



# Memo

To: Mayor and City Council

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

Date: April 27, 2021

Re: Hamilton Manor ROFR Acquisition Resolution,  
*National Housing Trust Communities & Washington Housing Conservancy*

Attachments: Hamilton Manor Preservation Summary  
NHTC Presentation  
Q&A Information Sheet for the Hyattsville Resolution of Support

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The purpose of this memorandum is to provide the Council with a brief follow-up of National Housing Trust Communities and Washington Housing Conservancy's acquisition of Hamilton Manor Apartments through the Prince George's County Right of First Refusal Program.

## **Background**

In March 2021, the City Council received a briefing on the **Prince George's County Department of Housing and Community Development (DHCD) Right of First Refusal (ROFR) Program**. In 2013, the Prince George's County Council passed CB 27-2013 which created the Right of First Refusal Program to expand the availability of affordable rental housing in the County. On October 6, 2015, the County Council adopted CR-51-2015 which provided that the ROFR Program shall apply to all areas of Prince George's County.

The ROFR Program is overseen and implemented by the Prince George's County Department of Housing and Community Development ("DHCD") and is detailed in Prince George's County Code 13-1110 et. seq. (the "Code"). Additionally, the County adopted regulations to implement the ROFR Program. The purpose of the County's Right of First Refusal (ROFR) Program is to expand 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.

Per section 13-1113 (i), “The Department may accept an offer to buy rental housing in a municipality only if the municipality approves in writing within one hundred eighty (180) days from the date of the offer. The failure of a municipality to provide written approval to the Department within the timeframe above shall be deemed an approval.”

In the case of Hamilton Manor, DHCD assigned its purchasing rights to **National Housing Trust Communities**. 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.

For the acquisition and management of Hamilton Manor Apartments, 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. The plan was presented to the City Council on April 19, 2021 and was discussed by the City Council. In response to the discussion, the NHTC/WHC team have responded with the, “**Question and Answer Information Sheet for the Hyattsville Resolution of Support**”, which is a document included with this memorandum.

#### 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**

Provided a Resolution expressing the Council's stance on NHTC's property request is approved, a resolution and letter will be provided to Prince George's County DHCD in support of the acquisition of Hamilton Manor Apartments by NHTC/WHC.