

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 11/25/2003 **Reference No.:** CB-62-2003

Proposer: Hendershot **Draft No.:** 2

Sponsors: Hendershot, Shapiro, Dean

Item Title: An Act eliminating the payment of the school facilities surcharge for certain multifamily projects designated as student housing, providing for the assessment of the school facilities surcharge under certain conditions and making other amendments concerning the school facilities surcharge

Drafter: **Resource** Carol B. White
Personnel: Legislative Aide

LEGISLATIVE HISTORY:

Date Presented: 9/30/2003 **Executive Action:** 12/12/2003 S

Committee Referral: 9/30/2003 PZED **Effective Date:** 1/27/2004

Committee Action: 10/22/2003 FAV(A)

Date Introduced: 10/28/2003

Public Hearing: 11/25/2003 10:00 A.M.

Council Action: 11/25/2003 ENACTED

Council Votes: PS:-, MB:A, SHD:A, TD:A, CE:A, DCH:A; TH:A, TK:A, DP:-

Pass/Fail: P

Remarks: Retroactive to April 25, 2002

PLANNING, ZONING & ECON. DEV. COMMITTEE REPORT 10/22/03

Committee Vote: Favorable with amendments, 5-0 (In favor: Council Members Harrington, Dernoga, Dean, Exum and Knotts)

Staff presented a Proposed Draft-2 (DR-2) of the bill based on comments and concerns raised at the October 14 committee meeting. The revised bill removed the requirement for a minimum of 70% of the dwelling units to be leased to students and proof of their enrollment at a public or private college or university. The size of at least 70% of the bedrooms was changed from 145 square feet to 130 square feet. Language was added to prohibit balconies, but to permit enclosed decks and patios on the ground floor. The requirement to for 60% of the dwelling units to be

furnished was raised to 90% and specific furniture items were added in subparagraph (D)(1)(e). Examples of amenities were added in subparagraph (D)(1)(f). Subparagraphs (D)(3) and (D)(4) in Draft 1 were deleted in their entirety. Proposed DR-2 also amended the effective date of the bill in Section 2. to make it effective retroactively to April 25, 2002, the date that the State legislation requiring a school facilities surcharge exemption for student housing became law.

The bill's sponsor informed the committee that he believed the amendments in DR-2 addressed concerns raised at the previous meeting and requested support for the bill that would assist the revitalization efforts along the Route 1 corridor.

John McDonough spoke in support of Proposed DR-2. Norman Rivera requested that the square footage requirement be changed back to 145 square feet due to the fact that a detailed site plan has already been approved for his client's project based on this square footage.

Terri Schum, representing the City of College Park, addressed the committee and provided copies of a letter written by the City's mayor. The letter indicated that the City supports an exemption from the school facilities surcharge for multifamily projects that provide student housing, with several revisions to Draft 1 to address implementation issues.

The committee had considerable discussion about the boundaries of the campus and the need to go back to the General Assembly to seek clarification of the 1.5-mile radius provided in State law due to the broad applicability of the exemption as is currently allowed.

The committee voted favorably on the bill with the amendments in Proposed DR-2 including changing the "130" square feet back to "145" square feet, and to add a new subparagraph (D)(1)(g) requiring that multifamily housing subject to the school facilities surcharge exemption have written evidence of a relationship with an institution of higher education, as recommended by the City of College Park.

PLANNING, ZONING & ECON. DEV. COMMITTEE REPORT

10/14/03

Held in committee.

Staff explained the purpose of the bill and summarized the referral comments that were received. The bill implements, by fee-exemption language which has extensive and detailed criteria, the student housing exemption added by the General Assembly in 2002 for housing projects subject to the school facilities surcharge. Those multifamily projects which meet the criteria, including location within one and one half miles of the University of Maryland, College Park Campus, and other occupancy or design requirements, are exempt from the surcharge until the units, or some designated portion of the unit total, are converted to standard market units.

Council Member Hendershot, the bill's sponsor, explained that he proposed the legislation to implement the school facilities surcharge exemption required by the General Assembly. Mr. Hendershot indicated that since the University of Maryland does not have enough student housing and is not currently in the process of building additional student housing, the exemption provided by the legislature and proposed for implementation by CB-62-2003 will facilitate the development of this needed housing stock in the area of the campus.

The Planning Board takes no position on CB-62-2003; however, it was noted that there may be some difficulty in monitoring the student housing uses over the years to ensure that they retain eligibility for the exemption. The task would be both onerous and costly. The Planning Board recommended that appropriate mechanisms to enforce the bill be identified before passage.

The Principal Counsel, District Council, found the bill to be in proper form. The Office of Audits and Investigations determined there may be some negative fiscal impact on the County as a result of enacting CB-62-2003, related to the elimination of the school facilities surcharge under these circumstances. Any loss of revenue from the elimination of the surcharge cannot be quantified at this time.

The County Executive's representative suggested that language be included in the bill to clarify that the student housing is for "full-time" students. Council Member Dernoga expressed concern about the broad application the bill could have and that amendments should be considered which would ensure that the exemption does not apply to multifamily projects along the entire Route 1 corridor. Mr. Dernoga suggested amendments to address his concern as follows. On page 2, in subparagraph (D), add language that defines the campus boundaries by streets and in (D)(1), require that the dwelling units be located in a transit district overlay zone and/or a development district overlay zone, and delete the requirement that 70% of the dwelling units must be leased to persons who are enrolled at a public or private college or university as well as the requirement for proof of enrollment. Legal staff advised the committee that even though the amendments may limit the projects that would be eligible for the exemption, they go beyond the language provided by the General Assembly for "multifamily housing designated as student housing within one and one half miles of the University of Maryland, College Park Campus."

Norman Rivera, representing the developer of the University View project, spoke in support of CB-62. John McDonough, representing Prince George's Metro Center, also spoke in support of the bill.

Council Member Knotts expressed concern about the number of amendments being proposed in a short time, and his desire to have additional time to review the new language.

The committee held the bill until the next scheduled committee meeting and requested that staff bring back additional language based on best practice design concepts that will attract students. It was also suggested that the requirement for 60% of the dwelling units to be furnished be increased to 100%.

BACKGROUND INFORMATION/FISCAL IMPACT (Includes reason for proposal, as well as any unique statutory requirements)

The proposed legislation would implement an exemption enacted by the General Assembly that favors certain multifamily student housing projects within 1.5 miles of the University of Maryland. Exempt multifamily projects would not be required to pay the school facilities surcharge.

CODE INDEX TOPICS: