

# Prince George's County Right of First Refusal Program

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IMPLEMENTATION UPDATE

HOUSING OPPORTUNITIES FOR ALL WORKGROUP

MAY 28, 2021



# OVERVIEW

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- County Council Bill 27-2013 (Conversion of Rental Housing) created the ROFR Program
- In 2015, County Council Resolution 51-2015 applied Program to all areas of County.
- Program is overseen and implemented by DHCD and detailed in County Code 13-1110 et. seq.
- DHCD is authorized under the Code to exercise its ROFR rights and purchase covered properties (or assign its rights to purchase the property to a third-party) in accordance with the timeframes and terms of the Code.
- DHCD has created a programmatic structure to systematically evaluate contracts of sale which are provided to the County under the ROFR Program.

# PRE-QUALIFIED ROFR AFFORDABLE HOUSING DEVELOPERS

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AHC, Inc.
The Community Builders, Inc.
Winn Development
Pennrose, LLC
Montgomery Housing Partnership, Inc. (MHP)
Preservation of Affordable Housing, Inc
Enterprise Community Development
Conifer Realty, LLC
Community Housing Partners Corporation
The Michaels Organization
NHT Communities
Gilbane Development Co.
Homes for America
Arlington Partnership for Affordable Housing
Housing Initiative Partnership, Inc. (HIP)

# THREE PRIMARY PATHS

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- ❖ 1) ROFR ACCEPTED – DHCD SEEKS TO ASSIGN RIGHTS TO AN ROFR DEVELOPER
- ❖ 2) ROFR DECLINED/WAIVED – DHCD NOTIFIES SELLER AND BUYER TO PROCEED WITH SALE
- ❖ 3) EXCEPTION OF THE ROFR – SELLER AND BUYER SECURE WAIVER OF ROFR PROCESS

# THE ROFR PROCESS - EXAMPLE

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|---|------------------|
| 1) Receipt and Review of Property Owner Notice and ROFR Package | Days 1 thru 2    |
| 2) DHCD Evaluation of ROFR Package                              | Days 1 thru 7    |
| 3) Developer RFP Issued by DHCD                                 | Day 8            |
| 4) Developers Prepare RFP Responses                             | Days 9 thru 23   |
| 5) DHCD Reviews RFP Responses and Selects Developer             | Days 24 thru 30  |
| 6) DHCD Assigns ROFR Rights to Selected Developer               | Day 31           |
| 7) DHCD Notifies Property Owner of ROFR Assignment              | Day 32           |
| 8) Contract of Sale Negotiation and Execution                   | Days 32 thru 60  |
| 9) Settlement Process   | Days 61 thru 180 |

# ROFR PROGRAM -- UPDATE

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- Program was “re-launched” on December 1, 2020. Program website was updated to include current regulations and the ROFR Developer roster.

[www.princegeorgescountymd.gov/984/Apartment-Multifamily-Rental-Owners](http://www.princegeorgescountymd.gov/984/Apartment-Multifamily-Rental-Owners)

- DHCD uses a scoring system to evaluate ROFR opportunities.
- DHCD’s “Yes/No” decision to exercise its ROFR is driven primarily by existing rent affordability and geographic location.
- DHCD’s process has been tested on numerous transactions since December 1, 2020
  - Notices of Sale Received – 16 properties (4,312 units)
  - County Exercise of ROFR and RFP – 7 properties (1,734 units)
  - Assignment of ROFR – 1 property (235 units)
  - ROFR Exception with Affordability Requirement – 1 property (36 units)

# ROFR PROGRAM – FUTURE DIRECTIONS

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- Prince George's County DHCD is exploring financing tools to support the ROFR Program.
- DHCD will continue to focus its efforts in priority geographies such as the Purple Line corridor, locations near rail transit stops, Transit-Oriented Developments (TODs) and key revitalization areas.
- DHCD views ROFR as a valuable tool in its overall Affordable Housing Preservation strategy.
- DHCD is open and interested in feedback to make the ROFR Program a continued success.

# CONTACT INFORMATION

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**PRINCE GEORGE'S COUNTY RIGHT OF FIRST REFUSAL (ROFR)  
PROGRAM DEVELOPMENT TIMELINE: 2013 TO PRESENT (as of 5-21-21)**

Month/Year	Summary of Key Activities
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**Authorization and Enactment**

2013	ROFR Code adopted by a thORIZATION of Council Bill 27-2013.
2013 (November)	DHCD receives first ROFR Notice (Silver Hills Apartments in Suitland)
2015 (October)	Council Resolution 51-2015 adopted to apply ROFR to all areas of the County. This clarification to the original Code was identified as the final issue to allow for full implementation of ROFR Program.
2015 (November)	DHCD adopts and publishes ROFR Regulations
2013 thru 2018	DHCD continues to receive ROFR Notices; issues Certificates of Compliance for all properties and does not exercise ROFR ** 2018 - 27 properties (7,824 units) ** 2019 - 31 properties (8,883 units) ** 2020 (prior to 12/1/20 lanuch) - 17 properties (4,448 units)

**Policy Integration and Enhancement**

2019 (January)	ROFR Program identified as potential housing preservation tool for Purple Line communities. DHCD begins participation in Purple Line Corridor Coalition Meetings
2019 (March)	County completes/adopts comprehensive housing strategy, Housing Opportunity for All, to serve the housing needs of all county residents, while expanding access to opportunity through housing investments. Out of the recommended forty-eight (48) cross-cutting and target actions, Target Action 2.6 was identified to strengthen the ability of the County and its partners to acquire and preserve properties at risk of converting to market-rate housing by using the Right-of First Refusal Provision.
2019 (March - December)	Housing Opportunities for All Workgroup established by legislation (March 2019). First meeting held July 2019. During first year, the Workgroup identified four actions as the most urgent actions for implementation, and aligned with ongoing local and regional conversations. The priority actions were intended to strengthen existing policies and tools already in use by the County, such as Right-of-First Refusal.
2019 (July and October)	Met with Montgomery County to discuss ROFR Implementation
2019 (August)	PLCC AIHC Strategy - MF Preservation Work Group Kick-Off; Breakout Session for Prince George's Co to discuss ROFR Implementation Plan
2019 (August - December)	Several Works Sessions with CCI Consultants and members of the PLCC to Draft ROFR Implementation Plan
2019 (December)	Published ROFR Respondents RFQ
2020 (January)	Formed an Evaluation Committee to review and score RFQ submissions
2020 (January)	Applied to CCI/Lincoln Institute of Land Policy for ROFR Consultant Grant
2020 (April)	Selected ROFR Roster of Respondents
2020 (May)	Organized an internal ROFR workgroup to review and amend ROFR Regulations

	- In accordance with the Code - In accordance with the Draft ROFR Implementation Plan
2020 (May - June)	Several Work Sessions with Internal ROFR workgroup
2020 (February)	HOFA Workgroup Issues 2020 Annual Report which highlights ROFR Program and makes recommendations for program enhancement
2020 (June)	DHCD updates and publishes revised ROFR Regulations
2020 (July)	Received CCI Grant Published RFP to select ROFR Consultant
2020 (August)	Selected ROFR Consultant

### Program Design

2020 (August - September)	ROFR Consultant conducts Focus Groups with ROFR Developers and coordinates with County staff to prepare preliminary outline of ROFR Implementation Plan
2020 (October - November)	Stakeholder meetings: <ul style="list-style-type: none"> <li>** AIHC Purple Line Working Group meeting -- General overview</li> <li>** Councilmember Glaros, Tavares, Turner, Hawkins briefings</li> <li>** Focus Group sessions with ROFR Developers to discuss final program design</li> <li>** Enterprise Community Partners briefing for HOFA</li> <li>** Capital Impact Partners briefing - potential CDFI financing for acquisition</li> <li>** Low Income Investment Fund briefing - potential CDFI financing for acquisition</li> <li>** The Reinvestment Fund briefing - potential CDFI financing for acquisition</li> <li>** Center for Community Investment - program review</li> <li>** Prince George's County Municipality Association briefing</li> </ul>
2020 (November)	Final Program Implementation Plan adopted / website updated

### Program Implementation

2020 (December)	Official launch of revised ROFR Program
2020 (December) - 2021 (May)	Summary of ROFR Activity under new Program design <ul style="list-style-type: none"> <li>** 16 Notices of Sale received (4,312 units)</li> <li>** Exercised ROFR on 7 properties (1,734 units) and issued RFP to ROFR Developers</li> <li>** One property (Hamilton Manor: 235 units) assigned to ROFR Developer</li> <li>** One property (Doewood) received Waiver of ROFR process in exchange for affordability commitment of 36 units for 15 years</li> </ul>
Future	Continued review of ROFR Notices Update ROFR Implementation Plan Second ROFR Developer RFQ