

## ATTACHMENT A

**HOUSING AUTHORITY OF PRINCE GEORGE'S COUNTY  
RESOLUTION NO. LHA 1409**

**Resolution Authorizing and Approving the Development Plan for The Cassidy Apartments; Authorizing and Approving the Issuance, Sale, and Delivery of Tax-Exempt or Taxable Obligations in One or More Series to Provide Partial Financing for the Cassidy Apartments**

**WHEREAS**, the Housing Authority of Prince George's County (the "Authority") is a public body corporate and politic duly established and organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law (the "Act"), and is authorized by the Act to issue its notes and bonds from time to time to fulfill its corporate purposes; and

**WHEREAS**, the Act declares, inter alia, that there exists within Prince George's County, Maryland (the "County") a shortage of decent, safe, and adequate housing and continuing care facilities for the elderly, economically depressed areas, and housing in need of rehabilitation; and

**WHEREAS**, the Act empowers the Authority (a) to finance, inter alia, a work or undertaking to provide decent, safe, and sanitary urban or rural apartments, or other housing for "persons of eligible income" who live in the area of the housing (a "housing project") by issuing and selling bonds of any type and (b) to make construction loans and long-term mortgage loans to any person to produce housing under the Act and/or to buy and insure mortgages secured by such housing; and

**WHEREAS**, the Authority, in furtherance of the purposes of the Act, has established an Affordable Housing Bond Finance Program (the "Program") to provide for the financing of construction loans and long-term mortgage loans for housing projects; and

**WHEREAS**, in furtherance of the Program, the Board of the Authority has determined, in accordance with the Act, to authorize the issuance of bonds, notes, or other evidences of indebtedness ("Obligations"), in one or more taxable or tax-exempt series, in an aggregate principal amount not to exceed \$41,500,000, to partially finance the acquisition, rehabilitation and/or equipping of the following multifamily affordable housing project (the "Development"):

**The Cassidy** — a proposed new construction multifamily housing apartment building located in the Capitol Heights neighborhood of Prince George's County Maryland. The project will build a total of 175 family units in three four-story elevator serviced low-rise buildings. All units in the multifamily project will be designated for low-income households. Units are designated for households whose income ranges from 5% to 60% of the Area Median Income (AMI).

**WHEREAS**, the KCG SSP Capital Heights, LP, or an affiliate thereof (the "Sponsor") and the direct or indirect owner of the general partner or managing member will own the Development (the "Borrower"), previously applied for a reservation of private activity bond allocation from the Authority, and the Board, by a resolution adopted on June 27, 2022, declared its official intent to issue tax-exempt bonds to provide partial financing for the Development; and

**WHEREAS**, the Authority expects to apply the proceeds of the Obligations to fund a loan to the Borrower; and

**WHEREAS**, the development plan for the Development (a) identifies total development costs of approximately \$68,632,581 to be funded with the proceeds of tax-exempt debt, taxable debt, Low-Income-Tax Credits, and other subordinate loan and grant funds available to the Borrower as financing for the Development and (b) preserves affordability of the Development by restricting at least [40]% of the units at the Project to [60]% of area median income (the foregoing, together with the materials attached hereto as Exhibit A, is collectively referred to herein as the “Development Plan”); and

**WHEREAS**, the Obligations and the security therefore will be evidenced by various agreements to which the Authority, the Borrower and/or the Sponsor are a party, including, without limitation and as applicable, the trust indenture, bond financing resolution, funding loan agreement or such other document evidencing the security for the Obligations (the “Security Documents”), other bond purchase, security and disclosure documents (including, if applicable, documents required under various federal securities laws, as required, for public offerings), loan and security documents, a no-arbitrage certificate and other tax documents, a land use restriction agreement and/or restrictive covenants, a low-income housing tax-credit operating agreement or partnership agreement, certifications and such other agreements, documents and/or instruments as shall be necessary to facilitate the Development Plan, the issuance of the Obligations and the overall financing of the Development and as may be required for various transactions contemplated by this Resolution (together with the Security Documents, the “Financing Documents”); and

**WHEREAS**, the pledges and assignments made pursuant to the Security Documents and the provisions, covenants and agreements therein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the owners of any and all of the Obligations, each of which, regardless of the time of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Obligations; and

**WHEREAS**, the Sponsor has agreed to comply with the Voluntary Compliance Agreement (“VCA”) requirements as detailed in the Memorandum of Agreement (“MOA”) (Exhibit B):

**NOW, THEREFORE, BE IT RESOLVED** BY THE GOVERNING BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF PRINCE GEORGE’S COUNTY as follows:

i. *Findings.* The Board hereby finds, determines, and declares the matters hereinabove set forth. The Board hereby determines, based upon the Development Plan and the expected sources and uses of financing for the Development described in the Development Plan, that the Development is financially feasible and viable.

ii. *Approval of Development Plan.* The Board hereby approves the Development Plan as described above pursuant to the terms and conditions to be set forth in the Financing Documents.

iii. *Authorization of the Obligations.* The Board hereby approves and authorizes the issuance of the Obligations in accordance with and subject to the provisions of the Act, in one or more taxable or tax-exempt series, in an aggregate principal amount not to exceed Forty-One Million Five Hundred Thousand Dollars (\$41,500,000) and the application of the proceeds of the Obligations to fund the acquisition, construction, and/or equipping of the Development.

iv. *Other Approvals.* In addition to such other approvals required in connection with the financing for the Development, prior to the issuance of the Obligations, the issuance of the Obligations shall be approved by the Prince George’s County Council, and in connection with the issuance of any tax-exempt Obligations, (a) the County Executive shall issue the “highest elected official” approval required under

Section 147(f) of the United States Internal Revenue Code (the "Code"), and (b) the State of Maryland shall allocate private activity bond volume cap to the Obligations as required under Section 146 of the Code.

v. *Appointment of Financial Advisor and Bond Counsel.* CSG Advisors is hereby appointed as financial advisor to the Housing Authority, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the Obligations.

vi. *No Personal Liability.* No stipulation, obligation or agreement herein contained or contained in the Obligations, the Financing Documents, or in any other agreement or document executed on behalf of the Authority shall be deemed to be a stipulation, obligation or agreement of any commissioner, officer, agent or employee of the Authority in his or her individual capacity, and no such commissioner, officer, agent or employee shall be personally liable on the Obligations or be subject to personal liability or accountability by reason of the issuance thereof.

vii. *Action Approved and Confirmed.* All acts and doings of the officers of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the Obligations and the accomplishment of the Development Plan are hereby approved, and the execution, delivery, and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

viii. *Severability.* If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision hereof or cause any other provision hereof to be invalid, inoperative or unenforceable to any extent whatsoever.

ix. *Effective Date.* This Resolution shall take effect immediately.

**RESOLVED this 25 day of March 2024.**

(Seal)

ATTEST



Jessica G. Anderson-Preston  
Executive Director

HOUSING AUTHORITY OF PRINCE  
GEORGE'S COUNTY, MARYLAND

**Yolanda  
Hawkins Bautista**

Yolanda L. Hawkins-Bautista  
Chairwoman

Digitally signed by  
Yolanda Hawkins Bautista  
Date: 2024.04.01 10:33:33  
-04'00'

EXHIBIT A

**DEVELOPMENT PLAN**

**The Cassidy Apartments**

**Capitol Heights, Prince George's County 20743**

<b>PROPERTY DESCRIPTION:</b>	The proposed development will be 175 newly constructed units located in the Capitol Heights neighborhood of Prince George's County Maryland. The project will build a total of 175 family units in three four-story elevator serviced low-rise buildings. All units in the newly constructed multifamily Project will be designated for low-income households. Units are designated for households whose income ranges from 5% to 60% of the Area Median Income (AMI).
<b>PROPERTY ADDRESS:</b>	The Subject site is located along the east side of Karen Boulevard, just north of Walker Mill Road in Capitol Heights, Prince George's County, MD 20743 (tax map # 4023313 & 4023321).
<b>PROJECT NAME:</b>	The Cassidy
<b>OWNER:</b>	The project will be owned by formed ownership entity; KCG SSP Capitol Heights, L.P, comprising of the General Partner, Special Limited Partner, and expected Investor Partner, Truist Community Capital, LLC.
<b>MANAGER:</b>	The project will be managed by Habitat America, LLC.
<b>DEVELOPER:</b>	KCG Streetscape, LLC and Streetscape at Capitol Heights, LLC will be the Project co-developers.
<b>DEVELOPER'S CONTACT:</b>	Karla Burck Executive Vice President - Development

<b>PROJECTED SOURCE OF FINANCING:</b>	<p><b><u>List of Projected Permanent Sources of Financing:</u></b></p> <table> <tr> <td>Tax Credit (LIHTC) Equity</td><td>\$23,289,846</td></tr> <tr> <td>Bank Debt</td><td>\$36,800,000</td></tr> <tr> <td>HOME ARP Funds</td><td>\$ 1,050,000</td></tr> <tr> <td>HITF Prince George's Conty Funds</td><td>\$ 3,500,000</td></tr> <tr> <td>Developer's Equity</td><td>\$ 3,451,467</td></tr> <tr> <td>Cash from Operations</td><td>\$ 541,168</td></tr> <tr> <td>General Partner's Equity</td><td>\$ 100</td></tr> <tr> <td><b>Total Projected Sources</b></td><td><b>\$68,632,581</b></td></tr> </table>	Tax Credit (LIHTC) Equity	\$23,289,846	Bank Debt	\$36,800,000	HOME ARP Funds	\$ 1,050,000	HITF Prince George's Conty Funds	\$ 3,500,000	Developer's Equity	\$ 3,451,467	Cash from Operations	\$ 541,168	General Partner's Equity	\$ 100	<b>Total Projected Sources</b>	<b>\$68,632,581</b>
Tax Credit (LIHTC) Equity	\$23,289,846																
Bank Debt	\$36,800,000																
HOME ARP Funds	\$ 1,050,000																
HITF Prince George's Conty Funds	\$ 3,500,000																
Developer's Equity	\$ 3,451,467																
Cash from Operations	\$ 541,168																
General Partner's Equity	\$ 100																
<b>Total Projected Sources</b>	<b>\$68,632,581</b>																
<b>PROJECTED USE OF FINANCING:</b>	<p><b><u>List of Projected Use of Financing:</u></b></p> <table> <tr> <td>Acquisition Cost</td><td>\$ 3,100,000</td></tr> <tr> <td>Contractor Price and Contingency</td><td>\$44,769,297</td></tr> <tr> <td>Third Party Cost</td><td>\$ 5,150,834</td></tr> <tr> <td>Financing Cost</td><td>\$ 7,883,750</td></tr> <tr> <td>Carrying Cost</td><td>\$ 306,244</td></tr> <tr> <td>Reserves and Contingency</td><td>\$ 1,057,062</td></tr> <tr> <td>Developer Fee</td><td>\$ 6,365,394</td></tr> <tr> <td><b>Total Projected Uses</b></td><td><b>\$68,632,581</b></td></tr> </table>	Acquisition Cost	\$ 3,100,000	Contractor Price and Contingency	\$44,769,297	Third Party Cost	\$ 5,150,834	Financing Cost	\$ 7,883,750	Carrying Cost	\$ 306,244	Reserves and Contingency	\$ 1,057,062	Developer Fee	\$ 6,365,394	<b>Total Projected Uses</b>	<b>\$68,632,581</b>
Acquisition Cost	\$ 3,100,000																
Contractor Price and Contingency	\$44,769,297																
Third Party Cost	\$ 5,150,834																
Financing Cost	\$ 7,883,750																
Carrying Cost	\$ 306,244																
Reserves and Contingency	\$ 1,057,062																
Developer Fee	\$ 6,365,394																
<b>Total Projected Uses</b>	<b>\$68,632,581</b>																
<b>CONSTRUCTION LOAN</b>	<p>The Developer proposes that the Housing Authority issue up to \$45.1MM in a Tax-Exempt Bonds to finance the acquisition and construction of the project. The bonds will be issued in three tranches:</p> <ul style="list-style-type: none"> <li>• Series 2023A-1, in the amount of \$34,000,000</li> <li>• Series 2023A-2, in the amount of \$8,300,000</li> <li>• Series 2023B- in the amount of \$2,800,000</li> </ul> <p>The proceeds raised through this bond issuance will be used to provide construction financing to the project. The associated debt repayment is structured to receive interest only payments throughout the term of the loan which is 18 years for Series 2023A-1 and Series 2023B, and 3 years for Series 2023A-2.</p> <p>The project is projected to use \$8.3MM of the equity proceeds to retire the Series 2023 A-2 tax-exempt note (bond issued) at stabilized occupancy and conversion to permanent loan financing.</p> <p>The permanent loan will consist of Series 2023A-1 in the amount of \$34,000,000 and Series 2023B at \$2,800,000.</p>																

<b>PROPOSED CREDIT ENHANCEMENT:</b>	TBD
<b>NEIGHBORHOOD/LOCALITY:</b>	The project is located along the east side of Karen Boulevard, just north of Walker Mill Road, in Capitol Heights, Prince George's County, MD. The site is approximately 13.14 acres, or 572,378 square feet, in size. It is undeveloped and irregular in shape and gently sloping northward. Further, it has good accessibility and visibility, is not located within a flood plain and considered adequate for various legally permissible uses and has access to available utilities.
<b>UNIT MIX:</b>	The proposed unit mix consists of 56 one-bedroom, 79 two-bedroom, and 40 three-bedroom apartments
<b>PROPOSED RENTS:</b>	<ul style="list-style-type: none"> <li>• 1-bedroom (5%, 40% &amp; 60% AMI): \$56 - \$1,610 per month</li> <li>• 2-bedroom (5%, 40% &amp; 60% AMI): \$42 - \$1,908 per month</li> <li>• 3-bedroom (5%, 40% &amp; 60% AMI): \$33 - \$2,189 per month</li> </ul> <p><i>Note: various units rents are designated according to the project's funding source to include HOME-ARP and YES (HITF).</i></p>

EXHIBIT B

**Memorandum of Agreement (MOA)**

## MEMORANDUM OF AGREEMENT

---

This Memorandum of Agreement (MOA), hereinafter referred to as the “Agreement” is entered into this 19 day of March, 2024 (the “Effective Date”), by and between KCG SSP Capitol Heights GP, LLC, or an affiliate thereof, including the developer for the hereinafter defined Project (the “Sponsor”) and the Housing Authority of Prince George’s County (the “Authority” or “HAPGC”), a public housing authority and instrumentality of the State of Maryland with regards to the development of The Cassidy (the “Project”) – a proposed 175-unit new construction general tenancy community on Karen Boulevard in Capitol Heights, Maryland.

WHEREAS, the Sponsor has applied for an allocation of tax-exempt bonds from the Authority to partially finance the acquisition, development, rehabilitation and/or equipping of the Project.

WHEREAS, in accordance with the Housing Authority of Prince George’s County’s Affordable Housing Bond Finance Program’s Multifamily Rental Housing Guide (Exhibit C – Project Requirements), new construction projects are required to adhere to all applicable Federal, State, and local Fair housing Laws and Ordinances.

WHEREAS, as a condition for providing bond financing, HAPGC will require that the Sponsor acknowledge and agree to adhere to the following requirements under the Federal Fair Housing Accessibility Act and the HAPGC – Affordable Housing Bond Finance Program:

- i. Section 504 Uniform Federal Accessibility Standards 29 U.S.C 794 24 CFR part 8 5% UFAS (9 units) and 2% hearing/visual disabilities (4 units)
- ii. The HAPGC - Affordable Housing Bond Finance Program require the Sponsor, in connection with its application for an allocation of tax-exempt bonds, as partial financing of the Project, to agree to adhere to the federal Fair Housing Act Accessibility Guidelines for accessibility requirements for newly constructed housing developments with five (5) or more dwelling units. These units must be constructed in accordance with the terms outlined on pg. 18 of the Voluntary Compliance Agreement (VCA) between the U.S. Department of Housing and Urban Development and the Housing Authority of Prince George’s County 03-18-R001-4/D as specifically quoted:

*“what work has or will be completed with the bond money, and whether any TBV, PBV, or other tenants with an HAPGC-subsidy live in each Development. If any work is in progress, or has not yet been done, that work will comply with the requirements of the ADA and the 2010 ADA Standards, see 2010 ADA Standards § 233.2 (and the requirements of Section 504 and UFAS, if the Development is subject to Section 504).”*

**NOW THEREFORE**, in accordance with the Federal Fair Housing Accessibility Act Requirements and requirements under the Housing Authority of Prince George’s County’s Affordable Housing Bond Finance Program, the Sponsor acknowledges and agrees as follows:

1. Sponsor agrees to engage a third-party building and infrastructure inspector (acceptable to HAPGC) to thoroughly verify that the Project has met the requirements of the Federal Fair Housing Accessibility Act for all designated accessible dwelling units (5% mobility accessible and 2% sensory accessible) and all designated internal and external accessible routes, prior to the submission of an application for the Project’s Use and Occupancy permit.
2. Sponsor agrees to submit a third-party report to HAPGC verifying compliance with all Federal Fair Housing Act Accessibility requirements (and measurables), within 60 days of Project’s completion date to allow for inspection prior to submission of an application for the Project’s Use and Occupancy permit.



3. All costs associated with the third-party verification process will be the responsibility of the Sponsor.

**Housing Authority of Prince George's County**

By: 

Name: Jessica Anderson-Preston

Its: Executive Director

**KCG SSP Capitol Heights GP, LLC,  
a Maryland limited liability company**

By: 

Name: Robert J. Pasquesi

Its: President