



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

April 13, 2022

The Honorable Calvin S. Hawkins, II
Chair
Prince George's County Council
County Administration Building
Upper Marlboro, Maryland 20772

Dear Chair Hawkins:

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 and Largo Owner, LLC ("Owner") for the Haven Largo project ("Project").

The Owner is an entity formed by the development team of AHC, Inc. and Insight Property Group, LLC for the purpose of acquiring two hundred forty-five (245) units of affordable multi-family rental housing for families, located at 9701 Summit Circle, Largo, MD 20774, under the Right of First Refusal ("ROFR") program. Of the two hundred forty-five (245) units, ninety-eight (98) units will be affordable and reserved for family households who incomes are at or below eighty percent (80%) of the Area Median Income ("AMI"). Additionally, one hundred forty-seven (147) units will be at market rate. The unit mix will consist of fifty-five (55) one-bedroom units, one hundred fifty-eight (158) two-bedroom units, and thirty-two (32) three-bedroom units.

The Project's total development cost, including the acquisition, infrastructure development and rehabilitation, is approximately seventy-six million, twenty-five thousand, eight hundred eighty-seven dollars (\$76,025,887). Financing will consist of a private mortgage loan made by Capital One Bank, NA ("First Loan") totaling approximately fifty-four million, seven hundred thirty thousand dollars (\$54,730,000); approximately nineteen million, one hundred sixty-six thousand, two hundred ninety-eight dollars (\$19,166,298) from an equity investor; and approximately two million, one hundred twenty-nine thousand, five hundred eighty-nine dollars (\$2,129,589) from the developer equity.

The PILOT the Owner to make annual payments to the County for each tax year of sixty percent (60%) of the amount annually payable for Prince George's County real property taxes based on the Maryland State Department of Assessments and Taxation's annual assessment. The PILOT agreement will remain in effect for the seventeen (17) year affordability period. Without the PILOT agreement, the estimated County property tax would be approximately three hundred eighty-two thousand, twenty-two dollars or approximately one thousand five hundred fifty-nine dollars per unit (\$382,022, or approximately \$1,559 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately

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one hundred fifty-two thousand, eight hundred nine dollars (\$152,809) to this affordable housing development.

The Council's favorable consideration of this legislation 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