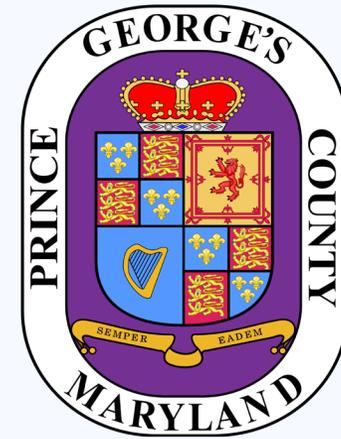


CB – 087 – 2022

AN ACT CONCERNING RIGHT OF FIRST REFUSAL PILOT PRE-AUTHORIZATION

SEPT 21, 2022



Angela D. Alsobrooks
County Executive



SUBSIDIZED / RESTRICTED UNITS IN THE COUNTY

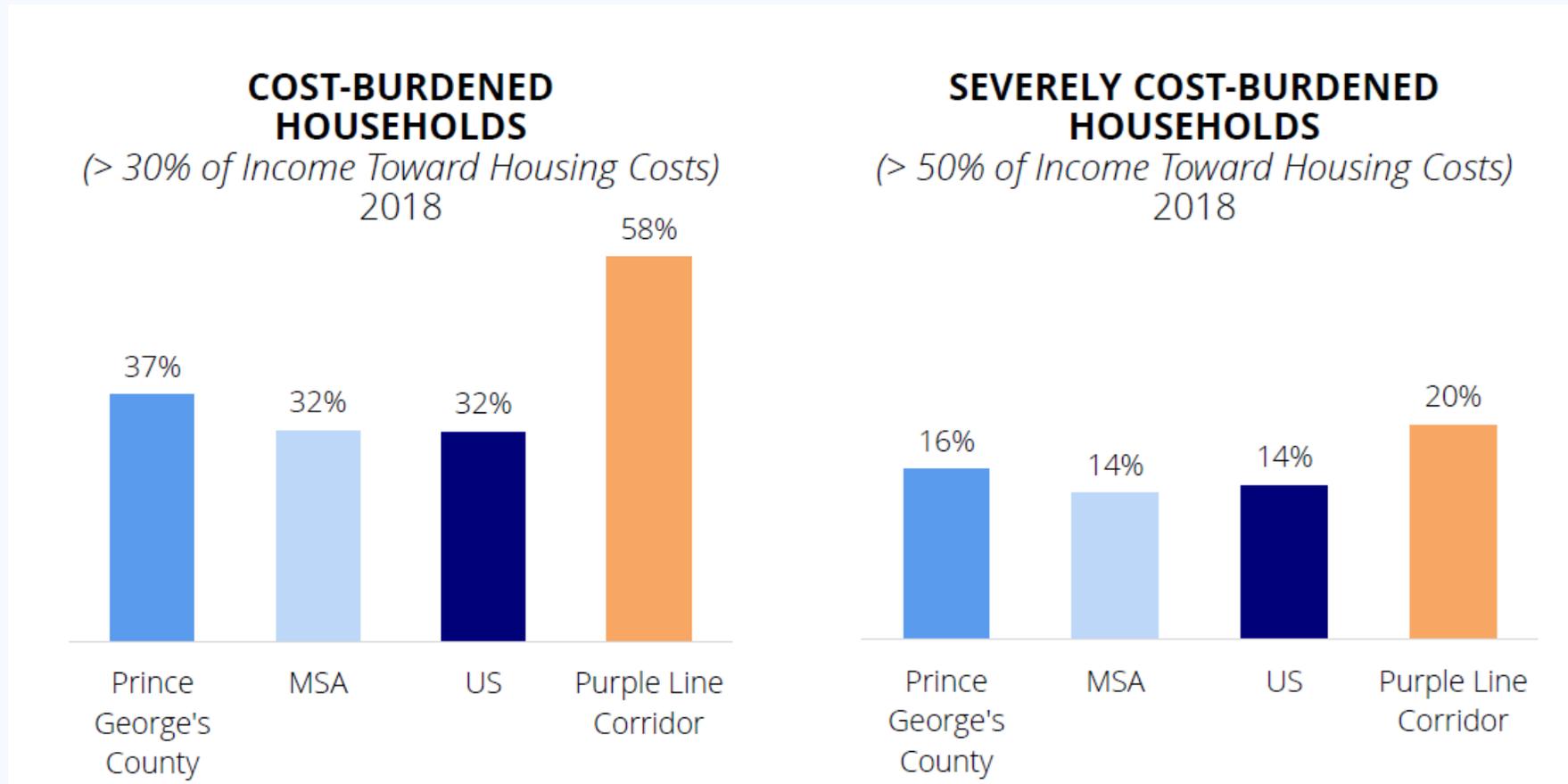
	Units
Housing Choice Vouchers	5,849
Units in subsidized projects	13,392
TOTAL	19,241

Restrictions for approximately **59%** of the restricted units in the County will expire by 2031

Households with Housing Choice Vouchers may be using them to rent units at federally subsidized properties, so these numbers may overestimate the county's total subsidized supply.

	Total projects	Total units	Share of all federally subsidized units
Subsidies expiring in March 2021 or later	4	524	4%
Subsidies expiring between 2022 and 2026	23	3,562	27%
Subsidies expiring between 2027 and 2031	24	3,826	29%
TOTAL	51	7,912	59%

AFFORDABLE HOUSING IN PRINCE GEORGE'S COUNTY



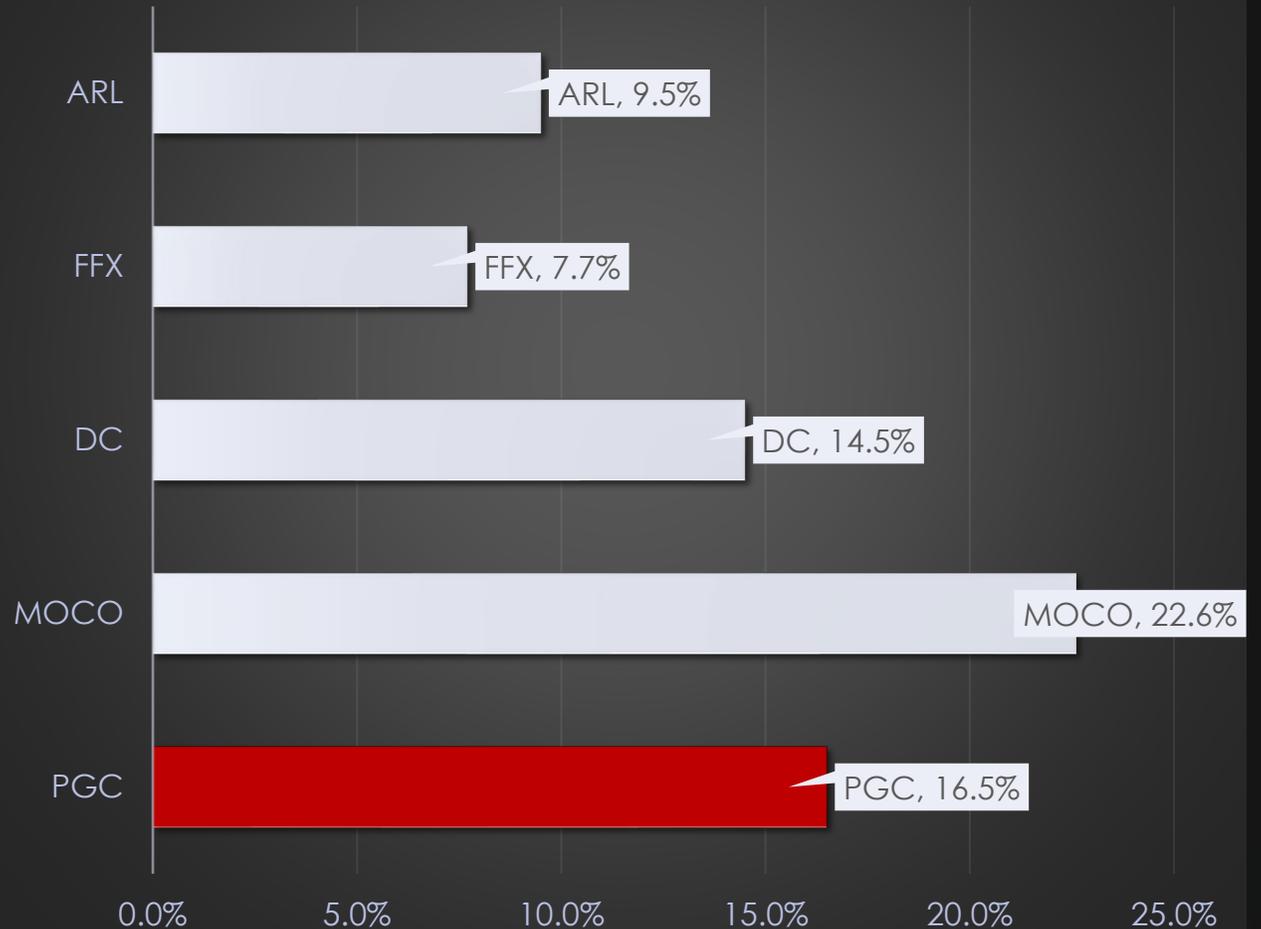
NATURALLY OCCURRING AFFORDABILITY IS A DISAPPEARING ASSET

PRINCE GEORGE'S COUNTY HAD THE 2ND HIGHEST CHANGE IN MEDIAN RENT 2013 - 2019.

HAND DASHBOARD:
THIRTY-EIGHT PERCENT OF HOUSEHOLDS WERE RENTERS AND 51 PERCENT OF RENTERS HAD UNAFFORDABLE HOUSING COSTS.

PERCENT CHANGE IN MEDIAN RENT (2013-2019)

Source: HAND HIT TOOL

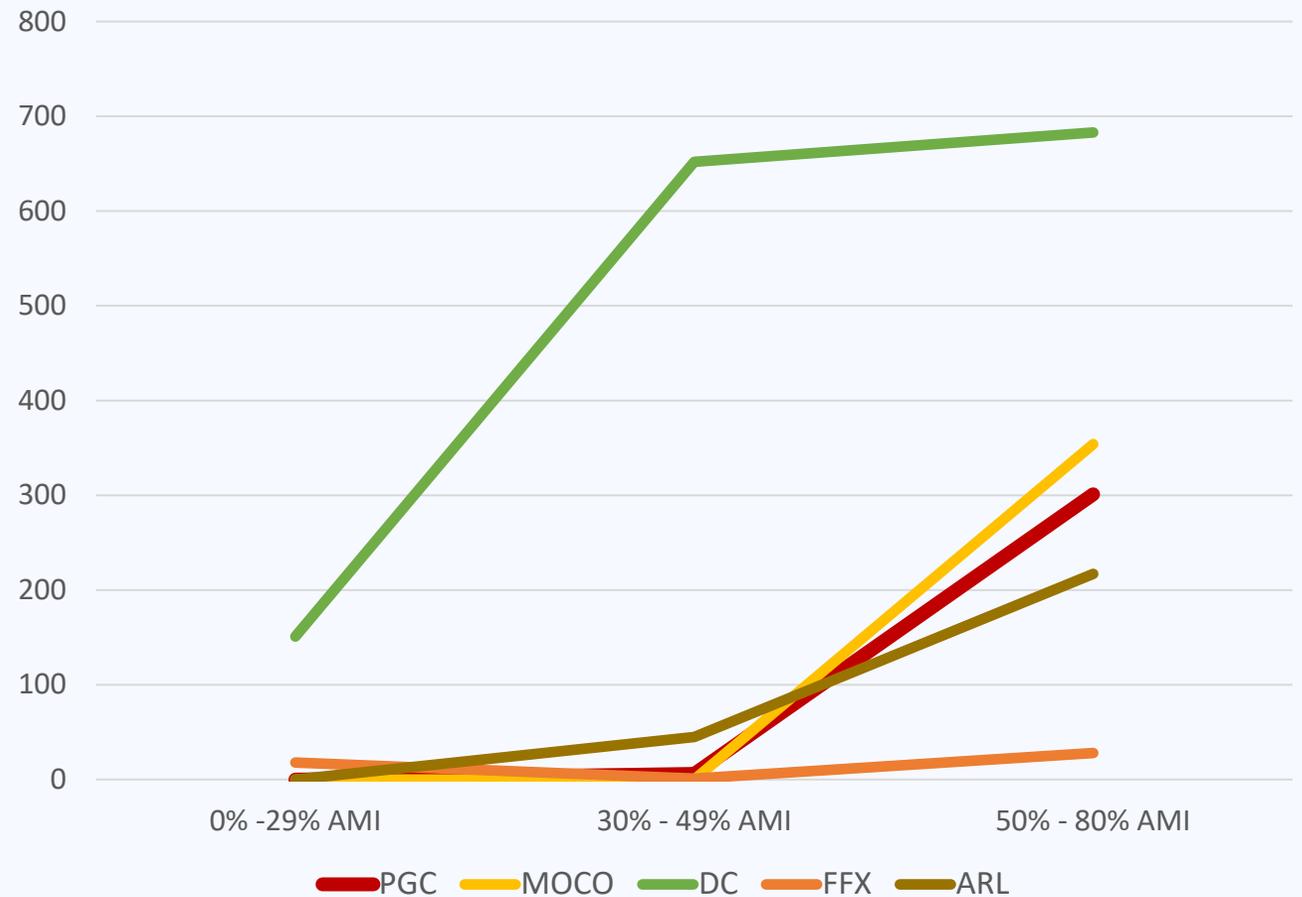


PRINCE GEORGE'S COUNTY HAS MORE AFFORDABLE HOUSING BECAUSE OF NATURALLY OCCURRING UNITS (A BY-PRODUCT OF LACK OF INVESTMENT)

NOT BECAUSE THE COUNTY IS CREATING A LOT OF COMMITTED AFFORDABLE UNITS.

2021 UNIT PRODUCTION (By Affordability)

Source: *HAND HIT TOOL*



OVERALL HOUSING PRODUCTION IN THE COUNTY LAGS

HAND HIT Tool – 2021 Data

24,214 new homes were built in the DMV

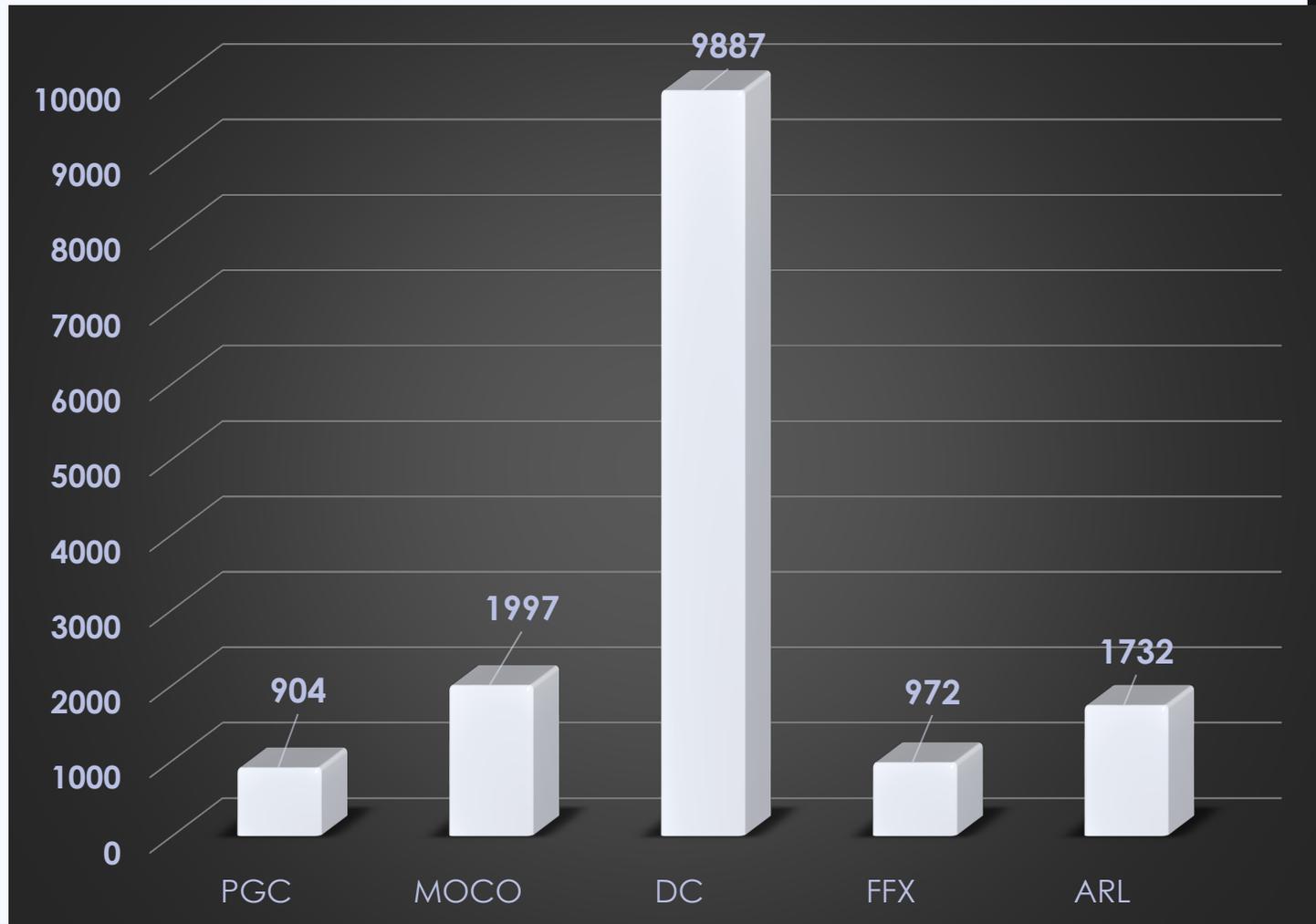
904 new home were built in Prince George's County

3,030 committed affordable units was built in the DMV

307 committed affordable units were built in Prince George's County

2021 TOTAL UNIT PRODUCTION

Source: *HAND HIT TOOL*



REGIONAL COMPARISON OF HOUSING INVESTMENT

JURISDICTION	POPULATION (2020)	ANNUAL BUDGET (Current)	LOCAL HOUSING TRUST FUND	LOCAL TENANT VOUCHERS
Prince George's County, MD	967,201	\$5B	\$10M	No
Montgomery County, MD	1,062,061	\$6.3B	\$60M	Yes
Fairfax, VA	1,150,309	\$4.8B	\$44.7M	Yes
Arlington, VA	238,643	\$1.5B	\$18.7M	Yes
District of Columbia	689,545	\$18.4B	\$500M	Yes

Populations and resources data from the HAND HIT webpage and the HIT Policy Audit and Advocacy Resource Guide. Local tenant vouchers does not include federally funded vouchers.

Prince George's County Resources– Multifamily Rental Housing

Available resources to support the acquisition/rehabilitation or new construction of affordable and workforce multifamily rental housing:

- HOME Investment Partnership (HOME) Funds
- Housing Investment Trust Fund (HITF)
- Payment in lieu of Taxes (PILOT)
- APR ROFR Preservation Fund

OVERVIEW OF THE ROFR PROCESS

- | | |
|--|-------------------------|
| 1) Receipt and Review of Property Owner Notice and ROFR Package | Days 1 thru 2 |
| 2) DHCD Evaluation of ROFR Package | Days 1 thru 7 |
| 3) RFP Issued to ROFR Developers by DHCD (if ROFR exercised) | Day 8 |
| 4) <u>ROFR Developers Prepare RFP Responses</u> | <u>Days 9 thru 23</u> |
| 5) DHCD Reviews RFP Responses and Selects ROFR Developer | Days 24 thru 30 |
| 6) DHCD Assigns ROFR Rights to Selected ROFR Developer | Day 31 |
| 7) DHCD Notifies Property Owner of ROFR Assignment | Day 32 |
| 8) Contract of Sale Negotiation and Execution (ROFR Developer and Owner) | Days 32 thru 60 |
| 9) Settlement Process (<u>ROFR Rental and Regulatory Agreement recorded</u>) | Days 61 thru 180 |

ROFR OUTCOMES – 1,213 UNITS PRESERVED TO DATE

- Restrictions are set based on existing rent roll / tenant profile
- Over 81% of units (988) – 60% AMI
- Balance at 50%, 70% and 80% of AMI

60% of AMI income per HH size



Income: Up to \$59,820



Income: Up to \$68,340



Income: Up to \$76,860

ROFR OUTCOMES TO DATE (12/1/2020 – 9/1/2022)

A total of **55 properties with 15,222** units have been reviewed by the County under the Right of First Refusal Program.

The County has exercised or provided an exception to its Right of First Refusal for **30 properties** (25 properties for possible assignment and 5 properties for exceptions) with **8,336** units.

A total of **6 properties** with 2,144 units (**with 1,213 units restricted for affordability**) have been preserved under the ROFR program.

ROFR OUTCOMES (12/1/2020 – 9/1/2022)

As of 9/1/2022, the County has preserved affordability for **1,213 units of the 8,336 units** it expressed an interest in, or **14.5%**.

These 1,213 units represent **7.9% of all the units transacted** in the County (15,222) during the above-mentioned timeframe.

The purpose of this legislation is to enable the County to increase the effectiveness of the ROFR program and increase the success rate of the program in preserving currently affordable housing.

