

Introduced by: Councilmember Wright

First Reading: November 22, 2010
Second Reading: November 29, 2010
Effective Date: December 20, 2010

CITY OF TAKOMA PARK

ORDINANCE NO. 2010-52

(An Ordinance Authorizing the City to Enter Into an Agreement with Montgomery Housing Partnership, Inc. for a Payment in Lieu of Taxes for the Property at 7667 Maple Avenue, Takoma Park, Maryland)

WHEREAS, Montgomery Housing Partnership, Inc. (“MHP”), a nonprofit corporation, or a MHP subsidiary entity will be purchasing the rental facility known as Parkview Towers and located at 7667 Maple Avenue, Takoma Park, Maryland (“property”); and

WHEREAS, the property is currently occupied by tenants and will be substantially rehabilitated within three to five years following its acquisition by Montgomery Housing Partnership, Inc.; 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, 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 (“PILOT”) on real property; and

WHEREAS, Montgomery Housing Partnership, 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 on the property; and

WHEREAS, Montgomery Housing Partnership, Inc. has requested a five year PILOT Agreement with the City for 7667 Maple Avenue, Takoma Park, Maryland, that would provide for a 50% abatement of City property taxes for the first two tax levy years following its acquisition of the property and a 25% abatement of City property taxes for the next three tax levy years of the PILOT agreement; and

WHEREAS, in order to ensure that the property continues to serve low and moderate income residents, Montgomery Housing Partnership, Inc. will agree with the City that at least 50% of the units of the property will be occupied by residents having incomes equal to 60% or less of the area median household income; and

WHEREAS, Montgomery Housing Partnership, Inc. has represented to the Council that it will not request a renewal or extension of this or any other PILOT Agreement for the property from the City, following expiration of the term of the five year PILOT Agreement approved by this Ordinance; and

WHEREAS, the Council finds that this PILOT Agreement with Montgomery Housing Partnership, Inc. for the property serves a public purpose and promotes the peace, health, and general welfare of the City and its residents by preserving affordable housing for residents with low and moderate incomes.

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 (“PILOT”) Agreement with Montgomery Housing Partnership, Inc., or a MHP subsidiary, for the property at 7667 Maple Avenue, Takoma Park, Maryland, as follows:

- A. The term of the PILOT Agreement shall be for five tax levy years, beginning with the tax levy year following acquisition of the property by Montgomery Housing Partnership, Inc., or a MHP subsidiary. For the first two tax levy years of the PILOT Agreement, Montgomery Housing Partnership, Inc., or a MHP subsidiary, shall have a 50% abatement of City real property taxes for the property paid to the City for the first 2 years and a 25% abatement of City real property taxes for the property for the next three tax levy years of the PILOT Agreement.
- B. A minimum of 50% of the units at 7667 Maple Avenue, Takoma Park, Maryland, shall be occupied by low income households (*i.e.*, households with incomes equal to 60% or less of the area median household income).
- C. The City tax abatement shall be effective the beginning of the first tax levy year (*i.e.*, July 1st) following acquisition of the property at 7667 Maple Avenue, Takoma Park, Maryland, by Montgomery Housing Partnership, Inc., or a MHP subsidiary.

The City Manager is authorized to enter into a PILOT Agreement on behalf of the City with Montgomery Housing Partnership, Inc., or a MHP subsidiary entity, under the provisions of Section 7-503(a) of the Tax-Property Article of the Annotated Code of Maryland, for the property at 7610 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 BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND,
THIS 29TH DAY OF NOVEMBER, 2010, BY ROLL-CALL VOTE AS FOLLOWS:**

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