



HOWARD COUNTY DEPARTMENT OF FINANCE

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February 26, 2009

TO: Lonnie Robbins
Chief Administrative Officer

FROM: Sharon Greisz, Director
Finance Department

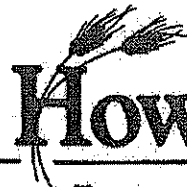
SUBJECT: Testimony on Bill No. 16
Energy Performance Lease Financing

Council Bill No. 16 is for a 15 year lease financing to fund the energy conservation initiatives authorized in Capital Project C-0264. The lease payments in future years will be offset by reductions in the cost of energy. The contractor doing the construction and installation of the energy saving equipment will begin work this spring. The lease funds are needed to pay the contractor as work is completed. The lease will be repaid over the life of the energy savings equipment installed.

The County "piggybacked" on a State contract for the lease financing. In August 2007 the State of Maryland issued a request for proposal for Energy Performance Contract Master Lease-Purchasing Financing. Grant Capital Management, Inc. (Grant Capital) was selected by the State. Grant Capital is a minority owned firm located in Howard County. The lease financing will be amortized over 14 year, plus one year construction period.

cc: Jim Irvin/Dave Lauder milk

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Howard County

Internal Memorandum

Subject: Testimony – Guilford Gardens Local Resolution

To: Lonnie R. Robbins, Chief Administrative Officer

From: Stacy L. Spain, ^{SLS}Director
Housing and Community Development

Date: April 1, 2009

Resolution 16-2009 expresses the local governing body's support for the redevelopment of the Guilford Gardens multifamily rental housing community to be financed either directly by the Department of Housing and Community Development ("DHCD") of the State of Maryland or through the Department's Community Development Administration ("CDA"). The Howard County Housing Commission, as managing member of HCH Partners II, LLC, will construct and operate the 269-unit garden apartments located at 7333 Oakland Mills Road in Columbia.

Background

Guilford Gardens is an existing 100-unit townhouse and garden apartment community that was originally built by the County in 1980 and leased to a resident association until 2007. Due to mismanagement, the lease was terminated and the County took over management of the property in April 2007.

The County plans to redevelop the property into a 269-unit, mixed-income, universally and green designed community. Using a competitive proposal process, the County has selected the Shelter Group to act as developer for the project. Grimm & Parker will serve as the architect and Harkins Builders will be the construction contractor.

In order to obtain financing for the redevelopment, including federal Low Income Housing Tax Credits, it was necessary for title to the development to be transferred via long-term lease to the Commission, the County's housing authority. Effective November 1, 2008, the County has leased the property to the Commission.

The total development budget for the redevelopment is expected to be approximately \$40,250,000. The Commission has applied to DHCD and CDA for financing in the form of (1) a Partnership Rental Housing Program loan in the approximate amount of \$3,625,000, and (2) a Low Income Housing Tax Credit reservation of approximately \$1,236,635, which will result in approximately \$8,900,000 in equity funds. The Commission is also applying for a HUD-insured loan in the approximate amount of \$25,900,000. It is anticipated that no County funds will be needed for this project.

Demolition of the existing buildings and construction of the new buildings is expected to commence in September of 2009 with a 23-month construction period.

According to State law and DHCD regulations, projects to be financed through State funding programs must be approved by the County Executive and County Council. The County Executive has indicated his approval of this project.

The Howard County Department of Housing and Community Development recommends approval of the Resolution.

cc: Ken Ulman, County Executive
Jennifer Sager, Legislative Coordinator