

HOC Cty Guaranteed Bond Projects -- No. 809482

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 05, 2010
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY09	Est. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	50,000	50,000	0	0	0	0	0	0	0	0	0
Total	50,000	50,000	0	0	0	0	0	0	0	0	0

FUNDING SCHEDULE (\$000)

HOC Bonds	50,000	50,000	0	0	0	0	0	0	0	0	0
Total	50,000	50,000	0	0	0	0	0	0	0	0	0

DESCRIPTION

This project serves to identify the uses of Housing Opportunities Commission (HOC) bonds for housing construction and permanent mortgage financing. In addition, the County guarantee on these HOC revenue bonds may provide coinsurance with appropriate Federal, State, and private insurers on HOC revenue bonds and notes issued to finance new or existing residential units. These bonds will be backed by the revenues of the developments; by the pledge of subsidy funds if appropriate; and by the full faith and credit of Montgomery County. All developments financed under this approach will be self-supporting. They are included in the Capital Improvements Program (CIP) in order to provide the legal authorization of ultimate County backing of specific projects. This project reflects a total authorization of \$50 million. Control over specific projects which are given County backing is maintained by implementation procedures developed in accordance with local legislation. The legislation provides for specific approval by the County Council, except for certain stated uses for which County Executive approval is permitted, subject to action by the County Council at its discretion.

JUSTIFICATION

Relevant legislation and reports include: Code of Maryland as amended by State legislation providing for County backing of HOC bonds; Opportunity Housing legislation; report of the Task Force on Moderate Income Rental; and other studies. In the opinion of County bond counsel, inclusion in the CIP is required even though no County funds will be required.

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.

FISCAL NOTE

The project has financed the development of housing units at The Oaks at Four Corners (120 units), Magruder's Discovery (134 Section 8 units), Spring Gardens (83 units), Chevy Chase Lake South (68 units), Fairfax Courts (18 units), Montgomery Arms apartments (132 units), The Metropolitan (308 units), Amherst Square (100 units) and Pooks Hill Courtyard (50 units).

In FY95, HOC repaid the Magruder's Discovery bond (\$5.7 million) and financed The Metropolitan (\$33.9 million). During FY97, HOC repaid the \$4.1 million bond for The Oaks at Four Corners. In FY98, the bonds that were used to finance The Metropolitan were repaid using bonds guaranteed under the FHA Risk-Sharing program. Subsequently, in FY99, Pook's Hill Courtyard (50 units) and Landings Edge (100 units), were financed using \$12.9 million in County G.O. bonds.

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. In FY09, HOC issued \$33.05 million in fixed rate taxable short term notes to redeem previously issued County backed notes which were used to fund the construction of 173 units above the Wheaton Metro Kiss and Ride site. Since December 11, 2008, the mortgage on the property has been secured by a FHA Risk Sharing Guarantee. The County general obligation pledge will remain in place until the short term notes are replaced with long term term debt.

APPROPRIATION AND EXPENDITURE DATA	COORDINATION Department of Finance	MAP
Date First Appropriation	FY	(\$000)
First Cost Estimate	FY87	25,000
Current Scope		
Last FY's Cost Estimate		50,000
Appropriation Request	FY11	0
Appropriation Request Est.	FY12	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditures / Encumbrances		0
Unencumbered Balance		0
Partial Closeout Thru	FY08	0
New Partial Closeout	FY09	0
Total Partial Closeout		0