



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

June 6, 2022

### FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: Josh Hamilton   
Director of Budget and Policy Analysis

FROM: Malcolm Moody - *MM*  
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement  
CR-034-2022, FY 2022 Annual Action Plan Reallocation – Glenarden Hills Phase 3,  
9% (DR-1)

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**CR-034-2022** (*proposed by:* The Chair of the Council at the request of the County Executive;  
*Introduced by:* Council Members Hawkins, Streeter, Dernoga, Taveras, Glaros, Harrison, Ivey,  
Turner, and Franklin)

Assigned to Committee of the Whole (COW)

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A RESOLUTION CONCERNING THE FISCAL YEAR (“FY”) 2022 ANNUAL ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT FOR the purpose of amending the Prince George’s County Fiscal Year (“FY”) 2022 Annual Action Plan for Housing and Community Development by adding the Glenarden Hills Phase 3, 9% project, an eligible activity not originally funded or described in the FY 2022 Annual Action Plan, and the reprogramming and reallocation of One Million, Five Hundred Thousand (\$1,500,000) in HOME Investment Partnership (HOME) Program funds from the FY 2021 and FY2022 Annual Action Plans to support the Glenarden Hills Phase 3, 9% project.

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### **Fiscal Summary**

#### **Direct Impact:**

*Expenditures:* None

*Revenues:* None

#### **Indirect Impact:**

Potentially Positive

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#### **Legislative Summary:**

CR-034-2022, proposed by the County Executive and sponsored by Council Members Hawkins, Streeter, Dernoga, Taveras, Glaros, Harrison, Ivey, Turner, and Franklin was introduced on April 26, 2022, and referred to Committee of the Whole (COW). A public hearing on the Resolution was held on May 31, 2022. CR-034-2022 seeks to reallocate \$1,500,000 of FY 2021 and 2022 HOME Investment Partnership (HOME) funds to support the Glenarden Hills Phase 3, 9% project.

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#### **Current Law/Background:**

HOME Investment Partnership (HOME) program was established by the Department of the Housing and Community Development to address federal legislative mandates of the Title II Purposes of Cranston-Gonzalez National Affordable Housing Act. The purposes of this federal legislation are to:

- Help families not owning a home to save for a down payment for the purchase of a home;
- retain wherever feasible as housing affordable to low-income families those dwelling units produced for such purpose with Federal assistance.
- Extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of housing affordable to low-income and moderate-income families;
- Expand and improve Federal rental assistance for very low-income families; and
- Increase the supply of supportive housing, which combines structural features and services needed to enable persons with special needs to live with dignity and independence.<sup>1</sup>

“The Secretary (HUD) shall provide assistance directly to a jurisdiction only if the jurisdiction submits to the Secretary a comprehensive housing affordability strategy; the jurisdiction submits

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<sup>1</sup> TITLE 42-THE PUBLIC HEALTH AND WELFARE CHAPTER 130-NATIONAL AFFORDABLE HOUSING SUBCHAPTER I-GENERAL PROVISIONS AND POLICIES, SECTION 12703.

annual updates of the housing strategy; and the housing strategy, and any annual update of such strategy, is approved by the Secretary.<sup>2</sup>”

Consistent with the above referenced legislation, HUD awards HOME funds to Participating Jurisdictions (local governments) in formula allocation from HUD through the Five-Year Consolidated Plan Process. Pursuant to 24 CFR 91, each jurisdiction must submit an Annual Action Plan that conveys the strategies and funding distribution to achieve identified goals to support the development of safe, decent housings and communities. In addition, pursuant to 24 CFR 91.105 the jurisdiction is required to adopt a citizen participation plan as part of its Consolidated Plan.

Pursuant to 24 CFR 91.105 the jurisdiction is required to adopt a citizen participation plan that sets forth the jurisdiction's policies and procedures for citizen participation. The citizen participation plan must be public and provide for and encourage citizens to participate in the development of the consolidated plan, any substantial amendment to the consolidated plan, and the performance report. A “substantial amendment” under 24 CFR 91.505 results when the jurisdiction seeks to amend its approved plan to one of the following decisions:

- To make a change in its allocation priorities or a change in the method of distribution of funds;
- To carry out an activity, using funds from any program covered by the consolidated plan (including program income, reimbursements, repayment, recaptures, or reallocations from HUD), not previously described in the action plan; or
- To change the purpose, scope, location, or beneficiaries of an activity

Pursuant to 24 CFR§ 91.500, HUD may disapprove a plan or a portion of a plan if it is inconsistent with the purposes of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12703), if it is substantially incomplete, or, in the case of certifications applicable to the CDBG program under §§ 91.225 (a) and (b) or 91.325 (a) and (b), if it is not satisfactory to the Secretary in accordance with §§ 570.304, 570.429(g), or 570.485(c) of this title, as applicable.

The following are examples of consolidated plans that are substantially incomplete:

- (1) A plan that was developed without the required citizen participation or the required consultation;
- (2) A plan that fails to satisfy all the required elements in this part; and
- (3) A plan for which a certification is rejected by HUD as inaccurate, after HUD has inspected the evidence and provided due notice and opportunity to the jurisdiction for comment; and
- (4) A plan that does not include a description of the manner in which the unit of general local government or state will provide financial or other assistance to a public housing agency if the public housing agency is designated as “troubled” by HUD.

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<sup>2</sup> 42 USC Chapter 130, Subchapter I: General Provisions and Policies, Section 12705

**Resource Personnel:**

- Aspasia Xypolia, Director Department of Housing and Community Development
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**Discussion/Policy Analysis:**

CR-034-2022 seeks to amend CR-028-2021<sup>3</sup>, Annual Action Plan for FY 2021, by reallocating \$1,500,000 in HOME loan funds from its FY 2021 and FY 2022 Annual Action Plans. (CR-046-2020<sup>4</sup> and CR-028-2021 Respectively) to invest in the Glenarden Hills Phase 3, 9% project. Consistent with all substantial amendments, HUD requires citizen participation consistent with the approved Consolidated Plan.

Adoption of CR-034-2022 would provide loan of reallocated HOME Funds for support of the acquisition land to construct forty-four (44) unit affordable apartment community with expected project costs of eighteen million, five hundred ninety-two thousand, two hundred eighty-six dollars (\$18,592,286). Onsite amenities include a previously constructed community clubhouse, a community space, fitness center, on-site management and leasing suite, a resource center, locker rooms, a kitchenette, an outdoor patio with a grill area, and a tot-lot. In Phase 3 a community lap pool, children's pool, community green space, and an athletic surface will be added. The site will also be adjacent from three MetroBus stops on Brightseat Road.

The Glenarden Hills Phase 3, 9% project is a proposed mixed-income project consisting of 44 affordable units. The unit mix will include twenty-eight (28) two-bedroom units and sixteen (16) three-bedroom units. Twenty-Two (22) units will be reserved for households whose incomes are thirty percent (30%) of Area Median Income (AMI), three (3) units for households whose incomes are forty percent (40%) of the AMI, two (2) units for households whose incomes are fifty percent (50%) of the AMI, and one (1) unit for a household whose income is sixty percent (60%) of the AMI. Two-bedroom rents will range from five hundred fifty-one dollars (\$551) to one thousand, five hundred twenty-one dollars (\$1,521); and three-bedroom rents will range from six hundred fifty-two dollars (\$652) to eight hundred eleven dollars (\$811).

The proposed \$1,500,000 would represent 8.07% of the funding for this project. Other sources of the project includes: Investor Equity – Low Income Housing Tax Credit (LIHTC) of \$13,873,613 (or 74.62%); AGM – FHA 221(c)4 Freddie Loan of \$1,760,000 (or 9.47%); Deferred Developer's Fee of \$1,198,473 (or 6.45%); Prince George's County Infrastructure Funds of \$225,000 (or 1.21%); and Return of Commitment Fee of \$35,200 (or 0.19%).

Once completed, Glenarden Hills Phase 3, 9% will be a part of the twenty-seven (27) acre Glenarden Master Redevelopment., which will include three hundred and thirty-three (333) rental

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<sup>3</sup> Prince George's County Council - [Reference No. CR-028-2021](#)

<sup>4</sup> Prince George's County Council - [Reference No. CR-046-2020](#)

units and ninety-seven (97) units for sale that provide affordable housing for senior residents and residents at 30% AMI of less.

Adoption of CR-034-2022 would support the development of a mixed-income apartment community which would provide additional housing opportunities to County residents of varied incomes. Over time, adoption of CR-034-2022, could potentially represent a positive impact on the County's revenue as it would collect program income from repayment of the HOME Loan funds, which can be re-invested in other projects; and there could possibly be enhanced expansion of the County's tax base through construction, new residents to the County, property taxes from nearby amenities, etc.

Adoption of CR-081-2021 would represent no fiscal impact to the County Expenditures as the \$1,500,000 funds proposed to support this project are being reallocated from activities approved under the FY 2021 and 2022 Annual Action Plans.

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**Fiscal Impact:**

*Direct Impact*

Adoption of CR-034-2022 would result in no fiscal impact to the County as the \$1,500,000 funds proposed to support this project are being re-allocated from activities under the FY 2021 and 2022 Annual Action Plans. The breakdown of the reallocation by fiscal year, program activity, and dollar amount is on Attachment 'B' of the Resolution.

*Indirect Impact*

Over time, adoption of CR-034-2022, could potentially represent a positive impact on the County's revenue as it would collect program income from repayment of the HOME Loan funds, which can be re-invested in other projects, and expansion of the County's tax base. Adoption of CR-034-2022 may promote positive indirect impact through the increase of new retail and amenities in the overall community. Upon completion, Glenarden Hills Phase 3, 9% project will be a part of the twenty-seven (27) acre Glenarden Master Redevelopment.

*Appropriated in the Current Fiscal Year Budget*

N/A

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**Effective Date of Proposed Legislation:**

The Resolution shall become effective as of the date of its adoption.

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If you require additional information, or have questions about this fiscal impact statement, please reach me via phone or email.