

**PRINCE GEORGE'S COUNTY COUNCIL  
AGENDA ITEM SUMMARY**

**Meeting Date:** 10/28/98

**Reference No.:** CR-78-1998

**Proposer:** County Executive

**Draft No.:** 2

**Sponsors:** Del Giudice

**Item Title:** To authorize the County to enter into an agreement with  
Chillum Oaks Adventist Apartments, Inc., for the payment  
of a negotiated sum in lieu of real property taxes

**Drafter:** John W. Shanley  
Housing

**Resource Personnel:** Michael A. Doaks  
Housing

**LEGISLATIVE HISTORY:**

**Date Presented:**     \_\_/\_\_/\_\_  
**Committee Referral:** 10/13/98   THE  
**Committee Action:**   10/14/98   FAV  
**Date Introduced:**     10/13/98  
**Pub. Hearing Date:**   \_\_/\_\_/\_\_   \_\_:\_\_ \_\_

**Executive Action:** 11/18/98   S  
**Effective Date:**   \_\_/\_\_/\_\_

**Council Action:**       10/28/98   ADOPTED  
**Council Votes:** RVR:A, DB:A, SD:A, JE:A, IG:A, TH:A, WM:-, AS:A, MW:A  
**Pass/Fail:** P

**Remarks:** \_\_\_\_\_

**10/28/98:** Amended on the floor; DR-2 adopted

**TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE**   DATE: 10/14/98

Committee Vote: Favorable, 3-0 (In favor: Council Members Wilson, Gourdine and Maloney).

Staff gave an overview of the legislation and informed the Committee of comments that were received. The Executive Branch is in support of the resolution and the Office of Law find CR-78-1998 to be in proper legislative form.

The Director of the Department of Housing and Community Development indicated that this resolution authorizes the County Executive to enter into an Agreement for a Negotiated Payment In Lieu of Real Property Taxes (PILOT) in the amount of \$14,253.16 for the Chillum Oaks Adventist Apartments. The project was constructed with a Capital Advance Loan from the U.S. Department of Housing and Community Development (HUD) under the Section 202 Elderly Housing Program. The majority of project operating costs are funded by a Project Rental Assistance Contract (PRAC) between HUD and the owner. The owner was unable to pay Fiscal Year 1998 real property taxes and the property was sold at a tax sale auction in May 1998. In order to enable the owner to redeem title to the property and prevent it from being foreclosed on by the tax sale purchaser, HUD has agreed to make the remaining balance of the Capital Advance Loan available to pay for a portion of Fiscal Year 1998 taxes, penalties and interest. Due to penalties and interest, there is still an estimated shortfall of \$14,253.16 to redeem the property. This proposed PILOT will help cover the shortfall and stabilize project operations by retroactively accepting a payment of \$14,253.16 in lieu of Fiscal Year 1998 County real property taxes.

Chillum Oaks Adventist Apartments is a 49-unit independent living facility for senior citizens located at 6307 Riggs Road in Hyattsville, Council District 2. The Chillum Oaks Apartments were completed in July 1997 and are fully occupied.

#### **BACKGROUND INFORMATION/FISCAL IMPACT**

**(Includes reason for proposal, as well as any unique statutory requirements)**

Chillum Oaks Adventist Apartments is a 49-unit independent living facility for senior citizens located at 6307 Riggs Road in Hyattsville. Construction of the project was funded by the U.S. Department of Housing and Urban Development under Section 202 of the Housing Act of 1959. The resolution authorizes the County Executive to enter into an Agreement with Chillum Oaks Apartments, Inc. for a \$14,253.16 payment in lieu of Fiscal Year 1998 real property taxes. Section 7-503 of the Annotated Code of Maryland provides that the County enter into a Payment In Lieu of Tax Agreement for housing projects that meet State eligibility standards. The Fiscal Year 1998 County real property taxes for the project are \$23,154.44.