

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2021 Legislative Session

Resolution No. CR-088-2021
Proposed by The Chair (by request - County Executive)
Introduced by Council Members Hawkins, Taveras, Glaros, Ivey, Davis, Harrison, Turner
Co-Sponsors _____
Date of Introduction September 14, 2021

RESOLUTION

1 A RESOLUTION concerning

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

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 the

5 National Housing Trust Communities and the Washington Housing Conservancy, together as

6 Hamilton Manor Preservation Partners, 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 Hamilton Manor Apartments, pursuant to the
10 County’s assignment of its Right of First Refusal. Hamilton Manor Apartments is a mid-rise two
11 hundred forty-five (245) unit apartment adjacent to the Queens Chapel Manor commercial
12 district located at 3342 and 3326 Lancer Drive, Hyattsville, Maryland 20782, as more
13 particularly described in Exhibit A, attached hereto and herein incorporated by reference
14 (“Property”); and

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

19 WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of
20 Maryland, as amended, provides that real property may be exempt from county and municipal
21 corporation property tax if: (a)(2)(i) the real property is owned by a person engaged in
22 constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a

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

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

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

22 WHEREAS, the County Executive has recommended support of the acquisition and
23 rehabilitation 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 7-506.1 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, provided that such changes or modifications shall be within the scope of the
4 transactions authorized by this Resolution; and the execution of the Agreement by the County
5 Executive or the County Executive’s designee shall be conclusive evidence of the approval of the
6 County Executive of all changes or modifications to the Agreement; and the Agreement shall
7 thereupon become binding upon the County in accordance with the terms and conditions therein.

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

Adopted this 26th day of October, 2021.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Calvin S. Hawkins, II
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

Hamilton Manor
3342 and 3326 Lancer Drive
Hyattsville, Maryland 20782

COUNCILMANIC DISTRICT 2

PROJECT DESCRIPTION: Acquisition of a 245-garden style apartment community on 8.76 acres in Hyattsville, Maryland.

PROPOSED OWNER: Hamilton Manor Preservation Partners, LLC
A Delaware Limited Liability Corp.

DEVELOPER: Washington Housing Conservancy and National Housing Trust Communities

CONTACT: James T. Engelhardt, Director of Real Estate
NHT Communities
1101 30th St. NW, Suite 100A
Washington, DC 20007

Kimberly Driggins, Executive Director
Washington Housing Conservancy
1310 L Street NW, Suite 325
Washington, DC 20005

NEIGHBORHOOD/LOCALITY: Hyattsville, Maryland
Prince George's County
Councilmanic District 2

UNIT MIX: Unit Size:
One-Bedrooms

- 47 units at 60% AMI
- 41 units at 80% AMI
- 29 units at Market

Two-Bedrooms

- 51 units at 60% AMI
- 45 units at 80% AMI
- 32 units at Market

AFFORDABILITY BAND: 75% Affordable (184 units) at <80% AMI
25% Market Rate (61 units) Unrestricted Income

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Hamilton Manor
3342 and 3326 Lancer Drive
Hyattsville, Maryland 20782**

COUNCILMANIC DISTRICT 2**PROJECT DESCRIPTION:**

National Housing Trust Communities (“NHTC”) and the Washington Housing Conservancy (“WHC”), together as Hamilton Manor Preservation Partners, LLC, proposes to acquire Hamilton Manor Apartments, pursuant to the County’s assignment of its Right of First Refusal (ROFR). Hamilton Manor apartments is a mid-rise two hundred and forty-five (245) unit affordable apartment community adjacent to the Queens Chapel Manor commercial district in Hyattsville, Prince George’s County. The community built in 1945 consists of sixteen (16) low-rise, two and three-story brick structures. Unit sizes are one- and two-bedrooms. Of the 245 units, seventy-five percent (75%) will be rent restricted for individuals and families at sixty percent (60%) and eighty percent (80%) of the area median income (“AMI”). The remaining twenty-five percent (25%) of the units will have no income restrictions. The rental increase to market rate rents will be gradual and will occur over time as existing leases expire and the market shows a demand for units at a higher price point. Hamilton Manor was first occupied in 1965. As such, it is not subject to the Fair Housing Amendment Act (“FHAA”) of 1991. Hamilton Manor is subject to the American with Disabilities Act (“ADA”) regarding the public facing areas of the development (leasing office and leasing office restroom). These spaces will need to be modernized to comply with ADA.

The Lancer street location of this project is convenient to the West Hyattsville Metro station and to several bus lines that service the Queens Chapel commercial district. The

acquisition partnership will make significant improvements to the building's interiors (apartment and common area upgrades) and to the exterior community layout (parking areas repaving and walkway repairs). Also planned, are long term maintenance items such as roof replacement. A significant focus of the development partnership is to reduce the carbon footprint of the community through the implementation of energy saving initiatives. Energy saving initiative will include converting the entrance wall sconces (porch lights) to light emitting diodes ("LED") and replacing the 32-year-old boiler (manufactured and in operation since 1989) with a newer energy efficient unit. The site is well landscaped with mature trees and native grasses on lawns and green areas. The community design provides a calming green aesthetic for residents' enjoyment. This acquisition of Hamilton Manor apartments will result in a long-term housing affordability commitment.

ATTACHMENT A-3

PROJECT FINANCING ESTIMATE

HAMILTON MANOR
 3342 and 3326 Lancer Drive
 Hyattsville, Maryland 20782

COUNCILMANIC DISTRICT 2

ACQUISITION BUDGET SOURCES AND USES	
SOURCES	
Berkadia (1 st Mortgage)	\$29,443,000
Washington Impact Pool (Mezzanine loan)	\$8,604,424
HITF	\$1,000,000
Deferred Develop Fee	\$2,857,075
TOTAL	\$41,904,499
USES	
Acquisition Cost	\$39,500,000
Closing Costs	\$1,185,000
Financing Fees	\$662,468
Impact Pool Cost Reimbursement	\$245,334
Resident Support Reserve	\$154,623
Upfront Capital Reserves (energy value added)	\$157,074
TOTAL	\$41,904,499