

Resolution No: 18-502
Introduced: May 26, 2016
Adopted: May 26, 2016

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of FY 2017-2022 Capital Improvements Program of the Housing Opportunities Commission, and Approval of and Appropriation for the FY 2017 Capital Budget

Background

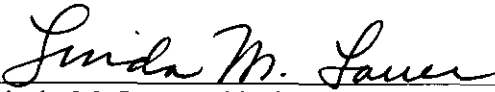
1. In a spirit of cooperation, the Housing Opportunities Commission sent to the County Executive a 6-year Capital Improvements Program (CIP) for the Housing Opportunities Commission.
2. Section 302 of the County Charter requires the Executive to send to the County Council by January 15 in each even-numbered calendar year a 6-year CIP, which the Executive did on January 15, 2016 for the 6-year period FY 2017-2022. Section 302 requires the affirmative vote of at least 5 Councilmembers to approve or modify the Executive's Recommended CIP. After the Council approves a CIP, Section 302 permits the Council to amend it at any time with the affirmative vote of at least 6 Councilmembers.
3. Section 303 of the Charter requires the Executive to send to the Council by January 15 in each year a Recommended Capital Budget, which the Executive did on January 15, 2016.
4. As required by Section 304 of the County Charter, the Council held public hearings on February 10 and 11, 2016 on the FY 2017-2022 CIP and the FY 2017 Capital Budget.

Action

The County Council for Montgomery County, Maryland approves the following resolution for the Housing Opportunities Commission:

1. For FY 2017, the Council approves the Capital Budget and appropriates the amounts by project as shown in Part I.
2. The Council re-appropriates the appropriations made in prior years for all capital projects:
 - a) except as specifically reflected elsewhere in this resolution;
 - b) in the amounts and for the purposes specified in the approved CIP for FY 2017-2022; and
 - c) to the extent that those appropriations are not expended or encumbered.
3. If a sign recognizing the contribution of any Federal, State, or local government or agency is displayed at any project for which funds are appropriated in this resolution, as a condition of spending those funds each sign must also expressly recognize the contribution of the County and the County's taxpayers.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

PART I: FY 2017 CAPITAL BUDGET FOR HOUSING OPPORTUNITIES COMMISSION

The appropriations for FY 2017 in this Part are made to implement the projects in the Capital Improvements Program for FY 2017-2022.

| <u>Project #</u> | <u>Project Name</u> | <u>FY 17 Appropriation</u> | <u>Cumulative Appropriation</u> | <u>Total Appropriation</u> |
|---|--|--------------------------------|-------------------------------------|--------------------------------|
| P091501 | Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements | <u>\$1,250,000</u> | <u>\$2,500,000</u> | <u>\$3,750,000</u> |
| TOTAL – HOUSING OPPORTUNITIES COMMISSION | | \$1,250,000 | \$2,500,000 | \$3,750,000 |

PART II: REVISED PROJECTS

The project described in this section was revised from the projects as requested by the Housing Opportunities Commission in the County Executive's Recommended FY 2017 Capital Budget and FY 2017-2022 Capital Improvements Program of January 15, 2016. This project is approved.

| Project # | Project Name |
|------------------|---------------------|
| P091704 | Demolition Fund |

Demolition Fund (P091704) Attachment to Resolution No.: 18-502

| | | | |
|----------------------|---|-----------------------------------|----------------|
| Category | Housing Opportunities Commission | Date Last Modified | 5/12/16 |
| Sub Category | Housing | Required Adequate Public Facility | No |
| Administering Agency | Housing Opportunities Commission (AAGE12) | Relocation Impact | None |
| Planning Area | Countywide | Status | Planning Stage |

| | Total | Thru FY15 | Est FY16 | Total 6 Years | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 | Beyond 6 Yrs |
|--------------------------------------|--------------|-----------|----------|---------------|----------|--------------|------------|----------|----------|----------|--------------|
| EXPENDITURE SCHEDULE (\$000s) | | | | | | | | | | | |
| Planning, Design and Supervision | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Site Improvements and Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 1,900 | 0 | 0 | 1,900 | 0 | 1,300 | 600 | 0 | 0 | 0 | 0 |
| Total | 1,900 | 0 | 0 | 1,900 | 0 | 1,300 | 600 | 0 | 0 | 0 | 0 |

| | Total | FY 16 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 | Beyond 6 Yrs |
|----------------------------------|--------------|----------|----------|--------------|----------|--------------|------------|----------|--------------|
| FUNDING SCHEDULE (\$000s) | | | | | | | | | |
| Current Revenue: General | 1,900 | 0 | 0 | 1,900 | 0 | 1,300 | 600 | 0 | 0 |
| Total | 1,900 | 0 | 0 | 1,900 | 0 | 1,300 | 600 | 0 | 0 |

APPROPRIATION AND EXPENDITURE DATA (000s)

| | | |
|------------------------------------|-------|-------|
| Appropriation Request | FY 17 | 0 |
| Appropriation Request Est. | FY 18 | 1,300 |
| Supplemental Appropriation Request | | 0 |
| Transfer | | 0 |
| Cumulative Appropriation | | 0 |
| Expenditure / Encumbrances | | 0 |
| Unencumbered Balance | | 0 |

| | |
|--------------------------|--|
| Date First Appropriation | FY 16 |
| First Cost Estimate | |
| Current Scope | FY 17 1,900 |
| Last FY's Cost Estimate | 1,900 |

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.

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 corner 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

PART III: CAPITAL IMPROVEMENTS PROJECTS TO BE CLOSED OUT

The following capital projects are closed out effective July 1, 2016, and the appropriation for each project is decreased by the amount of that project's unencumbered balance.

| Project # | Project Name |
|------------------|---------------------|
|------------------|---------------------|

NONE

**PART IV: CAPITAL IMPROVEMENTS PROJECTS:
PARTIAL CLOSE OUT**

Partial close out of the following capital projects is effective July 1, 2016.

| Project # | Project Name |
|------------------|---------------------|
|------------------|---------------------|

NONE