

County Council Of Howard County, Maryland

2019 Legislative Session

Legislative Day No. 8

Resolution No. 96 -2019

Introduced by: The Chairperson at the request of the County Executive

A RESOLUTION approving the terms and conditions of a Payment in Lieu of Taxes Agreement by and between the Howard County, Maryland and Enterprise Community Homes Housing, LLC, a limited liability corporation of the State of Maryland, for rental housing properties to be known as Community Homes.

Introduced and read first time June 3, 2019.

By order Jessica Feldmark
Jessica Feldmark, Administrator

Read for a second time at a public hearing on June 17, 2019.

By order Jessica Feldmark
Jessica Feldmark, Administrator

This Resolution was read the third time and was Adopted___, Adopted with amendments , Failed___, Withdrawn___, by the County Council on July 1, 2019.

Certified By Jessica Feldmark
Jessica Feldmark, Administrator

Approved by the County Executive July 5, 2019

Calvin Ball
Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1 **WHEREAS**, Enterprise Community Homes Housing, LLC, a limited liability
2 corporation of the State of Maryland (the "Company"), has acquired certain real property located
3 at 10301-10409 Twin Rivers Road ("Roslyn Rise"), 5951-6033 Turnabout Lane ("Ranleagh
4 Court"), 5817-5991 Harpers Farm Road ("Rideout Heath"), 5503-5613 Harpers Farm Road
5 ("Fall River Terrace"), and 5501-5627 Cedar Lane ("Waverly Winds") (collectively, the
6 "Property") in Columbia, Maryland; and

7
8 **WHEREAS**, the Property consists of 300 units; approximately 200 units are available to
9 households that earn at or below 40 percent of Area Median Income of the Baltimore
10 Metropolitan Statistical Area ("AMI"); and, approximately 100 units are available to households
11 that earn at or below 80 percent of AMI; and

12
13 **WHEREAS**, The Maryland State Department of Assessments and Taxation ("SDAT")
14 reassessed the Property following the Company's acquisition of the Property resulting in a
15 phased-in property tax assessment increase for the tax year beginning July 1, 2019 to be paid by
16 the Company; and

17
18 **WHEREAS**, the Company has requested that the County permit the Company to make
19 payments in lieu of County real property taxes to offset the phased-in property tax assessment
20 increase pursuant to Section 7-506.1 of the Tax-Property Article of the Annotated Code of
21 Maryland; and

22
23 **WHEREAS**, the Company has demonstrated to the County that an agreement for
24 payments in lieu of taxes is necessary to make the Project economically feasible; and

25
26 **WHEREAS**, the Agreement is not related to any redevelopment of the Property; and

27
28 **WHEREAS**, the Agreement would terminate for any portion of the Property that the
29 Company redevelops; and

1 **WHEREAS**, in order to enable the Company to continue to provide affordable housing
2 in Howard County, it is in the interest of the County to accept payments in lieu of County real
3 property taxes subject to the terms and conditions of the Payment in Lieu of Taxes Agreement
4 (the "Agreement") attached to this Resolution as "Exhibit 1".

5
6 **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,
7 Maryland this 1st day of July, 2019, that:

8 (1) In accordance with Section 7-506.1 of the Tax-Property Article of the Annotated Code of
9 Maryland, the County shall abate all County real property taxes for the Property subject
10 to the terms and conditions of the Payment in Lieu of Taxes Agreement (the
11 "Agreement") attached to this Resolution as "Exhibit 1".

12 (2) The County Executive is hereby authorized to execute and deliver the Agreement in the
13 name and on behalf of the County in substantially the form attached.

14 (3) The County Executive, prior to execution and delivery of the Agreement, may make such
15 changes or modifications to the Agreement as he deems appropriate in order to
16 accomplish the purpose of the transactions authorized by this Resolution, provided that
17 such changes or modifications shall be within the scope of the transactions authorized by
18 this Resolution; and the execution of the Agreement by the County Executive shall be
19 conclusive evidence of the approval by the County Executive of all changes or
20 modifications to the Agreement, and the Agreement shall thereupon become binding
21 upon the County in accordance with its terms.

EXHIBIT 1

Property: Community Homes

PAYMENT IN LIEU OF TAXES AGREEMENT

THIS AGREEMENT (this "Agreement") is made as of this _____ day of _____, 2019, by and between ENTERPRISE COMMUNITY HOMES HOUSING, LLC, a limited liability corporation of the State of Maryland (the "Company") and HOWARD COUNTY, MARYLAND, a body corporate and politic of the State of Maryland (the "County").

RECITALS

A. The Company has acquired certain real property located at 10301-10409 Twin Rivers Road ("Roslyn Rise"), 5951-6033 Turnabout Lane ("Ranleagh Court"), 5817-5991 Harpers Farm Road ("Rideout Heath"), 5503-5613 Harpers Farm Road ("Fall River Terrace"), and 5501-5627 Cedar Lane ("Waverly Winds"), which real property is more particularly described on Exhibit "A" attached hereto (collectively, the "Property"). The Property consists of 300 units. Approximately 200 units are available to households who earn at or below 40 percent of Area Median Income of the Baltimore Metropolitan Statistical Area ("AMI"). Approximately 100 units are available to households who earn at or below 80 percent of AMI.

B. The Maryland State Department of Assessments and Taxation ("SDAT") reassessed the Property resulting in a phased-in Property Tax Assessment increase for the tax year beginning July 1, 2019 to be paid by the Company.

C. The Company has requested that the County permit the Company to make payments in lieu of County real property taxes to offset the phased-in Property Tax Assessment increase pursuant to Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland (the "Act"). The Act provides, among other things, that real property may be exempt from County property tax if:

(1) the real property is owned by a person engaged in constructing or operating housing structures or projects;

(2) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, State, or local government program that funds construction, or insures its financing in whole or in part, or provides interest subsidy, rent subsidy or rent supplements;

(3) the owner of the real property agrees to (A) continue to maintain the real property as rental housing for lower income persons under the requirements of the governmental programs described in item (2) of this paragraph and agrees to renew any annual contributions or other agreements for rental subsidy or supplement or (B) enters into an agreement with the governing body of the County to allow the entire property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five years; and

(4) the owner and the governing body of the county where the real property is located agree that the owner shall pay a negotiated amount in lieu of the applicable county property tax.

D. In order to induce the Company to provide housing for lower income persons, the County agrees to accept payments in lieu of County real property taxes, subject to the terms and conditions of this Agreement.

E. The County Council of Howard County, Maryland has approved this Agreement by resolution, a copy of which is attached hereto as Exhibit "B".

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the County agree as follows:

1. Definitions. In this Agreement, the term:

(a) "Affordable Unit" means a rental dwelling unit with a rent level at or below 80 percent of AMI.

(b) "Distribution" means any withdrawal or taking of cash or any assets of the Property, excluding payment for reasonable expenses incident to the operation and maintenance of the Property. Such expenses shall include a reasonable property management fee and asset management fee.

(c) "Gross Rental Income" means the total of all charges paid by all tenants of the Property, less the cost of all utilities paid by the Company.

(d) "Property Tax Assessment" means the market value of a piece of property as determined by SDAT.

(e) "Residual Receipts" means any cash remaining at the end of a calendar year after deducting from Surplus Cash:

(i) the Payment required by Section 5(b) of this Agreement.

(f) "Surplus Cash" means any cash remaining at the end of a calendar year after the payment of:

(i) the Payment required by Section 5(a) of this Agreement;

(ii) all reasonable and actual operating costs and expenses of the Property including reasonable property management fees, reasonable asset management fees to the managing general partner, and a distribution to the Company not to exceed 16 percent of the invested equity; and

(iii) all payments required under any mortgage on the Property approved by the County.

2. Acceptance of Payments. For the term of this Agreement, the Company shall make, and the County shall accept, annual payments in lieu of all County real property taxes due on the Property (the "Payments"). The Property shall be exempt from County real property taxes in accordance with the Act so long as this Agreement is in effect.

3. Conditions Precedent. This Agreement shall not take effect unless and until each of the following conditions precedent have been fulfilled:

(a) Title. The Company shall have taken fee simple title to the Property;

(b) Property Tax Assessment. The Company shall have disclosed to the County SDAT's reassessment reports of the Property.

(c) PILOT Covenants. The Company shall have executed and recorded covenants on the Property, in a form acceptable to the County, that require the Company and all subsequent owners of the Property to offer for rent not fewer than one hundred percent (100%) of the Affordable Units in the Property to households that earn at or below 80 percent of AMI. Currently, the Housing Assistance Payment Agreement and the Use Agreement executed with the U.S. Department of Housing and Urban Development (collectively, the "HUD Agreements") are binding until 2025 and govern the use of the Property. The HUD Agreements require that approximately 200 units are available to households that earn at or below 40 percent of AMI, and approximately 100 units are available to households that earn at or below 80 percent of AMI (the "PILOT Covenants").

4. Effective Date. This Agreement shall take effect when each of the conditions precedent set forth in Section 3 are fulfilled (the "Effective Date"); provided, however, that if all of the conditions precedent are not fulfilled by July 1, 2019, this Agreement shall be null and void.

5. Amount of Payments. Each Payment made under this Agreement shall be in an amount calculated as follows:

(a) Minimum Payment. The Company shall pay to the County an amount equal to (i) four percent (4%) of the Property's Gross Rental Income for the preceding calendar year, plus less (ii) the amount of County fire tax, front-foot benefit assessment charge, and ad valorem charge (the "County Assessments") paid by the Company for the Property for the current taxable year.

(b) Payment from Surplus Cash. To the extent funds are available from Surplus Cash, the Company shall pay to the County an additional four percent (4%) of the Property's Gross Rental Income.

(c) Payment from Residual Receipts. To the extent funds are available from Residual Receipts, the Company shall pay to the County an amount which, when added to the Payments made under (a) and (b), equals (i) the County real property taxes which would have been paid for the current taxable year, if the Property were not exempt from taxation, plus (ii) the County Assessments paid by the Company for the Property for the current taxable year.

(d) Total Payment. The intention of this Agreement is that each Payment shall at no time exceed the aggregate of (i) County real property taxes which would have been paid for the current taxable year, if the Property were not exempt from taxation, plus (ii) the County Assessments paid by the Company for the Property for the current taxable year.

6. Time and Place Payments Due. Each Payment shall be made by May 1 of each year for the prior calendar year. Payments shall be made to the Director of Finance, 3430 Courthouse Drive, Ellicott City, Maryland 21043. Payments of the County Assessments shall be made at the time and in the manner provided by law.

7. Penalties for Late Payment. The Company shall be subject to the following penalties for late payments:

(a) 1% per month or part of a month during the period May 2 to June 30 following the due date; and

(b) 1 1/2% per month or part of a month on or after July 1 following the due date.

8. Penalties for Failure to Pay. At the option of the County, if any Payment is due and unpaid on or after July 1 following the due date, this Agreement may be terminated and all County real property taxes for the preceding taxable year shall be immediately due and payable.

9. Reports and Records.

(a) By no later than March 31 of each year, the Company shall submit to the County's Director of Finance, in a form acceptable to the County, a report of the Property's income and expenses for the preceding calendar year, including an itemized breakdown of Gross Rental Income, Surplus Cash, and Residual Receipts.

(b) The Company shall submit such other reports as the County may reasonably require in order to verify the Company's compliance with this Agreement.

(c) The Company shall permit the County or any of its authorized agents to inspect the records of the Property in order to verify the Company's compliance with this Agreement.

10. Representation and Warranties.

(a) The Company represents and warrants to the County that it is eligible in all respects to enter in this Agreement to make payments in lieu of taxes under the Act.

(b) The Company covenants and agrees that it will do all things necessary to remain eligible to make payments in lieu of taxes in accordance with the Act.

(c) The Company agrees that it shall remain in good standing with the State Department of Assessments and Taxation.

11. Term of Agreement. This Agreement shall remain in effect until the earlier to occur of:

(a) the termination of the PILOT Covenants;

(b) the foreclosure, or the making of a deed in lieu of foreclosure, of any portion of the Property, unless the party acquiring the Property agrees to continue the PILOT Covenants under terms and conditions acceptable to the County;

(c) any default under the PILOT Covenants which is not cured within a reasonable period after notice, which period shall in all events be at least thirty (30) days;

(d) any default under this Agreement which is not cured with a reasonable period after notice; or

(e) any redevelopment of a portion of the Property that establishes new covenants on that portion of the Property; however, any properties not redeveloped shall continue to be subject to this Agreement.

12. Sale; Liens; Company Interests. During the term of this Agreement, the Company shall not, without the prior written consent of the County, make any transfer, exchange, encumber or otherwise convey its interest in the Property. If the Company transfers the Property to a new owner (other than a holder of a mortgage or deed of trust in the event of foreclosure or deed in lieu of foreclosure), then the Company shall be permitted to assign this Agreement to the new owner, provided that the assignee shall be subject to the terms and conditions of this Agreement.

13. State Taxes. The Company acknowledges and agrees that it shall pay all State real property taxes.

14. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, all successors and assigns of the Company.

15. Entire Agreement. This Agreement represents the entire understanding and agreement of the parties.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the Company and the County, by their duly authorized representatives have signed this Agreement as of the date first written above.

WITNESS/ATTEST:

ENTERPRISE COMMUNITY HOMES HOUSING, LLC, a Maryland limited liability corporation

By: Enterprise Homes Inc., its General Partner

Name: _____
Title: _____

Name: _____
Title: _____ (SEAL)

[COUNTY SIGNATURES ON FOLLOWING PAGE]

WITNESS/ATTEST:

HOWARD COUNTY, MARYLAND

Name: Lonnie Robbins
Title: Chief Administrative Officer

By: _____(SEAL)
Name: Calvin Ball
Title: County Executive

APPROVED for Form and Legal
Sufficiency this _____ day of
_____, 20__.

APPROVED by Department of Finance

Gary Kuc
County Solicitor

Janet Irvin
Director

Reviewing Attorney:

Kristen Bowen Perry

Exhibit A: Legal Description of Property
Exhibit B: Council Resolution No. _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

See attached.

VOGEL ENGINEERING + TIMMONS GROUP

3300 North Ridge Road
 Ellicott City, MD 21043
 P 410.461.7666 F 410.461.8961 www.timmons.com

DESCRIPTION OF THE LAND OF ENTERPRISE COMMUNITY HOMES HOUSING LLC:

TAX MAP 29, GRID 24
 PARCEL 263, LOT 2
 5817 HARPERS FARM ROAD
 COLUMBIA, MARYLAND 21044

Beginning from a rod & cap on the Southeasterly right of way of Twin Rivers Road and the land from Sara Virginia Fischer, of the estate of William Arthur Fischer, to Sara Virginia Fischer by deed dated May 04, 2004 and recorded in liber 8346 folio 1 among the land records of Howard County, Maryland, then;

- 1 binding said land, South 35 degrees 44 minutes 29 seconds East 259.34 feet to a rod & cap,
- 2 binding said land, South 76 degrees 18 minutes 40 seconds East 281.53 feet to an iron pipe at the land from the Howard Research and Development Corporation to the Board of Education of Howard County by deed dated February 06, 1969 and recorded in liber 506 folio 213 among the land records of Howard County, Maryland,
- 3 binding said land, South 13 degrees 41 minutes 20 seconds West 440.41 feet to an iron pipe at the land from Carey, Chintrinsa and Turer Partnership, now known as Harper's Realty, LLP, to Harper's Realty, LLP by deed dated August 01, 1997 and recorded in liber 4102 folio 553 among the land records of Howard County, Maryland,
- 4 binding said land, North 85 degrees 15 minutes 00 seconds West 386.62 feet to a rod & cap,
- 5 on a curve to the right with radius 25.00 feet, arc length 39.28 feet, chord North 40 degrees 15 minutes 42 seconds West 35.36 feet to a rod & cap on the Easterly right of way of Harper's Farm Road,
- 6 binding said right of way, North 04 degrees 45 minutes 00 seconds East 126.30 feet to a point,
- 7 binding said right of way on a curve to the left with radius 642.65 feet, arc length 294.20 feet, chord North 08 degrees 21 minutes 46 seconds West 291.64 feet to an iron pipe,
- 8 binding said right of way to a curve to the right with radius 157.00 feet, arc length 207.53 feet, chord North 16 degrees 23 minutes 26 seconds East 192.75 feet to an iron pipe on the Southeasterly right of way of Twin Rivers Road,

- 9 binding said right of way, North 54 degrees 15 minutes 31 seconds East 79.93 feet to the point of beginning, containing 5.7641 acres, more or less.

Being the land from Community Homes Housing, Inc. to Enterprise Community Homes Housing, LLC, by deed dated December 21, 2017 and recorded in liber 17980 folio 450 among the land records of Howard County, Maryland. Subject to all easements and restrictions of record.

VOGEL ENGINEERING + TIMMONS GROUP

3300 North Ridge Road
Ellicott City, MD 21043
P 410.461.7666 F 410.461.8961 www.timmons.com

DESCRIPTION OF THE LAND OF ENTERPRISE COMMUNITY HOMES HOUSING LLC:

TAX MAP 29, GRID 23
PARCEL 262, LOT 8
5503 HARPERS FARM ROAD
COLUMBIA, MARYLAND 21044

Beginning from a ½" iron pipe found at the intersection of the Northerly right of way line of Harpers Farm Road, as recorded in plat book 12 page 84, and the Easterly right of way of Eliot's Oak Road, then;

- 1 binding said right of way on a curve to the right whose radius is 25.00 feet, arc length is 39.28, chord is North 42 degrees 45 minutes 32 seconds West 35.36 feet to a rod & cap on the Easterly right of way of Eliot's Oak Road,
- 2 binding said right of way, North 02 degrees 14 minutes 28 seconds East 135.00 feet to a 1" iron pipe at the land of Columbia Association Inc., as recorded in plat book 13, page 85,
- 3 binding said land, on a curve to the left whose radius is 1201.72 feet, arc length is 536.85, chord is North 79 degrees 26 minutes 35 seconds East 532.40 feet to a ½" iron pipe at the land of Deering Woods Condominium, as recorded in plat book 13 page 86,
- 4 binding said land, South 01 degree 09 minutes 56 seconds East 416.85 feet to a rod & cap on the Northerly right of way of Harpers Farm Road,
- 5 binding said right of way on a curve to the left whose radius is 747.41 feet, arc length is 461.76 feet, chord is North 70 degrees 03 minutes 28 seconds West 454.45 to a point,
- 6 binding said right of way, North 87 degrees 45 minutes 32 seconds West 86.00 feet to the point of beginning, containing 2.8420 acres, more or less.

Being the land from Community Homes Housing, Inc. to Enterprise Community Homes Housing, LLC by deed dated December 21, 2017 and recorded in liber 17980 folio 438 among the land records of Howard County, Maryland.

Also being lot 8 as shown on plat titled "Columbia, Village of Harper's Choice", Section 3, Area 2, Sheet 3 of 6 and recorded among the land records of Howard County, Maryland in plat book 13 pages 84-89. Subject to all easements and restrictions of record.

VOGEL ENGINEERING + TIMMONS GROUP

3300 North Ridge Road
Ellicott City, MD 21043
P 410.461.7666 F 410.461.8961 www.timmons.com

DESCRIPTION OF THE LAND OF ENTERPRISE COMMUNITY HOMES HOUSING LLC:

TAX MAP 29, GRID 23
PARCEL 271, LOT 3
5501 CEDAR LANE
COLUMBIA, MARYLAND 21044

Beginning from a ¾" rebar on the Easterly right of way of Cedar Lane and the land from 5993 Grand Banks, LLC to Kamil Maclin by deed dated February 12, 2014 and recorded in liber 15473 folio 373 among the land records of Howard County, Maryland, then;

- 1 binding said land, South 83 degrees 11 minutes 26 seconds East 211.34 feet to a marked concrete monument,
- 2 South 73 degrees 37 minutes 38 seconds East 55.76 feet to a marked concrete monument,
- 3 South 82 degrees 25 minutes 08 seconds East 220.00 feet to a rod & cap at the land from the Howard Research and Development Corporation to the Columbia Park and Recreation Association, Inc. by deed dated September 20, 1971 and recorded in liber 575 folio 338 among the land records of Howard County, Maryland,
- 4 binding said land on a curve to the right with radius 317.53 feet, arc length 43.00 feet, chord South 17 degrees 20 minutes 26 seconds West 42.97 feet to a rebar,
- 5 binding said land on a curve to the left with radius 400.00 feet, arc length 169.99 feet, chord South 09 degrees 02 minutes 44 seconds West 68.71 feet to rod & cap marked "RBA 132",
- 6 South 03 degrees 07 minutes 45 seconds East 124.51 feet to a ½" iron pipe,
- 7 South 84 degrees 58 minutes 18 seconds West 340.47 feet to a rod & cap,
- 8 North 39 degrees 23 minutes 56 seconds West 104.85 feet to a cross cut in the paved walk,
- 9 North 07 degrees 01 minute 26 seconds West 353.24 feet to the point of beginning, containing 3.7071 acres, more or less.

Being the land from Community Homes Housing, Inc. to Enterprise Community Homes Housing, LLC by deed dated December 21, 2017 and recorded in liber 17980 folio 414 among the land records of Howard County, Maryland. Subject to all easements and restrictions of record.

VOGEL ENGINEERING + TIMMONS GROUP

3300 North Ridge Road
Ellicott City, MD 21043
P 410.461.7666 F 410.461.8961 www.timmons.com

DESCRIPTION OF THE LAND OF ENTERPRISE COMMUNITY HOMES HOUSING LLC:

TAX MAP 30, GRID 19
PARCEL 272, LOT 2
10301 TWIN RIVERS ROAD
COLUMBIA, MARYLAND 21044

Beginning from an iron pipe on the Southwesterly right of way of Twin Rivers Road and at the land from the Ryland Group, Inc. to Bryant Square Community Association, Inc. by deed dated June 18, 1973 and recorded in liber 641 folio 231 among the land records of Howard County, Maryland, then;

- 1 binding said land, South 60 degrees 05 minutes 43 seconds West 489.05 feet to a concrete monument at the land from the Howard Research and Development Corporation to the Board of Education of Howard County by deed dated 06 February 1969 and recorded in liber 506 folio 213 among the land records of Howard County, Maryland,
- 2 binding said land, North 90 degrees 00 minutes 00 seconds West 80.00 feet to a rod & cap,
- 3 binding said land, North 00 degrees 00 minutes 00 seconds East 200.00 feet to a nail in a concrete monument at the land from the Columbia Religious Facilities Corporation to the Howard Research and Development Corporation by deed dated February 28, 1969 and recorded in liber 506 folio 208 among the land records of Howard County, Maryland,
- 4 binding said land, North 18 degrees 10 minutes 51 seconds East 453.50 feet to a rod & cap at the Southwesterly right of way of Twin Rivers Road,
- 5 binding said right of way, South 46 degrees 38 minutes 43 seconds East 137.11 feet to a 1" iron pipe,
- 6 South 01 degree 38 minutes 43 seconds East 35.36 feet to a rod & cap,
- 7 South 46 degrees 38 minutes 43 seconds East 60.00 feet to a rod & cap,
- 8 South 88 degrees 21 minutes 17 seconds East 35.36 feet to an iron pipe on the Southwesterly right of way of Twin Rivers Road,
- 9 South 43 degrees 21 minutes 17 seconds West 100.00 feet to a rod & cap,

- 10 South 46 degrees 38 minutes 44 seconds East 102.00 feet to a rod & cap,
- 11 South 77 degrees 27 minutes 38 seconds East 158.74 feet to an iron pipe on the Southwesterly right of way of Twin Rivers Road,
- 12 binding said right of way on a curve to the right with radius 532.96 feet, arc length 44.20 feet, chord South 30 degrees 17 minutes 03 seconds East 44.19 feet to the point of beginning, containing 3.4970 acres, more or less.

Being the land from Community Homes Housing, Inc. to Enterprise Community Homes Housing, LLC by deed dated December 21, 2017 and recorded in liber 17980 folio 426 among the land records of Howard County, Maryland. Subject to all easements and restrictions of record.

VOGEL ENGINEERING & TIMMONS GROUP

3300 North Ridge Road
Ellicott City, MD 21043
P 410.461.7666 F 410.461.8961 www.timmons.com

DESCRIPTION OF THE LAND OF ENTERPRISE COMMUNITY HOMES HOUSING LLC:

TAX MAP 29, GRID 23
PARCEL 262, LOT 18
5951 TURNABOUT LANE
COLUMBIA, MARYLAND 21044

Beginning from a ½" iron pipe found on the Northerly right of way line of Little Patuxent Parkway and the land from The Midway Company II to Little Harpers, LLC by deed dated January 12, 2001 and recorded in liber 5317 folio 638 among the land records of Howard County, Maryland, then:

- 1 binding the Northerly right of way of Little Patuxent Parkway on a curve to the left whose radius is 2331.83 feet, arc length is 277.98 feet, chord is South 88 degrees 33 minutes 38 seconds West 277.82 feet to a rod & cap at the land from Fentil, Inc. to Tilbury Limited Partnership by deed dated August 19, 1991 and recorded in liber 2377 folio 480 among the land records of Howard County, Maryland,
- 2 binding said land, North 00 degrees 00 minutes 00 seconds East 308.31 feet to an iron pipe at the Southerly right of way of Turnabout Lane,
- 3 binding said right of way, North 90 degrees 00 minutes 00 seconds East 302.77 feet to an iron pipe at the land from The Midway Company II to Little Harpers, LLC by deed dated January 12, 2001 and recorded in liber 5317 folio 638 among the land records of Howard County, Maryland,
- 4 binding said land, South 04 degrees 45 minutes 00 seconds West 302.37 feet to the point of beginning, containing 2.0125 acres, more or less.

Being the land from Community Homes Housing, Inc. to Enterprise Community Homes Housing, LLC by deed dated December 21, 2017 and recorded in liber 17980 folio 462 among the land records of Howard County, Maryland.

Also being lot 18 as shown on plat titled "Columbia, Village of Harper's Choice", Section 3, Area 2, Sheet 6 of 6, recorded among the land records of Howard County, Maryland, in plat book 13, page 89. Subject to all easements and restrictions of record.

EXHIBIT B

Council Resolution No. _____

Amendment 1 to Council Resolution No. 96-2019

BY: The Chairperson at the request
of the County Executive

Legislative Day 9
Date: July 1, 2019

Amendment No. 1

(This amendment corrects a term of the Agreement.)

- 1 In the Payment in Lieu of Taxes Agreement, attached to the Resolution as Exhibit 1:
- 2 • On page 3, in section 5.(a), in the third line, strike “plus” and substitute “less”.

ADOPTED 7/1/19
FAILED _____
SIGNATURE Jessica Feldman

(iii) all payments required under any mortgage on the Property approved by the County.

2. Acceptance of Payments. For the term of this Agreement, the Company shall make, and the County shall accept, annual payments in lieu of all County real property taxes due on the Property (the "Payments"). The Property shall be exempt from County real property taxes in accordance with the Act so long as this Agreement is in effect.

3. Conditions Precedent. This Agreement shall not take effect unless and until each of the following conditions precedent have been fulfilled:

(a) Title. The Company shall have taken fee simple title to the Property;

(b) Property Tax Assessment. The Company shall have disclosed to the County SDAT's reassessment reports of the Property.

(c) PILOT Covenants. The Company shall have executed and recorded covenants on the Property, in a form acceptable to the County, that require the Company and all subsequent owners of the Property to offer for rent not fewer than one hundred percent (100%) of the Affordable Units in the Property to households that earn at or below 80 percent of AMI. Currently, the Housing Assistance Payment Agreement and the Use Agreement executed with the U.S. Department of Housing and Urban Development (collectively, the "HUD Agreements") are binding until 2025 and govern the use of the Property. The HUD Agreements require that approximately 200 units are available to households that earn at or below 40 percent of AMI, and approximately 100 units are available to households that earn at or below 80 percent of AMI (the "PILOT Covenants").

4. Effective Date. This Agreement shall take effect when each of the conditions precedent set forth in Section 3 are fulfilled (the "Effective Date"); provided, however, that if all of the conditions precedent are not fulfilled by July 1, 2019, this Agreement shall be null and void.

5. Amount of Payments. Each Payment made under this Agreement shall be in an amount calculated as follows:

(a) Minimum Payment. The Company shall pay to the County an amount equal to (i) four percent (4%) of the Property's Gross Rental Income for the preceding calendar year, plus (ii) the amount of County fire tax, front-foot benefit assessment charge, and ad valorem charge (the "County Assessments") paid by the Company for the Property for the current taxable year.

(b) Payment from Surplus Cash. To the extent funds are available from Surplus Cash, the Company shall pay to the County an additional four percent (4%) of the Property's Gross Rental Income.

Amendment 1 to Council Resolution No. 96-2019

BY: The Chairperson at the request
of the County Executive

Legislative Day 9
Date: July 1, 2019

Amendment No. 1

(This amendment corrects a term of the Agreement.)

- 1 In the Payment in Lieu of Taxes Agreement, attached to the Resolution as Exhibit 1:
- 2 • On page 3, in section 5.(a), in the third line, strike “plus” and substitute “less”.

Sayers, Margery

From: Stuart Kohn <stukohn@verizon.net>
Sent: Thursday, June 27, 2019 5:41 PM
To: CouncilMail
Subject: Fwd: Amendments are needed for CR 96 Payments in lieu
Attachments: CR96-2016 Amendments .doc

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Dear Council Members,

Please accept the attached suggested amendments and concerns for CR96-2019 from HCCA as Alan Schneider is a Board Member.

Stu Kohn
HCCA President

CR96-2019. Amendments

Thank you for addressing Affordable Housing. Amendments to CR96-2019 would resolve several problems.

1. **Preambles describe and broaden the main purpose of the legislation.** Here the key issue is affordable housing. The following “whereas” clauses provide necessary background and purpose.

WHEREAS, affordable housing attracts and retains employees to Howard County, it allows workers to live close to their jobs and spend more time with families and community participation, it benefits communities by reducing traffic, air pollution, and road expenditures, and it enables individuals to improve their economic situation and contribute to their communities; and

WHEREAS, affordable rental housing meets the needs of low- and moderate- income families in high- cost markets, and provides an opportunity to save for homeownership. Homeownership is the American Dream for many. Affordable homeownership builds a financial asset for retirement, gives control over home enhancements, benefits children who are reportedly more likely to do well in school and less likely to have behavior and social problems, and provides more stability to neighborhoods in which individuals are invested; and

WHEREAS, affordable housing enhances the Quality of Life which is an overarching vision in the first section of PlanHoward 2030 as adopted by the County Council.

2. **Contract provisions govern the rights and duties of the parties to the agreement.** In this case viable affordable housing requires additional protections for Howard County, individuals, and communities in exchange for the economic and other benefits to Enterprise. The following contract amendments are representative of the requirements required by government organizations.

- a. Ownership and financial information from Enterprise, its owners and affiliates.
- b. Identification of all owners of Enterprise, its parent, and affiliates.
- c. Approval by Howard County of any transfer of the property after review of all requested information. (Large powerful foreign corporations are acquiring U.S. entities holding real estate.)
- d. Protection for low income renters who are especially vulnerable to profit driven commercial landlords.
- e. Authority for Howard County to require and to add or modify health and safety provisions.
- f. Provide that the HUD requirements are enforceable by Howard County, and that Howard County may extend HUD rules and may adopt more stringent local rules and regulations and require the landlord to provide affordable housing for an extended time.
- g. Define “surplus cash” and authorize Howard County to audit expenses for “reasonableness”. Section 5 (b) provides for payments to the County from “Surplus Cash”. A definition of “reasonableness” would limit payments for management fees, payments for asset management fees, payments to the corporate owner of the LLC, payments to individual owners of the LLC or its parent, or payments to service affiliated providers.
- h. Enable compliance and enforcement by Howard County. Landlord to bear the cost of enforcing noncompliance brought by Howard County or tenants.

3. **Consider and independent review for additional protections in the contract.** Citizens hold elected officials responsible for problems which could have made been avoided. Unforeseen problems exist. Contract provisions must protect Howard County against liability for damages. A few problems affecting communities in other jurisdictions include: dilapidated housing, renters who do not have money or incentive for repairs, increased crime in low income areas, and problems arising from the ability of commercial landlords to take advantage of renters to the disadvantage of surrounding communities.

Thank you for your attention and your commitment to protecting the future.

Sayers, Margery

From: Alan Schneider <ajs333@aol.com>
Sent: Friday, June 21, 2019 11:00 AM
To: CouncilMail
Subject: CR 96-2019. Home ownership

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

CR 96. Using tax relief to assist with affordable housing. Give it to LLP's or individuals? What is the goal? How can tax benefits be best used to help with affordable housing? I know that corporations are driven to maximize profits. I understand that homeownership is difficult. We've heard that teachers, firefighters and others would like to become homeowners in Howard County

Encouraging *home ownership* has been favored as more beneficial than renting. Prioritizing home ownership has been successful in other jurisdictions. Home ownership has been connected with greater economic benefits to businesses, hospitals, and the community. Howard County's resources are limited. Such plans would be supported by corporations seeking to attract workers to Howard County. Such plans benefit individuals, businesses and the County, instead of favoring profit driven landlords driven to maximize income and profits. CR 96 misses the goal. Long range planning requires articulating the entire vision which would focus on the pros and cons to individuals, the public and the economy. Proposals to approve Payment in Lieu of Property Taxes could achieve the vision of affordable housing in Howard County. More information and evaluation is needed.



MARYLAND MULTI-HOUSING ASSOCIATION, INC.

Katherine Kelly Howard, MMHA Legislative Committee Chair, 410-539-2370



Bill Subject: Council Resolution 96-2019

Date: June 20, 2019

Position: Favorable

The Maryland Multi-Housing Association (MMHA) is a professional trade association established in 1996. Our membership consists of owners and property managers of more than 205,000 rental homes in over 870 apartment communities throughout the State. MMHA members manage over 17,600 apartments in Howard County. MMHA is a member of the Howard County Housing Affordability Coalition, which advocates for the preservation of existing affordable housing and the expansion of Howard County's affordable housing inventory.

We write to you today in support of CR 96-2019. This resolution supports approval of the terms and conditions of a Payment in Lieu of Taxes (PILOT) agreement by and between Howard County and Enterprise Community Homes Housing, LLC to preserve existing affordable units and address a 2019 property tax reassessment on five of the Company's properties. CR 96-2019 will allow Enterprise Homes to maintain the affordability of the properties' 300 units. 200 of these units are available to households that earn at or below 40 percent of Area Median Income of the Baltimore Metropolitan Statistical Area (AMI), and 100 of these units are available to households that earn at or below 80 percent of AMI.

As rental housing providers, MMHA understands that there is a serious shortage of affordable housing in Howard County. As cited in Howard County Department of Housing and Community Development's January 2019 Director's Report, there is concern that low-income residents that pay a high percentage of their income to housing expenses can become unstable and face homelessness due to a first-time crisis, loss of income, or health issues. Ensuring that these 300 units remain affordable is imperative to the prevent the vulnerability of Howard County's low-income population. MMHA urges the Howard County Council to vote in favor of this resolution.

Jessie Keller, MMHA Government and Community Affairs Manager, 410-413-1420

Alan Schneider
ajs333@aol.com
202.489.4831

Written Testimony before Howard County Council

June 17,2019

Ned Howe
Vice President New Business
Enterprise Homes

Enterprise is a company that is at the forefront of affordable and housing insecurity issues in this Country. We were founded by Jim and Patty Rouse and are headquartered right here in Columbia. As a proven nonprofit, Enterprise improves communities and people's lives by making well-designed homes affordable. We bring together nationwide know-how, partners, policy leadership and investment to multiply the impact of local affordable housing development.

We employ over 1200 people nationally with over 250 in our headquarters. Enterprise has invested over \$120 million in affordable developments that had almost \$240 million in total development costs associated with constructing or rehabilitating approximately 1800 units within Howard County alone. Enterprise Homes, the development entity within the Enterprise family, owns and through R Home property management manages over 1300 units in Howard County and almost 1000 in Columbia alone.

The Community Homes Housing Inc. (CHHI) portfolio is Enterprise Homes most recent acquisition in Howard County. We took ownership of this portfolio consisting of 5 noncontiguous properties and 300 units in late 2017 from CHHI a non-profit that has been in place essentially since these homes were constructed in the late 1960's. The properties serve low income residents. Two thirds of the units provide project based rental assistance and the remaining units have income restrictions limiting the household income to less than 80% of Area Median Income (AMI). We acquired these properties with the intent of preserving affordability and ultimately improving them as new mixed income developments over a long term depending on the availability of funds to support this type of redevelopment. In the meantime, we must continue to maintain a 50+ year old property with income restrictions which in turn limits the revenue. This year the properties were reassessed to new values, based on the acquisition price. The new assessed value will significantly increase the tax burden on the properties. As our revenue is limited to ensure affordable rents to our residents we need this PILOT to limit the tax burden on these properties to roughly current levels while we continue to serve low income residents, maintain the properties and explore all redevelopment opportunities.



HOWARD COUNTY COUNCIL
AFFIDAVIT OF AUTHORIZATION
TO TESTIFY ON BEHALF OF AN ORGANIZATION

I, NED HOWIE, have been duly authorized by
(name of individual)

ENTERPRISE HOMES INC. to deliver testimony to the
(name of nonprofit organization or government board, commission, or task force)

County Council regarding CR96-2010 to express the organization's
(bill or resolution number)

support for / opposition to / request to amend this legislation.
(Please circle one.)

Printed Name: NED HOWIE

Signature: [Handwritten Signature]

Date: 6/17/2010

Organization: ENTERPRISE HOMES INC.

Organization Address: 875 HOLLINS ST., SUITE 202

BALTIMORE, MD 21201

Number of Members: 250+

Name of Chair/President: MARSHO GRADYSON

This form can be submitted electronically via email to councilmail@howardcountymd.gov no later than 5pm the day of the Public Hearing or delivered in person the night of the Public Hearing before testifying.



Howard County Council Public Hearing: Council Resolution 96-2019

June 17, 2019

Testimony

Good evening Council Chair Rigby, Co-Chair Jones and Council members. As President of the Association of Community Services and representative of our 168 nonprofit member organizations and community advocates, it is my privilege to offer comments in support of Council Resolution 96-2019.

The five properties located in Columbia's Wilde Lake and Harper's Choice have provided affordable housing for 300 households for almost fifty years. Enabling Enterprise Community Homes Housing, through approval of the requested Payment in Lieu of Taxes (PILOT), will help offset the State's recently imposed tax increase on those properties. This PILOT is an important step that will help keep the properties operationally and financially stable until such time as Enterprise can begin their intended and the much needed property redevelopment-- redevelopment that will result in an expanded 600 unit mixed income community that will be financially sustainable and continue to provide safe, decent and affordable housing.

The recently updated Rental Housing Survey indicates that there are already over 5,000 too few affordable housing units in our community for low and very low-income households. This shortage of inventory underscores the need to preserve the affordable housing that we already have. And beyond preservation, this PILOT is an investment opportunity that will improve these decades old properties and in doing so improve the living conditions of 300 of our community's families.

Thank you for this opportunity to highlight our supports of and our concerns about the proposed FY 2020 Operations Budget. As always we are available to respond to Council members' questions.

Respectfully submitted,

Joan Driessen

Executive Director



HOWARD COUNTY COUNCIL
AFFIDAVIT OF AUTHORIZATION
TO TESTIFY ON BEHALF OF AN ORGANIZATION

I, Joan Driessen, have been duly authorized by
(name of individual)

Association of Community Services of Howard County to deliver testimony to the
(name of nonprofit organization or government board, commission, or task force)

County Council regarding CR96-2019 & CR97-2019 to express the organization's
(bill or resolution number)

support for / opposition to / request to amend this legislation.
(Please circle one.)

Printed Name: Joan Driessen

Signature: Joan Driessen

Date: June 17, 2019

Organization: Association of Community Services of Howard County

Organization Address: Columbia, MD 21046

Columbia, MD 21046

Number of Members: 175 member organizations and advocates

Name of Chair/President: Grace Morris

This form can be submitted electronically via email to councilmail@howardcountymd.gov no later than 5pm the day of the Public Hearing or delivered in person the night of the Public Hearing before testifying.

Howard County Housing Affordability Coalition

Howard County Council Public Hearing
June 17, 2019

Testimony: Council Resolution 96-2019

Good evening Council Chair Rigby, Co-chair Jones and Council members.

The Housing Affordability Coalition is comprised of 49 organizations and individuals. We are advocates for the preservation of existing affordable housing and the expansion of Howard County's inventory of affordable housing, particularly for low and very low-income residents.

The Coalition supports Council Resolution 96-2019. The proposed Payment in Lieu of Taxes (PILOT) will enable Enterprise Homes to maintain the affordability of its 300 units of existing, very affordable housing while it pursues redevelopment of the five properties in the Villages of Wilde Lake and Harper's Choice.

These properties are Columbia's first and oldest affordable housing—products of Jim Rouse's vision for Columbia. They are approaching their 50th birthday and, in spite of upgrades and renovations over the years, they are becoming functionally obsolete and approaching the end of their useful life. This legislation anticipates redevelopment of the five properties, at which time they will be in a much improved and sustainable financial position with new housing units and a mixed income tenant base.

Thank you for this opportunity to offer these comments. Coalition members welcome the opportunity to discuss our concerns about housing affordability and our support for CR 96-2017.

Respectfully,

Members, Howard County Housing Affordability Coalition
(Listed on next page)

Howard County Affordable Housing Coalition
9770 Patuxent Woods Drive, Suite 310
jleng1747@gmail.com

Howard County Housing Affordability Coalition

Members

Association of Community Services	Grace Kubofcik
Harriet Bachman	JustLiving Advocacy, Inc.
David Bazell	League of Women Voters of Howard County
Liz Bobo	Jean West Lewis
Joshua Bombino	Making Change LLC
Rebecca Bowman	Kelly McLaughlin
Bridges to Housing Stability	Phyllis Madachy
Paul Casey	Maryland Multi-Housing Association
Tom Coale	Tim May
Stephanie Coakley	Peter Morgan
CCCSMD	Oxford Planning Group LLC
Columbia Downtown Housing Corporation	PATH
Community Action Council	Paul Revelle
Jacqueline Eng	Bill Salganik
Grassroots Crisis Intervention Center	Laura Salganik
Rev. Sue Lowcock Harris	Jean Sedlacko
Heritage Housing Partners Corporation	Nette Stokes
HopeWorks of Howard County	Pat Sylvester
Housing to End Homelessness	The Arc of Howard County
Howard County Autism Society	TheCaseMade, Incorporated
Howard County Housing Commission	Town Center Community Association
Humanim, Inc.	Unitarian Universalist Congregation of Columbia
iHomes, Humanim	Joe Willmott
Humphrey Management	Phyllis Zolotorow
Ian Kennedy	



HOWARD COUNTY COUNCIL
AFFIDAVIT OF AUTHORIZATION
TO TESTIFY ON BEHALF OF AN ORGANIZATION

I, Kelly McLaughlin, have been duly authorized by
(name of individual)

Howard County Housing Affordability Coalition to deliver testimony to the
(name of nonprofit organization or government board, commission, or task force)

County Council regarding CR 96-2019 to express the organization's
(bill or resolution number)

support for / opposition to / request to amend this legislation.
(Please circle one.)

Printed Name:

Kelly McLaughlin

Signature:

[Handwritten Signature]

Date:

6/17/19

Organization:

Howard County Housing Affordability Coalition

Organization Address:

9770 Patuxent Woods Dr., Suite 310

Columbia, MD 21046

Number of Members:

49

Name of Chair/President:

Jackie Eng

This form can be submitted electronically via email to councilmail@howardcountymd.gov no later than 5pm the day of the Public Hearing or delivered in person the night of the Public Hearing before testifying.



HOWARD COUNTY COUNCIL
AFFIDAVIT OF AUTHORIZATION
TO TESTIFY ON BEHALF OF AN ORGANIZATION

I, Daniel P. Kelliker, have been duly authorized by
(name of individual)

Community Homes Housing Inc. to deliver testimony to the
(name of nonprofit organization or government board, commission, or task force)

County Council regarding 96-2017 (Enterprise) to express the organization's
(bill or resolution number)

support for / opposition to / request to amend this legislation.
(Please circle one.)

Printed Name: Daniel P. Kelliker

Signature: D. P. Kelliker

Date: 6-17-19

Organization: Community Homes Housing Inc.

Organization Address: 696 Ritchie Hwy, Suite 200A

Severna Park MD 21146

Number of Members: 4

Name of Chair/President: Daniel Kelliker

This form can be submitted electronically via email to councilmail@howardcountymd.gov no later than 5pm the day of the Public Hearing or delivered in person the night of the Public Hearing before testifying.

Sayers, Margery

From: Jennifer Broderick <Jennifer@bridges2hs.org>
Sent: Monday, June 17, 2019 3:36 PM
To: CouncilMail
Subject: Support for Proposed Legislation

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Dear Howard County Council Members,

I'm writing today in support of CR 96 and CR 97. Both of these resolutions will help Howard County add additional much needed affordable units for residents with lower incomes.

CR96 will expand the number of affordable units in Columbia, and the PILOT agreement will help Enterprise Corporation in moving the renovation and expansion of the development forward

CR 97 will add affordable housing in an area that does not have any. It is only due to a recent school redistricting change which was beyond the control of the developers that the Robinson's Overlook project now will be over the APFO imposed 105% capacity limit at the elementary level. This project should be continued, as it will contribute to closing the affordable housing gap in the area, and is a positive step toward including diverse housing options in that area.

Thank you for your time and consideration,

Jen Broderick, LCSW
Bridges to Housing Stability Acting Executive Director
(410) 312-5760 ext 117
Jennifer@bridges2hs.org

Join us Wednesday, June 19, 2019 for Bridges' second Taste of Wine, Splash of Charity! Are you ready to raise your glass to an end to homelessness and housing instability in Howard County? Click [here](#) for more information and ticket purchasing.

Solving Homelessness with Housing



9520 Berger Road, Suite 311 • Columbia, MD 21046
410-312-5760 ext. 117 • Fax: 410-312-5765
www.Bridges2HS.org

Sayers, Margery

From: LINDA Wengel <lwengel@msn.com>
Sent: Tuesday, June 18, 2019 4:58 PM
To: CouncilMail
Subject: CR 96 and 97

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

The League of Women Voters of Howard County strongly supports passage of Council Resolutions 96 and 97.

In 2018 the League conducted a thorough study of the need and supply of affordable housing in Howard County. Recognizing the scarcity of low and moderate income housing in the county, the League adopted a policy to support multiple approaches to increase the supply of affordable housing.

Relevant to CR 96, is our position that any redevelopment of low and moderate income housing maintain at least the same number of affordable units. The Enterprise proposal achieves this goal and by adding an equal number of market rate units advances the goal of mixed income development. The Enterprise development will have a positive effect on both the Wilde Lake and Harpers Choice neighborhoods

Relevant to CR 97 is our position that affordable housing, which is now concentrated in a few areas in the county, should be dispersed throughout the county.

Payment in lieu of taxes should be considered an incentive for developers to build affordable housing. Granting PILOT helps developers obtain scarce Low Income Housing Tax Credits and increases the feasibility of development. Additionally, the League was surprised during the course of our study, to learn that Howard County, which offers education programs and limited assistance with down payments and security deposits, does not own or manage any low income housing. Real estate tax exemption for LIHTC developments is a reasonable contribution to the advancement of moderate and low income housing in Howard County.

Thank you for considering our written testimony.

Linda Wengel
Action Chair
League of Women Voters of Howard County