

# EXECUTIVE RECOMMENDATION



## Elizabeth House Demolition (P092302)

Category	Housing Opportunities Commission	Date Last Modified	01/11/23
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Silver Spring and Vicinity	Status	Planning Stage

### EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Site Improvements and Utilities	1,500	-	-	1,500	1,500	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: General	1,500	-	-	1,500	1,500	-	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### COMPARISON (\$000s)

	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years	FY 24 Approp.
Prior Year Approved	-	-	-	-	-	-	-	-	-	-	-	-
Agency Request	3,000	-	-	3,000	3,000	-	-	-	-	-	-	-
Recommended	1,500	-	-	1,500	1,500	-	-	-	-	-	-	-

CHANGE	TOTAL	%	6-YEAR	%	APPROP.	%
Agency Request vs Prior Year Approved	3,000	-	3,000	-	-	-
Recommended vs Prior Year Approved	1,500	-	1,500	-	-	-
Recommended vs Agency Request	(1,500)	-50.0%	(1,500)	-50.0%	-	-

## RECOMMENDATION

Approve with Modifications. The County Executive's Recommended CIP assumes shared contributions towards the Elizabeth House demolition costs. The County will contribute \$1.5 million in Current Revenue. HOC will be responsible for the remaining costs, a portion of which will be facilitated through a long-term (e.g. 20 years) \$1 million loan through the Department of Housing and Community Affairs (DHCA) housing programs.



# Elizabeth House Demolition

(P092302)

Category	Housing Opportunities Commission	Date Last Modified	01/11/23
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Silver Spring and Vicinity	Status	Planning Stage

## EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Site Improvements and Utilities	3,000	-	-	3,000	3,000	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Current Revenue: General	3,000	-	-	3,000	3,000	-	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Appropriation FY 24 Request	-	Year First Appropriation	FY23
Cumulative Appropriation	3,000	Last FY's Cost Estimate	-
Expenditure / Encumbrances	-		
Unencumbered Balance	3,000		

## PROJECT DESCRIPTION

The requested funding totaling approximately \$3 million will cover the estimated expense for demolishing the existing Elizabeth House multifamily building, which is directly adjacent to HOC's Alexander House, HOC's The Leggett, and Montgomery County's South County Regional Recreation and Aquatics Center "SCRRAC"). These are all part of the larger Elizabeth Square redevelopment of a city block in Downtown Silver Spring. Elizabeth Square will be a mixed-income, multigenerational, mixed-use development consisting of three (3) buildings: The Leggett, formerly known as Elizabeth House III, under which will reside the SCRRAC; the redeveloped Elizabeth House; and the renovated Alexander House.

One of the key elements of Elizabeth Square will be The Leggett, a highly amenitized, mixed-income, senior living community that comprises 106 units of relocated former Public Housing, 134 Low Income Housing Tax Credit units, and 29 market rate units. The SCRRAC will be a place that welcomes people from both surrounding neighborhoods and across the region to a state-of-the-art public aquatic and recreation center, promoting physical health and intergenerational activity. A destination where seniors can thrive within modern residences, benefit from a senior wellness center, and enjoy shopping and dining, surrounded by green spaces and walking paths, for a truly holistic living experience.

The County has requested that the existing Elizabeth House be demolished in advance of the opening of the SCRRAC facility in the first half of 2023. The \$3 million budget assumes the cost to prepare the building and site for demolition, obtain necessary permits and County approvals, disconnecting various public utilities, removing, and abating hazardous materials, and providing for contingency

---

fund for project unknowns.

## LOCATION

1400 Fenwick Lane, Silver Spring, MD 20910

## ESTIMATED SCHEDULE

Commission is expected to approve contractor in early April 2023 and notice to proceed given by end of April or beginning of May 2023. The demolition is expected to be completed by September 2023.

## PROJECT JUSTIFICATION

As previously mentioned, the County has explicitly requested that the existing Elizabeth House be demolished in advance of the opening of the SCRRAC facility in the first half of 2023. Demolishing the Elizabeth House within the specified timeline will provide numerous benefits to the County including increasing visibility to the SCRRAC from Second Avenue and Fenwick Lane, eliminating security and life safety concerns associated with a building remaining vacant while The Leggett and new SCRRAC facility are fully-operational; reducing disruptions to future residents and occupants, which inherently come with demolishing a building of this scale; and expediting the master planning and predevelopment process for the final component of the Elizabeth Square Master Plan.

## FISCAL NOTE

FY23 supplemental in Current Revenue: General for the amount of \$3,000,000.

## COORDINATION

Department of Finance, Department of Housing and Community Affairs, Department of Permitting Services, Department of General Services.