

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2023 Legislative Session

Resolution No. CR-042-2023
Proposed by The Chair – (by request – County Executive)
Introduced by Council Members Dernoga, Harrison, Ivey and Olson
Co-Sponsors _____
Date of Introduction May 9, 2023

RESOLUTION

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for Flats at College Park Apartments
3 For the purpose of approving the terms and conditions of a Payments in Lieu of Taxes
4 (“PILOT”) Agreement between Prince George’s County, Maryland (the “County”) and Flats at
5 College Park RST, LLC (the “Owner”).

6 WHEREAS, there is a significant need in the County for quality housing units for persons
7 with limited income; and

8 WHEREAS, the Owner proposes to acquire and construct three hundred seventeen (317)
9 units of multi-family rental housing for low-income to moderate-income residents, known as
10 Flats at College Park, on a 4.26 acre parcel located at 9113 Baltimore Avenue, College Park,
11 Maryland 20740, as more particularly described in Exhibit A, attached hereto and herein
12 incorporated by reference (“Property”); and

13 WHEREAS, the Owner has requested that the County Council of Prince George’s County,
14 Maryland, (the “County Council”) authorize the Owner to make payments in lieu of County real
15 property taxes pursuant to Section 7-506.3 of the Tax-Property Article of the Annotated Code of
16 Maryland, as amended; and

17 WHEREAS, Section 7-506.3 of the Tax-Property Article of the Annotated Code of
18 Maryland, as amended, provides that in Prince George's County, real property may be exempt
19 from county property tax if: (a)(2)(i) the real property is owned by a person engaged in
20 constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a
21 housing structure or project that is constructed or substantially rehabilitated under a federal,
22 State, or local government program that (a)(2)(ii)(1) is acquired, constructed, or rehabilitated

1 under a federal, State, or local government program that (a)(2)(ii)(1)(A) funds construction or
2 rehabilitation or insures the financing of construction or rehabilitation in whole or in part,
3 including a housing investment trust, or (a)(2)(ii)(1)(B) provides interest subsidy, rent subsidy,
4 or rent supplements; or (a)(2)(ii)(2) is acquired under the Right of First Refusal program under
5 Subtitle 13, Division 14 of the Prince George's County Code; (a)(2)(iii) the owner and the
6 governing body of Prince George's County agree that the owner shall pay a negotiated amount in
7 lieu of the applicable county property tax; and (a)(2)(iv) the owner of the real property:
8 (a)(2)(iv)(1)(A) agrees to continue to maintain the real property as rental housing for lower
9 income persons under the requirements of the government programs described in paragraph
10 (a)(2)(ii) of this subsection; and (a)(2)(iv)(1)(B) agrees to renew any annual contributions
11 contract or other agreement for rental subsidy or supplement; or (a)(2)(iv)(2) enters into an
12 agreement with the governing body of Prince George's County to allow the entire property or the
13 portion of the property that was maintained for lower income persons to remain as housing for
14 lower income persons for a term of at least 5 years; and

15 WHEREAS, the Owner has demonstrated to the County that an agreement for payments in
16 lieu of County real property taxes is necessary to make the Project economically feasible, as
17 described in Attachments "A-1," "A-2," and "A-3," attached hereto and made a part hereof; and

18 WHEREAS, in order to induce the Owner to provide housing for families with restricted
19 incomes, it is in the interest of the County to accept payments in lieu of County real property
20 taxes, subject to the terms and conditions of the PILOT Agreement (the "Agreement") set forth
21 in Attachment B, attached hereto and made a part hereof; and

22 WHEREAS, the County Executive has recommended support of the acquisition and
23 construction of the Project.

24 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
25 County, Maryland, that in accordance with Section 7-506.3 of the Tax-Property Article of the
26 Annotated Code of Maryland, as amended, the County shall accept payments in lieu of County
27 real property taxes for the Project, subject to the Agreement attached to this Resolution.

28 BE IT FURTHER RESOLVED that the County Executive or the County Executive's
29 designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf
30 of the County in substantially the same form attached hereto.

31 BE IT FURTHER RESOLVED that the County Executive, prior to the execution and

1 delivery of the Agreement, may make such changes or modifications to the Agreement as
2 deemed appropriate in order to accomplish the purpose of the transaction authorized by this
3 Resolution; and the execution of the Agreement by the County Executive or the County
4 Executive’s designee shall be conclusive evidence of the approval of the County Executive of all
5 changes or modifications to the Agreement; and the Agreement shall thereupon become binding
6 upon the County in accordance with the terms and conditions therein.

7 BE IT FURTHER RESOLVED that the County Executive, subsequent to the execution of
8 the Agreement, may amend the Agreement as deemed appropriate in order to accomplish the
9 purpose of the transaction authorized by this Resolution.

10 BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of
11 its adoption.

Adopted this 5th day of July , 2023.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Thomas E. Dernoga
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**Flats at College Park
9113 Baltimore Avenue
College Park, MD 20740**

COUNCILMANIC DISTRICT 3

PROJECT DESCRIPTION: A three hundred seventeen (317) unit newly constructed, five-story, elevator-serviced apartment building on a 4.26 acre site in College Park. Ownership proposes to restrict rents for one hundred percent (100%) of units to households with incomes below eighty (80%) of Area Median Income (AMI) for at least thirty (30) years.

OWNER: Flats at College Park RST, LLC

DEVELOPER: RST Development, LLC

CONTACT: M. Scott Copeland, Managing Member
310-816-4243

NEIGHBORHOOD/LOCALITY: College Park, Prince George’s County, District 3

UNIT MIX: A mix of one-, two- and three-bedroom units

AFFORDABILITY: 80% or less of the AMI: 317 units

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Flats at College Park
9113 Baltimore Avenue
College Park, MD 20740**

COUNCILMANIC DISTRICT 3**PROJECT DESCRIPTION:**

RST Development, LLC (the “Developer”) propose to restrict rent levels for three hundred seventeen (317) rental units at Flats at College Park (the “Project”) to serve households with incomes at or below eighty percent (80%) of the Area Median Income (“AMI”) for a period of at least thirty (30) years. The Project is a proposed three hundred seventeen (317) unit family affordable housing development to be newly constructed on a 4.26 acre parcel (currently occupied by three vacant low-rise motels) at 9113 Baltimore Avenue in College Park.

The Project will be located to the north of the University of Maryland College Park campus, and within 500 feet of several bus stops. The Project is also located within one (1) mile of the Greenbelt Metro rail transit station. The unit mix includes one-, two- and three-bedroom units. The Project is in a mixed-use neighborhood surrounded by single-family homes, retail and commercial spaces. Two grocery stores and a pharmacy are less than one mile from the site. This Project will be a further step in the revitalization of the Route 1/Baltimore Avenue Corridor in College Park.

In total, the Project will contain approximately 450,000 sq. ft. of living space on five (5) elevator-serviced floors. Each unit will contain washer/dryer, dishwasher, microwave, and high-speed internet access. A structured parking deck containing approximately 350 spaces, contiguous to the Project, will be available to provide the residents with free, easily accessed parking. In addition to the three hundred seventeen (317) residential units, the Project will include a community room, a bike storage area, a pool with men’s and women’s locker rooms, an outdoor gathering area and grills for resident use, a fully equipped fitness center, a walking path, dog park and 750 square feet of green space and a passive sitting area on the roof.

The total cost of acquisition and construction of the Project is anticipated to be approximately one hundred twenty four million, eighty two thousand, eight hundred twenty-seven dollars

(\$124,082,827). The Developer is applying for a Prince George's County Payment in Lieu of Taxes ("PILOT") since this subsidy will allow one hundred percent (100%) of the Project's units to be income- and rent-restricted and ensure the Project is able to adequately service its debt and equity capital for a period of at least thirty (30) years. Additional funding for the Project will be provided by the State of Maryland Department of Housing and Community Development.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

**Flats at College Park
9113 Baltimore Avenue
College Park, MD 20740**

COUNCILMANIC DISTRICT 3

SOURCES	Amount	Percentage
Tax-exempt Bond Financing	\$ 58,026,957	46.76%
Seller Note - RST Development	\$ 6,852,718	5.52%
Deferred Developer Fee	\$ 6,807,550	5.49%
Interim Income	\$ 2,783,058	2.24%
LIHTC - Investor Equity	\$ 49,612,544	39.98%
TOTAL	\$ 124,082,827	100.00%
USES	Amount	Percentage
Construction Costs	\$ 84,315,840	67.95%
Fees Related to Construction	\$ 3,330,198	2.68%
Financing Fees and Charges	\$ 11,298,070	9.11%
Acquisition Cost	\$ 14,000,000	11.28%
Developer's Fee	\$ 9,307,550	7.50%
Syndication Costs	\$ 377,500	0.30%
Guarantees and Reserves	\$ 1,453,669	1.17%
TOTAL	\$ 124,082,827	100.00%