

RESOLUTION: To (i) authorize and approve the disposition of certain real property by Rockville Housing Enterprises, (ii) retroactively authorize and approve the establishment of RHE Properties, Inc., a nonprofit housing corporation, by Rockville Housing Enterprises, and (iii) authorize the acceptance of an annual payment in lieu of regularly assessed property taxes from RHE Properties, Inc. for thirty-three (33) scattered site single-family housing units located in the City of Rockville.

RECITALS

WHEREAS, Rockville Housing Enterprises (“**RHE**”), the successor entity to the Housing Authority of the City of Rockville, was established pursuant to those certain Articles of Organization approved by the Secretary of State of Maryland on March 29, 2000 (the “**RHE Articles of Organization**”); and

WHEREAS, RHE is the current owner of, among other properties, twenty-nine (29) scattered site single-family public housing units located on 4.97 acres of underlying land in the City of Rockville, Maryland (the “**29 RHE Scattered Site Public Housing Units**”), as more particularly described in Exhibit A; and

WHEREAS, RHE Properties, Inc., a not-for-profit Maryland nonstock membership corporation, was established by RHE pursuant to those certain Articles of Incorporation, dated October 4, 2010, as amended, in order to, among other things, acquire, operate, own, lease, repair or manage real property in the City of Rockville, Maryland to enhance the supply of affordable housing in support of the purpose and powers of RHE; and

WHEREAS, RHE Properties, Inc. is the current owner of four (4) scattered site single-family housing units located in the City of Rockville, Maryland (the “**4 RHE Properties Scattered Site Residential Units**”), as more particularly described in Exhibit B; and

WHEREAS, pursuant to a proposed negotiated sale, RHE is planning to dispose of and convey the 29 RHE Scattered Site Public Housing Units to RHE Properties, Inc. in order to, among other reasons, facilitate the conversion of the 29 RHE Scattered Site Public Housing Units from United States Department of Housing and Urban Development (“**HUD**”) subsidized public housing units to HUD subsidized project-based voucher units; and

WHEREAS, pursuant the RHE Articles of Organization and that certain Amended and Restated Cooperation Agreement, dated March 29, 2000, by and between the City and RHE (the “**Cooperation Agreement**”), RHE is required to obtain the prior approval of the Mayor and Council before disposing of any real property and establishing a not-for-profit corporation; and

WHEREAS, in order to help facilitate RHE's desire to convert the 29 RHE Scattered Site Public Housing Units from HUD subsidized public housing units to HUD subsidized project-based voucher units, the City Manager and his staff is recommending that the Mayor and Council (i) authorize and approve RHE's disposition and conveyance of the 29 RHE Scattered Site Public Housing Units to RHE Properties, Inc., and (ii) retroactively authorize and approve RHE's establishment of RHE Properties, Inc., a nonprofit housing corporation, as required by the RHE Articles of Organization and the Cooperation Agreement; and

WHEREAS, in order to help ensure that the 29 RHE Scattered Site Public Housing Units and the 4 RHE Properties Scattered Site Residential Units will continue to be operated as affordable housing for extremely low- and low-income households for not less than 30 years, RHE Properties, Inc. is requesting that Mayor and Council agree to not levy or impose real property taxes on (i) the 29 RHE Scattered Site Public Housing Units (once acquired by RHE Properties, Inc.), and (ii) the 4 RHE Properties Scattered Site Residential Units, and instead enter into a Payment In Lieu of Taxes (**PILOT**) Agreement that will permit RHE Properties, Inc. to pay a negotiated amount to the City in lieu of the applicable City of Rockville real property tax on the scattered-site units; and

WHEREAS, Section 7-506.1, Tax-Property Article, of the Annotated Code of Maryland allows the Mayor and Council to enter into a PILOT agreement with RHE Properties, Inc. for the payment of a negotiated amount in lieu of the payment of required City of Rockville real property taxes; and

WHEREAS, the City Manager and his staff is recommending that the Mayor and Council enter into a PILOT agreement with RHE Properties (the "**PILOT Agreement**"), and, pursuant to the terms of the PILOT Agreement, authorize the acceptance of an annual PILOT payment from RHE Properties, Inc. equal to *One and 00/100 Dollar (\$1.00) per year* in lieu of an annual property tax payment from RHE Properties, Inc. on the assessed value of the 29 RHE Scattered Site Public Housing Units and the assessed value of the 4 RHE Properties Scattered Site Residential Units during such fiscal year for which real property taxes would have been paid to the City.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, as follows:

1. Pursuant to the authority granted Mayor and Council by the RHE Articles of Organization and the Cooperation Agreement, Mayor and Council:

- a. Authorizes and approves RHE's disposition and conveyance of the 29 RHE Scattered Site Public Housing Units to RHE Properties, Inc., and
- b. Retroactively authorizes and approves RHE's establishment of RHE Properties, Inc., a nonprofit housing corporation

2. Mayor and Council has determined that, pursuant to the Annotated Code of Maryland, Tax-Property Article, Section 7-506.1, the 29 RHE Scattered Site Public Housing Units and the 4 RHE Properties Scattered Site Residential Units shall not be subject to the otherwise due full amount of City of Rockville real property taxes if RHE Properties, Inc. enters into and

thereafter complies with all provisions of the PILOT Agreement, a substantially final draft of which is attached hereto as Exhibit C, and incorporated herein by reference.

3. The City Manager of Rockville, Maryland is authorized and empowered to execute the PILOT Agreement, and any and all documents required in connection therewith, subject to approval as to final form by the Corporate Counsel.

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Mayor and Council of Rockville as its meeting of December 20, 2021.


Sara Taylor-Ferrell, City Clerk and
Director of Council Operations

EXHIBIT A
29 RHE Scattered Site Public Housing Units

1. Part of Lots Twenty-Three (23) and Twenty-Four (24) in Block Lettered "O" in the subdivision known as "CROYDON PARK" recorded in Plat Book 3, Plat 272 among the Land Records of Montgomery County, Maryland. SAVING AND EXCEPTING all that part thereof recorded in a certain deed to the Mayor and City Council of Rockville dated January 15, 1978 and recorded in Liber 4329 at folio 769 for Seven Hundred Forty-Two (742) square feet of land more or less.
Property Address: ■ N. Horners Lane
Rockville, Maryland 20850
Tax I.D. ■-015997882.
2. Lot numbered Twenty-Five (25) in Block Numbered Ten (10), as shown on a plat of subdivision known as "MARYVALE", recorded among the Land Records of Montgomery County, Maryland at Plat Book 44 at Page 3322.
Property Address: ■ Pinewood Road
Rockville, Maryland 20850
Tax I.D. 04-001845073.
3. Lot Numbered Seven (7) in Block Numbered Ten (10) in a subdivision known as "MARYVALE" as set forth in Plat Book 44 on Plat 3322, one of the Land Records of Montgomery County, Maryland.
Property Address: ■ Woodston Road
Rockville, Maryland 20850
Tax I.D. 04-001842234.
4. Lots Numbered Nine (9) and Ten (10) in Block Numbered Five (5) in the subdivision known as "ROCKVILLE PARK" as per plat thereof duly recorded among the Land Records for said Montgomery County, Maryland in Plat Book A at Plat 53.
Property Address: ■ Grandin Avenue
Rockville, Maryland 20850
Tax I.D. 04-002062635.
5. Lot Numbered Seventeen (17) in Block Numbered Five (5) in the subdivision known as "WEST END PARK" as per plat recorded in Plat Book 52 at Plat 4116 among the Land Records of Montgomery County, Maryland.
Property Address: ■ Beall Avenue
Rockville, Maryland 20850
Tax I.D. 04-002286706.
6. Lot Numbered Sixteen (16), in Block Lettered "D", in the subdivision known as "WARREN'S SECOND ADDITION TO ROCKCREST" as per plat thereof duly recorded among the Land Records of Montgomery County, Maryland, in Plat Book 42 at Plat 3056.
Property Address: ■ Burris Road
Rockville, Maryland 20850
Tax I.D. 04-00192041
7. Lot numbered Four (4) in Block numbered Three (3) in the subdivision known as "MARYVALE" as per plat thereof recorded in Plat Book 41 at Plat 2943 among the Land Records of Montgomery County, Maryland.
Property Address: ■ Crabb Avenue
Rockville, Maryland 20850
Tax I.D. 04-00184633
8. Lot numbered Five (5) in Block numbered Five (5) in a subdivision known as "MARYVALE", as per plat thereof duly recorded among the Land Records of Montgomery County, Maryland in Plat Book 42 at Plat 3100.
Property Address: ■ Crabb Avenue
Rockville, Maryland 20850
Tax I.D. 04-1843143.
9. Lot numbered Seven (7) in Block numbered Two (2) in the subdivision known as "LINCOLN PARK", in Montgomery County, Maryland, as per plat thereof recorded in Plat Book B at Plat 13, one of the Land Records of said Montgomery County, Maryland

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- Property Address: ■ Lincoln Avenue
Rockville, Maryland 20850
- Tax I.D. 04-1785284.
10. Lot numbered Twenty-two (22) in Block lettered 'C' in the subdivision known as "H.L. ENGLANDS 2ND ADDITION TO ROCKVILLE", as per plat recorded in Plat Book 4 at Plat 341 among the Land Records of Montgomery County, Maryland.
- Property Address: ■ Howard Avenue
Rockville, Maryland 20850
- Tax I.D. 04-148925.
11. Lot numbered Seven (7) in Block numbered Eleven (11) in the subdivision known as "MARYVALE", as per plat thereof recorded among the Land Records of Montgomery County, Maryland in Plat Book 45 at Plat 3391.
- Property Address: ■ Pinewood Road
Rockville, Maryland 20850
- Tax I.D. 04-1846886.
12. Lot numbered Twenty-one (21) in Block One (1) in the subdivision known as "MARYVALE", as per plat thereof recorded in Plat Book 45, at Plat 3431 among the Land Records of Montgomery County, Maryland.
- Property Address: ■ Burgundy Drive
Rockville, Maryland 20850
- Tax I.D. 04-184303
13. Lot numbered Thirty-two (32) in Block numbered Seven (7) in the subdivision known as "MARYVALE", as per plat thereof recorded in Plat Book 45 at Plat 3431 one of the Land Records of Montgomery County, Maryland.
- Property Address: ■ Longwood Drive
Rockville, Maryland 20850
- Tax I.D. 04-1827608.
14. Lot numbered Two (2) in Block numbered Nine (9), in a subdivision known as "H.L. ENGLAND'S SECOND ADDITION TO LINCOLN PARK" duly recorded among the Land Records of Montgomery County, Maryland in Plat Book 4 at Plat 342.
- Property Address: ■ N. Stonestreet Avenue
Rockville, Maryland 20850
- Tax I.D. 04-001801569.
15. Lot numbered Two (2) in Block numbered Five (5) in the subdivision known as "H.L. ENGLAND'S 2ND ADDITION TO LINCOLN PARK", as per plat thereof recorded in Plat Book 4 at Plat 342 one of the Land Records for Montgomery County, Maryland.
- Property Address: ■ N. Stonestreet Avenue
Rockville, Maryland 20850
- Tax I.D. 04-18078310.
16. Lot numbered Twenty-two (22) in Block lettered "B" in the subdivision known as "DENNIS C. SIMMONS ADDITION TO ROCKVILLE" as per plat thereof duly recorded in Plat Book 37 at Plat N. 2530 among the Land Records of Montgomery County, Maryland.
- Property Address: ■ North Van Buren Street
Rockville, Maryland 20850
- Tax I.D. 04-14676211.
17. Lot numbered Fifteen (15) in Block numbered Fifteen (15) in the subdivision known as "BEALLS SUBDIVISION ROCKVILLE", as per plat thereof duly recorded among the Land Records of Montgomery County, Maryland in Plat Book 17 at Plat 1054.
- Property Address: ■ N. Van Buren Street
Rockville, Maryland 20850

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Tax I.D. 04-159252

18. Lot numbered Twenty-seven (27) in the subdivision of original Lot 26 of Nathan Bickford's Subdivision of Lots 2 and 3 of the subdivision of "SAMUEL MARTIN'S ESTATE", as per plat thereof recorded in Plat Book "B", Plat 42 one of the Land Records of Montgomery County, Maryland; and described as follows: BEGINNING for the same at a stake on the east side of roadway 30 feet wide and at the end of 246.86 feet measured along said roadway from its intersection with the north side of Martin's land and running thence with said east side of said roadway North 14 degrees 04 minutes East 46.83 feet; then across original Lot No. 26, South 61 degrees 38 minutes East 142 feet to the east line of said Lot 26 and then with said line South 11 degrees 4 minutes West 47.53 feet; then leaving said line North 61 degrees 35 minutes West 144.13 feet to the beginning, containing 6491.2 square feet of land, excepting however that part thereof described in and conveyed by deed dated October 18, 1966 recorded in Liber 3589 at folio 268 from J. Russell Mills and wife to Mayor and Council of Rockville for widening of Bickford Avenue, said part containing 475.3 square feet, said widening being also shown on Plat Book 66, Plat No. 6024.

Property Address: ■ Bickford Avenue
Rockville, Maryland

Tax I.D. 04-152331

19. Lot numbered Twenty six (26) in the subdivision of original Lot 26 of Nathan Bickford's Subdivision of Lots 2 and 3 of the subdivision of "SAMUEL MARTIN'S ESTATE" as per plat thereof recorded in Plat Book "B" in Plat 42, one of the Land Records of Montgomery County, Maryland; and described as follows: BEGINNING for the same at a nail in the root of a maple tree of the Northwest corner of said original lot S. 61 degrees 41 minutes East 139.7 feet; then with the last line of said lot S. 11 degrees 04 minutes West 47.53 feet; then leaving said line and running across said Lot North 61 degrees 38 minutes West 142 feet to the West line of said lot and East side of a roadway 30 feet wide, then bounding on said line and said roadway North 14 degrees 04 minutes East 46.83 feet to the place of beginning, containing 6392.3 square feet of land, excepting however that part thereof described in and conveyed by deed dated October 18, 1966 recorded in Liber 3509 folio 268 from J. Russell Mills and wife to the Mayor and Council of Rockville for the widening of Bickford Avenue, said part containing 475.3 square feet. Said widening being also shown on Plat Book 66 Plat No. 6024.

Property Address: ■ Bickford Avenue
Rockville, Maryland 20850

Tax I.D. 04-152320.

20. Beginning for the same at a rebar set on the common dividing line of Lot 9 and 10, Block 10 of "BEALL'S SUBDIVISION OF PART OF ROCKVILLE" as recorded among the Land Records of Montgomery County, Maryland in Plat Book 1 at Plat 10. Said rebar line being the south right of way line of North Street established on street dedication plat of North Street and N. Van Buren Street as recorded in Plat Book 64 at Plat 5644. Thence running with said South right of way line of North Street South 83 degrees 46 minutes East 50 feet to a rebar set on the common dividing line of Lots 10 and 11. Thence with said dividing line South 6 degrees 24 minutes West 90 feet to a rebar set. Thence to cross and include part of Lot 10 North 83 degrees 46 minutes West 50 feet to a rebar set on the dividing line of Lots 9 and 10. Thence with said dividing line North 6 degrees 24 minutes East 90 feet to the point of beginning. Containing 4500 square feet of land more or less.

Property Address: ■ North Street
Rockville, Maryland 20850

Tax I.D. 04-158680

21. Lot numbered Thirty four (34) in Block lettered "B" in the subdivision known as "PARTS OF BLOCKS A AND B LYNFIELD" as per plat recorded in Plat Book 43, at Plat 3232 among the Land Records of Montgomery County, Maryland.

Property Address: ■ West Lynfield Drive
Rockville, Maryland 20850

Tax I.D. 04-00181630.

22. Lot numbered Eleven (11) in Block numbered Sixty-one (61) in the subdivision known as "GEERAERT'S ADDITION TO TWIN-BROOK" as per plat thereof recorded in Plat Book 44 at Plat 3292 among the Land Records of Montgomery County Maryland.

Property Address: ■ Gladstone Drive
Rockville, Maryland 20851

Tax I.D. 04-216557.

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23. Lot numbered Ten (10) in Block numbered Fifty-two (52) in the subdivision known as "GEERAERT'S ADDITION TO TWIN-BROOK", as per plat recorded in Plat Book 42 at Plat 3042 among the Land Records of Montgomery County, Maryland.

Property Address: [REDACTED] McAuliffe Drive
Rockville, Maryland 20851

Tax I.D. 04-217494.

24. Lot numbered Seventeen (17) in Block lettered "N" in the subdivision known as "WARREN'S SECOND ADDITION TO ROCKCREST" as per plat thereof recorded among the Land Records of Montgomery County, Maryland in Plat Book 44 at Plat 3321.

Property Address: [REDACTED] Lewis Avenue
Rockville, Maryland 20851

Tax I.D. 04-195476.

25. Lot numbered Twenty-six (26) in Block numbered Seven (7) in the subdivision known as "WARREN'S ADDITION TO ROCKCREST", as per plat thereof recorded in Plat Book 37 at Plat 2534 among the Land Records of Montgomery County, Maryland.

Property Address: [REDACTED] Clagett Drive
Rockville, Maryland 20850

Tax I.D. 04-198195.

26. Lot numbered Eleven (11) in Block lettered "I" in the subdivision known as "WARREN'S 2ND ADDITION TO ROCKCREST", as per plat recorded in Plat Book 43 at Plat 3188 among the Land Records of Montgomery County, Maryland.

Property Address: [REDACTED] Parrish Drive
Rockville, Maryland 20851

Tax I.D. 04-191412

27. Lot numbered Thirty-nine (39) in Block lettered "Eye" in the subdivision known as "WARREN'S 2ND ADDITION TO ROCKCREST", as per plat thereof recorded in Plat Book 43, Plat 3188 among the Land Records of Montgomery County, Maryland.

Property Address: [REDACTED] Highwood Road
Rockville, Maryland 20850

Tax I.D. 04-192360.

28. Lot numbered Fourteen (14) in Block numbered Twelve (12) of the subdivision of land in Montgomery County, Maryland, which is known as and called "WARREN'S ADDITION TO ROCKCREST", according to a plat thereof which is duly recorded among the Land Records for said Montgomery County, Maryland In Plat Book 38, Plat 2634.

Property Address: [REDACTED] Broadwood Drive
Rockville, Maryland 20851

Tax I.D. 04-191104.

29. Lot numbered Three (3) in Block lettered "F" in the subdivision known as "PART OF SECTION TWO AND A RESUBDIVISION OF SECTION ONE, TWIN-BROOK", as per plat recorded in Plat Book 35 at Plat 2367 one of the Land Records for Montgomery County, Maryland.

Property Address: [REDACTED] Midway Avenue
Rockville, Maryland 20851

Tax I.D. 04-213678

EXHIBIT C
PILOT AGREEMENT

1. Condominium Unit numbered 44, in a condominium regime known as "Phase 3, FALLSGROVE CONDOMINIUM," as established by and shown on Condominium Plats recorded at Condominium Plats numbered 8154 through and including 8157, and by Declaration of Condominium of Falls Grove Condominium recorded in Liber 20900 at folio 536, as the same may be amended or supplemented, all as recorded among the Land Records of Montgomery County, Maryland. Together with the Unit's undivided percentage interest in the common elements. (NOTE: Prior Deeds erroneously refer to Unit 44 as being in Phase 1 of Falls Grove Condominium, and also recite incorrect plat references and Condominium Declaration reference.)

SUBJECT TO MODERATELY PRICED DWELLING UNIT COVENANTS RECORDED AMONG THE LAND RECORDS OF MONTGOMERY COUNTY, MARYLAND, IN LIBER 21190 AT FOLIO 134.

Property Address: [REDACTED] Falls Grove Drive
Rockville, Maryland 20851

Tax I.D. 04-03375551

2. Condominium Unit numbered 104, in a condominium regime known as "Phase 6, FALLSGROVE CONDOMINIUM," as established by and shown on Condominium Plats recorded at Condominium Plats numbered 8154 through and including 8157; AND Condominium Plats 8187 through and including 8190; and Condominium Plats 8206 through and including 8209; and Condominium Plats 8227 through and including 8230; and Condominium Plats 8252 through and including 82550; and by Declaration of Condominium and By-Laws recorded in Liber 20900 at folio 536 (erroneously referenced as Liber 17906 at folio 286 in prior Deeds), and by Supplementary Declaration recorded in Liber 21094 at folio 432, and by Supplementary Declaration recorded in Liber 21424 at folio 665; and by Supplementary Declaration recorded in Liber 21845 at folio 298; and by Supplementary Declaration recorded in Liber 21935 at folio 26; and as may be further amended or supplemented, all as recorded among the Land Records of Montgomery County, Maryland. Together with its undivided percentage interest in the common elements.

SUBJECT TO MODERATELY PRICED DWELLING UNIT COVENANTS RECORDED AMONG THE LAND RECORDS OF MONTGOMERY COUNTY, MARYLAND, IN LIBER 21190 AT FOLIO 134.

Property Address: [REDACTED] Jay Drive
Rockville, Maryland 20851

Tax I.D. 04-03387104

3. Condominium Unit lettered "H", Phase 1, Building 3-C, in a Condominium styled "KING FARM III CONDOMINIUM," as per plat thereof recorded at Condominium Plat Nos. 8257 through and including 8260, among the Land Records of Montgomery County, Maryland, as from time to time amended or supplemented; said Unit being a part of the land and premises subjected to a Condominium Regime by a certain Declaration of Condominium dated October 10, 2002, and recorded October 10, 2002, in Liber 21957 at folio 367, among the aforesaid Land Records, as from time to time amended, together with an undivided interest in the common elements.

SUBJECT TO MODERATELY PRICED DWELLING UNIT COVENANTS RECORDED AMONG THE LAND RECORDS OF MONTGOMERY COUNTY, MARYLAND, IN LIBER 21760 AT FOLIO 734.

Property Address: [REDACTED] Cork Tree Lane
Rockville, Maryland 20851

Tax I.D. 04-03387228

4. Condominium Unit lettered "G", Phase 5, Building 5-B, in a Condominium styled "KING FARM V CONDOMINIUM," as per plat thereof recorded at Condominium Plat Nos. 8495 et seq., among the Land Records of Montgomery County, Maryland, as from time to time amended or supplemented; said Unit being a part of the land and premises subjected to a Condominium Regime by a certain Declaration of Condominium dated July 25, 2003, and recorded July 28, 2003, in Liber 24166 at folio 11, among the aforesaid Land Records, as from time to time amended, together with an undivided interest in the common elements.

Property Address: [REDACTED] Garden View
Rockville, Maryland 20851

Tax I.D. 04-03437186