

Introduced by: Councilmember Male

First Reading: September 18, 2012

Second Reading: September 24, 2012

Effective Date: October 14, 2012

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2012-45

(An Ordinance Authorizing the City to Enter Into an Agreement with Essex House Limited Partnership, an affiliate of Community Preservation Development Corporation, for a Payment in Lieu of Taxes for 7777 Maple Avenue, The Essex House Apartments)

WHEREAS, Community Preservation Development Corporation (CPDC), a nonprofit housing organization whose goal is to develop, rehabilitate and provide high quality affordable rental housing to individuals and families who have low to moderate household incomes, and

WHEREAS, the Essex House Apartments at 7777 Maple Avenue was purchased in 1994 by Essex House Limited Partnership, an affiliate entity of CPDC, and has been managed as an affordable rental housing facility since that date; and

WHEREAS, the property now requires 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 and the promotion of economically inclusive communities; and

WHEREAS, in order to ensure that Essex House Limited Partnership continues to serve low and moderate income residents, 125 of the 135 units rented at the property will be occupied by households who have incomes of 60% or less of the area's median income; 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, Essex House Limited Partnership 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 Essex House Limited Partnership 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 partial abatement of local property taxes for a period of four years.

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 Essex House Limited Partnership for the property at 7777 Maple Avenue as follows:

- A. The term of the PILOT Agreement shall be for four tax levy years, beginning with the tax levy year 2013 on July 1, 2013. For the first three years of the PILOT Agreement, Essex House Limited Partnership or a successor ownership entity whose general partner or managing agent is a CPDC non-profit affiliate or subsidiary shall have a 50% abatement of real property taxes paid to the City and a 25% abatement of real property taxes paid to the City for the fourth year of the PILOT Agreement.
- B. During the term of the PILOT Agreement, a minimum of 125 of the units at 7777 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).

The City Manager is authorized to enter into a PILOT Agreement on behalf of the City with Essex House Limited Partnership 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 7777 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 24TH DAY OF SEPTEMBER, 2012, BY ROLL-CALL VOTE AS FOLLOWS:**

AYE: Williams, Daniels-Cohen, Grimes, Male, Schultz, Seamens, Snipper
NAY: None
ABSENT: None
ABSTAIN: None