





April 11, 2025

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-035-2025 Penn Place I Project HITF

CR-035-2025 (*Proposed by:* The Chair of the Council at the request of the County Executive)

Introduced by: Council Members Harrison, Ivy, Fisher, Oriadha, Dernoga, Hawkins, Olson, Watson, and Blegay

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 two million, five hundred thousand dollars (\$2,500,000) in Prince George’s County Housing Investment Trust Fund (“HITF”) Program funds to the Penn Place I project, an eligible activity, for gap financing of new affordable rental housing construction.

Fiscal Summary

Direct Impact

Expenditures: \$2,500,000 in additional expenditures from the Housing Investment Trust Fund (HITF).

Revenue: No revenue impact likely.

Indirect Impact

Potentially favorable.

Legislative Summary:

CR-035-2025¹, proposed by the Council Chair at the request of the County Executive, was introduced by Council Members Harrison, Ivy, Fisher, Oriadha, Dernoga, Hawkins, Olson, Watson and Blegay and referred to the Committee of the Whole. CR-035-2025 would provide The Penn Place I Project with \$2,500,000 from the HITF for gap financing. The project involves the new construction of 168 units of new affordable multi-family rental housing for low-income to moderate-income families.

Project Information

Developer:	Northern Real Estate Urban Ventures, LLC and Velocity Capital, LLC
Owner:	Penn Place I Owner, LLC
Description:	A one hundred sixty-eight (168) unit rental apartment community for families will be constructed in four elevator buildings on a 7.54-acre site in District Heights, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.
Duration:	At least 40 years

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 [CR-035-2025](#)

² [CB-021-2012](#)

³ [CB-057-2017](#)

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 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, Esq., Chief Compliance and Program Manager, DHCD

Discussion/Policy Analysis

The Penn Place I project (the "Project") is to be located at 5501 Penn Crossing Drive, District Heights, Maryland 20747, and is a 168-unit transit-oriented affordable housing development for families. Under the proposed agreement, for at least a 40-year term, Northern Real Estate Urban Ventures, LLC and Velocity Capital, LLC (the "Developer") will construct one hundred sixty-

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.

eight (168) units for families whose incomes are at or below seventy percent (60%) of the Area Median Income (“AMI”). The Project will consist of fifty-six (56) one (1) bedroom units, seventy-nine (79) two (2) bedroom units, and thirty-three (33) three (3) bedroom units in four elevator-served buildings. Of the one hundred sixty-eight (168) units, nine (9) will be set aside to meet Uniform Federal Accessibility Standards (UFAS) requirements, and four (4) will be built to accommodate sensory-impaired residents.

Units and Rents:

Median Income	Bedrooms	Baths	Number of Units	(Net leasable Sq. Ft.)	Contract Rent
50%	1	1	10	712	\$1,389
60%	1	1	46	712	\$1,389
50%	2	2	24	995	\$1,667
60%	2	2	55	995	\$2,015
50%	3	2	9	1,310	\$1,920
60%	3	2	24	1,310	\$2,322
Total			168		

The Project is expected to cost \$78,125,630. Financing includes Tax-Exempt Bond Financing in the amount of \$31,727,536, subordinate Rental Housing Program funds through the State of Maryland Department of Housing and Community Development (DHCD) in the amount of \$3,500,000, equity from the sale of Low-Income Housing Tax Credits (“LIHTC”) in the amount of \$31,407,651, a deferred developer fee in the amount of \$2,766,314, a Seller Note in the amount of \$2,400,000, and Reinvestment Income in the amount of \$3,824,129. Additionally, the project will be financed by the Prince George’s County Housing Investment Trust Fund (“HITF”) in the amount of \$2,500,000⁶.

The project will receive approximately \$8,585,784 or 11% of its total funding from the County, as demonstrated below. The terms of the PILOT agreement include 100% tax waivers of 168 units for the next 40 years, with a 2% annual escalation per unit over that period.

⁶ [CR-035-2025](#)

Total aid received from the County:

PILOT Agreement:	\$	6,085,784
HITF	\$	2,500,000
County Subsidy as a percentage of Total Cost:		11%

Projects Pipeline DHCD Has Provided Support Letters to Include in Maryland DHCD LIHTC Program:

Project Name	Council District	Number of Units	Number of Affordable Units	HITF	Status
Flats at Glenridge	3	245	245	\$2,500,000	LIHTC Application
The Bedford	7	175	175	\$3,000,000	LIHTC Application
Residences at Silver Hill East (Rehab)	7	90	90	\$2,500,000	LIHTC Application
Residences at Silver Hill West (Rehab)	7	124	124	\$2,500,000	LIHTC Application
New Carrollton Phase III	5	102	102	\$2,500,000	LIHTC Application
Silver Hill 4%	7	150	150	\$3,000,000	LIHTC Application
Silver Hill 9%	7	50	50	\$2,800,000	LIHTC Application
Total		936	936	\$18,800,000	

Projects Progressing Towards Closing:

Project Name	Council District	Number of Units	Number of Affordable Units	HITF
210 on the Park	7	158	123	\$3,000,000
Cottage City Towers	5	100	100	\$2,500,000
Addison Park Metro	7	293	293	\$3,000,000
Hamlet Woods	5	59	59	\$2,500,000
The Highlands	5	138	138	\$2,500,000
Total		748	713	\$13,500,000

Increasing the availability of affordable housing 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 Strategy.⁷

⁷ [Comprehensive Housing Strategy Report](#)

The Median Household income for the Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area region is \$121,469, and the average household size is 2.6.⁸ The median household income in Prince George's County is \$98,027, and the average household size is 2.6⁹. Based on the Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area regional guidelines, this project includes 168 affordable housing units at 60% or less than AMI.

When considering the AMI of the general DMV region, 60% is \$68,880 for a one-person household and \$78,720 for a two-person household.¹⁰

2025 Adjusted Home Income Limits								
Program	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Limits	34,400	39,360	44,280	49,170	53,130	57,060	60,990	64,920
50% Limits	57,400	65,600	73,800	81,950	88,550	95,100	101,650	108,200
60% Limits	68,880	78,720	88,560	98,340	106,260	114,120	121,980	129,840
80% Limits	91,840	104,960	118,080	131,120	141,680	152,160	162,640	173,120

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

Fiscal Impact:

- *Direct Impact*

Adoption of CR-035-2025 would have an adverse impact of \$2,500,000 in expenditures from the HITF.

- *Indirect Impact*

Adoption of CR-035-2025 aligns with County Plan 2035¹¹ 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.

Effective Date of Proposed Legislation:

The proposed Resolution shall be effective upon its adoption.

⁸ [Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area - Profile data - Census Reporter](#)

⁹ [Prince George's County, MD - Profile data - Census Reporter](#)

¹⁰ [FY 2025 Multifamily Tax Subsidy Project Income Limits Documentation System -- Summary for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area \(huduser.gov\)](#)

¹¹ [Plan 2035](#)

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