

**CITY OF TAKOMA PARK, MARYLAND**

**ORDINANCE NO. 2021-13**

**AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH HOUSING INITIATIVE PARTNERSHIP AND USE \$200,000 FROM THE HOUSING RESERVE FUND FOR A HOUSING PROJECT AT 320 LINCOLN AVENUE**

WHEREAS, the Takoma Park City Council adopted the Housing and Economic Development Strategic Plan on October 16, 2019; and

WHEREAS, City staff have developed relationships and partnerships with a number of housing organizations so as to be able to make progress on the goals identified in the Strategic Plan as opportunities arise; and

WHEREAS, an opportunity has arisen to work with one of these housing partners to undertake a project that advances a number of goals of the City's Strategic Plan; and

WHEREAS, this project involves the purchase of a single-family residential rental property located at 320 Lincoln Avenue and renovation of the property, meeting high sustainability standards, by Housing Initiative Partnership; and

WHEREAS, through the City's Opportunity to Purchase Law, see *Chapter 6.32* of the Takoma Park Municipal Code, the property owners offered the rental property to the tenant who, after expressing interest in the property, did not execute a contract of sale for the property; and

WHEREAS, the property owner subsequently offered the City the opportunity to purchase the property pursuant to Chapter 6.32 and granted the City an extension; and

WHEREAS, on March 4, 2021, the City Manager delivered a written expression of interest on behalf of the City of Takoma Park to exercise its rights under Chapter 6.32 to the property owners with the intent to assign its rights to Housing Initiative Partnership; and

WHEREAS, Housing Initiative Partnership needs a contribution of \$200,000 from the City of Takoma Park to ensure affordability for the future homeowners, but will otherwise be responsible for the costs of purchasing and renovating the property, then selling the property to eligible purchasers meeting criteria developed by Housing Initiative Partnership and the City of Takoma Park, which include sale to a first time homebuyer with a household income not greater than 120% of the Area Median Income; and

WHEREAS, the \$200,000 contribution from the City will assist with the project and will be secured as a deferred subordinate mortgage that would be repaid to the City of Takoma Park after the home is sold, to replenish the Housing Reserve Fund; and

WHEREAS, the Housing Reserve Fund currently has a balance of \$678,509 and the FY21 budget of the City of Takoma Park will need to be amended to add \$200,000 to the Housing Fund Expenditure account; and

WHEREAS, City staff believes this project is an excellent project to advance the Council’s goals to preserve affordable housing stock and provide “missing middle” homeownership opportunities; improve the physical condition, safety, resiliency, and energy efficiency of existing housing; and build partnerships with other organizations to advance the City’s housing goals.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF TAKOMA PARK, MARYLAND THAT:

- Section 1. The City Manager is authorized to execute any documents and take any action necessary to assign rights and/or contract with Housing Initiative Partnership to purchase, redevelop, and sell the property at 320 Lincoln Avenue.
- Section 2. The City Manager is authorized to use \$200,000 of funds from the City of Takoma Park Housing Reserve to advance to project.
- Section 3. The Council finds that the legal timelines associated with the City’s Opportunity to Purchase Law create an emergency within the meaning of Section 309(e) of the Charter.

This ordinance is ADOPTED by the Council of the City of Takoma Park, Maryland, this 17th day of March, 2021, and shall be EFFECTIVE immediately upon its adoption, by roll-call vote as follows:

AYE: Stewart, Kovar, Dyballa, Kostiuk, Seamens, Smith, Searcy  
NAY: None  
ABSTAIN: None  
ABSENT: None