

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2021-44

AUTHORIZING THE CITY MANAGER TO USE \$250,000 FROM THE HOUSING RESERVE FUND TO SUPPORT THE RENOVATION OF HILLWOOD MANOR APARTMENTS AT 1100 LINDEN AVENUE

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

WHEREAS, an opportunity has arisen for the City to financially support a project that advances the goals and objectives of the City's Housing and Economic Development Strategic Plan and that impacts almost 100 resident households; and

WHEREAS, the specific objectives of the Housing and Economic Development Strategic Plan that the project advances are: i.) preserve the affordability of the existing multifamily housing stock, ii.) conserve and improve the physical condition of the existing low to moderate cost housing stock, and iii.) plan, build, and maintain properties, buildings, and neighborhoods with environmental sustainability as a major consideration, including climate change resiliency and greenhouse gas reduction; and

WHEREAS, this project involves the full modernization of the Hillwood Manor apartment complex, located at 1100 Linden Avenue, in which ninety-six (96) affordable apartments will be fully renovated and a new community center will be developed by Montgomery Housing Partnership (MHP); and

WHEREAS, once completed the renovation will result in ninety-six (96) affordable units ranging from 1-bedroom apartments to 4-bedroom apartments, with sixty (60) affordable units available to households with income less than 60% of the Area Median Income (AMI), twenty-three (23) affordable units available to households with income less than 50% of AMI, and thirteen (13) affordable units available to households with income less than 30% AMI; and

WHEREAS, MHP is the largest non-profit developer of affordable housing in Montgomery County, and MHP owns nine large apartment complexes in Takoma Park comprising 420 affordable apartment units within the City; and

WHEREAS, MHP purchased the property in the year 2016 at which time Hillwood Manor had over 500 outstanding code violations that MHP has since rectified and brought the Hillwood Manor apartment complex into compliance with code requirements; and

WHEREAS, the estimated total project cost of the modernization of Hillwood Manor is \$36.7 million; and

WHEREAS, the renovation of the ninety-six (96) affordable units will be completed in four phases, with the start of construction anticipated to begin November 2021 and estimated completion of the entire project in June 2023; and

WHEREAS, the project will incorporate sustainability and climate action in its design and construction to meet the goals of City's Sustainability and Climate Action Plan, including high efficiency heat pumps, water heaters, and the complete electrification of the property; and

WHEREAS, MHP has secured funds from multiple public and private sources, including the State of Maryland, Montgomery County, Freddie Mac, Chase Bank, Low Income Housing Tax Credit (LIHTC) investors, and MHP's own equity contribution; and

WHEREAS, the \$250,000 contribution from the City will assist with the project and demonstrate the City's commitment to preserving affordable housing stock and improving the physical condition, safety, resiliency, and energy efficiency of existing housing; and

WHEREAS, the Housing Reserve Fund currently has a balance of \$645,668.28 and the FY22 budget of the City of Takoma Park will need to be amended to add \$125,000 to the Housing Fund Expenditure account.

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 provide no more than \$250,000 from the City's Housing Reserve Fund to MHP to support the renovation of the Hillwood Manor property at 1100 Linden Avenue.

Section 2. The City Manager is authorized to use \$250,000 of funds from the City of Takoma Park Housing Reserve, to be advanced in two tranches of \$125,000 in FY22 and \$125,000 in FY23, to MHP and its affiliates.

This ordinance is ADOPTED by the Council of the City of Takoma Park, Maryland, this 20th day of October, 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: Noe