June 26, 2026

FISCAL AND POLICY NOTE

TO: Committee of the Whole

THRU: Rana Hightower
Committee Director, Planning, Housing and Economic Development

FROM: Shalene Miller-Whye
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CR-045-2026 Herman Apartments Project HITF

CR-045-2026 (*Proposed by:* The Chair of the Council at the request of the County Executive)

Introduced by: Council Members Harrison, Hunter, Adams, Fisher and Dernoga

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 Herman 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.

Indirect Impact

Potentially favorable.

Legislative Summary:

CR-045-2026[1], proposed by the Council Chair at the request of the County Executive, was introduced by Council Members Harrison, Fisher, Oriadha, and Adams and referred to the Committee of the Whole. CR-045-2026 would provide the Herman Apartments Project with $2,500,000 from the HITF for gap financing. The project involves the acquisition and new construction of 145 units of affordable multi-family rental housing for low-income to moderate-income families.

Project Information

Developers:	Community Housing Initiative, Inc.
	Dogwood Development Company, LLC.
Owner:	Community Housing Initiative, Inc.
Description:	A 145-unit affordable rental apartment community will be constructed for families in Hyattsville, Maryland. All units will be affordable, and rents will be restricted for forty (40) years
Duration:	At least 40 years

Background/Current Law:

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

[1] CR-045-2026
[2] CB-021-2012
[3] CB-057-2017

3. provide for housing counseling, rental, down payment, and closing costs assistance for 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.

Purposes of the fund also include providing financial assistance:

1. The Fund may provide financial assistance in the form of loans and grants to finance programs to meet the goals of this Division for the benefit of existing and potential homeowners or renters, not-for-profit organizations and for-profit affordable housing providers in Prince George's County.

Through CB-099-2025 and CB-101-2025, additional program purposes and programs were established through the fund. This includes the Homeownership Equity Program. The purpose of the program is to:

1. To finance the costs to increase access to affordable homeownership among County residents who are moderate-income buyers located within designated zip codes or neighborhoods inside I-495 the Capital Beltway.

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:[4]

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);[5] and
6. Any other funds designated and provided by the County.

Resource Personnel:

- Jonathan Butler, Director, Department of Housing and Community Development (DHCD)
- Adedamola George, Esq., Chief Compliance and Program Manager, DHCD

[4] Code of Prince George's County, Sec. 10-296. – Financing the Fund.
[5] The Recordation tax source was added under CB-004-2021 and took effect on June 30, 2022.

Discussion/Policy Analysis
The Herman Apartments project (the "Project") is to be located at 6203 Ager Road Hyattsville, MD 20782. The Project will consist of a total of 145 residential units, including 64 one (1) bedroom units, 76 two (2) bedroom units, and five (5) three (3) bedroom units. All 145 units will be restricted to households earning up to 60% of the Area Median Income ("AMI"), in accordance with the Federal Low-Income Housing Tax Credits ("LIHTC") program requirements. 10 units will be constructed to meet mobility accessibility standards, and three (3) units will be designed for residents with visual impairments.

Units and Rents:

Median Income	Unit Description		Number of Units	Unit Size (Net leasable Sq. Ft.)	Tenant Utilities*	Contract Rent
	Bedrooms	Baths				
60%	1	1	64	669	$ 98	$ 1,631
60%	2	2	76	937	$ 126	$ 1,932
60%	3	2	5	1186	$ 155	$ 2,285
	Total		145			

The Project is expected to cost $51,863,611. Financing includes Tax-Exempt Bond Financing in the amount of $21,450,000, subordinate Rental Housing Program funds through the State of Maryland Department of Housing and Community Development (DHCD) in the amount of $3,500,000, equity from the sale of Low-Income Housing Tax Credits ("LIHTC") in the amount of $20,030,693, a deferred developer fee in the amount of $2,400,000 and developer equity in the amount of $1,982,918. Additionally, the project is proposing financing from the Prince George's County Housing Investment Trust Fund ("HITF") in the amount of $2,500,000[6].

[6] CR-045-2026

The project will receive approximately $7,754,970 or 15% of its total funding from the County. The terms of the Payment in Lieu of Taxes (PILOT) agreement include a 100% tax waiver for 145 units for the next 40 years, with a 2% annual escalation per unit over that period.

Total aid received from the County:

PILOT Agreement:	$	5,254,970
HITF	$	2,500,000
County Subsidy as a percentage of Total Cost:		**15%**

Projects Pipeline with HITF Funding:

Projects	Council District	FY 2026 Remaining Projected Expenditures	FY 2027	Total	Notes
Glenarden Hills 3 - 4%	5	$ -			Construction Close out completed
The Cassidy	6		$ 350,000	$ 350,000	Closed in Nov 2024 - Under Construction
The Cassidy - Construction Monitoring	6	$ 17,477	$ 96,000	$ 113,477	
The Highlands	5	$ 23,840		$ 23,840	Closed in September 2025 - Under Construction
Hamlet Woods	5	$ 500,000	$ 250,000	$ 750,000	Closed in June 2025 - Under Construction
New Carrollton I	5		$ 250,000	$ 250,000	Closed in October 2025 - Under Construction
New Carrollton II	5			$ 2,250,000	Closed in April - Under Construction
Addison Park	7		$ 3,000,000	$ 3,000,000	Closed in April - Under Construction
Penn Place I	7		$ 2,250,000	$ 2,250,000	Anticipated to close on financing in FY 2027
210 on The Park	7		$ 2,700,000	$ 2,700,000	Council approved; Project is facing budget challenges
Cottage City Towers	5		$ 2,250,000	$ 2,250,000	Council approved; Project is facing budget challenges
Metro Grove - 4%	7		$ 2,700,000	$ 2,700,000	Pending Council Approval
Metro Grove - 9%	7		$ 2,520,000	$ 2,520,000	Pending Council Approval
Flats at Glenridge	3		$ 3,150,000	$ 3,150,000	Council approved: anticipate closing in FY 2027
HOPP		$ 408,831	$ 1,000,000	$ 1,408,831	
HRAP		$ 219,100	$ -	$ 500,000	Will fund from CDBG RL for FY 2027
FBDI					All funds disbursed
TBD			**$ 784,000**	**$ 784,000**	
Totals:		**$ 1,169,248**	**$ 18,600,000**	**$ 28,923,100**	

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.[7]

The Median Household income for the Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area region is $126,244, and the average household size is 2.6.[8] The median household income in Prince George's County is $ $99,180, and the average household size is 2.7[9]. Based on the Washington-Arlington-Alexandria-DC-VA-MD-WV Metro Area region guidelines, this project includes 145 affordable housing units at 60% or less than AMI.

When considering the AMI of the general DMV region, 60% is $69,780 for a one-person household and $79,740 for a two-person household.[10]

FY 2026 MTSP Income Limits								
Income Limit Category	**1 Person**	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**6 Person**	**7 Person**	**8 Person**
80 Percent Income Limits	$93,040	$106,320	$119,600	$132,880	$143,520	$154,160	$164,800	$175,440
60 Percent Income Limits	$69,780	$79,740	$89,700	$99,660	$107,640	$115,620	$123,600	$131,580
50 Percent (Very Low Income Limits)	$58,150	$66,450	$74,750	$83,050	$89,700	$96,350	$103,000	$109,650
30 Percent Income Limits	$34,890	$39,870	$44,850	$49,830	$53,820	$57,810	$61,800	$65,790

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

---

Fiscal Impact:

- *Direct Impact*

Adoption of CR-045-2026 would have an adverse impact of $2,500,000 in expenditures from the HITF.

- *Indirect Impact*

---

[7] Comprehensive Housing Strategy Report
[8] Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area - Profile data - Census Reporter
[9] Prince George's County, MD - Profile data - Census Reporter
[10] FY 2026 Multifamily Tax Subsidy Project Income Limits Documentation System -- Summary for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area (huduser.gov)

Adoption of CR-045-2026 aligns with County Plan 2035[11] goals and will focus on the initial goals set in place by the FY 2021-2025 Consolidated Plan to prioritize affordable housing, economic development, rental assistance, and homeowner's assistance.

- *Appropriated in the Current Fiscal Year*

No.

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.

[11] Plan 2035