



## **Takoma Park City Council Meeting – June 12, 2024**

### **Agenda Item 4A**

#### **Voting Session**

Single Reading Ordinance Authorizing the Execution of a Good Faith Deposit in Support of the Deauville Tenant Association for 7520 Maple Avenue, Takoma Park, MD 20912

#### **Recommended Council Action**

Review and authorize Good Faith Deposit to allow the Deauville Tenant Association to act on their rights under the Tenant Opportunity to Purchase Law.

#### **Context with Key Issues**

The City was awarded a National Capital Strategic Economic Development (NED) grant in the amount of \$500,000 from the Maryland Department of Housing and Community Development to support technical assistance and down payment assistance under the City of Takoma Park's Tenant Opportunity to Purchase Law. Under Chapter 6.32 of the City Code, before an owner may settle on the sale of a rental facility, the owner shall give all tenants an opportunity to purchase the rental facility at a price and under terms agreed to in the private market. Under the terms of the Code, for a building of seven or more units, a registered tenant association has 45 calendar days to express interest in purchasing their property and an additional 120 days to enter into a final contract for sale of the property.

The City of Takoma Park's Housing & Community Development (HCD) Department has been working with the Deauville Tenant Association (the "Association") since the Association received notice of a sale agreement for their property at 7520 Maple Avenue, Takoma Park, MD 20912 (the "Property"). After providing technical assistance and financial analysis to the Association through CASA, Inc, a qualified respondent to the Department's 2023 Request for Qualifications related to TOPL assistance, the Association has decided to act upon their rights under Chapter 6.32 to enter a Purchase and Sale Agreement for the Property. At this point, the association is finalizing negotiations to assign the purchase rights to the property in exchange for concessions (these could include items such as critical repairs, rent guarantees, lifetime tenancies, etc.).

To facilitate the Purchase and Sale Agreement and assist the association in exercising its rights, the City and State have agreed to contribute \$55,000 of NED funds to a Good Faith Deposit as required under the proposed Agreement. Upon execution of this Ordinance and confirmation from the Association, the City will wire funds for the Good Faith Deposit to Eisen and Rome, PC, the Title Company assisting with the purchase and sale.

#### **Council Priorities**

Community Development for an Improved & Equitable Quality of Life  
Advancing a Community of Belonging

#### **Environmental Considerations**

The City has not identified any direct environmental impacts from the proposed Deposit.

**Fiscal Considerations**

The Deposit will not have any direct General Fund impacts, as payment of the Good Faith Deposit will be expended from the Special Revenue Fund award by the Maryland Department of Housing & Community Development.

**Racial Equity Considerations**

The Deauville Tenant Association is comprised of a diverse set of long-term residents, including multiple minority populations. By allowing the Association to act upon their Tenant Opportunity to Purchase rights, the City will give this diverse group an opportunity to grow their wealth or extract additional amenities and benefits from the sale of their Property.

**Attachments and Links**

Draft ordinance

Introduced by:

**CITY OF TAKOMA PARK, MARYLAND**

**ORDINANCE 2024-**

**APPROVING USE OF GRANT FUNDS TO ASSIST WITH THE TENANT PURCHASE  
OF 7520 MAPLE AVENUE**

WHEREAS, the City of Takoma Park was awarded a National Capital Strategic Economic Development (NED) grant in the amount of \$500,000 from the Maryland Department of Housing & Community Development to assist with technical assistance and down payment support related to the City’s Tenant Opportunity to Purchase Law; and

WHEREAS, the City of Takoma Park has been working with the Deauville Tenant Association to assist their efforts to utilize their rights under the Tenant Opportunity to Purchase Law to purchase real property at 7520 Maple Avenue, Takoma Park, MD 20912 (the “Property”); and

WHEREAS, the Deauville Tenant Association and Deauville Associates, LLC have agreed to a sale of the Property that would require a Good Faith Deposit at execution; and

WHEREAS, the Maryland Department of Housing & Community Development have affirmed the use of NED funds to assist with the Good Faith Deposit

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

Section 1. The City Manager or their designee is authorized to provide a Good Faith Deposit not to exceed Fifty-Five Thousand Dollars (\$55,000) with Eisen and Rome, PC (the “Title Company”) in accordance with the Purchase and Sale Agreement between Deauville Associates LLC and the Deauville Tenant Association for the Property.

Section 2. This Ordinance shall become effective upon adoption.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2024 by roll-call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: