



# Demolition Fund

(P091704)

|               |                                  |                      |                                  |
|---------------|----------------------------------|----------------------|----------------------------------|
| Category      | Housing Opportunities Commission | Date Last Modified   | 01/13/22                         |
| SubCategory   | Housing (HOC)                    | Administering Agency | Housing Opportunities Commission |
| Planning Area | Countywide                       | Status               | Ongoing                          |

## EXPENDITURE SCHEDULE (\$000s)

| Cost Elements      | Total | Thru FY21 | Est FY22 | Total<br>6 Years | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 | Beyond<br>6 Years |
|--------------------|-------|-----------|----------|------------------|-------|-------|-------|-------|-------|-------|-------------------|
| Other              | 1,900 | 1,094     | 806      | -                | -     | -     | -     | -     | -     | -     | -                 |
| TOTAL EXPENDITURES | 1,900 | 1,094     | 806      | -                | -     | -     | -     | -     | -     | -     | -                 |

## FUNDING SCHEDULE (\$000s)

| Funding Source           | Total | Thru FY21 | Est FY22 | Total<br>6 Years | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 | Beyond<br>6 Years |
|--------------------------|-------|-----------|----------|------------------|-------|-------|-------|-------|-------|-------|-------------------|
| Current Revenue: General | 1,900 | 1,094     | 806      | -                | -     | -     | -     | -     | -     | -     | -                 |
| TOTAL FUNDING SOURCES    | 1,900 | 1,094     | 806      | -                | -     | -     | -     | -     | -     | -     | -                 |

## APPROPRIATION AND EXPENDITURE DATA (\$000s)

|                             |       |                          |       |
|-----------------------------|-------|--------------------------|-------|
| Appropriation FY 23 Request | -     | Year First Appropriation | FY16  |
| Appropriation FY 24 Request | -     | Last FY's Cost Estimate  | 1,900 |
| Cumulative Appropriation    | 1,900 |                          |       |
| Expenditure / Encumbrances  | -     |                          |       |
| Unencumbered Balance        | 1,900 |                          |       |

## PROJECT DESCRIPTION

In an effort to replace some of the County's least sustainable affordable housing, deliver amenities not currently present, to return 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 and Ambassador properties. 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 while HOC works with its non-profit partners to execute a mixed-income redevelopment strategy for the site.

## LOCATION

Gaithersburg and Wheaton, Maryland.

## CAPACITY

Demolition of 216 units.

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## ESTIMATED SCHEDULE

Demolition of the Ambassador was completed in April 2020 and demolition of the mattress store was completed in September 2020. The original Invitation for Bid ("IFB") for the demolition contractor for Emory Grove Village expired before the work commenced and a new IFB for a demolition contractor was issued in April 2021. The Commission approved the award of a new contract under the new IFB at the meeting of the Commission on July 7, 2021 and the contract is currently being executed. The demolition for Emory Grove Village is expected to start in early 2022 and should take approximately 60 days to complete. Once completed, County reimbursement will be completed by the end of FY22.

## 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. Without County support, these properties would most likely 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 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.