



Affordable Housing Acquisition and Preservation

(P760100)

Category	Community Development and Housing	Date Last Modified	01/11/24
SubCategory	Housing (MCG)	Administering Agency	Housing & Community Affairs
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY23	Est FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
Land	556,654	296,231	63,423	197,000	82,000	27,000	22,000	22,000	22,000	22,000	-
TOTAL EXPENDITURES	556,654	296,231	63,423	197,000	82,000	27,000	22,000	22,000	22,000	22,000	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY23	Est FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
Current Revenue: General	50,000	-	-	50,000	50,000	-	-	-	-	-	-
Current Revenue: Montgomery Housing Initiative	4,775	4,775	-	-	-	-	-	-	-	-	-
HIF Revolving Program	320,216	187,675	30,032	102,509	17,355	16,331	15,740	16,956	17,370	18,757	-
Loan Repayment Proceeds	152,123	99,241	23,391	29,491	4,645	5,669	6,260	5,044	4,630	3,243	-
Recordation Tax Premium (MCG)	29,540	4,540	10,000	15,000	10,000	5,000	-	-	-	-	-
TOTAL FUNDING SOURCES	556,654	296,231	63,423	197,000	82,000	27,000	22,000	22,000	22,000	22,000	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 25 Request	82,000	Year First Appropriation	FY01
Appropriation FY 26 Request	27,000	Last FY's Cost Estimate	441,986
Cumulative Appropriation	359,654		
Expenditure / Encumbrances	306,545		
Unencumbered Balance	53,109		

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 reflects loan repayment proceeds received in FY24, additional funds in FY25 to leverage resources from impact investors to produce and preserve additional affordable units and additional funding in FY29 and FY30 for this ongoing project net of transfers and shifts of loan repayments to the Nonprofit Preservation Fund.

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.

In FY24, \$7.980 million in Loan Repayment Proceeds were transferred to the Nonprofit Preservation Fund. In FY25, \$5 million in Loan Repayment Proceeds will be shifted to the Nonprofit Preservation Fund.

DISCLOSURES

Expenditures will continue indefinitely.

COORDINATION

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