

1 Introduced by: Councilmember XXXXX

First Reading: MONTH XX, 202X

2 Second Reading: MONTH XX, 202X

3 Effective Date: MONTH XX, 202X

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5 **CITY OF TAKOMA PARK, MARYLAND**

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7 **ORDINANCE 2024-XX**

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9 **AMENDING TITLE 6 OF THE CITY OF TAKOMA PARK**  
10 **CODE IN ORDER TO ADD PROVISIONS TO CREATE A**  
11 **NEW RENTAL HOUSING TAX CREDIT AND HOUSING**  
12 **PRESERVATION TAX CREDIT**  
13

14 WHEREAS, the Maryland Code, Local Government Article, Section 5–202, as amended,  
15 authorizes the legislative body of each municipal corporation in the State of  
16 Maryland to pass ordinances that such legislative body deems necessary to assure  
17 the good government of the municipality, to protect and preserve the municipality’s  
18 rights, property and privileges, to preserve peace and good order, to secure persons  
19 and property from danger and destruction, and to protect the health, comfort, and  
20 convenience of the citizens of the municipality; and  
21

22 WHEREAS, Section 401 of the City Charter states that the Council has the power to pass all  
23 such ordinances not contrary to the Constitution and laws of the State of Maryland  
24 as it may deem necessary for the good government of the City, for the protection  
25 and preservation of the City’s property, rights, and privileges, for the preservation  
26 of peace and good order, for securing persons and property from violence, danger  
27 or destruction, and for the protection and promotion of the health, safety, comfort,  
28 convenience, welfare, and happiness of the residents of and visitors in the City; and  
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30 WHEREAS, the Council wishes to amend Title 6, Housing, of the Takoma Park Code, to provide  
31 incentives to development projects which reserve rental housing within the City.  
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33 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA  
34 PARK, MARYLAND, THAT:  
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36 SECTION 1. Title 6, Housing, of the Takoma Park Code is hereby amended as follows:  
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**Chapter 6.16**  
**LANDLORD-TENANT RELATIONS**

Sections:

- 6.16.010 Legislative findings.
- 6.16.020 Applicability
- 6.16.030 Tenant rights of association
- 6.16.040 Obligations of tenants.
- 6.16.050 Obligations of landlords.
- 6.16.060 Lease requirements.
- 6.16.070 Lease term and renewal requirements.
- 6.16.080 Rent increases--Frequency and notification requirements.
- 6.16.090 Fees—General provision, permitted fees, optional fees, prohibited fees.
- 6.16.100 Utilities—Charges to tenant and transfer of utility payments.
- 6.16.110 Entry.
- 6.16.120 Notice to vacate.
- 6.16.130 Security deposits.
- 6.16.140 Defective tenancy.
- 6.16.150 Retaliatory practices.
- 6.16.155 Window Guards.
- 6.16.160 Department investigation and conciliation.
- 6.16.170 Landlord-tenant complaints
- 6.16.180 Tenant displacement and relocation expenses.
- 6.16.190 RESERVED
- 6.16.200 Housing Preservation Tax Credit

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SECTION 3. Title 6, Landlord-Tenant Relations, of the Takoma Park Code is hereby amended as follows:

**6.16.200 Affordable Housing Preservation Tax Credit**

**A. Definitions. As used in this Section:**

- 1. "Applicant" means the party applying for the Tax Credit.
- 2. "Application" means an application for a Tax Credit submitted to the City and accepted by the City as complete.
- 3. "Department" means the City of Takoma Park Department of Housing and Community Development.
- 4. "Tax Credit" means the Affordable Housing Preservation Tax Credit.
- 5. "Property" means a pre-existing Multi-Family Dwelling that is the subject of an Application under this Section.

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2 6. “Qualified Dwelling Unit” means a Dwelling Unit that is subject to at least one of  
3 the restrictions identified in (B)(3) of this Section.  
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5 B. Credit Eligibility. A Property is eligible for the Tax Credit if:  
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7 1. The Property is located within the City Limits;  
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9 2. The Property has a deed-restriction or other regulatory agreement with a  
10 government agency that provides for at least one of the following restrictions on some, if  
11 not all, of the Property’s Dwelling Units:  
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13 a. The Property’s Qualified Dwelling Units are required to have a rent level  
14 affordable to households making 30% or below the area’s median income, as  
15 reported by the U.S. Department of Housing and Urban Development.  
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17 b. Tenancy at the Property’s Qualified Dwelling Units is restricted to seniors  
18 of age 62 or older.  
19

20 c. Tenancy at the Property’s Qualified Dwelling Units is restricted to  
21 households with individuals currently receiving disability benefits from the Federal  
22 Social Security Disability Insurance program or the Supplemental Security Income  
23 program and who have annual earned income of 80% or below the area’s median  
24 income as reported by the U.S. Department of Housing and Urban Development.  
25

26 d. The Property’s Qualified Dwelling Units are restricted for use as either  
27 transitional or permanent supporting housing for the formerly homeless. For a  
28 Dwelling Unit to meet this criterion, Landlord must show that the Property is a  
29 participant in a supportive housing program aimed at providing residents with rental  
30 assistance or ongoing supporting services for individuals that are recently or  
31 chronically homeless in a manner deemed acceptable by Department regulations.  
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33 3. The Property has a valid Use & Occupancy Certificate.  
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35 4. The Property and its Owner are in good standing with all State, County and City  
36 laws and regulations.  
37

38 C. Application Requirements. Each Applicant must submit an Application for the Tax Credit on  
39 a method and form set forth by the Department. The Department will evaluate an application  
40 for completeness and may direct an Applicant to provide additional materials or clarification  
41 as part of evaluating the tax credit amount and a Property’s eligibility.  
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43 D. Tax Credit Period and Amount. The length and amount of the Tax Credit shall be as follows:  
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45 1. The Tax Credit shall only apply to Takoma Park City Real Property Taxes only.  
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1 2. The Tax Credit shall begin the next Fiscal Year after the date the Property's  
2 Application is approved by the City.

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4 a. The City Manager may alter the start date of the Tax Credit. An alteration  
5 must be communicated in writing to the Applicant at least thirty (30) days in  
6 advance of a new fiscal year.

7  
8 3. The Tax Credit shall continue as long as the Property remains subject to the deed-  
9 restrictions and/or land-use agreements identified above. If the Property is found to no  
10 longer comply with these land-use restrictions, the Tax Credit shall terminate with  
11 immediate effect.

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13 4. The Tax Credit shall be a proportional reduction in the Property's yearly tax bill  
14 not to exceed fifty percent (50%) of any fiscal year's property taxes. The Property's tax  
15 reduction shall be calculated based on the number of dwelling units meeting the eligibility  
16 criteria outlined in 6.16.200(B)(2) of this Section divided by the Property's total number  
17 of dwelling units.

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19 5. Eligibility for the Tax Credit shall be monitored by the Department on a yearly  
20 basis in such a manner as set by the Department.

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22 E. Tax Credit suspension and revocation. The City Manager may suspend or revoke a Tax Credit  
23 if the Property is in violation of State, County or City laws, ordinances, or administrative  
24 regulations.

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26 1. The City Manager shall issue a written notice of the action setting forth the specific  
27 reasons for the action and serve the notice on the property owner or agent of the property  
28 as provided in Sections 1.04.120(C) and (D).

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30 2. The Property owner or their agent, may, within 15 calendar days after service of  
31 the written notice of the action, appeal the action to the City Council by filing a written  
32 notice of appeal to the City. An appeal does not stay the City Manager's action unless the  
33 Council stays the action for good cause.

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35 F. Applicants found to have mistakenly included false statements on applications for the Tax  
36 Credit will be subject to the correction of any erroneously awarded credit amount in the event  
37 that the credit granted exceeded the amount the Applicant was actually entitled to.

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39 G. Applicants found to have intentionally included false statements on applications for the Tax  
40 Credit will be subject to the permanent removal of the credit and will be liable for any credit  
41 amounts previously awarded, as well as back taxes due with penalties and interest.

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43 H. If the Property is found to no longer comply with the land-use restrictions indicated in this  
44 Section and Applicant failed to notify the City in a timely manner, Applicant will be liable for  
45 any credit amounts previously awarded to Applicant starting from the date the Property fell  
46 out of compliance with the land-use restrictions indicated in this Section, with penalties and

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interest.

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SECTION 4. The provisions of this ordinance are severable. If any part of this act is declared invalid or unconstitutional, that declaration shall not affect any part which remains.

SECTION 5. This Ordinance shall become effective on MONTH XX, 202X.

Adopted this XXnd day of XXXX, 2024, by roll-call vote as follows:

AYE: None  
NAY: None  
ABSENT: None  
ABSTAIN: None

Explanatory Note: New text is indicated with underlining and deleted text is indicated with ~~strikethrough~~.