

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2021 Legislative Session

Bill No. CB-4-2021

Chapter No. 3

Proposed and Presented by Council Member Glaros, Davis, Hawkins, Taveras, Turner,
Dernoga, Franklin, Ivey, Streeter and Anderson-Walker

Introduced by Council Member Glaros, Davis, Hawkins, Taveras, Turner, Dernoga,
Franklin, Ivey, Streeter and Anderson-Walker

Date of Introduction March 9, 2021

BILL

1 AN ACT concerning

2 Housing Investment Trust Fund-Sustainable Source of Funding

3 For the purpose of establishing a sustainable source of funding for the Housing Investment Trust
4 Fund by reallocating a certain percentage of the County’s recordation taxes to provide support
5 for the fund; requiring certain financing for the fund; permitting the County Council to reduce
6 the percentage dedicated to the Housing Investment Trust Fund when there is a declared national
7 recession; requiring an annual report; and generally relating to the Housing Investment Trust
8 Fund.

9 **WHEREAS**, housing security in the Washington Region report commissioned by The
10 Community Capital Region (now Greater Washington Community Foundation) and published in
11 2013 indicates the following:

- 12 • In FY2013, at least one-third of public funding for housing services came from local
- 13 sources across the region with the exception of Prince George’s County; and
- 14 • All jurisdictions, with the exception of Prince George’s County, made sizable local
- 15 investments in public housing; and
- 16 • The lowest share of local funding was in Prince George’s County, where only three
- 17 percent of housing-related public funding was from local revenue; and
- 18 • Housing Trust Funds have proven to be a key tool in local affordable housing policy,
- 19 and they have been implemented in 471 cities, 51 counties, 47 states and the District of
- 20 Columbia; and

1 **WHEREAS**, Housing Opportunity for All, Prince George’s County’s comprehensive
 2 housing strategy, represents the County’s 10-year plan to serve the housing needs of all current
 3 and future County residents, while expanding access to opportunity through housing
 4 investments. Implementing Housing Opportunity for All will help establish the County as a
 5 community of choice in the Washington, D.C. metropolitan region, a place where families and
 6 individuals can live, grow and thrive; and

7 **WHEREAS**, in March of 2019, the Prince George’s County Council established the
 8 Housing Opportunities for All Workgroup through CR-16-2019 to assist with implementation of
 9 Housing Opportunity for All. The workgroup assists with establishing priorities; provides advice
 10 on proposed legislation related to housing; and recommends possible changes to policies,
 11 programs, procedures, or resources related to housing; and

12 **WHEREAS**, in January of 2020, the Housing Opportunities for All workgroup published
 13 its Annual Report to the County Council; and

14 **WHEREAS**, the Housing Opportunities for All Annual Report calls for cross-cutting
 15 action “3.1: Increase the County’s Housing Investment Trust Fund (HITF)” with the intended
 16 outcome of increased and diversified financing for housing; and

17 **WHEREAS**, to date, the HITF has been capitalized through one-time allocations of general
 18 funds, and the fund’s remaining dollars will likely be expended in 2020; and

19 **WHEREAS**, the Housing Opportunity for All workgroup indicates that an expanded trust
 20 fund with a dedicated source of funding would offer more flexibility and enable the County to
 21 better capitalize on market opportunities over time; and

22 **WHEREAS**, the Housing Opportunities for All workgroup members agreed on increasing
 23 the County’s Investment Trust Fund to \$25 million annually; and

24 **WHEREAS**, the Housing Opportunities for All Annual Report indicates that the County’s
 25 recordation tax generates \$46 million to \$53 million annually. Revenue generated by the
 26 recordation taxes currently supports the County’s General Fund. Approximately 20% of the
 27 recordation tax revenues (or \$10.6 million based on the 2020 taxes) could be re-allocated in 2021
 28 to provide an immediate and sustainable source of funding for the HITF; and

29 **WHEREAS**, Subtitle 10, Division 19, Section 10-295 of the Prince George’s County Code
 30 lays out the purposes and uses of the HITF as:

31 (a) **In general.** The purposes of the Fund are to:

1 (1) develop effective strategies to strengthen County neighborhoods impacted by
2 foreclosures consistent with the adopted Prince George’s County Five Year Housing and
3 Community Development Plan; and

4 (2) provide for gap financing to enable the County to support the development of new
5 construction and preservation of existing workforce and affordable housing; and

6 (3) provide for housing counseling, rental, down payment and closing cost assistance
7 for eligible persons, to retain or purchase vacant, abandoned and foreclosed properties; and

8 (4) acquire, rehabilitate, resell or lease-purchase of all for sale properties in Prince
9 George’s County to include: vacant, abandoned and foreclosed property for eligible persons, not-
10 for-profit-organizations and for-profit affordable housing providers; and

11 (5) provide for land banking of vacant, abandoned and foreclosed properties in the
12 County; and

13 (6) to otherwise reduce and minimize the occurrence of foreclosures by coordination
14 and use of County, State and Federal resources and programs; and

15 (7) to increase and preserve the supply of safe and affordable homeownership
16 opportunities for the purpose of growing the County’s tax base and revenues.

17 (b) **Financial Assistance.**

18 (1) The Fund may provide financial assistance in the form of loans and grants to
19 finance programs to meet the goals of this Division for the benefit of existing and potential
20 homeowners or renters, not-for-profit organizations and for-profit affordable housing providers
21 in Prince George’s County.

22 **NOW**, therefore,

23 **BY** repealing and reenacting with amendments:

24 SUBTITLE 10. FINANCE AND TAXATION.

25 Section 10-296

26 The Prince George's County Code

27 (2019 Edition; 2020 Supplement).

28 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
29 Maryland, that Section 10-296 of the Prince George's County Code be and the same is hereby
30 repealed and reenacted with the following amendments:

31 **SUBTITLE 10. FINANCE AND TAXATION.**

DIVISION 19. HOUSING INVESTMENT TRUST FUND.

Sec. 10-296. Financing the Fund.

(a) Sources. The Fund [may] shall be financed from:

* * * * *

(4) fees or other charges levied on loan or grant recipients; [and]

(5) 20% of the recordation tax collected or no less than \$10 million; and

(6) any other funds designated and provided by the County.

* * * * *

(e) Recordation Tax Contribution. The County Council may decrease the 20% amount from the recordation tax collected when there is a national recession declared by the federal government.

(f) Annual Report. The Director of the Department of Housing and Community Development ("Director"), or designee, shall prepare and provide an annual status report for presentation to the County Council by January 1st of each year.

SECTION 2. BE IT FURTHER ENACTED that the provisions of this Act are hereby declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this Act, since the same would have been enacted without the incorporation in this Act of any such invalid or unconstitutional word, phrase, clause, sentence, paragraph, subparagraph, subsection, or section.

1 SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect on June 30,
2 2022.

Adopted this 30th day of March, 2021.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Calvin S. Hawkins, II
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Angela D. Alsobrooks
County Executive

KEY:

Underscoring indicates language added to existing law.

[Brackets] indicate language deleted from existing law.

Asterisks *** indicate intervening existing Code provisions that remain unchanged.