Capital Needs for 236 Funded Elderly Properties -- No. 137601

Category	**Housing Opportunities Commission**	Date Last Modified	**June 08, 2012**
Subcategory	**Housing**	Required Adequate Public Facility	**No**
Administering Agency		Relocation Impact	**None.**
Planning Area	**Rockville**	Status	

EXPENDITURE SCHEDULE ($000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
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	730	0	0	730	730	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	**730**	**0**	**0**	**730**	**730**	**0**	**0**	**0**	**0**	**0**	**0**

FUNDING SCHEDULE ($000)

Current Revenue: General	730	0	0	730	730	0	0	0	0	0	0
Total	**730**	**0**	**0**	**730**	**730**	**0**	**0**	**0**	**0**	**0**	**0**

DESCRIPTION

The project provides funding for improvements at Town Center Apartments to include replacement of shower pans in the handicapped units, replacement of the air handler in the community room, and replacement of the windows. Improvements at Bauer Park Apartments include replacement of the HVAC equipment, hall convectors, overhauling the chiller and boilers, replacement of the condenser pumps and motors, and installing an emergency generator.

Bauer Park Apartments and Town Center Apartments are two elderly 236 properties located in Rockville, Maryland. Bauer Park Apartments is a three building, 142-unit garden style apartment complex, built in 1978. Town Center Apartments is a 110 unit, ten story high-rise, built in 1977.

The 236 properties offer affordable housing for seniors. Rent increases are based on the budgeted expenses for the properties which does not allow for cash flow on an annual basis. In addition, rents are based on 30% of tenant income. The majority of the residents are on fixed incomes. The Board of Directors has continued to implement rent increases over the last few years in order to increase operational revenues. However, based on the 236 program, rents have only been raised 6% annually to avoid a hardship on this segment of the low income population that has limited options for affordable housing.

CAPACITY

254 units

ESTIMATED SCHEDULE

Work is scheduled to be completed in FY13.

JUSTIFICATION

Both properties have depleted their reserves to the HUD minimum required amount that must be maintained on each property. These properties are each over 34 years old. Neither property has undergone comprehensive renovation, and both are in need of significant building systems and envelope upgrades due to functional obsolescence.

Both properties, in most cases, have their original equipment and, due to a lack of Federal funds and property reserves, have been unable to make all of the needed improvements. The critical improvements that are immediately required are: HVAC systems and equipment replacements, replacement of windows, replacement of failed shower drain pans, and the installation of an emergency generator for health-safety reasons.

A physical needs assessment was recently completed for the properties which showed the needed improvements over a ten-year period. The items that currently need to be addressed are those that have exceeded their useful life.

In connection with DHCA's agreement to maintain and ensure an escrow account equivalent to $1,000 per unit for both Bauer Park Apartments and Town Center Apartments to be used for capital improvements, DHCA has recommended that HOC request funding for the needed improvements.

FISCAL NOTE

Town Center Apartments: $320,000 to replace shower pans in handicapped units (six units), the air handler in the community room, and windows.
Bauer Park Apartments: $410,000 to replace HVAC equipment and hall convectors, overhaul chiller and boilers, circulating condenser pumps and motors, and install an emergency generator.

APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY09	($000)
First Cost Estimate Current Scope	FY13	730
Last FY's Cost Estimate		0
Appropriation Request	FY13	730
Appropriation Request Est.	FY14	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditures / Encumbrances		0
Unencumbered Balance		0
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

COORDINATION

U.S. Department of Housing and Urban Development (HUD)
Department of Housing and Community Affairs (DHCA)

MAP

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