



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations


October 28, 2020

### 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

RE: Policy Analysis and Fiscal Impact Statement  
CR-093-2020 FY 2021 Annual Action Plan Reallocation - UCAP (DR-1)

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**CR-093-2020** (*proposed by: Council Chair Turner by Request of the County Executive*)

Assigned to Committee of the Whole (COW)

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A RESOLUTION CONCERNING THE FISCAL YEAR ("FY") 2021 ANNUAL ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT for the purpose of amending the Prince George's County Fiscal Year ("FY") 2021 Annual Action Plan for Housing and Community Development by adding the United Communities Against Poverty (UCAP) Neighborhood Development Program project as an eligible activity not originally funded or described in the FY 2021 Annual Action Plan, and the reallocation and commitment of one hundred twenty-five thousand dollars (\$125,000) in Home Investment Partnerships (HOME) Program funds from the FY 2019 Annual Action Plan to support the Neighborhood Development Program project.

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### Fiscal Summary

#### Direct Impact:

*Expenditures:* None

*Revenues:* None

**14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772**  
**VOICE (301) 952-3431; FAX (301) 780-2097; TDD (301) 925-5167**

**Indirect Impact:**

Likely Positive

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**Legislative Summary:**

CR-093-2020, proposed by the County Executive and sponsored by Council Chair Turner and Councilmembers Taveras, Ivey, Streeter, Davis, Harrison, Anderson-Walker, Glaros, Franklin, Hawkins and Dernoga, was introduced on September 22, 2020 and referred to the Committee of the Whole. The Public Hearing was held on October 27, 2020. CR-093-2020 seeks to re-allocate \$125,000 of FY2019 HOME funds to support the UCAP Neighborhood Development Program project.

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**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.<sup>1</sup>

“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 annual updates of the housing strategy; and the housing strategy, and any annual update of such strategy, is approved by the Secretary.”<sup>2</sup>

Consistent with the above referenced legislation, HUD provides HOME funds are awarded 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 of to support the development of safe, decent housings and communities. In addition, 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. 24 CFR 91.505 Substantial

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<sup>1</sup> TITLE 42-THE PUBLIC HEALTH AND WELFARE CHAPTER 130-NATIONAL AFFORDABLE HOUSING SUBCHAPTER I-GENERAL PROVISIONS AND POLICIES, SECTION 12703.

<sup>2</sup> 42 USC Chapter 130, Subchapter I: General Provisions And Policies, Section 12705

Amendments results when the jurisdiction seeks to amend its approved plan whenever it makes 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

CR-093-2020 seeks to amend CR-046-2020, Annual Action Plan for FY 2021, by reallocating \$125,000 in HOME loan funds from its FY 2019 Annual Action Plan (CR-019-2018) to invest in the UCAP's Neighborhood Development Program project. This amendment requires a public hearing, which was held on October 27, 2020. The UCAP Neighborhood Development Program project consists of the Rehabilitation and resale of one (1) vacant home to an income-eligible first-time home buyer in Suitland, Maryland.<sup>3</sup>

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***Resource Personnel:***

DHCD Staff  
Council Administration

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**Discussion/Policy Analysis:**

- *Potential Benefits of Adopting CR-093-2020*

Adoption of CR-093-2020 would provide loan of re-allocated HOME Funds for support of rehabilitation and resale of one (1) vacant stressed vacant property for a first-time home buyer.

- *Potential Costs of adopting CR-093-2020*

Adoption of CR-093-2020 would represent no fiscal impact to the County Expenditures as the \$125,000 funds proposed to support this project are being re-allocated from activities under the FY 2019 Annual Action Plan. Over time, adoption of CR-093-2020, could potential 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.

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**Fiscal Impact:**

**Direct Impact**

Adoption of CR-093-2020 would represent no fiscal impact to the County Expenditures as the \$125,000 funds proposed to support this project are being re-allocated from activities under the FY 2019 Annual Action Plan.

**Indirect Impact**

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<sup>3</sup> CR-093-2020, Attachments A-1 and A-2

Adoption of CR-093-2020 may promote positive indirect impact through community improvement by the rehabilitation and resale of a vacant distressed property, which may contribute, to higher property tax assessments both property and within the neighborhood. Also, over time, adoption of CR-093-2020 could represent a positive impact on the County's revenue in the form of program income from repayment of the HOME Loan funds, which can be re-invested in other projects.

*Appropriated in the Current Fiscal Year Budget*

Yes.

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**Effective Date of Proposed Legislation:**

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

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