



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

July 16, 2024

The Honorable Jolene Ivey
Chair
Prince George's County Council
Wayne K. Curry Administration Building
1301 McCormick Drive
Largo, Maryland 20774

Dear Chair Ivey:

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 (the "County") and Urban Atlantic Development LLC ("Owner") concerning the New Carrollton – Affordable – Phase 3 – 9% project (the "Project").

The Owner, Urban Atlantic Development LLC, will form an entity for the purpose of acquiring land and constructing a fifty (50) unit affordable rental community for low and moderate-income families, earning fifty percent (50%) or below of the Area Median Income ("AMI"), located within the confines of Penny Drive, Route 50 and Corporate Drive, New Carrollton, Maryland 20785. The unit mix will consist of one (1) bedroom, two (2) bedroom and three (3) bedroom units.

The Project's total development cost is expected to be nineteen million, three hundred sixty eight thousand, five hundred forty dollars (\$19,368,540). Financing will consist of a private loan financing, subordinate Rental Housing Program funds through the State of Maryland Department of Housing and Community Development (DHCD), equity from the sale of Low-Income Housing Tax Credits ("LIHTC") and a deferred developer fee. Additionally, the New Carrollton – Affordable – Phase 3 – 9% project will be financed by the Prince George's County HOME Investment Partnerships ("HOME") Program loan in the amount of two million, seven hundred fifty thousand dollars (\$2,750,000).

The PILOT will require a mandatory annual payment in an amount no less than approximately two thousand, five hundred dollars or fifty dollars per unit (\$2,500 or \$50 per unit) for the first year. Thereafter, the required payment for these affordable units 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 seven thousand, five hundred fifty dollars or approximately five hundred fifty one dollars per unit (\$27,550 or approximately \$551 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately twenty five thousand, fifty dollars (\$25,050) to this affordable family housing development.

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The Council's favorable consideration of this legislation is requested. If you have any questions, please contact my office or Aspasia Xypolia, Director, Department of Housing and Community Development at (301) 883-6511.

Sincerely,

A handwritten signature in black ink that reads "Angela D. Alsobrooks". The signature is written in a cursive, flowing style.

Angela D. Alsobrooks
County Executive

Enclosures