



Elizabeth House Demolition

(P092302)

Category	Housing Opportunities Commission	Date Last Modified	05/04/26
SubCategory	Housing (HOC)	Administering Agency	Housing Opportunities Commission
Planning Area	Silver Spring and Vicinity	Status	Under Construction

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY25	Est FY26	Total 6 Years	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Beyond 6 Years
Site Improvements and Utilities	1,750	1,500	-	250	250	-	-	-	-	-	-
TOTAL EXPENDITURES	1,750	1,500	-	250	250	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY25	Est FY26	Total 6 Years	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Beyond 6 Years
Current Revenue: General	1,750	1,500	-	250	250	-	-	-	-	-	-
TOTAL FUNDING SOURCES	1,750	1,500	-	250	250	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 27 Request	250	Year First Appropriation	FY23
Appropriation FY 28 Request	-	Last FY's Cost Estimate	1,500
Cumulative Appropriation	1,500		
Expenditure / Encumbrances	-		
Unencumbered Balance	1,500		

PROJECT DESCRIPTION

This project supports the County's portion of the estimated expense for demolishing the existing Elizabeth House multifamily building, which is directly adjacent to HOC's Alexander House, HOC's The Leggett, and Montgomery County's South County Regional Recreation and Aquatics Center "SCRRAC"). These are all part of the larger Elizabeth Square redevelopment of a city block in Downtown Silver Spring. Elizabeth Square will be a mixed-income, multigenerational, mixed-use development consisting of three (3) buildings: The Leggett, formerly known as Elizabeth House III, under which will reside the SCRRAC; the redeveloped Elizabeth House; and the renovated Alexander House. One of the key elements of Elizabeth Square will be The Leggett, a highly amenitized, mixed income, senior living community that comprises 106 units of relocated former Public Housing, 134 Low Income Housing Tax Credit units, and 29 market rate units. The SCRRAC will be a place that welcomes people from both surrounding neighborhoods and across the region to a state-of-the-art public aquatic and recreation center, promoting physical health and intergenerational activity. A destination where seniors can thrive within modern residences, benefit from a senior wellness center, and enjoy shopping and dining, surrounded by green spaces and walking paths, for a truly holistic living experience.

Elizabeth House will be demolished in advance of the opening of the SCRRAC facility in the first half of 2023. The total anticipated cost of \$3 million will be shared by the County and HOC. The estimate assumes the cost to prepare the building and site for demolition, obtain necessary permits and County approvals, disconnecting various public utilities, removing, and abating hazardous

materials, and providing for contingency fund for project unknowns.

LOCATION

1400 Fenwick Lane, Silver Spring, MD 20910

ESTIMATED SCHEDULE

The Commission selected the Berg Corporation for the demolition at the April 5, 2023, Meeting of the Commission. Notice to Proceed was provided in August 2023 and the demolition activities started immediately as all of the existing tenants had relocated by July 2023. The entire demolition process was expected to conclude by spring/summer of CY 2024. In March of 2024, having substantially demolished the interior of the building, the contractor identified additional work scope from environmental hazards found from the inspection of the interior of the exterior walls of the building. To complete demolition of the building, greater remediation of these environmental conditions related to the deconstruction of the exterior walls was required. These materials had to be properly removed in strict accordance with State and Federal guidelines, hauled offsite, and replaced with clean material for backfill. With the additional scope described above, the demolition is now expected to be completed by the early spring 2026.

COST CHANGE

Increased costs to support additional expenses and remediation of environmental conditions at the site.

PROJECT JUSTIFICATION

Demolishing the Elizabeth House within the specified timeline will provide numerous benefits to the County, including increasing visibility to the SCRRAC from Second Avenue and Fenwick Lane, eliminating security and life safety concerns associated with a building remaining vacant while The Leggett and new SCRRAC facility are fully-operational; reducing disruptions to future residents and occupants, which inherently come with demolishing a building of this scale; and expediting the master planning and predevelopment process for the final component of the Elizabeth Square Master Plan.

FISCAL NOTE

FY23 supplemental in Current Revenue: General for the amount of \$1,500,000. The County and HOC executed a Memorandum of Understanding under which the County will provide a loan of \$1,000,000 from the Housing Initiative Fund to HOC. These funds will be used to offset a portion of the costs associated with the Elizabeth House demolition. HOC received a State Revitalization Program grant in the amount of \$750,000 to offset the additional demolition costs of \$1.8 million.

COORDINATION

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