

# PRINCE GEORGE'S COUNTY COUNCIL

## COMMITTEE REPORT

2024 Legislative Session

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**Reference No.:** CR-47-2024

**Draft No.:** 1

**Committee:** GOFP

**Date:** June 27, 2024

**Action:** FAV

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**REPORT:** Committee Vote: Favorable 4-0 (Council Members Watson, Harrison, Hawkins, and Oriadha), Absent (Dernoga)

The Government Operations and Fiscal Policy Committee convened on June 27, 2024, to consider CR-047-2024, a resolution concerning the Cassidy Apartments Bond Inducement. The County Council's approval has been requested for the issuance and sale of revenue bonds by the Housing Authority of Prince George's County, and the awarding of Low-Income Housing Tax Credits by the Community Development Administration of the State of Maryland to KCG SSP Capital Heights, LP for the acquisition, construction, and/or equipping of The Cassidy Apartments. The project consists of 175 family units in three four-story elevator-serviced low-rise buildings located along the east side of Karen Boulevard, just north of Walker Mill Road in Capitol Heights, Maryland.

Roger Banegas provided information about the policy and fiscal analysis statement which states that under the proposed agreement, for at least a 40-year term, KCG Development and Streetscape at Capitol Heights (the "Developer") will construct 175 units for family households whose incomes are at or below 60% of the Area Median Income ("AMI"). Three (3) units will be reserved for HOME-ARP to households earning no more than 5% of the AMI. Additionally, 5% of the units will be ADA accessible, and 2% will be adaptable for residents with audio, visual, or hearing needs.

CR-047-2024 would provide approval for the Housing Authority of Prince George's County to issue and sell revenue bonds to finance the acquisition and development of the Cassidy Apartments ("Project"), and for the support of the State of Maryland Community Development Administration (CDA) to award Low-Income Housing Tax Credits (LIHTC) to KCG SSP Capital Heights, LP (the

“Owner”). The Housing Authority of Prince George’s County Revenue Bonds allocation will be used as short-term construction financing and will be replaced by Tax Credit Equity and traditional bank financing.

The Project is expected to cost sixty-eight million, six hundred thirty-two thousand, five hundred eighty-one dollars (\$68,632,581).

Sakinda Skinner, representing the Office of the County Executive, asked for a favorable recommendation and introduced Deputy Chief Administrative Officer (DCAO) Rogers. DCAO Rogers offered that the Cassidy is a project that reaches numerous goals in economic development. The Housing Authority is supporting this project through use of their bonding capability.

DCAO Rogers responded to a question from Council Member Harrison, stating when the Administration brings a project forward, it has been vetted to understand how many of the County's goals the project will meet. The more goals they are meeting, the more it costs, making it necessary to layer on tools to make this happen. Regardless, the Administration ensures the revenue is positive.

Council member Oriadha confirmed that the property will be 100% affordable at 60% AMI. HOME AARP funding will be used for individuals at risk of homelessness: three units for that purpose and seven for the YES program, which is for young people aging out of foster care. Rent for a 1 bedroom at 60%

After discussion, the Prince George's County Council's Government Operations and Fiscal Policy Committee reported CR-47-2024 out of committee favorably, 4-0.