



Bill No: SB 819-- Real Property – Sale of Apartment Facilities – Rights of Qualified Organizations

Committee: Judicial Proceedings

Date: 2/28/2023

Position: Favorable as Amended

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George’s Counties. Many AOBA members own or operate Class B and C properties that predominantly serve low and moderate-income families; they understand the importance of affordable housing.

Senate Bill 819 prohibits an owner of an apartment facility from taking certain actions regarding the sale of an apartment facility. The bill also requires a property owner to notify the Department of Housing and Community Development of their intent to sell a property. The bill creates and prioritizes a list of Qualified Organizations, including non-profit organizations and senior apartment facilities. The bill also establishes a Right of First Refusal fund.

Montgomery, Prince George’s, and Howard Counties already have Right of First Refusal laws enacted to require the local jurisdiction and/or priority organizations to be allowed to purchase apartment facilities before the community can be offered to private buyers in order to increase or preserve affordable housing in the jurisdictions. These laws establish timelines and requirements prior to offering the multifamily property to a private buyer. AOBA members already abide by the Right of First Refusal laws in Montgomery and Prince George’s Counties and comply with the standards established in those laws. As introduced, this legislation establishes new timelines and standards, which create potential process complications in abiding with both standards. Existing ROFR standards in local jurisdictions are also more stringent.

AOBA has addressed these concerns with the bill sponsor and supports the amendment that removes the policy portion on **Page 2-4, Line 19-32** and retains the fund in the bill.

Below is the chart displaying the relationship between three counties with an existing ROFR and compares the provisions in SB 819.

ROFR Provisions- County Comparison & HB952	Montgomery (MoCo)	Prince George's (PGC)	Howard County (HoCo)	SB 819
ROFR Offer Period	60 Day- County & HOC / 90 Days for Tenant Assoc.	60 days- County	45 Days- County	60 Days
Completion of sale	180 Days	180 Days	180 Days	N/A
Mandatory Notice Period	5 days	5 days	3 days	10 Days
Who Receives Notice of Intent to Sell?	MoCo Housing and Community Development, Tenants of Rental Development, and public area of rental housing.	PGC Housing and Community Development and Tenant	HoCo Housing and Community Development, the Commission, and tenants of the rental property	MD Housing and Community Development (MDHCD)
Priority Organizations	MoCo Housing and Community Development, Housing Opportunities Commission, & Tenant Association	PGC HCD	HoCo HCD and Howard County Housing Commission	MDHCD, Senior Apartment Facility, Eligible non-profit, and Developers/ Operators for Senior Facilities.
Transfer of Title or Lease rental property	12 Month Period or Lease property for more than 7 Years	12 Month Period-or Lease property for more than 7 Years	12 Month Period or Lease property for more than 7 Years	N/A
Expiration of Right to Purchase	Offer goes to third party buyer	Offer goes to third party buyer	Offer goes to Third party buyer	Offer goes to third party buyer

For these reasons, AOBA supports a favorable with amendments report on SB 819.
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