



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

April 28, 2023

The Honorable Thomas E. Dernoga
Chair
Prince George's County Council
Wayne K. Curry Administration Building
Largo, Maryland 20774

Dear Chair Dernoga:

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 (the "County") and an entity to be formed by Developers: Osprey Property Company II LLC and Parallax Development Group, LLC ("Owner") concerning the Hamlet Woods Apartments (the "Project").

The Owner is an entity to be formed by the development team of Osprey Property Company II LLC and Parallax Development Group, LLC for the purpose of acquiring land and constructing the Project, which will be fifty nine (59) units of new affordable townhouse-style multi-family rental housing for low-income to moderate-income families, known as Hamlet Woods, on a 13.3 acre parcel located at 57th Avenue, Bladensburg, Maryland 20710. All units will be reserved for households whose incomes are at or below eighty percent (80%) of the Area Median Income ("AMI"). The unit mix will consist of three-bedroom and four-bedroom units.

The Project's total development cost is approximately twenty nine million, one hundred ten thousand, four hundred thirty-four dollars (\$29,110,434). Financing will consist of a tax-exempt bond loan, subordinate Rental Housing Works funds through the State of Maryland DHCD, equity from the sale of Low-Income Housing Tax Credits and deferred developer fee. The Project will also be financed by a Prince George's County Housing Investment Trust Fund ("HITF") Program loan of two million, five hundred thousand dollars (\$2,500,000).

The PILOT will require the Owner to make a mandatory annual payment in an amount of no less than approximately thirty five thousand, four hundred dollars (\$35,400) or approximately six hundred dollars (\$600) per unit for the full tax 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 thirty (30) years, which includes the extended affordability period. Without the PILOT agreement, the estimated County property tax would be

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approximately seventy thousand, eight hundred dollars (\$70,800) or approximately one thousand, two hundred dollars (\$1,200) per unit. When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately thirty five thousand, four hundred dollars (\$35,400) to this affordable family housing development.

The Council's favorable consideration of this legislation, which along with the terms and conditions of the PILOT Agreement, is included as Attachment B in the legislation package, is greatly appreciated. If you have any questions or concerns, please contact my office or Aspasia Xypolia, Director, Department of Housing and Community Development at (301) 883-6511.

Sincerely,



Angela D. Alsobrooks
County Executive

Enclosures