

Anne Arundel County, Maryland
Fiscal Year 2008 Annual Action Plan Amendment
CDBG-R

Summary: Anne Arundel County will apply to the U.S. Department of Housing and Urban Development for \$565,814 in American Recovery and Reinvestment Act Community Development Block Grant (CDBG-R) funds. Anne Arundel County proposes to amend its Annual Action Plan for Fiscal Year 2008 in order to allocate \$509,233 in CDBG-R funds for the comprehensive rehabilitation of the Annapolis Gardens and Bowman Court public housing communities in Annapolis, to be known as Admiral Gardens, and \$56,581 in CDBG-R funds for program administration.

Project Activity Name: Admiral Gardens

Description: The project involves the comprehensive redevelopment of 150 units of affordable rental housing, comprising the Annapolis Gardens and Bowman Court (AGBC) public housing communities, into an environmentally sustainable affordable housing community to be owned and managed by a private entity. Annapolis Gardens currently consists of 50 duplexes, or 100 units, and Bowman Court consists of 50 townhomes in 10 buildings. These two communities serve very low income residents earning 60 percent or less of the area median income. The units are brick and vinyl sided with a wood frame structure. The two properties were constructed in 1961 and 1974 respectively. The buildings will be renovated to be compatible with 21st century building codes and environmental technology. The redevelopment of both public housing developments is a part of the broader revitalization strategy being undertaken by the Housing Authority of the City of Annapolis (HACA) to privatize their communities. The project is being developed by Landex Development, LLC and HACA.

The new rental development will consist of 150 apartments: 10 one-bedroom units, 68 two-bedroom units; 48 three-bedroom units; 14 four-bedroom units, and 10 five-bedroom units. Fifty percent of the apartments will be operated under the public housing mixed finance rules established by HUD and will be available to households with incomes up to 50 percent of the state-wide area median income. The remaining units will be low income housing tax credit units with rents established by the Tax Credit Program. Five percent of the units will be fully accessible and two percent will contain features for the visually and hearing impaired. All of the units will be lead free and designed in accordance with UFAS/Section 504 standards.

The location of the project, in the City of Annapolis, is close to commercial services and employment and retail centers with public transit connections nearby. The project is also near community services and health care facilities.

This project meets several strategies as outlined in the *Anne Arundel County Consolidated Plan: FY 2006 – FY 2010*. The first to “monitor, encourage and assist

owners of rental properties previously financed with federal subsidies to secure new financing for the rehabilitation and continuation of these properties as affordable or encourage them to sell their properties to new owners who are able to rehabilitate them and continue to offer them as affordable to limited income tenants.” The second strategy this project meets is “rehabilitating and maintaining the existing supply of affordable housing for limited income families.” The Admiral Gardens Redevelopment Project responds to these strategies by rehabilitating and preserving 150 affordable rental housing units.

Eligibility Category: Housing - 24 CFR 570.202 (b)(2) and 24 CFR 570.202 (b)(4)

24 CFR 570.202 (b)(2) – Labor, material, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures, and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures, which may be undertaken singly, or in combination.

24 CFR 570.202 (b)(4) – Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment.

National Objective Citation: Low/Mod Housing Standard [570.208(a)(3)]
 Assistance to two or more rental dwelling units in a single structure or in two or more rental buildings under common ownership and management when at least 51 percent of units will be occupied by low/mod persons following assistance [LMH] [570.208(a)(3)]

Recovery Act Funds:

Admiral Gardens will receive the following Recovery Act funds for the project:

- IRS LIHTC Tax Credit Exchange Program - \$13,667,184
- Anne Arundel County CDBG-R funds - \$509,233*
- City of Annapolis CDBG-R funds - \$92,218

*\$500,000 will be provided to the project in the form of a loan and \$9,233 for costs of program staff to underwrite the project.

Total Activity Budget:

Equity – IRS LIHTC Tax Credit Exchange Program	\$13,667,184
Private loan	\$ 2,600,000
Maryland Rental Housing Production Program	\$ 1,655,036
Anne Arundel County loan (CDBG – R)	\$ 500,000
City of Annapolis grant (CDBG – R)	\$ 92,218
Sellers Note	\$ 500,000
Developer’s Equity	\$ 493,032
TOTAL	<u>\$19,507,470</u>

Description of how the distribution will meet requirements of Title XII of Division A and Section 1602 of the Recovery Act:

The project was selected because it is “shovel ready” and meets the criterion of being able to begin construction within 120 days from the date when the funds are available to the County. Landex Development, LLC is expected to close on all financing by August 2009 and will start construction immediately thereafter.

Description of how the use of CDBG – R funds for the activity will maximize job creation and economic benefit in relation to the CDBG-R funds obligated and will address the following items:

a. Preserving and creating jobs and promoting economic recovery:

The redevelopment of Annapolis Gardens and Bowman Court public housing communities will create 190 full time permanent construction jobs and will maintain one full time office staff position and create four additional full time office staff positions upon completion of construction. The workforce of Anne Arundel County has typically relied on the construction industry to support and sustain a high number of jobs. However, given the economic downturn, many construction projects have been delayed or canceled. This project will provide additional work and jobs for an ailing industry in much need of a stimulus.

b. Assisting those most impacted by the recession:

The redevelopment of Annapolis Gardens and Bowman Court public housing communities preserves needed affordable housing for low income families and eliminates the blighted physical, social, and economic conditions that currently exist at the two sites. The long term beneficiaries of the project are the low income residents who will occupy the 150 units upon completion.

c. Providing investment needed to increase economic efficiency: N/A

d. Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits: N/A

e. Minimizing or avoiding reductions in essential services: N/A

f. Fostering energy independence. N/A

Estimate of full and part-time jobs estimated to be created and retained by the activity...(including permanent, construction, and temporary jobs):

The project is estimated to create approximately 190 full time, permanent construction jobs. Upon completion, the project will maintain one full time position and create four

additional full time positions by the property management company hired to manage the project.

A description of the activities that will be carried out with CDBG-R funds that promote energy conservation, smart growth, green building technologies, or reduced pollution:

The project will achieve energy conservation in a number of ways, including:
(i) appliances such as the refrigerators and dishwashers will be Energy Star rated; (ii) all lighting and windows will also be Energy Star; (iii) plantings will be indigenous and will require minimal care and watering, (iv) cleaning supplies and materials will be environmentally sensitive - no acids or ammonia will be used; (v) air conditioning will be 13 SEER; (vi) gas furnaces will be high efficiency (90%+); (vii) entry doors will be insulated six panel metal doors with metal frames; and (viii) water closets will be dual flush 1.1 gallons based upon the development team's experience with low maintenance products.

Additionally, green building technologies will be included in the renovations of this housing community and are based on Green Communities standards. These include:
(i) an integrated design process with Green Development Plan; (ii) a Smart Site location with access to existing roads, utilities and infrastructure including walkways within the property which link to adjacent developments to promote walking and a close proximity to public transportation; (iii) landscaping will be added and will include noninvasive vegetation appropriate to the local climate and storm drain inlet labels will be used to indicate flow to the Chesapeake Bay; (iv) the streets will be milled at the gutter pan and all paved areas will be overlaid with a fabric to minimize cracks and with a 1 ½ " surface course of asphalt applied to the entire paved area on site; and (v) water conserving appliances and fixtures will be used, including 1.1 gallon dual-flush toilets and low-flow faucets. Finally, a healthy living environment will be promoted to improve air quality by using low - or no VOC paints, primers, adhesives, sealants, urea formaldehyde-free cabinetry, and green labeled recycled carpet. Bathrooms will be outfitted with exhaust fans and pest management will be integrated.

Grantee Contact Information:

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