





October 4, 2024

**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-076-2024 The Highlands Senior Apartments HITF

---

**CR-076-2024** (*Proposed by:* The Chair of the Council at the request of the County Executive)

*Introduced by:* Council Members Ivey, Harrison, Hawkins, Dernoga, Watson and Fisher

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 Highlands Senior Apartments 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.

Website: <https://pgccouncil.us> | Wayne K. Curry Administration Bldg.  
Office: (301) 952-3431 | 1301 McCormick Drive, 3rd Floor  
FAX: (301) 780-2097 | Largo, Maryland 20774

## Indirect Impact

Potentially favorable.

---

## Legislative Summary:

CR-076-2024<sup>1</sup>, proposed by the Council Chair at the request of the County Executive, was introduced by Council Members Ivey, Blegay, Watson, Oriadha, and Dernoga and referred to the Committee of the Whole. CR-076-2024 would provide The Highlands Senior Apartments project with \$2,500,000 from the HITF for gap financing. The project is a 137-unit senior rental apartment community; all units will be affordable for 40 years.

### Project Information

<b>Developer:</b>	Community Housing Initiative, Inc.
<b>Owner:</b>	Highland Senior Living, LLLP
<b>Description:</b>	A one hundred thirty seven (137) unit senior rental apartment community will be constructed in a one elevator building with four stories on an 8.25-acre site in Landover, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.
<b>Duration:</b>	At least 40 years

## Background/Current Law:

The Housing Investment Trust Fund, a non-lapsing fund, was created through legislation, CB-021-2012<sup>2</sup>, and further amended under CB-057-2017<sup>3</sup>, 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;

---

<sup>1</sup> [CR-076-2024](#)

<sup>2</sup> [CB-021-2012](#)

<sup>3</sup> [CB-057-2017](#)

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:<sup>4</sup>

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);<sup>5</sup> 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, Chief Compliance and Program Manager, DHCD

---

### **Discussion/Policy Analysis:**

The Highlands Senior Apartments (the "Project") is located at 6801 Sheriff Road Landover, Maryland 20785, a 137-unit senior apartment community. Under the proposed agreement, for at least a 40-year term, Community Housing Initiative, Inc. (the "Developer") will construct 137 units for renters aged 62 and older whose incomes are at or below 60% of the Area Median Income ("AMI")<sup>6</sup>. The apartment community will include a mix of one and two-bedroom units and set aside 5% of the units to be ADA accessible and 2% of the units to be adaptable for residents with audio, visual and hearing needs.

---

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

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

The Project is expected to cost \$41,349,323. Financing includes tax-exempt bond financing in the amount of \$20,900,000, funding from Maryland Rental Housing Works in the amount of \$3,500,000, HITF in the amount of \$2,500,000, a deferred developer fee in the amount of \$1,669,323 and funding from LIHTC investor equity in the amount of \$12,780,000.

The project will receive approximately \$7,465,043, or 18.05% of its total funding, from the County, as demonstrated below. The terms of the PILOT agreement include 100% tax waivers of 175 units for the next 40 years, with a 2% annual escalation per unit over that period.

<b>Total aid received from the County:</b>	
PILOT Agreement:	\$ 4,965,043
HITF	\$ 2,500,000
<b>County Subsidy as a percentage of Total Cost:</b>	<b>18.05%</b>

Current Housing Investment Trust Fund projects complete, under construction include or are nearing construction<sup>7</sup>:

Project Name	Number of Units	Number of Affordable Units	HITF	Status
Faith Based Dev. Initiative (FBDI)	N/A	N/A	\$385,000	Underway (FY 2024)
Homeownership Preservation Program (HOPP)	N/A	N/A	\$750,000	Underway (FY 2024)
Housing Rehabilitation Assistance Program (HRAP)	N/A	N/A	\$1,000,000	Beginning in FY 2025
210 on the Park	158	128	\$3,000,000	Financing - State
Park Place at Addison Road Metro	193	193	\$3,500,000	Closing Calls underway
Cottage City Towers	100	100	\$2,500,000	Financing - State & HAPGC
Addison Park Metro	293	293	\$3,000,000	Closing Calls underway
The Highlands	138	138	\$2,500,000	County Council-Fall 2024
The Cassidy	175	175	\$3,500,000	Closing Calls underway
Sovren West Hyattsville	293	147	\$200,000	Under Construction
Atworth College Park Metro	451	451	\$200,000	Construction Complete
Glenarden Phase 3	114	94	\$3,000,000	Construction Complete
Residences at Springbrook	90	90	\$750,000	Construction Complete
	<b>2005</b>	<b>1809</b>	<b>\$24,285,000</b>	

<sup>7</sup> DHCD, HITF Updates Email

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.<sup>8</sup>

The Median Household income for the Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area region is \$117,432, and the average household size is 2.6.<sup>9</sup> The median household income in Prince George’s County is \$94,441, and the average household size is 2.7<sup>10</sup>. Based on the Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area regional guidelines, this project includes 175 affordable housing units at 60% or less than AMI.

When considering the AMI of the general DMV region, 60% is \$64,980 for a one-person household and \$74,280 for a two-person household.<sup>11</sup>

2024 Adjusted Home Income Limits								
Program	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>30% Limits</b>	32,490	37,140	41,790	46,410	50,130	53,850	57,550	61,250
<b>50% Limits</b>	54,150	61,900	69,650	77,350	83,550	89,750	95,950	102,150
<b>60% Limits</b>	64,980	74,280	83,850	92,820	100,260	107,100	115,140	122,580
<b>80% Limits</b>	86,640	99,040	111,440	123,760	133,680	143,600	153,520	163,440

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

---

**Fiscal Impact:**

- *Direct Impact*

Adoption of CR-076-2024 would have an adverse impact of \$2,500,000 in expenditures from the HITF.

- *Indirect Impact*

Adoption of CR-076-2024 aligns with County Plan 2035<sup>12</sup>. It is within 100 feet of four bus stops and has adequate sidewalk access. The project may have a favorable indirect fiscal impact on the County to the extent that new residents generate additional economic activity, and current senior residents have access to more affordable housing options, though the exact impact is unknown.

- *Appropriated in the Current Fiscal Year*

*Yes*

---

<sup>8</sup> [Comprehensive Housing Strategy Report](#)

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

<sup>10</sup> [Prince George's County, MD - Profile data - Census Reporter](#)

<sup>11</sup> [FY 2024 MTSP IL Documentation System -- Summary for District of Columbia \(huduser.gov\)](#)

<sup>12</sup> [Plan 2035](#)

**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.