EXECUTIVE RECOMMENDATION

Demolition Fund
(P091704)

Category	Housing Opportunities Commission	Date Last Modified	12/14/17
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Countywide	Status	Planning Stage

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Other	1,900	-	700	1,200	600	600	-	-	-	-	-
TOTAL EXPENDITURES	1,900	-	700	1,200	600	600	-	-	-	-	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Current Revenue: General	1,900	-	700	1,200	600	600	-	-	-	-	-
TOTAL FUNDING SOURCES	1,900	-	700	1,200	600	600	-	-	-	-	-

COMPARISON ($000s)

	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years	FY 19 Approp.
Prior Year Approved	1,900	-	1,300	600	600	-	-	-	-	-	-	-
Agency Request	1,900	-	1,300	600	600	-	-	-	-	-	-	600
Recommended	1,900	-	700	1,200	600	600	-	-	-	-	-	-

CHANGE	TOTAL	%	6-YEAR	%	APPROP.	%
Agency Request vs Prior Year Approved	-	-	-	-	600	-
Recommended vs Prior Year Approved	-	-	600	100.0%	-	-
Recommended vs Agency Request	-	-	600	100.0%	(600)	-100.0%

Recommendation

Approve with Modifications. The Executive recommends delaying funding for demolition of Emory Grove Village until FY20 due to affordability. HOC is willing to receive reimbursement for demolition costs in FY20 as part of an FY18 savings plan.

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Other	1,900	-	1,300	600	600	-	-	-	-	-	-
TOTAL EXPENDITURES	1,900	-	1,300	600	600	-	-	-	-	-	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Current Revenue: General	1,900	-	1,300	600	600	-	-	-	-	-	-
TOTAL FUNDING SOURCES	1,900	-	1,300	600	600	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 19 Request	600	Year First Appropriation	FY16
Appropriation FY 20 Request	-	Last FY's Cost Estimate	1,900
Cumulative Appropriation	1,300		
Expenditure / Encumbrances	-		
Unencumbered Balance	1,300		

Project Description

In an effort to replace some of the County's least sustainable affordable housing, deliver amenities not currently present along with the return of housing to those sites, and embed the new stock of affordable housing within mixed-income communities, the Housing Opportunities Commission (HOC) has vacated its Emory Grove Village property and is beginning the process of vacating its Ambassador property. The entitlement and permitting process for each site will take from two to four years. In the interim, upon vacating these sites, HOC will demolish the existing buildings such that they do not become blights on the surrounding neighborhoods.

Location

Gaithersburg and Wheaton

Capacity

Demolition of 216 units

Estimated Schedule

Demolition of Emory Grove Village will take approximately three months. Demolition of the Ambassador will take approximately five months. HOC anticipates demolition of the Ambassador in FY'18. HOC has requested an acceleration of the funding from FY'19 to FY'18 for the Emory Grove; if approved, the demolition will occur in FY'18.

Project Justification

Both Emory Grove Village and the Ambassador have physical capital needs that far outweigh their ability to support remediation. As both properties are 100 percent affordable, they have no resources available to fund improvements or demolition. Both properties are located on prominent corners and would remain vacant for a considerable period of time.

Fiscal Note

The estimated cost of demolition for Emory Grove Village is between $600,000 and $800,000 and estimated demolition costs for the Ambassador is between $1.3 and $1.5 million.

Coordination

Department of Finance, Department of Housing and Community Affairs, and the Department of Permitting Services