



Montgomery  
County Council

**Committee:** GO  
**Committee Review:** At a future date  
**Staff:** Amanda Mihill, Legislative Attorney  
**Purpose:** To introduce agenda item – no vote expected  
**Keywords:** #PublicLandforAffordableHousing

AGENDA ITEM #4C  
March 10, 2020  
**Introduction**

## SUBJECT

Bill 13-20, County Property – Disposition – Affordable Housing  
Lead Sponsor: Councilmember Jawando

## EXPECTED ATTENDEES

None

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- To introduce Bill – no vote expected

## DESCRIPTION/ISSUE

Bill 13-20 would require a disposition of property that will be used primary for housing development to include a certain number of moderately priced dwelling units and exempt certain dispositions from certain requirements if the disposition will include a certain percentage of moderately priced dwelling units and lower income dwelling units.

## SUMMARY OF KEY DISCUSSION POINTS

- None

### This report contains:

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| Bill 13-20                 | ©1     |
| Legislative Request Report | ©4     |
| Sponsor memorandum         | ©5     |

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**MEMORANDUM**

March 5, 2020

TO: County Council

FROM: Amanda Mihill, Legislative Attorney *A. Mihill*

SUBJECT: Bill 13-20, County Property – Disposition – Affordable Housing

PURPOSE: Introduction – no Council vote required<sup>1</sup>

Bill 13-20, County Property – Disposition – Affordable Housing, sponsored by Lead Sponsor Councilmember Jawando, is scheduled to be introduced on March 10. A public hearing is tentatively scheduled for March 31 at 1:30 p.m.

Bill 13-20 would require a disposition of property that will be used primary for housing development to include a certain number of moderately priced dwelling units and exempt certain dispositions from certain requirements if the disposition will include a certain percentage of moderately priced dwelling units and lower income dwelling units. A memorandum from the Lead Sponsor is on ©5.

| This packet contains:      | <u>Circle #</u> |
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<sup>1</sup> #PublicLandforAffordableHousing

Bill No. 13-20  
Concerning: County Property –  
Disposition – Affordable Housing  
Revised: 2/27/2020 Draft No. 2  
Introduced: March 10, 2020  
Expires: September 10, 2021  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Councilmember Jawando

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**AN ACT** to:

- (1) require a disposition of property that will be used primary for housing development to include a certain number of moderately priced dwelling units;
- (2) exempt certain dispositions from certain requirements if the disposition will include a certain percentage of moderately priced dwelling units and lower income dwelling units; and
- (3) generally amend the County law regarding disposition of County property.

By amending

Montgomery County Code  
Chapter 11B, Contracts and Procurement  
Section 11B-45

|                              |  |
|------------------------------|--|
| <b>Boldface</b>              | <i>Heading or defined term.</i>                            |
| <u>Underlining</u>           | <i>Added to existing law by original bill.</i>             |
| [Single boldface brackets]   | <i>Deleted from existing law by original bill.</i>         |
| <u>Double underlining</u>    | <i>Added by amendment.</i>                                 |
| [[Double boldface brackets]] | <i>Deleted from existing law or the bill by amendment.</i> |
| * * *                        | <i>Existing law unaffected by bill.</i>                    |

*The County Council for Montgomery County, Maryland approves the following Act:*

1           **Sec. 1. Section 11B-45 is amended as follows:**

2   **11B-45. Disposition of real property.**

3   \*       \*       \*

4   (e)                                   \*       \*       \*

5   ~~[(5)]~~ (f) Dispositions related to affordable housing.

6           (1)   Any disposition of property that will be used primarily for housing  
7                   development must require that 30% of the housing units built on  
8                   the property be income restricted under an agreement with the  
9                   Department of Housing and Community Affairs.

10          (2)   (A)   [This subsection and subsection (c)] Subsections (c) and (e)  
11                   do not apply to any disposition of property that will be used  
12                   primarily for housing development if the recipient legally  
13                   commits to the Director of the Department of Housing and  
14                   Community Affairs that:

15                   (i)   at least ~~[30%]~~ 15% of the housing units built on the  
16                   property will be moderately priced dwelling units [or  
17                   other units that are exempt from the development  
18                   impact tax under Section 52-41(g)(1)-(4)]; and

19                   (ii) at least 15% of the housing units built on the property  
20                   will be for residents with an income of 50% or less of  
21                   area median income. In this subsection, area median  
22                   income means the median household income for the  
23                   Washington, DC metropolitan area as estimated by  
24                   the U.S. Department of Housing and Urban  
25                   Development adjusted for family size.

26 (B) A disposition of property exempt from Subsections (c) and  
27 (e) under (f)(2)(A) must comply with the requirements of  
28 Subsection (d).

29 (3) The income restricted units under subsection (f)(1) and (f)(2) must  
30 abide by the income control period applicable to the moderately  
31 priced dwelling unit program established in Chapter 25A.

32 \* \* \*

33 [(f)] (g) \* \* \*

34 [(g)] (h) \* \* \*

35 [(h)] (i) \* \* \*

36 *Approved:*

37

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Sidney Katz, President, County Council

Date

38 *Approved:*

39

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Marc Elrich, County Executive

Date

40 *This is a correct copy of Council action.*

41

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Selena Mendy Singleton, Esq., Clerk of the Council

Date

## LEGISLATIVE REQUEST REPORT

Bill 13-20

*County Property – Disposition – Affordable Housing*

|   |  |
|---|--|
| <b>DESCRIPTION:</b>                       | Bill 13-20 would require a disposition of property that will be used primary for housing development to include a certain number of moderately priced dwelling units and exempt certain dispositions from certain requirements if the disposition will include a certain percentage of moderately priced dwelling units and lower income dwelling units. |
| <b>PROBLEM:</b>                           | The availability of affordable housing continues to be a challenge in Montgomery County  |
| <b>GOALS AND OBJECTIVES:</b>              | To increase the availability of affordable housing in the County.  |
| <b>COORDINATION:</b>                      | Office of Procurement  |
| <b>FISCAL IMPACT:</b>                     | Office of Management and Budget  |
| <b>ECONOMIC IMPACT:</b>                   | Office of Legislative Oversight  |
| <b>EVALUATION:</b>                        | To be researched.  |
| <b>EXPERIENCE ELSEWHERE:</b>              | To be researched.  |
| <b>SOURCE OF INFORMATION:</b>             | Amanda Mihill, Legislative Attorney (240) 777-7815   |
| <b>APPLICATION WITHIN MUNICIPALITIES:</b> | To be researched.  |
| <b>PENALTIES:</b>                         | N/A  |



**MONTGOMERY COUNTY COUNCIL**  
**ROCKVILLE, MARYLAND**

**MEMORANDUM**

**TO:** Councilmembers, Chiefs of Staff  
**FROM:** Will Jawando, Councilmember  
**DATE:** March 5, 2020  
**SUBJECT:** County Property Disposition

The availability of affordable housing continues to be a challenge in Montgomery County. As the cost of housing continues to rise and wages remain stagnant, it becomes an even greater issue. According to a recent American Community Survey, 49.5% of renters and 23.3% of homeowners are housing burdened in our county.

As you are aware, under current law, a Property Disposition that will be used primarily for housing development does not need to comply with the fair market value requirement or the declaration of no further need process if 30% of the units are MPDUs. The County Executive is required to send over the material terms of the disposition contract for a comment period.

The attached draft would do the following:

- Require dispositions that will be used primarily for housing development to include 30% income restricted units (in other words, these dispositions will no longer be exempt from the fair market value requirement or declaration of no further need process);
- Exempt from the declaration of no further need process and the fair market value requirement any disposition that will be used primarily for housing development if 15% of the units are MPDUs and 15% of the units are for residents with an income of less than 50% of area median income. The County Executive would still be required to send over material terms for a comment period.

We must continue to find innovative ways to increase affordable housing in our county. Leveraging opportunities like Property Dispositions to maximize affordable housing stock is critical. It is even more important when it comes to increasing housing that is deeply affordable.

If you have any questions or if you would like to co-sponsor the draft bill, please contact Pamela Luckett in my office. Thanks in advance for your consideration.

⑤