



Rushern L. Baker, III
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

May 31, 2017

The Honorable Derrick Leon Davis
Chairman
Prince George's County Council
County Administration Building
Upper Marlboro, Maryland 20772

Dear Chairman Davis:

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 MHP Parkview Manor, LLC (the "Owner") for the Parkview Manor project (the "Project").

The Owner is an entity formed by Montgomery Housing Partnership, Inc. for the purposes of acquiring and renovating the existing Parkview Manor project, a fifty-three (53) unit multifamily rental community located at 5034 38th Avenue in Hyattsville, Prince George's County, Maryland. Every unit in the Project will be affordable. The Project will reserve seven (7) units for households at or below sixty percent (60%) of the Area Median Income ("AMI"), forty (40) units for households at or below fifty percent (50%) of the AMI and the remaining six (6) units for households at or below thirty percent (30%) of the AMI. The unit mix will consist of twenty-four (24) one-bedroom units and twenty-nine (29) two-bedroom units.

The Project's total development cost, including the acquisition and construction, is approximately ten million, five hundred ninety-five thousand, eighty-eight dollars (\$10,595,088). Financing will consist of a bond issue totaling approximately two million, seven hundred thousand dollars (\$2,700,000); approximately two million, one hundred eighty thousand, six hundred fourteen dollars (\$2,180,614) from the sale of four percent (4%) Low Income Housing Tax Credits allocated by the State of Maryland Department of Housing and Community Development, Community Development Administration ("CDA"); approximately two million dollars (\$2,000,000) from a Maryland Rental Housing Works loan; approximately nine hundred sixty-seven thousand dollars (\$967,000) from a private loan note from the seller; deferred payment of approximately five hundred eighty-nine thousand, eight hundred eighty-eight dollars (\$589,888) from the developer's equity; a grant from the Federal Home Loan Bank for approximately five hundred thousand dollars (\$500,000); an approximate three hundred sixteen thousand, three hundred eighty-six dollars (\$316,386); an energy efficiency grant from the State of Maryland Department of Housing and Community Development ("DHCD"); an existing Prince George's County HOME loan for approximately five hundred ninety-six thousand, five hundred dollars (\$596,500); an existing Prince George's County LIFT loan for two hundred thirty-four thousand, seven hundred dollars (\$234,700); an existing DHCD loan for

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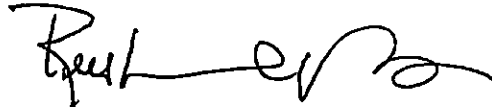
The Honorable Derrick Leon Davis
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approximately five hundred thousand dollars (\$500,000); and interim income from business operations of approximately ten thousand dollars (\$10,000).

The PILOT will require a mandatory payment of seven thousand, nine hundred fifty dollars (\$7,950) per year increasing two percent (2%) annually. The PILOT will remain in effect for forty (40) years, the estimated amount of time the project will have an affordability agreement in place. Without the PILOT agreement, the estimated County property tax would be approximately nineteen thousand, three hundred thirty-three dollars (\$19,333) annually. When considering the financial effects of the PILOT, Prince George's County will be providing operational support of approximately eleven thousand, three hundred eighty-three dollars (\$11,383) per year increasing by two percent (2%) annually. Over a forty (40) year period, the total amount of operational support provided by the County will be approximately six hundred eighty-seven thousand, five hundred forty-four (\$687,544) dollars.

The Council's favorable consideration of this legislation is greatly appreciated. If you have any questions or concerns, please contact my office or Eric C. Brown, Director, Department of Housing and Community Development at (301) 883-5531.

Sincerely,

A handwritten signature in black ink, appearing to read "Rushern L. Baker, III". The signature is fluid and cursive, with a large initial "R" and a long horizontal stroke.

Rushern L. Baker, III
County Executive

Enclosures