

Introduced by: Councilmember Seamens

First Reading: September 27, 2017

Second Reading: October 4, 2017

Effective Date: October 4, 2017

**CITY OF TAKOMA PARK, MARYLAND
ORDINANCE NO. 2017-46**

**AUTHORIZING THE CITY TO ENTER INTO A PAYMENT IN LIEU OF TAXES
("PILOT") AGREEMENT WITH MHP PARKVIEW TOWERS, LP FOR PROPERTY AT
7667 MAPLE AVENUE, TAKOMA PARK, MARYLAND.**

WHEREAS, MHP Parkview Towers, LP, a Maryland limited partnership, is the owner of Parkview Towers, a 125-unit high rise apartment building located at 7667 Maple Avenue, Takoma Park, Maryland, that provides affordable housing to residents with low and moderate incomes; and

WHEREAS, MHP Parkview Towers, Inc. is the sole general partner of MHP Parkview Towers, LP; and

WHEREAS, the Council supports the provision and protection of affordable housing in the City and, by Ordinance No. 2010-52, effective on December 20, 2010, the Council authorized a 5-year Payment in Lieu of Taxes ("PILOT") Agreement for Parkview Towers which provided for a 50% reduction in City real property taxes for a period of 2 years, and a 25% reduction in City property taxes for an additional 3 years on the basis that at least 50% of the apartments would be held for rental by households with incomes of 60% or less of the area median income; and

WHEREAS, this PILOT Agreement expired on June 30, 2016; and

WHEREAS, MHP Parkview Towers, LP has requested that the City extend the PILOT Agreement for Parkview Towers, beginning with Tax Levy Year 2017, for an additional 10 years and abate 50% of the City property taxes for the entire 10-year term of the extended PILOT Agreement; and

WHEREAS, currently 5 apartments at Parkview Towers are held for rental to household with income of 30% or less of area median income; 9 apartments at Parkview Towers are held for rental to household with income of 50% or less of area median income; 92 apartments at Parkview Towers are held for rental to household with income of 60% or less of area median income; and 19 apartments at Parkview Towers are leased at market rents; and

WHEREAS, extension of the City PILOT Agreement will provide the means for MHP Parkview Towers, LP to continue to maintain rents at affordable rent levels for occupancy by low or moderate income households for the 10-year term of the extended PILOT Agreement; and

WHEREAS, under Section 7-503(a) of the Tax-Property Article of the *Annotated Code of Maryland*, a nonprofit tax-exempt entity 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 the real property; and

WHEREAS, MHP Parkview Towers, LP, through its sole general partner of MHP Parkview Towers, Inc., represents that it continues to qualify 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 extension of the PILOT Agreement with MHP Parkview Towers, LP for Parkview Towers 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 PILOT Agreement with MHP Parkview Towers, LP for Parkview Towers, located at 7667 Maple Avenue, Takoma Park, Maryland, as follows:

A. For Tax Levy Years 2017 (tax period 7/1/17 to 6/30/18) through 2026 (tax period 7/1/26 to 6/30/27), MHP Parkview Towers, LP shall have a 50% abatement of City real property taxes for Parkview Towers, located at 7667 Maple Avenue, Takoma Park, Maryland; and

B. A minimum of 50% of the rental apartments at Parkview Towers, located at 7667 Maple Avenue, Takoma Park, Maryland, shall be occupied by low or moderate income households (*i.e.*, households with incomes at or below 60% of the area median income).

The City Manager is authorized to enter into a PILOT Agreement on behalf of the City with MHP Parkview Towers, LP, under the provisions of Section 7-503(a) of the Tax-Property Article of the *Annotated Code of Maryland*, for Parkview Towers, located at 7667 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 4TH DAY OF OCTOBER 2017, BY ROLL-CALL VOTE AS FOLLOWS:

AYE: Stewart, Kovar, Male, Qureshi, Seamens, Smith, Schultz

NAY: None

ABSENT: None

ABSTAIN: None