

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2023 Legislative Session

Reference No.: CB-023-2023

Draft No.: 2

Committee: PLANNING, HOUSING AND ECONOMIC DEVELOPMENT

Date: 3/16/23

Action: FAV (A)

REPORT:

Committee Vote: Favorable, as amended 5-0 (In favor: Council Members Ivey, Blegay, Dernoga, Olson, and Oriadha)

The Planning, Housing and Economic Development (PHED) Committee convened on March 2, 2023, and March 16, 2023, to consider CB-23-2023. The PHED Committee Director summarized the purpose of the legislation and informed the Committee of written comments received on referral. As presented on February 21, 2023, this bill amends Subtitle 13, Housing and Property Standards, Landlord Tenant Regulations, to establish the Prince George's County Rental Assistance Program (RAP) and Rental Assistance Fund. The fund will provide financial rental assistance to Prince George's County residents based on Area Median Income level and rent increases. Awards shall be eligible for monthly disbursements up to 6 months over the course of a 24- month period; and assistance may be applied for every 2 years. The maximum award amount is limited to 20% of the tenant's monthly rent.

Karen Zavakos, the County Council's Zoning and Legislative Counsel, summarized proposed technical amendments to the bill as follows:

1. p. 2, line 29
 - a. change "single rental property" to "individual rental unit"
 - b. change "assitance" to "assistance"
2. p 2. Line 30
 - a. change "rental property" to "individual rental unit"
3. p.2, lines 28-30
 - a. move this section to p.3, line 12 under "Limitations" and make it subsection "v"
4. p. 3 line 10
 - a. insert "monthly" between "maximum" and "amount" to now read "maximum monthly amount"

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Council Member Oriadha, the bill sponsor, stated that CB-23-2023 is intended to provide long term solutions for assistance programs and resources as companion to the rent stabilization legislation for those who could not benefit from that bill. In response to PHED Committee Chair Ivey's question regarding budget, Council Member Oriadha responded that she would like to see a pilot amount of \$500,000 with evaluation at the end of the year on how the fund is working.

Terry Bell, Office of the County Executive's Liaison to the County Council, informed the Committee of the Administration's opposition to the legislation. Ms. Bell suggested the Workgroup proposed pursuant to rent stabilization legislation, CB-7-2023, should have an opportunity to provide recommendations for a permanent plan for rent increases before passing CB-23-2023. In addition, Ms. Bell noted budgetary and funding concerns associated with implementing the rental assistance program.

Joe Ruddy, Deputy County Attorney, noted potential legal impediments associated with limitations and eligibility for the program as well as compliance with State law. Mr. Ruddy suggested additional review of the bill for modifications and amendments to address these issues.

David Williams, Legislative and Budget Policy Analyst, was present to respond to Council Members' questions concerning the March 1, 2023, Policy Analysis and Fiscal Impact Statement which stated the following:

Fiscal Summary

Direct Impact:

Expenditures: Additional expenditures necessary, dependent on number of approved applications and subject to appropriation.

Revenues: No anticipated impact

Indirect Impact:

Likely favorable.

Fiscal Impact

• Direct Impact

Enactment of CB-023-2023 will have a direct fiscal impact on the County and may necessitate immediate and sizeable expenditures. It is important to remember, however, that funds for the RAP are subject to appropriation under the terms of the bill.

• Indirect Impact

Enactment of CB-023-2023 may have a favorable indirect fiscal impact in the form of tax revenues generated from additional consumer activity by recipients of awards under the RAP. Additionally, there may be unquantifiable favorable impacts resulting from increased housing stability.

The bill was held in Committee to allow time for Council Member Oriadha to discuss amendments with the Administration and the Office of Law to address their concerns.

At the March 16, 2023, meeting, the PHED Committee Director informed the Committee of additional correspondence received. Mr. John Payne submitted comments and a petition for rent control from residents of the Marwood Senior Apartments. Letters in support of CB-23-2023 were also received from the Apartment and Office Building Association of Metropolitan

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Washington, the Prince George's County Association of Realtors and the Maryland Building Industry Association.

Council Member Oriadha commented on recently enacted rent stabilization legislation as the first step and just part of the solution. Ms. Oriadha noted that CB-23-2023 is intended to provide assistance for those who incurred a 15% or more increase in rent during the last year until such time as additional funding is available for the program.

Amanda Denison, the County Council's Chief Legislative Officer, summarized amendments in a Proposed DR-2 as follows:

Sec. 13-144. Rental Assistance Program.

- (a) The Department of Housing and Community Development shall implement a program to administer financial assistance awards from the Prince George's County Rental Assistance Fund and will post all related information on their website.

Sec. 23-145. Eligibility and Limitations.

- (a) Eligibility requirements.

- (1) A [resident] tenant in Prince George's County shall be eligible to apply for and receive financial assistance from the Rental Assistance Program if:
- i. The [resident is a] tenant of a rental property is located within Prince George's County; and
 - ii. Tenant is subject to a legally binding written lease or sublease agreement; and
 - iii. The tenant's primary residence is said rental property; and
 - iv. The tenant's household income is equivalent to or less than 60% of the Area Median Income ("AMI") for the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area as established by the United States Office of Management and Budget; and

- (2) Financial assistance shall only be awarded to the Tenant directly.

- (b) Limitations

- (1) Rental assistance shall not be awarded to multiple tenants simultaneously domiciled in an individual rental dwelling unit as defined by Section 13-138(a)(6) of the Code.
- (2) Rental assistance shall not be awarded simultaneously to multiple tenants domiciled in a multi-tenant rental dwelling unit.

(3) For this section, multi-tenant rental dwelling unit means:

i. Multiple tenants simultaneously dwell within an individual rental unit;
and

ii. Each tenant has either:

1. an independent lease or sublease, or

2. are all listed as co-tenants on the same lease.

iii. If the rental property is a single-family structure, either attached or detached, and each room is occupied by a separate tenant, then that property is considered a multi-tenant rental dwelling unit.

(4) Only one rental assistance award per individual or multi-tenant rental dwelling unit may be in effect per 24-month period.

(5) Short-term rentals, as defined under Sections 5-173 through 5-175.10 of the Code, are not eligible for financial assistance under the Rental Assistance Program.

(6) Rental assistance awards shall be granted on a first-come, first-serve basis.

In addition to the above revisions, a new Section 3, severability clause, was also included in Proposed DR-2.

Ashley Sharp, representing the County Executive's Office, stated that the Administration's position is still in opposition to the legislation. Joe Ruddy informed the Committee that Proposed DR-2 is in proper form with no legal impediments to its enactment.

After public testimony in support of the legislation, Council Chair Dernoga commented that with limited funding for this pilot program, consideration should be given to prioritizing rental assistance awards to first time applicants. Following the discussion, the Committee voted to include the following additional language on page 3, lines 26-27:

(1) Rental assistance awards shall be granted on a first-come, first-serve basis to new applicants followed by re-applicants.

After discussion, the Committee voted favorable, 5-0, on Proposed DR-2 with the additional amendment.