

Preserving, Protecting and Producing

County Commitment to Reduce Housing Cost Burdens

PLCC Housing Accelerator Action Team Distressed Properties Discussion



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Protecting Residents from Displacement

28,500 NOAH - up to 11,000 at risk by 2030

County Tools for creating dedicated affordable units includes

- Code inspects 100% of units in 'Troubled' buildings annually
- Acquisition financing - Affordable Housing Opportunity Fund
- Housing Initiative Fund gap financing for long-term affordability
- Right of First Refusal on all Multifamily sales of 4 units or greater
- PILOT real estate tax abatement for long-term dedicated affordability
- Rental Agreements to extend affordability

Impact of Financing Support in FY22

- **16 projects committed ; 1,214 affordable units; 627 Preservation, 587 Production**
- **\$69 million of County loan financing committed; Average cost is \$56,000 per unit**
- **11 different development partners, including for-profit and non-profit**
- **694 units preserved through Rental Agreements in FY22**
- **320 MPDU (185 rental/135 for sale) created in calendar year 2021**

\$100 million HIF Long-Term Lending Capacity in FY23

More than double previous annual appropriations

- \$40 million dedicated for NOAH preservation projects
- \$60 million flexible for Acquisition, Production and Preservation
- Up to 2,000 dedicated units targeted at recent average HIF per unit
- DHCA Lending Guidelines the same for HIF Lending, prioritizing deeper AMI, family sized units, County-wide availability

Affordable Housing Opportunity Fund (AHOF)

- AHOF is opened for Applications March 2022
 - The National Housing Trust Community Development Fund providing Fund Manager services
 - Applications submitted to NHTCDF [Affordable Housing Opportunity Fund | National Housing Trust](#)
- The County \$20 million committed to support NHTCDF funding, creating at least \$80 million total lending
- Financing structured to meet acquisition market pricing and timing requirements
 - Three-year loans to provide time to arrange long-term affordability financing
 - Acquisitions require 10-year affordability restrictions, extended at permanent financing
- NHTCDF evaluates applications, arranges additional capital and recommends transactions to DHCA
 - NHTCDF offers pre-development financing, improved terms for Purple Line and deeper affordability

Right of First Refusal and PILOT

Montgomery County ROFR opportunity on all Multifamily sales 4 units or greater

- 2021 \$3.5 billion in sales/ 12,500 units, \$284,000 avg per unit
- 2020 \$1.4B in sales/ 6,200 units , \$218,000 avg per unit
- ROFR requires County purchase using cash on hand, limiting size
- Acquired and resold 68 units, protected 450 units with rental and PILOT agreements

PILOT

- By Right PILOT on 100% of units for non-profit owners with more than half units newly restricted at 60% AMI for at least 15 years
- Negotiated PILOT on other properties with regulated units, at a per unit amount

Working with DHCA

Discuss Affordable Housing Capital projects:

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Receive information to share with renters and homeowners:

- DHCA@montgomerycountymd.gov

Visit our:

- DHCA Website: www.montgomerycountymd.gov/dhca
- DHCA Annual Report: www.montgomerycountymd.gov/dhca/reports.html