

Introduced by: Councilmember Kostiuk

**CITY OF TAKOMA PARK
RESOLUTION 2022-36**

RESOLUTION AUTHORIZING THE USE OF FY22 STATE REVITALIZATION PROGRAM NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT FUND (NED) GRANT AWARD FUNDS TO ASSIST IN THE ACQUISITION OF 320 LINCOLN AVENUE

WHEREAS, the Council adopted the City’s Housing and Economic Development Strategic Plan on October 16, 2019, by Resolution 2019-47, under which the City established its goal of producing more housing across the income spectrum in neighborhoods across the City to meet the diverse housing and economic needs of City residents;

WHEREAS, by Ordinance 2021-13, adopted on March 17, 2021, the Council authorized the City Manager to enter into a contract with Housing Initiative Partnership and authorized the use of Two Hundred Thousand Dollars (\$200,000.00) from the City’s Housing Reserve Fund for a housing project (the “Project”) involving 320 Lincoln Avenue, Takoma Park, Maryland (the “Property”);

WHEREAS, the Property was previously subject to the City’s Tenant Opportunity to Purchase Law, *see* Chapter 6.32 of the Takoma Park Code, and the tenants who previously resided at the Property were offered an opportunity to purchase the Property but did not execute a contract for the sale of the Property;

WHEREAS, the previous owners of the Property offered the City the opportunity to purchase the Property pursuant to Chapter 6.32 of the Takoma Park Code, which the City exercised and subsequently assigned its right to purchase the Property to Housing Initiative Partnership;

WHEREAS, the Project involved the renovation of the Property in accordance with certain sustainability standards;

WHEREAS, pursuant to the Project, the Two Hundred Thousand Dollars (\$200,000.00) provided by the City to Housing Initiative Partnership was secured as a deferred subordinate mortgage that will be repaid to the City when the home is sold;

WHEREAS, the renovations to the Property contemplated under Ordinance 2021-13 have been completed and Housing Initiative Partnership now wishes to sell the Property to a first-time homebuyer meeting certain eligibility requirements;

WHEREAS, by Resolution 2021-28, adopted July 28, 2021, the Council supported the grant award of Five Hundred Thousand Dollars (\$500,000.00), associated with the application submitted for the FY22 State Revitalization Program National Capital Strategic Economic Development Fund (NED) grant, to support the acquisition of

properties in the City of Takoma Park to develop affordable homeownership opportunities;

WHEREAS, also by Resolution 2021-28, adopted on July 28, 2021, the Council authorized the City Manager to act as “Legal Entity Official (LEO)” and take any action necessary to carry out the intent of that Resolution;

WHEREAS, the City wishes to contribute Two Hundred Thousand Dollars (\$200,000.00) received from the State of Maryland under the FY22 State Revitalization Program National Strategic Economic Development Fund (NED) grant to support the acquisition of the Property by a first-time homeowner meeting certain eligibility requirements;

WHEREAS, the City’s Two Hundred Thousand Dollar (\$200,000.00) contribution will be secured as a deferred non-interest bearing forgivable subordinate mortgage against the Property, under which the purchaser of the Property must maintain the Property as his or her principal residence for a twenty-five (25) year period and meet certain eligibility requirements in order for the mortgage to be forgiven; and

WHEREAS, City staff believes the Project is an excellent opportunity to advance the Council’s goals of preserving affordable housing stock and helping provide “missing middle” homeownership opportunities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF TAKOMA PARK, MARYALND THAT:

SECTION 1. The City Manager is authorized to use Two Hundred Thousand Dollars (\$200,000.00) of the FY22 State Revitalization Program National Strategic Economic Development Fund (NED) grant, as set forth above, to ensure the affordability of the Property for a subsequent purchaser meeting certain eligibility requirements.

SECTION 2. The City manager is authorized to execute any documents and take any action necessary to for the City to acquire an interest in the Property, as set forth herein.

Adopted this 14th day of September, 2022

Attest:



Jessie Carpenter, CMC
City Clerk