



## Takoma Park City Council Meeting – November 14, 2018 Agenda Item 6

### **Voting Session**

Ordinance designating revenues from the Takoma Junction Ground Lease to the City's Affordable Housing Reserve

### **Recommended Council Action**

Vote on the proposed ordinance.

### **Context with Key Issues**

The City Council established the Affordable Housing Reserve in 2016 to provide funds to achieve the Council's affordable housing goals. Also in 2016, the City entered into a Joint Development Agreement with the Neighborhood Development Company ("NDC") under which NDC will redevelop the City-owned lot in Takoma Junction and lease space in the development to commercial tenants. In connection with the Agreement, NDC and the City entered into a 99-year ground lease requiring NDC to pay rent to the City.

On July 25, 2018, the City Council adopted Resolution 2018-41 authorizing the proposed redevelopment of the Takoma Junction lot to proceed. In that Resolution, the Council called for the revenues from the ground lease to be dedicated to the Affordable Housing Reserve. The proposed ordinance gives effect to the Affordable Housing Reserve funding requirement.

### **Council Priorities**

- Community development for an improved and equitable quality of life.
- Fiscally sustainable government.
- A livable community for all.

### **Environmental Considerations**

N/A

### **Fiscal Considerations**

The proposed Ordinance will provide funding to the Affordable Housing Reserve.

### **Racial Equity Considerations**

The proposed Ordinance will fund the Affordable Housing Reserve, which will be used to provide affordable housing to the City's low-income residents, many of whom are racial minorities.

### **Attachments and Links**

- Proposed ordinance.

Introduced by:

First Reading:  
Second Reading:  
Effective Date:

**CITY OF TAKOMA PARK, MARYLAND  
ORDINANCE NO. 2018-\_\_**

**DEDICATING REVENUES FROM THE TAKOMA JUNCTION GROUND LEASE TO  
THE CITY'S AFFORDABLE HOUSING RESERVE**

**WHEREAS,** the Takoma Junction development site, consisting of ±54,493 square feet of City-owned land, is located on the south side of Ethan Allen Avenue at the intersection of Carroll Avenue ("Takoma Junction Property"); and

**WHEREAS,** following a lengthy solicitation and evaluation process the Takoma Park City Council ("Council") selected the Neighborhood Development Company ("NDC") to redevelop the Takoma Junction Property ("Takoma Junction Redevelopment Project"); and

**WHEREAS,** on July 27, 2016, the Council approved Resolution No. 2016-26 authorizing the City to enter into a Development Agreement and Ground Lease with NDC for the Takoma Junction Redevelopment Project; and

**WHEREAS,** by Resolution No. 2018-41, adopted on July 25, 2018, the Takoma Park City Council authorized Neighborhood Development Company ("NDC") to submit the Takoma Junction Development Project Combined Site Plan, as modified, to the Montgomery County Planning Department for review; and

**WHEREAS,** by Ordinance No. 2016-20, adopted by the Council on May 18, 2016, the Council established a Housing Reserve as a separate reserve fund for the purpose of providing funds to meet the Council's goals relating to affordable housing; and

**WHEREAS,** under the terms of the Ground Lease between the City and NDC for the Takoma Junction Redevelopment Project, the City will receive rent payments; and

**WHEREAS,** in accordance with the provisions of Resolution No. 2018-41, the Council desires to dedicate the net revenues (*i.e.*, gross revenues after the deduction of direct expenses relating to the Takoma Junction development) that the City receives from NDC under the Takoma Junction Ground Lease to the City's Housing Reserve to be used for affordable housing purposes.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
TAKOMA PARK, MARYLAND THAT:**

**SECTION 1.** The net revenues that the City receives from NDC under the Takoma Junction Ground Lease are hereby dedicated to the City's Housing Reserve (or its successor) to be used for affordable housing purposes. "Net revenues" means the gross revenues received by the City from NDC under the Takoma Junction

Ground Lease less the City's costs relating to the Takoma Junction  
Redevelopment Project.

**SECTION 2.** This Ordinance shall become effective upon adoption.

**ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND,  
THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2018, BY ROLL-CALL VOTE AS FOLLOWS:**

**AYE:**

**NAY:**

**ABSTAIN:**

**ABSENT:**