

MEMORANDUM

April 22, 2019

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst *LMC*

SUBJECT: **Worksession – FY19-24 Capital Improvements Program Amendment
Housing Opportunities Commission
Demolition Fund**

PURPOSE: Committee recommendation; vote required

Those expected for this worksession:

Stacy Spann, Executive Director, Housing Opportunities Commission (HOC)
Fred Swan, Director of Resident Services, HOC
Terri Fowler, Budget Officer, HOC
Pofen Salem, Office of Management and Budget

Demolition Fund

(CE Amendment © 1; FY19-24 Approved © 2)

The Council first approved these funds as a part of the FY17 CIP to assist HOC with the costs of demolishing the Ambassador Apartments and Emory Grove Village, both of which are outdated and will be re-developed with mixed-income communities.

Demolition Fund

	TOTAL	Thru FY18	6 Years	FY19	FY20	FY21	FY22	FY23	FY24
Approved	1,900	700	1,200	600	600	0	0	0	0
CE Amendment	1,900	700	1,200	600	100	500	0	0	0

Source of Funds: Current Revenue

HOC has told Council staff that the demolition of the Ambassador Apartments is scheduled to start in June 2019 and will take approximately 4 to 6 months to complete. The demolition of Emory Grove Village is scheduled to start during FY20. HOC has previously estimated that the cost for the demolition of the Ambassador Apartments is \$1.3 million to \$1.5 million and the cost of the demolition of Emory Grove Village is \$600,000 to \$800,000. The Executive's recommended amendment will push \$500,000 of the County contribution from FY20 to FY21.

Council staff recommendation: Approve amendment as recommended by the Executive.



Demolition Fund
(P091704)

CE Amendment

Category	Housing Opportunities Commission	Date Last Modified	03/09/19
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Countywide	Status	Planning Stage

Total	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

	Total	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Beyond 6 Years
Other	1,800	25	675	1,200	600	100	500	-	-
TOTAL EXPENDITURES	1,900	25	675	1,200	600	100	500	-	-

FUNDING SCHEDULE (\$000s)

	Total	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Beyond 6 Years
Current Revenue: General	1,900	25	675	1,200	600	100	500	-	-
TOTAL FUNDING SOURCES	1,900	25	675	1,200	600	100	500	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 20 Approp. Request	100	Year First Appropriation	FY16
Cumulative Appropriation	1,300	Last FY's Cost Estimate	1,900
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 by FY20. County reimbursement will be completed by FY21.

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.



Demolition Fund
(P091704)

FY19-24 Approved

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
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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	FY16
Appropriation FY 20 Request	600	Last FY's Cost Estimate	1,900
Cumulative Appropriation	1,300		
Expenditure / Encumbrances	-		
Unencumbered Balance	1,300		

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