

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2022 Legislative Session

Resolution No. CR-094-2022

Proposed by The Chair (by request - County Executive)

Introduced by Council Members Hawkins, Glaros, Taveras, Turner, Medlock and Franklin

Co-Sponsors _____

Date of Introduction September 6, 2022

RESOLUTION

1 A RESOLUTION concerning

2 Housing Investment Trust Fund (“HIFT”) for Housing and Community Development
 3 For the purpose of committing and allocating the Villas at Langley project, an eligible activity,
 4 the amount of two million dollars (\$2,000,000) in Housing Investment Trust Fund (“HITF”)
 5 Program funds for gap financing of preservation of affordable housing.

6 WHEREAS, pursuant to Sections 10-295, 10-297, 10-298 and 10-299 of the Prince
 7 George’s County Code, the County Executive and the County Council of Prince George’s
 8 County, Maryland adopted County Bill CB-021-2012, which set forth the County’s Housing
 9 Investment Trust Fund Program; and

10 WHEREAS, the County established the Housing Investment Trust Fund, in order to
 11 authorize a funding and program mechanism to address foreclosure related issues facing
 12 residents in the County. The County sought to establish a Foreclosure Recovery Initiative Fund
 13 to allow Prince George’s County to support private investments, attract new homebuyers, and
 14 expand partnerships with the non-profit community by providing critically needed financial
 15 assistance for housing rehabilitation projects, first time homebuyers, and foreclosure mediation
 16 counseling agencies; and

17 WHEREAS, pursuant to Sections 10-295, 10-297, 10-298 and 10-299 of the Prince
 18 George’s County Code, and adopted in County Bill CB-057-2017, the Housing Investment Trust
 19 Fund Program was amended to include the provision of gap financing to support the
 20 development of new construction, rehabilitation and preservation of workforce and affordable
 21 housing, consistent with the adopted Prince George’s County Five-Year Consolidated Housing
 22 and Community Development Plan. In addition to serving as a vehicle to address foreclosures

1 with the County, the purpose of the amendment was to enable the County to support the
2 development of new construction and preservation of existing workforce and affordable housing
3 which would allow Prince George’s County to provide Workforce Housing Gap Financing with
4 an emphasis on supporting the development of new construction, rehabilitation and preservation
5 of workforce and affordable housing while targeting households earning up to 120% of the area
6 median income (“AMI”); and

7 WHEREAS, the Villas at Langley project involves the preservation of a five hundred ninety
8 (590) unit garden style apartment community, a portion which will provide housing for four
9 hundred forty three (443) low-income to moderate-income residents located at 8100 15th Avenue,
10 Hyattsville, Maryland 20783; and

11 WHEREAS, this Resolution will supersede and replace Council Resolution CR-099-2021,
12 approved and adopted by the Prince George’s County Council on November 9, 2021, for the
13 commitment of Housing Investment Trust Fund (“HITF”) to the Villas at Langley Project, in the
14 amount of one million, two hundred eighty six thousand, five hundred sixty dollars (\$1,286,560);
15 and

16 WHEREAS, Attachments “A-1”, “A-2”, and “A-3” describe the Villas at Langley project,
17 the associated costs and the sources of funding for the project, as attached hereto and made a part
18 of the record hereof; and

19 WHEREAS, Attachment “B” describes the commitment and allocation of two million
20 dollars (\$2,000,000) in HITF Program funds will provide gap financing necessary to complete
21 the Villas at Langley project, as attached hereto and made a part of the record hereof; and

22 WHEREAS, the County Executive recommends the County’s financial commitment to the
23 Villas at Langley project and an allocation of two million dollars (\$2,000,000) in HITF Program
24 funds to support this project.

25 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
26 County, Maryland, that the commitment and allocation of the Housing Investment Trust Fund for
27 Housing and Community Development to the Villas at Langley Project is hereby approved, in
28 the amount of two million dollars (\$2,000,000), as described in Attachments “A1-A3,” and “B,”
29 respectively, as attached hereto and made a part of the record hereof.

30 BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of
31 its adoption.

Adopted this 24th day of October, 2022.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Calvin S. Hawkins, II
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**Villas at Langley Apartments
8100 15th Avenue
Hyattsville, MD 20783**

COUNCILMANIC DISTRICT 2

PROJECT DESCRIPTION: A five hundred ninety (590) unit garden style apartment community acquired in April 2020 by 8100 15th Ave Owner, LLC. This is rental housing without any income-restrictions on 24 acres in Hyattsville, Maryland. Ownership proposes to restrict rents for four hundred forty three (443) of the units for at least ten (10) years.

OWNER: 8100 15th Ave Owner, LLC

DEVELOPER: Jair Lynch Real Estate Partners

CONTACT: Alexander Chamberlain, Asset Manager
Jair Lynch Real Estate Partners
202-798-8420

NEIGHBORHOOD/LOCALITY: Hyattsville, Prince George’s County, District 2

UNIT MIX: One-bedroom: 164 units
Two-bedrooms: 330 units
Three-bedrooms: 96 units

AFFORDABILITY: 60% or less of the AMI: 443 units
Market rate: 147 units

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Villas at Langley Apartments
8100 15th Avenue
Hyattsville, MD 20783**

COUNCILMANIC DISTRICT 2**PROJECT DESCRIPTION:**

Jair Lynch Real Estate Partners (the “Developer”) proposes to restrict rent levels four hundred forty-three (443) of the five hundred ninety (590) rental units at the Villas at Langley (the “Project”) to sixty percent (60%) of the Area Median Income (“AMI”) for a period of at least ten (10) years. The Villas at Langley is an inner Beltway rental apartment community that was constructed in 1964 and located a quarter (0.25) mile from the Purple Line route and approximately three tenths (0.30) of a mile from two future Purple Line stations in Hyattsville. The unit mix includes one hundred sixty-four (164) one-bedroom units; three hundred thirty (330) two-bedrooms units; and ninety-six (96) three-bedrooms units. The Villas at Langley community was acquired by 8100 15th Ave Owner, LLC, an investor entity led by Jair Lynch Real Estate Partners, in April 2020 for \$87,500,000. The Project is presently not subject to any rent restrictions however most of its units are priced at levels affordable to households earning sixty percent (60%) of the AMI. Local market rents are projected to increase at greater rates as the Purple Line nears completion and begins service.

The Villas at Langley ownership is carrying out a capital improvement project to remedy deferred maintenance items. Inclusive of the original \$87,500,000 acquisition price, the total cost of acquiring the Villas at Langley and carrying out needed repairs will total \$108,184,556. The Developer is applying for a Prince George’s County payment in lieu of taxes (“PILOT”) and a Housing Investment Trust Fund (“HITF”) loan since these subsidies will allow seventy-five percent (75%) of the Project’s units to be rent-restricted and ensure the Project is able to adequately service its debt and equity capital. This additionally permits affordability preservation since the rents for the affordable units can be increased more gradually as existing leases expire and the market shows a demand for units at a higher price point.

The Developer intends to remedy deferred maintenance and make improvements that were

recommended by a property condition assessment completed prior to its acquisition of the Villas at Langley. These improvements will help preserve the property and make it more livable for its tenants. The most significant and costly improvement will be the replacement of the obsolete, inefficient centrally controlled and powered HVAC system with systems that are units-based and unit-controlled. HVAC replacement is a priority because repeated outages have occurred since the system has exceeded its useful life. Repairs will be made to the brick exterior of the building. When units are turned over between tenants, vinyl flooring will be installed, and kitchens will be upgraded. The landscaping and amenities will also be improved to make the property more visually attractive and pleasant for residents living in the community.

In addition to the location of this Project being ideally positioned near the route of the Purple Line and two of its stations, onsite amenities include an outdoor basketball court, a large outdoor pool, and a playground. The Project is within walking distance of Langley Park-McCormick Elementary School. Casa de Maryland, a local immigrant advocacy organization, is located onsite and the Langley Park Boys and Girls Club is located immediately off-site. The Prince George's County subsidies consisting of a payment in lieu of taxes ("PILOT") and a loan from its Housing Investment Trust Fund will preserve affordable housing units for a period of at least ten years in a neighborhood whose residents are at greater risk of displacement.

ATTACHMENT A-3

PROJECT FINANCING ESTIMATE

**Villas at Langley Apartments
8100 15th Avenue
Hyattsville, MD 20783**

COUNCILMANIC DISTRICT 2

SOURCES

Sources	Amount	Percentage
Private Mortgage	\$68,000,000	62.86%
Investor Equity	\$32,087,503	29.66%
County HITF Loan	\$2,000,000	1.85%
10-year value of County PILOT	\$6,106,053	5.63%
Total Sources of Funds	\$108,184,556	100.00%

USES

Uses	Amount	Percentage
Construction or Rehabilitation Costs	\$15,134,320	13.99%
Fees Related to Construction or Rehab	\$2,581,916	2.39%
Financing Fees and Charges	\$2,081,971	1.92%
Acquisition Costs	\$87,500,000	80.88%
Developer's Fee	\$886,349	0.82%
Total Uses of Funds	\$108,184,556	100.00%