



Hyattsville City Council Agenda Item Report

Meeting Date: April 15, 2019
Submitted by: Candace Hollingsworth, Mayor
Submitting Department: Legislative
Item Type: Ordinance
Agenda Section:

SUBJECT

Revitalization Tax Credit – Modification (15 minutes)

HCC-42-FY18

Recommendation:

I move that the Mayor and Council direct the City Attorney to draft, in consultation with the appropriate staff, an ordinance amending §108-4 of the Hyattsville Charter and Code (Revitalization Tax Credit) to add “production of affordable housing for individuals and families at 60% AMI” and allow for certain exceptions in tax credit limitations pursuant to the production of affordable units. The tax credit may provide for the following:

- Up to 100% tax credit on total assessed value for no more than 10 years for projects (new construction and rehabilitation of 13+ units) with net new affordable unit production of greater than 15%;
- Up to 100% tax credit on total assessed value for no more than 15 years for projects (new construction and rehabilitation of 20+ units) with net new affordable unit production of greater than 20%; and
- Up to 50% tax credit for rehabilitation projects that maintain the existing inventory of affordable units (by project) for no more than 10 years.

Projects receiving waivers of public safety or school facility surcharges shall be ineligible. Designated affordable units shall remain affordable for 30 years.

I further move that the City Administrator (or her designee) acquire professional services for independent financial review of applications submitted under this credit.

I further move that the City Administrator (or her designee) be authorized to establish partnerships necessary to provide property owners with a contact (or similar) to identify Prince George's County residents that meet income qualifications and are awaiting affordable units.

I further move that the City Administrator (or her designee) establish/modify administrative procedures and applications associated with this amendment and publish--not less than annually--projects receiving benefits under this agreement effective July 1, 2019.

Sponsor(s):

Hollingsworth

Co-Sponsor(s):

N/A

ATTACHMENTS

Summary Background:

The Hyattsville City Council adopted HO2013-03 establishing the Revitalization Tax Credit. Since that time, the City has received comment from residents regarding the urgency of ensuring affordability in housing in the city. As proximity to transit areas promotes access for jobs and regional mobility, concentrating our efforts on affordable

housing within the existing transit zones appears to be ideal. This legislation will offer the Mayor and Council guidance for consideration of abatement requests.

Next Steps:

The City Attorney will draft an ordinance for discussion and action by the Mayor and Council.

Fiscal Impact:

\$30,000 proposed in the City Administrator's budget to cover the cost of professional services for an independent financial review of applications.

City Administrator Comments:

The City staff can support and it is our understanding that the intent of the revisions is to repurpose the Revitalization Tax Credit Ordinance as an affordable housing financing tool. The City does not have in-house affordable housing expertise to advise on the effectiveness of this ordinance as a gap financing tool for affordable housing developers. It is unknown as to what extent the revisions to the ordinance will incentivize affordable housing developers or market rate developers to construct affordable dwelling units within the City limits.

Pending City Council approval, the City Attorney will draft a revitalization tax credit ordinance based on the specified information. The draft may require additional clarification to ensure the intent is captured. If approved, and as recommended, the staff require the assistance of a consultant to evaluate applications, and conduct an analysis on the City's ability to support, at what level and the financial impact.

Community Engagement:

§108-4 of the Hyattsville Charter and Code (Revitalization Tax Credit) and application process requires a Public Hearing and any associated application be approved by the City Council in open session.

Strategic Goals:

Goal 2 – Ensure the Long-Term Economic Viability of the City

Legal Review Required?

Pending