



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 ECD Oaks Apartments, LLC ("Owner") for the Oaks at Park South project ("Project").

The Owner is an entity formed for the purpose of acquiring four hundred eighty eight (488) units of affordable multi-family rental housing for individuals and families, located at 5400 Livingston Terrace, Oxon Hill, MD 20745, under the County's Right of First Refusal ("ROFR") Program. Every unit in the Project will be affordable with reservations for households who incomes are at or below eighty percent (80%) of the Area Median Income ("AMI"). Additionally, the unit mix will consist of one hundred twenty-four (124) one-bedroom units, two hundred seventy-two (272) two-bedroom unit, and ninety-two (92) three-bedroom units.

The Project's total development cost, including the acquisition, infrastructure development and rehabilitation, is approximately one hundred one million, one hundred fifty-seven thousand, seven hundred sixty-seven dollars (\$101,157,767). Financing will consist of a private loan ("First Loan") totaling approximately sixty four million, nine hundred seventy-nine thousand dollars (\$64,979,000); approximately thirty-two million, five hundred sixty thousand, eight hundred ninety dollars (\$32,560,890) from an equity investor using its Social Impact Fund; and approximately three million, six hundred seventeen thousand, eight hundred seventy-seven dollars (\$3,617,877) from the developer equity.

The PILOT will require a mandatory annual payment in an amount of no less than twenty-six thousand, eight hundred forty dollars or fifty-five dollars per unit (\$26,840 or \$55 per unit) 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 the twenty-five (25) year affordability period. Without the PILOT agreement, the estimated County property tax would be approximately one hundred thirty-six thousand, nine hundred seventy-five dollars or approximately two hundred eighty-one dollars per unit (\$136,975, or approximately \$281 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately one hundred ten thousand, one hundred thirty five dollars (\$110,135) to this affordable housing development.

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The Honorable Calvin S. Hawkins, II
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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