

Introduced by: Councilmember Dyballa

**CITY OF TAKOMA PARK
RESOLUTION 2023-39**

**RESOLUTION AUTHORIZING THE USE OF FY22 STATE REVITALIZATION
PROGRAM NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT FUND
(NED) GRANT AWARD FUNDS TO ENSURE THE AFFORDABILITY
OF 7402 AND 7406 GARLAND 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, 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, for the last several years the City has been working 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 involved the purchase of a vacant three-unit residential rental property at 7402 Garland Avenue and renovation of the property into two for-sale units for low-income homebuyers by Habitat for Humanity; and

WHEREAS, the City initially provided a \$200,000 contribution to assist Habitat for Humanity in purchasing the property which was secured as a deferred subordinate mortgage that will be repaid to the City of Takoma Park after the units are sold, to replenish the Housing Reserve; and

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 Three Hundred Thousand Dollars (\$300,000.00) 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; and

WHEREAS, the City's Three Hundred Thousand Dollar (\$300,000.00) contribution will be secured as two deferred non-interest bearing forgivable subordinate mortgage against the Property, under which the purchasers of the Properties 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 this project is an excellent project to advance the Council's goals to preserve affordable housing stock and help provide "missing middle", affordable 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 RESOLVED BY THE CITY COUNCIL OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The City Manager is authorized to use Three Hundred Thousand Dollars (\$300,000.00) of the FY22 State Revitalization Program National Strategic Economic Development Fund (NED) grant, as set forth above, to ensure the affordability of the Properties for both purchasers 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 13th day of December, 2023

Attest:



Jessie Carpenter, CMC
City Clerk