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COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

Legislative Session

1992

Resolution No. CR-91-

1992

Proposed by The Chairman (by request - County Executive)

Introduced by Council Members Pemberton and Del Giudice

Co-Sponsors

Date of Introduction July 21,

1992

RESOLUTION

A RESOLUTION concerning

Opportunity Housing Program

FOR the purpose of adopting regulations for the County's Opportunity Housing Program.

WHEREAS, Section 13-260 of the Prince George's County Code provides that regulations for the County's Opportunity Housing Program shall be proposed by the County Executive and adopted by the County Council by resolution; and

WHEREAS, the County Executive has proposed regulations for the County's Opportunity Housing Program and submitted them to

the County Council for approval.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the proposed regulations for the Opportunity Housing Program of Prince George's County proposed by the County Executive and submitted to the County Council for approval, which regulations are attached hereto and made a part hereof, be and the same are hereby approved in accordance with the provisions of Section 13-260 of the Prince George's County Code.

Adopted this 6th day of October, 1992.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:

Richard J. Castaldi
Chairman

ATTEST:

Joyce T. Sweeney
Acting Clerk of the Council

OPPORTUNITY HOUSING REGULATIONS

Subject: Opportunity Housing

Purpose: To establish guidelines for the administration of and requirements for participation in the Opportunity Housing Program.

Authority: The Director of the Department of Housing and Community Development (DHCD) is responsible for the administration of Opportunity Housing in compliance with these regulations and pursuant to Subtitle 13 Division 8, Sections 13-258 through 13-260.

- Scope:**
1. Applicability
 2. Definitions
 3. Eligibility of Non-Profits and Households
 4. County Review Procedures
 5. Land Conveyance
 6. Conditions of Sale of Opportunity Housing

1. Applicability

These regulations apply to residential development of Opportunity Housing in R-R, R-80, R-55, R-35, R-20, R-T, R-30, R-30C, R-18, R-18C, R-10A, R-10, and R-H zoning. Townhouse development is permitted at eight units per gross acre in a side by side configuration or twelve units per gross acre in a piggyback configuration unless the zone in which such dwelling units are constructed provides for greater density. These regulations apply to all dwelling units developed as Opportunity Housing by eligible non-profit housing organizations and to all persons applying for participation.

2. Definitions

The following terms are defined for use in these regulations.

Department means the Prince George's County Department of Housing and Community Development (DHCD).

Director means the Director of the Department of Housing and Community Development, or the Director's designee.

Eligible Household means a person or household who meets the requirements for participation in Opportunity Housing.

Housing Authority means the Housing Authority of Prince George's County, Maryland.

Household Income means income from all sources for all residents of a household who are 18 years of age or older and who have resided in the household for 12 consecutive months prior to the date of application.

All income must be fully documented and demonstrated to be stable and consistent.

Income Limit means the maximum annual income of a household used to determine eligibility for Opportunity Housing, which at the date of purchase may not exceed eighty percent of the median household income in the Washington, D.C. Standard Metropolitan Statistical Area.

Non-Profit Housing Organization means a private corporation or legal entity that is tax exempt or eligible for exemption from taxation under Section 501(c)(3) of the Internal Revenue Code and is approved by the Director as to financial responsibility.

Opportunity Housing means dwellings constructed by a non-profit housing organization for the benefit of eligible households pursuant to Subtitle 13, Division 8 of the County Zoning Ordinance, provided that the number of dwellings shall not exceed eight dwelling units per gross acre in a side by side configuration or twelve dwelling units per gross acre in a piggyback configuration, unless the zone in which such dwellings are constructed provides for greater density.

3. Eligibility Requirements

- A. Participation in the Opportunity Housing Program by a non-profit housing organization requires certification by DHCD. Certification will remain valid for a one year period from the date of certification. Following expiration of the one year period, requests for recertification shall be based on the same criteria and procedures as the initial certification. Requests for certification or recertification must be filed in writing and present the following:

sales

1. Evidence of non-profit status
2. Experience in housing development, marketing and
3. Experience in housing management
4. Financial capability
5. Staff capacity

B. Certified non-profit housing organizations marketing an approved Opportunity Housing development must determine household eligibility prior to execution of a sales contract. To be eligible, the household or at least one member of the household must meet the following requirements:

1. Reside or be employed, or have a bona fide offer of employment, in Prince George's County.
2. Have a verifiable source of stable income, including but not limited to wages, tips, salaries, and court ordered child support.
3. The total annual household income must not exceed the income limits which equal 80% of the median income for the Washington Metropolitan Area, adjusted for family size, as established by the U.S. Department of Housing and Urban Development.
4. Meet credit requirements of the applicable mortgage lender.
5. No member of the household shall have owned equity in real estate during the three year period preceding the date of purchase.

4. County Review Procedures

housing

A. Certified non-profit housing organizations will be invited to submit proposals to the Director for development of Opportunity Housing on a specific parcel of County owned land. Notices will be mailed to all certified non-profit housing organizations and shall require responses by a specified date. Proposals by certified non-profit housing organizations in response to a specific notice shall present the following:

1. Cover letter summarizing the respondent's proposal
2. Certification of the respondent as a non-profit organization as presented herein.
3. Proposed development plan
4. Proposed impact study or means of developing an impact study
5. Proposed financing structure

6. Development team and schedule
 7. Statement of maximum sale prices or rents
- B. DHCD will evaluate proposals and rank respondents based upon criteria which shall include, but need not be limited to, the following:
1. Capacity of the non-profit housing organization and development team to complete land use review process, site improvements, construction and marketing of the proposed Opportunity Housing.
 2. Financial strength of the proposed development, pro-forma findings of development costs and project income, and commitment of maximum sale prices or rents.
 3. Prior experience of development team in the successful completion of projects similar in size and scope to the proposed development.
 4. Provisions and restrictions to be applied to the proposed development to ensure long term affordability by low and moderate income households.
- C. Following selection of the sponsoring non-profit housing organization for a particular site, DHCD shall enter into an agreement with the selected non-profit housing organization which permits the sponsor to undertake an Opportunity Housing project. Such agreement shall note that final approval to own and develop the site is contingent upon full compliance with the Opportunity Housing Program.
- D. The selected non-profit housing organization with an agreement to pursue an Opportunity Housing development for a specific parcel of County owned land shall be referred to as the applicant. The applicant shall make a written request to the District Council to secure approval of the proposed buildings and uses.
- E. The District Council may request additional information from the applicant as may be deemed necessary for their review. The applicant's request for District Council review shall be accompanied by an illustrative site plan which has been reviewed by staff of the Maryland-National Capital Park and Planning Commission for

compliance with the general provisions of the Zoning Ordinance. M-NCPPC staff may note their findings of compliance with the general provisions of the Zoning Ordinance in writing to the applicant. The illustrative site plan does not require review or approval by the Planning Board for Council review of the impact study and development plan. The staff review of general compliance does not fulfill the requirements for the subsequent conceptual and detailed site plans.

- F. The impact study shall set forth the effects of the buildings, structures and uses on the area. The Clerk of the Council shall transmit the applicant's request to the municipality within which the subject parcel is located or to each municipality within one mile of the subject parcel. These municipalities shall be advised to submit their comments on the proposed use within thirty days of receipt of the request.
- G. The impact study as submitted to the District Council shall be referred to the Planning Board by the Clerk to the Council. The purpose of this review is to provide the District Council with a general analysis of the site's development potential and constraints. The Planning Board, or its designee, shall communicate its findings and recommendations regarding the development plan, as presented within an illustrative site plan, to the District Council. The Planning Board shall also communicate its recommendations regarding the impact study in regards to the character of the proposed development on the subject parcel.
- H. Approval by the District Council of the development plan and impact study may be by resolution after a public hearing. The Clerk of the Council shall notify all persons of record of the hearing by regular mail. The notice shall be mailed not less than fifteen, nor more than twenty-one, days prior to the scheduled public hearing.
- I. The criteria for approval of the impact study by the District Council shall consider the following:
 - 1. The relationship of the proposed development to the General Plan, Master Plan, Functional Master Plan, or other plan or policy document approved by the Council;
 - 2. The impact of the proposed development on the area affected; and;

3. The relative need for the uses or buildings.

J. If the District Council denies the request, it shall set forth its reasons in writing.

5. Land Conveyance

- A. Development of Opportunity Housing requires conveyance of County owned land. Conveyance must follow disposition of property pursuant to Section 2-111.1 of the County Code and following approval of a Detailed Site Plan pursuant to Part 3, Division 12 of the Zoning Ordinance.
- B. Property transfer from the County to the sponsoring non-profit housing organization shall not occur prior to Council approval of the impact study. The deed of transfer shall stipulate compliance with the Opportunity Housing regulations, inclusive of the prohibition on the lease or sale of the dwelling units for the stipulated time period as required by Section 4, Subsection C(3). The deed of transfer shall state that compliance with the development plan and impact study as approved by the District Council is mandatory.
- C. Prior to transfer of deed, the non-profit housing organization shall demonstrate final commitments for financing the proposed Opportunity Housing project, including identification and availability of public and private funds, and shall meet all of the requirements of the Opportunity Housing laws and regulations.
- D. If a selected non-profit housing organization fails to complete the requirements for Opportunity Housing prior to deed transfer or fails to seek appropriate reviews in a timely fashion, the agreement between DHCD and the applicant can be declared null and void by the Director. The Director may then enter into an agreement with the second highest ranked non-profit housing organization, as described in Section 4, Subsection B, or may issue a second invitation for proposals to develop the site. The County reserves the right to terminate all agreements prior to deed transfer.
- E. The deed of transfer from the County to the sponsoring non-profit housing organization may contain a reversionary clause and/or restrictions regarding the development of the transferred property. This right of reversion shall automatically terminate upon property transfer to a third party, said third party being an

eligible household who meets the requirements for participation in the Opportunity Housing Program. The deed of transfer shall further stipulate compliance with all Opportunity Housing regulations.

6. Conditions of Sale of Opportunity Housing

A. The sales contract between the sponsoring non-profit housing organization and an eligible household for an Opportunity Housing unit shall contain the following clause:

"This contract is expressly contingent upon certification by the Prince George's County DHCD, that the purchaser meets the eligibility requirements of the Prince George's County Opportunity Housing Program. This contract shall be null and void if the purchaser fails to meet said requirements."

B. The non-profit housing organization, as seller, must notify DHCD within 30 days following contract execution and prior to settlement. This notification must include the following:

1. Date of execution of sales contract
2. Settlement date
3. Household income
4. Family size
5. Statement from the seller that the buyer has been certified as being in compliance with the eligibility requirements of the Prince George's County Opportunity Housing Program.
6. The name(s) and social security number(s) of the buyer.

C. The sponsoring non-profit housing organization shall determine the land value for each Opportunity Housing unit sold. A Deed of Trust and Promissory Note in favor of the Prince George's County Housing Authority for the value of the land shall be executed by the eligible purchaser and shall contain the following clause:

This is a deferred payment loan, bearing no interest, and there shall be no required monthly payments. The entire principal amount of the loan shall be forgiven over a period of 10 years and according to the following schedule so long as the borrowers continuously and

exclusively reside in the property and do not sell, transfer, lease or otherwise convey any interest in the property:

Years 1 - 5:	0%
Year 6:	20%
Year 7:	20%
Year 8:	20%
Year 9:	20%
Year 10:	20%

- D. DHCD shall monitor compliance with eligibility requirements. The sponsoring non-profit housing organization shall maintain records to permit proper monitoring by DHCD.