

Resolution No.:	<u>20-522</u>
Introduced:	<u>May 23, 2024</u>
Adopted:	<u>May 23, 2024</u>

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: County Council

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**SUBJECT:** Approval of FY 2025-2030 Capital Improvements Program of the Housing Opportunities Commission, and Approval of and Appropriation for the FY 2025 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. 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 (or the next business day if it falls on a weekend/holiday) in each year a recommended Capital Budget, which the Executive did on January 16, 2024, for FY 2025.
4. As required by Section 304 of the County Charter, the Council held public hearings on the FY 2025-2030 Capital Improvements Program and the FY 2025 Capital Budget.

**Action**

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

1. For FY 2025, the Council approves the projects and authorizes the amounts by project, which are shown in Part I.
2. The Council reauthorizes the authorizations 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 authorizations are not expended or encumbered.
3. The Council approves the projects for the Housing Opportunities Commission (HOC) FY 2025 Capital Budget and FY 2025-2030 Capital Improvements Program as requested by the Housing Opportunities Commission (HOC), except for those projects included in Part II, which are approved as attached.
4. The Council approves the close out of the projects in Part III.
5. 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.



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Sara R. Tenenbaum  
Clerk of the Council

**PART I: FY25 Capital Budget for  
Housing Opportunities Commission**

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

<b>Project Name (Project Number)</b>	<b>FY25 Appropriation</b>	<b>Cumulative Appropriation</b>	<b>Total Appropriation</b>
Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements (P091501)	1,250,000	12,375,000	13,625,000
WSSC Sewer and Storm Line Improvements at Elizabeth Square (P092301)	(230,000)	1,225,000	995,000
<b>Total - Housing Opportunities Commission</b>	<b>1,020,000</b>	<b>13,600,000</b>	<b>14,620,000</b>

**PART II: Approved Projects**

The Council approves the projects for the Housing Opportunities Commission (HOC) FY 2025 Capital Budget and FY 2025-2030 Capital Improvements Program as requested by the Housing Opportunities Commission (HOC), except for those projects included in PART II, which are approved as attached.

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**Project Number****Project Name**

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P092301

WSSC Sewer and Storm Line Improvements at Elizabeth Square



# WSSC Sewer and Storm Line Improvements at Elizabeth Square (P092301)

Category	Housing Opportunities Commission	Date Last Modified	01/09/24
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Silver Spring and Vicinity	Status	Final Design Stage

Total	Thru FY23	Est 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	995	-	995	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>995</b>	<b>-</b>	<b>995</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### FUNDING SCHEDULE (\$000s)

Current Revenue: General	995	-	995	-	-	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>995</b>	<b>-</b>	<b>995</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 25 Request	(230)	Year First Appropriation	FY23
Appropriation FY 26 Request	-	Last FY's Cost Estimate	1,225
Cumulative Appropriation	1,225		
Expenditure / Encumbrances	-		
Unencumbered Balance	1,225		

### PROJECT DESCRIPTION

Sewer Line Upgrade: HOC's original 2017 Sewer and Storm Line improvement plans were approved by WSSC Water for Elizabeth Square and included the replacement of the 10-inch sewer line with 12-inch line. The sewer line to be replaced was on the west portion of the Washington Metropolitan Area Transit Authority ("WMATA") and CSX tracks and did not go under the tracks. The current proposed Purple Line Development sewer line replacement conflicted with the approved HOC sewer plan from 2017. The Purple Line was required to design an alternate route under the tracks. The Purple Line Plan ("PLP") was approved by WSSC Water for this alternative route and is a 10-inch line replacement. WSSC Water will no longer accept the HOC 2017 plans and is now requiring HOC to install at minimum a 15-inch sewer line along the alternate route to meet the capacity of the Elizabeth Square and the proposed HOC Headquarters building at Fenwick Lane and Second Avenue. They have instructed HOC to work with the PLP to ensure the revised plans are in effect before The Leggett, formerly known as Elizabeth House III, and the Silver Spring Recreation and Aquatic Center (SSRAC) project building obtain final occupancy permit. Temporary Storm Line Installation: The current approved contract documents indicate that the new Capital Crescent Trail (located in between Elizabeth House and CSX/Washington Metropolitan Area Transit Authority (WMATA) tracks), including the associated retaining wall, trail and storm systems will be completed by the Maryland Transportation Authority (MTA)/Purple Line. The HOC project will eventually connect into these Capital Crescent Trail storm systems in order to achieve final inspections. However, MTA/Purple Line is not scheduled to install these Capital Crescent Trail storm systems until after the HOC project completion date. As a result, HOC must install a temporary 15-inch storm line to accommodate the Elizabeth House III and Silver Spring Recreation and Aquatic Center (SSRAC) project until MTA/Purple Line is completed.

### LOCATION

1315 Apple Avenue, Silver Spring MD. 20910

### ESTIMATED SCHEDULE

The original target was to finalize the sewer upgrades by March 2023, ensuring alignment with The Leggett's final occupancy certification. Delays encountered by WMATA caused a shift in this timeline, affecting both The Leggett and the SSRAC's final occupancy permits. On May 8, 2023, HOC was informed by WSSC Water about the successful installation and testing of the necessary sewer line upgrades for The Leggett.

### COST CHANGE

On April 5, 2023, MTA presented an offer of \$995,000, a reduction from the earlier \$1.157M, as a settlement for the HOC's incremental expenses concerning the sewer line enhancements. This agreement came across as reasonable, especially considering unforeseen field issues, challenges with contractors, alterations by WSSC Water, and the prevailing market conditions. The final pricing will result in a savings of \$230,000 in current revenue released from the County obligation.

### PROJECT JUSTIFICATION

The need to upgrade from the 10-inch sewer line to a minimum 15-inch line was necessitated by insufficient flow capacity to accommodate Elizabeth Square, the SCRRAC, and the HOC office building. Originally, the MTA was responsible for the storm work as part of the Purple Line project. However, due to delays from the MTA, HOC faced challenges in meeting its projected occupancy timeline for both The Leggett (previously Elizabeth House III) and SCRRAC. Therefore, it became imperative for HOC to expedite the sewer and storm line upgrades to ensure the timely receipt of final certificates of occupancy for both developments.

### FISCAL NOTE

The total estimated projected costs for installing the upgraded sewer line and temporary storm line was reduced from an initial estimate of \$1,225,000 to \$995,000 via settlement with MTA

#### COORDINATION

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Department of Finance, Department of Housing and Community Affairs, Department of Permitting Services, Department of General Services, and Maryland Transportation Authority.

### **PART III: Capital Improvements Projects To Be Closed Out**

**The following capital projects are closed out effective 30-Jun-2024, and the appropriation for each project is decreased by the amount of the project's unencumbered balance.**

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**Project Number**

**Project Name**

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No Projects Closeout (on Part III)