



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations


October 13, 2021

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Senior Legislative Budget and Policy Analyst

FROM: Warren E. Burris, Sr. 
Senior Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CR-089-2021 Housing Investment Trust Fund for Housing & Community
Development – Hamilton Manor (Draft 1)

CR-089-2021 *Proposed by:* The Chair of the Council at the request of the County Executive;
Introduced by: Council Members Hawkins, Taveras, Glaros, Turner, Davis, and Harrison)

Assigned to Committee of the Whole (COW)

A RESOLUTION CONCERNING THE HOUSING INVESTMENT TRUST FUND FOR HOUSING AND COMMUNITY DEVELOPMENT FOR THE PURPOSES of committing and allocating to the Hamilton Manor project, an eligible activity not originally funded, the amount of one million dollars (\$1,000,000) in Housing Investment Trust Fund (HITF) program funds for gap financing of preservation of Affordable Housing.

Fiscal Summary

Direct Impact:

Expenditures: Increased expenditure of \$1,000,000.

Revenues: None.

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Indirect Impact:

Likely Positive.

Legislative Summary:

CR-089-2021, proposed by Council Chair Hawkins by request of the County Executive and sponsored by Council Members Hawkins, Taveras, Glaros, Turner, Davis, and Harrison, was introduced on September 14, 2021 and referred to the Committee of the Whole. CR-089-2021 seeks to commit \$1,000,000 of Housing Investment Trust Fund program funds for the purposes of gap-financing for the preservation of Affordable Housing, for the Hamilton Manor Project in Hyattsville, Maryland. The Public Hearing was held October 12, 2021.

Current Law/Background:

The Housing Investment Trust Fund, a non-lapsing fund, was created through legislation, CB-021-2012, and is codified at 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 Plan;
2. Provide Housing Counseling, rental down payment and closing costs assistance for eligible persons to retain or purchase vacant, abandoned and foreclosed properties;
3. Acquire, rehabilitate, resell or lease-purchase of vacant, abandoned, and foreclosed properties to eligible residents, non-profit or for-profit entities;
4. Provide for land banking of vacant, abandoned, and foreclosed properties in the County; and
5. To otherwise reduce and minimize the occurrence of foreclosures by coordination and use of County, State, and Federal resource programs.

The Housing Investment Trust Fund law was amended by CB-057-2017 to include another eligible activity to fund for the provision of gap financing to enable the County to support the development of new construction and preservation of existing workforce and affordable housing. CB-057-2017 also added a provision to increase and reserve the supply of safe and affordable homeownership opportunities for the purposes of growing the County's tax base.

Resource Personnel:

- DHCD Staff
- Council Administration

Discussion/Policy Analysis:

Hamilton Manor Apartments, located at 3342 and 3326 Lancer Drive, Hyattsville, was built in 1945 and consists of sixteen (16) low-rise, two and three-story brick structures. The Owner proposes to acquire Hamilton Manor Apartments, pursuant to the County's assignment of its Right of First Refusal (ROFR). Of the two hundred and forty-five (245) residential units, seventy-five percent (75%) will be rent restricted for individuals and families at sixty percent (60%) and eighty percent (80%) of the area median income ("AMI"). The remaining twenty-five percent (25%) of the units will have no income restrictions. The Project is more fully described in the Policy and Fiscal Impact Statement for CR-088-2021.

- *Potential benefits of adopting CR-089-2021*

Adoption of CR-089-2021 would provide gap financing for the acquisition and preservation of a mid-rise two hundred forty-five (245) unit apartment building. The Hamilton Manor Project is a proposed mixed-income project to acquire 245 Garden Style apartments on 8.3 acres in Hyattsville, Maryland. The project will have 98 units for families at 60% AMI, 86 units for families at 80% AMI and 61 units for families at Market Rate., which equates to 75% (184) Affordable units and 25% (61) Market Rate units. There is companion legislation, CR-088-2021, which requests approval of a Payment in Lieu of Taxes (PILOT) agreement to assist with the financing of the project. CR-089-2021 will leverage \$40,904,499 of outside funding for the acquisition preservation and modernization of this project.

The apartment building was originally built in 1945, therefore, the units will be modernized to meet the American Disability Act¹ of 1990 (ADA) requirements. The project is conveniently located near the West Hyattsville Metro Station and several bus lines that service the Queens Chapel Commercial District.

- *Potential costs of adopting CR-089-2021*

Adoption of CR-089-2021 would require the use of \$1,000,000 of funds from the Housing Investment Trust Fund (HITF), which would represent 24% of the existing FY 2022 Budgeted Amount of \$4,154,000². The commitment of HITF to the Hamilton Manor Project would represent a County investment of \$5,434 per affordable unit of the new project. The HITF investment of \$1,000,000 will represent 2.39% of the financing for the \$41,904,499 project.

¹The American Disability Act (ADA) is a civil rights law that prohibits discrimination against individuals with disabilities in all areas of public life, including jobs, schools, transportation, and all public and private places that are open to the general public. The purpose of the law is to make sure that people with disabilities have the same rights and opportunities as everyone else. The ADA gives civil rights protections to individuals with disabilities similar to those provided to individuals on the basis of race, color, sex, national origin, age, and religion. It guarantees equal opportunity for individuals with disabilities in public accommodations, employment, transportation, state and local government services, and telecommunications.

²CB-035-2021, Exhibit #1 Page 9

Fiscal Impact:

Direct Impact

Adoption of CR-089-2021 would represent a negative fiscal impact by utilization of \$1,000,000 of Housing Investment Trust Fund program dollars to support the construction of the Hamilton Manor.

The County government expenditures (HITF Fund Balance) would decrease beginning as early as FY 2021 to the extent that project construction begins as currently scheduled.

Indirect Impact

Adoption of CR-089-2021 will likely promote positive indirect impact through the preservation of affordable housing for low- and moderate-income families as a component of the project. Additionally, adoption of CR-089-2021 could leverage additional resources and opportunities to promote community development revitalization through the gap financing for affordable housing and economic development, to include possible contracts for County based businesses and employment for County residents.

Appropriated in the Current Fiscal Year Budget

No.

Items for Committee Consideration:

- ✓ It is not completely clear whether the allocation is a grant or a loan. This is important to note to know whether the County will be repaid for the Expenditure Outlay to have for future investments.
 - ✓ Consider all the approval criteria under Code §10-298(d):
 - (1) the expected benefit to, or impact on, the County's housing conditions;
 - (2) the estimated number of County residents to be served;
 - (3) the ability to serve designated target areas established under this Division;
 - (4) previous performance of the applicant; and
 - (5) the ability of the prospective applicant to leverage financial assistance with other funds.
 - ✓ Ensure reporting guidelines are developed and adhered to per Code §10-300.
 - ✓ Consider the affordable housing covenant for the project or is the affordable component in perpetuity.
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Effective Date of Proposed Legislation:

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

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