Public-Private Partnerships and Affordable Housing: Implementing Mixed-Income
A Case Study: Monarch Mills
Public/Private Partnerships

Montgomery County

- Ranked by Forbes as the 10th richest county
- Median HH Income $92,213
- Highly Educated Population
Public/Private Partnerships

Howard County

- Frequently cited for its affluence, quality of life, and excellent schools
- Schools ranked among top 2 districts in MD
- Median HH Income $108,884
Guilford Gardens to Monarch Mills

A Public/Private Partnership
Guilford Gardens – Existing Site

- 18 Acre Site
- Owned by Housing Commission
- 100 Unit Low Income Rental Community - Occupied
- 30+ Years Old – Outdated
- Deferred Maintenance
- Cash Strapped
- In Need of Major Renovation and Change
- Isolation of Poverty
The Vision – Creation of a “World Class Community”

• Zero Displacement
• Sustainable Design & Construction Practices
• Mixed Income
• Multi-Generational
• Amenity Rich
• Financially Sustainable
HOW? – Public/Private Partnership

1. Establishing the team
2. Architectural Approach
3. Financial Structure
HOW? – Public/Private Partnership

**RFQ/RFP Process**
- RFQ/RFP Process
- Leverage expertise & financial capacity of broader development community

**Partner Selection**
- Shares your vision
- Development/Financial Capacity
- Integrity

Makeover Montgomery II
Site Design

Monarch Mills:

A terrific neighborhood based on great planning principals.
Site Design – Strategies + Objectives

Connect to existing neighborhood
Connect to existing neighborhood
Site Design – Strategies + Objectives

Re-use the existing infrastructure
Site Design – Strategies + Objectives

Create an identity and sense of place.
Site Design – Strategies + Objectives

Be inclusive.

- Mixed Income
- Multi-Generational
- Residents in place, Zero displacement during construction
Site Design – Strategies + Objectives

Create a walkable community.

- Network of footpaths connecting homes and amenities
- Vehicle traffic and parking at perimeter
Create a walkable community.
Architecture – Building Character

Makeover Montgomery II
Architecture – Building Character
Architecture – Circulation

Open Breezeways
Architecture – Unit Layout

Open and Efficient
Site Amenities – Green Spaces
Site Amenities – Green Spaces
Site Amenities – Active Spaces

Makeover Montgomery II
Site Amenities – Indoor Spaces
Site Amenities – Indoor Spaces
Sustainability

- Separated Construction Debris and Recycled
- More than 80% of waste materials diverted from landfills
- Re-used infrastructure on site
Sustainability

- LEED Gold Clubhouse
- Green Communities Certified
- Geothermal system
Mixed Income + Multigenerational

- True mixed income community without segregation by income (not by building or floor)
- Rents range from $700/month to $2,000
- 269 total units
- 153 market
- 116 LIHTC/PBS8
- 9 Garden Style buildings
- Senior building with elevator
## Financially Sustainable – Mixed Income/Layered

### Finance

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Mortgage - HUD 221(d)4</td>
<td>$25,900,000</td>
</tr>
<tr>
<td>CDA Partnership Rental Housing Funds</td>
<td>$3,625,000</td>
</tr>
<tr>
<td>Howard County HOME Loan</td>
<td>$1,740,000</td>
</tr>
<tr>
<td>CDA MEEHA Loan</td>
<td>$259,315</td>
</tr>
<tr>
<td>MDE Grant <em>(Rainwater Harvesting Project)</em></td>
<td>$145,170</td>
</tr>
<tr>
<td>9% LIHTC Equity</td>
<td>$10,264,539</td>
</tr>
<tr>
<td>Developer Equity</td>
<td>$1,169,409</td>
</tr>
<tr>
<td><strong>TOTAL SOURCES</strong></td>
<td><strong>$43,103,433</strong></td>
</tr>
</tbody>
</table>
Financially Sustainable – Partners

- Howard County Government
- Howard County Housing Commission
- Shelter Development
- Maryland Department of Housing and Community Development
- U.S. Department of Housing and Urban Development
- The Columbia Bank/Fulton Financial Corporation
- Maryland Energy Administration
- Maryland Department of the Environment
Financially Sustainable – Resources

Howard County

- Owns land
- Favorable Ground Lease
- Pilot

Howard County Housing Commission

- Owns improvements
- $0 acquisition
- HOME Loan
- Partnership Funds
- Interim Income
Financially Sustainable – Ownership Structure

Owner: Monarch Mills LP (Howard County Housing)
Developer: Shelter Development LLC
Property Manager: Shelter Properties LLC

* Construction Completed March 31, 2012
* On Time/On Budget
* Stabilized Operations Ahead of Proforma
  • Cashflow Exceeding Expectations
Guilford Gardens to Monarch Mills

A Public/Private Partnership