



Angela D. Alsobrooks  
County Executive

# PRINCE GEORGE'S COUNTY GOVERNMENT

## OFFICE OF THE COUNTY EXECUTIVE

April 12, 2022

The Honorable Calvin S. Hawkins, II  
Chair  
Prince George's County Council  
County Administration Building  
Upper Marlboro, Maryland 20772

Dear Chair Hawkins:

Enclosed for the County Council's consideration is a Resolution approving the terms and conditions of a Payments in Lieu of Taxes ("PILOT") Agreement between Prince George's County, Maryland and Glenarden Hills Phase 3, Four, LLC ("Owner") for the Glenarden Hills Phase 3, 4% project ("Project").

The Owner is an entity formed by the development team of Pennrose LLC, the Redevelopment Authority of Prince George's County, B&W Solutions, Inc., and SHABACH! Ministries, Inc. for the purpose of acquiring and constructing one hundred fourteen (114) units of new mixed-income townhouse and multi-family rental housing for families, located at 8405 Hamlin Street, Lanham, MD 20706. Of the one hundred fourteen (114) units, eighty-eight (88) of the affordable units will be reserved for family households whose incomes are at sixty percent (60%) of the Area Median Income ("AMI") and six (6) of the affordable units will be reserved for families whose incomes are at thirty percent (30%) of the AMI. Additionally, twenty (20) units will be at market rate. The unit mix will consist of forty-one (41) one-bedroom units, fifty-seven (57) units two-bedroom units, and sixteen (16) three-bedroom units.

The Project's total development cost, including the acquisition, infrastructure development and construction, is approximately thirty eight million, two hundred fifty seven thousand, fifty four dollars (\$38,257,054). Financing will consist of Tax-Exempt Bonds totaling approximately thirteen million, four hundred sixty thousand, seven hundred forty-eight dollars (\$13,460,748); a loan by the Community Development Administration ("CDA"), a unit of the Division of Development Finance of the Department of Housing and Community Development of the State of Maryland, under its Rental Housing Works program ("RHW Loan") totaling two million, eighty thousand dollars (\$2,080,000); approximately five million, nine hundred thirty three thousand, seven hundred thirty-one dollars (\$5,933,731) from a loan by the Redevelopment Authority of Prince George's County Infrastructure Funds; Seller Takeback Note totaling approximately one million, six hundred thirty four thousand dollars (\$1,634,000); approximately nine million, five hundred seventy three thousand, two hundred sixty dollars (\$9,573,260) from Bank of America, N.A. as the investor member in connection with Low-Income Housing Tax Credits ("LIHTC") awarded by the Maryland Community Development Administration

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("CDA"), a unit of the Division of Development Finance of the Department of Housing and Community Development of the State of Maryland; deferred payment of approximately two million, four hundred forty thousand, seven hundred eight dollars (\$2,440,708) from the developer's equity; return of Good Faith Deposit totaling approximately one hundred thirty four thousand, six hundred seven dollars (\$134,607); and a Prince George's County Housing Investment Trust Fund ("HITF") Program loan of approximately three million dollars (\$3,000,000).

The PILOT will apply to the affordable portion only and will require a mandatory annual payment in an amount of no less than nine thousand, five hundred eighty eight dollars or one hundred two dollars per affordable unit (\$9,588 or \$102 per unit) for the year. Thereafter, the required payment for these affordable units will increase by two percent (2%) for each subsequent tax year. The PILOT agreement will remain in effect for forty (40) years which includes the extended affordability period. Without the PILOT agreement, the estimated County property tax would be approximately one hundred fifty six thousand, ninety eight dollars or approximately eight hundred thirty six dollars per unit (\$156,098, or approximately \$1,369 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately one hundred nineteen thousand, one hundred twenty four dollars (\$119,124) to this mixed income housing development.

The Council's favorable consideration of this legislation is greatly appreciated. If you have any questions or concerns, please contact my office or Aspasia Xypolia, Director, Department of Housing and Community Development at (301) 883-6511.

Sincerely,



Angela D. Alsobrooks  
County Executive

Enclosures