



## Takoma Park City Council Meeting – June 23, 2021 Agenda Item 5

### **Voting Session**

Authorizing the City Manager to Enter into a Contract and Use Up to \$270,000 from the Housing Reserve for the Acquisition of a Property Located at 1202 Holton Lane

### **Recommended Council Action**

Approve Emergency Ordinance

### **Context with Key Issues**

The City of Takoma Park has been working to implement the Takoma Park Housing and Economic Development Strategic Plan, one goal of which is to increase affordable home ownership or “missing middle” housing in Takoma Park.

City staff and staff of two housing non-profits, Habitat for Humanity Metro Maryland (“Habitat”) and Housing Initiative Partnership (“HIP”), have all looked at the bank-owned property at 1202 Holton Lane and feel it would be an excellent site for renovation and sale as a single-family property that could include an accessory dwelling unit (ADU).

The proposals from Habitat and HIP both would involve a contribution from the City of Takoma Park in the \$250,000 to \$270,000 range. The future purchaser of the home would meet income requirements; the sales price would be in the \$400,000 range after renovation.

Affordable home ownership projects that the City has done to date have involved the City's Opportunity to Purchase law. This project does not, and therefore the time frames of that law that the City could otherwise use do not apply to this project. City staff recommends moving forward quickly to contribute to the purchase of this project with either Habitat or HIP. Finalization of this action would come to Council regarding the partnership with either Habitat or HIP and a budget amendment.

### **Council Priority**

A Livable Community for All

Environmentally Sustainable Community

Community Development for an Improved & Equitable Quality of Life

### **Environmental Considerations**

Renovation of the home would be to very high environmental standards and energy efficiency.

### **Fiscal Considerations**

This ordinance would provide for a contribution from the City's Housing Reserve of up to \$270,000. The current balance of the Housing Reserve is \$478,509. In the new Fiscal Year, an additional \$229,000 will be appropriated to the Housing Reserve per the adopted FY22 Budget and the City has been awarded, but has not yet received, \$500,000 in a State grant for Missing Middle Housing.

### **Racial Equity Considerations**

It is not known who would be purchasing the property. The proposed purchase price range for the home will be lower than the average home price in Takoma Park, allowing more families to be able to afford the home. One element of the Housing and Economic Development Strategic Plan is to create housing in the “missing middle” that is between the rent stabilized apartments and more

expensive single-family homes that make up most housing in Takoma Park. Because these two types of housing are largely racially segregated in Takoma Park, alternative forms of housing can help make progress in race equity efforts.

### Attachments and Links

- [Draft Ordinance](#)



1202 Holton Lane, Takoma Park, Maryland

Introduced by:

Single Reading

CITY OF TAKOMA PARK, MARYLAND

EMERGENCY ORDINANCE NO. 2021-

AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH A NON-PROFIT HOUSING ORGANIZATION AND USE UP TO \$270,000 FROM THE HOUSING RESERVE FUND FOR A HOUSING PROJECT AT 1202 HOLTON LANE

WHEREAS, the Takoma Park City Council adopted the Housing and Economic Development Strategic Plan on October 16, 2019; and

WHEREAS, City staff have developed relationships with a number of housing organizations so as to be able to make progress on the goals identified in the Strategic Plan as opportunities arise; and

WHEREAS, an opportunity has arisen to work with one of these housing organizations to undertake a project that advances a number of goals of the City's Strategic Plan; and

WHEREAS, the project involves the purchase of a vacant bank-owned single-family residential property located at 1202 Holton Lane; and

WHEREAS, the property could be renovated by either Habitat for Humanity Metro Maryland or Housing Initiative Partnership and sold as an affordable home purchase; and

WHEREAS, a City of Takoma Park contribution of up to \$270,000 from the City's Housing Reserve may be made to assist with the project; and

WHEREAS, the Housing Reserve has sufficient funds for this project; and

WHEREAS, time is of the essence to act, and the Council will later affirm arrangements with one of the housing organizations and Budget Amendment provisions if the project proceeds; and

WHEREAS, City staff believes this project is an excellent project to advance the Council's goals to preserve affordable housing stock and provide "missing middle" homeownership opportunities; improve the physical condition, safety, resiliency, and energy efficiency of existing housing; and build relationships with other organizations to advance the City's housing goals.

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

Section 1. The City Manager is authorized to execute any documents and take any action necessary to contract with Habitat for Humanity Metro Maryland or Housing Initiative Partnership to purchase, redevelop, and sell the property at 1202 Holton Lane.

Section 2. The City Manager is authorized to use up to \$270,000 of funds from the City of Takoma Park's Housing Reserve to advance the project.

Section 3. The Council finds that the timelines associated with the purchase create an emergency within the meaning of Section 309(e) of the Charter.

This ordinance is ADOPTED by the Council of the City of Takoma Park, Maryland, this \_\_\_ day of June, 2021, and shall be EFFECTIVE immediately upon its adoption, by roll-call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: