

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2024 Legislative Session

Resolution No. CR-019-2024

Proposed by The Chair (by request – County Executive)

Introduced by Council Members Ivey, Harrison, Hawkins, Dernoga, Watson and Fisher

Co-Sponsors _____

Date of Introduction March 26, 2024

RESOLUTION

1 A RESOLUTION concerning

2 Housing Investment Trust Fund (“HITF”) for Housing and Community Development

3 For the purpose of committing and allocating the amount of three million, five hundred thousand

4 dollars (\$3,500,000) in Prince George’s County Housing Investment Trust Fund (“HITF”)

5 Program funds to The Cassidy project, an eligible activity, for gap financing of new affordable

6 rental housing construction.

7 WHEREAS, pursuant to Sections 10-295, 10-297, 10-298 and 10-299 of the Prince

8 George’s County Code, the County Executive and the County Council of Prince George’s

9 County, Maryland adopted County Bill CB-021-2012, which set forth the County’s Housing

10 Investment Trust Fund Program; and

11 WHEREAS, the County established the Housing Investment Trust Fund, in order to

12 authorize a funding and program mechanism to address foreclosure related issues facing

13 residents in the County. The County sought to establish a Foreclosure Recovery Initiative Fund

14 to allow Prince George’s County to support private investments, attract new homebuyers, and

15 expand partnerships with the non-profit community by providing critically needed financial

16 assistance for housing rehabilitation projects, first time homebuyers, and foreclosure mediation

17 counseling agencies; and

18 WHEREAS, pursuant to Sections 10-295, 10-297, 10-298 and 10-299 of the Prince

19 George’s County Code, and adopted in County Bill CB-057-2017, the Housing Investment Trust

20 Fund Program was amended to include the provision of gap financing to support the

21 development of new construction, rehabilitation and preservation of workforce and affordable

22 housing, consistent with the adopted Prince George’s County Five-Year Consolidated Housing

1 and Community Development Plan. In addition to serving as a vehicle to address foreclosures
2 with the County, the purpose of the amendment was to enable the County to support the
3 development of new construction and preservation of existing workforce and affordable housing
4 which would allow Prince George's County to provide Workforce Housing Gap Financing with
5 an emphasis on supporting the development of new construction, rehabilitation and preservation
6 of workforce and affordable housing while targeting households earning up to 120% of the area
7 median income ("AMI"); and

8 WHEREAS, The Cassidy project involves the land acquisition and new construction of one
9 hundred seventy-five (175) units of new affordable multi-family rental housing for low-income
10 to moderate-income families, known as The Cassidy, on a 13.14 acre parcel located at Karen
11 Boulevard and Wilberforce Court, Capitol Heights, Maryland 20743; and

12 WHEREAS, Attachments "A-1," "A-2," and "A-3," describe The Cassidy project, the
13 associated costs and the source(s) of funding for the project, as attached hereto and made a part
14 hereof; and

15 WHEREAS, Attachment "B" describes a summary of the financial commitment and
16 allocation of three million, five hundred thousand dollars (\$3,500,000) in HITF Program funds to
17 support The Cassidy project, as attached hereto and made a part hereof; and

18 WHEREAS, the commitment and allocation of three million, five hundred thousand dollars
19 (\$3,500,000) in HITF Program funds will provide gap financing necessary to acquire and
20 complete The Cassidy project; and

21 WHEREAS, the County Executive recommends the County's financial commitment to The
22 Cassidy project and an allocation of three million, five hundred thousand dollars (\$3,500,000) in
23 HITF Program funds to support this project.

24 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
25 County, Maryland, that the commitment and allocation of the Housing Investment Trust Fund for
26 Housing and Community Development to The Cassidy Project is hereby approved in the amount
27 of three million, five hundred thousand dollars (\$3,500,000), as more particularly described in
28 Attachments "A-1 – A-3," and "B," respectively, as attached hereto and made a part hereof.

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

Adopted this 30th day of April, 2024.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Jolene Ivey
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**The Cassidy
Karen Boulevard and Wilberforce Court
Capitol Heights, Maryland 20743**

COUNCILMANIC DISTRICT 6

PROJECT DESCRIPTION:	A one hundred seventy-five (175) unit rental apartment community will be constructed in three (3) elevator buildings with four (4) stories or less on a 13.14-acre site in Capitol Heights, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.
OWNER:	KCG SSP Capitol Heights, LP
DEVELOPER:	KCG Development, LLC Streetscape at Capitol Heights, LLC
CONTACT:	Karla Burck Executive Vice President of Development KCG Development, LLC (317) 452-3729 Karla.burck@kcgcompanies.com
NEIGHBORHOOD/LOCALITY:	Capitol Heights, Prince George’s County District 6
UNIT MIX:	A mix of one-bedroom, two-bedroom, and three-bedroom units
AFFORDABILITY:	All units will be priced at levels affordable to households earning sixty percent (60%) or below of the Area Median Income (AMI) for forty (40) years. The unit mix will include three (3) HOME–ARP units for households earning thirty percent (30%) or below of the AMI.

ATTACHMENT A-2

PROJECT INFORMATION SHEET

**The Cassidy
Karen Boulevard and Wilberforce Court
Capitol Heights, Maryland 20743**

COUNCILMANIC DISTRICT 6

PROJECT DESCRIPTION:

The Cassidy project (the “Project”) is a proposed one hundred seventy-five (175) unit, multifamily community in Capitol Heights. It is located on Karen Boulevard and Wilberforce Court in a state-designated Opportunity Zone and Priority Funding Area. The project site is 13.14 acres and comprises two parcels: 18-4023313 (3.6 acres) and 18-4023321 (9.54 acres).

The project site is in a residential neighborhood with several general tenancy and senior multifamily developments and schools nearby. All three (3) public schools that serve children in this area of Prince George’s County are within a half-mile radius of the site. The project location provides ease of access to major roads, highways, and public transit options. Importantly, the site is located between the Blue and Green Metrorail Lines. The P12 and V12 Metrobus lines provide regular service from the Project to these Metrorail stations.

The Project is comprised of a mix of one (1) bedroom, two (2) bedroom, and three (3) bedroom units. All one hundred seventy-five (175) units will accommodate households earning up to sixty percent (60%) of the Area Median Income (AMI) and will include three (3) HOME-ARP units for households earning thirty percent (30%) or below of the AMI. Five percent (5%) of the units will be ADA accessible, and two percent (2%) will be adaptable for residents with audio, visual, or hearing needs.

Resident amenities will be well-suited for professionals and young families. All apartment units will have central air conditioning, and energy-efficient kitchen appliances, including a full-sized refrigerator, dishwasher, stove, oven, microwave, and garbage disposal. Each unit will also include washer/dryer hookups, with residents having the option to rent washer/dryer units. Community amenities will include on-site management, a large entertainment room, a fitness center, and shared laundry facilities. The landscaped property will

feature walking paths and a children's play area. Furthermore, the project will meet Energy Star Multifamily New Construction Standards.

KCG Development, LLC is the applicant for this solicitation and Developer of the Project. Since its inception in 2015, KCG Development has amassed a portfolio totaling three thousand, eight hundred six (3,806) units, of which one thousand, three hundred twenty (1,320) are stabilized and fully operational, and two thousand, four hundred and eighty-six (2,486) units are under construction or in lease-up. Streetscape at Capitol Heights, LLC will be the co-developer for this Project. They are a subsidiary of Streetscape Partners which was founded in 2008. They are a privately held real estate development company focused on residential and mixed-use opportunities throughout the greater Washington, D.C. region. The development team will rely on a team of local partners to build and operate the Project. Commercial Construction was established in 1996 and is located in Hanover, Maryland. They will be the general contractor for the project. Habitat America, an Annapolis-based property management firm, will operate the Project. They have over 30 years of experience managing senior living, affordable, and market-rate apartments in Delaware, Maryland, Pennsylvania, Virginia, and Washington, DC. Today Habitat America has one hundred seven (107) properties and ten thousand, four hundred thirty-one (10,431) units in its management portfolio.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

**The Cassidy
Karen Boulevard and Wilberforce Court
Capitol Heights, Maryland 20743**

COUNCILMANIC DISTRICT 6

Sources	Amount	Percentage
Housing Authority of Prince George's County Bonds	\$ 36,800,000	53.62%
Prince George's County HITF	\$ 3,500,000	5.10%
Prince George's County HOME-ARP	\$ 1,050,000	1.53%
Low Income Housing Tax Credits	\$ 23,289,846	33.93%
Deferred Developer Fee	\$ 3,451,467	5.03%
Cash from Operations	\$ 541,168	0.79%
GP Equity	\$ 100	0.00%
Total:	\$ 68,632,581	100%

Uses	Amount	Percentage
Construction Costs	\$ 44,769,297	65.23%
Fees Related to Construction	\$ 5,150,834	7.50%
Financing Fees	\$ 7,883,750	11.49%
Acquisition Costs	\$ 3,100,000	4.52%
Developer's Fee	\$ 6,365,393	9.27%
Syndication Related Costs	\$ 306,244	0.45%
Guarantees and Reserves	\$ 1,057,062	1.54%
Total:	\$ 68,632,581	100%