



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

April 15, 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 WHPC Block 3, LLC ("Owner") for the Sovren West Hyattsville Metro Apartments project ("Project").

The Owner is an entity formed by Gilbane Development Company for the purpose of acquiring and constructing two hundred ninety-three (293) units of new mixed-use rental housing community for mixed-income families, known as Sovren West Hyattsville Metro Apartments, located at Little Branch Run, Hyattsville, MD 20782.

The units in Sovren West Hyattsville Metro Apartments will be reserved for families. Of the two hundred ninety-three (293) units, the Project will reserve one hundred forty-seven (147) units for families at various income levels up to eighty percent (80%) of the Area Median Income ("AMI"). Additionally, one hundred forty-six (146) units will be at market rate. Across the Project, there will be a unit mix of one (1) efficiency/studio unit, one hundred sixty-nine (169) one-bedroom units, one hundred nineteen (119) two-bedroom units, and four (4) three-bedroom units.

The Project's total development cost is approximately ninety-six million, eight hundred nineteen thousand, one hundred fifteen dollars (\$96,819,115). Financing will consist of a private mortgage loan made by M&T Bank totaling approximately fifty seven million, nine hundred seventy thousand dollars (\$57,970,000); a subordinate private lender debt totaling approximately sixteen million, sixty thousand dollars (\$16,060,000); approximately twenty two million, five hundred eight nine thousand, one hundred fifteen dollars (\$22,589,115) in Developer Equity; and a Prince George's County Housing Investment Trust Fund ("HITF") Program loan of approximately two hundred thousand dollars (\$200,000).

The PILOT will require a mandatory annual payment in an amount of no less than three hundred forty dollars per affordable unit (\$340 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 ninety-nine (99) years. Without the PILOT

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The Honorable Calvin S. Hawkins, II
April 15, 2022
Page 2

agreement, the estimated County property tax for the residential portion would be approximately five hundred nine thousand, one hundred thirty-four dollars or one thousand, seven hundred thirty-eight dollars per unit (\$509,134 annually or approximately \$1,738 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately two hundred five thousand, four hundred fifty-six dollars (\$205,456) to this mixed income, mixed-use 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