HOC MPDU/Property Acquisition Fund
(P768047)

Category	Housing Opportunities Commission	Date Last Modified	12/12/25
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY25	Est FY26	Total 6 Years	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Beyond 6 Years
Land	12,016	12,016	-	-	-	-	-	-	-	-	-
Other	491	-	491	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	12,507	12,016	491	-	-	-	-	-	-	-	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY25	Est FY26	Total 6 Years	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Beyond 6 Years
Revolving Fund: Current Revenue	107	107	-	-	-	-	-	-	-	-	-
Revolving Fund: G.O. Bonds	12,400	11,909	491	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	12,507	12,016	491	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 27 Request	-
Appropriation FY 28 Request	-
Cumulative Appropriation	12,507
Expenditure / Encumbrances	-
Unencumbered Balance	12,507

Year First Appropriation	FY14
Last FY's Cost Estimate	12,507

PROJECT DESCRIPTION

This is a revolving loan fund which authorizes the Housing Opportunities Commission ("HOC") to use up to $12.5 million at any one time for: (a) interim financing, including cost of acquisition and finishing by HOC, of Moderately Priced Dwelling Units ("MPDUs") as permitted in Chapter 25A of the Montgomery County Code, provided that the unit is used in tandem with a Federal, State, or local subsidy program and is developed to provide housing to low- and-moderate-income households; and (b) planning, acquisition, and improvement of sites and/or existing properties for low and-moderate-income, single, or multifamily housing facilities, which are to be owned and operated by HOC or its designees. Sites may be land-banked in anticipation of future development when adequate public facilities become available. Upon receipt of permanent financing, monies are returned to the fund for reuse. No MPDU may be held by the fund for more than 24 months. The 24-month maximum holding period may be extended in unusual situations for a limited time upon determination by the Director of the Department of Housing and Community Affairs that such an extension would best support purposes of this program. HOC may determine that a County lump sum subsidy is required to secure independent financing or meet Federal, State, or local program guidelines for itself or its designees. Such write-downs from County funds shall be made only for projects serving households whose incomes do not exceed the following limits: 1/3 units - 80 percent of Washington Metropolitan Area

Median income; 1/3 units - 80 percent of County Median income; and 1/3 units uncontrolled. In the event that a subsidy is undertaken, then in its next CIP submission, HOC shall include a PDF describing the subsidized program and shall request an appropriation sufficient to fully repay this fund.

PROJECT JUSTIFICATION

HOC is continually evaluating transactions that will require interim funding from the revolving fund. These transactions include redevelopment activities of older HOC properties that require significant capital infusion to improve their physical conditions or to redevelop and/or reposition them in their respective market areas. In addition, HOC continues to seek new development opportunities, as well as, the acquisition of existing multifamily developments through the conventional real estate sales market that may require interim financing to facilitate the transaction. The County's right of first refusal law was changed to include all multifamily properties of more than five units. The change in law provides HOC with greater acquisition opportunities to preserve affordability and greater need for gap and bridge financing. HOC sets aside revolving funds to capitalize on opportunities to acquire and preserve rental units as they are offered under the current law.

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. 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.

FISCAL NOTE

Outstanding draws as of June 30, 2025 totaled $12,015,874. In FY25, a repayment of $96,000 was made for 880 Bonifant Street, leaving $4,016,000 outstanding. The remaining outstanding balance consists of Ambassador ($1,588,816) and Avondale ($6,441,058). The available balance as of June 30, 2025 totaled $491,126. HOC anticipates continued utilization of the revolving fund for MPDU acquisition as well as for the acquisition, development and improvement of real property that expands or stabilizes affordable housing in the County.

COORDINATION

Department of Finance and Department of Housing and Community Affairs.