

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**  
**2022 Legislative Session**

Resolution No. CR-065-2022

Proposed by The Chair (by request – County Executive)

Introduced by Council Members Hawkins, Streeter, Turner, Ivey, Harrison, Franklin,  
Glaros, Medlock, and Dernoga

Co-Sponsors \_\_\_\_\_

Date of Introduction May 17, 2022

**RESOLUTION**

1 A RESOLUTION concerning

2       Payments in Lieu of Taxes (“PILOT”) Agreement for Glenarden Hills Phase 3, 9% project  
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  
5 Glenarden Hills Phase 3, Nine, LLC (the “Owner”).

6       WHEREAS, there is a significant need in the County for quality housing units for persons  
7 with limited income, particularly families; and

8       WHEREAS, the Owner proposes to acquire and construct forty-four (44) units of new  
9 affordable multi-family rental housing for families, known as Glenarden Hills Phase 3, 9%  
10 project, located at 8405 Hamlin Street, Lanham, Prince George’s County, Maryland, as more  
11 particularly described in Exhibit A, attached hereto and herein incorporated by reference  
12 (“Property”); and

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

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

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

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

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

20 WHEREAS, the County Executive has recommended support of the acquisition and  
21 construction of the Project.

22 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's  
23 County, Maryland, that in accordance with Section 7-506.1 of the Tax-Property Article of the  
24 Annotated Code of Maryland, as amended, the County shall accept payments in lieu of County  
25 real property taxes for the Project, subject to the Agreement attached to this Resolution.

26 BE IT FURTHER RESOLVED that the County Executive or the County Executive's  
27 designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf  
28 of the County in substantially the same form attached hereto.

29 BE IT FURTHER RESOLVED that the County Executive, prior to the execution and  
30 delivery of the Agreement, may make such changes or modifications to the Agreement as  
31 deemed appropriate in order to accomplish the purpose of the transaction authorized by this

1 Resolution, provided that such changes or modifications shall be within the scope of the  
2 transactions authorized by this Resolution; and the execution of the Agreement by the County  
3 Executive or the County Executive’s designee shall be conclusive evidence of the approval of the  
4 County Executive of all changes or modifications to the Agreement; and the Agreement shall  
5 thereupon become binding upon the County in accordance with the terms and conditions therein.

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

Adopted this 5<sup>th</sup> day of July, 2022.

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**

**Glenarden Hills Phase 3, 9%  
8405 Hamlin Street  
Lanham, MD 20706**

**COUNCILMANIC DISTRICT 5**

**PROJECT DESCRIPTION:** Glenarden Hills Phase 3, Nine, LLC plans to acquire land and construct a forty-four (44) unit affordable rental community for families composed of townhouse units and stacked apartment units for families in Lanham, Prince George’s County.

**OWNER:** Glenarden Hills Phase 3, Nine, LLC

**DEVELOPERS:** Pennrose LLC  
The Redevelopment Authority of Prince George’s County  
B&W Solutions, Inc.  
SHABACH! Ministries, Inc.

**CONTACT:** Patrick Bateman, Developer  
Pennrose LLC  
443-423-1102

**NEIGHBORHOOD/LOCALITY:** Lanham, Prince George’s County, District 5

**UNIT MIX & AFFORDABILITY:** Unit Size:  
Two Bedrooms: 28 units  

- 22 units at 30% of the AMI
- 3 units at 40% of the AMI
- 2 units at 50% of the AMI
- 1 unit at 60% of the AMI

Three Bedrooms: 16 units  

- 16 units at 30% of the AMI

**PROPOSED RENTS:** Two-bedroom ranges from \$551 to \$1,521; and three-bedroom ranges from \$652 to \$811.

**ATTACHMENT A-2****PROJECT INFORMATION SHEET**

**Glenarden Hills Phase 3, 9%  
8405 Hamlin Street  
Lanham, MD 20706**

**COUNCILMANIC DISTRICT 5****PROJECT DESCRIPTION:**

Pennrose LLC, the Redevelopment Authority of Prince George's County, B&W Solutions, Inc., and SHABACH! Ministries, Inc. (together, the "Development Team") plans to acquire land and construct a forty-four (44) unit affordable apartment community as part of a larger mixed-income development in Lanham, Prince George's County, Maryland (hereinafter referred to as "Glenarden Phase 3, 9%" or the "Project"). The total development cost of this Project is expected to be eighteen million, five hundred ninety two thousand, two hundred eighty-six dollars (\$18,592,286).

The 44-unit Glenarden Phase 3, 9% project is part of the Glenarden Master Redevelopment which altogether will provide high-quality, affordable, workforce and market rate housing opportunities, resulting in a richly diverse, mixed-use, mixed-income, livable, and well-connected community. Glenarden Phase 3, 9% itself will be a two-phased project; a neighboring 114-unit mixed-income rental community will be separately constructed ("Glenarden Phase 3, 4%"). This 44-unit Project will be comprised of six (6) apartment buildings that include a mix of both townhouse units and stacked apartment units and amenity spaces. The Project will be certified under the National Green Building Standards, Energy Star Version 3.1, and Zero Energy Ready Homes (ZERH).

The 44-unit Project will be entirely affordable. Thirty-eight (38) units will serve households earning thirty percent (30%) of the Area Median Income ("AMI"); three (3) units will serve households earning forty percent (40%) of the AMI; two (2) units will serve households earning fifty percent (50%) of the AMI; and one (1) unit will serve households earning sixty percent (60%) of the AMI. Across the Project, there will be twenty-eight (28) two-bedroom units and sixteen (16) three-bedroom units. Two-bedroom rents will range from five hundred fifty one dollars (\$551) to one thousand, five hundred twenty one dollars (\$1,521); and

three-bedroom rents will range from six hundred fifty two dollars (\$652) to eight hundred eleven dollars (\$811).

All residents of Phase 3 will have access to the previously constructed community clubhouse and its amenities via a shared use agreement between Phases 1, 2A, both phases of Phase 3, and future phases. The 5,700 square foot community clubhouse built in Phase 1 features a community space, a fitness center, on-site management and leasing suite, a resource center, locker rooms, a kitchenette, an outdoor patio with a grill area, and a tot-lot. A community lap pool, children's pool, community green space, and an athletic surface will be added as part of Phase 3.

The site is located immediately adjacent to three MetroBus stops on Brightseat Road, offering convenient access to regional transportation via the Beltway, and nearby WMATA Metro stops. The site is in a predominately residential neighborhood, while still offering access to shopping and other services and amenities less than one mile away.

**ATTACHMENT A-3****PROJECT FINANCING ESTIMATE**

**Glenarden Hills Phase 3, 9%**  
**8405 Hamlin Street**  
**Lanham, MD 20706**

**COUNCILMANIC DISTRICT 5**

<b>Sources</b>	<b>Amount</b>	
AGM - FHA 221(d)4 Freddie Loan	\$1,760,000	9.47%
Prince George's County HOME Loan	\$1,500,000	8.07%
Prince George's County Infrastructure Funds	\$225,000	1.21%
Investor Equity - LIHTC	\$13,873,613	74.62%
Deferred Developer's Fee	\$1,198,473	6.45%
Return of Commitment Fee	\$35,200	0.19%
<b>TOTAL</b>	<b>\$18,592,286</b>	<b>100%</b>
<b>Uses</b>	<b>Amount</b>	
Construction or Rehabilitation Costs	\$11,176,701	60.11%
Fees Related to Construction or Rehabilitation	\$2,243,804	12.07%
Financing Fees and Charges	\$1,163,262	6.26%
Acquisition Costs	\$1,400,000	7.53%
Developer's Fee	\$2,039,854	10.97%
Syndication Related Costs	\$183,040	0.98%
Guarantees and Reserves	\$385,625	2.07%
<b>TOTAL</b>	<b>\$18,592,286</b>	<b>100.00%</b>