



## Takoma Park City Council Meeting – October 12, 2022 Agenda Item 3

### **Voting Session**

Single Reading Ordinance Amending the FY23 Budget to Receive and Expend Grant Funds to the Leeland Tenant Association Towards the Acquisition and Predevelopment of 112 Lee Avenue

### **Recommended Council Action**

Approve the ordinance authorizing the City to receive and allocate \$600,000 in grant funds from the State of Maryland Department of Housing and Community Development (DHCD) to assist the Leeland Tenant Association (LTA) with the acquisition and rehabilitation of real property at 112 Lee Avenue.

### **Context with Key Issues**

112 Lee Avenue is in the process of being acquired by the Leeland Tenant Association through the City's Tenant Opportunity-to-Purchase Law. Pending acquisition, the 15-unit building will become the first limited equity cooperative property within the City of Takoma Park. After the building's acquisition, the Tenant Association intends to renovate the building to improve the building condition, which will include major upgrades to the heating and air conditioning system, improvements to the building envelope and the building's overall energy efficiency. Working in partnership with the City, the State of Maryland DHCD has awarded the City of Takoma Park \$600,000 in grant funds through the National Capital Strategic Economic Development Fund to assist in the acquisition and rehabilitation of 112 Lee Avenue. This Ordinance will amend the Fiscal Year 2023 budget to allow the City to receive and expend \$600,000 in special revenue funds associated with this grant award.

### **Council Priority**

A Livable Community for All, Community Development for an Improved and Equitable Quality of Life

### **Environmental Considerations**

The grant project focused on issues of ownership, investment, and tenant opportunity to purchase. It is not expected to have an adverse environmental impact. Any additional elements, such as property improvements or renovations, will go through the County and City permitting process which includes consideration of the environmental impact as required.

### **Fiscal Considerations**

Funding will be received through DHCD Neighborhood Revitalization Grants and will not cost the City any additional revenue burdens. Grant funds will be allocated to a new line item in the Special Revenue Fund of the Fiscal Year 2023 budget.

### **Racial Equity Considerations**

Renters in the City of Takoma Park are disproportionately members of minority groups, including racial minorities and immigrant populations. The acquisition of 112 Lee Ave through the Tenant Opportunity to Purchase Law will improve the quality of life and provide paths to increased wealth generation for this resident population.

### **Attachments and Links**

Draft Ordinance

Introduced by:

Single Reading

**CITY OF TAKOMA PARK, MARYLAND**

**ORDINANCE 2022-**

**AMENDING THE FY23 BUDGET TO RECEIVE AND EXPEND GRANT FUNDS TO THE LEELAND TENANT ASSOCIATION TOWARDS THE ACQUISITION AND PREDEVELOPMENT OF 112 LEE AVENUE (BUDGET AMENDMENT NO. 4)**

**WHEREAS,** the Leeland Tenant Association (LTA) has acted upon their tenant opportunity to purchase, as outlined in City Code 6.32, to acquire real property at 112 Lee Avenue, Takoma Park, MD 20912 (the “Property”) and convert it into a limited equity cooperative; and

**WHEREAS,** the Fiscal Year (FY) 2023 budget was adopted by the City Council on May 18, 2022; and

**WHEREAS,** since that date, the City and the State of Maryland Department of Housing & Community Development (DHCD) have entered into a Grant Agreement to provide \$600,000 towards the acquisition and predevelopment of the Property; and

**WHEREAS,** the City and LTA have entered into a Grant Agreement to disburse \$600,000 in funds towards the acquisition and predevelopment of the Property by the LTA; and

**WHEREAS,** to facilitate the acquisition time frame, time is of the essence in expending the grant funds.

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

**Section 1.** The Council finds that the timelines associated with the purchase of the Property creates an emergency within the meaning of Section 309(e) of the Charter.

**Section 2.** The City Council approves the expenditure of \$600,000 for the Leeland Housing Preservation Funding based on the addition of \$600,000 from the State of Maryland in the City’s Special Revenue Fund.

**Section 3.** The City Manager is authorized to take all reasonable and lawful actions to implement this Ordinance.

**Section 4.** This ordinance shall become effective immediately upon adoption.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2022 by roll-call vote as follows:

AYES:

NAYS:

ABSENT:

ABSTAIN: