

Introduced by: Councilmember Snipper

First Reading: November 1, 2010

Second Reading: November 8, 2010

Effective Date: November 29, 2010

**CITY OF TAKOMA PARK  
ORDINANCE NO. 2010-50**

**(An Ordinance Authorizing the City to Enter Into an Agreement with MHP Edinburgh House, Inc. for a Payment in Lieu of Taxes for 7513 Maple Avenue, The Edinburgh House)**

**WHEREAS,** Montgomery Housing Partnership, Inc., a non-profit housing organization whose goal is to develop, rehabilitate and provide quality affordable rental housing to individuals and families who have low to moderate household incomes; and

**WHEREAS,** the Edinburgh House at 7513 Maple Avenue, was purchased in 1995 by MHP Edinburgh House, Inc. and has been managed as an affordable rental housing facility since that date, and

**WHEREAS,** the property now requires a substantial rehabilitation and an upgrade of major systems that will improve the energy efficiency of the property and the quality of life for the tenants, and

**WHEREAS,** the Council supports the provision and protection of affordable housing in the City and Montgomery County's efforts to promote economically inclusive communities; and

**WHEREAS,** in order to ensure that MHP Edinburgh House, Inc. continues to serve low and moderate income residents, it agrees that 85% of the units rented at the property will be occupied by households who have incomes of 60% or less of the area's median income level; and

**WHEREAS,** under Section 7-503(a) of the Tax-Property Article of the Annotated Code of Maryland, a nonprofit tax-exempt corporation that operates or manages rental housing that serves low-income households may be eligible under certain conditions to make a payment in lieu of taxes on the real property; and

**WHEREAS,** MHP Edinburgh House, Inc. has represented that it qualifies under the provisions of Section 7-503 to enter into an agreement with the City to pay a negotiated amount in lieu of City real property taxes; and

**WHEREAS,** the Council finds that a PILOT Agreement with MHP Edinburgh House, Inc. serves a public purpose and promotes the general welfare of the City and its residents by preserving affordable housing for residents with low and moderate incomes and agrees to a 50% abatement of local property taxes for the Edinburgh House at 7513 Maple Avenue for a ten-year period.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT** the Council approves a Payment in Lieu of Taxes Agreement with MHP Edinburgh House, Inc. for the property at 7513 Maple Avenue as follows:

- A. For the ten levy years of the PILOT Agreement starting on January 1, 2011, MHP Edinburgh House, Inc. shall have a 50% abatement of real property taxes paid to the City; and
- B. A minimum of 85% of the units at 7513 Maple Avenue shall be occupied by low income households (i.e., households with incomes of 60% and less of the Montgomery County median household income); and
- C. The tax abatement shall be effective on January 1, 2011.

The City Manager is authorized to enter into a PILOT Agreement on behalf of the City with MHP Edinburgh House, Inc. and its successors, as assigned, under the provisions of Section 7-503(a) of the Tax-Property Article of the Annotated Code of Maryland, for the property at 7513 Maple Avenue, Takoma Park, Maryland and to take such actions and execute such documents as are necessary in order to carry out the purposes of this Ordinance.

Adopted this 8<sup>th</sup> day of November, 2010, by roll-call vote as follows:

Aye:	Williams, Wright, Seamens, Snipper, Schultz
Nay:	Clay, Robinson
Absent:	None
Abstain:	None