



Memo

To: Mayor and City Council

From: Jim Chandler, Assistant City Administrator and Director, Community & Economic Development
Kate Powers, City Planner

Date: March 29, 2021

Re: Prince George's County Department of Housing and Community Development
Right of First Refusal Program - Presentation

Attachments: ROFR Regulations (June 2020)
Roster of ROFR Developers

The purpose of this memorandum is to provide the City Council with background information on Prince George's County Department of Housing and Community Development's Right of First Refusal Program as a primer for its potential implementation within the City of Hyattsville.

Program Summary

The Right of First Refusal (ROFR) Program was created in 2013 through Prince George's County Bill 27-2013 with the purpose of expanding the availability of affordable rental housing in the County. In 2015, the bill was expanded to apply to the entirety of the County through County Council's adoption of CR-51-2015.

The program is overseen by the Department of Housing and Community Development (DHCD) and is detailed in Prince George's County Code 13-1110 et. seq. Through the ROFR Program, the County buys multifamily rental facilities as a means of revitalization and to preserve housing opportunities for low- to-moderate income households. It ensures affordable housing developers are given preference in acquiring properties within the County.

As part of this program, the property owner who seeks to sell a multifamily rental facility that consists of 20 or more dwelling rental units must provide written notice of the sale to the Director of DHCD. DHCD is authorized under the Code to exercise its ROFR rights and purchase the property (or assign its rights to purchase the property to a third-party). The County's current list of approved third-party developers can be found as an attachment to this memo.

If none of the selected developers are interested in purchasing said property, the County will not exercise its ROFR option, and the owner of the property is free to entertain other offers.

ROFR in the City of Hyattsville

The DHCD had begun the process of exercising their first refusal rights for properties in Laurel and Suitland, however none of the selected developers expressed interest in these respective properties. In February 2021, DHCD received a packet for Hamilton Manor, a multifamily residential building located on Lancer Drive in Hyattsville. Two of the approved developers expressed interest in the property, with DHCD selecting National Housing Trust (NHT) Communities. The National Housing Trust is a national non-profit engaged in housing preservation through public policy advocacy, real estate development, and lending.

Currently, NHT Communities is in negotiations with the owner of Hamilton Manor. As part of the County's ROFR process, the local municipality must approve the purchase of the property through written support. Further information on the developer's request will be including in a presentation made to Council during the April 19 meeting.

Next Steps

The City Council will hear a presentation from the Department of Housing and Community Development overviewing the ROFR Program's background and procedures at their April 5 meeting.

At the April 19 City Council meeting, NHT Communities will provide the Council with their property request.

A Resolution expressing the Council's stance on NHT's property request will be an action item on the May 3 agenda.