



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

June 26, 2019

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INC*
Senior Legislative Auditor

RE: Fiscal Impact Statement
CR-045-2019 Annual Action Plan for Housing and Community Development FY 2019

Legislative Summary

CR-045-2019 seeks to amend the FY 2019 Annual Action Plan for Housing and Community Development to add the Palmer Park Meadows project (the "Project"), and to reprogram and reallocate \$800,000 in HOME Investment Partnerships Program (HOME) funds from the FY 2017, FY 2018 and FY 2019 Annual Action Plans to support the Project.

Background

The HOME Investment Partnerships Program (HOME) provides grants to States and localities to be used to fund a wide range of activities, including buying, rehabilitating affordable housing for rent or homeownership, or providing direct rental assistance to low-income individuals. HOME is the largest Federal block grant program given to State and local governments and was designed exclusively to create affordable housing for low-income households.

When HOME funds are made available each fiscal year, the U.S. Department of Housing and Community Development (HUD) informs eligible jurisdictions of the amounts to be awarded to them. A participating jurisdiction must have an approved Consolidated Plan, which includes an action plan describing how the HOME funds are to be used.

Assumptions and Methodology

The reprogrammed and reallocated funds will be used to support the development of the Palmer Park Meadows project to be located at 2002-2018 Palmer Park Road, Landover, Maryland. The Project is proposed to consist of land acquisition and the construction of nine (9) townhomes to be sold to income eligible households. Each unit will consist of three-bedrooms and will marketed with a proposed sales price of \$238,000. Any increase in sales prices shall not exceed the HOME Homeownership Value Limit as annually established and published by the United States Department of Housing and Urban Development. The townhomes may be purchased by households earning eighty percent (80%) of the Area Median Income (AMI) as determined using the “uncapped limits” calculated by HUD for Prince George’s County. Priority for purchase will be given to households who hold a Housing Choice Program voucher qualified to convert to homeownership.

Additional details of the project and financing estimate are described in Attachments A-1 to A-3 of the proposed Resolution. Details of the reprogrammed funds are summarized in Attachment B.

One (1) public hearing regarding the proposal is required to be held in accordance with the County’s FY 2016-2020 Citizen Participation Plan.

Fiscal Impact

- Direct Impact

Adoption of CR-045-2019 should not have an adverse fiscal impact on the County as County General Funds are not proposed for use in the proposed reprogramming and reallocation.

- Indirect Impact

Adoption of CR-045-2019 may promote growth and economic development within the County which may thereby have a positive fiscal impact upon various sources of County revenue.

Effective Date

The proposed Resolution shall be effective on the date of adoption.

If you require additional information, or have questions about this fiscal impact statement, please call me.