



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

February 17, 2016

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*
Legislative Auditor

RE: Fiscal Impact Statement
CR-008-2016 Housing and Community Development Annual Action Plan: FY 2016

Pursuant to your request, we have reviewed CR-008-2016 to estimate its fiscal impact on Prince George's County, Maryland.

CR-008-2016 amends the County's FY 2016 Annual Action Plan for Housing and Community Development to include a new, eligible activity, and will approve the reallocation and commitment of \$975,000 in HOME Investment Partnerships Program (HOME) funds to the Arnold Gardens rental housing project.

Arnold Gardens (the "Project") is a rental housing project, consisting of sixty-eight (68) apartments, located at 2521 Ewing Avenue in Suitland, Maryland. Fifty-Five (55) of the units within the Project are currently operating under a Housing Assistance Payments (HAP) Contract which will be extended for an additional twenty (20) years by the U.S. Department of Housing and Urban Development (HUD), according to information provided within the proposed legislation. Gragg Cardona Partners, LLC (the "Developer") is proposing to acquire and renovate the Project. A PILOT agreement to assist in the purchase of the Project is being considered under CR-010-2016.

After acquisition and renovation, the aforementioned fifty-five units (55) will continue to be restricted under the HAP Contract and the remaining 13 units will be offered for rent to income-qualified families under the Low Income Housing Tax Credit (LIHTC) Program. Free wireless internet access will be provided to each unit and a Business Center will also be added. The owner also proposes to provide annual financial contributions to the community to include, an annual

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\$5,000 Arnold Gardens Community Scholarship Fund and \$5,000 in annual donations to boundary schools of the Arnold Gardens Project. The Project's Tenant Services will include community gardening with the Suitland Action Team, bi-annual dentist check-ups for children, and passive services to the Project's residents. Additional details of the project, estimated costs and sources of financing are described in Attachments A-1 to A-3 to the proposed Resolution.

Details of the reprogrammed funds are summarized in Attachment B to the proposed Resolution.

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

Adoption of CR-008-2016 should not have an adverse fiscal impact on the County.

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