

RESOLUTION NO. 1435

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND TO PROVIDE A LOCAL CONTRIBUTION TO THE DEVELOPMENT OF RENTAL HOUSING, LOCATED ON WEST ROAD, FOR SENIOR CITIZENS WITH LOW AND LIMITED 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 COMMUNITY DEVELOPMENT ADMINISTRATION (THE "ADMINISTRATION")

WHEREAS, the City Council of 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, Sassafra Meadows at Victoria Park, an entity of Osprey Property Company LLC, a Maryland Limited Liability Corporation, proposes to develop and operate a rental housing development comprised of approximately eighty (80) units, known as Sassafra Meadows at Victoria Park and located at Sassafra Meadows neighborhood at Queen Ave and West Road (the "Project"), all or a portion of which will assist seniors of low or limited income as required by applicable law or regulations; 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, 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 Financing in the form of a loan in an amount not to exceed \$1,500,000; and

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

That, provided Osprey Property Company LLC constructs and operates a rental housing project on West Road for senior citizens with low or limited income, then the City of Salisbury shall grant a deferral of real estate taxes due during the first ten (10) years of the project's operation. In the first 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 ninety percent (90%) of the total City of Salisbury real estate taxes due for the first year will be deferred and accrued. For each subsequent year, the percent of tax deferred

will be reduced by ten percent (10%). For example, in the second (2nd) year, eighty percent (80%); the third (3rd) year, seventy percent (70%); 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, ten percent (10%) 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 Council 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 low or limited income is continued; and

BE IT FURTHER RESOLVED THAT copies of this Resolution be sent to Barrie P. Tilghman, the Mayor of Salisbury, Maryland, for her signature indicating her 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 ___ day of _____, 2006 and is to become effective immediately upon adoption.

ATTEST:

Brenda J. Colegrove
CITY CLERK

Michael P. Dunn
PRESIDENT, City Council

APPROVED BY ME THIS
___ day of _____, 2006

Barrie P. Tilghman
MAYOR, City of Salisbury