

**CITY OF HYATTSVILLE
ORDINANCE 2020-0_**

An Ordinance whereby the City of Hyattsville amends its taxation provisions to permit the granting of revitalization tax credits to the production of affordable housing for individuals and families and to allow for certain exceptions in tax credit limitations pursuant to the production of affordable housing units.

WHEREAS, Maryland Code, Tax Property Article, Section 9-318(g)(2), as amended, authorizes the governing body of a municipal corporation in Prince George's County to grant, by law, a property tax credit against the municipal corporation property tax imposed on real property located within a revitalization district that is (i) constructed or substantially redeveloped in conformance with adopted eligibility criteria and (ii) reassessed as a result of the construction or redevelopment at a higher value than that assessed prior to the construction or redevelopment; and

WHEREAS, Maryland Code, Tax Property Article, Sections 9-318(g)(3)(ii) and 9-318(g)(3)(iii), as amended, authorizes the governing body of a municipal corporation in Prince George's County to provide, by law, criteria for eligibility for the property tax credit and the amount and duration of the tax credit, respectively; and

WHEREAS, Maryland Code, Local Government Article, Section 5-202, as amended, authorizes the legislative body of each municipal corporation in the State of Maryland to pass ordinances that such legislative body deems necessary to assure the good government of the municipality, to protect and preserve the municipality's rights, property and privileges, to preserve peace and good order, to secure persons and property from danger and destruction, and to protect the health, comfort, and convenience of the citizens of the municipality; and

26 **WHEREAS**, the City, in recent years, has experienced a significant increase in housing demand;
27 and

28 **WHEREAS**, the Mayor and Council have received comment from residents regarding
29 their desire for additional affordable housing options in the City to address the increased housing
30 demand; and

31 **WHEREAS**, the Mayor and Council desire to amend the eligibility requirements for the
32 City's Tax Revitalization Credit program to include the production of affordable housing for
33 individuals and families and to allow for certain exceptions in tax credit limitations pursuant to the
34 production of affordable housing units; and

35 **WHEREAS**, a non-substantive recodification change to § 108-4 is required to ensure that
36 section's numbering is correct.

37 **NOW, THEREFORE, BE IT ORDAINED**, by the City Council of the City of
38 Hyattsville, in regular session assembled, that Chapter 108 of the City Code is hereby amended as
39 follows:

40 **§ 108-4 REVITALIZATION TAX CREDIT**

41 A. **PURPOSE.** The purpose of the City's Revitalization Tax Credit Program is to provide
42 financial incentives to encourage economic development and redevelopment in the City by
43 creating revitalization districts.

44 B. **AUTHORITY TO ESTABLISH REVITALIZATION TAX CREDIT DISTRICTS.** The
45 City Council may establish one (1) or more Revitalization Tax Credit districts. A Revitalization
46 Tax Credit district may be established within an existing development district overlay zone, transit
47 district overlay zone or State of Maryland designated Arts and Entertainment districts.

48 C. REVITALIZATION TAX DISTRICTS ESTABLISHED. The following districts are
49 established:

50 ~~(a1.)~~ Prince George's Plaza Transit District Overlay Zone: Real property located within
51 the municipal limits of the City of Hyattsville and within the Prince George's Plaza Transit District
52 Development Plan as illustrated immediately below:

53 * * *

54 ~~(b2.)~~ West Hyattsville Transit District Overlay Zone: Real property located within the municipal
55 limits of the City of Hyattsville ~~that and within~~ and within the West Hyattsville Transit
56 District Development Plan as illustrated immediately below:

57 * * *

58 ~~(c3.)~~ Gateway Arts District Arts & Entertainment District: Real property located within the
59 municipal limits of the City of Hyattsville and within the State of Maryland Designated
60 Gateway Arts & Entertainment District as illustrated immediately below:

61 * * *

62 AD. AUTHORITY TO GRANT A TAX CREDIT FOR REAL PROPERTY LOCATED IN A
63 REVITALIZATION TAX CREDIT DISTRICT. In conformance with the limitations and
64 eligibility criteria established in this Section, the City Council may by resolution grant in its
65 reasonable discretion a property tax credit against the City's real property tax imposed on real
66 property located within a revitalization district if the property is substantially improved,
67 constructed upon or redeveloped and is reassessed as a result of the improvement, construction or
68 redevelopment at a substantially higher value than that assessed prior to the improvement,
69 construction, or redevelopment. The City's discretion to grant a property tax credit under this

70 Section extends to the production of affordable housing units for individuals and families whose
71 taxable income computes to sixty percent (60%) of the area median income (“AMI”). ~~For any~~
72 ~~proposed improvement, construction or redevelopment~~ The City Council may set a deadline as
73 appropriate for the proposed improvement, construction, or redevelopment, or production of
74 affordable housing units to commence construction, or completion date, or other conditions as
75 applicable to the particular improvement, construction, or redevelopment, or production.

76 BE. TAX CREDIT LIMITATIONS.

77 1. An eligible property that is not dedicated to the production of affordable
78 housing units may receive a tax credit on all or part of those City real property taxes
79 imposed on the property, but only those real property taxes which are attributable to or
80 based on the increased assessment resulting from the taxable improvements, construction
81 or reconstruction upon project completion. The duration of the tax credit granted shall not
82 exceed ten (10) years.

83 2. An eligible property that is dedicated to the production of affordable
84 housing units for individuals and families whose taxable income constitute sixty percent
85 (60%) of AMI may receive a tax credit of:

86 a. Up to one hundred percent (100%) on total assessed value for no more than
87 ten (10) years for projects that are new construction and rehabilitate thirteen plus (13+) units with
88 net new affordable unit production of greater than fifteen percent (15%);

89 b. Up to one hundred percent (100%) on total assessed value for no more than
90 fifteen (15) years for projects that are new construction and rehabilitate twenty plus (20+) units
91 with net new affordable unit production of greater than twenty percent (20%); or

92 c. Up to fifty percent (50%) for rehabilitation projects that maintain the
93 existing inventory of affordable units (by project) for no more than ten (10) years.

94 3. Properties receiving waivers for public safety or school facility surcharges shall be
95 ineligible for a tax credit.

96 4. Properties that receive a tax credit in connection with the production of affordable
97 housing units shall remain affordable for thirty (30) years.

98 ~~CF.~~ ELIGIBILITY REQUIREMENTS. To be eligible for the tax credit, a property must meet the
99 following eligibility requirements:

100 1. Improvements must include new construction, reconstruction, infill development,
101 redevelopment, revitalization, ~~or~~ rehabilitation, or production of residential (excluding single
102 family detached), commercial, hospitality, office, existing parking lots, affordable housing units
103 for individuals or families, or mixed-use properties.

104 2. The applicant ~~must be~~ in good standing with the City. In order to be in good
105 standing, applicants may not have any outstanding Code violations from any governmental
106 entities, or be delinquent on any payments including, but not limited to, trash bills; or permit fees
107 ~~and payable to a~~ federal, State, or County entity or the City.

108 3. Projects are ineligible for this program if they are located within a tax increment
109 financing district at the time of application.

110 4. The project is consistent with mission and goals of the City and of sufficient impact
111 and benefit to the City and its citizens to justify extending a tax credit.

112 ~~DG.~~ APPLICATION PROCESS.

113 1. An application for a City tax credit shall be submitted to the City during the
114 planning phase of the project and in no event later than the submission of a building permit
115 application to Prince George's County.

116 2. The application shall demonstrate that all eligibility requirements have or will be
117 met and shall include the estimated value of the completed improvements and any additional
118 information requested by the City as well as the amount of the tax credit sought. All plans
119 associated with the detailed site plan or building permit shall be submitted with the application, if
120 applicable, including a legal description of the property.

121 3. The fee for submitting an application shall be ~~One Thousand~~ Four Dollars
122 (\$1,000.00).

123 4. Upon receipt and acceptance of a completed application, the City's Community and
124 Economic Development department will refer a copy of the application to the City Administrator.
125 City staff will provide a recommendation to the City Council as to whether to grant within sixty
126 (60) days of the receipt of the completed application.

127 5. Upon providing such recommendation, the City shall promptly hold a public
128 hearing on the project and the staff recommendations prior to introducing any resolution regarding
129 the revitalization tax credit for the proposed project.

130 H. CITY COUNCIL RESOLUTION. A City Council resolution approving and providing
131 the tax credit awarded must be passed by the Council stating the amounts and terms. The tax credit
132 shall not be effective until the submission to the City of evidence of compliance with any City
133 agreement, contingency, condition or required certifications and such other information or
134 documentation as the City staff may reasonably require. Upon the City's examination of the

135 evidence of compliance submitted on behalf of the project, the City will issue a certificate to the
136 property owner that confirms the parcel's tax credit status. The credit may be in the form of a
137 rebate of taxes or a decreased tax rate at the City's discretion.

138 **AND BE IT FURTHER ORDAINED** that if any provision of this Ordinance or the
139 application thereof to any person or circumstance is held invalid for any reason, such invalidity
140 shall not affect the other provisions or any other applications of the Ordinance, which can be given

DRAFT

1 effect without the invalid provision or applications, and to this end, all the provisions of this 2
Ordinance are hereby declared to be severable;

3 **AND BE IT FURTHER ORDAINED** that this Ordinance shall take effect twenty (20)
4 days from the date of its adoption;

5 **AND BE IT FURTHER ORDAINED** that a fair summary of this Ordinance shall
6 forthwith be published twice in a newspaper having general circulation in the City and
7 otherwise be made available to the public.

8 **INTRODUCED** by the City Council of the City of Hyattsville, Maryland, at a regular
9 public meeting on August 10, 2020.

10 **ADOPTED** by the City Council of the City of Hyattsville, Maryland, at a regular public
11 meeting on September 21, 2020.

Adopted: _____

Attest: _____

Laura Reams, City Clerk

Candace B. Hollingsworth, Mayor

- 12 {} Indicates deletions
- 13 Underline Indicates additions
- 14 * * * Indicates matter retained in existing law but omitted herein.
- 15 Effective Date October 11, 2020