

Resolution No: 18-1140
Introduced: May 24, 2018
Adopted: May 24, 2018

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of FY 2019-2024 Capital Improvements Program of the Housing Opportunities Commission, and Approval of and Appropriation for the FY 2019 Capital Budget

Background

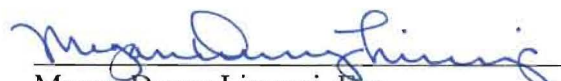
1. In a spirit of cooperation, the Housing Opportunities Commission sent to the County Executive a 6-year Capital Improvements Program (CIP) for the Housing Opportunities Commission.
2. Section 302 of the County Charter requires the Executive to send to the County Council by January 15 in each even-numbered calendar year a 6-year CIP, which the Executive did on January 16, 2018 for the 6-year period FY 2019-2024 (January 15, 2018 fell on a holiday). 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 16, 2018 (January 15, 2018 fell on a holiday).
4. As required by Section 304 of the County Charter, the Council held public hearings on February 6 and 7, 2018 on the FY 2019-2024 CIP and the FY 2019 Capital Budget.

Action

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

1. For FY 2019, 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 2019-2024; 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.


Megan Davey Limarzi, Esq.,
Clerk of the Council

**PART i: FY19 Capital Budget for
Housing Opportunities Commission**

The appropriations for FY19 in this Part are made to implement the projects in the Capital Improvements Program for FY19 - FY24.

Project Name (Project Number)	FY19 Appropriation	Cumulative Appropriation	Total Appropriation
Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements (P091501)	1,250,000	5,000,000	6,250,000
Total - Housing Opportunities Commission	1,250,000	5,000,000	6,250,000

PART II: Revised Projects

The approved projects described in this section were revised from, or were not included among, the projects as requested by the Housing Opportunities Commission (HOC) FY19 Capital Budget and FY19 - FY24 Capital Improvements Program. These projects are approved as modified.

Project Number	Project Name
P091704	Demolition Fund



Demolition Fund
(P091704)

Category Housing Opportunities Commission **Date Last Modified** 01/24/18
SubCategory Housing (HOC) **Administering Agency** Housing Opportunities Commission
Planning Area Countywide **Status** Planning Stage

Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
-------	-----------	----------	---------------	-------	-------	-------	-------	-------	-------	----------------

EXPENDITURE SCHEDULE (\$000s)

Other	1,900	-	700	1,200	600	600	-	-	-	-
TOTAL EXPENDITURES	1,900	-	700	1,200	600	600	-	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	1,900	-	700	1,200	600	600	-	-	-	-
TOTAL FUNDING SOURCES	1,900	-	700	1,200	600	600	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	-	Year First Appropriation	FY 16
Appropriation FY 20 Request	600	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 both projects 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% 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 for the Ambassador is between \$1.3 and \$1.5 million. HOC is willing to receive reimbursement for demolition costs in FY20 as part of an FY18 savings plan.

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 June 30, 2018, and the appropriation for each project is decreased by the amount of the project's unencumbered balance.

Project Number

Project Name

No Projects Closed Out (on Part III)