

NCSHA 2011 Awards

Category: Rental Housing
Sub-Category: Preservation and Rehabilitation
Entry Name: The MD-BRAC Multifamily Preservation Initiative

Purpose of Initiative:

The federal Base Realignment and Closure process, or BRAC, is expected to bring over 25,000 new households to central Maryland beginning in 2011, exacerbating the state's shortage of affordable housing. With the support of the John D. and Catherine T. MacArthur Foundation, the Maryland Department of Housing and Community Development (DHCD) joined with eight county governments in Maryland to preserve affordable rental housing located in the counties most affected by the influx of new workers. In a regional partnership, DHCD is working with Anne Arundel, Baltimore, Cecil, Frederick, Harford, Howard, Prince George's and St. Mary's Counties to implement the MD-BRAC Preservation Initiative, which will ensure that rental housing preservation is a key element of the region's response to the challenges and complexities of BRAC-related growth.

The MacArthur Foundation's support for the Preservation Initiative is part of their *Window of Opportunity* campaign, a \$150 million, 10-year effort to preserve affordable rental homes across the nation. Maryland is one of only 12 states and cities to have been awarded funding under *Window of Opportunity*.

Preservation Components:

The Preservation Initiative is composed of five related components listed below:

Preservation Loan Fund – MD-BRAC:

The MacArthur Foundation's Program Related Investment (PRI) of \$4 million will leverage DHCD, federal, local and private funds totaling approximately \$915 million to preserve 9,000 additional units of affordable rental housing in 60 developments during the initial 10-year period of the BRAC process. The Loan Fund provides flexible, short-term (typically 12-24 months) loans which complement other financing, and are repaid through long-term financing made available through DHCD and its partners

BRAC Countywide Market Studies, Data Analysis and Assessment

MacArthur Foundation funds are being used to create a database of existing affordable multifamily rental properties in the nine BRAC counties, and to develop a methodology of ranking those properties best suited for affordability preservation. The first step in this process is to commission individual countywide market studies for each of the nine BRAC counties. As a result, DHCD and its partner counties will be able to specifically target financial and non-financial resources towards "at-risk" properties, thereby maximizing the impact of their preservation activities.

Education and Outreach

DHCD's experience indicates that direct technical assistance is needed for owners to understand and recognize the benefits of the preservation process. To that end, MacArthur Foundation funds are being used to provide outreach and targeted technical assistance to owners and buyers of multifamily rental housing to encourage them to preserve their properties as affordable housing, using DHCD short-term and

long-term financing, including the MD-BRAC Preservation Loan Fund. In addition to property owners, our outreach team also meets with local officials and community leaders to better understand the needs of individual communities.

Rental Preservation Compact

MacArthur Foundation funds are being used to support the development of a common set of loan Documents, underwriting and rehabilitation standards, and agreed upon processing times between DHCD and local jurisdictions and other public and private lenders. This is a year-long process that is being undertaken by a Workgroup of State, local, and federal rental housing managers, lawyers, and real estate professionals. The impact will be to reduce the legal and carrying costs of preservation projects, allowing funds to go further, and preserving more units. The additional goal is to provide a model for other state and local governments to use nationally.

Green Grant - Rental Housing Preservation Program

MacArthur Foundation funds are being used in partnership with funding from the Maryland Energy Administration to promote energy efficiency in affordable rental housing developments, through the Green Grant Rental Housing Energy Efficiency Program. The Green Grant program reimburses eligible applicants for costs associated with Energy Audits for multi-family rental housing or for the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) accreditation and training, in certain communities affected by BRAC.

Results

DHCD has made significant gains to achieve its goals of preserving a total of 14,000 units of rental housing in the initial 10-year term of MD-BRAC and improving the policy environment for rental preservation in the geographic footprint of the MD-BRAC target area. The 14,000 unit goal represents an incremental increase of 9,000 units over the 5,000 unit "baseline" DHCD would have expected to achieve without the support of the Foundation. Despite an exceedingly unfavorable economic climate, the drive and commitment of MDHCD and its compact partners has not wavered. Last year, a total of 1,409 units were preserved. Cumulatively in the first two years (through November 30, 2010) DHCD has financed or facilitated the preservation of 2,227 units in 18 properties in 6 counties. Many of these units also have been impacted by MDHCD's energy efficiency efforts.

Mdhousing's Blog*Creating Homeowners. Preserving
Neighborhoods in Maryland***Takoma Park High Rise is First Financed Through the Maryland-BRAC Preservation Loan Fund**Posted on [January 26, 2011](#) by [mdhousing](#)

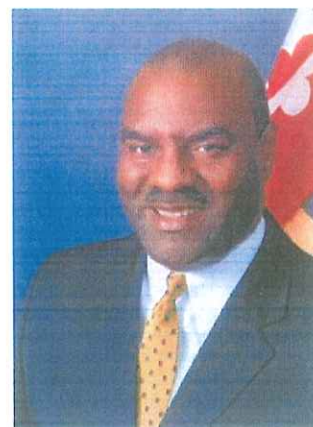
JANUARY 26

Takoma Park, MD – The Montgomery Housing Partnership announced the acquisition of Parkview Towers Apartments, a \$6.1 million apartment building in Takoma Park, financed through loans by the Enterprise Community Partners, the seller and Maryland's BRAC Preservation Loan Fund. See a [release](#) on this significant preservation of affordable housing in the Takoma Park community.

The Maryland-BRAC Preservation Loan Fund was created out of an initial \$4 million investment from the John and Catherine T. MacArthur Foundation to preserve rental housing in the eight counties affected by the federal Base Realignment and Closure process. DHCD is working with Anne Arundel, Baltimore, Cecil, Frederick, Harford, Howard, Prince George's and St. Mary's counties to ensure that rental housing preservation is a key element of the region's response to the challenges and complexities of BRAC-related growth. Visit DHCD's website to [learn more](#) about this important initiative.

Parkview Towers is just one of several affordable rental housing projects created or preserved through the partnership between the Department of Housing and Community Development and the Montgomery Housing Partnership. Visit their [website](#) to see examples of that partnership in action.

Deputy Secretary Clarence Snuggs told members of the Silver Spring, Md.-based nonprofit's board of directors that the O'Malley-Brown administration will continue its aggressive efforts to increase affordable housing for Maryland's hardworking families, despite the fragile housing market. The deputy secretary met with the board on Jan. 25, thanking them for their ongoing efforts to expand affordable rental housing opportunities and revitalize neighborhoods in the county.

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FOR IMMEDIATE RELEASE

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Montgomery Housing Partnership Purchases Parkview Towers Non Profit Preserves 125-unit High Rise as Affordable Housing; Transaction is the First Financed through Newly Created Maryland-BRAC Preservation Loan Fund

(Takoma Park, MD – January 6, 2011) – Montgomery Housing Partnership, Inc. (MHP), a private nonprofit housing developer, today announced the year-end acquisition of the Parkview Towers apartments at 7667 Maple Avenue. MHP purchased the 11-story building for \$6.895 million from a private owner on December 23, 2010. The broker of record on the transaction was Marcus & Millichap Real Estate Investment Services.

The acquisition of the 47-year-old rental community was financed from loans by Enterprise Community Partners, Inc., the State of Maryland, and the seller. The State's funding was from its Maryland-BRAC Preservation Loan Fund and was the first transaction approved through the newly created fund to finance housing development in areas affected by the base realignments. Equity Management is the leasing company that will handle the day-to-day management of the property, which is 99 percent occupied.

"MHP is thrilled with the recent acquisition of Parkview Towers. The apartment community has been a terrific neighbor on Maple Avenue, which is an area under redevelopment by the City of Takoma Park and Montgomery County. Our reinvestment strategy in the neighborhood is continuing, and we are delighted to add Parkview Towers to MHP's growing portfolio," said MHP President Robert Goldman.

The community offers studio, 1-bedroom, 2-bedroom, and 3-bedroom units, and occupies 2.8 acres in the heart of Takoma Park. It has onsite parking and is within walking distance to retail, schools, recreation centers, county services, and the Takoma Metro Station. MHP is planning a two phase renovation of the brick building, which was built in 1964. The total project costs of the acquisition, including proposed Phase 1 repairs, are \$8.395 million. Phase 1 will include repairs to the mechanical, plumbing and elevator systems, upgrades to security systems and exterior lighting, and installing water saving devices in order to reduce utility costs. Phase 2 will be a longer term renovation to include replacing mechanical, electrical and plumbing systems, upgrading kitchens and bathrooms, and landscaping.

MHP, through its affiliates, owns several rental communities in the neighborhood that are currently undergoing rehabilitation or were recently completed, including one at 7610 Maple Avenue - one block down the street. MHP is midway through its \$5.25 million major renovation of the vacant 8-story Maple Towers, and expects to open for occupancy in April for 36 families. The renovation features an onsite rental office, and a new community room that will house a preschool and computer lab. During the last 10 years, MHP's total investments in Takoma Park and the adjoining Long Branch neighborhoods - through public and private financing - has totaled more than \$40 million.

MHP's holistic approach to housing includes providing affordable rents, developing educational programs for residents to expand their opportunities and balance their lives, and implementing neighborhood revitalization efforts. For more information about the nonprofit, visit us at www.MHPpartners.org.

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About MHP

Montgomery Housing Partnership is a private, nonprofit housing development organization based in Silver Spring, MD. Organized in 1989, MHP is the largest nonprofit housing developer in Montgomery County, and has developed more than 1,200 units of affordable apartments, condos and townhomes. MHP also works with residents and businesses to enhance the vitality of the neighborhoods in which affordable housing is located, and implements Community Life Programs for its residents. MHP is a chartered member of NeighborWorks® America. For more information, visit www.MHPpartners.org.

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Maryland Announces Fiscal Year 2010 Community Legacy Program Awards

State provides \$2.1 million for "Smart, Green & Growing" Revitalization Governor highlights local job creation and small business opportunities

CROWNSVILLE, MD (February 16, 2010) – Maryland Department of Housing and Community Development (DHCD) Secretary Raymond A. Skinner announced \$2.1 million in Community Legacy Program (CL) awards for 17 projects throughout the State. Community Legacy provides flexible funding to local governments and community development organizations for essential revitalization projects in existing communities through activities that expand neighborhood business and job development, homeownership investment, commercial revitalization, and other activities that support Governor Martin O'Malley's *Smart Green & Growing* initiative. This year's Community Legacy awardees are sponsoring projects that will advance strategic reinvestment in Maryland's historic Main Streets, in transit-oriented community development, and in those areas that will benefit from BRAC-related growth.

"Supporting strong, sustainable communities that are smart, green and growing will encourage Maryland's economic turnaround and ensure a bright future for all Marylanders," said Governor O'Malley. "These projects will provide local jobs, expand small business opportunities, and enhance our great cities and towns."

Smart, Green & Growing is a multi-agency, statewide initiative launched by Governor O'Malley to help Maryland achieve a more sustainable future by linking community revitalization, transportation improvements, economic development, smart growth and environmental restoration efforts. For more information, visit <http://green.maryland.gov> (<http://green.maryland.gov>). Some of the Community Legacy projects that support *Smart, Green & Growing* include: improvements to the Amtrak station in Cumberland; energy audit grants, a Main Street waste and recycling plan, rain barrels, and tree plantings in Dundalk; acquisition and construction of green infill housing for low- to moderate-income homeowners in Cambridge, and; infrastructure to enhance a designated Smart Site in Hyattsville.

Community Legacy awards will also support Maryland's preparation efforts in response to the U.S. Military's Base Realignment And Closure (BRAC) activities. BRAC will bring as many as 60,000 new jobs to Maryland. In July 2007, Governor O'Malley convened the BRAC Subcabinet. The Subcabinet is chaired by Lt. Governor Anthony G. Brown and is charged with coordinating State and local governments to address BRAC issues. For more information about BRAC, visit <http://brac.maryland.gov> (<http://brac.maryland.gov>).

"While BRAC will bring of significant job growth, increased economic activity, and the addition of new families to Maryland's communities, it also poses housing, economic development and infrastructure challenges," said Lt. Governor Brown. "'Community Legacy is a great program with the flexibility to address those challenges and provide our residents, old and new, with increased opportunities and a great quality of life."

Community Legacy projects in BRAC-affected counties include: targeted investment to rebuild 122 homes in the Oliver neighborhood of Baltimore City and facade improvements for Main Street businesses in Baltimore City, Havre de Grace and Westminster.

As one of its traditional, core goals, Community Legacy provided assistance to attract and retain small businesses in historic Main Street communities throughout Maryland, including: supporting property renovations in the aftermath of a major fire and continuation of a revolving loan fund with incentive grant program in Frostburg; business facade improvements in Berlin and Ocean City, and; rehabilitation of an existing auto facility into a two-story commercial building with green components at an important downtown gateway in Takoma Park.

"Small businesses are one of the most important engines of Maryland's economy, and Community Legacy and other State programs help encourage strong, viable small businesses in our cities and towns," said Secretary Skinner. "By promoting and expanding local businesses, you create local jobs and improve the community's overall economic health."

Community Legacy also provides assistance to enhance community amenities, enrich culture, or support facilities that provide needed services. These types of projects include: renovations to Baldwin Hall and installation of pedestrian lights, benches in Baldwin Commons in Howard County; acquisition of space to house the Route 1 Corridor Community Center in Howard County; construction of a "barrier-free" baseball field to promote inclusive play among children in La Plata, and; fabrication and installation of an interpretive historic marker commemorating a traditional African-American neighborhood in Cambridge.

The Maryland Department of Housing and Community Development works with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work and prosper. To learn more about Community Legacy and other neighborhood revitalization programs, visit www.mdhousing.org (<http://www.mdhousing.org>).

News updates also are available by following DHCD on Twitter (www.twitter.com/MDHousing) and Facebook (www.facebook.com/marylandhousing) (<http://www.facebook.com/marylandhousing>).

*Community Legacy Program Awards
Fiscal Year 2010*

Central Maryland

Awardee: City of Baltimore Development Corporation
Amount: \$75,000

County: Baltimore City

Project: Facade Improvement Grants

Description: Matching facade improvement grants in various neighborhoods to be awarded to property and business owners by the local Main Street programs.

Awardee: TRF Development Partnership

Amount: \$300,000

County: Baltimore City

Project: Preston Place

Description: Targeted investment to rebuild 122 homes.

Awardee: Dundalk Renaissance Corporation

Amount: \$200,000

County: Baltimore County

Project: Sustainable Dundalk Initiative

Description: Energy audit implementation grants, a Main Street waste audit and recycling plan, rain barrels and tree plantings will promote Dundalk's green image and reality.

Awardee: City of Havre de Grace

Amount: \$75,000

County: Harford

Project: Facade Improvement Program

Description: Implementation of a facade improvement program for Havre de Grace Main Street, Inc.

Awardee: Howard County

Amount: \$100,000

County: Howard

Project: Corridor Community Service Center Acquisition

Description: Acquisition of existing first floor space in a mixed-use, Community Legacy-funded building to house the Corridor Community Service Center.

Awardee: Howard County

Amount: \$75,000

County: Howard

Project: Baldwin Hall and Commons Enhancement Project

Description: Installation of pedestrian lighting, benches, and an interpretive history sign in the community park and renovations to the adjacent Baldwin Hall.

Capitol Region

Awardee: City of Takoma Park

Amount: \$100,000

County: Montgomery

Project: Piny Branch Road/Flower Avenue Revitalization Project

Description: Rehabilitation of an existing auto-related structure into a two-story commercial building with green components at an important city gateway.

Awardee: City of Hyattsville

Amount: \$325,000

County: Prince George's

Project: Downtown Hyattsville Development Catalyst Project

Description: Infrastructure improvements to the eastern portion of the EYA development in the Hyattsville Arts District.

Southern Maryland

Awardee: Commissioners of Charles County

Amount: \$100,000

County: Charles

Project: Laurel Springs Park- Jaycees Field of Dreams

Description: Construction of a "barrier-free" baseball field to promote inclusive play among children.

Western Maryland

Awardee: City of Cumberland

Amount: \$100,000

County: Allegany

Project: Amtrak Station Entryway Improvement Program

Description: Safety and security enhancements in the corridor leading to the train station.

Awardee: City of Frostburg

Amount: \$150,000

County: Allegany

Project: Main Street Revolving Loan Fund

Description: Facilitate property improvements targeting property owners impacted by a recent fire and to continue a revolving loan fund with incentive grant program.

Awardee: City of Westminster

Amount: \$75,000

County: Carroll

Project: Facade Improvement Program

Description: 50/50 matching grants for commercial and residential facade improvements.

Eastern Shore

Awardee: City of Cambridge

Amount: \$240,000

County: Dorchester

Project: Green Infill Housing

Description: Acquisition and construction of green infill housing for low- to moderate-income homeowners.

Awardee: City of Cambridge

Amount: \$50,000

County: Dorchester

Project: Replace Curbs and Gutters in Maple Street District

Description: Curb and gutter replacement in Maple Street District as supplement to existing sidewalk replacement fund.

Awardee: City of Cambridge

Amount: \$10,000

County: Dorchester

Project: Pine Street Historic Marker

Description: Fabrication and installation of an interpretive historic marker commemorating the traditional African-American neighborhood.

Awardee: Town of Berlin

Amount: \$75,000

County: Worcester

Project: Downtown Facade Program

Description: Facade improvement grant program for the Main Street district.

Awardee: Ocean City Development Corporation

Amount: \$50,000

County: Worcester

Project: OCDL Commercial Facade Program

Description: Enhance exterior facades of older commercial buildings in downtown Ocean City between the Inlet and 17th Street.

TOTAL AMOUNT: \$2,100,000

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