

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. 2011-8**

**(An Ordinance Authorizing the City to Enter Into an Agreement with Coalition Homes, Inc. for a Payment in Lieu of Taxes for 8 Philadelphia 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,** Coalition Homes, Inc. will be purchasing rental property at 8 Philadelphia Avenue, Takoma Park, Maryland (the “property”), a house converted to a duplex with separate upstairs and downstairs three-bedroom apartments; and

**WHEREAS,** the property will provide permanent rental housing for previously homeless low-income families; 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 8 Philadelphia 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 8 Philadelphia 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 8 Philadelphia Avenue, Takoma Park, Maryland (tax account number 01074107); and
- B. During the term of the PILOT Agreement, all of the units rented at 8 Philadelphia 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 8 Philadelphia 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  
**NAY:** Schultz  
**ABSENT:**  
**ABSTAIN:**