

Bill No. 15-06

Concerning: Amendments to Moderately Priced

Dwelling Unit Ordinance (Chapter 1-6A)

Revised: _____ Draft No. _____

Introduced: May 19, 2015

Expires: _____

Enacted: July 7, 2015

Executive: Jan H. Gardner, 7-13-15

Effective: September 5, 2015

Frederick County Code, Chapter 1-6A, Section(s) 3,
new Section 5.2, and Section 9

COUNTY COUNCIL FOR FREDERICK COUNTY, MARYLAND

By: Council Member Jessica Fitzwater

AN ACT to:

Amend the Moderately Priced Dwelling Unit (MPDU) Ordinance (Chapter 1-6A) to allow certain requirements of federal, state, or local government affordable rental housing programs to replace and fulfill the County MPDU requirements.

By amending:

Frederick County Code, Chapter 1-6A, Section(s) 3, 5.2 (new), and 9

Other:

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Heading or defined term.

Added to existing law by original bill.

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Added by amendment.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

Bill No. 15-06

The County Council of Frederick County, Maryland, finds it necessary and appropriate to amend Chapter 1-6A of the Frederick County Code (Moderately Priced Dwelling Units) to allow certain requirements of federal, state, or local government affordable rental housing programs to replace and fulfill the County requirements for Moderately Priced Dwelling Units.

NOW, THEREFORE, BE IT IN ENACTED, that the Frederick County Code be, and it is hereby, amended as shown on the attached Exhibit 1.



Harold F. (Bud) Otis, President
County Council of Frederick County,
Maryland

KAM
7/8/15

Exhibit 1

CHAPTER 1-6A: MODERATELY PRICED DWELLING UNITS

§ 1-6A-3. DEFINITIONS.

The following words and phrases, as used in this chapter, have the following meanings.

CONTROL PERIOD. The time an MPDU is subject to either resale price controls and owner occupancy requirements or maximum rental limits, as provided in § 1-6A-9. Except as provided in §1-6A-5.2, t[T]he control period is 15 years for sale units and 25 years for rental units, and begins on the date of initial sale or rental. If a rental MPDU is sold to an eligible person within the control period[15 years after its initial rental], the unit must be treated as a new sale MPDU and a new control period must begin on the date of the sale.

ELIGIBLE PERSON. A person or household who[se income]qualifies [the person or household] to participate in the MPDU program[, and who holds a valid certificate of eligibility from the Department which entitles the person or household to buy or rent an MPDU during the priority marketing period].

MODERATE INCOME. Except as provided in §1-6A-5.2, t[T]hose levels of income, established by the Housing Director and approved by the County, which prohibit or severely limit the financial ability of persons to buy or rent housing in Frederick County.

MODERATELY PRICED DWELLING UNIT or MPDU. A dwelling unit which is:

- (1) Offered for sale or rent to eligible persons through the Department, and sold or rented under this chapter, or
- (2) Sold or rented under a federal, state or local government affordable housing program designed to assist the construction or occupancy of housing for families of moderate income, and designated by the Director as an MPDU.

Adding a new §1-6A-5.2

§ 1-6A-5.2. USE OF GOVERNMENT AFFORDABLE RENTAL HOUSING PROGRAMS TO SATISFY THE MPDU REQUIREMENTS.

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Underlining *Added to existing law by original bill.*

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Double underlining *Added by amendment.*

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Under certain circumstances, federal, state, or local government affordable rental housing programs may be used to fulfill the MPDU requirements. When these affordable rental housing programs are used to comply with the requirements of this chapter, the following conditions must be met:

(1) Rental rates must be affordable to moderate income households. Maximum household income for affordable rental units may not exceed 60% of the area median income.

(2) The Director must determine that: (a) the controls on the rental rates will contribute to the long term availability of moderately priced dwelling units in the County; and (b) recorded covenants on the rental units will require a control period of 99 years.

(3) If a rental development is financed, in whole or in part, through the awarding of tax credits from the Maryland Department of Housing & Community Development's Low Income Housing Tax Credit (LIHTC) Program, then compliance with the requirements of the LIHTC Program, including eligibility, income limits, rental rates, and rules for operations, will be deemed to satisfy the eligibility, income and rental rate provisions of this chapter and the County's eligibility, rental rate and income regulations, except that the control period for the rental units subject to the LIHTC program shall be extended to 99 years to ensure long term affordability.

(4) Subject to the approval of the Director, other federal, state or local government affordable rental housing programs may be used to satisfy the eligibility, income and rental rate provisions of this chapter and the County's eligibility, rental rate and income regulations, provided that the control period for the rental units subject to the program shall be extended to 99 years to ensure long term affordability.

* * *

Subsection 9 (D) is hereby amended as follows:

§ 1-6A-9. CONTROL OF RENTS AND RESALE PRICES; FORECLOSURES.

* * *

(D) *Initial and subsequent rent controls.* Except as provided in §1-6A-5.2, m[[M]]oderately priced dwelling units built or offered for rent under this chapter must not be rented for 25 years after the original rental at a rent greater than that established by regulation adopted by the county. Whenever any moderately priced dwelling unit (other than those built, sold or rented under any federal, state or local program offered by the Commission) is offered for rent during

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the 25 year control period, it must be offered exclusively for 90 days to eligible persons, as determined by the Department, for use as his or her own residence and to the Commission. The Commission may assign its right to rent such units to persons of moderate income who are eligible for assistance under any federal, state or local program administered by an approved non-profit corporation or housing agency.

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