

Resolution No.:	<u>20-816</u>
Introduced:	<u>May 22, 2025</u>
Adopted:	<u>May 22, 2025</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: County Council

SUBJECT: Approval of Amendments to the Approved FY 2025-2030 Capital Improvements Program of the Housing Opportunities Commission, and Approval of and Appropriation for the FY 2026 Capital Budget

Background

1. In a spirit of cooperation, the Housing Opportunities Commission sent to the County Executive a 6-year Capital Improvements Program (CIP) for the Housing Opportunities Commission.
2. Section 302 of the County Charter requires the Executive to send to the County Council by January 15 (or the next business day if it falls on a weekend/holiday) in each even-numbered calendar year a 6-year CIP, which the Executive did on January 16, 2024, for the 6-year period FY 2025-2030. Section 302 requires the affirmative vote of at least 6 Councilmembers to approve or modify the Executive's Recommended CIP. On May 23, 2024, the Council approved a CIP for FY 2025-2030 in Resolution 20-522. After the Council approves a CIP, Section 302 permits the Council to amend it at any time with the affirmative vote of at least 6 Councilmembers.
3. Section 303 of the Charter requires the Executive to send to the Council by January 15 in each year a Recommended Capital Budget, which the Executive did on January 15, 2025, for FY 2026.
4. As required by Section 304 of the Charter, notice of a public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland approves the following resolution for the Housing Opportunities Commission:

1. For FY 2026, the Council approves the Capital Budget and appropriates the amounts by project as shown in Part I. The expenditure of funds for each item in the Capital Budget must comply with all restrictions and requirements in the project description form for that item, as the form is contained in the Approved CIP as amended by this resolution, and as the CIP is amended by the Council under County Charter Section 302 after the resolution is adopted. The Council approves the close-out of the project as shown in Part III.
2. The Council reappropriates the appropriations made in prior years for all capital projects:
 - a) except as specifically reflected elsewhere in this resolution;
 - b) in the amounts and for the purposes specified in the Approved CIP for FY 2025-2030; and
 - c) to the extent that those appropriations are not expended or encumbered.
3. If a sign recognizing the contribution of any Federal, State, or local government or agency is displayed at any project for which funds are appropriated in this resolution, as a condition of spending those funds, each sign must also expressly recognize the contribution of the County and the County's taxpayers.

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council

**PART I: FY26 Capital Budget for
Housing Opportunities Commission**

**The appropriations for FY26 in this Part I are made to implement the projects in the Capital
Improvements Program for FY25 - FY30.**

Project Name (Project Number)	FY26 Appropriation	Cumulative Appropriation	Total Appropriation
Cider Mill Apartments Capital Improvements (P092602)	250,000	0	250,000
Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements (P091501)	1,250,000	13,625,000	14,875,000
Total - Housing Opportunities Commission	1,500,000	13,625,000	15,125,000

PART II: Amended Projects

Project Number	Project Name
Housing Opportunities Commission/Housing (HOC)	
P092602	Cider Mill Apartments Capital Improvements



Cider Mill Apartments Capital Improvements (P092602)

Category	Housing Opportunities Commission	Date Last Modified	05/16/25
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Gaithersburg and Vicinity	Status	Planning Stage

Total	Thru FY24	Rem FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Site Improvements and Utilities	250	-	-	250	-	250	-	-	-	-	-
TOTAL EXPENDITURES	250	-	-	250	-	250	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	250	-	-	250	-	250	-	-	-	-	-
TOTAL FUNDING SOURCES	250	-	-	250	-	250	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 26 Request	250	Year First Appropriation	
Cumulative Appropriation	-	Last FY's Cost Estimate	-
Expenditure / Encumbrances	-		
Unencumbered Balance	-		

PROJECT DESCRIPTION

Cider Mill Apartments ("Cider Mill", or the "Property") is an 861-unit garden-style apartment community in Gaithersburg, MD that serves low- and moderate-income families and individuals, consisting of 345 affordable units with income restricted to households earning up to 50% and 60% of Area Median Income for the Washington, DC metropolitan area and 516 market-rate units. These restricted units were introduced by HOC when it acquired the Property in 2018 under Article 53A of the Montgomery County Code, the Right of First Refusal Ordinance. This project will fund additional security upgrades at this facility.

LOCATION

18205 Lost Knife Cir, Gaithersburg, MD 20886.

CAPACITY

861 units.

ESTIMATED SCHEDULE

To be completed in FY 2026.

PROJECT JUSTIFICATION

The Property underwent limited unit updates during renovation before acquisition by HOC's, but the exterior and structural areas were not addressed. Several roofs have gradually deteriorated, and some require immediate attention and repairs due to water penetration issues and natural deterioration from aging.

One of HOC's primary goals of acquiring Cider Mill was the preservation of an important asset that housed a large number of vulnerable families in an area that was impacted by high crime and susceptible to potentially high rent increases by private investors who invested very little to maintain the property. Since acquisition, HOC has invested over \$7M in capital improvements (including repairs and replacements throughout), demonstrating a commitment to improving the quality of life for the residents.

In FY 2024, HOC invested \$1.2M in capital repairs and \$2.1M in maintenance contracts, including about \$800,000 alone for continuous county inspections and deferred maintenance during COVID. Additionally, HOC's commitment to the safety of the residents informed its investment in security measures to maintain health and safety of the residents, including \$408,000 in manned security services and an additional \$249,000 in state-of-the-art cameras. These initiatives, though necessary, have placed a heavy burden on the capital and operational resources of the property and as the property and its systems continue to age the capital needs will only increase until a different alternative can be implemented.

COORDINATION

Department of Housing and Community Affairs, Montgomery County Police Department.

PART III: Capital Improvements Projects To Be Closed Out

The projects described in this section is approved for closeout in June 30, 2025.

Project Number	Project Name
P092301	WSSC Sewer and Storm Line Improvements at Elizabeth Square
