

AS AMENDED ON MARCH 24, 2014

RESOLUTION NO. 2382

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND TO PROVIDE A LOCAL CONTRIBUTION TO THE DEVELOPMENT OF ~~RENTAL AFFORDABLE~~ HOUSING, LOCATED ON PEMBERTON DRIVE, KNOW AS THE COTTAGES OF RIVERHOUSE PHASE IV, FOR SENIOR CITIZENS WITH MODERATE AND LOW INCOMES AND APPROVING PROJECT FINANCING TO BE PROVIDED EITHER DIRECTLY BY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (THE "DEPARTMENT") OF THE STATE OF MARYLAND OR THROUGH THE DEPARTMENT'S DEVELOPMENT ADMINISTRATION (THE "ADMINISTRATION")

WHEREAS, the City of Salisbury, Maryland recognizes that there is a significant need for quality housing units in Salisbury for senior citizens with low or limited incomes; and

WHEREAS, Blackburn Housing IV L.P. proposes to develop and operate Phase IV of a rental housing development for senior citizens, to contain approximately 44 (forty four) units, on Pemberton Drive; and

WHEREAS, the City of Salisbury desires to provide a local contribution to this project in the form of a real estate tax deferral as such meets the requirements of the Department of Housing and Community Development for a local contribution; and

WHEREAS, the Department of Housing and Community Development, either directly or through the Administration, may provide some or all of the financing for the Project (the "Project Financing") in order to assist in making it financially feasible.

NOW, THEREFORE BE IT RESOLVED that the Salisbury City Council hereby endorses the Project upon the proposed site; and HEREBY approves the Project; and

BE IT FURTHER RESOLVED by the Salisbury City Council, pursuant to proper authority granted it:

That, provided Blackburn Housing IV L.P. constructs and operates a rental housing project on Pemberton Drive for senior citizens with moderate and low income, then the City of Salisbury shall grant a deferral of real estate taxes due during the first 10 (ten) years of the project's operation. In the first (1st) year after the developer has constructed such development and placed same in operation, as evidenced by a certificate of occupancy (which said year shall be defined as the "first tax year"), then 90% (ninety percent) of the total City of Salisbury real estate taxes due for the first (1st) year will be deferred and accrued. For each subsequent year, the percent of tax deferred will be reduced by 10% (ten percent). For example, in the second (2nd) year, 80 % (eighty percent) of the taxes will be deferred; in the third (3rd) year, 70 % (seventy percent) of the taxes will be deferred; and so on. In the tenth (10th) year, the project will pay the full amount of real estate taxes due. Beginning in the eleventh (11th) year and continuing through the twentieth (20th)

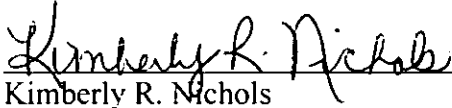
year, the project will pay, in addition to the full current tax due, 10% (ten percent) of the deferred and accrued tax each year until the taxes that have been accrued are fully repaid. The deferred and accrued taxes will be recaptured and immediately due and payable and no further deferral will be allowed in the event that the project is sold, transferred or not operated to provide housing for senior citizens with low or limited income in accordance with the guidelines of the Department of Housing and Community Development. The City of Salisbury retains the right to modify this paragraph in the event that such sale or transfer is approved by the City and the provision of housing for senior citizens with moderate and low income is continued; and

BE IT FURTHER RESOLVED THAT copies of this Resolution be sent to James Ireton, Jr., the Mayor of Salisbury, Maryland, for his signature indicating his approval thereof; and

BE IT FURTHER RESOLVED THAT copies of this Resolution be sent to the Secretary of Housing and Community Development of the State of Maryland.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on the 24th day of March, 2014 and is to become effective immediately upon adoption.

ATTEST:

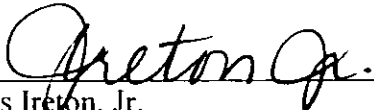


Kimberly R. Nichols
CITY CLERK



Jacob R. Day, City Council President

APPROVED BY ME THIS
7th day of March, 2014



James Ireton, Jr.
MAYOR, City of Salisbury