



September 8, 2011

**Developing Affordable
Housing in High Cost
Areas**

3:15 – 4:15 p.m.

**Robert A. Goldman,
President**

Montgomery Housing Partnership

Working Together to Build Strong Communities

Montgomery County, MD

Demographics & Characteristics

- ❑ Affluent Suburb - north of Washington, DC
southwest of Baltimore, MD**
- ❑ Population - 971,777 residents**
- ❑ 500 square miles**
- ❑ Largest concentration of bachelor's degrees**
- ❑ Area media income (AMI) = \$103,500**

Montgomery County, MD

Demographics & Characteristics

- ❑ **White – 57%**
- ❑ **African American – 17%**
- ❑ **Hispanic – 17%**

Montgomery County, MD

Inclusionary Zoning

Law established in 1974

- ❑ Subdivisions – 20 or more units**

- ❑ Set aside 12.5% - 15% as affordable housing**
 - 60% sold as affordable homeownership**
 - 40% sold as affordable rentals**

- ❑ Over 11,000 affordable units developed**

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Montgomery County, MD

Inclusionary Zoning

- ❑ 20 year Control Period – homeownership
- ❑ 99 year Control Period – rentals

Issues Going Forward

1. Losing MPDUs faster than gaining new ones
2. Cost in High Rise Developments



AFFORDABLE HOUSING MISSION

MONTGOMERY HOUSING PARTNERSHIP

- 1. Private, nonprofit organization founded in 1989.**
- 2. Holistic approach to preserving and expanding quality affordable housing in Montgomery County, Maryland.**



AFFORDABLE HOUSING MISSION

- Green & Sustainable Affordable Housing Development**
- Neighborhood Revitalization**
- Community Life Programs**

BEFORE

Gilbert Highlands Rehabilitation

AFTER



**8508-8510
Flower Ave
Takoma Park
Maryland**

21 units

Built in 1953

**Acquired in
2007**



BEFORE - 2008



AFTER - 2010





Green Features

- New reflective roof, and fully insulated building**
- Energy Star appliances**
- Individually metered in-unit HVAC systems**
- Low-flow toilets, showerheads and faucets**
- Improved Interior and Exterior Lighting Efficiency**
- Fresh Air Ventilation**

Green Features

- Rainbarrels & native plants**
- Low-VOC paints, primers, adhesives and sealants**
- Time-delayed fans in bathrooms**
- Vented fans in kitchen**
- Recycled close to 60% of waste**
- Green Label Carpet & Pads**



Total Development Costs Gilbert Highlands

<input type="checkbox"/> Montgomery County HIF	\$ 2,699,000
<input type="checkbox"/> Tax Credit Monetization Funds	1,175,255
<input type="checkbox"/> Citi Community Capital	800,000
<input type="checkbox"/> NeighborWorks America	217,000
<input type="checkbox"/> State of Maryland RHPP	250,000
<input type="checkbox"/> Maryland MEEHA	52,500
<input type="checkbox"/> MHP	<u>152,262</u>
TOTAL	5,346,017



Gilbert Highlands Affordability

- 21 total units**
- 10 1-bedroom units - rents range from \$425-911**
- 11 2-bedroom units – rents range from \$500-1,010**

10% of units – 30% of AMI
15% of units – 40% of AMI
55% of units – 60% of AMI
20% of units – market rate

Newest Acquisition - Parkview Towers

- ❑ Acquired December 2010
- ❑ 125 units, 11-story high rise on 2.8 acres
- ❑ Built in 1964
- ❑ Purchase Price = \$6.895 million
(\$55,200 per unit)
- ❑ Total Project Cost = \$8.395 million
(\$67,200 per unit)





Acquisition & Development Financing Parkview Towers

<input type="checkbox"/> Enterprise	\$6.895 million
<input type="checkbox"/> MD BRAC Fund	\$1.250 million
<input type="checkbox"/> Seller Take Back	\$0.250 million
<input type="checkbox"/> Capital One	\$0.200 million

Trends & Lessons

- Stimulus Funding – Tax Credit Exchange, TCAP, New Issue Bond Program**
- Energy Efficiency Programs**
- Other Programs – BRAC, etc.**
- Acquisition Strategy**
- Impact of Deficit Reduction – Tax Credits, HOME, CDBG**
- State and Local Cutbacks**