

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2014 Legislative Session

Reference

No.: CR-61-2014

Draft No.: 1

Committee: PUBLIC SAFETY AND FISCAL MANAGEMENT

Date: 07-08-2014

Action: Favorable

REPORT: Committee Vote: Favorable 5-0 (In favor: Council Members Toles, Davis, Harrison, Lehman, and Turner)

This resolution will approve the terms and conditions of a Negotiated Payment in Lieu of Taxes (PILOT) Agreement between the County and Bladensburg Commons, LLLP (the Partnership).

The Partnership is a newly formed ownership entity, formed by Shelter Development, LLC for the purpose of acquiring 7.09 acers of unimproved land from Elizabeth Seton High School, Inc. and to construct 100 mixed income apartments in a single 4-story elevator midrise building to be located on 58th Avenue in Bladensburg, Maryland. The project will provide 90 affordable workforce housing units serving households with income from 30% to 60% of the Area's Household Medium Income (AMI) and 10 market rate units. The building will consist of 50 one bedroom, 40 two bedroom and 10 three bedroom units.

The total development cost for the acquisitions and construction of the entire project is \$21,900,228 with the following Sources of Funds:

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| 1. | HUD insured first mortgage..... | \$4,400,000 |
| 2. | Rental Housing Program funds..... | \$2,000,000 |
| 3. | Sale of 9% Low Income Housing Tax Credit (LIHTC) allocated by the Maryland Department of Housing and Community Development Administration..... | \$13,789,620 |
| 4. | Developer Equity..... | \$201,608 |
| 5. | Prince George's County HOME Loan..... | \$1,500,000 |

The Office of Law has reviewed this resolution and finds it to be in proper legislative form with no legal impediments to its adoption.

The adoption of CR-61-2014 will have a positive fiscal impact on the County in excess of \$1.1 million dollars during the development of the Project. With the approval of the PILOT Agreement the County will forgo approximately \$41,832 in tax revenue annually. This amount is the difference between estimated annual County property tax of \$60,480 and the annual PILOT payment of \$18,648 due upon completion of the Project.