

State Of Maryland 2022 Bond Initiative Fact Sheet

1. Name Of Project		
Randolph Road Condos		
2. Senate Sponsor	3. House Sponsor	
Waldstreicher	Solomon	
4. Jurisdiction (County or Baltimore City)	5. Requested Amount	
Montgomery County	\$500,000	
6. Purpose of Bond Initiative		
the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of a property at 4010 Randolph Road		
7. Matching Fund		
Requirements:	Type:	
Grant		
8. Special Provisions		
<input type="checkbox"/> Historical Easement	<input checked="" type="checkbox"/> Non-Sectarian	
9. Contact Name and Title	Contact Ph#	Email Address
Delegate Jared Solomon		Jared.Solomon@house.state.md.us
Sarah Reddinger		301-346-9107
10. Description and Purpose of Organization (Limit length to visible area)		
<p>Habitat for Humanity Metro Maryland (HFHMM) is a nonprofit focused on the development and preservation of affordable homeownership in Montgomery and Prince Georges Counties. Homeownership is the primary way families build wealth and with home prices skyrocketing and wages not keeping up; the need for affordable ownership opportunities has grown. This need is particularly acute for households of color that own their residences at a significantly lower rate than white families. Habitat strives to ensure that families have equitable access to affordable ownership and the tools they need to thrive in their homes. In the past 40 years, HFHMM has built or rehabilitated 100 homes that it sold to low-income families living and working in our community. As the lender, Habitat provides an affordable mortgage helping ensure long-term success. HFHMM has only had one default.</p>		

11. Description and Purpose of Project (Limit length to visible area)

The Randolph Rd Project is a partnership between HFHMM and AHC, a nonprofit affordable rental provider, to develop 6 acres of county owned land. The future community will house 195 families in deeply affordable units and will include a park, community room and childcare center. By co-locating rental and ownership, we drive down the often prohibitive development costs for ownership and decrease future condo fees by sharing property management costs with the rental units. This LBI would specifically support 24 condos being developed and sold by HFHMM. All condos will be affordable to families earning between 30 and 50% of AMI. It is nearly impossible for households in that range to access ownership in Montgomery County. Habitat must subsidize the project to make ownership affordable for families in that range. The subsidy essentially buys down sales prices to an affordable level. Habitat's capital campaign has raised \$1.1M that would leverage LBI funding.

Round all amounts to the nearest \$1,000. The totals in Items 12 (Estimated Capital Costs) and 13 (Proposed Funding Sources) must match. The proposed funding sources must not include the value of real property unless an equivalent value is shown under Estimated Capital Costs.

12. Estimated Capital Costs

Acquisition	\$72,000
Design	\$840,000
Construction	\$7,152,000
Equipment	\$0
Total	\$8,064,000

13. Proposed Funding Sources - (List all funding sources and amounts.)

Capital Campaign	\$1,166,000
Construction Loan paid off by sale of mortgages	\$5,008,000
Federal Home Loan Bank - Grant	\$1,000,000
Closing Cost Assistance	\$240,000
LBI	\$500,000
In Kind Material & Labor Donations	\$150,000
Total	\$8,064,000

14. Project Schedule (Enter a date or one of the following in each box. N/A, TBD or Complete)			
Begin Design	Complete Design	Begin Construction	Complete Construction
2/28/2020	6/30/2022	7/1/2022	7/31/2024
15. Total Private Funds and Pledges Raised	16. Current Number of People Served Annually at Project Site		17. Number of People to be Served Annually After the Project is Complete
1106000.00	0		Estimated 108
18. Other State Capital Grants to Recipients in the Past 15 Years			
Legislative Session	Amount	Purpose	
N/A			
19. Legal Name and Address of Grantee		Project Address (If Different)	
Habitat for Humanity Metro Maryland, Inc. 8380 Colesville Road, Suite 700 Silver Spring, MD 20910		4010 Randolph Road Silver Spring, MD 20902	
20. Legislative District in Which Project is Located	18 - Montgomery County		
21. Legal Status of Grantee (Please Check One)			
Local Govt.	For Profit	Non Profit	Federal
[]	[]	[X]	[]
22. Grantee Legal Representative		23. If Match Includes Real Property:	
Name:	Stacy Silber	Has An Appraisal Been Done?	Yes/No
Phone:	301-841-3833		No
Address:		If Yes, List Appraisal Dates and Value	
Lerch, Early & Brewer Chtd. 7600 Wisconsin Ave. Suite 700 Bethesda, MD 20814			

24. Impact of Project on Staffing and Operating Cost at Project Site			
Current # of Employees	Projected # of Employees	Current Operating Budget	Projected Operating Budget
7	8	6987000.00	7406000.00
25. Ownership of Property (Info Requested by Treasurer's Office for bond purposes)			
A. Will the grantee own or lease (pick one) the property to be improved?			Own
B. If owned, does the grantee plan to sell within 15 years?			Yes
C. Does the grantee intend to lease any portion of the property to others?			No
D. If property is owned by grantee any space is to be leased, provide the following:			
Lessee	Terms of Lease	Cost Covered by Lease	Square Footage Leased
N/A			
E. If property is leased by grantee - Provide the following:			
Name of Leaser	Length of Lease	Options to Renew	
N/A			
26. Building Square Footage:			
Current Space GSF	0		
Space to be Renovated GSF	N/A		
New GSF	34,230sf		

27. Year of Construction of Any Structures Proposed for Renovation, Restoration or Conversion	N/A
28. Comments	
<p>Habitat for Humanity is excited about the opportunity to provide 24 deeply affordable homeownership opportunities to lower income households living and working in our community that are otherwise unable to purchase homes. Habitat will oversee the construction of 2 buildings, each with 12 condo units. Upon completion, Habitat will sell 8 units to borrowers at 30% of Area Median income, 8 units to borrowers at 40% and 8 units to borrowers at 50%. Depending on family size, household incomes will range from \$31,000 to \$74,850. Habitat is the lender and will provide all borrowers with a 30 year, 0% interest mortgage with a 1% down payment. Habitat will price condo units to ensure that borrowers do not pay more than 30% of their household income on housing costs including their mortgage, property taxes, homeowners insurance, and condo fees.</p> <p>Habitat will create the condo association, fund the reserve fund, train the buyers to manage the association, and Habitat will retain a seat on the condo board to serve as a resource for the owners and ensure financial stability. HFHMM has completed two townhome communities in Montgomery County and has experience creating and helping manage common ownership community boards.</p> <p>Habitat qualifies and identifies borrowers as construction is started. This allows borrowers to help build their homes, learning critical home repair skills and giving them a better understanding of how the homes function. Borrowers are also required to complete educational workshops that help prepare them for ownership including financing, budgeting, maintenance, insurance, etc.</p> <p>As previously mentioned, Habitat homeownership projects, including the Randolph Road build, are subsidized with donations and grants. That subsidy helps bring down the sales price to a level that's affordable to lower income borrowers. Habitat has several policies in place to protect that subsidy, so that a buyer cannot flip a Habitat home for profit. First, Habitat maintains right of first refusal on all Habitat homes. If a buyer does sell, they have to offer the home to Habitat first so that we can repurchase the home and keep it affordable. In fact, on the Randolph Road Project we committed to Montgomery County that we would keep all units affordable at their original income levels for 20 years, if they are sold during that period. Secondly, Habitat puts a silent second mortgage on homes if they are sold to homeowners for under the appraised value. The silent second mortgage is only repaid if the home is sold. Lastly, Habitat shares equity appreciation over time with the owners. The owners earn more and more equity the longer they stay in the homes. All of these mechanisms help Habitat afford to repurchase homes, keep the subsidy in the community for as long as possible, and recover the subsidy should the owners decide to move on.</p> <p>Again, Habitat is thrilled to participate in this innovative project that will include 168 rental units and 27 ownership opportunities and quality onsite amenities. In addition to the 24 condos, Habitat will build 3 universal design, four bedroom single family homes. Those homes were not included in this request as they can be sold at slightly higher income levels and will be funded through other sources. *The operating expenses listed in #24 are for the entire organization and include an estimated increase for next fiscal year. We anticipate hiring one additional staff member to support the project.</p>	