




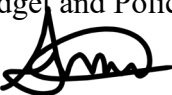
February 11, 2026

**FISCAL AND POLICY NOTE**

**TO:** David H. Murray  
Council Administrator

Colette R. Gresham, Esq.  
Deputy Council Administrator

**THRU:** Lavinia Baxter   
Senior Legislative Budget and Policy Analyst

**FROM:** Shalene Miller-Whye   
Legislative Budget and Policy Analyst

**RE:** Policy Analysis and Fiscal Impact Statement  
**CB-001-2026** County Equity Participation Authority Act

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**CB-001-2026** (*Proposed by*): Council Member Oriadha

Assigned to the Government Operations and Fiscal Policy Committee

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**AN ACT CONCERNING COUNTY EQUITY PARTICIPATION AUTHORITY ACT** For the purpose of authorizing Prince George's County to acquire, hold, and manage equity interests in development projects; requiring the development of a County Equity Participation Action Plan; establishing mechanisms for County co-ownership through special purpose entities; limiting County financial exposure; requiring Council approval and transparency; and generally relating to public investment and economic development.

**Fiscal Summary**

**Direct Impact:**

*Expenditures:* No anticipated expenditures impact.

*Revenues:* No anticipated revenue impact.

**Indirect Impact:**

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Office: (301) 952-3431 | 1301 McCormick Drive, 3rd Floor  
FAX: (301) 780-2097 | Largo, Maryland 20774

Likely favorable.

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### **Legislative Summary:**

CB-001-2026,<sup>1</sup> proposed by Council Member Oriadha on January 27, 2026, and referred to the Government Operations and Fiscal Policy Committee. CB-001-2026 authorizes Prince George’s County to acquire, hold, and manage equity interests in development projects, as well as requires the development of the County Equity Participation Plan as it relates to public investment and economic development.

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### **Resource Personnel:**

- Josh Hamlin, Legislative Attorney
  - Tre’von Sawyers, Chief of Staff, Council District 7
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### **Current Law/Background:**

§ 19-504<sup>2</sup> of the MD code, Local Government authorizes Counties to issue bonds. Through this code provision, Local laws must specify the total bond amount, public purpose, and repayment source. The law must also require the county commissioners to adopt a resolution before issuing bonds that outline details such as bond amount, purpose, terms, payment source, and sale procedures. Certain bonds are exempt from the public local law requirement but must follow other applicable authorizing laws. The resolution must include provisions ensuring repayment of principal and interest and may include additional administrative or technical bond terms. Unless otherwise required by law.

### **Discussion/Policy Analysis:**

CB-001-2026 seeks to provide for the following:

- Authorize Prince George’s County to acquire, hold, and manage equity interest in development projects
- Require the development of the County Equity Participation Plan
- Establish a mechanism for County co-ownership through special purpose entities
- Limit County financial exposure
- Require Council approval and transparency

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<sup>1</sup> [Prince George's County Council - Reference No. CB-001-2026](#)

<sup>2</sup> [§ 19-504 Maryland Code and Court Rules](#)

- Encourage public investment and economic development

Sec. 10-364 provides authorization to the County Executive, with the approval of the County Council, to acquire equity interests in commercial, industrial, mixed-use, or multi-family development projects that receive County assistance or advance County economic development objectives.

Further, the Bill requires the development of a County Equity Participation Plan in consultation with County economic development agencies, as well as County agencies with bonding authority:

- Revenue Authority
- Redevelopment Authority
- Housing Authority of Prince George’s County
- Land Bank Authority of Prince George’s County
- Prince George’s County Economic Development Corporation

In this, the Equity Participation Plan will identify the following:

- Potential funding sources
- Development priority areas
- Priority industries
- Plans for community and Council engagement

Sec. 10-365 authorizes the County Executive, with the approval of the County Council, to designate or create special purpose entities, including public development corporations or limited liability companies, to hold equity interests in development projects, to the extent permitted by State and Federal law. Further, the financial obligation of entities designated or created under this section shall not constitute debt to the County.

Sec. 10-366 provides financial safeguards by limiting County equity participation to the amount appropriated or approved by the Council for each project. Further, no County equity investment shall constitute a pledge of the County’s full faith and credit or taxing authority.

Sec. 10-367 provides that proceeds from County equity participation may be used for:

- Community wealth-building initiatives
- Affordable housing support
- Economic development reinvestment
- Other purposes approved by the council

Sec. 10-368 provides that the County Executive shall submit an annual report to the Council, detailing:

- (1) Equity investment made pursuant to this Division
- (2) Status of supported development projects

(3) Financial performance

(4) Community benefits achieved

Equity participation provides for public-private partnership collaborations, through equity within companies, projects, and infrastructure. This is achieved through offering financing for intentional investment projects that promote economic development. Through equity participation, it may benefit multiple stakeholders, offering incentives and benefits to all parties. Advantages of equity participation may include local government and residents holding equity stakes and greater participation in development and redevelopment efforts.<sup>3</sup>

Economic development initiatives can be funded through tax incentives, including tax increment financing, state assistance, federal assistance, and through bonds. Currently, four (4) County agencies have bond authority, enabling public-private partnerships for economic development projects aligned with County priorities. With an Equity Participation Plan, economic development agencies can develop strategies that align with County goals, including priority areas and industries.

Other Jurisdictions:

#### *Montgomery County*

Through the Montgomery County Housing Opportunities Commission and the Housing Production Fund<sup>4</sup>, the County creates mixed-income housing while retaining equity and control through a public-private partnership. With this initiative, public equity replaces private equity, and the Housing Opportunity Commission retains majority ownership and control. This allows the County to prioritize its housing goals and enhance tenant projects.

#### *Colorado*

Proposition 123, Colorado's Affordable Housing Financing Fund<sup>5</sup>, includes an equity program. Through the equity portion, the fund provides below-market-rate equity investments to support the construction and preservation of affordable multifamily rental housing serving low and middle-income households. The program is available to for-profit, nonprofit, and governmental project sponsors and is intended to provide flexible capital for projects that may not be fully supported through traditional financing.

Projects must be in jurisdictions that have adopted a local Affordable Housing Commitment under Proposition 123. Eligible developments include new low- and middle-income rental housing and

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<sup>3</sup> [Equity Participation Explained: Benefits, How It Works, and Examples](#)

<sup>4</sup> [Housing Production Fund – Housing Opportunities Commission](#)

<sup>5</sup> [Equity - Proposition 123: Affordable Housing Financing Fund](#)

preservation of existing affordable housing at risk of losing affordability. The program does not allow pairing with federal or state housing tax credit equity.

The equity investment offers below-market returns, with repayments generally tied to project cash flow and full repayment deferred until a capital event, such as refinancing or a sale. Investments typically range from \$1.5 million to \$15 million, with terms of up to 30 years. Funds can be used for acquisition, construction, financing, and other project costs. Projects receiving funding must maintain affordability restrictions for at least 30 years and prioritize policy goals such as high-density and mixed-income housing, environmental sustainability, geographic diversity, and shovel-ready developments that increase housing supply.

Questions for Committee Consideration:

In attempting to ascertain the fiscal impacts of the legislation, Council staff posed the following questions to the Administration, including the Revenue Authority, Redevelopment Authority, Housing Authority, and the Economic Development Corporation. As of the date of this memorandum, responses from the Revenue Authority were received, but the Committee may wish to explore these inquiries to better assess the impact of CB-001-2026 from other agencies' perspectives:

**1. What is the current level of collaboration among economic development agencies and authorities with bonding authority? How does the EDC currently support or coordinate these efforts?**

The Revenue Authority of Prince George's County collaborates regularly with other bonding authority agencies, such as the Redevelopment Authority. Towne Square at Suitland Federal Center is a joint development project for both agencies, who are currently drafting an MOU to outline roles to further advance the project. The Revenue Authority has an established relationship with the Economic Development Corporation to advance the County's economic priorities and to extend resources to support County businesses.

**2. Are there existing formal or informal processes for joint project evaluation or investment alignment?**

The Revenue Authority and Redevelopment Authority meet monthly (and as needed) to discuss joint development projects, County initiatives, community events, and other collaborations.

**3. How do agencies with bonding authority currently establish and demonstrate project selection priorities?**

The Revenue Authority of Prince George's County currently uses the 2035 Strategic Plan to ensure a project aligns to the Economic Development goals of the County. The projects must demonstrate impact in creating or supporting job creation and in increasing the commercial tax base. In addition, projects should elevate the County landscape by aligning to County goals such as increasing affordable, diverse housing; transit-oriented development; mixed use development; quality retail.

**4. What criteria are used to evaluate public benefit, financial return, risk, and alignment with County economic development goals?**

The following criteria are used to evaluate projects:

- Location (TOD, inside the beltway, Priority Funding Area, etc.),
- Type of development (residential, mixed use, office),
- Number of jobs created,
- Community impact (resources, amenities, accessibility, affordability),
- “But for analysis” which determines if a project would move forward *without* the public incentive to ensure public funding is not wasted.
- Project financial analysis

**5. What challenges or constraints should be considered when implementing equity participation?**

There are several challenges to implementing equity participation programs. Legal and statutory constraints can stifle or stall deals when the regulations, zoning, and landscape do not align with the development priorities. Financial risk and capital exposure differ for public sector projects due to accounting, market risks (office and commercial volatility), and valuation complexities. Real estate timelines typically advance faster than government approval cycles, which can derail projects and shift investment opportunities. Another challenge is the tension between maximizing returns and preserving affordability or community benefits when evaluating an investment or exiting a project.

**6. What data, planning tools, or market analyses would be necessary to develop a County Equity Participation Action Plan?**

An Equity Participation Action Plan needs to feel technically rigorous, legally defensible, and mission aligned. It should include the following analysis, tools, and planning:

- Policy & Baseline Data outlines the “why this is needed”
- Market & Asset-Class Feasibility Analysis
- Geographic & Equity Targeting Analysis
- Legal, Governance & Risk Framework
- Financial Structuring & Capital Planning
- Developer & Market Engagement Analysis
- Performance Metrics & Accountability Framework
- Peer Jurisdiction & Case Study Analysis?

**7. How should development priority areas and industries be identified and evaluated?**

The County should evaluate future demand forecasting to align with growth-market demand. This determines where equity participation is viable, prudent, and scalable. An asset class performance analysis of housing, commercial spaces, industrial, office, and emerging industries will identify areas of opportunity. In addition, review case studies and industry revitalization plans to learn from other jurisdictions what worked, which tools were used, how the initiative was financed, who the stakeholders were, and what the outcome was. The County should use GIS and real estate pro

forma mapping to identify main corridors with underutilized commercial zones as redevelopment opportunity zones. Several County-wide market studies can be updated with new data points to build on existing information and evaluate the effectiveness of any implemented programs. These studies include, but are not limited to, the 2015 MNCPPC Retail Market Study, the PGC Plan 2035 Strategic Plan, and the Comprehensive Housing Strategy.

**Fiscal Impact:**

- *Direct Impact*

Adoption of CB-001-2026 will not have a direct fiscal impact.

- *Indirect Impact*

Adoption of CB-001-2026 may have a favorable indirect fiscal impact by potentially increasing economic development outcomes through the development of the Equity Participation Plan. Furthermore, equity participation may generate revenue depending on the agreement.

*Appropriated in the Current Fiscal Year Budget*

N/A.

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**Effective Date of Proposed Legislation:**

The proposed legislation shall be effective 45 days after adoption.

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If you require additional information or have questions about this fiscal impact statement, please contact me.