



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

May 10, 2022

The Honorable Calvin S. Hawkins, II
Chair
Prince George's County Council
Wayne K. Curry Administration Building
Largo, Maryland 20774

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, Nine, LLC ("Owner") for the Glenarden Hills Phase 3, 9% 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 forty-four (44) units of new affordable multi-family rental housing for families, located at 8405 Hamlin Street, Lanham, MD 20706. Every unit in the Project will be affordable. Of the forty-four (44) units, thirty-eight (38) units will be reserved for family households whose incomes are at thirty percent (30%) of the Area Median Income ("AMI"), three (3) units will be reserved for family households whose incomes are at forty percent (40%) of the AMI, two (2) units will be reserved for family households whose incomes are at fifty percent (50%) of the AMI, and one (1) unit will be reserved for family households whose incomes are at sixty percent (60%) of the AMI. Additionally, the unit mix will consist of twenty-eight (28) two-bedroom units and sixteen (16) three-bedroom units.

The Project's total development cost, including the acquisition, infrastructure development and construction, is approximately eighteen million, five hundred ninety-two thousand, two hundred eighty-six dollars (\$18,592,286). Financing will consist of a mortgage loan made by Freddie Mac ("First Loan") totaling approximately one million, seven hundred sixty thousand dollars (\$1,760,000), approximately two hundred twenty five thousand dollars (\$225,000) from a loan by the Redevelopment Authority of Prince George's County Infrastructure Funds; approximately thirteen million, eight hundred seventy three thousand, six hundred thirteen dollars (\$13,873,613) 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 ("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 the developer's fee of approximately one million, one hundred ninety eight thousand, four hundred seventy-three dollars (\$1,198,473); approximately thirty five thousand,


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two hundred dollars in a return commitment fee (\$35,200); and a Prince George's County HOME Investment Partnerships ("HOME") Program loan of approximately one million, five hundred thousand dollars (\$1,500,000).

The PILOT will require a mandatory annual payment in an amount of no less than eight thousand, eight hundred eighty-eight dollars or two hundred two dollars per unit (\$8,888 or \$202 per unit) for the first full tax year. Thereafter, the required payment 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 twenty-two thousand, four hundred fifteen dollars or approximately five hundred nine dollars per unit (\$22,415, or approximately \$509 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately thirteen thousand, five hundred twenty-seven dollars (\$13,527) to this affordable 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