

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**

**2023 Legislative Session**

Resolution No. CR-034-2023

Proposed by The Chair – (by request – County Executive)

Introduced by Council Members Dernoga, Harrison, Ivey and Oriadha

Co-Sponsors \_\_\_\_\_

Date of Introduction May 9, 2023

**RESOLUTION**

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for Addison 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 Addison

5 Park, L.P. (the “Owner”).

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

8 WHEREAS, the Owner proposes to acquire and construct two hundred ninety three (293)  
9 units of new affordable multi-family rental housing for low-income to moderate-income seniors,  
10 ages sixty two (62) years and older, known as Addison Park, located at 216 Yolanda Avenue,  
11 Capitol Heights, Maryland 20743, as more particularly described in Exhibit A, attached hereto  
12 and herein 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 seniors 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

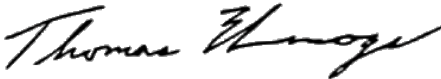
1 delivery of the Agreement, may make such changes or modifications to the Agreement as  
2 deemed appropriate in order to accomplish the purpose of the transaction authorized by this  
3 Resolution; and the execution of the Agreement by the County Executive or the County  
4 Executive's designee shall 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 20<sup>th</sup> day of June, 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**

**Addison Park  
216 Yolanda Avenue  
Capitol Heights, Maryland 20743**

**COUNCILMANIC DISTRICT 7**

**PROJECT DESCRIPTION:** A two hundred ninety three (293) unit affordable senior rental apartment community that will be constructed in two buildings on a 4.46 acre site in Capitol Heights, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.

**OWNER:** Addison Park, L.P.

**DEVELOPER:** Atlantic Pacific Communities  
Cober Johnson Romney

**CONTACT:** Scott Kriebel  
Vice President  
Atlantic Pacific Companies  
305-357-4700  
SKriebel@apcompanies.com

**NEIGHBORHOOD/LOCALITY:** Capitol Heights, Prince George's County, District 7

**UNIT MIX:** A mix of one and two bedroom units

**AFFORDABILITY:** All units will be priced at levels affordable to households earning sixty percent (60%) or less of the Area Median Income for forty (40) years

**ATTACHMENT A-2****PROJECT INFORMATION SHEET**

**Addison Park  
216 Yolanda Avenue  
Capitol Heights, Maryland 20743**

**COUNCILMANIC DISTRICT 7**

**PROJECT DESCRIPTION:**

The Addison Park project (the “Project”) is a proposed two hundred ninety three (293) unit transit-oriented senior affordable housing development to be located on two scattered sites at 216 Yolanda Avenue, Capitol Heights, Prince George’s County by a development team consisting of Atlantic Pacific Communities (“APC”) and Cober Johnson Romney (“CJR”) (together, the “Development Team”). The target population will be seniors ages sixty two (62) and older with household incomes that are sixty percent (60%) or less of the Area Median Income (“AMI”). This development is located just 0.25 miles from the Seat Pleasant - Addison Road Metro Station along the Blue Line, locating it within the Blue Line Transit Corridor, one of the County’s funding priorities. There have been multiple recent single-family and townhome developments within the greater community. This development will be a further step in the revitalization of the Blue Line Corridor neighborhood in Capitol Heights.

The Project will consist of a mix of one-bedroom and two-bedroom units between two 4-story panelized wood frame, elevator-served buildings. An approximate 4,000 square feet community service facility will be included for Mission of Love Charities (“MOLC”), which will utilize the space to provide educational programs for the neighborhood. This space will also be available for the Addison Park residents when not in use by MOLC. Planned amenities include community rooms, a courtyard, fitness center, and business center. The development team currently plans to partner with the non-profit Communities Together, Inc. (“CTI”) to create a resident services plan tailored for the needs of the seniors. Additionally, the MOLC community service facility will provide the space for some of the supportive services and the opportunity to partner with MOLC for any potential overlapping programming.

The affordable housing development is the main component of the Addison Park master-planned community which is envisioned to include 56 for-sale townhomes, buildout of a

community nonprofit education facility within an existing civic building on site, and a municipal office building for the City of Capitol Heights to be developed and built by a separate development team. Only the two affordable senior multifamily buildings were a subject of the application. The Development Team has worked closely with the Redevelopment Authority of Prince George's County ("RDA") through the predevelopment process, and they remain an engaged partner to affect the development of the site. The RDA will convey a portion of the land for the project through a purchase and sale agreement and will have consent rights to significant changes in the Master Development plan.

APC and CJR formed a partnership to complete this Project. APC is a Florida-based fourth-generation family-operated real estate firm that builds and operates high quality housing to serve every income level. CJR is a local, experienced, minority business enterprise ("MBE") real estate development and consulting firm with experience in public-private partnership management and experience serving as legal counsel. The Development Team previously worked together on The Woodlands at Reid Temple, an affordable senior rental community that was completed in mid-2021.

The total cost of acquisition and construction of the Project is anticipated to be approximately eighty three million, three hundred one thousand, seven hundred thirty-eight dollars (\$83,301,738). The Developer is applying for a Prince George's County Payment in lieu of Taxes ("PILOT"), for a period of at least forty (40) years, and a Housing Investment Trust Fund ("HITF") loan in the amount of three million dollars (\$3,000,000). 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**

**Addison Park  
216 Yolanda Avenue  
Capitol Heights, Maryland 20743**

**COUNCILMANIC DISTRICT 7**

<b>SOURCES</b>	<b>Amount</b>	<b>Percentage</b>
Tax exempt bond financing	\$ 42,598,814	51.14%
CDA - Rental Housing Works	\$ 3,500,000	4.20%
PGC - Housing Investment Trust Fund	\$ 3,000,000	3.60%
LIHTC - investor equity	\$ 29,111,337	34.95%
Deferred developer's fee	\$ 5,091,587	6.11%
<b>TOTAL</b>	<b>\$ 83,301,738</b>	<b>100.00%</b>

<b>USES</b>	<b>Amount</b>	<b>Percentage</b>
Construction costs	\$ 61,849,824	74.25%
Fees related to construction or rehab	\$ 4,327,658	5.20%
Total financing fees and charges	\$ 5,776,062	6.93%
Acquisition costs	\$ 1,600,000	1.92%
Developer's fee	\$ 7,560,831	9.08%
Syndication related costs - legal	\$ 647,632	0.78%
Guarantees and reserves	\$ 1,539,731	1.85%
<b>TOTAL</b>	<b>\$ 83,301,738</b>	<b>100.00%</b>