



Howard County Council

George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043-4392

Christiana Rigby, Chair
District 3
Deb Jung, Vice Chair
District 4
Opel Jones
District 2
Liz Walsh
District 1
David Yungmann
District 5

Work Session Minutes – Approved

Hybrid Meeting (Virtual and In-Person Meeting)
Video Streamed on <https://cc.howardcountymd.gov/watch-us>
November 27, 2023
9:30 a.m.

Chair Rigby opened the meeting at 9:42 a.m.

Councilmembers present: Chair Christiana Rigby, Vice-chair Deb Jung; Opel Jones; Liz Walsh; and David Yungmann

Staff Present: Michelle Harrod, Council Administrator; Theo Wimberly, Administrative Manager, Lynne Blume Rosen, Legislative Analyst; Owen Kahn, Legislative Analyst; Craig Glendenning, County Auditor; Owen Clark, Deputy County Auditor; Lori Buchman, Deputy County Auditor; Amanda Mihill, Assistant County Solicitor

Agenda

CB43-2023 - Introduced by The Chairperson at the request of the County Executive

Co-sponsor(s) Christiana Rigby

AN ACT authorizing the County or the Housing Commission to assign the right to purchase by written agreement to certain entities who may acquire or finance the purchase of rental housing; clarifying the time that an offer shall remain open; amending the minimum number of affordable units; defining certain terms; providing that certain assignments may be recorded; requiring that certain covenants be recorded; and generally related to the notice and right to purchase rental housing.

The Council Members, Ms. Cimino, Mr. Engel, and Mr. Greenfield discussed the following topics:

- Challenges with the existing right of first refusal program and what benefits could be accomplished with the proposed changes in CB43-2023;
- County has not exercised its right of first refusal option because the County does not want to own these properties, and challenges due to the unpredictability of when properties are for sale and the inability to provide for the sale in the County budget;
- When properties come up for sale the Housing Commission typically requests financial assistance from the County;
- The intent of the bill is to allow the County to assign the right to take advantage of the sale of properties when they come up for sale;
- Comparisons of the timeline under the current law and the bill were discussed;

- Impact of Internal Revenue Code Section 1031 on the timeline and amending the timeline to allow property owners to comply with Section 1031;
- Impact on participation in the program of narrowing the definition of “assignee” to apply only to nonprofits;
- The intent of the bill to require all third parties to ensure the preservation of the affordability of rental units for a period of not less than 40 years;
- Prince George’s County law allows for profit and nonprofit entities to exercise right of first refusal with the goal of obtaining funding that is not county funding;
- How to ensure an assignee can follow through on a deal and the impact on other third parties losing the Section 1031 tax benefit after the 45-day period expires;
- Housing Commission does not have the same budgeting constraints as the County;
- Impact of the bill on providing more affordable housing in newer rental properties;
- How the bill impacts areas in the County with poverty, consideration of census tract data, and the measurement of poverty with specified metrics;
- Extent to which the 40-year covenant ensuring affordability is an enforceable device that cannot be reversed;
- There was a discussion about possible amendments requested by the Housing Commission and who will sponsor those amendments;
- Absence of adequate rental housing in the County for low-income seniors and individuals with disabilities; and
- Discussion of expanding the bill to include units for individuals in mobile parks.

The Council Members requested the following information:

- What recommendations were made by the Housing Opportunities Trust Fund Advisory Committee regarding opportunities to create or preserve affordable units?
- For both Prince George’s County and Montgomery County: 1) The types of entities that can be assignees; 2) The number of applicable rental properties that were sold to private entities; 3) The number of affordable units that were preserved; and 4) The timeline for the selection of assignees.
- Provide an overview of the process for qualifying potential assignees. What criteria will be used to select the assignees?
- Why will the County and the Commission have two separate pools of assignees? How is it determined which assignee pool will be used?
- Provide the matrix used by the Commission for determining which properties to purchase.
- Will regular inspections be performed to ensure the properties are maintaining the required number of affordable units? Will Council receive an annual report related to this program?
- What factors were considered in determining the range of 20% to 50% of affordable units?

Chair Rigby adjourned the meeting at 11: 31 a.m.

Work Session Participants

Kelly Cimino, Director, Department of Housing and Community Development
 Peter Engel, Executive Director, Howard County Housing Commission
 Aaron Greenfield, Director of Government Affairs, Maryland Multi-Housing Association