



Response to Questions on the FY 2010 Advertised Budget Plan

Request By: Chairman Bulova, Supervisor Frey, Supervisor McKay

Question: What are the binding or mandated commitments for The Penny for Affordable Housing Fund in FY 2010, including assumptions used?

Response: The following table outlines how binding or mandated funding is allocated by project:

Project #	Project Name	FY 2010 Adv. Budget	FY 2010 Commitments	FY 2011 Estimate	Project Description
014196	Affordable/Workforce Housing Projects	\$512,500	\$512,500	\$512,500	This project's funding is equivalent to 2.5 percent of the equivalent value of one cent of the Real Estate Tax. Funding will be used to support the direct program costs such as legal and bond counsel, financial consultants, engineering and other project-related studies, and project management expenses.
014239	Crescent Apartments	3,000,000	2,973,000	2,973,000	This project will require annual debt service for the Crescent Apartment complex that was acquired in FY 2006. The obligation is a net \$2,973,000 – \$3,873,000 in debt service minus \$900,000 in rental revenue. Approximately \$3,000,000 in debt service is required annually through FY 2013. At that time, the project will need to be refinanced and some debt service obligations will continue but the amount is unknown at this time.
014268	Wedgewood	12,487,500	6,000,000	6,000,000	This project will require approximately \$6,000,000 in debt service. A total of \$7,000,000 in debt service is due in FY 2010. This amount will be reduced by \$1,000,000 from project revenues. The permanent financing has not yet been arranged but \$6,000,000 in annual debt service for 30 years is anticipated.
014275	Silver Lining Initiative	4,500,000			Please note that the <u>FY 2010 Advertised Budget</u> included \$4,500,000 to fully fund the Home Equity Loan Program (HELP) portion of the foreclosure program. However, new federal funding (e.g., Neighborhood Stabilization Program) can be substituted for funding from The Penny Fund, allowing the funds to be reallocated for another purpose.
	Total	\$20,500,000	\$9,485,500*	\$9,485,500	
	FY 2010 Flexibility		\$11,014,500**		
	FY 2010 Adv. Budget	\$20,500,000	\$20,500,000		

*In FY 2010, \$9,485,500 is allocated for binding or mandated commitments (i.e., debt service, program costs associated with The Penny Fund projects), leaving \$11,014,500 in flexibility.

**Of the \$11,014,500 in flexibility, HCD had previously proposed to the Board to use \$4,500,000 to repay a portion of the principle of the Wedgewood BAN in order to reduce the long-term debt that needs permanent financing. This \$4,500,000 represents the funding that was previously allocated to Project 014275, Silver Lining Initiative but is now available as new federal funding can be substituted for funding from The Penny Fund.