

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2007 Legislative Session

Resolution No. CR-83-2007

Proposed by The Chairman (by request – County Executive)

Introduced by Council Member Exum

Co-Sponsors _____

Date of Introduction November 14, 2007

RESOLUTION

1 A RESOLUTION concerning

2 State of Maryland Community Legacy Program

3 For the purpose of approving the application and receipt of financing for a Community
4 Development Financial Institution (“CDFI”) Neighborhood Intervention Plan and Project in
5 Prince George’s County, Maryland, to be financed either directly by the Department of Housing
6 and Community Development (the “Department”) of the State of Maryland or through other
7 departments or agencies of the State of Maryland.

8 WHEREAS, Section 6-201 through Section 6-213 of the Housing and Community
9 Development Article of the Annotated Code of Maryland established the Community Legacy
10 Program to preserve existing communities as desirable places to live and conduct business, and
11 to provide financial assistance to sponsors for the development of community legacy plans or
12 community legacy projects; and

13 WHEREAS, there is a significant need for reinvestment and revitalization of the
14 communities in Prince George’s County; and

15 WHEREAS, OpenDoor Housing Fund, a certified CDFI, proposes to develop a CDFI
16 Neighborhood Intervention Plan and Project (the “Project”), as described in Attachment “A” and
17 incorporated by reference, the purpose of which will be to contribute to reinvestment and
18 revitalization; and

19 WHEREAS, the Department, either through Programs of the Department, or in cooperation
20 with other State departments or agencies, may provide some or all of the financing for the
21 Project (the “Project Financing”) in order to assist in making it financially feasible; and

22 WHEREAS, the proposed Project is located within a priority funding area pursuant to

1 Section 5-7B-02 of the State Finance and Procurement Article of the Annotated Code of
2 Maryland; and

3 WHEREAS, the Project will conform with all applicable County Zoning Ordinance
4 requirements; and

5 WHEREAS, Section 6-207 (b)(1) of the Housing and Community Development Article of
6 the Annotated Code of Maryland requires the approval by the County governing body of the
7 application for Project Financing; and

8 WHEREAS, the County Executive expresses approval of the Project and the efforts of the
9 OpenDoor Housing Fund to promote smart growth and to help Prince George's County
10 rehabilitate and preserve affordable housing in priority funding areas.

11 NOW, THEREFORE, BE IT RESOLVED that the County Council of Prince George's
12 County, Maryland, hereby endorses the Project, and approves the request in the form of a grant,
13 loan, or other financial vehicle in the approximate amount of \$500,000.

14 BE IT FURTHER RESOLVED that the County Executive by his signature hereby endorses
15 this resolution, thereby indicating his approval thereof.

16 BE IT FURTHER RESOLVED that copies of this Resolution be sent to the Secretary of
17 Housing and Community Development of the State of Maryland for consideration by the
18 Community Legacy Board.

Adopted this ____ day of _____, 2007.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Camille A. Exum
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

Date: _____

BY: _____
Jack B. Johnson
County Executive

ATTACHMENT A

PROJECT INFORMATION SHEET
OpenDoor Housing Fund
Community Legacy Program

APPLICANT: OpenDoor Housing Fund, formerly Washington Area Housing Trust Fund, recently acquired the Unitarian Universalist Affordable Housing Corporation resulting in the creation of the largest locally controlled Community Development Financial Institution (“CDFI”) serving the Washington Metropolitan region.

PROGRAM CONTACT: Ms. Peggy Sand
Senior Vice President
OpenDoor Housing Fund
8605 Cameron Street, Suite 200
Silver Spring, Maryland 20910
Phone: (301) 588-5533
psand@opendoorhousingfund.org

FINANCIAL AND LOCAL CONTRIBUTION: None

NEIGHBORHOOD/ LOCALITY: Unincorporated priority funding areas of the County located inside the Beltway

PROJECT DESCRIPTION:

OpenDoor will use Community Legacy funding to implement a Neighborhood Intervention Plan and Project that will allow OpenDoor to enhance its partnership with an experienced nonprofit housing developer to purchase and redevelop properties in stable neighborhoods in priority funding areas in Prince George's County. Specifically, OpenDoor will work with Housing Initiative Partnership, Inc. (“HIP”), a community housing development organization with strong roots in the targeted neighborhoods. OpenDoor believes that these roots will be important to making sure that the loans are reflective of neighborhood desires and work towards a common revitalization goal.

HIP has established relationships with realtors in priority funding areas. These realtors notify HIP when homes selling for less than \$200,000 go on the market. In addition, HIP is the only nonprofit certified in Prince George's County to bid on HUD homes. Although OpenDoor has made multifamily loans to HIP in the past, including a predevelopment loan for artist housing in Hyattsville, the likely focus of the Community Legacy funding will be the purchase and rehabilitation of single-family homes.

Based on past successful efforts, OpenDoor's Neighborhood Intervention Plan and Project will have seven steps: 1) organizational underwriting and loan commitment; 2) identifying target neighborhoods and properties; 3) making loans to help nonprofit partners acquire properties; 4) monitoring the status of the rehabilitation of the properties; 5) resale, refinance and repayment of OpenDoor; 6) quarterly and annual reports; and 7) restarting of the loan process with recycled funds.

Community Legacy loan requests will be treated like other OpenDoor Housing Fund loan requests. Staff will underwrite the requests to determine the following: compatibility with local and neighborhood plans, compatibility with Community Legacy goals; financial strength of the loan application, including the ability to repay if the deal goes forward and if it does not; and impact of the proposed project. Staff will write up their findings in a credit memo that will be presented to OpenDoor's Loan Committee. OpenDoor's Loan Committee is chaired by Oramenta Newsome, a resident of Columbia, Maryland and the Executive Director of the Washington, DC Office of the Local Initiatives Support Corporation. Ms. Newsome and the other members of OpenDoor's Loan Committee bring more than 100 years of lending and underwriting experience in this market to their decision making process. Hank Brothers, OpenDoor Housing Fund's legal counsel, will prepare and review all loan documents.

The type of flexibility described in this plan is necessary to the success of the CDFI component of the Community Legacy Program. CDFIs provide one small piece of the financing for real estate deals. These pieces are often critical to the projects going forward but nonprofits are not able or willing to wait for CDFIs to move forward. For this reason, it is impossible to identify the exact project that will be funded or to fill out the impact and financing sheets with any level of detail or clarity. Community Legacy funding, however, is exactly the kind of funding that CDFIs need. The absence of interest and the long term would help OpenDoor leverage additional financing from more traditional financial institutions.