

September 4, 2020

Dr. Santo Grande
Delmarva Community Services
2450 Cambridge Beltway
Cambridge, MD 21613

RE: Property Tax Exemption and
Priority Funding Area Confirmation for
Senior Residences at Chesapeake Grove

Dear Dr. Grande:

Thank you for meeting with me to present your proposed development of a newly constructed 60-unit affordable apartment building for seniors 62 and older as part of the Chesapeake Grove project. The Commissioners of Cambridge are agreeable to an exemption of up to \$12,000.00 per year in City real property taxes for a period of 15 years, calculated at \$200.00 per unit with 60 units proposed, whether in the form of tax credits or a payment in lieu of taxes pursuant to Md. Code Ann., Tax-Property § 7-506.1. The Commissioners have authorized the City Manager and the City Attorney to work with you and your attorneys in preparing the necessary documentation for the Commissioners' review and approval.

The City of Cambridge has a great need for safe, decent and affordable senior housing and your proposal will assist in meeting this need. We are particularly pleased that the housing units will be adjacent to the current location of the Senior Center and the soon to be completed Harry and Jeanette Weinberg Intergovernmental Center at Chesapeake Grove. The services and programs that Delmarva Community Services offers are a tremendous asset for our citizens and persons with disabilities. The residents of your proposed housing will benefit greatly from the proximity of these services.

The area in which Chesapeake Grove is located is a Priority Funding Area. This area has had, and will continue to have, new public and private investments.

We wish you success in securing funding for your proposal.

Sincerely,

Mayor Victoria Jackson-Stanley

September 4, 2020

Dr. Santo Grande
Delmarva Community Services
2450 Cambridge Beltway
Cambridge, MD 21613

RE: Proposed MOU Regarding the Senior Residences at Chesapeake Grove

Dear Dr. Grande:

Thank you for meeting with Commissioners Hanson and Rideout last Friday regarding the above and for having your consultant available to answer their questions. After an in depth and revealing conversation about your project and what you were in fact requesting in the way of tax relief, we are pleased to support your request by a separate letter after a vote of the Commissioners of Cambridge.

We are advised that Commissioners Hanson and Rideout raised some concerns about what preferences in general terms might be given to citizens of Dorchester County and Cambridge for access to these apartments under limited and legally permitted ways. They understood that there are some limited preferences that might be provided that would not violate local, state, or federal law or the U. S. Constitution, and that in your current work of assisting people to find housing you were already doing some of the things discussed.

It is our understanding that DCS and its partner in this project would not discriminate based on the duration of a person's residence in or outside of Cambridge or Dorchester County but would grant a preference for someone locally who meets age and other requirements for admission to your facility and was being evicted from his or her rental due to no fault of their own. An example might be a landlord wanting to sell a rental property and needing the tenant to move out. Persons living here and having a connection to the community as a result of family living here could also be considered for a preference. People being evicted from another rental property because it had code violations that required the tenant leave for health reasons or conditions of the property would give that person a preference for an available apartment at your development.

Given the recent concerns about the condition of certain housing in Cambridge, this kind of a preference would be important to the city. While these preferences are not a

specific condition for the Commissioners approving the agreed real property tax exemption, we understand your willingness to enter into a separate agreement along these lines in order to protect, to the extent legally permitted, the less fortunate and lower income elderly residents who have a connection to this community.

In regard to the City having an ability to oversee the health and wellbeing of its residents who might live in your Senior Residences, we understand that the state does an annual review of the condition of the property and the fiscal condition of the project. As part of your discussions with Commissioners Hanson and Rideout, you indicated that you would be willing to have this report made available to the City and that the City would be able, if it felt necessary, to have its own internal inspection of the property. While the City's history with DCS over the years has been excellent, we do not know what the future will bring and so want to have those running the city in the future to have the tools to avoid incidents such as the recent one here at the Bradford House.

We would ask that you sign this letter of intent in order that our city attorney can proceed to draft the necessary documentation with your group involved in the development of the above project to finalize our understanding of your agreement.

Thank you again for your cooperation with us and the help of your consultant who clarified a number of these matters.

Sincerely,

Mayor Victoria Jackson-Stanley

Seen and Agreed:

Santo Grande
Delmarva Community Services