



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-094-2020 FY 2021 Annual Action Plan Reallocation -Woodyard Station. (DR-1)

CR-094-2020 (sponsored by: Council Chair Turner by Request of the County Executive)

Assigned to Committee of the Whole (COW)

A RESOLUTION CONCERNING THE FISCAL YEAR ("FY") 2021 ANNUAL ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT FOR HOUSING AND COMMUNITY DEVELOPMENT for the purpose of amending the Prince George's County Fiscal Year ("FY") Annual Action Plan for Housing and Community Development by adding the Woodyard Station Senior Apartment project, an eligible activity not originally funded or described in the FY 2021 Annual Action Plan, and the reprogramming and reallocating of three million dollars (\$3,000,000) in Home Investment Partnerships ("HOME") Program funds from the FY 2019 Annual Action Plan to support the Woodyard Station Senior Apartments project.

Fiscal Summary

Direct Impact:

Expenditures: None

Revenues: None

Indirect Impact:

Potentially Positive

Legislative Summary:

CR-094-2020, proposed by the County Executive and sponsored by Council Chair Turner and Councilmembers Taveras, Streeter, Davis, Harrison, Franklin, and Glaros, was introduced on September 22, 2020 and referred to the Committee of the Whole. CR-094-2020 seeks to reallocate \$3,000,000 of FY 2019 HOME funds to support the Woodyard Station Senior Apartments project.

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.¹

“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.”²

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. A “substantial amendment” under 24 CFR 91.505 results when the jurisdiction seeks to amend its approved plan to one of the following decisions:

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

² 42 USC Chapter 130, Subchapter I: General Provisions and Policies, Section 12705

- 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-094-2020 seeks to amend CR-046-2020, Annual Action Plan for FY 2021, by reallocating \$3,000,000 in HOME loan funds from its FY 2019 Annual Action Plan (CR-019-2018) to invest in the Woodyard Station Senior Apartments. This amendment requires a public hearing, which was held on October 27, 2020. A description of the investment in the Woodyard Station Senior Apartments include:

- Leverage \$24,924,862 to develop Affordable Senior Apartments in Councilmatic District Nine.
- Plans to acquire land for construction of 112 affordable apartment community for seniors aged 62 and over;
- Provide mix of 75 one-bedroom and 37 two-bedroom apartments for mixed Income community;
- Locate community near amenities, transit, healthcare and employment; and
- Provide supportive services and programming to senior residents through partnership with Rainbow Housing Assistance Corporation (RHAC).³

Resource Personnel:

DHCD Staff
Council Administration

Discussion/Policy Analysis:

Adoption of CR-094-2020 would provide loan of reallocated HOME Funds for support of 112-unit senior apartments. The Woodyard Station Apartments is a proposed mixed-income project consisting of 75 one bedroom and 37 two-bedroom apartments for seniors at or below 60% Area Median Income (AMI). Of the proposed 112 units, 1 unit will be reserved for resident at (30%) of AMI for a household of two), and the remaining 101 units will be reserved for senior residents at 60% of AMI. The proposed \$3,000,000 would represent 10.74% of the funding for this project. Other sources of the project include: Tax Exempt Bonds (46%), Low Income Housing Tax Credit Equity (32.23%), MD CHDC Rental Housing Works (8.95%) and deferred Developer Equity (1.18%).

- *Potential Benefits of Adopting CR-094-2020*

Adoption of CR-094-2020 would support the development of a mixed-income senior apartment complex which would provide additional housing opportunities to County seniors of varied incomes. Over time, adoption of CR-094-2020, 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; and there could possibly be enhanced expansion of the County's tax base through construction, new residents to the County, property taxes from nearby amenities, etc.

³ CR-094-2020, Attachments A-1 and A-2

- *Potential Costs of adopting CR-094-2020*

Adoption of CR-094-2020 would represent no fiscal impact to the County Expenditures as the \$3,000,000 funds proposed to support this project are being reallocated from activities approved under the FY 2019 Annual Action Plan.

Fiscal Impact:

Direct Impact

Adoption of CR-094-2020 would represent no fiscal impact to the County Expenditures as the \$3,000,000 funds proposed to support this project are being re-allocated from activities under the FY 2019 Annual Action Plan.

Indirect Impact

Over time, adoption of CR-094-2020, 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, and expansion of the County's tax base. Adoption of CR-094-2020 may promote positive indirect impact through the increase of new retail and amenities in the overall community. Additionally, the agency reports that Woodyard Station Senior Apartments and the larger community will contribute many economic benefits including but not limited, the addition of at least four hundred and twenty (424) jobs during construction, and will contribute to the expansion of Prince George's County's tax base through the investment of over forty-six million (\$46,000,000) in new residential rental housing.

Appropriated in the Current Fiscal Year Budget

Yes.

Effective Date of Proposed Legislation:

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

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