

## New Release

# Innovative Partnership Leveraging County Land for Deeply Affordable Housing Breaks Ground in Silver Spring

*January 19, 2023*

AHC Inc. and Habitat for Humanity Metro Maryland broke ground today on a 195-home, deeply affordable community. The development is one of the largest new construction, affordable development of its kind in Montgomery County, Maryland, and includes 85 hard-to-find, family-sized, three- and four-bedroom homes. The community will co-locate rental and homeownership housing options and offer onsite resident services programming and childcare.

Located at 4010 Randolph Road, near the intersection of Veirs Mill Road, the development sits on 6 acres, with excellent access to schools, shopping, employment, and transit. Two future Bus Rapid Transit lines are scheduled to run past the community. The site also fronts the County's broadband access cable, which will help bridge the digital divide by offering low-cost internet access.

AHC will develop 168 affordable rental units across six new buildings. Habitat will develop and sell 27 affordable homeownership homes — 24 garden-style condominiums in two buildings and three single-family detached homes with Universal Design features.

The rental homes will be affordable to households earning 30% to 60% of the Area Median Income (AMI) – \$42,700 to \$85,380 for a family of four. The condominiums will be affordable at 30% to 50% AMI. The three single-family homes will be affordable at 70% AMI and use the unique Habitat for Humanity approach. With this approach, homeowners participate in the construction of their future homes that they purchase through a no-profit mortgage from Habitat.

“The vision for this community is to address several primary challenges facing many of our neighbors living on lower incomes – deeply affordable housing for larger families, access to transit, and the availability of childcare,” said Alan Goldstein, AHC's Vice President of Real Estate Development. “We are thrilled that AHC's mission-aligned partnership with Habitat for Humanity allows us to offer both affordable rental homes as well as homeownership opportunities.”

“This exciting project will be truly transformative for our future homebuyers. Through the partnership with AHC and Montgomery County, we are building deeply affordable homes for families unable to secure conventional mortgage financing due to market pressures,” says Jeff

Dee, President & CEO of Habitat for Humanity Metro Maryland. “We thank our partners for prioritizing affordable homeownership, helping to ensure equitable access to wealth building in our community.”

To help with the goal of creating more affordable housing, Montgomery County issued a request for proposals in 2019 to redevelop the land. The land value coupled with reduced property taxes through the County’s PILOT program, and a substantial loan from the County’s Housing Initiative Fund enabled the transaction to close despite dramatic increases in both construction costs and interest rates.

“Since taking office in my first term, I have been focused on creative solutions to our long-standing affordable housing crisis. As I noted in my recent inaugural address, this will continue to be a priority in my 2nd term in office,” said Montgomery County Executive Marc Elrich.

“I am thrilled that this project is moving forward and that it includes homeownership options for low-income residents. When we began discussing this project, I pushed for homeownership opportunities, and I’m grateful to our partners for making sure that was included. It is an outstanding, innovative project. I want to express my deep appreciation to the many who are making this happen, including of course the project developers AHC and Habitat for Humanity, our DHCA and DGS and other County staff as well as the strong support of the County Council.”

### Key Features of the Development

In addition to large, family-sized units, the Randolph Road community will include a community center, onsite resident services staff and programming, a fitness center, and a half-acre public park with a playground, picnic area, inviting pedestrian walkways, and open lawn areas. Space will be available onsite for a future childcare provider.

The entire project will meet National Green Building Standards and Energy Star compliance, with increased building insulation, LED lighting, and WaterSense plumbing fixtures. In addition, the site will include six EV charging stations for residents – with the capability to add another 10 stations if the demand increases. The electrical infrastructure and roof are designed for solar energy panel installation.

### Funding, Design & Development Partners

AHC Inc.’s \$86 million affordable apartment development successfully competed for a variety of local, state, and national funds, including \$27 million in low-income housing tax credit equity (LIHTC); a nearly \$24 million loan from the Montgomery County Housing Initiative Fund (HIF); a \$500,000 loan from the Federal Home Loan Bank of Atlanta; and, from the Maryland Department of Housing and Community Development Administration (DHCD), a \$2 million Rental Housing Program loan, \$3.5 million Rental Housing Works loan, and \$300,000 in Maryland Energy Efficiency and Housing Affordability Program (MEEHA) funds. Hudson Housing

Capital syndicated the LIHTC, which were purchased by Capital One. Other sources include a construction loan from Capital One and a permanent mortgage loan originated by Capital One and guaranteed by Freddie Mac.

The design and development team includes Bonstra | Haresign Architects, Parker Rodriguez Landscape Architects, Johnson Bernat Associates (civil engineer), Kimley-Horn (traffic engineer), Harkins Builders (construction), Lerch Early Brewer (zoning attorney), and Klein Hornig (tax credit attorney).

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