



Committee: PHP
Committee Review: At a future date
Staff: Ludeen McCartney, Legislative Attorney
Christine Wellons, Senior Legislative Attorney
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #1C
September 26, 2023
Introduction

SUBJECT

Expedited Bill 38-23; Tenant Displacement – Right of First Refusal to Buy Rental Housing – Amendments

Lead Sponsor: Council President Glass at the request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A; bill introduction

DESCRIPTION/ISSUE

Expedited Bill 38-23 would:

- (1) allow the County Executive to designate a qualified entity that may exercise the right of first refusal; and
- (2) generally amend the County law regarding the right of first refusal.

SUMMARY OF KEY DISCUSSION POINTS

- N/A

This report contains:

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MEMORANDUM

September 21, 2023

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney
Christine Wellons, Senior Legislative Attorney

SUBJECTS: Expedited Bill 38-23; Tenant Displacement – Right of First Refusal to Buy Rental Housing – Amendments

PURPOSE: **Introduction** – no Council votes required

Expedited Bill 38-23; Tenant Displacement – Right of First Refusal to Buy Rental Housing – Amendments, sponsored by Council President Glass on behalf of the County Executive, is scheduled to be introduced on September 26, 2023. A public hearing is tentatively scheduled for October 10, 2023. The bill will be considered by the Planning, Housing, and Parks (PHP) Committee.

Expedited Bill 38-23 would amend Sections 53A-2 and 53A4 of the Montgomery County Code to allow the County Executive to designate a qualified entity that may exercise the right of first refusal.

A resolution to approve companion regulations, Executive Regulation 16-23, Tenant Displacement, is forthcoming. The public comment period on the regulation under the County Register closes on September 30, 2023, [Montgomery County Register \(montgomerycountymd.gov\)](http://montgomerycountymd.gov).

The Executive has explained the purposes and mechanics of the bill in his enclosed memorandum and legislative request report.

This packet contains:	<u>Circle #</u>
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Expedited Bill No. 38-23
Concerning: Tenant Displacement –
Right of First Refusal to Buy Rental
Housing - Amendments
Revised: 9/21/23 Draft No. 1
Introduced: September 21, 2026
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) allow the County Executive to designate a qualified entity that may exercise the right of first refusal; and
- (2) generally amend the law regarding the right of first refusal.

By amending

Montgomery County Code
Chapter 53A, Tenant Displacement
Sections 53A-2 and 53A-4

Boldface	<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. Sections 53A-2 and 53A-4 are amended as follows:**

2 **53A-2. Definitions.**

3 * * *

4 (e) Qualified entity means a legal entity that is:

5 (1) designated under 53A-4(g); and

6 (2) assigned a right of first refusal by the County Executive.

7 The following are designated *qualified entities*: Rockville Housing
8 Enterprises of the City of Rockville, the Division of Housing and
9 Community Development of the City of Gaithersburg, and the
10 Department of Housing and Community Development of the City of
11 Takoma Park.

12 [(e)] (f) *Rental housing* means a multiple-family dwelling, or a group of multiple-
13 family dwellings operated as one entity, with a total of at least 4 rental
14 units. *Rental housing* does not include a dwelling operated for a religious
15 or charitable purpose.

16 [(f)] (g) (1) *Sale, sell, or selling* mean:

17 (A) transfer of title to rental housing;

18 (B) transfer in a 12-month period of a majority interest in owner;
19 or

20 (C) lease of rental housing for more than 7 years.

21 (2) These terms do not include entering into a contract for the sale of
22 rental housing that gives the County, HOC, [or] a tenant
23 organization, or a qualified entity a right of first refusal under this
24 Chapter.

25 [(g)] (h) *Tenant* means an individual who lives in a rental housing unit with the
26 owner’s consent and is responsible for paying rent to the owner.

27 [(h)] (i) *Tenant organization* means an association of tenants of rental housing
 28 that:

- 29 (1) represents tenants of at least 30 percent (30%) of the occupied units
- 30 in the rental housing; and
- 31 (2) is certified by the Department according to Executive regulations.

32 [(i)] (j) *Title* means:

- 33 (1) a legal or equitable ownership interest in rental housing; or
- 34 (2) a legal, equitable, or beneficial interest in a partnership, limited
- 35 partnership, corporation, trust or other person who is not an
- 36 individual, that has a legal or equitable ownership interest in rental
- 37 housing.

38 * * *

39 **53A-4. Right of first refusal to buy rental housing.**

40 (a) *Right of first refusal.* An owner must offer the County, HOC, and any
 41 tenant organization the right to buy rental housing before selling the rental
 42 housing to another party, except as provided under Section 53A-5.

43 (b) *Requirements for offer.* An offer required by subsection (a) must:

- 44 (1) be in writing;
- 45 (2) be sent by certified mail, return receipt requested, within 5 business
- 46 days after:
 - 47 (A) the execution of a bona fide contract of sale, for the County,
 - 48 HOC, and any existing tenant organization; or
 - 49 (B) the Department certifies a tenant organization, for a new
 - 50 tenant organization formed under Section 53A-3(b);
- 51 (3) include substantially the same terms and conditions as a pending
- 52 bona fide contract of sale from a third party to buy the rental
- 53 housing; [and]

- 54 (4) remain open for:
- 55 (A) 60 days after it is received, for the County, [and] HOC, and
- 56 any qualified entity that receives an assignment under 53A-
- 57 4(g); and
- 58 (B) 90 days after it is received by any tenant organization,
- 59 including a new tenant organization formed under Section
- 60 53A-3(b)[.]; and
- 61 (5) an owner must send a copy of the offer to all qualified entities
- 62 contemporaneously with providing the offer to the County, HOC,
- 63 and any tenant organization.
- 64 (c) *Information and inspection.* The owner must give the County, HOC,
- 65 [and] any tenant organization, and any qualified entity:
- 66 (1) any information about the rental housing relevant to exercising the
- 67 right of first refusal, such as architectural and engineering plans
- 68 and specifications, and operating data; and
- 69 (2) access to the rental housing to inspect the property and conduct
- 70 reasonable tests at reasonable times after reasonable notice.
- 71 The County, HOC, [and] any tenant organization, and any qualified entity
- 72 must pay the owner a reasonable deposit for any architectural and
- 73 engineering plans that the owner provides. The owner must refund the
- 74 deposit when the plans are returned to the owner. The County Executive
- 75 must issue regulations to implement this subsection.
- 76 (d) *Exercise of right of first refusal.*
- 77 (1) The County, HOC, [or a] any tenant organization, or any qualified
- 78 entity that receives an assignment under 53A-4(g) may exercise
- 79 the right of first refusal by accepting the offer within the applicable
- 80 period under subsection (b)(4). The County and HOC may accept

81 an offer to buy rental housing in a municipality only if the
82 municipality approves.

83 (2) The owner must sell the rental housing under the right of first
84 refusal if the acceptance includes substantially the same terms and
85 conditions contained in the owner's bona fide contract of sale with
86 the third party, including any contract term that provides for a bona
87 fide real estate commission payable to an independent broker.
88 Notwithstanding this general requirement or any term of the
89 contract, the County, HOC, [or] a tenant organization, or any
90 qualified entity may condition its acceptance on obtaining
91 financing at any time before the deadline in paragraph (3) for
92 completing the sale. The County, HOC, any tenant organization,
93 or any qualified entity must not be required to pay to the owner a
94 deposit of more than five percent (5%) of the contract price to
95 accept the offer and exercise its right of first refusal. The deposit
96 is refundable in the event of a good faith failure of the County,
97 HOC, any tenant organization, or any qualified entity to perform
98 under the contract.

99 (3) The owner and the County, HOC, [or] tenant organization, or any
100 qualified entity that receives an assignment under 53A-4(g) must
101 complete a sale under this subsection within 180 days after the
102 County, HOC, or tenant organization receives the owner's offer
103 unless the owner agrees to extend the 180-day period.

104 (4) Before a tenant organization completes a sale under paragraph (3),
105 a majority of all [of the] tenants must ratify the purchase.

106 (5) The right of first refusal applies in the following order of priority:

107 (A) the County;

- 108 (B) any qualified entity that receives an assignment under 53A-
 109 4(g);
 110 ~~[(B)] (C)~~ HOC; and
 111 ~~[(C)] (D)~~ any tenant organization.
- 112 (6) The Executive must issue regulations that establish procedures and
 113 guidelines for exercising the County's right of first refusal.
- 114 (e) *Expiration of right of first refusal.* If the County, HOC, [and] any tenant
 115 organization, or any qualified entity that receives an assignment under
 116 53A-4(g) do not exercise their rights of first refusal within the applicable
 117 period under subsection (b)(4), the owner may sell the rental housing to
 118 the third-party buyer under substantially the same terms and conditions
 119 offered to the County, HOC, and any tenant organization.
- 120 (f) *Immunity.* The County, HOC, [and] any tenant organization, or any
 121 qualified entity are not liable for any damages incurred by the owner, a
 122 third-party buyer, a tenant, or any other person in connection with a
 123 decision to exercise or not exercise a right of first refusal under this
 124 Section.
- 125 (g) *Assignment.*
- 126 (1) The County Executive may assign the right of first refusal, or a
 127 contract to purchase rental housing, to an entity qualified by the
 128 Department to receive such assignment that:
- 129 (A) has demonstrated expertise in acquiring, maintaining, and
 130 managing rental and affordable housing;
- 131 (B) is a bona fide nonprofit or a for-profit entity in good
 132 standing under the laws of the State of Maryland at the time
 133 of assignment;
- 134 (C) is registered and licensed to do business in Maryland; and

135 (D) commits in writing to maintain the affordability of housing
 136 acquired under this subsection.

137 (2) The County Executive must adopt regulations under Method (3) to
 138 establish a process for qualifying and selecting entities to receive
 139 an assignment under this subsection. The regulations must
 140 establish:

141 (A) a process that provides entities a fair opportunity to
 142 demonstrate to the County Executive or the County
 143 Executive's designee its qualifications to receive an
 144 assignment;

145 (B) factors that an entity must demonstrate to be deemed
 146 eligible to receive an assignment;

147 (C) affordable housing restrictions that an entity must commit
 148 in writing to maintain, if selected as an assignee; and

149 (D) criteria the County Executive or the County Executive's
 150 designee must use for selecting assignees from among
 151 qualified entities.

152 (3) An assignment by the County Executive of the County's right of
 153 first refusal must be accomplished by a written agreement with the
 154 assignee that includes an assignment of the County's rights and
 155 obligations under this Chapter as to its right of first refusal.

156 **Sec. 2. Expedited Effective Date.**

157 The Council declares that this legislation is necessary for the immediate
 158 protection of the public interest. This Act takes effect on the date on which it becomes
 159 law.




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

August 31, 2023

TO: Evan Glass, Council President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Bill XX-23, Tenant Displacement – Right of First Refusal to Buy Rental Housing
– Amendments

I am transmitting Bill XX-23, Tenant Displacement – Right of First Refusal to Buy Rental Housing – Amendments. This bill seeks to address the growing need for affordable housing in Montgomery County by amending sections of the County Code (53A-2 & 53A-4) regarding the right of first refusal.

Under this bill, a County Executive, after exercising the right of first refusal, would be permitted to assign the right to purchase a property to a qualified entity. The purpose of permitting a County Executive to make such an assignment is to relieve the County of the necessity of purchasing a property and then having to sell it to a developer within less than twenty-four hours, which requires the County to have tens of millions of dollars available in accounts for the purpose of taking ownership of a property only to transfer it immediately. The ability to assign the right to purchase to a qualified entity will allow the County to use its funds to preserve or create long-term affordability without the need to reserve tens of millions of dollars solely to purchase and then transfer properties to affordable housing developers. To become a qualified entity, a housing developer must demonstrate experience and commitment to owning and operating affordable housing through an application process.

This proposed legislation also places a 5% cap on the deposit that an owner can charge if the right of first refusal is exercised. The purpose of limiting a required deposit to 5% is to prevent property owners from requiring deposits far in excess of industry norms for the purpose of thwarting the County's ability to exercise the right of first refusal. The draft Executive Regulation #16-23 (enclosed) will be advertised in the September 2023 Register.

Bill XX-23, Tenant Displacement – Right of First Refusal to Buy Rental Housing –
Amendments
August 31, 2023
Page 2 of 2

If you have any questions, please contact Scott Bruton, Director, Department of Housing and
Community Affairs at scott.bruton@montgomerycountymd.gov.

ME:sb

Enclosure

Expedited Bill No. [Click - type number]
Concerning: Tenant Displacement –
Right of First Refusal to Buy Rental
Housing - Amendments
Revised: [date] Draft No. 1
Introduced: [date]
Expires: [18 mos. after intro]
Enacted: [date]
Executive: [date signed]
Effective: [date takes effect]
Sunset Date: [date expires]
Ch. [#] , Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) amend Sections 53A-2 and 53A-4 of the Montgomery County Code to allow the County Executive to designate a qualified entity that may exercise the right of first refusal; and
- (2) generally amend the law regarding the right of first refusal.

By amending

Montgomery County Code
Chapter 53A, Tenant Displacement
Sections 53A-2 and 53A-4

Boldface	<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. Sections 53A-2 and 53A-4 are amended as follows:**

2 **53A-2. Definitions.**

3 * * *

4 (e) Qualified entity means a legal entity that is designated pursuant to
5 executive regulation issued under 53A-4(g) and to whom the County
6 Executive may assign a right of first refusal. Rockville Housing
7 Enterprises of the City of Rockville, Division of Housing and
8 Community Development of the City of Gaithersburg, and Department
9 of Housing and Community Development of the City of Takoma Park
10 are designated qualified entities.

11 [(e)] (f) *Rental housing* means a multiple-family dwelling, or a group of
12 multiple-family dwellings operated as one entity, with a total of at least
13 4 rental units. *Rental housing* does not include a dwelling operated for a
14 religious or charitable purpose.

15 [(f)] (g) (1) *Sale, sell, or selling* mean:

16 (A) transfer of title to rental housing;

17 (B) transfer in a 12-month period of a majority interest in
18 owner; or

19 (C) lease of rental housing for more than 7 years.

20 (2) These terms do not include entering into a contract for the sale of
21 rental housing that gives the County, HOC, [or] a tenant
22 organization, or a qualified entity a right of first refusal under this
23 Chapter.

24 [(g)] (h) *Tenant* means an individual who lives in a rental housing unit with the
25 owner’s consent and is responsible for paying rent to the owner.

26 [(h)] (i) *Tenant organization* means an association of tenants of rental housing
27 that:

- 28 (1) represents tenants of at least 30 percent (30%) of the occupied
 29 units in the rental housing; and
 30 (2) is certified by the Department according to Executive regulations.

31 [(i)] (j) *Title* means:

- 32 (1) a legal or equitable ownership interest in rental housing; or
 33 (2) a legal, equitable, or beneficial interest in a partnership, limited
 34 partnership, corporation, trust or other person who is not an
 35 individual, that has a legal or equitable ownership interest in
 36 rental housing.

37 **53A-4. Right of first refusal to buy rental housing.**

- 38 (a) *Right of first refusal.* An owner must offer the County, HOC, and any
 39 tenant organization the right to buy rental housing before selling the rental
 40 housing to another party, except as provided under Section 53A-5.
 41 (b) *Requirements for offer.* An offer required by subsection (a) must:
 42 (1) be in writing;
 43 (2) be sent by certified mail, return receipt requested, within 5 business
 44 days after:
 45 (A) the execution of a bona fide contract of sale, for the County,
 46 HOC, and any existing tenant organization; or
 47 (B) the Department certifies a tenant organization, for a new
 48 tenant organization formed under Section 53A-3(b);
 49 (3) include substantially the same terms and conditions as a pending
 50 bona fide contract of sale from a third party to buy the rental
 51 housing; [and]
 52 (4) remain open for:

53 (A) 60 days after it is received, for the County, [and] HOC, and
 54 any qualified entity that receives an assignment under 53A-
 55 4(g); and

56 (B) 90 days after it is received by any tenant organization,
 57 including a new tenant organization formed under Section
 58 53A-3(b)[.]; and

59 (5) an owner must send a copy of the offer to all qualified entities
 60 contemporaneously with providing the offer to the County, HOC,
 61 and any tenant organization.

62 (c) *Information and inspection.* The owner must give the County, HOC,
 63 [and] any tenant organization, and any qualified entity:

64 (1) any information about the rental housing relevant to exercising the
 65 right of first refusal, such as architectural and engineering plans
 66 and specifications, and operating data; and

67 (2) access to the rental housing to inspect the property and conduct
 68 reasonable tests at reasonable times after reasonable notice.

69 The County, HOC, [and] any tenant organization, and any qualified entity
 70 must pay the owner a reasonable deposit for any architectural and
 71 engineering plans that the owner provides. The owner must refund the
 72 deposit when the plans are returned to the owner. The County Executive
 73 must issue regulations to implement this subsection.

74 (d) *Exercise of right of first refusal.*

75 (1) The County, HOC, [or a] any tenant organization, or any qualified
 76 entity that receives an assignment under 53A-4(g) may exercise
 77 the right of first refusal by accepting the offer within the applicable
 78 period under subsection (b)(4). The County and HOC may accept

79 an offer to buy rental housing in a municipality only if the
80 municipality approves.

81 (2) The owner must sell the rental housing under the right of first
82 refusal if the acceptance includes substantially the same terms and
83 conditions contained in the owner's bona fide contract of sale with
84 the third party, including any contract term that provides for a bona
85 fide real estate commission payable to an independent broker.
86 Notwithstanding this general requirement or any term of the
87 contract, the County, HOC, [or] a tenant organization, or any
88 qualified entity may condition its acceptance on obtaining
89 financing at any time before the deadline in paragraph (3) for
90 completing the sale. The County, HOC, any tenant organization,
91 or any qualified entity must not be required to pay to the owner a
92 deposit of more than five percent (5%) of the contract price to
93 accept the offer and exercise its right of first refusal. The deposit
94 is refundable in the event of a good faith failure of the County,
95 HOC, any tenant organization, or any qualified entity to perform
96 under the contract.

97 (3) The owner and the County, HOC, [or] tenant organization, or any
98 qualified entity that receives an assignment under 53A-4(g) must
99 complete a sale under this subsection within 180 days after the
100 County, HOC, or tenant organization receives the owner's offer
101 unless the owner agrees to extend the 180-day period.

102 (4) Before a tenant organization completes a sale under paragraph (3),
103 a majority of all [of the] tenants must ratify the purchase.

104 (5) The right of first refusal applies in the following order of priority:

105 (A) the County;

- 106 (B) any qualified entity that receives an assignment under 53A-
 107 4(g);
 108 ~~[(B)]~~ (C) HOC; and
 109 ~~[(C)]~~ (D) any tenant organization.
- 110 (6) The Executive must issue regulations that establish procedures and
 111 guidelines for exercising the County's right of first refusal.
- 112 (e) *Expiration of right of first refusal.* If the County, HOC, [and] any tenant
 113 organization, or any qualified entity that receives an assignment under
 114 53A-4(g) do not exercise their rights of first refusal within the applicable
 115 period under subsection (b)(4), the owner may sell the rental housing to
 116 the third-party buyer under substantially the same terms and conditions
 117 offered to the County, HOC, and any tenant organization.
- 118 (f) *Immunity.* The County, HOC, [and] any tenant organization, or any
 119 qualified entity are not liable for any damages incurred by the owner, a
 120 third-party buyer, a tenant, or any other person in connection with a
 121 decision to exercise or not exercise a right of first refusal under this
 122 Section.
- 123 (g) *Assignment.*
- 124 (1) The County Executive may assign the right of first refusal, or a
 125 contract to purchase rental housing, to an entity qualified by the
 126 Department to receive such assignment that:
- 127 (A) has demonstrated expertise in acquiring, maintaining, and
 128 managing rental and affordable housing;
- 129 (B) is a bona fide nonprofit or a for-profit entity in good
 130 standing under the laws of the State of Maryland at the time
 131 of assignment;
- 132 (C) is registered and licensed to do business in Maryland; and

133 (D) commits in writing to maintain the affordability of housing
 134 acquired under this subsection.

135 (2) The County Executive must adopt regulations under Method (3) to
 136 establish a process for qualifying and selecting entities to receive
 137 an assignment under this subsection. The regulations must
 138 establish:

139 (A) a process that provides entities a fair opportunity to
 140 demonstrate to the County Executive or the County
 141 Executive's designee its qualifications to receive an
 142 assignment;

143 (B) factors that an entity must demonstrate to be deemed
 144 eligible to receive an assignment;

145 (C) affordable housing restrictions that an entity must commit
 146 in writing to maintain, if selected as an assignee; and

147 (D) criteria the County Executive or the County Executive's
 148 designee must use for selecting assignees from among
 149 qualified entities.

150 (3) An assignment by the County Executive of the County's right of
 151 first refusal must be accomplished by a written agreement with the
 152 assignee that includes an assignment of the County's rights and
 153 obligations under this Chapter as to its right of first refusal.

154 **Sec. 2. Expedited Effective Date.**

155 The Council declares that this legislation is necessary for the immediate
 156 protection of the public interest. This Act takes effect on the date on which it
 157 becomes law.

158 *Approved:*

159

160

Evan Glass, President, County Council

Date

161 *Approved:*

162

Marc Elrich, County Executive

Date

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

164

Sara Tenenbaum, Clerk of the Council

Date

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

Neal Anker
Neal Anker
Associate County Attorney

8/8/2023
Date

Fiscal Impact Statement

Office of Management and Budget

Executive Regulation XX-23

Tenant Displacement - Right of First Refusal to Buy Rental Housing - Amendments

Regulation Summary

This bill seeks to address the growing need for affordable housing in Montgomery County by amending sections of the county code (53A-2 & 53A-4) regarding the right of first refusal. Under this bill, the County Executive, after exercising the right of first refusal, would be permitted to assign the right to purchase a property to a qualified entity. To become a qualified entity, a housing developer must demonstrate experience and commitment to owning and operating affordable housing through an application process. Additionally, the bill specifies what is to be included in the executive regulations regarding it, and generally amends the procedure surrounding the right of first refusal. In particular, it places a 5% cap on the deposit that an owner can charge if the right of first refusal is exercised.

Fiscal Impact Summary

This bill will not increase County revenues or expenditures. The Department of Housing and Community Affairs (DHCA) already evaluates properties that issue a right of first refusal (ROFR) notice, makes decisions about when to exercise ROFR, and evaluates which development partners to choose in partnering to purchase a property. This bill will simplify that process by allowing the County, after exercising ROFR, to assign the right to purchase to a development partner without the complexity and significant labor and financial cost of having to purchase the property itself and then sell it within less than twenty-four hours to its partner.

Fiscal Impact Analysis

DHCA does not expect any changes on County revenues or expenditures over the next six years.

Staff Impact

The regulation is not expected to impact staff time or duties.

Actuarial Analysis

The regulation is not expected to impact retiree pension or group insurance costs.

Information Technology Impact

The regulation is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

Later actions that may impact revenue or expenditures if future spending is projected

The regulation does not authorize future spending.

Contributors

Scott Bruton, Pofen Salem, Department of Housing and Community Affairs
Anita Aryeetey, Office of Management and Budget



LEGISLATIVE REQUEST REPORT

BILL: XX-XX

Tenant Displacement – Right of First Refusal to Buy Rental Housing - Amendments

DESCRIPTION: The Bill would amend Sections 53A-2 and 53A-4 of the Montgomery County Code to allow the County Executive to designate a qualified entity that may exercise the right of first refusal in purchasing rental housing.

PROBLEM: Increasing access to affordable housing has become an increasingly important need for the County. Additionally, without the ability to delegate the right of first refusal, the County must keep large sums of money available to purchase and turn over this housing as it becomes available.

GOALS AND OBJECTIVES Enable the County to more effectively evaluate and exercise the right of first refusal on the purchase of rental housing by delegating the ability to qualified entities.

COORDINATION: The Office of the County Executive, Department of Housing and Community Affairs

FISCAL IMPACT: Office of Management and Budget

ECONOMIC IMPACT Office of Legislative Oversight

EVALUATION: Subject to general oversight of the County Executive and County Council. The Office of the County Attorney will evaluate for form and legality.

EXPERIENCE ELSEWHERE The Montgomery County code already includes provisions for the right of first refusal to be exercised by the County, the HOC, and tenant organizations. Most of the amendments in this Bill serve to extend existing procedures to Executive-designated entities, adding them into an established framework.

SOURCE OF: Scott Bruton, Director, DHCA; Neal Anker, Assistant County Attorney, Division of Land Use, Zoning & Economic Development, Office of the County Attorney; Jake Weissman, Assistant Chief Administrative Officer, Office of the County Executive.

INFORMATION

APPLICATION WITHIN MUNICIPALITIES Rockville, Gaithersburg, Takoma Park

PENALTIES: N/A