

# Affordable Housing Pipeline Report



## FY26 First Quarter Update

September 2025

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# FY 2026 Development Finance and Activities

The total development finance budget allocation for Fiscal Year (FY) 2025 is 218,385,780, which consists of three funding sources: the Capital Improvements Program (CIP), the Montgomery Housing Initiative Fund (HIF), and Federal grants. The most significant funding source is the County's CIP, with available resources of \$176,141,777 for FY26, followed by HIF, which includes \$24,119,947 in the HIF Operating Budget and \$5,947,556 from the HIF Recordation Tax Premium for additional rental agreements to be made in FY26. Federal funds, composed of CDBG and HOME represent 5.6% or \$12.2 million of the total development finance budget. It is important to note that these numbers reflect prior carryover and additional appropriation beyond the adopted budget. DHCA's funding provides significant gap financing for projects that otherwise might not move forward. Below is an overview of the FY26 Affordable Housing Development Budget.

## Funding Sources for FY25

### CIP Budget

AHAP CIP - New Appropriation & Fund Balance <sup>1</sup>	176,141,777
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AHOF CIP – Fund Balance	5,003,750
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Nonprofit Preservation Fund (NPF) - New Appropriation & Fund Balance <sup>2</sup>	43,450,000
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HIF-Operating	24,119,947
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Estimated Remaining Fund Balance from Prior Year <sup>3</sup>	11,719,540
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New Appropriation for FY25	12,400,407
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HIF-Recordation Tax Premium	5,947,556
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DHCA Funding for New Rental Agreements <sup>3</sup>	5,947,556
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Federal Grants	12,176,500
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HOME - FY25 budget	1,813,304
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HOME - Prior Year Award Balance thru FY24 <sup>3</sup>	8,132,000
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CDBG - FY25 budget	1,760,196
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CDBG - Prior Year Award Balance thru FY24 <sup>3</sup>	471,000
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<b>Total Fund Balance Available for Housing Loans</b>	<b>218,385,780</b>
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*Notes: The amount represents the expected funds available for DHCA's capital lending, including the anticipated reappropriation from loan repayment proceeds received in FY25.*

*1. The AHAP CIP includes the \$102M appropriation in FY26 and the actual fund balance of \$25.7M carried over from FY25 from loan interest payments through the year-end reconciliation process.*

*2. The FY25 remaining balance reported for the HIF-Operating, HOME, and CDBG funds is an estimate. Finance is working through the FY25 year-end financial reconciliation and the actual number will not be available until late fall, 2025.*

*3. Beginning FY26, DHCA adds the resources allocated through the Recordation Tax Premium in the HIF budget to report new rental agreements added to the Multifamily Pipeline Report.*

## FY26 Closed Projects

### FY26 Closed Projects

The total number of projects closed in FY26 is three, with an estimated total of \$24,247,464 in County direct cash and \$499,987 in estimated FY25 annual PILOT investment dedicated to producing and preserving 462 affordable units (i.e., units with affordability levels between 30% and 70% of AMI for rental units and MPDU level affordable rental units). The average cost per unit, including both direct cash investment and estimated PILOT annual values, is approximately \$53,566 per affordable unit. The charts below show the total number of affordable units produced and the total County investment for FY26 to date, alongside totals from FY23-FY25.

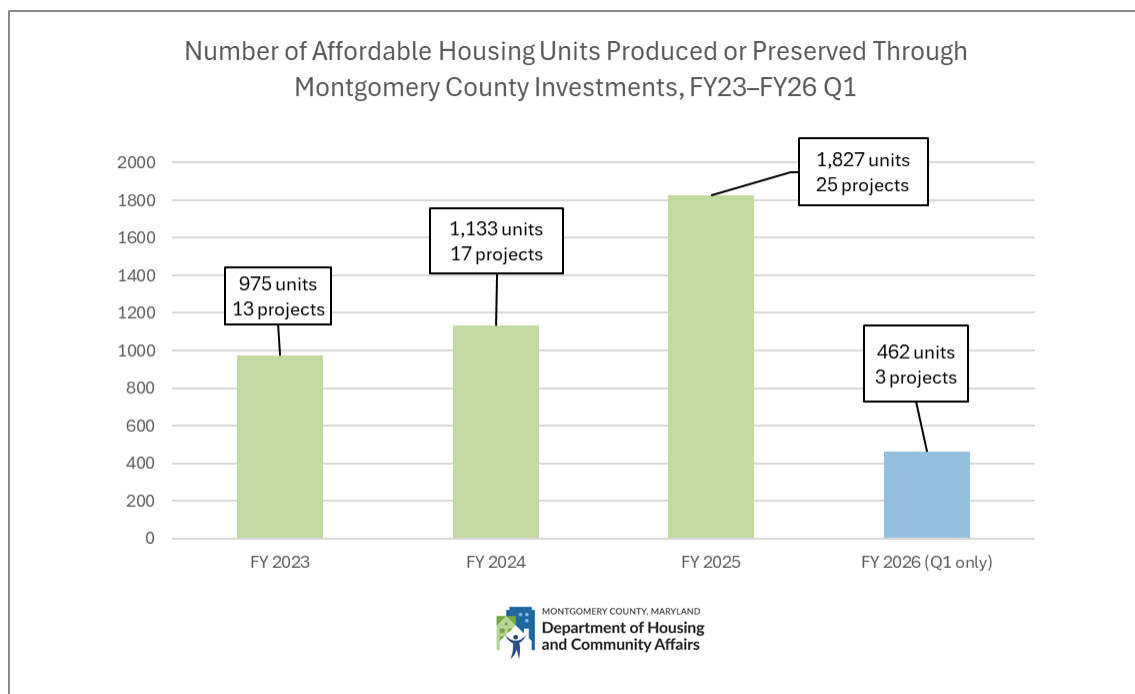
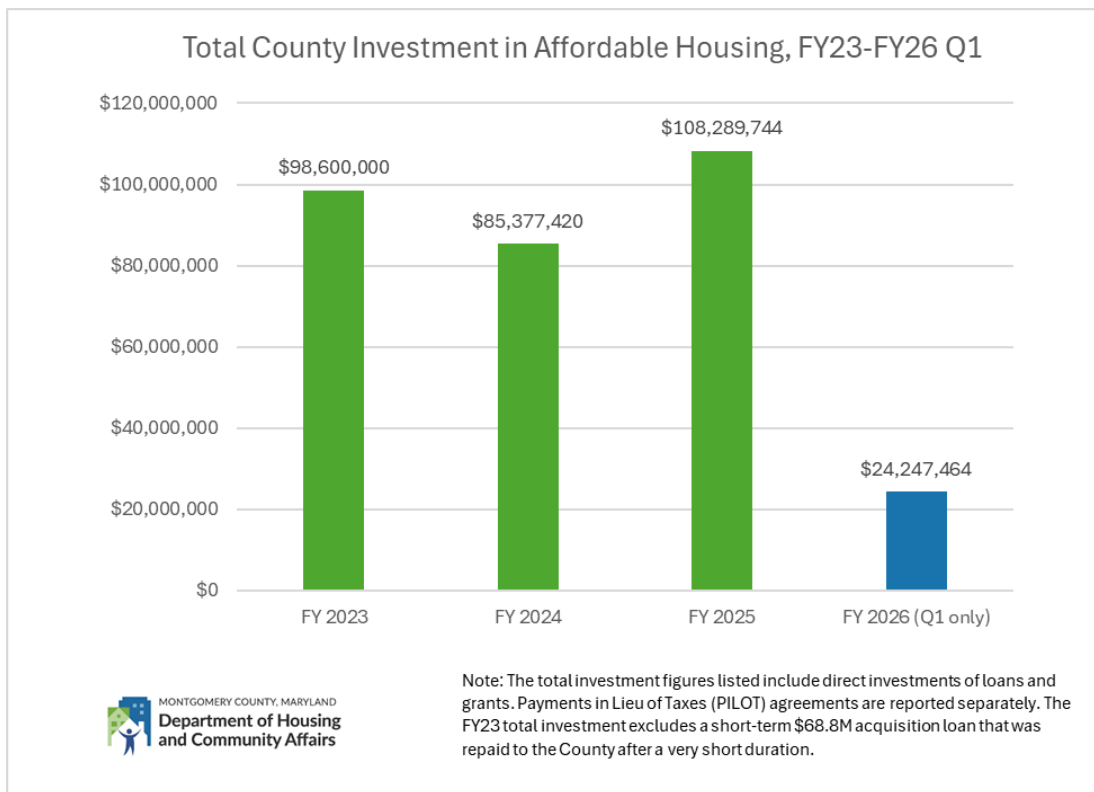


Figure 1

Funding towards affordable housing production and preservation has historically only counted units that will serve households at or below 70% of AMI (the Montgomery County affordability definition). However, other affordable housing programs and funding sources, including federal programs such as CDBG, HOME, and LIHTC, allow for affordability at 80% of AMI. As many of the units on the pipeline will have additional restrictions for units at 80% of AMI, it should be noted that even more affordability than what the County has historically tracked is being created.





*Figure 2*

## List of Projects closed in the first quarter FY26:

In the first quarter of FY26, DHCA provided financial investment of \$24,247,464 for two (2) new projects and \$225,000 (FY25) one (1) PILOT project:


- MHP, Bethany House, \$8,247,464, for the acquisition of a building with 227 affordable units for seniors,
- 8727 Colesville Owner LP, 8727 Colesville Road, \$225,000 in estimated FY25 annual By-Right PILOT agreement, for the production/conversion of a commercial building into a 227-unit multifamily residential building with 114 affordable units, and
- Rockville Housing Enterprises, RHE Scarborough, \$16,000,000 plus \$274,987 in estimated FY25 annual By-Right PILOT agreement value, for permanent financing of a 121 affordable unit property.

These three (3) projects will generate a total of 462 affordable rental units, with 437 units with affordability levels at 30% to 70% of AMI and an additional 25 units at MPDU income levels for high-rise apartments .

Highlights of the first quarter funded projects are below:


## Bethany House

199 Rollins Ave, Rockville, Maryland 20852

Owner/Developer	Christian Church Facilities for the Aging, Inc. (Note: MHP assumed control of the organization.)	
Use of Funds	Acquisition	
Unit Mix	250 total units: 132 Studio, 113 1-br, 5 2-br,	
Affordability Level	227 affordable units: 50 at 50% of AMI, 152 at 60% of AMI, 25 at MPDU level for High-rise Apartments	
Special Needs Group Served	Senior	
Loan Amount	\$8,247,464	
Source of Funds	NPF	
Loan Closed	July 25, 2025	
Notes/ Additional Comments		


## 8727 Colesville Road

8727 Colesville Road, Silver Spring, MD 20910

Owner/Developer	8727 Colesville Owner LP	
Use of Funds	Rehabilitation/Conversion	
Unit Mix	227 total units: 145 Studio, 81 1-br, and 1 2-br	
Affordability Level	114 affordable units:114 at 60% of AMI	
Special Needs Group Served	N/A	
Loan Amount	N/A	
PILOT (est. annual value)	\$225,000 for FY25	
Source of Funds	By-Right PILOT	
Loan Closed	August 25, 2025	
Notes/ Additional Comments		

## RHE Scarborough Square (Permanent Acquisition Financing)

438 College Parkway Rockville, MD 20850

Owner/Developer	Rockville Housing Enterprises	
Use of Funds	Permanent Acquisition Financing	
Unit Mix	121 total units: 12 1-br, 36 2-br, 63 3-br, 10 4-br	
Affordability Level	121 affordable units: 30 at 50% of AMI, 91 at 60% of AMI	
Special Needs Group Served	N/A	
Loan Amount	\$16,000,000	
PILOT (est. annual value)	\$274,987	
Source of Funds	NPF+HOME, By-Right PILOT	
Loan Closed	September 19, 2025	
Notes/ Additional Comments	Permanent Acquisition Financing	

## FY26 and Beyond Pipeline Loans


### FY2026 and Beyond Pipeline Loans

DHCA has received project proposals for consideration with closing dates projected in FY26 and beyond. Development plans for these projects are still in flux, and the County will not provide a commitment letter until the developer has submitted plans for approval. Given their stage and the ongoing discussions, the final loan amounts reflected below are preliminary, and funding sources are to be determined.

The following list does not reflect every project presented to DHCA for funding but provides insight into the most prominent projects under discussion.

#### NOBE II

11426-11428 Rockville Pike, North Bethesda, MD 20852

Owner/Developer	SCG Development Partners, LLC	
Use of Funds	New Construction	
Unit Mix	268 total Units: 48 studio, 135 1-br, 71 2-br, 7 3-br, 7 4-br	
Affordability Level	265 affordable units: 18 at 30% of AMI, 18 at 40% of AMI, 32 at 50% of AMI, 161 at 60% of AMI, 39 at 70% of AMI	
Special Needs Group Served	N/A	
Loan Amount	\$38,000,000	
Source of Funds	HIF-CIP + PILOT	
Closing Date	November 2025	
Notes/ Additional Comments		




## Deauville Apartments (Permanent Acquisition Financing)

7520 Maple Avenue, Takoma Park MD 20912

Owner/Developer	Deauville Property, LLC	
Use of Funds	Repayment of 2025 CIP acquisition loan	
Unit Mix	101 total units: 39 1-br, 36 2-br, 26 3-br	
Affordability Level	83 affordable units: 21 at 50% of AMI, 51 at 60% of AMI 11 at 70% of AMI	
Special Needs Group Served	N/A	
Loan Amount	\$10,100,000	
PILOT (est. annual value)		
Source of Funds	NPF	
Loan Closed	October, 2025	
Notes/ Additional Comments	Repayment of CIP loan from NPF	

## Seabury at Springvale Terrace

8505 Springvale Terrace, Silver Spring, MD 20910

Owner/Developer	Seabury Resources for Aging	
Use of Funds	New Construction	
Unit Mix	237 total units	
Affordability Level	185 affordable units: At least 23 units at 30% of AMI, 84 units at 50% of AMI, and 78 units at 60% of AMI	
Special Needs Group Served	Senior	
Loan Amount	\$35,000,000	
Source of Funds	HIF-CIP	
Closing Date	January 2026	
Notes/ Additional Comments	An additional 52 units will be preserved at 80% of AMI. The Springvale Terrace site will be redeveloped into new senior housing replacing the existing facility.	

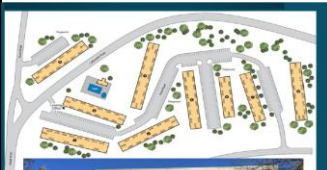

## 11800 Nebel Street

11800 Nebel Street, Rockville, MD 20852

Owner/Developer	TM Associates Development Inc	
Use of Funds	New Construction	
Unit Mix	150 total units: 30 1-br, 75 2-br, 30 3-br, 15 4-br	
Affordability Level	150 affordable units	
Special Needs Group Served	N/A	
Loan Amount	\$15,000,000	
Source of Funds	HIF	
Closing Date	January 2026	
Notes/ Additional Comments		


## Rollingwood Apartments

2535 Rose Road, Silver Spring, MD 20910

Owner/Developer	MRK & MHP	
Use of Funds	Permanent Financing for property acquired in 2023	
Unit Mix	283 total units: 19 studios, 40 1-br, 163 2-br, 61 3-br	
Affordability Level	283 affordable units at 70% of AMI	
Special Needs Group Served	N/A	 
Loan Amount	\$23,000,000	
Source of Funds	HIF-CIP + HOME	
Closing Date	March 2026	
Notes/ Additional Comments		

## Amherst Square 1

11440 Amherst Avenue, Wheaton, MD 20902

Owner/Developer	MHP	
Use of Funds	New Construction	
Unit Mix	173 Units	
Affordability Level	173 affordable units	
Special Needs Group Served	N/A	
Loan Amount	\$29,800,000	
Source of Funds	HIF-CIP + PILOT	
Closing Date	March 2026	
Notes/ Additional Comments		


## Strathmore Square Lot 2

Grosvenor-Strathmore Metro Station, Lot 2 North Bethesda, MD 20852

Owner/Developer	Enterprise Community Development, Inc.	
Use of Funds	New Construction	
Unit Mix	396 total Units	
Affordability Level	100 affordable units: at 50% to 70% AMI	
Special Needs Group Served	N/A	
Loan Amount	\$10,000,000	
Source of Funds	HIF	
Closing Date	FY26	
Notes/ Additional Comments		

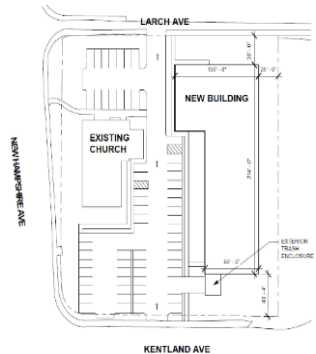
## Amherst Square 2

11440 Amherst Avenue, Wheaton, MD 20902

Owner/Developer	MHP	
Use of Funds	New Construction	
Unit Mix	99 Units	
Affordability Level	99 affordable units	
Special Needs Group Served	N/A	
Loan Amount	\$16,780,000	
Source of Funds	HIF-CIP	
Closing Date	FY27	
Notes/ Additional Comments		

## Sanctuary at Takoma Park

Takoma Park, MD

Owner/Developer	Sanctuary at Takoma Park	
Use of Funds	New construction of 78-unit building	
Unit Mix	78 total units; bedroom count TBD	
Affordability Level	78 affordable units	
Special Needs Group Served	Senior	
Loan Amount	\$5,000,000	
Source of Funds	HIF-CIP	
Closing Date	FY27	
Notes/ Additional Comments		

# Victory Station

530 Stone Street, Rockville, MD 20850

Owner/Developer	Victory Housing Inc	
Use of Funds	New Construction	
Unit Mix	105 total units:	
Affordability Level	101 affordable units: 101 at 30% and 60% of AMI, and 4 units at 80% and 100% AMI	
Special Needs Group Served	N/A	
Loan Amount	\$28,000,000	
Source of Funds	HIF-CIP	
Closing Date	FY28	
Notes/ Additional Comments		



# Table 1. Summary of FY26 Pipeline Projects

Pipeline Project Data Reported As of 9/26/2025<sup>5</sup>

Funding Source <sup>6</sup>	FY26 Projects Closed			FY26 Committed Projects <sup>7</sup>			FY26 Pipeline Projects			Projects In Discussion <sup>9</sup>		
	No. of Project	County Cost	Affordable Units	No. of Project	County Cost	Affordable Units	No. of Project	County Cost	Affordable Units	No. of Project	County Cost	Affordable Units
HIP-Operating							4	\$40,625,000	485	3	\$40,428,364	469
CIP				1	\$38,000,000	268	6	\$111,500,000	980	20	\$283,226,000	3099
NOAH												
AHOF												
NPF	2	\$18,022,451	227				1	\$10,100,000		1	TBD	92
HOME	1	\$6,500,000	121				2	\$3,209,059	14			
CDBG							3	\$3,860,382	165	1	\$5,250,000	70
Merger Funds												
PILOTs (est. annual value) <sup>8</sup>	2	\$499,987	114				1	\$ 398,627	100	1	TBD	47
New Rental Agreements				2	\$1,539,618	368	1	TBD				
Total Direct Investment	2	\$24,522,451	348									
<b>Total</b>	<b>3</b>	<b>\$ 25,022,438</b>	<b>462</b>	<b>3</b>	<b>\$ 39,539,618</b>	<b>636</b>	<b>18</b>	<b>\$ 169,693,068</b>	<b>1744</b>	<b>26</b>	<b>\$ 328,904,364</b>	<b>3777</b>

<sup>5</sup> The data reported is the point-in-time information. The numbers could be adjusted based on the on-going negotiation between DHCA and the developers.

<sup>6</sup> Some projects are funded with multiple funding sources, so the number of projects in each column exceeds the total number of unique funded projects.

The total reported in the bottom rows reflect the actual number of unique projects funded.

<sup>7</sup> Committed Projects are provided with funding commitment from DHCA and the closing is in process.

<sup>8</sup> For FY26 Projects Closed, this line lists two projects with new or existing PILOTs. The number of units reflects those projects supported as "stand-alone" PILOTs, without direct cash

<sup>9</sup> Projects in Discussion that do not have specific funding request yet are not included in this table. There are more projects in discussion for FY27 and beyond. Many are still in discussion and this list provides only a sampling.