

PRINCE GEORGE'S COUNTY COUNCIL
COMMITTEE REPORT
2016 Legislative Session

Reference No.: CR-075-2016
Draft No.: 1
Committee: PSFM
Date: 11/03/2016
Action: FAV

REPORT: 1

Committee Vote: Favorable, 5-0 (In Favor: Council Members Franklin, Patterson, Lehman, Harrison and Turner)

CR-075-2016 is a Resolution approving the terms and conditions of Payments in Lieu of Taxes (“PILOT”) between Prince George’s County and Belnor Residences, LLC for the Belnor project.

Belnor Residences, LLC, a newly formed ownership equity, was created by Mission First Housing Development Corporation for the purpose of acquiring approximately 5 acres of vacant land from St. Paul Senior Living at Suitland, LP, and developing a 122 unit senior rental community located in Suitland, Maryland. The Project will serve seniors with incomes at or below 60% of the Area Median Income. The unit mix will consist of 96 one-bedroom units and 26 two-bedroom units.

The PILOT Agreement will require the owner to make an annual payment to the County in the first full tax year in the amount of \$9,210, approximately \$75 per unit and for each tax year thereafter an additional 8.6253% of the Owner’s surplus cash flow. The PILOT Agreement will remain in effect for as long as the building has an affordability regulatory agreement in place, which is anticipated to be at least 40 years. Without the PILOT Agreement, the estimated County property tax would be approximately \$72,788, approximately \$597 per unit. Pursuant to the PILOT Agreement, the County will provide operational support of approximately \$522 per unit, per year.

Eric Brown, Director of Housing and Community Development, provided the Committee an overview of CR-075-2016.

Sarah Constant and Lisa Bolden, representatives of Mission First Housing Development Corporation gave an overview of the project.

Elsie Jacobs and Robert Johnson, residents from the area, expressed support for CR-075-2016.

The Office of Law finds CR-075-2016 to be in proper legal form with no legal impediments to its adoption.

The Office of Audits and Investigations reports CR-075-2016 will result in a negative impact on the County. The amount is the difference between the Projects annual County property tax and the PILOT payment. This amount is estimated to be \$2,214,047 over the 40 year period.

After discussion the Public Safety and Fiscal Management Committee voted CR-075-2016 out favorably 5-0.