

RESOLUTION No. 2537

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 TO BE KNOWN AS THE HOMES ON JOHNSON POND, AN AFFORDABLE HOUSING DEVELOPMENT.

WHEREAS, Village of Hope, Inc., Homes for America, Inc., and Osprey Property Company, LLC have requested a waiver of the Capacity Fee for their development to be known as the Homes on Johnson Pond which will be located on Lake Street; and

WHEREAS, the proposed development requires approximately 63 Equivalent Dwelling Units of water and sewer service; and

WHEREAS, Village of Hope, Inc., Homes for America, Inc., and Osprey Property Company, LLC have requested a Capacity Fee waiver of 63 Equivalent Dwelling Units; and

WHEREAS, the Current Capacity Fee for 63 Equivalent Dwelling Units is \$222,579.00; and

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

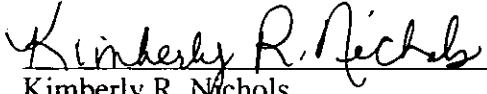
WHEREAS, the City Council approved a Capacity Fee waiver process under Resolution No. 1211 for public sponsored or affordable housing, which means any dwelling unit built or financed under a government program, regulation, or binding agreement that limits for at least ten years the price or rent charged 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

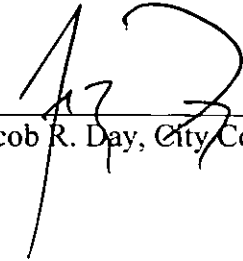
WHEREAS, Village of Hope, Inc., Homes for America, Inc., and Osprey Property Company, LLC have committed to providing affordable housing at the Homes on Johnson Pond to households earning less than 60% of the area median income, adjusted for family size for at least forty (40) years.

NOW, THEREFORE, BE IT RESOLVED that the City of Salisbury, Maryland approves the waiver of 63 Equivalent Dwelling Units of Capacity Fee for the Village of Hope, Inc., Homes for America, Inc., and Osprey Property Company, LLC co-sponsored affordable housing development to be known as the Homes on Johnson Pond.

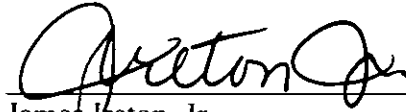
THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on August 24, 2015 and is to become effective immediately upon adoption.

ATTEST:

  
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Kimberly R. Nichols  
CITY CLERK

  
\_\_\_\_\_  
Jacob R. Day, City Council President

APPROVED BY ME THIS  
17<sup>th</sup> day of August, 2015

  
\_\_\_\_\_  
James Jreton, Jr.  
MAYOR, City of Salisbury

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INTER

OFFICE

MEMO

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**OFFICE OF THE MAYOR**

**To:** City Council  
**From:** Tom Stevenson *TS*  
**Subject:** Capacity Fee Waiver and PILOT for Homes on Johnson's Pond  
**Date:** August 12, 2015

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Under Council's consideration are two resolutions regarding the proposed joint Osprey-Homes for America redevelopment of the Village of Hope. Through this redevelopment, they will be building an additional 63 affordable housing units. As these units will be rent controlled for those making below 60% AMI for 40 years, this project meets the criteria for a Capacity Fee Waiver for affordable housing. Additionally, while the current properties at the Village of Hope are exempt from taxation, Osprey is requesting that the new properties, which will *not* be exempt from taxation, be covered under a payment in lieu of taxes (PILOT) agreement. They are requesting that for 40 years, these properties receive a \$100 per unit reduction in their property taxes.

# City of Salisbury



MARYLAND



125 NORTH DIVISION STREET  
SALISBURY, MARYLAND 21801  
Tel: 410-548-3170  
Fax: 410-548-3107

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

JAMES IRETON, JR.  
MAYOR

M. THOMAS STEVENSON, JR.  
CITY ADMINISTRATOR

JULIA GLANZ  
ASSISTANT CITY ADMINISTRATOR

To: Tom Stevenson, City Administrator  
From: Mike Moulds, Director of Public Works *M. Moulds*  
Date: August 3, 2015  
Re: Homes on Johnson Pond – Capacity Fee Waiver for Affordable Housing

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Attached is a Resolution for consideration to waive the Capacity Fees associated with the Homes on Johnson Pond development which is proposed to be located at 1001 Lake Street. The Homes on Johnson Pond development is proposed to be an Affordable Housing community. Also attached is a letter dated July 29, 2015 from Osprey Property Company, LLC requesting the waiver.

The Homes on Johnson Pond project consists of constructing 63 housing units. At the current Capacity Fee rate of \$3,533 per EDU, the waiver equates to \$222,579. 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 this memo and the resolution to the City Council for consideration.



July 29, 2015

Amanda Pollack  
Public Works Deputy Director  
Department of Public Works, City of Salisbury  
125 N. Division Street, Room 202  
Salisbury, Maryland 21801-4940

Via email to: [apollack@ci.salisbury.md.us](mailto:apollack@ci.salisbury.md.us)

Re: Homes on Johnsons Pond  
1001 Lake, Salisbury, MD 21801

Dear Ms. Pollack:

Village of Hope, Inc, Homes for America, Inc and Osprey Property Company LLC requests the Mayor and City Council to approve a water and sewer Capacity Fee Waiver under the authority of Resolution # 1211 for affordable housing. Our proposed project, Homes on Johnson Pond, meets all the criteria stated in Resolution # 1211. Specifically all 63 units will be built and financed under a recorded and binding Extended Usage Agreement that limits, for a period of 40 years, rent charged for the units in order to make the unit affordable to households earning less than 60% of the area median income. adjusted for family size.

Based on data from a similar multifamily community in Salisbury, we anticipate using 110 gallons per unit per pay in water usage at Homes on Johnsons Pond. However in order to be conservative for the benefit of the wastewater treatment plant and the capacity fee waiver process we are requesting a waiver based on 250 gallon per day per EDU rate, this equates to 63 EDUs.

Please also confirm the cost of a single EDU as well as the cost of 63 EDUs, which we are expected to use for this project.

Osprey Property Company LLC ▪  
175 Admiral Cochrane Dr, Suite 201 ▪ Annapolis, MD 21401  
Phone: 443-716-2579 ▪ Fax: 410-224-0120  
[www.ospreypc.com](http://www.ospreypc.com)



Should you have any questions, please do not hesitate to contact me at [ahanson@ospreypc.com](mailto:ahanson@ospreypc.com) or (410) 251-2918. Thank you for your consideration and assistance in this matter.

Sincerely,

A handwritten signature in black ink that reads "W. Andrew Hanson". The signature is written in a cursive style with a large, prominent initial "W".

W. Andrew Hanson  
Vice President

Osprey Property Company LLC ▪  
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