

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

Resolution No. CR-096-2022
Proposed by The Chair (by request - County Executive)
Introduced by Council Members Hawkins, Harrison, Franklin, Turner, Glaros, Medlock
Co-Sponsors _____
Date of Introduction September 6, 2022

RESOLUTION

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for the Addison Park 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 Addison
5 Park, L.P. (the “Owner”).

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

8 WHEREAS, the Owner proposes to acquire land and construct two hundred forty-six (246)
9 units of new affordable rental housing for seniors, ages sixty two (62) years and older, known as
10 Addison Park, located at 216 Yolanda Avenue, Capitol Heights, Prince George’s County,
11 Maryland, as more particularly described in Exhibit A, attached hereto and herein incorporated
12 by reference (“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 7-506.3 of the Tax-Property Article of the Annotated Code of
16 Maryland, as amended; and

17 WHEREAS, Section 7-506.3 of the Tax-Property Article of the Annotated Code of
18 Maryland, as amended, provides that in Prince George's County, real property may be exempt
19 from county 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,
22 State, or local government program that (a)(2)(ii)(1) is acquired, constructed, or rehabilitated

1 under a federal, State, or local government program that (a)(2)(ii)(1)(A) funds construction or
2 rehabilitation or insures the financing of construction or rehabilitation in whole or in part,
3 including a housing investment trust, or (a)(2)(ii)(1)(B) provides interest subsidy, rent subsidy,
4 or rent supplements; or (a)(2)(ii)(2) is acquired under the Right of First Refusal program under
5 Subtitle 13, Division 14 of the Prince George's County Code; (a)(2)(iii) the owner and the
6 governing body of Prince George's County agree that the owner shall pay a negotiated amount in
7 lieu of the applicable county property tax; and (a)(2)(iv) the owner of the real property:
8 (a)(2)(iv)(1)(A) agrees to continue to maintain the real property as rental housing for lower
9 income persons under the requirements of the government programs described in paragraph
10 (a)(2)(ii) of this subsection; and (a)(2)(iv)(1)(B) agrees to renew any annual contributions
11 contract or other agreement for rental subsidy or supplement; or (a)(2)(iv)(2) enters into an
12 agreement with the governing body of Prince George's County to allow the entire property or the
13 portion of the property that was maintained for lower income persons to remain as housing for
14 lower income persons for a term of at least 5 years; and

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

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

22 WHEREAS, the County Executive has recommended support of the land acquisition and
23 construction 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 7-506.3 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 ____ day of _____, 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

**Addison Park
216 Yolanda Avenue
Capitol Heights, Maryland 20743**

COUNCILMANIC DISTRICT 7

PROJECT DESCRIPTION: A two hundred forty-six (246) unit affordable senior rental apartment community that will be constructed in two buildings on a 4.46 acre site in Capitol Heights, Maryland. All units will be affordable, and rents will be restricted for 40 years.

OWNER: Addison Park, L.P.

DEVELOPER: Atlantic Pacific Communities
Cober Johnson Romney

CONTACT: Scott Kriebel
Vice President
Atlantic Pacific Communities
615-306-3800
skriebel@apcompanies.com

NEIGHBORHOOD/LOCALITY: Capitol Heights, Prince George’s County, District 7

UNIT MIX: One-bedroom: 171 units
Two-bedrooms: 75 units

AFFORDABILITY: All units will be priced at levels affordable to households earning 60% or less of the Area Median Income for forty (40) years

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Addison Park
216 Yolanda Avenue
Capitol Heights, Maryland 20743**

COUNCILMANIC DISTRICT 7

PROJECT DESCRIPTION:

The Addison Park project (the “Project”) is a proposed 246-unit transit-oriented senior affordable housing development to be located on two scattered sites at 216 Yolanda Ave, Capitol Heights, Prince George’s County by a development team consisting of Atlantic Pacific Communities (“APC”) and Cober Johnson Romney (“CJR”) (together, the “Development Team”). The target population will be seniors ages 62 and older with household incomes that are 60% or less of the Area Median Income (“AMI”). This development is located just 0.25 miles from the Addison Park Metro Station along the Blue Line, locating it within the Blue Line Transit Corridor, one of the county’s funding priorities. There have been multiple recent single-family home and townhome developments within the greater community. This development will be a further step in the revitalization of the Blue Line Corridor neighborhood in Capitol Heights.

The Project will consist of 174 one-bedroom and 72 two-bedroom units between two 4-story panelized wood frame, elevator-served buildings. An approximate 4,000 square foot community service facility will be included for Mission of Love Charities (“MOLC”) which will utilize the space to provide educational programs for the neighborhood. This space will also be available for the Addison Park residents when not in use by MOLC. Planned amenities include community rooms, a courtyard, fitness center, and business center. The development team currently plans to partner with the non-profit Communities Together, Inc. (“CTI”) to create a resident services plan tailored for the needs of the seniors. Additionally, the MOLC community service facility will provide the space for some of the supportive services and the opportunity to partner with MOLC for any potential overlapping programming.

The affordable housing development is the main component of the Addison Park master-planned community which is envisioned to include 56 for-sale townhomes, buildout of a community nonprofit education facility within an existing civic building on site, and a municipal

office building for the City of Capitol Heights to be developed and built by a separate development team. Only the two affordable senior multifamily buildings were a subject of the application. The Development Team has worked closely with the Redevelopment Authority of Prince George's County ("RDA") through the predevelopment process, and they remain an engaged partner to affect the development of the site. The RDA will convey a portion of the land for the project through a purchase and sale agreement and will have consent rights to significant changes in the Master Development plan.

APC and CJR formed a partnership to complete this Project. APC is a Florida-based fourth-generation family-operated real estate firm that builds and operates high quality housing to serve every income level. CJR is a local, experienced, minority business enterprise ("MBE") real estate development and consulting firm with experience in public-private partnership management and experience serving as legal counsel. The Development Team previously worked together on The Woodlands at Reid Temple, an affordable senior rental community that was completed in mid-2021.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

**Addison Park
216 Yolanda Avenue
Capitol Heights, Maryland 20743**

COUNCILMANIC DISTRICT 7

SOURCES	Amount	Percentage
Tax exempt bond financing	\$ 36,000,000	41.30%
CDA - Multifamily Capital Fund	\$ 10,000,000	11.47%
CDA - Rental Housing Works	\$ 3,500,000	4.02%
PGC - Housing Investment Trust Fund	\$ 2,250,000	2.58%
LIHTC - investor equity	\$ 30,077,535	34.51%
Deferred developer's fee	\$ 5,340,890	6.13%
TOTAL	\$ 87,168,425	100.00%
USES	Amount	Percentage
Construction costs	\$ 64,919,371	74.48%
Fees related to construction or rehab	\$ 3,394,734	3.89%
Total financing fees and charges	\$ 6,734,165	7.73%
Acquisition costs	\$ 1,600,000	1.84%
Developer's fee	\$ 7,855,687	9.01%
Syndication related costs - legal	\$ 573,525	0.66%
Guarantees and reserves	\$ 2,090,943	2.40%
TOTAL	\$ 87,168,425	100.00%