



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 Flats at College Park RST, LLC ("Owner") concerning Flats at College Park Apartments (the "Project").

The Owner is an entity formed by RST Development, LLC for the purpose of acquiring and constructing the Project, which will be three hundred seventeen (317) units of multi-family rental housing for low-income to moderate-income residents, known as Flats at College Park, on a 4.26 acre parcel located at 9113 Baltimore Avenue, College Park, Maryland 20740. The Project will be located to the north of the University of Maryland College Park campus, and within 500 feet of several bus stops. The Project is also located within one (1) mile of the Greenbelt Metro rail transit station. A structured parking deck containing approximately 350 spaces, contiguous to the Project, will be available to provide the residents with free, easily accessed parking. In addition to the three hundred seventeen (317) residential units, the Project will include a community room, a bike storage area, a pool with men's and women's locker rooms, an outdoor gathering area and grills for resident use, a fully equipped fitness center, a walking path, dog park and 750 square feet of green space and a passive sitting area on the roof.

The Project's total development cost is approximately one hundred twenty four million, eighty two thousand, eight hundred twenty-seven dollars (\$124,082,827). Financing will consist of a first mortgage through the State of Maryland DHCD, equity from the sale of Low Income Housing Tax Credits, developer equity, and seller take-back financing.

The PILOT will require the Owner to make a mandatory annual payment to the County in an amount of no less than approximately sixty six thousand, one hundred ninety-nine dollars (\$66,199), or approximately two hundred eight dollars (\$208.83) per unit, for the three hundred seventeen (317) affordable units for the first full tax year. Thereafter, the required payment will increase by two percent (2%) for each subsequent tax year. The PILOT agreement will remain in effect for thirty (30) years. Without the PILOT agreement, the estimated County property tax would be approximately five hundred ten thousand dollars (\$510,000) or approximately one

The Honorable Thomas E. Dernoga
Chair
Page 2

thousand, six hundred eight dollars (\$1,608.83) per unit. When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately four hundred forty three thousand, eight hundred one dollars (\$443,801) to this affordable 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