



October 4, 2024

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Shalene Miller-Whye 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CR-074-2024 FY 2025 Annual Action Plan For Housing and Community
Development New Carrollton – Affordable – Phase 3 – 9% Project

CR-074-2024 (*Proposed by:* The Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole

A RESOLUTION concerning Fiscal Year (“FY”) 2025 Annual Action Plan for Housing and Community Development For the purpose of amending the Prince George’s County Fiscal Year (“FY”) 2025 Annual Action Plan for Housing and Community Development by adding the New Carrollton – Affordable – Phase 3 – 9% project, an eligible activity not originally funded or described in the FY 2025 Annual Action Plan, and the reprogramming and reallocation of two million, seven hundred fifty thousand dollars (\$2,750,000) in HOME Investment Partnerships (“HOME”) Program funds from the FY 2019, FY 2022, FY 2023, and FY 2024 Annual Action Plans to support the New Carrollton – Affordable – Phase 3 – 9% project.

Fiscal Summary

Direct Impact

Expenditures: \$ 2,750,000 reallocation of HOME funds to support New Carrollton Affordable Phase 3 – 9%, not originally funded.

Revenue: None.

Indirect Impact

Potentially favorable.

Legislative Summary:

CR-074-2024¹, proposed by the Council Chair at the request of the County Executive, was introduced on September 10, 2024, and referred to the Committee of the Whole. CR-074-2024 amends the FY 2025 Annual Action Plan by adding the New Carrollton Affordable Phase 3 – 9% project as an eligible activity and reallocating \$2,750,000 in HOME funds to the project

Project Information

Developer: Urban Atlantic Development LLC

Owner: Urban Atlantic Development LLC

Description: A fifty (50) unit affordable family rental apartment community that will be constructed in New Carrollton, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.

Duration: At least 40 years

Current Law/Background:

The County's FY 2021-2025 Consolidated Plan was adopted through CR-047-2020² through citizen participation, assessment of housing and community development needs, and the incorporation of housing market analysis. According to the Department of Housing and Community Development (HUD), The Consolidated Plan is put in place to help states and local

¹ [CR-074-2024](#)

² [CR-047-2020](#)

jurisdictions assess their affordable housing needs and market conditions by making investment decisions that are based on research and data. The planning process is created to be a framework for future housing and community development priorities that align and focus funding on the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) Program, Housing Trust Fund (HTF), Emergency Solutions Grants (ESG) Program and Housing Opportunities for Persons with AIDS (HOPWA) Program.

The Consolidated Plan is carried out through Annual Actions Plans, which provide summaries of the actions, activities, and federal and non-federal resources to be used to address priorities and goals identified in the Consolidated Plan. Grantees use the Consolidated Annual Performance and Evaluation Report (CAPER) to report accomplishments towards their Consolidated Plan goals.

According to Sec. 15A-105 of the County Code, the Annual Housing and Community Development Action Plan shall be generally consistent with the Strategic Plans contained in the Five-Year Consolidated Housing and Community Development Plan and the Annual Statement of Community Development Objectives and shall include:

1. A detailed description of recommended housing and community development activities proposed for implementation during the succeeding program year;
2. The estimated cost of each project proposed in the subject program year, and the total cost to bring the project to completion if it is a multiyear project, together with an identification of the sources of such funds;
3. The geographical boundaries, locations, and targeting where applicable;
4. Identification of the agency or combination of agencies responsible for administering and/or implementing the recommended activities;
5. Identification of priority housing activities and federal resources to address the needs of low and moderate income households, as well as special needs populations;
6. Identification of priority activities in areas that address underserved housing needs which include, but are not limited to: maintaining adequate housing; removing barriers to adequate housing; evaluating and reducing lead-based paint hazards; reducing the number of poverty level families; developing institutional structures; enhancing coordination between public and private housing, and social services agencies; and fostering public housing improvements and resident initiatives; and
7. Submission of a combined application for use of federal entitlement funds for programs such as Community Development Block Grant, HOME Investment Partnerships, and Emergency Shelter Grant, Neighborhood Stabilization Grant Program, and HUD Section 108 Loan Guarantee Program.

Sec. 15A-106. of the County Code requires the review and approval of the five-year Consolidated Housing and Community Development Plan and Annual Action Plan. Sec. 15-A-106 states that the County Executive shall forward each proposed Five-Year Consolidated Housing and Community Development Plan and each Annual Action Plan; after public hearings(s), the County Council may amend any part of the Consolidated Housing and Community Development Plan or Annual Action Plan.

CR-024-2024³ established the FY 2025 Annual Action Plan for Housing and Community Development.

Resource Personnel:

- Aspasia Xypolia, Director, Department of Housing and Community Development, DHCD
 - Adedamola George Esq., Chief Compliance and Program Manager, DHCD
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Discussion/Policy Analysis:

This resolution seeks to reprogram \$2,750,000 from the HOME Investment Partnerships (HOME) Program and reallocate it to support the New Carrollton Affordable Phase 3-9% project. The FY 2025 Annual Action Plan includes a HOME Program allocation of \$3,442,936. This resolution seeks to reallocate funds from the FY 2019, FY 2022, FY 2023, and FY 2024 annual action plans.

Summary of HOME funds to be reallocated from each fiscal year⁴:

Fiscal Year	Allocation
FY 2019	\$14,082.65
FY 2022	\$496,930.48
FY 2023	\$454,129.44
FY 2024	\$1,784,847.43
Total	\$2,750,000

For FY 2025, the Department of Housing and Community Development entitlement funds included the following⁵:

Program	Allocation
CDBG	\$5,613,506
HOME	\$2,187,983
ESG	\$465,086
Total	\$8,266,575

Consistent with the Consolidated Plan, FY 2025 Annual Action Plan Goals included⁶:

1. Increase supply of affordable rental homes
2. Stabilize and improve rental properties

³ [CR-024-2024](#)

⁴ Attachment B, DHCD.

⁵ [FY 2025 Annual Action Plan, pg. 16](#)

⁶ [FY 2025 Annual Action Plan, pg. 22](#)

3. Increase homeownership opportunities
4. Increase supply of accessible and affordable homes
5. Prevent displacement of long-time residents
6. Support independent living for seniors and persons living with disabilities
7. Prevent homelessness
8. Increase access to job training and economic development assistance
9. Improve quality of life/livability
10. Support high-quality public infrastructure improvements
11. Improve communications and information-sharing

New Carrollton—Affordable—Phase 3 - 9% (the “Project”) will be located at Pensy Drive, Route 50, and Corporate Drive, New Carrollton, Maryland 20785. It is a 50-unit rental apartment community. Under the proposed agreement, for at least a 40-year term, Urban Atlantic Development LLC will construct a (50) unit transit-oriented family affordable housing development.

The Project is expected to cost \$19,368,540. Financing includes a private loan of \$2,479,658, CDA Rental Housing Program Funds of \$1,000,000, Prince George’s County HOME of \$2,750,000, LITC Proceeds of \$12,9000,000, a deferred developer fee of \$174,825, and interim income of \$64,067.

The project will receive approximately \$4,263,070 or 22% of its total funding from the County, as demonstrated below. The terms of the PILOT agreement include 100% tax waivers of 50 units for the next 40 years, with a 2% annual escalation per unit over that period.

Total aid received from the County:	
PILOT Agreement:	\$ 1,513,070
HOME	\$ 2,750,000
County Subsidy as a percentage of Total Cost:	22%

Increasing the availability of affordable housing through the construction of new housing and the rehabilitation of existing housing is a stated objective of the Council and a key component of the Comprehensive Housing Strategy⁷.

⁷ [Comprehensive Housing Strategy Report](#)

Fiscal Impact:

- *Direct Impact*

Adoption of CR-074-2024 will have an adverse fiscal impact, as \$2,750,000 in HOME funds will be reallocated from FY 2019, FY 2022, FY 2023, and FY 2024.

- *Indirect Impact*

Adoption of CR-074-2024 aligns with County Plan 2035⁸ goals and will focus on the initial goals set in place by the FY 2021-2025 Consolidated Plan to prioritize affordable housing, economic development, rental assistance, and homeowner's assistance.

- *Appropriated in the Current Fiscal Year*

N/A

Effective Date of Proposed Legislation:

The proposed Resolution shall be effective upon its adoption.

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

⁸ [Plan 2035](#)