

HOC MPDU/Property Acq Fund -- No. 768047

Category
Subcategory
Administering Agency
Planning Area

Housing Opportunities Commission
Housing
Housing Opportunities Commission
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

January 04, 2012
No
None.
On-going

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 | 8,611 | 8,103 | 508 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Site Improvements and Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 3,396 | 1,263 | 2,133 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 500 | 0 | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 12,507 | 9,366 | 3,141 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING SCHEDULE (\$000)

| | | | | | | | | | | | |
|----------------------------------|---------------|--------------|--------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Revolving Fund - Current Revenue | 107 | 107 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revolving Fund - G.O. Bonds | 12,400 | 9,259 | 3,141 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 12,507 | 9,366 | 3,141 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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 out new development opportunities, as well as, the acquisition of existing multi-family 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 has been changed to include all multifamily properties and not just those built before 1981. The change in law will likely provide HOC with greater acquisition opportunities to preserve affordability. It will also create a greater need for gap and bridge financing than in the past. 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 FY01, 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, 2011, totaled \$9,282,604. Repayments of \$2,541,888 were made in FY11 for Pooks Hill - Midrise (\$133,000), HOC/HOP (\$612,394), Metropointe (\$1,250,000), King Farm (\$419,331) and Hermit Bridge (\$127,163). Repayments of \$3,593,532 are expected in FY12 for Holiday Park (\$131,244), Wheaton Metro Bridge (\$250,000), Pooks Hill - Midrise (\$66,500) and MPDU 2004 Program (\$3,145,788). HOC anticipates continued utilization of the revolving fund for the Housing Opportunities Commission Homeownership Program (HOC/HOP).

APPROPRIATION AND EXPENDITURE DATA

| | | |
|------------------------------------|------|---------|
| Date First Appropriation | FY80 | (\$000) |
| First Cost Estimate | FY08 | 12,507 |
| Current Scope | | |
| Last FY's Cost Estimate | | 12,507 |
| | | |
| Appropriation Request | FY13 | 0 |
| Appropriation Request Est. | FY14 | 0 |
| Supplemental Appropriation Request | | 0 |
| Transfer | | 0 |
| | | |
| Cumulative Appropriation | | 12,507 |
| Expenditures / Encumbrances | | 9,366 |
| Unencumbered Balance | | 3,141 |
| | | |
| Partial Closeout Thru | FY10 | 0 |
| New Partial Closeout | FY11 | 0 |
| Total Partial Closeout | | 0 |

COORDINATION

Department of Finance
Department of Housing and Community Affairs

MAP

