

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2022 Legislative Session

Resolution No. CR-041-2022
Proposed by The Chair (by request – County Executive)
Introduced by Council Members Hawkins, Harrison, Turner, Franklin, Glaros, Taveras, Streeter
Co-Sponsors _____
Date of Introduction April 26, 2022

RESOLUTION

1 A RESOLUTION concerning

2 Housing Investment Trust Fund for Housing and Community Development

3 For the purpose of committing and allocating to the Residences at Springbrook project (formerly
4 known as 8230 Schultz Road), an eligible activity not originally funded, the amount of seven
5 hundred fifty thousand dollars (\$750,000) in Housing Investment Trust Fund (“HITF”) Program
6 funds for gap financing of new housing construction.

7 WHEREAS, pursuant to Sections 10-295, 10-297, 10-298 and 10-299 of the Prince
8 George’s County Code, the County Executive and the County Council of Prince George’s
9 County, Maryland adopted County Bill CB-21-2012, which set forth the County’s Housing
10 Investment Trust Fund Program; and

11 WHEREAS, the County established the Housing Investment Trust Fund, in order to
12 authorize a funding and program mechanism to address foreclosure related issues facing
13 residents in the County. The County sought to establish a Foreclosure Recovery Initiative Fund
14 to allow Prince George’s County to support private investments, attract new homebuyers, and
15 expand partnerships with the non-profit community by providing critically needed financial
16 assistance for housing rehabilitation projects, first time homebuyers, and foreclosure mediation
17 counseling agencies; and

18 WHEREAS, pursuant to Sections 10-295, 10-297, 10-298 and 10-299 of the Prince
19 George’s County Code, and adopted in County Bill CB-57-2017, the Housing Investment Trust
20 Fund Program was amended to include the provision of gap financing to support the
21 development of new construction, rehabilitation and preservation of workforce and affordable
22 housing, consistent with the adopted Prince George's County Five-Year Consolidated *Housing*

1 and Community Development Plan. In addition to serving as a vehicle to address foreclosures
2 within the County, the purpose of the amendment was to enable the County to support the
3 development of new construction and preservation of existing workforce and affordable housing
4 which would allow Prince George's County to provide Workforce Housing Gap Financing with
5 an emphasis on supporting the development of new construction, rehabilitation and preservation
6 of workforce and affordable housing while targeting households earning up to 120% of the area
7 median income (AMI); and

8 WHEREAS, pursuant to Section 15A-107 of the Prince George's County Code, the County
9 Executive and the County Council of Prince George's County, Maryland adopted CR-047-2020,
10 which set forth the County's FY 2021-2025 Consolidated Plan, along with the County's FY
11 2021-2025 Citizen Participation Plan; and

12 WHEREAS, consistent with the County's 2021-2025 Citizen Participation Plan, the County
13 Council shall hold a public hearing for public input regarding the commitment of the Housing
14 Investment Trust Fund to an eligible project; and

15 WHEREAS, the Residences at Springbrook project involves the land acquisition and new
16 construction of ninety (90) affordable rental housing units for seniors, ages sixty-two (62) years
17 and older, especially those with low- and moderate-income, located at 8230 Schultz Road,
18 Clinton, Maryland 20735; and

19 WHEREAS, Attachments "A1-A3" describe the Residences at Springbrook project, the
20 associated costs and the source(s) of funding for the project, as attached hereto and made part
21 hereof; and

22 WHEREAS, the commitment and allocation of seven hundred fifty thousand dollars
23 (\$750,000) in HITF Program funds will provide gap financing necessary to complete the
24 Residences at Springbrook project; and

25 WHEREAS, the County Executive recommends the County's financial commitment to the
26 Residences at Springbrook project and an allocation of seven hundred fifty thousand dollars
27 (\$750,000) in HITF Program funds to support this project.

28 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
29 County, Maryland, that the commitment and allocation of the Housing Investment Trust Fund for
30 Housing and Community Development to the Residences at Springbrook project is hereby
31 approved in the amount of seven hundred fifty thousand dollars (\$750,000), as described in

1

Attachments "A1 – A3," respectively, as attached hereto and made a part hereof.

Adopted this 31st day of May, 2022.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Calvin S. Hawkins, II
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**RESIDENCES AT SPRINGBROOK
(Formerly 8230 Schultz Road)
8230 Schultz Road
Clinton, MD 20735**

COUNCILMAN DISTRICT 9

PROJECT DESCRIPTION: 8230 Schultz Road LLC plans to acquire land for construction of a ninety (90) unit affordable apartment community for seniors ages sixty-two (62) and over in Clinton, Prince George’s County, Maryland

PROPOSED OWNER: 8230 Schultz Road LLC

DEVELOPER: Housing Initiative Partnership, Inc.
Parallax Development Group, LLC
Banc of America Community Development Corporation

CONTACT: Maryann Dillon
Executive Director
Housing Initiative Partnership, Inc.
301- 985-1252

NEIGHBORHOOD/LOCALITY: Clinton, Maryland
Prince George’s County
District 9

UNIT MIX AND AFFORDABILITY: One-bedroom: 72 units
Two-bedroom: 18 units
Households at 60% AMI and below

PROPOSED RENTS: One-bedroom – Range of \$1,137 to \$1,207 per month
Two-bedroom – Range of \$1,360 to \$1,429 per month

ATTACHMENT A-2**PROJECT INFORMATION SHEET****RESIDENCES AT SPRINGBROOK
(Formerly 8230 Schultz Road)
8230 Schultz Road
Clinton, MD 20735****COUNCILMAN DISTRICT 9****PROJECT DESCRIPTION:**

8230 Schultz Road, LLC plans to acquire land and construct ninety (90) units of affordable rental housing for seniors, ages sixty-two (62) and over, in Clinton, Prince George’s County, Maryland (hereinafter referred to as “Residences at Springbrook”) on a 3.51-acre site. On May 18, 2021, the County adopted Council Resolution, CR-38-2021, committing three million dollars (\$3,000,000) from the HOME Investment Partnerships (“HOME”) Program to this project, as well Council Resolution, CR-40-2021, which approved a Payment-in-lieu-of Taxes Agreement. Since the adoption of these resolutions the developer has been working diligently with all lending partners to close on the financing. The affordable housing development industry, nationwide, is experiencing supply chain disruptions, inflation and rising interest rates that have created a deficit in development budgets. Due to significant increases to the construction budget resulting from these economic crises, the project financing has a gap. Specifically, this project is facing a deficit of one million, seven hundred fifty thousand dollars (\$1,750,000). The total development cost is now expected to be twenty nine million, sixty six thousand, six hundred seventy-nine dollars (\$29,066,679). In order to assist in closing this gap, the County is committing an additional seven hundred fifty thousand dollars (\$750,000) from its Housing Investment Trust Fund.

Located four miles outside the Capital Beltway and southeast of the Anacostia section of District of Columbia (DC) about a half (1/2) mile from Woodyard Road’s intersection with Branch Avenue, the Residences at Springbrook will offer residents a convenient location for employment, healthcare, retail, and transit. A Metrobus stop located 0.7 miles away from the community’s entrance will offer transit to the Branch Avenue Metro Station located 5.6 miles away from the site. Significant nearby employment centers include Andrews Air Force Base which is located 2.5

miles from the site and the US Census Bureau headquarters at the Suitland Federal Center that is approximately 7.1 miles away from that site and is also home to approximately four thousand four hundred (4,400) employees.

Local amenities include the Woodyard Crossing Shopping Center, located 1.8 miles away at the intersection of Woodyard Road and Branch Avenue, which is home to retail options such as a Safeway supermarket, Walmart, and a Lowe's Home Improvement store. Other nearby amenities include a post office, a Walgreens pharmacy, several banks, various restaurants and eateries, and a Patient First clinic and other medical offices. The MedStar Southern Maryland Hospital Center is also located at the intersection of Surratts Road and Branch Avenue, 2.2 miles from the site. Public elementary, middle, and high schools are all located within two (2) miles of the site.

The Residences at Springbrook is designed as a four-story, elevator-served building. Of the ninety (90) units, seventy-two (72) units will be one-bedroom and eighteen (18) units will have two-bedrooms. All ninety (90) units will be restricted to senior households earning sixty percent (60%) of the Area Median Income (AMI) or below.

Onsite amenities available to the residents will include a large multi-purpose community room with a kitchenette, a party room, and a workout room. There will be common areas and laundry rooms on the second, third, and fourth floors. The managing agent, Habitat America, will maintain an onsite management office. A Social Services Coordinator will be onsite for fifteen hours per week to organize and monitor programming and identify the best onsite and offsite services for individual residents. Transportation will be coordinated for residents needing to travel off-site for medical appointments, shopping, and activities. Residents will also be able to take advantage of activities at the nearby Camp Springs Senior Activity Center on Mondays through Saturdays.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

RESIDENCES AT SPRINGBROOK
(Formerly 8230 Schultz Road)
8230 Schultz Road
Clinton, MD 20735

COUNCILMANIC DISTRICT 9

SOURCES	Amount	Percentage
Freddie TEL Private Loan	\$ 8,187,849	28.17%
LIHTC Equity	\$ 10,922,093	37.58%
PGC DHCD HOME Loan	\$ 3,000,000	10.32%
PGC HTF Loan (request)	\$ 750,000	2.58%
CDA Rental Housing Works Loan	\$ 2,500,000	8.60%
Deferred Developers Fee	\$ 1,746,737	6.01%
Federal Home Loan Bank	\$ 500,000	1.72%
Seller's Note	\$ 460,000	1.58%
GAP (requesting add'l CDA funds)	\$ 1,000,000	3.44%
TOTAL	\$ 29,066,679	100.00%
Uses	Amount	Percentage
Construction Costs	\$ 18,626,930	64.08%
Fees Related to Construction	\$ 2,793,156	9.61%
Financing Fees, Construction	\$ 2,465,776	8.48%
Acquisition Costs	\$ 1,260,000	4.33%
Developer's Fee	\$ 2,912,686	10.02%
Syndication Related Costs	\$ 169,597	0.58%
Guarantee and Reserves	\$ 838,534	2.88%
TOTAL	\$ 29,066,679	100.00%