

**CITY OF HYATTSVILLE  
ORDINANCE 2020-05**

**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

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

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

4           **WHEREAS**, the Mayor and Council desire to amend the eligibility requirements for the  
5 City’s Tax Revitalization Credit program to include the production of affordable housing for  
6 individuals and families and to allow for certain exceptions in tax credit limitations pursuant to the  
7 production of affordable housing units; and

8           **WHEREAS**, a non-substantive recodification change to § 108–4 is required to ensure that  
9 section’s numbering is correct.

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

13   **§ 108–4           REVITALIZATION TAX CREDIT**

14   A.   **PURPOSE.** The purpose of the City’s Revitalization Tax Credit Program is to provide  
15 financial incentives to encourage economic development and redevelopment in the City by  
16 creating revitalization districts.

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

21   C.   **REVITALIZATION TAX DISTRICTS ESTABLISHED.** The following districts are  
22 established:

1           ~~(a1.)~~ Prince George’s Plaza Transit District Overlay Zone: Real property located within  
2 the municipal limits of the City of Hyattsville and within the Prince George’s Plaza Transit District  
3 Development Plan as illustrated immediately below:

4   \* \* \*

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

8   \* \* \*

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

12   \* \* \*

13 AD. AUTHORITY TO GRANT A TAX CREDIT FOR REAL PROPERTY LOCATED IN A  
14 REVITALIZATION TAX CREDIT DISTRICT. In conformance with the limitations and  
15 eligibility criteria established in this Section, the City Council may by resolution grant in its  
16 reasonable discretion a property tax credit against the City’s real property tax imposed on real  
17 property located within a revitalization district if the property is substantially improved,  
18 constructed upon or redeveloped and is reassessed as a result of the improvement, construction or  
19 redevelopment at a substantially higher value than that assessed prior to the improvement,  
20 construction, or redevelopment. The City’s discretion to grant a property tax credit under this  
21 Section extends to the production of affordable housing units for individuals and families whose  
22 taxable income computes to sixty percent (60%) of the area median income (“AMI”). ~~For any~~  
23 ~~proposed improvement, construction or redevelopment~~ ~~†~~The City Council may set a deadline as

1 appropriate for the proposed improvement, construction, ~~or~~ redevelopment, or production of  
2 affordable housing units to commence construction, or completion date, or other conditions as  
3 applicable to the particular improvement, construction, ~~or~~ redevelopment, or production.

4 BE. TAX CREDIT LIMITATIONS.

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

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

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

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

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

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

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

3 ~~€F.~~   ELIGIBILITY REQUIREMENTS.   To be eligible for the tax credit, a property must meet  
4 the following eligibility requirements:

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

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

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

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

17 ~~DG.~~   APPLICATION PROCESS.

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

21           2.     The application shall demonstrate that all eligibility requirements have or will be  
22 met and shall include the estimated value of the completed improvements and any additional  
23 information requested by the City as well as the amount of the tax credit sought. All plans

1 associated with the detailed site plan or building permit shall be submitted with the application, if  
2 applicable, including a legal description of the property.

3 3. The fee for submitting an application shall be ~~One~~ ~~Thousand~~ ~~Dollars~~  
4 (\$1,000.00).

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

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

12 H. CITY COUNCIL RESOLUTION. A City Council resolution approving and providing  
13 the tax credit awarded must be passed by the Council stating the amounts and terms. The tax credit  
14 shall not be effective until the submission to the City of evidence of compliance with any City  
15 agreement, contingency, condition or required certifications and such other information or  
16 documentation as the City staff may reasonably require. Upon the City's examination of the  
17 evidence of compliance submitted on behalf of the project, the City will issue a certificate to the  
18 property owner that confirms the parcel's tax credit status. The credit may be in the form of a  
19 rebate of taxes or a decreased tax rate at the City's discretion.

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

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 otherwise  
7 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: September 21, 2020



Attest: \_\_\_\_\_  
Laura Reams, City Clerk



\_\_\_\_\_  
Candace B. Hollingsworth, Mayor

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