




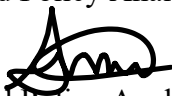
May 23, 2024

**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-033-2024 FY 2024 Annual Action Plan for Housing and Community  
Development

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**CR-033-2024** (*Proposed by:* The Chair of the Council at the request of the County Executive)

*Introduced by Council Members Ivey, Watson, Harrison, Fisher, Hawkins and Franklin*

Assigned to the Committee of the Whole

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A RESOLUTION CONCERNING Fiscal Year (“FY”) 2024 Annual Action Plan for Housing and Community Development For the purpose of amending the Prince George’s County Fiscal Year (“FY”) 2024 Annual Action Plan for Housing and Community Development by adding the Bowie Commons project, an eligible activity not originally funded or described in the FY 2024 Annual Action Plan, and the reprogramming and reallocation of one million dollars (\$1,000,000) in HOME Investment Partnerships (“HOME”) Program funds from the FY 2021 Annual Action Plan to support the Bowie Commons project.

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## Fiscal Summary

### Direct Impact

*Expenditures:* \$1,000,000 increase in expenditures of HOME Investment Partnerships Program funds.

*Revenue:* No revenue impact.

### Indirect Impact

Potentially favorable.

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### Legislative Summary:

CR-033-2024<sup>1</sup>, proposed by the Council Chair at the request of the County Executive, was introduced on April 23, 2024, by Council Members Ivey, Watson, Harrison, Fisher, Hawkins, and Franklin and referred to the Committee of the Whole. CR-033-2024 would amend the Prince George's County Fiscal Year ("FY") 2024 Annual Action Plan for Housing and Community Development by adding the Bowie Commons Project, not originally funded and reprogramming and reallocating \$1,000,000 in HOME Investment Partnerships (HOME) Program funds from the FY 2021 Annual Action Plan.

### Project Information

<b>Developer:</b>	Vitus Development IV, LLC
<b>Owner:</b>	Bowie Housing Partners, LP
<b>Description:</b>	A thirty six (36) unit rental apartment community will be renovated in six (6) walk-up buildings on a 3.18 acre site in Bowie, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.
<b>Duration:</b>	At least 40 years

The price range of units is provided below. All thirty-six (36) units are covered by a Housing Assistance Payments (HAP) contract and are restricted to senior residents.

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<sup>1</sup> [CR-033-2024](#)

Unit Type	Units Rent
1 BR, 540 SQ FT.	\$1775 (1242.50 from rent subsidy and 532.50 contract rent)
1BR 589 SQ FT.	\$1,800 (\$1,260 from rent subsidy and \$540 contract rent)

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## Current Law/Background

The County's FY 2021-2025 Consolidated Plan was adopted through CR-047-2020<sup>2</sup> 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 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

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<sup>2</sup> [CR-047-2020](#)

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-021-2023<sup>3</sup> established the FY 2024 Annual Action Plan for Housing and Community Development.

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#### **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**

The Bowie Commons (the “Project”) is located at 3909 New Haven Court, Bowie, Maryland 20716, and is a 36-unit rental apartment community. Under the proposed agreement, for at least a 40-year term, Bowie Housing Partners, LP, and Vitus Development IV, LLC (the “Developer”) will renovate six (6) walk-up buildings for senior residents whose incomes are at or below 60% of the Area Median Income (“AMI”). Two (2) units are set aside for mobility impairments, and one (1) unit is set aside for sensory impairments.

The Project is expected to cost \$10,826,340. Financing includes tax-exempt Bond financing in the amount of \$4,100,000, Prince George’s County HOME in the amount of \$1,000,000, a General Partner Note in the amount of \$2,000,000, a deferred developer fee in the amount of \$625,448, and funding from low-income housing tax credits in the amount of \$3,100,892, and a payment in lieu of taxes agreement with the County.<sup>4</sup> Under the terms of the PILOT agreement, it includes 100% tax waivers of 36 units over 40 years, with a 2% annual escalation per unit over that period. Under this PILOT, the County will forgo \$1,222,129 in tax revenue over a 40-year period.

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<sup>3</sup> [CR-021-2023](#)

<sup>4</sup> [CR-034-2024](#)

**Total aid received from the County:**

PILOT Agreement:	\$ 1,222,229
HOME	\$ 1,000,000
<b>County Subsidy as a percentage of Total Cost:</b>	<b>20.52%</b>

The HOME Investment Partnerships (HOME) program is designed to fund activities related to building, buying, and rehabilitating affordable housing for rent or homeownership.<sup>5</sup>

For FY 2024, the Department of Housing and Community Development entitlement funds included the following: \$2,406,629 was allocated to the HOME program.<sup>6</sup> HOME funding recommendations for PY 32, presented in the FY 2024 Annual Allocation Plan, include \$1,804,972 recommended for multi-family rental housing construction and rehabilitation, which is 53% of the PY 32 funding allocated for the home program.<sup>7</sup>:

<b>Program</b>	<b>Allocation</b>
CDBG	\$5,291,711
HOME	\$2,406,629
ESG	\$446,246
<b>Total</b>	<b>\$8,144,586</b>

Consistent with the Consolidated Plan, FY 2024 Annual Action Plan Goals included:

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

<sup>5</sup> [HOME Investment Partnerships Program | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

<sup>6</sup> [CR-021-2023 Attachment B](#)

<sup>7</sup> [CR-021-2023 Presentation](#)

## 11. Improve communications and information-sharing

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### **Fiscal Impact:**

- *Direct Impact*

Adoption of CR-033-2024 would amend the FY 2024 Annual Action Plan and allocate \$1,000,000 to the Bowie Commons project from the \$2,406,629 allocated in the original plan.

- *Indirect Impact*

Adoption of CR-033-2024 aligns with County Plan 2035<sup>8</sup> 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*

Yes

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### **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.

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<sup>8</sup> [Plan 2035](#)