

**NFP Affordable Housing Corp.
4405 East West Highway, Suite 309
Bethesda, MD 20814**

January 7, 2021

Montgomery County Council
100 Maryland Avenue, 6th Floor
Rockville, MD 20850

Re: Affordable Housing Opportunity Fund

Dear Members of the Council:

I am submitting this letter in support of the Supplemental Appropriation to the County Government's FY21 Capital Budget and Amendment to the FY21-26 CIP, DHCA - \$8,000,000 for the Affordable Housing Opportunity Fund. I support Montgomery County policies and programs to maintain and increase the much-needed supply of affordable and low-income housing, which this appropriation addresses.

This appropriation will support affordable housing developers working with the County to preserve existing affordable housing. When properties become available, affordable housing developers and owners need to have confidence that financing is available, and having a dedicated source of funding for specific types of properties—in this case affordable housing--helps to reduce risks and reduce timelines.

This appropriation of County funds will support private sector lenders committing funds for a broader dedicated pool of revolving short-term financing. Affordable housing developers have existing funding options, which are arranged on a transaction-by-transaction basis. The project eligibility and underwriting guidelines established in advance will support targeting and evaluation of opportunities. The proposal to have a private sector partner serve as a fund manager, arranging private sector mission focused acquisition lending in coordination with the County, will provide advantages in competing for property. The County's involvement will also support coordination of the long-term affordable financing to take out and repay the acquisition loan to support future acquisitions.

The Affordable Housing Opportunity Fund is an innovative way to increase funds for affordable housing in Montgomery County by, among other things, leveraging approximately \$4 for every \$1 of County funding. I strongly urge the Council to support this appropriation.

Sincerely,



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