



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

October 6, 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

A handwritten signature in black ink, appearing to read "W E Burris", written over the name in the FROM field.

RE: Policy Analysis and Fiscal Impact Statement
CR-081-2021, FY 2021 Annual Action Plan Reallocation – Hill House at Beechfield
(DR-1)

CR-081-2021 (*proposed by:* The Chair of the Council at the request of the County Executive;
Introduced by: Council Members Hawkins, Franklin, Turner, Davis, Anderson-Walker, Harrison,
Glaros, Streeter, and Taveras)

Assigned to Committee of the Whole (COW)

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 Hill House at Beechfield project, an eligible activity not originally funded or described in the FY 2022 Annual Action Plan, and the reprogramming and reallocation of One Million (\$1,000,000) in HOME Investment Partnership (HOME) Program funds from the FY 2020 and FY2021 Annual Action Plans to support the Hill House at Beechfield project.

Fiscal Summary

Direct Impact:

Expenditures: None

Revenues: None

Indirect Impact:

Potentially Positive

Legislative Summary:

CR-081-2021, proposed by the County Executive and sponsored by Council Members Hawkins, Franklin, Glaros, Turner, Harrison, Davis, and Taveras, was introduced and referred to Committee of the Whole (COW) on September 14, 2021 and public hearing held on October 5, 2021. CR-081-2021 seeks to reallocate \$1,000,0000 of FY 2020 and 2021 HOME Investment Partnership (HOME) funds to support the Hill House at Beechfield project.

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.¹

“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

¹ 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.²”

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.

² 42 USC Chapter 130, Subchapter I: General Provisions and Policies, Section 12705

Discussion/Policy Analysis:

CR-081-2021 seeks to amend CR-046-2020, Annual Action Plan for FY 2021, by reallocating \$1,000,000 in HOME loan funds from its FY 2020 and FY 2021 Annual Action Plans. (CR-024-2019 and CR-046-2020 Respectively) to invest in the Hill House at Beechfield project. Consistent with all substantial amendments, HUD requires citizen participation consistent with the approved Consolidated Plan.

Adoption of CR-081-2021 would provide loan of reallocated HOME Funds for support of the acquisition of an 4.4183-acre site to construct 150 affordable senior rental units with expected project costs of \$44,008,324. Onsite amenities include light-filled community lounge, state of the art fitness center, and access to a large outdoor patio. Habitat America will be the onsite manager and coordinate supportive services and activities that will include: Onsite medical services, Social events, and Computer and fitness classes.

The Hill House and Beechfield is a proposed mixed-income project consisting of 150 affordable senior units. The unit mix will include eighty-nine (89) One-bedroom and one-bathroom units, twenty-five (25) two-bedroom and one-bathroom units, and thirty-six (36) two bedroom and two-bathroom units. Two (2) units will be reserved for households whose incomes are fifty percent (50%) of Area Median Income (AMI) and one hundred forty-eight (148) units will be reserved for households are sixty (60%). The proposed \$1,000,000 would represent 2.28% of the funding for this project. Other sources of the project includes: Citi Community Capital Bond Loan of \$21,500,00 (or 48.85%); Low Income Housing Tax Credit Equity of \$17,387,111 (or 39.51%); MD DHCD Rental Housing Works of \$2,500,000 (or 5.68%); and Deferred Developer Fee of \$1,621,213 (or 3.68%).

Once completed, Hill House at Beechfield will be a part of the 83-acrea Master Planned mixed-incomed retirement community named Traditions at Beechfield., which will include seventy-four (74) single family attached villas, sixty (60) single family detached villas, one hundred-eight (108) condominiums, and one hundred ninety-three (193) assisted living units.

Key aspects of the Hill House at Beechfield project include:

- Leveraging \$44,008,324 to develop Affordable Senior Apartments in Councilmatic District Six (6).
- Plans to acquire land for construction 150 senior units low-moderate income seniors
- Providing a mix of eighty (89) one-bedroom and one bathroom, twenty-five (25) two-bedroom with one bathroom; and thirty-six (36) two-bedroom with two bathrooms.
- Amenities include light filled community lounge, state of the art fitness center, and access to large patio.
- Provide supportive services and programming to senior residents though partnership with Habitat America³ (HA).⁴

³ <https://www.habitatamerica.com/about-us//>

⁴ CR-081-2021, Attachment A-3

Potential Benefits of Adopting CR-081-2021

Adoption of CR-081-2021 would support the development of a mixed-income senior apartment complex which would provide additional housing opportunities to County seniors of varied incomes. Over time, adoption of CR-081-2021, 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.

Potential Costs of Adopting CR-081-2021

Adoption of CR-081-2021 would represent no fiscal impact to the County Expenditures as the \$1,000,000 funds proposed to support this project are being reallocated from activities approved under the FY 2020 and 2021 Annual Action Plans.

Fiscal Impact:

Direct Impact

Adoption of CR-081-2021 would result in no fiscal impact to the County as the \$1,000,000 funds proposed to support this project are being re-allocated from activities under the FY 2020 and 2021 Annual Action Plans.

Indirect Impact

Over time, adoption of CR-081-2021, 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-081-2021 may promote positive indirect impact through the increase of new retail and amenities in the overall community. Upon completion of the project Hill House and Beechfield will be part of an 83-acre Master Planned Mixed Income Retirement Community.

Appropriated in the Current Fiscal Year Budget

No

Resource Personnel:

DHCD Staff
Council Administration

Effective Date of Proposed Legislation:

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

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