

EXECUTIVE RECOMMENDATION



Elizabeth House Demolition (P092302)

Category	Housing Opportunities Commission	Date Last Modified	12/24/24
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Silver Spring and Vicinity	Status	Under Construction

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY24	Rem FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
Site Improvements and Utilities	1,500	1,254	246	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,500	1,254	246	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY24	Rem FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
Current Revenue: General	1,500	1,254	246	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	1,500	1,254	246	-	-	-	-	-	-	-	-

COMPARISON (\$000s)

	Total	Thru FY24	Rem FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years	FY 26 Approp.
Prior Year Approved	1,500	-	1,500	-	-	-	-	-	-	-	-	-
Agency Request	1,500	1,254	246	-	-	-	-	-	-	-	-	-
Recommended	1,500	1,254	246	-	-	-	-	-	-	-	-	-

CHANGE	TOTAL	%	6-YEAR	%	APPROP.	%
Agency Request vs Prior Year Approved	-	-	-	-	-	-
Recommended vs Prior Year Approved	-	-	-	-	-	-
Recommended vs Agency Request	-	-	-	-	-	-

RECOMMENDATION

Not Recommended. The County Executive will consider funding for this project as part of the FY26 Operating Budget process.



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Site Improvements and Utilities	1,500	1,254	246	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,500	1,254	246	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY24	Rem FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
Current Revenue: General	3,000	1,254	246	1,500	1,500	-	-	-	-	-	-
TOTAL FUNDING SOURCES	3,000	1,254	246	1,500	1,500	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 26 Request	-	Year First Appropriation	FY23
Cumulative Appropriation	3,000	Last FY's Cost Estimate	3,000
Expenditure / Encumbrances	-		
Unencumbered Balance	3,000		

PROJECT DESCRIPTION

This project supports the County's portion of 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 Silver Spring Recreation and Aquatic Center "SSRAC"). These are all part of the larger Elizabeth Square redevelopment of a city block in Downtown Silver Spring. Elizabeth Square is a mixed-income, multigenerational, mixed-use development consisting of three (3) buildings: The Leggett, formerly known as Elizabeth House III, under which resides the SSRAC; the to-be-redeveloped Elizabeth House; and the renovated Alexander House. One of the key elements of Elizabeth Square is 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 SSRAC is a flagship County facility 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. It is 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 Leggett was built in part to provide a comparable location for the relocation of 106 Public Housing units that were previously in place at Elizabeth House. An additional 54 Public Housing units, which made up the 160 Public Housing units at Elizabeth House, were relocated to other newly built senior communities elsewhere in the County by resident choice. Built more than 60 years ago,

Elizabeth House had reached obsolescence and was not able to serve its senior residents with the quality that met HOC's high standards. Now empty, and with the start date for its redevelopment unknown, Elizabeth House obstructs the view of and makes unintuitive pedestrian access to the SSRAC. It also restricts the culmination of the creation of the central plaza at Elizabeth Square, which is a signature amenity to the overall redevelopment. Advancing the demolition of Elizabeth House substantially increases visibility and pedestrian access to the SSRAC, and it activates the central plaza.

LOCATION

1400 Fenwick Lane, Silver Spring, MD 20910

ESTIMATED SCHEDULE

The Commission selected the Berg Corporation for the demolition at the April 5, 2023, Meeting of the Commission. Notice to Proceed was provided in August 2023 and the contractor started demolition activities as all of the existing tenants were relocated by July 2023. With the additional scope described above, the demolition is now expected to be completed by Spring 2025.

COST CHANGE

The original anticipated cost of the demolition of \$3 million was shared by the County and HOC. The demolition contractor began work in August 2023. In March of 2024, having substantially demolished the interior of the building, the contractor identified additional work scope based on inspection of the interior of the exterior walls previously contained behind the interior walls of the building. To complete demolition of the building, greater remediation of environmental conditions related to the deconstruction of the exterior walls will be required. The estimated additional cost is \$1.5M, which raised the total demolition project cost to \$4.5M. The revised estimate includes 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. Staff has confirmed that the County is identifying a funding source for the additional \$1.5M that will be included in supplemental funding for the County Department of General Services; therefore, a request for additional funding by HOC is not being requested.

PROJECT JUSTIFICATION

Demolishing the Elizabeth House within the specified timeline will provide numerous benefits to the County, including increasing visibility and pedestrian access 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; expanding Elizabeth Square's central plaza; and expediting the master planning and predevelopment process for the final component of the Elizabeth Square Master Plan.

FISCAL NOTE

FY 2023 supplemental in Current Revenue: General for the amount of \$1,500,000.

FY25 supplemental in Current Revenue: General for the amount of \$1,500,000.

COORDINATION

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