



Memo

To: Mayor and City Council

From: Jim Chandler, Assistant City Administrator and Director, Community & Economic Development
Kate Powers, City Planner

Date: April 7, 2021

Re: Hamilton Manor Acquisition & Preservation -
National Housing Trust Communities & Washington Housing Conservancy

Attachments: Hamilton Manor Preservation Summary
NHTC Presentation & Discussion

The purpose of this memorandum is to provide the Council with a brief summary of National Housing Trust Communities and Washington Housing Conservancy's preservation plan for Hamilton Manor.

Relevant Parties

- Prince George's County Department of Housing and Community Development (DHCD)

DHCD oversees the County's Right of First Refusal (ROFR) Program with the purpose of expanding the availability of affordable rental housing through property acquisition. Authorized by County Code, DHCD can exercise its first refusal rights to purchase multi-family properties. In the case of Hamilton Manor, DHCD assigned its purchasing rights to National Housing Trust Communities.

- National Housing Trust Communities (NHTC)

The National Housing Trust is a national non-profit engaged in housing preservation through public policy advocacy, real estate development, and lending. Collaborating with local partners and investors, NHTC raises the capital necessary to acquire, renovate, and build affordable homes. In Maryland, they have developed over 600 affordable and mixed-income units. NHTC is in the process of acquiring Hamilton Manor, a 245-unit property located at 3342 Lancer Drive, Hyattsville.

- Washington Housing Conservancy (WHC)

NHTC has partnered with the Washington Housing Conservancy (WHC) to assist in their efforts. WHC is a non-profit that acquires real estate with the purpose of preserving affordability, preventing displacement, and delivering sustainable, large-scale impact without ongoing subsidies. Most recently, WHC acquired the 16-acre “Crystal House” site in Arlington, Virginia. With the completion of this transaction comes the preservation and creation of 1,300 affordable homes for 99 years.

Hamilton Manor Preservation Plan

NHTC and WHC have worked together to develop both an affordability plan and a financing proposal for the Hamilton Manor Property.

Preservation Details:

- Restrict rents for a period of 20-years through a recorded land use restriction agreement.
- Unit Breakdown:
 - 40% of units at 60% of AMI (98 units)
 - 35% of units at 80% of AMI (86 units)
 - 25% of units at market rate (61 units)
- Annual rent growth across all units will be held to 2.8% for a 15-year period.
- Invest approximately \$3.3 million to remedy capital needs (unit renovations, etc.) in 10 years.

NHTC and WHC have secured lender preliminary commitment letters from Berkadia Commercial Mortgage and the JBG SMITH Impact Pool. The estimated capital stack for the Hamilton Manor acquisition is outlined in the table below:

Sources			Uses		
	%	Dollar Amount		%	Dollar Amount
1st Mortgage	69.0%	\$29,100,000	Acquisition	93.9%	\$39,500,000
Impact Pool	23.1%	\$9,700,000	Closing Costs	2.8%	\$1,200,000
Sponsor Equity	5.5%	\$2,300,000	Financing Fees	1.0%	\$450,000
County Loan	2.4%	\$1,000,000	Cost Reimbursements	0.6%	\$250,000
			Indigency Reserve	0.4%	\$150,000
			Lender P&I Reserve	1.3%	\$550,000
Total	100.0%	\$42,100,000	Total	100.0%	\$42,100,000

Next Steps

The City Council will hear a presentation from National Housing Trust Communities outlining their preservation and financing plans for Hamilton Manor.

A Resolution expressing the City Council’s position with respect to NHTC’s property acquisition request is proposed an action item on the May 3 agenda.