

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2017 Legislative Session

Resolution No. CR-63-2017

Proposed by The Chairman (by request – County Executive)

Introduced by Council Members Davis, Harrison, Toles, Lehman, Glaros,
Franklin and Taveras

Date of Introduction September 12, 2017

RESOLUTION

1 A RESOLUTION concerning

2 PILOT Agreement for the Glenarden Phase I Project

3 For the purpose of approving the terms and conditions of a negotiated Payment in Lieu of Taxes
4 (PILOT) Agreement between Prince George’s County, Maryland (County) and Glenarden Phase
5 I, LLC (Owner) for the Glenarden Phase I Project (Project).

6 WHEREAS, there is a significant need in Prince George’s County for quality housing for
7 all income levels; and

8 WHEREAS, the Owner is proposing to develop and construct on 6.89 acres, approximately
9 one hundred fourteen (114) mixed income rental units known as Glenarden Phase I located at
10 8405 Hamlin Street, Glenarden, Maryland, more particularly described in Attachment A-1 that is
11 attached hereto and herein incorporated by reference (Property); and

12 WHEREAS, the Owner will have sixty-eight (68) family units located in seven (7) stacked
13 flat and townhouse residential buildings and have forty-six (46) senior units located in a building
14 with elevator access; and

15 WHEREAS, the Owner will also develop eighty-seven (87) affordable units and twenty
16 seven (27) market rate units; and

17 WHEREAS, the Owner has requested that the County Council of Prince George’s County,
18 Maryland, (County Council) authorize the Owner to make payments in lieu of County real
19 property taxes pursuant to Section 7-506.1 of the Tax-Property Article of the Annotated Code of
20 Maryland, as amended; and

21 WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of
22 Maryland, as amended, provides that real property may be exempt from county and municipal

1 corporation property tax if: (a)(2)(i) the real property is owned by a person engaged in
2 constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a
3 housing structure or project that is constructed or substantially rehabilitated under a federal,
4 State, or local government program that (a)(2)(ii)(1) funds construction or insures its financing in
5 whole or in part, or (a)(2)(ii)(2) provides interest subsidy, rent subsidy, or rent supplements;
6 (a)(2)(iii) the owner and the governing body of the county and, where applicable, the municipal
7 corporation where the real property is located agree that the owner shall pay a negotiated amount
8 in lieu of the applicable county or municipal corporation property tax; and (a)(2)(iv) the owner of
9 the real property: (a)(2)(iv)(1)(A) agrees to continue to maintain the real property as rental
10 housing for lower income persons under the requirements of the government programs described
11 in paragraph (a)(2)(ii) of this subsection; and (a)(2)(iv)(1)(B) agrees to renew any annual
12 contributions contract or other agreement for rental subsidy or supplement, or (a)(2)(iv)(2) enters
13 into an agreement with the governing body of the county or municipal corporation to allow the
14 entire property or the portion of the property which was maintained for lower income persons to
15 remain as housing for lower income persons for a term of at least five (5) years; and

16 WHEREAS, the Owner has demonstrated to the County that an agreement for payments in
17 lieu of County real property taxes is necessary to make the Project economically feasible, as
18 described in Attachments A-1, A-2 and A-3, attached hereto and made a part hereof; and

19 WHEREAS, in order to induce the Owner to provide housing for families with restricted
20 incomes, it is in the interest of the County to accept payments in lieu of County real property
21 taxes, subject to the terms and conditions of the PILOT Agreement (Agreement) set forth in
22 Attachment B, attached hereto and made a part hereof; and

23 WHEREAS, the County Executive has recommended support of the acquisition and
24 renovation of the Project.

25 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
26 County, Maryland, that in accordance with Section 7-506.1 of the Tax-Property Article of the
27 Annotated Code of Maryland, as amended, the County shall accept payments in lieu of County
28 real property taxes for the Project, subject to the Agreement attached to this Resolution.

29 BE IT FURTHER RESOLVED that the County Executive or the County Executive's
30 designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf
31 of the County in substantially the same form attached hereto.

1 BE IT FURTHER RESOLVED that the County Executive, prior to the execution and
2 delivery of the Agreement, may make such changes or modifications to the Agreement as
3 deemed appropriate in order to accomplish the purpose of the transaction authorized by this
4 Resolution, provided that such changes or modifications shall be within the scope of the
5 transactions authorized by this Resolution; and the execution of the Agreement by the County
6 Executive or the County Executive's designee shall be conclusive evidence of the approval of the
7 County Executive of all changes or modifications to the Agreement; and the Agreement shall
8 thereupon become binding upon the County in accordance with the terms and conditions therein.

9 BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of
10 its adoption.

Adopted this 19th day of September , 2017.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Derrick Leon Davis
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**Glenarden Phase I
8405 Hamlin Street
Glenarden, MD 20706**

COUNCIL DISTRICT 5

PROJECT DESCRIPTION:

The Glenarden Phase I project involves the land acquisition and construction of one-hundred fourteen (114) mixed income rental units. The sixty-eight (68) family units are located in seven stacked flat and townhouse residential buildings. The forty-six (46) senior units are located in a separate elevator building, connected to a community building. There will be eighty-seven (87) affordable units and twenty-seven (27) market rate units.

PROPOSED OWNER:

Glenarden Phase I, LLC

DEVELOPER:

Pennrose Properties, LLC

CONTACT:

Patrick Stewart, Developer
575 S. Charles Street, Suite 140
Baltimore, MD 21201

NEIGHBORHOOD/LOCALITY:

The Glenarden Phase I project will be located in Council District 5, one mile away from the vacant Landover Mall site in Glenarden, 20706.

UNIT MIX:

The unit mix is: forty (40) units with one bedroom and one bathroom; sixty (60) units with two bedrooms and one bathroom; fourteen (14) units with three bedrooms and two bathrooms.

PROPOSED RENTS:

\$378 - \$2,021 per month

ATTACHMENT A-2

PROJECT INFORMATION SHEET

**Glenarden Phase I
8405 Hamlin Street
Glenarden, MD 20706**

COUNCIL DISTRICT 5

PROJECT DESCRIPTION:

Glenarden Phase I, LLC proposes to develop a one-hundred fourteen (114) unit mixed income rental community in the Glenarden neighborhood known as Glenarden Phase I.

Glenarden Phase I is the new construction of eight (8) residential buildings across a 6.89 acre site presently owned by the Prince George's County Redevelopment Authority ("RDA"). There are sixty-eight (68) family units located in seven (7) stacked flat and townhouse residential buildings. The forty-six (46) senior-units will be in a separate elevator building connected to a community building accessible to the entire community. This project represents the first phase of the five phased re-development of the twenty-seven (27) acre site, which includes the construction of a total of four hundred thirty (430) units of mixed-income rental and for-sale properties. Of all units to be constructed, two-hundred twenty-one (221) will be affordable. The property previously housed the five-hundred seventy-eight (578) unit Glenarden Apartments, which was demolished by the RDA after its acquisition from HUD in 2014 after HUD acquired the site through foreclosure. This re-development is part of a comprehensive redevelopment plan created with community input and the plans also conform to the recommendations of the Landover Gateway Sector Plan as required by the Prince George's County Park and Planning Department.

This project is one mile away from the vacant Landover Mall site and the Beltway. It is within an area where the population is increasing at an above average pace of approximately 5.2%, faster than the County's 3.6% pace, with median household income lower than the surrounding County. HUD has designated the site and surrounding area as a Qualified Census Tract area, as per HUD's 2015 Qualified Census Tract tables. Fifty percent (50%) of households in these areas must have incomes below 60% of the Area Median Income ("AMI") or have a poverty rate of 25% or more.

Within the larger site plan, the Glenarden Phase I site represents the construction of the first one-hundred fourteen (114) units of which eighty-seven (87) are affordable and twenty-seven (27) units are designated as market rate family units. All forty-six (46) senior units are affordable and have been awarded project based vouchers by the Prince George's County Housing Authority to maintain their affordability. Senior unit mix includes eighteen (18) units at 30% of AMI and twenty-eight (28) units at 50% of AMI. The forty-one (41) affordable family units include a mix of eight (8) at 50% of AMI and thirty-three (33) at 60% of AMI. In addition, sixteen (16) senior units and four (4) family units are Americans with Disabilities Act ("ADA") and Uniform Federal Accessibility Standards ("UFAS") compliant.

Energy-efficient construction techniques, fixtures, and equipment will be utilized to develop high performing buildings reducing energy costs for residents. Glenarden Phase I is designed to meet the National Green Building Standards and Energy Star Version 3.1. Amenities include a clubhouse accessible to the entire community connected to the senior building containing a fitness center with large locker rooms, a resource center, clubroom space with a kitchenette, an outdoor patio, and a tot-lot. The senior building contains a large multi-purpose room with a kitchen, an outdoor patio, a coffee bar, a café/library, and a fitness center. Community accessible additions as part of Phase II include a community lap pool, children's pool, green space, and an athletic surface.

Supportive services are coordinated by SHABACH! Ministries, Inc., There is an onsite Supportive Services Coordinator who coordinates programs focused on parenting, nutritional needs of the family, employment training, GED programs, and certificate / college courses. Financial and physical stability of seniors is supported by providing access to enrollment in entitlement services. Services such as prescription delivery, grocery delivery, housekeeping assistance, access to affordable and reliable transportation are also provided, and active seniors are linked to volunteer or employment opportunities. Other organizations partnering to provide services include Prince George's County 4H, Prince George's County Community College, The Training Source, Inc., Sisters 4 Sisters Inc., and Young Men Enlightening Young Men.

ATTACHMENT A-3**PROJECT INFORMATION SHEET**

**Glenarden Phase I
8405 Hamlin Street
Glenarden, MD 20706**

COUNCIL DISTRICT 52

<i>Sources</i>	<i>Amount</i>	<i>Percentage</i>
Private Loan - Capital One Bank	\$13,636,795	40.25%
MD DHCD Partnership Rental Housing Loan	\$1,800,000	5.31%
Prince George's County Infrastructure Contribution	\$1,675,000	4.94%
Deferred Developer's Fee	\$417,674	1.23%
Limited Partner Equity - Sale of Tax Credits	\$16,348,365	48.26%
TOTAL SOURCES	\$33,877,834	100.00%
<i>Uses</i>	<i>Amount</i>	<i>Percentage</i>
Construction or Rehabilitation Costs	\$22,513,008	66.45%
Fees Related to Construction or Rehabilitation	\$4,178,082	12.33%
Financing Fees and Charges	\$1,849,203	5.46%
Acquisition Costs	\$1,673,732	4.94%
Developer's Fee	\$2,500,000	7.38%
Syndication Related Costs	\$215,545	0.64%
Guarantees and Reserves	\$948,264	2.80%
TOTAL USES	\$33,877,834	100.00%