opportunity Commission.
- 10110 New Hampshire Ave, Silver Spring, MD 20903.
- Proposed 306 multifamily building, of which 62 are affordable units.
- The County loan request is \$6,000,000.
- **Anticipated closing December 2023.**



4857, 4858, and 4998 Battery Lane

- Owner/Developer: Housing Opportunity Commission
- 4857, 4858, 4998 Battery Lane, Bethesda, MD 20814
- The project is for acquisition and preservation of 212 units of rental apartment housing, of which 44 units will be affordable.
- The County loan request is \$5,300,000.
- **Anticipated closing TBD.**



FY24 and beyond Pipeline Loans

The following projects are some of DHCA's pipeline projects consisting of loans with an estimated total of over \$81.1 million, which will produce or preserve approximately 1,752 units, of which 1,420 units will be affordable. Several of the projects are anticipated to close in FY 24 and some beyond.

1910 University Boulevard

- Owner/Developer: Mission First.
- Location: 1910 University Boulevard, Silver Spring MD.
- The development will feature a mixed-income senior rental community with 90 total units consisting of 78 one-bedroom units and 12 two-bedroom units along with modern amenities and community spaces.
- The project will serve residents in the following income categories (of AMI): 6 for 30%; 17 for 50%; 61 for less than 60%; and 6 for less than 70% of AMI. 100% of units will be occupied by households whose incomes averages at or below 60% of AMI.
- The estimated County loan request is \$8,005,000.
- **Anticipated closing December 2023.**



Montouri Site

- Owner/Developer: Montgomery Housing Partnership
- MHP Montouri Site – Acquisition and development of vacant site as “MPDU collector site.” The concept of an MPDU collector is to allow projects that have MPDU requirements where cost may be prohibitive to assign these MPDUs to a specific property. This concept/arrangement generally is accompanied by a financial contribution from the projects seeking to assign their MPDUs to the property.
- Nebel Street in North Bethesda.
- The development proposed to provide 163 units with all units being affordable.
- Project is the recipient of a \$2,200,000 grant from the Amazon Housing Equity Fund.
- Project received a 9 percent LIHTC award allocation.
- The estimated County loan request is \$19,400,000.
- **Anticipated closing Q3/Q4 2024.**



Amber Commons

- Owner/Developer: MRK Partners/AHC
- Location: 7 Prism Place, Gaithersburg
- Project consists of 17 three-story, garden-style residential buildings containing 198 units. The project was constructed in 1968 and underwent substantial renovation in 2009.
- Currently all units are market rate but looking forward to converting them to affordable family units with the upcoming syndication.
- 100% of units will be occupied by households whose income averages at or below 60% of AMI.
- The estimated County loan request is \$6,000,000.
- **Anticipated closing TBD.**



White Flint Fire Station – County owned land

- Owner/Developer: Victory Housing
- Location: 121 Rollins Avenue
- The project will be the construction of 104 affordable senior units
- The estimated County loan request TBD.
- **Anticipated closing TBD.**

Glenmont Metro – County owned land

- Owner/Developer: TBD - Enterprise Community Development
- Location: Wheaton Glenmont Metro
- The site is under review and discussion for the development of affordable homeownership units.
- The estimated County loan request TBD.
- **Anticipated closing TBD.**

Rental Agreements

The following projects represent Rental Agreement contracts that DHCA is in the process of signing. These projects receive semi-annual payments for the difference between market-rate rent and the affordability levels specified in the agreement.

Seneca Village

- Owner/Developer: Orlo Gaithersburg Investors, LLC.
- 750 Clopper Road, Gaithersburg, MD 20878.
- Rental Agreement for 5 years with renewable term on 70 additional units: 7 units at 40% of AMI, 15 units at 50% of AMI, and 48 units at 60% of AMI. DHCA already has an existing rental agreement with the property for 70 units: 15 at 50% of AMI and 55 at 60% of AMI.
- **Anticipated closing TBD.**



Woodvale Apartments

- Owner/Developer: Orlo Woodvale, LLC.
- 13801-13837 and 13901-13929 Castle Boulevard, Silver Spring, MD 20878.
- Woodvale is a 376-unit residential property with an existing Regulatory Agreement from 2018 was expanded from expanded from 75 to 225 affordability-restricted units: 10 units at 40% of AMI, 15 units at 50% of AMI, 90 units at 60% of AMI, and 110 units at 70% of AMI.
- The amended agreement will expire in approximately 10 years and will require: (a) 3 of the 10 units at 40% of AMI to have at least 3 bedrooms and the remaining 7 to be a representative mix of 1- and 2-bedroom units, (b) 5 of the 15 units at 50% of AMI to have at least 3 bedrooms and the remaining 10 units to be a representative mix of 1- and 2-bedroom units, and the 90 units at 60% of AMI and 110 units at 70% of AMI must be a representative mix of 1-, 2-, and 3- bedroom



units. to rent 5 of the 75 rental units required under the Regulatory Agreement to households whose incomes are at or below 40% of AMI.

- **Anticipated closing TBD.**

Grosvenor Tower

- Owner/Developer: MD Tower, LLC.
- 10321 Grosvenor Place, North Bethesda, MD 20852.
- Rental Agreement for 5 years with renewable term to create 35 units of affordable housing with 7 units at 50% of AMI and 28 units at 60% of AMI. All units are 2-bedroom 2 bath units.
- **Anticipated closing TBD.**



Table 1. Summary of FY23 Pipeline Projects
(Data Reported as of 06/23/2023)

Funding Source	Projects Closed			Committed Projects*			Pipeline Projects			Projects In Discussion**		
	No. of Project	County Cost	Affordable Units	No. of Project	County Cost	Affordable Units	No. of Project	County Cost	Affordable Units	No. of Project	County Cost	Affordable Units
HIP-Operating	4	\$ 60,395,064	197	2	\$ 30,869,941	143	3	\$ 20,750,000	392	6	\$ 24,927,500	762
CIP	1	\$ 48,265,900	189	2	\$ 20,100,000	337	3	\$ 35,400,000	355	3	\$ 33,450,000	330
NOAH	3	\$ 40,000,000	384	2	\$ 5,300,000	44	-	\$ -	-	1	\$ 15,000,000	144
AHOF	3	\$ 9,456,250	168	2	\$ 10,543,750	908	-	\$ -	-	3	\$ 7,771,210	-
HOME	2	\$ 9,240,816	37	-	-	-	1	\$ 3,000,000	105	-	-	-
CDBG	-	\$ -	-	-	-	-	2	\$ 980,000	8	-	-	-
Total	13	\$ 167,358,030	975	8	\$ 66,813,691	1432	9	\$ 60,130,000	860	13	\$ 81,148,710	1236

Note: The data reported is the point-in-time information. The numbers could be adjusted based on the on-going negotiation between DHCA and the developers.

*Committed Projects are provided with funding commitment from DHCA and the closing is in process.

** Projects in Discussion that do not have specific funding request yet are not included in this table.

Table 2. Total Funds Available for Housing Loans

As of 06-23-2023	
Funding Sources	FY23
Beginning of FY23	203,444,921
CIP Budget	10,543,750
Current Remaining Fund Balance in the Housing CIP	-
Affordable Housing Opportunity Fund (AHOF)	10,543,750
Naturally Occurring Affordable Housing Fund (NOAH)	-
HIF-Operating	19,280,887
Current Remaining Fund Balance *	19,280,887
Federal Grants	6,262,254
Remaining Fund Balance in HOME	4,240,054
Remaining Fund Balance in CDBG	2,022,200
Total Fund Balance Available for Housing Loans	36,086,891
<p><i>Note: Due to the designated resources for rental assistance, the FY23 Fund balance funded specifically by Recordation Tax Premium is excluded from the HIF-Operating calculation. Note that DHCA uses this specific resource to provide affordable units and support services for low-income residents through HOC, DHHS, and DHCA various programs, including extending MPDU terms and rental agreements, capitalizing housing projects with more affordable units, and supporting DHHS' needs in permanent supportive housing, rapid rehousing, and/or homeless prevention.</i></p>	