

HOUSING & CA



AGENDA ITEM #2(A)
April 20, 2010

INTRODUCTION

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive


055404



MEMORANDUM

March 31, 2010

TO: Nancy Floreen, President
Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Resolution in Support of Low Income Housing Tax Credits for the Galaxy Apartments in Silver Spring

Attached for Council action is a resolution in support of the request by RST Development, Inc. for the allocation of Low Income Housing Tax Credits (LIHTC) for the Galaxy Apartments in Silver Spring. In addition to LIHTC funding, the project will receive a \$5 million loan from the County's Housing Initiative Fund and a PILOT agreement with the County.

The State of Maryland's Community Development Administration requires that the County Executive and the County Council submit a local resolution of support prior to the allocation of tax credits.

Thank you for introducing this resolution at my request and for your consideration.

IL:sek

Attachments

RECEIVED
MONTGOMERY COUNTY
COUNCIL
2010 MAR 29 PM 1:44

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: An application by RST Development, Inc. to the State of Maryland Community Development Administration's Low Income Housing Tax Credit Program for an allocation of Tax Credits.

Background

1. The State of Maryland Department of Housing and Community Development (MDDHCD), through its Community Development Administration's Low Income Housing Tax Credit (LIHTC) Program, administers the Federal LIHTC Program to support the development of affordable multifamily rental housing. LIHTCs are being provided pursuant to the Internal Revenue Code, 26 USC § 42.
2. RST Development, Inc. wishes to obtain an allocation of LIHTCs to assist it with the construction of the Galaxy Apartments to be located at 8025 13th Street in Silver Spring that will provide rental housing for lower income persons.
3. Montgomery County supports the development of affordable multifamily rental housing including the provision of rental housing for lower income persons such as the Galaxy Apartments.
4. RST Development, Inc. is an experienced developer of affordable housing and has developed more than 7,000 units throughout the Mid-Atlantic region, including the Gramax Apartments and the Aurora Condominiums in Silver Spring. In addition to the LIHTC funds, the project will receive Montgomery County Housing Initiative Funds and a Payment In Lieu of Taxes (PILOT) Agreement.
5. As part of the application for the allocation of the LIHTCs by RST Development, Inc., Montgomery County's support for the project and for the allocation of tax credits is required under COMAR 05.14.01.05B (10) (a).
6. The County Executive and the County Council hereby support and approve the submission of the application for LIHTCs by RST Development, Inc. in the amount of nearly \$3 million for the Galaxy Apartments.

Action

The County Council for Montgomery County, Maryland approves the following Resolution:

Montgomery County supports the Galaxy Apartments and the application by RST Development, Inc. for an allocation of tax credit funds under the Maryland Low Income Housing Tax Credit Program.

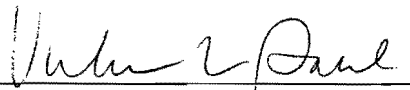
This is a correct copy of Council action:

Linda M. Lauer, Clerk of the Council

Isiah Leggett, County Executive

Date

Approved as to form and legality:



County Attorney Staff Signature

3/23/10
Date

The Galaxy Apartments Project Summary

Project Name: The Galaxy Apartments

Developer: RST Development, Inc

Location: 8025 13th Street, Silver Spring

Description: The Galaxy Apartments will be a 195-unit Class A multifamily apartment development consisting of a five-story elevator building with a parking garage. There will also be two street level retail spaces and a landscaped center court. The apartments will include 113 market-rate units and 82 units restricted for occupancy by households with incomes at or below 60 percent of the Area Median Income (AMI). Twenty-seven of the affordable units will be supported by project-based Housing Choice Vouchers from the Housing Opportunities Commission. Amenities at the property will include a community room, exercise rooms, outdoor art gallery, outdoor play areas and a combination of public and private landscaped plazas. The site is located at the northeast corner of 13th Street and Eastern Avenue.

Financing Sources:

Tax Credit Equity	\$ 2,929,812
Tax exempt bonds	40,219,400
Montgomery County HIF Loan	5,000,000
Developer's equity	3,570,000
Refundable escrow	3,888,281
Deferred developer fee	<u>1,757,427</u>
TOTAL	\$57,364,920

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Department of Housing and Community Affairs
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