

RESOLUTION No. 2461

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING THE CAPACITY FEE OF THE CITY'S COMPREHENSIVE CONNECTION CHARGE TO BE WAIVED FOR A DEVELOPMENT KNOWN AS THE BOOTH STREET APARTMENTS PHASE I, AN AFFORDABLE HOUSING DEVELOPMENT.

WHEREAS, Pennrose Properties, LLC has requested a waiver of the Capacity Fee for its development known as the Booth Street Apartments Phase I which is located on Booth Street; and

WHEREAS, the proposed development requires approximately 84 Equivalent Dwelling Units of water and sewer service, of which 50 Equivalent Dwelling Units is already assigned to this property; and

WHEREAS, Pennrose Properties, LLC has requested a Capacity Fee waiver of 34 Equivalent Dwelling Units; and

WHEREAS, the Current Capacity Fee for 34 Equivalent Dwelling Units is \$120,122.00; and

WHEREAS, one of the City's goals is to encourage the development of affordable housing in the City of Salisbury; and

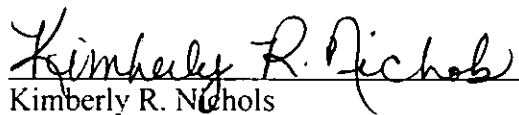
WHEREAS, the City Council approved a Capacity Fee waiver process under Resolution No. 1211 for public sponsored or affordable housing, which means any dwelling unit built or financed under a government program, regulation, or binding agreement that limits for at least ten years the price or rent charged for the unit in order to make the unit affordable to households earning less than 60% of the area median income, adjusted for family size; and

WHEREAS, Pennrose Properties, LLC has committed to providing affordable housing at the Booth Street Apartments Phase I to households earning less than 60% of the area median income, adjusted for family size for at least thirty (30) years.

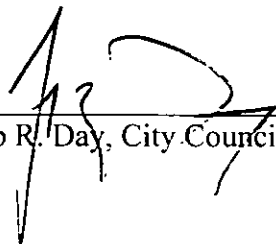
NOW, THEREFORE, BE IT RESOLVED that the City of Salisbury, Maryland approves the waiver of 34 Equivalent Dwelling Units of Capacity Fee for the Pennrose Properties, LLC sponsored affordable housing development known as the Booth Street Apartments Phase I.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on November 10, 2014 and is to become effective immediately upon adoption.

ATTEST:



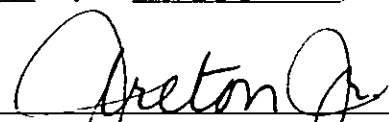
Kimberly R. Nichols
CITY CLERK



Jacob R. Day, City Council President

APPROVED BY ME THIS

14th day of Nov, 2014



James Ireton, Jr.

MAYOR, City of Salisbury

City of Salisbury



MARYLAND



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JAMES IRETON, JR.
MAYOR

M. THOMAS STEVENSON, JR.
CITY ADMINISTRATOR

TERENCE ARRINGTON
ASSISTANT CITY ADMINISTRATOR

MICHAEL S MOULDS, P.E.
DIRECTOR OF PUBLIC WORKS

To: Tom Stevenson, City Administrator
From: Mike Moulds, Director of Public Works
Date: October 9, 2014
Re: Booth Street Apartments Phase 1 – Capacity Fee Waiver

Attached is a Resolution for consideration to waive the Capacity Fees associated with the Booth Street Apartments Phase I. Also attached is a letter dated September 12, 2014 from Pennrose Properties, LLC requesting the waiver. The Capacity Fee waiver request was discussed at the October 6, 2014 City Council work session and received a favorable response.

The Booth Street Apartments Phase 1 project consists of demolishing an existing 50 unit apartment complex and constructing a new 84 unit apartment complex. Since 50 Equivalent Dwelling Units are currently allocated to this property, the proposed project will utilize 34 new EDUs. At the current Capacity Fee rate of \$3,533, this equates to \$120,122.

Public Works has reviewed the waiver request and found that the request meets the criteria outlined in Resolution No. 1211 for Affordable Housing.

Unless you or the Mayor has further questions, please forward a copy of this memo to the City Council.

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September 12, 2014

Mr. Terence Arrington
Assistant City Administrator
City of Salisbury, Maryland
125 N. Division Street, room 304
Salisbury, MD 21801-4940

Re: Request for Capacity Fee Waiver for Booth Street Apartments Phase I

Dear Mr. Arrington:

We are writing to request a waiver of the Capacity Fee for the Booth Street Apartments Phase I project, pursuant to Salisbury City Council's Capacity Fee Waiver Process under Resolution No. 1211 for public sponsored or affordable housing.

The applicants, the Wicomico County Housing Authority and Pennrose Properties, LLC, are partnering to demolish and redevelop the existing 100-unit Booth Street public housing community located at 901-921 Booth Street. The project is being developed by Booth Street Phase I, LLC which is an entity comprised of the Wicomico County Housing Authority and Pennrose Properties, LLC. The first phase of this proposed redevelopment project, known as Booth Street Apartments Phase I, will focus on the western half of the existing site, and will replace 50 of the existing public housing dwellings with eighty-four (84) newly-constructed affordable apartment dwellings in nine (9) three-story wood-frame apartment buildings. The project recently obtained Development Plan approval from the Salisbury Planning Commission at its August 21, 2014 meeting.

The project will include a mix of twenty-two (22) one-bedroom units, forty-six (46) two-bedroom units, and sixteen (16) three-bedroom units. The project is 100% affordable to households earning no more than 60% AMI, and will remain subject to affordability restrictions for a period of thirty (30) years. Of the project's eighty-four (84) total units, thirty-four (34) will be affordable to households earning no more than 60% of Area Median Income. Fifty (50) of the units are provided as replacement units for current residents of the Booth Street public housing development and will be supported by long-term Project-based Section 8 rental assistance under the U.S. Department of Housing and Urban Development's Rental Assistance Demonstration (RAD) program, which will allow residents to pay no more than 30% of their income for rent and utilities.

It is our understanding that the project would be subject to a Capacity Fee of \$3,533 per Equivalent Dwelling Unit (EDU). Given the project's eighty-four (84) dwelling units, we estimate

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the total Capacity Fee to be \$296,772. If the City considered only the net additional thirty-four (34) units that will be constructed (since fifty (50) units are currently existing and eighty-four (84) total new units will be constructed), then we estimate the Capacity Fee at \$120,122.

The subject property is currently occupied by fifty (50) multi-family apartment homes which were constructed more than forty years ago and which will be demolished and replaced by eighty-four (84) newly-constructed affordable rental apartments. No additional public facilities or services are anticipated to be needed to adequately serve the proposed development, beyond those already available to the site, and the project is not anticipated to create any net additional burden to public facilities and services.

Based on the above factors, the applicants respectfully submit that the proposed project warrants a waiver of the Capacity Fee, consistent with the Capacity Waiver Process.

Thank you for your careful consideration of this request.

Sincerely,



Patrick Stewart
Pennrose Properties, LLC

Cc: Ivy Dench-Carter, Pennrose Properties, LLC
Suzanne Brown, Wicomico County Housing Authority