

Introduced by: Councilmember Snipper

First Reading: March 21, 2011

Second Reading: March 28, 2011

Effective Date: April 18, 2011

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2011-7

(An Ordinance Authorizing the City to Enter Into an Agreement with Coalition Homes, Inc. for a Payment in Lieu of Taxes for 8316 Flower Avenue, Takoma Park, Maryland)

WHEREAS, Coalition Homes, Inc. is a non-profit, tax-exempt corporation, affiliated with the Montgomery County Coalition for the Homeless, whose goal is to develop, rehabilitate, and provide housing to individuals and families who have previously been homeless; and

WHEREAS, on or about April 28, 2009, Coalition Homes, Inc. purchased the apartment building, consisting of six 1-bedroom units, at 8316 Flower Avenue, Takoma Park, Maryland (the “property”); and

WHEREAS, the building had been condemned because of unsafe wiring and other negligence by the prior owner, who was also under threat of foreclosure; and

WHEREAS, Coalition Homes, Inc. substantially renovated the property, including boiler system replacement and repairs, heavy-up of the electrical system, replacement of rotten flooring and structural elements, replacement of water lines, and renovation of kitchens and bathrooms; and

WHEREAS, the property now provides rental housing for formerly homeless low-income single adults who are also disabled; and

WHEREAS, Coalition Homes, Inc. is requesting a Payment in Lieu of Taxes (PILOT) agreement from the City because the State of Maryland has ceased to automatically grant property tax exemptions to nonprofit charitable organizations; and

WHEREAS, the Council supports the provision and protection of affordable housing in the City for individuals and families exiting homelessness and Coalition Homes, Inc.’s efforts to promote economically inclusive communities; and

WHEREAS, Coalition Homes, Inc. agrees that 100% of the units rented at the property will be occupied by households who have incomes of 40% or less of the area’s median income level during the term of the PILOT Agreement with the City; 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, Coalition Homes, Inc. represents 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 Coalition Homes, Inc. serves a public purpose and promotes the general welfare of the City and its residents by preserving affordable housing for low-income persons who have previously been homeless; and

WHEREAS, the Council is willing to grant a 50% abatement of Takoma Park property taxes for 8316 Flower Avenue, Takoma Park, Maryland for a ten-year period, beginning July 1, 2011 (levy year 2011).

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 Coalition Homes, Inc. for the property at 8316 Flower Avenue, Takoma Park, Maryland, as follows:

- A. For the ten levy years of the PILOT Agreement, beginning with tax levy year 2011 on July 1, 2011, Coalition Homes, Inc. shall have a 50% abatement of Takoma Park real property taxes for the property at 8316 Flower Avenue, Takoma Park, Maryland (tax account number 01072267); and
- B. During the term of the PILOT Agreement, all of the units rented at 8316 Flower Avenue, Takoma Park, Maryland, shall be occupied by very low-income households (*i.e.*, households with incomes of 40% or less of the Montgomery County median household income).

The City Manager is authorized to enter into a PILOT Agreement on behalf of the City with Coalition Homes, Inc., or with a related or affiliate entity to which the property is transferred, under the provisions of Section 7-503(a) of the Tax-Property Article of the *Annotated Code of Maryland*, for the property at 8316 Flower 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 28TH DAY OF MARCH, 2011, BY ROLL-CALL VOTE AS FOLLOWS:**

AYE: Williams, Wright, Clay, Robinson, Seamens, Snipper, Schultz

NAY:

ABSENT:

ABSTAIN: