

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2016 Legislative Session

Resolution No. CR-8-2016

Proposed by The Chairman (by request – County Executive)

Introduced by Council Member Davis

Co-Sponsors _____

Date of Introduction January 26, 2016

RESOLUTION

1 A RESOLUTION concerning the

2 Fiscal Year 2016 Annual Action Plan for Housing and Community Development

3 For the purpose of amending the Prince George’s County Fiscal Year (“FY”) 2016 Annual

4 Action Plan for Housing and Community Development by adding the Arnold Gardens project, an

5 eligible activity not originally funded or described in the FY 2016 Annual Action Plan, and

6 reprogramming and reallocating nine hundred seventy-five thousand dollars (\$975,000) in

7 HOME Investment Partnerships (HOME) Program funds from the FY 2014 and FY 2016 Annual

8 Action Plans to support the Arnold Gardens project.

9 WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires

10 jurisdictions that receive assistance under certain community planning and development

11 programs to submit a five-year consolidated plan and an annual action plan to the Secretary of

12 HUD that outlines ways to develop viable communities by: providing decent housing, a suitable

13 living environment, and expanding economic opportunities principally for low- and moderate-

14 income persons; and

15 WHEREAS, each jurisdiction is required to adopt a citizen participation plan as part of its

16 five-year consolidated plan and annual action plans; and

17 WHEREAS, a citizen participation plan sets forth the jurisdiction’s policies and procedures

18 for citizen participation, and must provide for and encourage citizens to participate in the

19 development of the Assessment of Fair Housing, any revisions to the Assessment of Fair

20 Housing, the five-year consolidated plan, any substantial amendment to the consolidated plan,

21 and the performance report; and

22 WHEREAS, pursuant to Section 15A-107 of the Prince George’s County Code, the County

1 Executive and the County Council of Prince George’s County, Maryland adopted CR-8-2015,
2 which set forth the County’s FY 2016-2020 Consolidated Plan, along with the County’s FY
3 2016-2020 Citizen Participation Plan; and

4 WHEREAS, the County’s 2016-2020 Citizen Participation Plan requires the County to
5 submit to HUD, any amendments to the County’s five-year consolidated plan or annual action
6 plan that constitute a “substantial change”; and

7 WHEREAS, pursuant to the County’s 2016-2020 Citizen Participation Plan, the following
8 decisions constitute a “substantial change”: (1) a change in the allocation priorities or a change
9 in the method of distribution of funds; (2) the addition of an eligible activity not originally
10 funded or described in the Annual Action Plan; (3) a change in the location, description,
11 regulatory reference, national objective citation, or status of an activity originally described in
12 the Annual Action Plan; and (4) a change in the use of Community Development Block Grant
13 (CDBG), HOME, or Emergency Shelter Grant (ESG) funds, exceeding twenty-five percent
14 (25%), from one existing activity to another existing eligible activity in any category within the
15 applicable Program Year; and

16 WHEREAS, the County Council shall hold a public hearing for public input on any
17 revision or amendment to the Consolidated Plan and the Annual Action Plan, and approve the
18 amendment by resolution pursuant to Section 15A-106 of the County Code; and

19 WHEREAS, the Arnold Gardens project involves the acquisition and renovation of sixty-
20 eight (68) apartment units for families, located at 2521 Ewing Avenue in Suitland, Maryland;
21 and

22 WHEREAS, Arnold Gardens is under a Housing Assistance Payments (HAP) Contract,
23 pursuant to Section 8 of the Housing Act of 1937, which applies to fifty-five (55) of the sixty-
24 eight (68) units, and will be extended by HUD for an additional twenty (20) years; and

25 WHEREAS, thirteen (13) units will be restricted to income-qualified families under the
26 Low Income Housing Tax Credit (LIHTC) Program; and

27 WHEREAS, the unit mix for the Arnold Gardens project consists of thirty-four (34) units
28 with one bedroom and one bathroom, twenty-seven (27) units with two bedrooms and one
29 bathroom, and seven (7) units with three bedrooms and one bathroom; and

30 WHEREAS, Attachments “A1-A3” describe the Arnold Gardens project, the associated
31 costs and the sources of funding for the project, as attached hereto and made part hereof; and

1 WHEREAS, Attachment “B” includes a summary of the reprogramming and reallocation of
2 nine hundred seventy-five thousand dollars (\$975,000) in HOME Program funds from the FY
3 2014 and FY 2016 Annual Action Plans to support the Arnold Gardens project, as attached
4 hereto and made part hereof; and

5 WHEREAS, Attachment “C” consists of the County’s FY 2016 Annual Action Plan, as
6 amended, and as attached to and made part hereof; and

7 WHEREAS, the U.S. Department of Housing and Urban Development(HUD) invests
8 millions of federal funds into distressed communities for projects that build and rehab housing
9 for very low, low, and moderate income persons and has set forth a requirement for all recipient
10 jurisdictions receiving federal housing and community development assistance to comply fully
11 with “Section 3 of the Housing and Urban Development Act of 1968 §12 U.S.C. 1701(u) and 24
12 CFR Part 135 which represents HUD’s policy for providing to” the greatest extent feasible “ a
13 documented “ good faith effort to (a) train, and (b) employ low and moderate income individuals
14 in the project covered area (also referred to as a Section 3 resident) for new job opportunities ;
15 as well as, to the “greatest extend feasible” contract with Section 3 certified business concerns
16 that provide economic opportunities for Section 3 residents in the service area of the covered
17 project; and

18 WHEREAS, HUD has established a Section 3 Business Registry Self Certifying
19 designation online tool which has been implemented by HUD to have a repository of locally
20 certified Section 3 businesses that is made available to connect HUD entitlement jurisdictions
21 (cities, counties, and State governments), public housing authorities, prime contractors, and other
22 recipients of federally assisted resources to assist these entities meet their Section 3 obligations;
23 and

24 WHEREAS, CR-12-2012 set forth the requirement that Prince George’s County develop
25 and submit to the Council for approval a Section 3 Plan; and

26 WHEREAS, CR-8-2015 recognizes the County’s HUD Section 3 strategy as a key element
27 of the 2016-2020 Prince George’s County Consolidated Plan’s Anti-Poverty strategy that was
28 submitted and approved by HUD; and

29 WHEREAS, Section 3 states, “contractors or subcontractors that receive contracts in excess
30 of \$100,000” for Section 3 covered projects/activities are required to fully comply with the
31 Section 3 regulations at 24 CFR Part 135; and

1 WHEREAS, it is a Section 3 priority of the County to maximize opportunities for
2 participation of County-based businesses and County-based minority businesses and the hiring of
3 County residents in publically-assisted projects in the County, especially by Section 3 businesses
4 and residents.

5 WHEREAS, the addition of the Arnold Gardens project constitutes a “substantial change”
6 to the County’s FY 2016 Annual Action Plan because it is an eligible activity not originally
7 funded or described in the FY 2016 Annual Action Plan; and

8 WHEREAS, the reprogramming and reallocation of nine hundred seventy-five thousand
9 dollars (\$975,000) in HOME Program funds constitutes a “substantial change”; and

10 WHEREAS, the County Executive recommends the amendments to the FY 2016 Annual
11 Action Plan to include the addition of the Arnold Gardens project and the reprogramming and
12 reallocation of nine hundred seventy-five thousand dollars (\$975,000) in HOME funds to support
13 the Arnold Gardens project.

14 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
15 County, Maryland, that the FY 2016 Annual Action Plan for Housing and Community
16 Development, is hereby amended to include the Arnold Gardens project, and to reflect the
17 reprograming and reallocation of nine hundred seventy-five thousand dollars (\$975,000) in
18 HOME Program funds as described in Attachments “A1- A3”, “B”, and “C.”

19 BE IT FURTHER RESOLVED that the developers of the Arnold Gardens project shall
20 exercise best efforts to meet or exceed a goal that 30% of the work hours for any contracts or
21 subcontracts for building trades work for maintenance, repair, modernization work arising in
22 connection with housing rehabilitation, housing construction, and other public construction
23 activities for the Arnold Gardens project be worked by County residents (as defined under
24 Subtitle 10A of the County Code).

25 BE IT FURTHER RESOLVED that the County establishes a numerical requirement that at
26 least 10% of the work hours for all contracts or subcontracts for building trades work for
27 maintenance, repair, modernization work arising in connection with housing rehabilitation,
28 housing construction, and other public construction activities of the Arnold Gardens project be
29 worked by Section 3 residents who are also County residents.

30 BE IT FURTHER RESOLVED that the developers of the Arnold Gardens project shall
31 exercise best efforts to meet or exceed a goal that 30% of the total dollar value of all contracts or

1 subcontracts for building trades work for maintenance, repair, modernization work arising in
2 connection with housing rehabilitation, housing construction, and other public construction
3 activities of the Arnold Gardens project be paid to County-based Minority Business Enterprises
4 (CMBE) (as defined under Subtitle 10A of the County Code).

5 BE IT FURTHER RESOLVED, for the Arnold Gardens project, the County establishes a
6 numerical requirement that at least 10% of the total dollar value of all contracts or subcontracts
7 for building trades work for maintenance, repair, modernization work arising in connection with
8 housing rehabilitation, housing construction, and other public construction activities of the
9 Arnold Gardens project be paid to Section 3 business concerns that are County-based businesses
10 (as defined under Subtitle 10A of the County Code).

11 BE IT FURTHER RESOLVED that the developers of the Arnold Gardens project shall
12 submit a Section 3 Implementation and Subcontracting Plan to facilitate compliance with the (i)
13 Local Hiring Goals and Requirements; (ii) CMBE Participation Goals; and (iii) Section 3 Local
14 Business Participation Requirements of this resolution and receive approval of such plan by the
15 Prince George’s County MBE Compliance Manager prior to the issuance of any County building
16 permits for the Arnold Gardens project. Compliance with the Section 3 Implementation and
17 Subcontracting Plan by the developers of the Arnold Gardens project shall be a condition of
18 approval for the use of HOME funds in the project.

19 BE IT FURTHER RESOLVED that the Arnold Gardens project may not use any HOME
20 funds to plan or implement any relocation activity identified in this project.

21 BE IT FURTHER RESOLVED that upon the adoption of this Resolution, it shall be
22 transmitted to the County Executive by the Clerk of the Council to submit the amended Annual
23 Action Plan to the U.S. Department of Housing and Urban Development.

Adopted this 8th day of March, 2016.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Derrick Leon Davis
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Rushern L. Baker, III
County Executive

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**Arnold Gardens
2521 Ewing Avenue
Suitland, Maryland 20746**

COUNCILMANIC DISTRICT 7

PROJECT DESCRIPTION: The Arnold Gardens project involves the acquisition and rehabilitation of sixty-eight (68) apartment units. The apartment units are located in three (3) garden-style buildings, situated on 3.12 acres of land. Each apartment building has three (3) floors.

PROPOSED OWNER: 2521 Ventures Investors, LLC

DEVELOPER: Gragg Cardona Partners, LLC

CONTACT: Juan Cardona, Principal
7603 Georgia Avenue N.W., Suite 303
Washington, D.C. 20012

NEIGHBORHOOD/LOCALITY: The Arnold Gardens project is located in Councilmanic District 7, at the intersection of Ewing Avenue and Arnold Road in Suitland Maryland 20746.

UNIT MIX: The unit mix is: thirty-four (34) units with one bedroom and one bathroom; twenty-seven (27) units with two bedrooms and one bathroom; and seven (7) units with three bedrooms and one bathroom.

PROPOSED RENTS: \$1,150 - \$1,545 per month

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Arnold Gardens
2521 Ewing Avenue
Suitland, Maryland 20746**

COUNCILMANIC DISTRICT 7**PROJECT DESCRIPTION:**

Gragg Cardona Partners, LLC, the developer, proposes to acquire and renovate the property known as Arnold Gardens. Arnold Gardens was constructed in 1971, and is composed of sixty-eight (68) apartment units. The apartment units are located in three (3) garden-style apartment buildings, each with three (3) floors, and situated on 3.12 acres of land. The property fronts Ewing Avenue on the west side, Arnold Road on the north side and Whitehall Street on the east side. Ewing Avenue and Arnold Road provide access to Maryland Route 218, which serves as the neighborhood's commercial corridor. The Suitland Federal Center, which houses the most employees in the Suitland area, is located one block away from Arnold Gardens. The property is about one-half mile away from the Suitland Metro Station, and is located in a Transforming Neighborhoods Initiative ("TNI") area and Transit Oriented Development ("TOD") neighborhood. Additionally, the property is situated in a R-T Zone (Townhouse) where Arnold Gardens is a nonconforming use.

Arnold Gardens is under a Housing Assistance Payments (HAP) Contract, pursuant to Section 8 of the Housing Act of 1937, which applies to fifty-five (55) of the sixty-eight (68) units, and will be extended by the U.S. Department of Housing and Urban Development (HUD) for an additional twenty (20) years. The remaining thirteen (13) units will be restricted to income-qualified families under the Low Income Housing Tax Credit (LIHTC) Program. The unit mix is: thirty-four (34) units with one bedroom and one bathroom; twenty-seven (27) units with two bedrooms and one bathroom; and seven (7) units with three bedrooms and one bathroom.

The Arnold Gardens project strives to: correct all building code violations; make the property more accessible to persons with disabilities; and update the property's design, amenities and energy efficiency. The construction budget for each unit is approximately fifty-six thousand dollars (\$56,000). The renovations will be performed with the residents in place. The

renovations will involve: retrofitting units to comply with the Uniform Accessibility Standards (UFAS), with a minimum of five percent (5%) of the units that are mobility accessible (4 units) and a minimum of two percent (2%) of the units that are sensory accessible (2 units); constructing a new UFAS compliant leasing office; and adding additional parking spaces.

Interior renovations may include improvements to various parts of each unit. For example, kitchen renovations may include: new paint, flooring, cabinets, countertops, sinks, garbage disposals, faucets, Energy Star refrigerators, Energy Star electric ranges, Energy Star dishwashers and range hoods. Bathroom renovations may include: new paint, new flooring, new water-saver toilets, new faucets and fixtures (12 bathtubs will be replaced and 56 resurfaced), new ceramic tub surrounds and new bath accessories. Ceiling fans will be added to all living rooms. New flooring will be installed in all unit foyers. Minor repairs will be made to parquet flooring in thirty-four (34) units. Window blinds will be replaced in all units. Damaged interior doors and bi-folds will be replaced. All entry doors and frames will be painted, weather stripping and thresholds will be replaced, and new lever hardware will be installed. Entry door hardware will be replaced in fifty (50) units.

Other renovations may include: upgraded one hundred (100) amp service electrical panels in all units; new Energy Star light fixtures in units and common areas; new outlets and switches; new hardwired smoke detectors; new fire alarms; and the replacement of two (2) gas hot water heaters. Additionally, heating and air conditioning combo units will be replaced in thirty-eight (38) units and a direct ventilation system will be installed in all units to improve energy efficiency.

Exterior improvements may include: new sixty (60) mil Thermoplastic Polyolefin (“TPO”) roofing with a twenty (20) year warranty; new metal roofing over building entrances; new energy efficient windows and new sliders (in lieu of balcony sliding glass doors), parking pad and concrete walkways will be repaired and accessibility features added throughout; new project signage; landscape improvements; a new playground; a new trash enclosure; new perimeter fencing; new store fronts at all buildings with controlled access; and all brick facades will be repainted and washed down. The construction will follow the Enterprise Green Communities Criteria, and the Better Buildings Challenge, an initiative of HUD and the U.S. Department of Energy.

In addition to a UFAS compliant rental office, new amenities will include a business center

and free wireless Internet access to each unit and the business center. Tenant Services will include: the Arnold Gardens Community Scholarship Fund (\$5,000 a year); community gardening with the Suitland Action Team; bi-annual dentist check-ups for children; passive services to residents through the Management Company and the Suitland Action Team.

Community Support will include a one thousand dollar (\$1,000) annual donation to Suitland High School; a two thousand dollar (\$2,000) annual donation to the Center for the Visual and Performing Arts at Suitland High School; a one thousand dollar (\$1,000) annual donation to Suitland Elementary School; and a one thousand dollar (\$1,000) annual donation to Drew Freeman Middle School.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

**Arnold Gardens
2521 Ewing Avenue
Suitland, Maryland 20746**

COUNCILMANIC DISTRICT 7

SOURCES	AMOUNT	%
Private Loan – FHA 221(d)4 Loan – Love Funding – Tranche A	7,648,900.00	53.97%
Private Loan – FHA 221(d)4 – Pilot Tranche	1,139,800.00	8.04%
LIHTC	3,586,437.00	25.31%
Deferred Dev. Fee	384,040.00	2.71%
Prince George's County HOME Loan	975,000.00	6.88%
Other	438,374.00	3.09%
TOTAL	14,172,551.00	100.00%

USES	AMOUNT	%
Acquisition Costs (includes transfer tax & recordation)	6,225,338.00	43.93%
Construction Costs	3,803,380.00	26.84%
Construction Contingency	380,338.00	2.68%
Fees Related to Construction	368,600.00	2.60%
Financing Fees and Charges	1,244,661.00	8.78%
Developers Fee	1,498,481.00	10.57%
Syndication Related Costs	64,798.00	0.46%
Guarantees and Reserves	492,955.00	3.48%
Relocation Costs	94,000.00	0.66%
TOTAL	14,172,551.00	100.00%