

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2014 Legislative Session

Reference

No.: CR-63-2014

Draft No.: 1

Committee: PUBLIC SAFETY AND FISCAL MANAGEMENT

Date: 07-08-2014

Action: No Recommendation

REPORT: Committee Vote: 3-0-1 No Recommendation (In Favor: Council Members Toles, Davis, and Lehman, Abstain: Turner)

This resolution will approve the terms and conditions of a Negotiated Payment in Lieu of Taxes (PILOT) Agreement between the County and Oakcrest Village Associates, LLC (the Developer) for the Conifer Village at Oakcrest Apartment Project for seniors (the Project)

The Developer is a newly formed ownership entity, formed by Conifer Reality, LLC, for the purpose of acquiring 4.86 acres of unimproved land and constructing 120 units of affordable rental housing for seniors in a single 4-story elevator building to be located at 2011 Brooks Drive in Capitol Heights, Maryland. The Project will serve elderly households with incomes from 30% to 60% of the Area Household Median (AMI). The mix will consist of (97) one bedroom, one-bath units, (16) two-bedroom, 1 bath units, and (7) two-bedroom, 1.5 bath units. All 120 units will be handicapped accessible or readily adaptable.

The following Sources of Funding will be used for the total cost of the acquisition and construction of the entire project:

1. Private Loan (HUD insured first mortgage).....	\$12,232,300
2. Community Developmental Administration (CDA) Rental Housing Works Loan.....	\$2,500,000
3. Low Income Housing Tax Credit (LIHTC) allocated by Maryland Department of Housing and Community Development.....	\$9,307,913
4. Deferred Developer Fee.....	\$1,242,044
5. Prince George's County Home Loan.....	\$1,500,000
Totals.....	\$26,782,257

The PILOT will remain in effect for 10 years from the date of substantial completion. The deferred taxes will be due and payable only when the project no longer has an affordability regulatory agreement in place or the project is sold. With the PILOT Agreement, the County would collect taxes totaling a minimum of approximately \$21,000 per year. In addition, the development will yield approximately \$2,500 per unit (\$300,000 total) in impact fees to the County (school impact fees were waived at preliminary plan approval).

The adoption of CR-63-2014 will have a positive fiscal impact on the County of \$300,000 during the development of the Project. With the approval of the PILOT Agreement, the County will forgo approximately \$59,092 in tax revenue annually. This amount is the difference between the estimated annual County property tax of \$79,894 upon project completion and the annual PILOT payment of \$20,802.