





June 9, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin p.p. 
Director of Budget and Policy Analysis

FROM: Shalene Miller-Whye 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CR-047-2023 210 on the Park HITF

CR-047-2023 (*Proposed by:* The Chair of the Council at the request of the County Executive)

Introduced by: Council Members Dernoga, Harrison, Watson, Ivey, Fisher, Olson, Oriadha, Hawkins and Franklin

Assigned to the Committee of the Whole

A RESOLUTION CONCERNING HOUSING INVESTMENT TRUST FUND (“HITF”) FOR HOUSING AND COMMUNITY DEVELOPMENT for the purpose of committing and allocating the amount of three million dollars (\$3,000,000) in Prince George’s County Housing Investment Trust Fund (“HITF”) Program funds to the 210 on the Park project, an eligible activity, for gap financing of new affordable housing construction.

Fiscal Summary

Direct Impact

Expenditures: \$3,000,000 in additional expenditures from the Housing Investment Trust Fund (HITF).

Revenue: None likely.

Indirect Impact

Potentially favorable.

Legislative Summary:

CR-047-2023, proposed by the Council Chair at the request of the County Executive, was introduced Council Members Dernoga, Harrison, Watson, Ivey, Fisher, Olson, Oriadha, Hawkins and Franklin and referred to the Committee of the Whole. CR-047-2023 would provide the 210 on the Park project with \$3,000,000 from the HITF for gap financing. The project is a new construction and will provide 158 units of mixed-income, mixed-used apartment units.

Project Information

Developer: Community First Development Corporation

Owner: 210 MPD Partners, LLC

Description: A one hundred fifty-eight (158) unit mixed-use, mixed-income apartment community. This is new construction rental housing development located on 3.78 acres on Maryland Park Drive in Capitol Heights, Maryland. Ownership proposes to restrict rents for one hundred twenty-eight (128) of the units for at least fifty (50) years.

Duration: At least 50 years

The breakdown of market-rate and affordable units is provided below:¹

Unit Type	Market Rate Units	40% AMI Units	70% AMI Units	80% AMI Units
1 BR	\$2,223	\$1,036	\$1,813	\$2,072
2 BR	\$5,519	N/A	\$2,174	\$2,485

¹ Email from DHCD, June, 8, 2023

Background/Current Law:

The Housing Investment Trust Fund, a non-lapsing fund, was created through legislation, CB-021-2012², and further amended under CB-057-2017³, and is codified in Subtitle 10, Division 19 of the County Code. The purposes of the Fund are to:

1. Develop effective strategies to strengthen County neighborhoods impacted by foreclosures consistent with the County's Five-Year Consolidated Housing and Community Development Plan;
2. Provide for gap financing to enable the County to support the development of new construction and preservation of existing workforce and affordable housing;
3. Provide for housing counseling, rental, down payment, and closing costs assistance for 8+9 eligible persons to retain or purchase vacant, abandoned, and foreclosed properties;
4. Acquire, rehabilitate, resell, or lease-purchase of vacant, abandoned, and foreclosed properties to eligible residents, not-for-profit organizations, and for-profit affordable housing providers;
5. Provide for land banking of vacant, abandoned, and foreclosed properties;
6. To otherwise reduce and minimize the occurrence of foreclosures by coordination and use of County, State, and Federal resources and program; and
7. To increase and preserve the supply of safe and affordable homeownership opportunities for the purpose of growing the County's tax base revenue.

The Fund may also assist, in the form of loans and grants, to finance programs to meet the goals stated above for the benefit of existing and potential homeowners or renters, not-for-profit organizations, and for-profit affordable housing providers.

The Fund is currently financed from a variety of sources, which may include:⁴

1. Current expense funds;
2. Contributions, donations, or appropriations by the United States, Maryland, or any other political jurisdiction, or private entity;
3. Interest income;
4. Fees or other charges levied on loan or grant recipients;
5. 20% of the recordation tax collected (of no less than \$10 million);⁵ and
6. Any other funds designated and provided by the County.

Resource Personnel:

- Aspasia Xypolia, Director, Department of Housing and Community Development (DHCD)
- Adedamola George, Senior Compliance Manager, DHCD

² [CB-021-2012](#)

³ [CB-057-2017](#)

⁴ Code of Prince George's County, [Sec. 10-296. – Financing the Fund.](#)

⁵ The Recordation tax source was added under CB-004-2021 and took effect on June 30, 2022.

Discussion/Policy Analysis

The 210 on the Park (the “Project”) is located at 210 Maryland Park Drive, Capitol Heights, Maryland, and is a 158 unit transit oriented, mixed-income, mixed-use rental apartment community. Under the proposed agreement, for at least a 50-year term, Community First Development Corporation, (the “Developer”) will reserve 121 units for family households, whose incomes are at or below 80% of the Area Median Income (“AMI”)⁶. 7 units will be provided for youth transitioning out of foster care, who earn no more than 40% of the AMI. An additional thirty 30 units will be market-rate. The unit mix will consist of a mix of one- and two-bedroom units.

The Project is expected to cost \$60,187,484. Financing includes funding from a Private Lender (Berkadia/Freddie Forward) totaling approximately \$33,330,613; approximately \$12,000,000 in loans from Amazon; approximately \$11,856,871 in equity from A. Wash & Associates; and approximately \$3,000,000 from the County’s HITF Program loan. The 50-year value of the County PILOT is approximately \$19,400,416.

The project will receive approximately \$22,400,416 or 37.22% of its total funding from the County which is demonstrated below⁷. The terms of the PILOT agreement include 100% tax waivers of 128 units for the next fifty years. This includes the 2% annual escalation per unit over a fifty-year period.

Total aid received from the County:	
PILOT Agreement:	\$ 19,400,416
HITF Loan:	\$ 3,000,000
Total Estimated Project Cost:	\$ 60,187,484
County Subsidy as a percentage of Total Cost:	37.22%

Increasing the availability of affordable housing, both through the construction of new housing and the rehabilitation of existing housing, is a stated objective of the Council, and a key component of the Comprehensive Housing Strategy⁸.

The Median Household income for the Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area region is \$110,355. For Prince George’s County, the Median Household income is \$90,182. Included in this project are 121 affordable housing units at 80% of the AMI and 7 affordable housing units at 40% of the AMI, based on the Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area regional guidelines.⁹

⁶ [CR-047, Attachment A-1](#)

⁷ 210 on the Park PILOT Analysis, DHCD

⁸ [Draft Comprehensive Housing Strategy Report](#)

⁹ [Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area - Profile data - Census Reporter](#)

When considering the AMI of the general DMV region, 80% of the AMI is \$66,750 for a 1-person household and \$76,250 for a 2-person household.¹⁰ The 80% median of the County is \$63,000 for a 1-person household and \$72,000 for a 2-person household.¹¹ This demonstrates that the median for Prince George’s County residents is below the DMV region’s median amongst 1 to 2-person households.

2023 Adjusted Home Income Limits								
Program	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Limits	31,650	36,200	40,700	45,200	48,850	52,450	56,050	59,700
50% Limits	52,750	60,300	67,850	75,350	81,400	87,450	93,450	99,500
60% Limits	66,300	72,360	81,420	90,420	97,680	104,940	112,140	119,400
80% Limits	66,750	76,250	85,800	95,300	102,950	110,550	118,200	125,800

Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area Adjusted Home Income Limits

Fiscal Impact:

- *Direct Impact*

Adoption of CR-047-2023 would have an adverse impact of \$3,000,000 in expenditures from the HITF.

There are currently four (4) other HITF approval resolutions before the Council. In conjunction with the other resolutions currently before the Council, the total proposed allocation from the Fund is listed below.

Resolution	Amount
CR-035-2023	\$ 3,000,000
CR-037-2023	\$ 2,500,000
CR-045-2023	\$ 3,500,000
CR-046-2023	\$ 2,500,000
CR-047-2023	\$ 3,000,000
Total	\$ 14,500,000

- *Indirect Impact*

Adoption of CR-047-2023 aligns with County Plan 2035¹² goals and will create housing along the Blue Line Corridor. It may have a favorable indirect fiscal impact upon the County to the extent that new residents generate additional economic activity, though the exact impact is unknown.

¹⁰ [Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area, Adjusted Home Income, 2023](#)

¹¹ [2022 MD Income Limits Rents](#)

¹² [Plan 2035](#)

- *Appropriated in the Current Fiscal Year*

Yes

Items for Committee Consideration:

- Is the Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area regional AMI the appropriate benchmark for affordable housing in the County?
- What is the enforcement and verification mechanism to assure that units remain “affordable”? How is affordability ensured throughout the long-term agreement?
- Is the suggested price of rent appropriate for the area?

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.