

PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY

Meeting Date: 6/12/2001

Reference No.: CR-26-2001

Proposer: County Executive

Draft No.: 1

Sponsors: Russell, Scott

Item Title: A Resolution approving a project submitted by the Prince George's County Economic Development Corporation to the Maryland Department of Housing and Community Development for participation in the Neighborhood Partnership Program

Drafter: Donna W. Russell
Law

Resource Joseph J. James
Personnel: EDC

LEGISLATIVE HISTORY:

Date Presented: __/__/__

Executive Action: 8/13/2001 S

Committee Referral: 6/12/2001 THE

Effective Date: 8/13/2001

Committee Action: 7/24/2001 FAV

Date Introduced: 6/12/2001

Public Hearing: __/__/__ __:__ __

Council Action: 7/31/2001 ADOPTED

Council Votes: RVR:A, DB:A, JE:A, IG:A, TH:A, WM:A, AS:A, PS:A, MW:A

Pass/Fail:

Remarks: _____

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 7/24/01

Committee Vote: Favorable, 5-0, (In favor: Council Members Estepp, Shapiro, Bailey, Gouridine and Hendershot).

Staff gave an overview of the legislation and informed the Committee of referral comments that were received. CR-26-2001 approves an award from the Maryland Department of Housing and Community Development, (DHCD) which would permit the Economic Development Corporation (EDC) to use an allocation of \$50,000 in tax credits for business entities that contribute to a series of eligible projects that were proposed by the EDC.

The Neighborhood Partnership Program allows a business to receive a \$.50 income tax credit for each \$1 it donates to a 501(c) 3 corporation that has the tax credits available. The \$50,000 in tax credits provides the 501 (c) 3 corporation with \$100,000 of funding for programs in designated neighborhoods. The Prince George's County Economic Development Corporation (EDC)—a 501 (c) 3 corporation—has applied to the Maryland Department of Housing and Community Development for the tax credits.

The EDC's application identified three program areas to utilize the \$100,000 in funding as follows:

- ✓ Commercial Area Revitalization Effort (CARE)-**\$61,000** (see Attachment A of the Resolution).
- ✓ Community Development Corporation Capacity Building Initiative-**\$24,000** (Attachment B of the Resolution).
- ✓ Prince George's County Libraries Small Business Information Centers (SBIC)-**\$15,000** (Attachment C of the Resolution).

EDC's staff explained that the project submitted by EDC has three (3) components; revitalization, development, and business expansion in Prince George's County. The DHCD may not approve a proposal for participation in the Neighborhood Partnership Program for Income Tax Credits unless the proposal is approved by the governing body of the county in which the designated revitalization area benefited by the project is located. The municipalities in which the projects are located will also provide support documents. The municipalities are Hyattsville, Brentwood, North Brentwood, Mount Rainier, Bowie, and Laurel.

The Legislative Officer has reviewed CR-26-2001 and determined that it is in proper legislative form. However, stated that the law requires the proposed projects to be approved by the governing bodies of the municipalities in which the projects will be located. The Office of Audits and Investigations determined there should be no negative fiscal impact on the County as a result of adopting this resolution. The County Executive supports the resolution.

BACKGROUND INFORMATION/FISCAL IMPACT

(Includes reason for proposal, as well as any unique statutory requirements)

This Resolution will approve a project submitted by the Prince George's County Economic Development Corporation (EDC), a private nonprofit company, to the Department of Housing and Community Development (DHCD) for participation in the Neighborhood Partnership Program; namely, the Commercial Area Revitalization Effort (CARE) Program, the Community Development Corporation Capacity Building Initiative, and the Prince George's County Libraries Small Business Information Centers. Pursuant to Article 83B, Section 4-705(c) of the Maryland Annotated Code, DHCD may not approve a proposal for participation in the Neighborhood Partnership Program for Income Tax Credits unless the proposal is approved by the governing body of the county in which the designated revitalization area benefited by the project is located.

CODE INDEX TOPICS: