

AS AMENDED ON JULY 12, 2021

ORDINANCE No. 2672

AN ORDINANCE OF THE CITY OF SALISBURY TO AUTHORIZE THE FINANCE DEPARTMENT TO ESTABLISH A PROJECT EXPENDITURE ACCOUNT IN ORDER TO PAY THOSE INVOICES FOR MITCHELL LANDING APARTMENTS THAT WILL BE REIMBURSABLE THROUGH THE MITCHELL LANDING RESERVE FOR REPLACEMENT (RFR) ACCOUNT.

WHEREAS, the City of Salisbury owns the property known as Mitchell Landing Apartments; and

WHEREAS, Mitchell Landing Apartments was constructed with Partnership Rental Housing Program (PRHP) funding received from the Maryland Department of Housing & Community Development / Community Development Administration (DHCD / CDA); and,

WHEREAS, the DHCD / CDA regulations require that all PRHP-funded projects establish and maintain a Reserve for Replacement (RFR) account in order to fund ongoing maintenance and repair costs and to enable the project to be self-sustaining; and

WHEREAS, a maintenance issue has recently been discovered at Mitchell Landing Apartments in Bldg. 139 which has necessitated additional inspections of all apartment buildings comprising the Mitchell Landing Apartments complex, and ~~which~~ will require some invoices for such inspections of the apartment buildings and the associated repairs to be paid by the City and then reimbursed from the RFR account; and

WHEREAS, DHCD / CDA has provided written authorization for at least \$20,000 \$60,000 in reimbursement to the City from the RFR account for approved expenditures relating to this maintenance issue; and

WHEREAS, the appropriations necessary to execute the establishment of this project expenditure account must be made upon the recommendation of the Mayor and the approval of four-fifths of the Council of the City of Salisbury.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 1. The City authorizes the establishment of the Mitchell Landing project expenditure account in order to pay those invoices that will be reimbursed through the Mitchell Landing RFR account.

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 2. The City of Salisbury's Grant Fund Budget be and hereby is amended as follows:

- (a)** Increase DHCD Revenue Account
No. 12800-423300-76300 by \$20,000 \$60,000.
- (b)** Increase Mitchell Landing RFR Operating Expense Account
No. 12800-546006-76300 by \$20,000 \$60,000.

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 3. It is the intention of the Mayor and Council of the City of Salisbury that each provision of this Ordinance shall be deemed independent of all other provisions herein.

Section 4. It is further the intention of the Mayor and Council of the City of Salisbury that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid, unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this Ordinance shall remain and shall be deemed valid and enforceable.

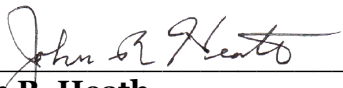
Section 5. The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such recitals were specifically set forth at length in this Section 5.

Section 6. This Ordinance shall take effect from and after the date of its final passage.

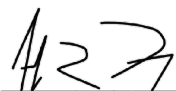
THIS ORDINANCE was introduced and read at a Meeting of the Mayor and Council of the City of Salisbury held on the 28th day of June, 2021 and thereafter, a statement of the substance of the Ordinance having been published as required by law, in the meantime, was finally passed by the Council of the City of Salisbury on the 12th day of July, 2021.

ATTEST:


Kimberly R. Nichols
City Clerk


John R. Heath
City Council President

Approved by me, this 22nd day of July, 2021.


Jacob R. Day, Mayor

Text which is shown herein with a ~~strike through~~ denotes text of the Ordinance which has been deleted from the Ordinance passed on First Reader at the June 28, 2021 Mayor and Council Meeting.

*Text which is shown herein **bolded and underlined** denotes text of the Ordinance which has been added to the Ordinance passed on First Reader at the June 28, 2021 Mayor and Council Meeting.*

Finance Department / HCDD

MEMO

To: Keith Cordrey

From: Deborah Stam

Subject: Ordinance – Budget Amendment – Additional Increase to the Amount in the Reserve for Replacement (RFR) Expenditure Account for Mitchell Landing Apartments

Date: July 6, 2021

As you are aware, a serious maintenance issue was recently uncovered at Mitchell Landing Apartments, Bldg. 139. This maintenance issue has created unexpected bills that will need to be paid initially by the City, but which will be reimbursable through the Mitchell Landing Reserve for Replacement (RFR) account. We have an existing Mitchell Landing project account (76300) which had been created previously to address a different repair issue, but now we need to increase the operating budget in that account in order to pay these new invoices that will be coming in.

Given the conditions that have been discovered at Mitchell Landing under building 139 we feel it is necessary for us to conduct structural inspections under all of the buildings to be on the safe side. We have received a proposal from WCBM for the structural inspection of the bearer beams under all four buildings at Mitchell Landing, and the geotechnical engineering services necessary to create a rehabilitation plan for each building as necessary. The total estimated cost for this service is \$31,293.

We have obtained a second authorization memo from Catherine Spencer at DHCD / CDA pre-approving reimbursement of up to \$40,000 from the Mitchell Landing RFR account for this issue. That combined with the first authorization memo for \$20,000 brings us to a total of \$60,000. Copies of both CDA authorization memos are attached.

Also attached is the revised Ordinance approving a budget amendment of the grant fund to increase the revenue and expenditure amounts in that Mitchell Landing project account by \$60,000.

Please forward this updated information to the City Council to be placed on their agenda for discussion at the July 6, 2021 work session, and second reading / final passage at the July 12, 2021 legislative session. Thank you for your assistance.


Deborah J. Stam
Grants Manager
Finance Department

Attachments

CC: Olga Butar
Kim Nichols
Julie English
Michael Sullivan
Ron Strickler

LARRY HOGAN
Governor
BOYD K. RUTHERFORD
Lt. Governor
KENNETH C. HOLT
Secretary



July 2, 2021

Ms. Deborah J. Stam, Grants Manager
Finance Department / HCDD
City of Salisbury
207 West Main Street, Suite 102
Salisbury, Maryland 21801

Dear Ms. Stam:

This letter serves as the Division of Credit Assurance's authorization for the Michell Landing reserve for replacement funds to be used for any and all inspections, engineering and repairs for all buildings. The division authorizes up to \$40,000 to be drawn from the reserve account for this purpose.

If you have any questions, please do not hesitate to contact me at catherine.spencer@maryland.gov.

Sincerely,

Catherine Spencer

Catherine Spencer
Senior Portfolio Manager



Finance Department / HCDD

MEMO

To: Keith Cordrey

From: Deborah Stam

Subject: Ordinance – Budget Amendment – Increasing the Amount in the Reserve for Replacement (RFR) Expenditure Account for Mitchell Landing Apartments

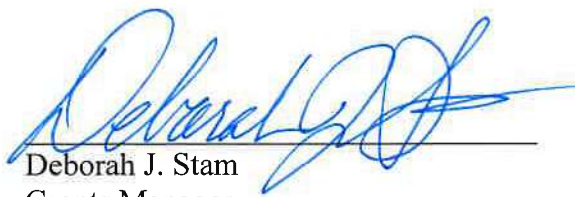
Date: June 15, 2021

As you are aware, a serious maintenance issue was recently uncovered at Mitchell Landing Apartments, Bldg. 139, and all the tenants in that building had to be relocated to other local apartment complexes. This maintenance issue has created unexpected bills that will need to be paid initially by the City, but which will be reimbursable through the Mitchell Landing Reserve for Replacement (RFR) account. We have an existing Mitchell Landing project account (76300) which had been created previously to address a different repair issue, but now we need to increase the operating budget in that account in order to pay these new invoices that will be coming in.

We have obtained an authorization memo from Catherine Spencer at DHCD / CDA pre-approving reimbursement of up to \$20,000 from the Mitchell Landing RFR account for this issue. A copy of that authorization memo is attached.

Also attached is an Ordinance approving a budget amendment of the grant fund to increase the revenue and expenditure amounts in that Mitchell Landing project account by \$20,000.

Please forward this information to the City Council to be placed on their agenda for discussion at the June 21, 2021 work session, first reading at the June 28, 2021 legislative session, and second reading / final passage at the July 12, 2021 legislative session. Thank you for your assistance.



Deborah J. Stam
Grants Manager
Finance Department / HCDD

Attachments

CC: Olga Butar
Kim Nichols
Diane Carter
Michael Sullivan
Ron Strickler

LARRY HOGAN
Governor
BOYD K. RUTHERFORD
Lt. Governor
KENNETH C. HOLT
Secretary



May 17, 2021

Ms. Deborah J. Stam, Grants Manager
Finance Department / HCDD
City of Salisbury
207 West Main Street, Suite 102
Salisbury, Maryland 21801

Dear Ms. Stam:

This letter serves as the Division of Credit Assurance's authorization for the Michell Landing reserve for replacement funds being used for tenant relocations expenses resulting from damage to building 139. The division authorizes up to \$20,000 to be draw from the reserve account for this purpose.

If you have any questions please do not hesitate to contact me at catherine.spencer@maryland.gov.

Sincerely,

Catherine Spencer

Catherine Spencer
Senior Portfolio Manager



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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301-429-7400 • 1-800-756-0119 • TTY/RELAY 711 or 1-800-735-2258

