

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2023 Legislative Session

Resolution No. CR-036-2023
Proposed by The Chair – (by request – County Executive)
Introduced by Council Member Harrison
Co-Sponsors _____
Date of Introduction May 9, 2023

RESOLUTION

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for Hamlet Woods 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 an entity

5 to be formed by Developers: Osprey Property Company II LLC and Parallax Development

6 Group, LLC (the “Owner”).

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

9 WHEREAS, the Owner proposes to acquire and construct fifty nine (59) units of new
10 affordable townhouse-style multi-family rental housing for low-income to moderate-income
11 families, known as Hamlet Woods, on a 13.3 acre parcel located at 57th Avenue, Bladensburg,
12 Maryland 20710, as more particularly described in Exhibit A, attached hereto and herein
13 incorporated by reference (“Property”); and

14 WHEREAS, the Owner has requested that the County Council of Prince George’s County,
15 Maryland, (the “County Council”) authorize the Owner to make payments in lieu of County real
16 property taxes pursuant to Section 7-506.3 of the Tax-Property Article of the Annotated Code of
17 Maryland, as amended; and

18 WHEREAS, Section 7-506.3 of the Tax-Property Article of the Annotated Code of
19 Maryland, as amended, provides that in Prince George's County, real property may be exempt
20 from county property tax if: (a)(2)(i) the real property is owned by a person engaged in
21 constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a
22 housing structure or project that is constructed or substantially rehabilitated under a federal,

1 State, or local government program that (a)(2)(ii)(1) is acquired, constructed, or rehabilitated
 2 under a federal, State, or local government program that (a)(2)(ii)(1)(A) funds construction or
 3 rehabilitation or insures the financing of construction or rehabilitation in whole or in part,
 4 including a housing investment trust, or (a)(2)(ii)(1)(B) provides interest subsidy, rent subsidy,
 5 or rent supplements; or (a)(2)(ii)(2) is acquired under the Right of First Refusal program under
 6 Subtitle 13, Division 14 of the Prince George's County Code; (a)(2)(iii) the owner and the
 7 governing body of Prince George's County agree that the owner shall pay a negotiated amount in
 8 lieu of the applicable county property tax; and (a)(2)(iv) the owner of the real property:
 9 (a)(2)(iv)(1)(A) agrees to continue to maintain the real property as rental housing for lower
 10 income persons under the requirements of the government programs described in paragraph
 11 (a)(2)(ii) of this subsection; and (a)(2)(iv)(1)(B) agrees to renew any annual contributions
 12 contract or other agreement for rental subsidy or supplement; or (a)(2)(iv)(2) enters into an
 13 agreement with the governing body of Prince George's County to allow the entire property or the
 14 portion of the property that was maintained for lower income persons to remain as housing for
 15 lower income persons for a term of at least 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 (the "Agreement") set forth
 22 in Attachment B, attached hereto and made a part hereof; and

23 WHEREAS, the County Executive has recommended support of the acquisition and
 24 construction 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 7-506.3 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; and the execution of the Agreement by the County Executive or the County
5 Executive’s designee shall be conclusive evidence of the approval of the County Executive of all
6 changes or modifications to the Agreement; and the Agreement shall thereupon become binding
7 upon the County in accordance with the terms and conditions therein.

8 BE IT FURTHER RESOLVED that the County Executive, subsequent to the execution of
9 the Agreement, may amend the Agreement as deemed appropriate in order to accomplish the
10 purpose of the transaction authorized by this Resolution.

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

Adopted this 22nd 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

**Hamlet Woods
57th Avenue
Bladensburg, Maryland 20710**

COUNCILMANIC DISTRICT 5

- PROJECT DESCRIPTION:** A fifty nine (59) unit rental apartment community that will be constructed in five (5) townhouse-style buildings on a 13.3 acre site in Bladensburg, Maryland. All units will be affordable, and rents will be restricted for thirty (30) years.
- OWNER:** An entity to be formed by the Developer
- DEVELOPER:** Osprey Property Company II LLC
Parallax Development Group, LLC
- CONTACT:** James Riggs
Executive Vice President
Osprey Property Company II LLC
410-245-9781
jriggs@ospreypc.com
- NEIGHBORHOOD/LOCALITY:** Bladensburg, Prince George’s County, District 4
- UNIT MIX:** A mix of three-bedroom and four-bedroom units
- AFFORDABILITY:** All units will be priced at levels affordable to households earning sixty percent (60%) or less of the Area Median Income (“AMI”) for thirty (30) years.

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Hamlet Woods
57th Avenue
Bladensburg, Maryland 20710**

COUNCILMANIC DISTRICT 5**PROJECT DESCRIPTION:**

The Hamlet Woods project (the “Project”) is a proposed fifty nine (59) unit townhouse-style affordable housing project to be located at the end of 57th Avenue in Bladensburg, Prince George’s County, Maryland, by a development team consisting of Osprey Property Company II LLC (“OPC”) and Parallax Development Group, LLC (“PDG”) (together, the “Developer”). The target population will be families that qualify at sixty percent (60%) and below of the Area Median Income (“AMI”). Of the fifty nine (59) units, three (3) units will be set aside to meet the Uniform Federal Accessibility Standards (UFAS) requirements, and two (2) units will be built to accommodate residents with sensory impairments. This development is located within a mile of two planned stations along the Purple Line and is within a Qualified Census Tract. The Project will have easy access to public transportation, and major arterial roads including MD-295, MD-410, MD-450, Rt 1 and Rt 50. The site is surrounded by a wide variety of recreational and retail amenities, and Washington, D.C. is 2.5 miles away.

The Project will consist of five (5) sticks of townhouse-style buildings providing a mix of three-bedroom and four-bedroom units. The three-bedroom units are planned to be two floors over two floors in a single townhouse, and the four-bedroom units will be in single two-floor townhouses. In addition to the residential units, the first floor of one of the two-over-two style townhouses will be converted into a management and leasing office for the community. The basement level will include a maintenance shop and storage. The project will be designed to meet National Green Building Standard (NGBS) standards to promote a high level of energy efficiency, a healthy indoor environment and sustainable construction practices.

The Developer of the proposed Hamlet Woods will form a limited liability corporation that will own the Project. OPC has over thirty (30) years of experience as a full-service real estate

development company with a successful track record in the development, construction, and ownership of affordable housing. Osprey Property Company II LLC has been successful in developing fifty (50) affordable communities consisting of nearly 5,000 units. Parallax Development Group, LLC is a certified minority business enterprise whose principals have over twenty (20) years of combined experience in the development and management of multifamily properties.

The total cost of acquisition and construction of the Project is anticipated to be approximately twenty nine million, one hundred ten thousand, four hundred thirty-four dollars (\$29,110,434). The Developer is applying for a Prince George's County Payment in lieu of Taxes ("PILOT"), for a period of at least thirty (30) years, and a Housing Investment Trust Fund ("HITF") loan in the amount of two million, five hundred thousand dollars (\$2,500,000). 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**

**Hamlet Woods
57th Avenue
Bladensburg, Maryland 20710**

COUNCILMANIC DISTRICT 5

SOURCES	Amount	Percentage
Tax exempt bond financing	\$ 9,803,373	33.68%
CDA - Rental Housing Works	\$ 3,500,000	12.02%
PGC - Housing Investment Trust Fund	\$ 2,500,000	8.59%
LIHTC - investor equity	\$12,401,588	42.60%
Deferred developer's fee	\$ 905,473	3.11%
TOTAL	\$29,110,434	100.00%

USES	Amount	Percentage
Construction costs	\$20,073,376	68.96%
Fees related to construction or rehab	\$ 3,079,457	10.58%
Total financing fees and charges	\$ 1,785,336	6.13%
Acquisition costs	\$ 470,000	1.61%
Developer's fee	\$ 2,939,979	10.10%
Syndication related costs - legal	\$ 177,398	0.61%
Guarantees and reserves	\$ 584,888	2.01%
TOTAL	\$29,110,434	100.00%