

# PRINCE GEORGE'S COUNTY COUNCIL

## COMMITTEE REPORT

2022 Legislative Session

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**Reference No.:** CR-098-2022

**Draft No.:** 1

**Committee:** PLANNING, HOUSING AND ECONOMIC DEVELOPMENT

**Date:** 10/12/2022

**Action:** FAV

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### **REPORT:**

Committee Vote: Favorable, 4-0 (In favor: Council Members Franklin, Glaros, Harrison, and Turner)

The Planning, Housing and Economic Development (PHED) Committee convened on October 12, 2022, to consider CR-98-2022. This resolution was transmitted by the County Executive for the Council's consideration to approve a Prince George's County Section 108 Loan Pool Application to the United States Department of Housing and Urban Development ("HUD") for an up to twenty-five million dollars (\$25,000,000) loan pool. The Loan Pool would add a funding source to the County and the Department of Housing and Community Development (DHCD) for certain eligible projects under the Housing and Community Development Act of 1974 such as housing rehabilitation, acquisition of real property, economic development, infrastructure, and public facilities.

The PHED Committee Director gave a brief overview of the purpose of the resolution and turned to DHCD Director Xypolia for additional background information. Director Xypolia introduced Mr. Christopher Kizzie, Vice-President, Advisory Services at Enterprise Community Partners. Mr. Kizzie provided a PowerPoint presentation with an overview of the Section 108 Loan Guarantee Program, advantages, terms, administration of the loan pool, process, and project examples.

The Office of Audits and Investigations submitted a Policy Analysis and Fiscal Impact Statement dated October 11, 2022, indicating that adoption of CR-098-2022, in and of itself, would not have a direct fiscal impact to the County as it merely approves the County's application. Accessing the loan pool should not have a substantial impact, as the start-up costs will be provided by HUD. As noted above, to the extent the County makes third-party loans, there is a risk of default by the third-party business or developer.

In response to PHED Chair Franklin's question, Director Xypolia responded that there are currently no projects in mind and the resolution is the first step in the process to secure funding. Mr. Kizzie indicated that the next step is to market the program, identify potential projects, and solicit to this funding source. In response to Council Member Turner's question regarding restrictions, additional legislation that may be required if the application is approved by HUD,

and project caps, Director Xypolia responded that the application cap is five times the annual allocation; there is no cap for individual projects, however, DHCD's intent is to be mindful of the underwriting criteria to ensure the ability for repayment.

After discussion, the Committee voted favorable, 4-0, on CR-98-2022 Draft-1.