

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

Resolution No. CR-100-2022

Proposed by The Chair (by request - County Executive)

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

Co-Sponsors _____

Date of Introduction September 6, 2022

RESOLUTION

1 A RESOLUTION concerning

2 Fiscal Year (“FY”) 2023 Annual Action Plan for Housing and Community Development
3 For the purpose of amending the Prince George’s County Fiscal Year (“FY”) 2023 Annual
4 Action Plan for Housing and Community Development by adding the Housing Initiative
5 Partnership, Inc. (“HIP”)’s Fairmount Heights Net Zero Homes and Microgrid project, an
6 eligible activity not originally funded or described in the FY 2023 Annual Action Plan, the
7 reprogramming of eight hundred ninety one thousand, nine hundred fifty nine dollars and thirty-
8 five cents (\$891,959.35) in HOME Investment Partnerships (“HOME”) Program, Community
9 Housing Development Organization (“CHDO”) Set-Aside funds from the FY 2019, FY 2020,
10 FY 2021 and FY 2022 Annual Action Plans, and the reallocation and commitment of four
11 hundred fifty eight thousand, forty dollars, and sixty-five cents (\$458,040.65) in HOME
12 Investment Partnerships (“HOME”) Program funds from the FY 2023 Annual Action Plan to
13 support the Fairmount Heights Net Zero Homes and Microgrid project.

14 WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) requires
15 jurisdictions that receive assistance under certain community planning and development
16 programs to submit a Five-Year Consolidated Plan and an Annual Action Plan to the Secretary
17 of HUD that outlines ways to develop viable communities by: providing decent housing, a
18 suitable living environment, and expanding economic opportunities principally for low- and
19 moderate-income persons; and

20 WHEREAS, each jurisdiction is required to adopt a citizen participation plan as part of its
21 Five-Year Consolidated Plan and Annual Action Plans; and

1 WHEREAS, a citizen participation plan sets forth the jurisdiction’s policies and procedures
2 for citizen participation, and must provide for and encourage citizens to participate in the
3 development of the Assessment of Fair Housing, any revisions to the Assessment of Fair
4 Housing, the Five-Year Consolidated Plan, any substantial amendment to the Consolidated Plan,
5 and the Performance Report; and

6 WHEREAS, pursuant to Section 15A-107 of the Prince George’s County Code, the County
7 Executive and the County Council of Prince George’s County, Maryland adopted CR-047-2020,
8 which set forth the County’s FY 2021-2025 Consolidated Plan, along with the County’s FY
9 2021-2025 Citizen Participation Plan; and

10 WHEREAS, the County’s 2021-2025 Citizen Participation Plan requires the County to
11 submit to HUD, any amendments to the County’s five-year Consolidated Plan or Annual Action
12 Plan that constitutes a “substantial change;” and

13 WHEREAS, pursuant to the County’s 2021-2025 Citizen Participation Plan, the following
14 decisions constitute a “substantial change”: (1) a change in the allocation priorities or a change
15 in the method of distribution of funds; (2) the addition of an eligible activity not originally
16 funded or described in the Annual Action Plan; (3) a change in the location, description,
17 regulatory reference, national objective citation, and status of an activity originally described in
18 the Annual Action Plan; (4) a change in the use of CDBG, HOME, Program Income, or ESG
19 funds, exceeding at least \$250,000 from one existing activity to another existing eligible activity
20 in any category within the applicable Program. All activities must have been in an approved
21 Annual Action Plan; (5) designations for Neighborhood Revitalization Strategy Areas (NRSAs);
22 and (6) a change in the proposed uses of HUD 108 Loan Guarantee and Section 108 Program
23 Income; and

24 WHEREAS, the County Council shall hold a public hearing for public input on any
25 revision or amendment to the Consolidated Plan and the Annual Action Plan, and approve the
26 amendment by resolution pursuant to Section 15A-106 of the County Code; and

27 WHEREAS, pursuant to Section 15A-105(a)(2) of the County Code, the FY 2023 Annual
28 Action Plan must be amended to include the estimated cost of projects, the total cost to bring
29 them to completion, and an identification of the sources of funds; and

30 WHEREAS, the Housing Initiative Partnership, Inc. (“HIP”)’s Fairmount Heights Net Zero
31 Homes and Microgrid project involves the new construction of six (6) affordable Net Zero

1 homes for families, an electrical microgrid, and pocket park, located at 715-725 60th Place,
2 Fairmount Heights, Maryland 20743; and

3 WHEREAS, Attachments “A1-A3” describe the Fairmount Heights Net Zero Homes and
4 Microgrid project, the associated costs and the source(s) of funding for the project, as attached
5 hereto and made part hereof; and

6 WHEREAS, Attachment “B” includes a summary of the reprogramming of eight hundred
7 ninety one thousand, nine hundred fifty nine dollars and thirty-five cents (\$891,959.35) in
8 HOME Program, CHDO Set-Aside funds from the FY 2019, FY 2020, FY 2021 and FY 2022
9 Annual Action Plans, and the reallocation and commitment of four hundred fifty eight thousand,
10 forty dollars, and sixty-five cents (\$458,040.65) in HOME Program funds from the FY 2023
11 Annual Action Plan to support the Fairmount Heights Net Zero Homes and Microgrid project,
12 attached hereto and made part hereof; and

13 WHEREAS, Attachment “C,” consists of the County’s FY 2023 Annual Action Plan, and
14 attached hereto and made part hereof; and

15 WHEREAS, the addition of the Fairmount Heights Net Zero Homes and Microgrid project
16 constitutes a “substantial change” to the County’s FY 2023 Annual Action Plan because it is an
17 eligible activity not originally funded or described in the FY 2023 Annual Action Plan; and

18 WHEREAS, the reprogramming of eight hundred ninety one thousand, nine hundred fifty
19 nine dollars and thirty-five cents (\$891,959.35) in the HOME Program, CHDO Set-Aside funds
20 from prior Annual Action Plans constitutes a “substantial change” to the County’s FY 2023
21 Annual Action Plan because it is a change in the allocation priorities or a change in the method
22 of distribution of funds; and

23 WHEREAS, the reallocation and commitment of four hundred fifty eight thousand, forty
24 dollars, and sixty-five cents (\$458,040.65) in HOME Program funds also constitutes a
25 “substantial change” to the County’s FY 2023 Annual Action Plan; and

26 WHEREAS, the County Executive recommends the amendments to the FY 2023 Annual
27 Action Plan to include the addition of HIP’s Fairmount Heights Net Zero Homes and Microgrid
28 project, the reprogramming of eight hundred ninety one thousand, nine hundred fifty nine dollars
29 and thirty-five cents (\$891,959.35) in the HOME Program, CHDO Set-Aside funds from prior
30 Annual Action Plans, and the reallocation and commitment of four hundred fifty eight thousand,
31 forty dollars, and sixty-five cents (\$458,040.65) in HOME Program funds to support this project.

1 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
 2 County, Maryland, that the FY 2023 Annual Action Plan for Housing and Community
 3 Development, a copy of which shall be marked for identification by the Clerk of the County
 4 Council and maintained as a permanent record, is hereby amended to include the Housing
 5 Initiative Partnership, Inc. (“HIP”)’s Fairmount Heights Net Zero Homes and Microgrid project,
 6 and to reflect the reprogramming of eight hundred ninety one thousand, nine hundred fifty nine
 7 dollars and thirty-five cents (\$891,959.35) in the HOME Program, CHDO Set-Aside funds from
 8 prior Annual Action Plan, and the reallocation and commitment of four hundred fifty eight
 9 thousand, forty dollars, and sixty-five cents (\$458,040.65) in HOME Program funds, as
 10 described in Attachments “A1 – A3,” “B,” and “C,” respectively, as attached hereto and made a
 11 part hereof.

12 BE IT FURTHER RESOLVED that the County Executive or her designee is hereby
 13 authorized and empowered as the official representative of Prince George’s County to submit the
 14 amended FY 2023 Annual Action Plan to U.S. Department of Housing and Urban Development
 15 (“HUD”), along with all assurances contained therein, to act as necessary in connection with the
 16 submission, and to provide such additional information to HUD as may be required.

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

**Fairmount Heights Net Zero Homes and Microgrid
715-725 60th Place
Fairmount Heights, Maryland 20743**

COUNCILMANIC DISTRICT 5

- PROJECT DESCRIPTION:** The new construction of six (6) Net Zero homes, electrical microgrid, and pocket park on a single street in Fairmount Heights, Maryland. The units will be affordable and sold to first-time homeowners earning eighty percent (80%) or less of the Area Median Income (“AMI”).
- OWNER:** Homes to be sold to income-qualified households
- DEVELOPER:** Housing Initiative Partnership, Inc. (“HIP”)
- CONTACT:** Maryann Dillon
Executive Director
HIP
301-985-1252
mdillon@hiphomes.org
- NEIGHBORHOOD/LOCALITY:** Fairmount Heights, Prince George’s County, District 5
- UNIT MIX:** 3-bedrooms, 2.5 bathrooms: 6 units
- AFFORDABILITY:** All units will be priced at levels affordable to households earning 80% or less of the AMI.

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Fairmount Heights Net Zero Homes and Microgrid
715-725 60th Place
Fairmount Heights, Maryland 20743**

COUNCILMANIC DISTRICT 5**PROJECT DESCRIPTION:**

Housing Initiative Partnership, Inc. (“HIP”, or the “Developer”) was awarded development rights by the Redevelopment Authority of Prince George’s County to raze an existing municipal storage shed and develop 715-725 60th Place in Fairmount Heights. HIP plans to build six (6) new affordable single-family, detached Net Zero homes (the “Homes”, or the “Project”) and seeks one million, three hundred fifty thousand dollars (\$1,350,000) of HOME Investment Partnerships Program (“HOME”) Program funds to support the development and sale of these Homes to income-qualified first-time homeowners. The Homes will be modular in construction and will meet multiple certifications: Energy Star, Indoor Air Plus, Water Sense, and likely Passive Home certification. In 2015, HIP developed the first modular, Passive House in the County on Addison Road in Fairmount Heights – these Homes will be similar in design and construction. They will be approximately 1,560 square feet with an open concept floor plan, 3 bedrooms, 2.5 bathrooms, and off-street parking. The Homes are one block from the V14 Metrobus line, one mile from the Capitol Heights Metrorail station, and 1.5 miles from both the Addison Road and Deanwood Metrorail stations.

The cost of single-family homes in Prince George’s County continue to rise, becoming less and less affordable to first-time homebuyers earning 80% or less of area median income (“AMI”). Current market comparable indicate the market value of the Fairmount Heights homes is four hundred fifty thousand dollars (\$450,000); however the amount affordable to a first-time homebuyer earning eighty percent (80%) of AMI is approximately three hundred thirty five thousand dollars (\$335,000). The difference between market rate sales price and three hundred thirty five thousand dollars (\$335,000) mortgage will be filled with a second deed of trust funded by the County HOME Program funds and subject to the HOME Program recapture provisions for a period of fifteen (15) years. The HOME Program subsidy enables the Developer to support the

development costs of sustainably designed and constructed homes which are higher. Homebuyers will be required to complete HIP's HUD-certified homebuyer education and qualify for mortgage financing. HIP is the largest HUD-certified counseling agency in the state of Maryland and offers services in English and Spanish.

HIP has also entered a partnership with Potomac Electric Power Company ("PEPCO") and Emera Technologies to develop a unique pilot microgrid system for the Homes (the "Microgrid"). The Microgrid will interconnect the Homes and they will participate in a community rooftop solar program (the "Solar Project"). Homeowners will have access to clean, affordable energy. The Homes will be able to utilize both solar generation and distributed storage as their primary source of power, and Pepco will be able to integrate distributed solar and storage into its distribution system. The system also offers resiliency – should the PEPCO grid go down, the Homes can operate off solar generation at full capacity for approximately three days. The Maryland Energy Administration has provided grant funding to financially support the implementation the Project.

A "pocket park" will also be constructed in connection with the Project to memorialize local history and showcase the Project's innovative, green design. The Town of Fairmount Heights was incorporated in 1935 and is the second established African American Township in Prince George's County. Lot 18 is the site of the former Town's first Municipal Building, constructed in 1941 by residents of the Town of Fairmount Heights. While the building was torn down in 2000, the site is a part of the Town's African American History walking tour and has a historic marker. This lot will serve as the location of the microgrid equipment and will be housed in an architecturally designed shed structure (the "Shed"). This Shed will be a backdrop to a new pocket park amenity for the community that will have benches, attractive landscaping lighting, and serve as the starting point for the African American walking tour.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

**Fairmount Heights Net Zero Homes and Microgrid
715-725 60th Place
Fairmount Heights, Maryland 20743**

COUNCILMANIC DISTRICT 5

USES:	Amount	Percentage
Acquisition costs	\$ 190,800	3.67%
Construction costs	\$ 4,241,800	81.56%
Soft costs and professional fees	\$ 494,325	9.50%
Carrying and financing costs	\$ 111,625	2.15%
Broker Commission--5%	\$ 101,340	1.95%
Closing Costs	\$ 60,804	1.17%
TOTAL	\$ 5,200,694	100.00%
SOURCES:	Amount	Percentage
Sales Price to Homebuyer	\$ 2,026,801	38.97%
PEPCO Energy Star 3.1 New Home rebate	\$ 7,500	0.14%
Redevelopment Authority CIP	\$ 1,000,000	19.23%
HOME Funds	\$ 1,350,000	25.96%
CDBG	\$ 96,393	1.85%
Marylad Community Legacy	\$ 180,000	3.46%
Maryland Operating Fund	\$ 20,000	0.38%
NED Grant--Infrastructure	\$ 300,000	5.77%
NED--Pocket Park	\$ 220,000	4.23%
TOTAL	\$ 5,200,694	100.00%