



## Takoma Park City Council Meeting – September 5, 2018 Agenda Items 3 and 6

### **Presentation and Work Session**

Presentation of Proposed Waiver of City Option to Purchase 7906 Flower Avenue and Montgomery County's Interest in Exercising Its Right of First Refusal

### **Recommended Council Action**

None – Presentation only

### **Context with Key Issues**

The City Code (*Chapter 6.32.040 - Tenant Opportunity to Purchase*) grants the City of Takoma Park the right to acquire a rental facility, regardless of the size or type of property, at a price and under terms which have been negotiated by a third party, before an owner may settle on the sale of the rental facility. Under a similar law, Montgomery County is granted the Right of First Refusal, where an owner must offer the County to buy a property before it can be sold privately. The occupants of the rental facility are also, as detailed in both the City and County Code, the opportunity to purchase the property.

As required by law, the City of Takoma Park and Montgomery County have been notified of the pending sale of 7906 Flower Avenue, a vacant ten-unit rental facility located in Ward 5. Flower Apartments LLC and Congressional Commercial, Inc., the respective owner and buyer, have entered into an agreement for the purchase of the property for the sum of \$735,000.00.

Montgomery County has elected to exercise its Right of First Refusal, partnering with the DC based non-profit service provider, the National Center for Families and Children to match the terms of the purchase agreement and to renovate the property for the purpose of advancing their shared supportive and affordable housing efforts. The County is seeking Council endorsement of the proposed purchase. Staff supports this request and recommends the waiver of the City's option to acquire the property.

Additional information, detailed in the accompanying materials, will be presented by Montgomery County representative Mr. Lawrence C. Cager, Jr., Multifamily Housing Manager, and Dr. Sheryl Chapman, Executive Director of the National Center for Children and Families.

### **Council Priority**

A Livable Community for All

### **Environmental Considerations**

N/A

**Fiscal Considerations**

N/A

**Racial Equity Considerations**

We are uncertain of how this action will impact residents of various racial backgrounds at this time.

**Attachments and Links**

- [City Code \(Chapter 6.32.040 - Tenant Opportunity to Purchase\)](#)
- Montgomery County DHCA - Right of First Refusal Notice
- Draft Resolution
- [The National Center for Children and Families](#)

Introduced by: Councilmember

**CITY OF TAKOMA PARK, MARYLAND**

**RESOLUTION 2018-**

**RESOLUTION APPROVING MONTGOMERY COUNTY DEPARTMENT OF HOUSING  
AND COMMUNITY AFFAIRS PURCHASE OF 7906 FLOWER AVENUE**

**WHEREAS,** City Code Chapter 6.32 *Tenant Opportunity to Purchase* gives the City of Takoma Park the right to purchase rental property under the same terms and conditions that have been negotiated by a third party; and

**WHEREAS,** County Code Chapter 53A-4 *Right of First Refusal to Buy Rental Housing* grants similar authority to Montgomery County, requiring the approval of the local municipality prior to the purchase of any property; and

**WHEREAS,** a contract has been entered into by Congressional Commercial, Inc. for the acquisition of 7906 Flower Avenue, a vacant ten-unit multi-family property located in Ward 5; and

**WHEREAS,** Montgomery County Department of Housing and Community Affairs (DHCA) has notified the City of its interest in exercising its right of first refusal in order to acquire said properties; and

**WHEREAS,** DHCA proposes to transfer ownership of the properties to the National Center for Children and Families for purposes of providing affordable supportive rental housing to vulnerable and at-risk children, youth and families; and

**WHEREAS,** the Council, having identified the importance of providing a range of safe, quality, and stable housing options for residents of varying incomes, supports the affordable housing proposal submitted by Montgomery County DHCA and the National Center for Children and Families; and

**WHEREAS,** the Council has elected not to pursue its rights to purchase said properties under City Code Chapter 6.32.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF TAKOMA PARK, MARYLAND THAT** the City approves the purchase of 7906 Flower Avenue by the Montgomery County Department of Housing and Community Affairs and the transfer of said property to the National Center for Children and Families as permitted under County Code Chapter 53A.

**Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.**

**ATTEST:**

---

Jessie Carpenter, CMC  
City Clerk



DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Isiah Leggett  
County Executive

Clarence J. Snuggs  
Director

August 24, 2018

Ms. Sara Anne Daines  
Housing and Community Development Director  
City of Takoma Park  
7500 Maple Avenue  
Takoma Park, MD 20912

**RE: 7906 Flower Avenue, Takoma Park 20912**  
**VIA – Electronic Mail**

Dear Ms. Daines:

Please accept this letter as a notice by the Department of Housing and Community Affairs (DHCA) of Montgomery County to exercise the Montgomery County – Right of First Refusal (ROFR) for 7906 Flower Avenue – in the City of Takoma Park as permitted under Chapter 53A. Concurrently with this notice I am requesting that the City of Takoma Park provide the required resolution for the County to proceed. Below is information on the ROFR submittal and details of the County's plan.

- On July 24, 2018 – DHCA provided Notice of Receipt to Mr. Henry T. Gallagher, the attorney representing Flower Apartments, LLC (copy attached) of the ROFR information dated July 20, 2018 and received by DHCA on July 23, 2018.
- August 13, 2018 – DHCA provided notice to Mr. Henry T. Gallagher of Montgomery County's intent to exercise its Right of First Refusal (copy attached).

**BACKGROUND**

On July 11, 2018, the National Center for Children and Families (NCCF) requested funding support from DHCA to purchase a medium sized 10 to 12-unit multifamily apartment building in the Takoma Park section of Silver Spring based on NCCF's knowledge that several buildings were being sold in the Takoma Park community. The purchase of the Flower Avenue property will allow NCCF to serve County residents with acute housing needs. The Flower Avenue property will provide a total of eight (8) residential housing units: four (4) subsidized transitional apartments for families referred through the County's Department of Health and Human Services (HHS) Continuum of Care Housing prioritization process, with priority for families seeking housing permanency within 24 months; and four (4) affordable apartments for individuals or families with household incomes ranging from 30% to 50% of the Area Median Income (AMI).

**Division of Housing**

Affordable Housing    Common Ownership Communities    Landlord-Tenant Affairs    Multifamily Housing

1401 Rockville Pike, 4th Floor • Rockville, Maryland 20852 • 240-777-0311 • 240-777-3691 FAX • [montgomerycountymd.gov/dhca](http://montgomerycountymd.gov/dhca)

Ms. Sara Anne Daines

August 24, 2018

Page 2 of 3

The County is acquiring the 7906 Flower Avenue property (Property) under the ROFR law and will transfer the Property to NCCF. The Property is a ten (10) unit, garden style, walk up building that is over 80 years old. The Property contains nine (9) one-bedroom units and one (1) efficiency unit and the building has a contract price of \$735,000 or \$73,500 per unit. All units are currently vacant, and the building will require total rehabilitation. The proposed unit mix of eight (8) units is less than the existing ten (10) units, based on possible unit reconfiguration to meet County Code requirements and the existing condition of units and utility space located in the below grade area of the building.

### **SPONSORSHIP**

Founded in 1915 as an orphanage in the District of Columbia, which relocated on a 140-acre farm in Bethesda in 1930, NCCF is a private, comprehensive nonprofit child and family welfare agency with a commitment to serving poor, disadvantaged, abused, neglected and/or abandoned children, youth, and their families. Current program services impact over 45,000 in the local area and include emergency shelters, transitional, and permanent housing for homeless families, affordable housing, a high-intensity therapeutic group home, therapeutic and traditional foster care and adoption, independent living for youth transitioning to adulthood, teen parent services, and community-based prevention services that promote academic achievement, parental involvement, economic stability, and healthy families. Our programs have become social service models, redefining both NCCF's reputation and the agency's position in the human service continuum in the Washington Metropolitan Region.

NCCF has been successful in expanding housing opportunities within Montgomery County. It recently was awarded the prestigious *2018 Paul Sarbanes Excellence in Community Service Award* by the Montgomery Affordable Housing Conference. With the encouragement and support of the DHCA, NCCF has established a substantial history of rehabilitating, and purchasing properties, and serving as a respected landlord in a range of diverse communities, owning, leasing or managing 122 apartment units in the region. Selected and current examples (beginning in 2003) include:

- Renovated and manage the largest emergency homeless family shelter in Montgomery County (13 families; 46 children and parents) in Bethesda
- Renovated and manage two dormitories for a highly structured adolescent group home (20 youths placed in out of home care, ages 12-20) in Bethesda
- Renovated and manage a Montgomery County owned facility for domestic violence victims (8 families) in Rockville
- Purchased, renovated, and manage two apartment buildings in Downtown Bethesda (4 affordable units each, 30% AMI, 8 families)
- Serve as Master Lease Holder for permanent, supportive housing for homeless families in Silver Spring (16 families)
- Lease and manage 15 apartment units (23 transitioning single young adults in Rockville)
- Manage a short-term temporary family shelter/apartment building (42 families in Columbia Heights, District of Columbia)

Ms. Sara Anne Daines  
August 24, 2018  
Page 2 of 3

NCCF is dedicated to assisting families with becoming financially independent and stably housed. Utilizing the array of resources available in the County, NCCF provides case management services, community referrals, and tailored supports along with well-maintained housing, which is a national best practice and proven solution to ending homelessness. Building upon its portfolio and working in partnership with DHCA and HHS, NCCF is positioned to acquire the Property, to provide affordable and dignified housing in the County for those families who are primarily challenged economically.

NCCF is a 501(c)(3), governed by a diverse and committed Board of Trustees, who are responsible for the agency's strategic plan, policies, evaluation, and financial solvency. The NCCF Board includes substantial real estate development and legal expertise which supports NCCF's housing development focus. Key NCCF staff that will coordinate the Property development include:

Dr. Sheryl Brissett Chapman, Ed.D., Ed.M., MSW, ACSW, who has served as Executive Director since 1991, and is an expert in child and family welfare and a longtime resident of nearby Sligo Park Hills. She ensures compliance with all regulations and contractual agreements.

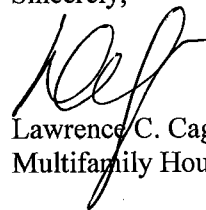
Ralph Belk, LICSW, LCSW-C, Deputy Executive Director, Program Administration is responsible for oversight and reporting.

Janice Wellington, LCSW-C, Family Services Administrator, will supervise all program services, including facility maintenance and property management. She is a product of being raised in Takoma Park and maintains strong family ties in the community.

DHCA will provide NCCF acquisition and rehabilitation financing for the property currently estimated in the range of \$2,000,000 - \$2,400,000.

Please advise if you need any additional information and as always thanks for your assistance and cooperation.

Sincerely,



Lawrence C. Cager, Jr  
Multifamily Housing Manager

LCC:lgb

Attachments

cc: Dr. Sheryl Brisset-Chapman



DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Isiah Leggett  
County Executive

Clarence J. Snuggs  
Director

July 24, 2018

Mr. Henry T. Gallagher  
Attorney at Law  
1823 19<sup>th</sup> Street, NW  
Washington, DC 20006

Re: 7906 Flower Avenue  
Takoma Park, Maryland  
Right of First Refusal

Dear Mr. Gallagher:

This letter will acknowledge receipt of your correspondence on July 23, 2018, along with attachments regarding the above referenced matter. If as a result of our review of these materials, additional information is required, I will advise you accordingly.

Sincerely,

*Lawrence C. Cager, Jr.*  
Lawrence C. Cager, Jr.  
Manager  
Multifamily Housing

LCC:lgb

<https://mcgov.sharepoint.com/teams/DHCA/Housing/Multifamily/Shared Documents/ROER/7906 Flower Avenue/Receipt Letter.doc>

Division of Housing

Affordable Housing    Common Ownership Communities    Landlord-Tenant Affairs    Multifamily Housing

1401 Rockville Pike, 4th Floor • Rockville, Maryland 20852 • 240-777-0311 • 240-777-3691 FAX • [montgomerycountymd.gov/dhca](http://montgomerycountymd.gov/dhca)

[montgomerycountymd.gov/311](http://montgomerycountymd.gov/311)



Maryland Relay 711



DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Isiah Leggett  
County Executive

Clarence J. Snuggs  
Director

August 13, 2018

Mr. Henry T. Gallagher  
Attorney at Law  
1823 19<sup>th</sup> Street, NW  
Washington, DC 20006

Re: 7905 Flower Avenue Takoma Park, Maryland 20912 Right of First Refusal

Dear Mr. Murphy:

This letter will serve as official notice that Montgomery County, Maryland will be exercising its right of first refusal, pursuant to Section 53A-4 of the Montgomery County Code, for the property known as 7906 Flower Avenue. With the submission of this letter, Montgomery County acknowledges that it will submit a contract for the purchase of the property with substantially the same terms as presented in the offer dated July 19, 2018 and received by the County on July 23, 2018.

Please note that the County's intent to exercise its Right of First Refusal is subject to the approval by the City Council of Takoma Park. If approved by the City Council of Takoma Park, Mr. Lawrence Cager will work with you and the Seller of the property to finalize Montgomery County's purchase of the property within the time period required by law.

If you have any questions regarding this matter, please call Mr. Lawrence Cager, Manager, Multifamily Housing, at 240-777-3620.

Sincerely,

Clarence J. Snuggs  
Director

CJS: lcc

copy: Congressional Commercial Inc.

Office of the Director

1401 Rockville Pike, 4th Floor • Rockville, Maryland 20852 • 240-777-0311 • 240-777-3791 FAX  
[www.montgomerycountymd.gov/dhca](http://www.montgomerycountymd.gov/dhca)





DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Isiah Leggett  
County Executive

Clarence J. Snuggs  
Director

August 21, 2018

Mr. Henry T. Gallagher  
Attorney at Law  
1823 19<sup>th</sup> Street, NW  
Washington, DC 20006

Re: 7906 Flower Avenue  
Right of First Refusal

Dear Mr. Gallagher:

The letter sent to you dated August 13, 2018, informing you that the County is exercising its right of first refusal, mistakenly had 7905 instead of 7906 Flower Avenue as the proper address.

Please accept this letter as a correction of that error. All the conditions stated in the letter remain the same.

Please let me know if you have any questions. Feel free to contact me at 240-777-3620.

Sincerely,

Lawrence C. Cager, Jr.  
Multifamily Housing Manager

LCC

<https://mcgov.sharepoint.com/teams/DHCA/Housing/Multifamily/Shared Documents/ROFR/7906 Flower Avenue/Correction Letter.docx>

Division of Housing

Affordable Housing   Common Ownership Communities   Landlord-Tenant Affairs   Multifamily Housing

1401 Rockville Pike, 4th Floor • Rockville, Maryland 20852 • 240-777-0311 • 240-777-3691 FAX • [montgomerycountymd.gov/dhca](http://montgomerycountymd.gov/dhca)