



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 Addison Park, L.P. ("Owner") concerning the Addison Park Apartments (the "Project").

The Owner is an entity formed by the development team of Atlantic Pacific Communities and Cober Johnson Romney for the purpose of acquiring land and constructing the Project, which will be two hundred ninety three (293) units of new affordable multi-family rental housing for low-income to moderate-income seniors, ages sixty two (62) years and older, known as Addison Park, located at 216 Yolanda Avenue, Capitol Heights, Maryland 20743. All units will be reserved for senior households whose incomes are at or below sixty percent (60%) of the Area Median Income ("AMI"). The unit mix will consist of one-bedroom and two-bedroom units.


The Project's total development cost is approximately eighty three million, three hundred one thousand, seven hundred thirty-eight dollars (\$83,301,738). Financing will consist of a tax-exempt bond loan, subordinate Rental Housing Works funds through the State of Maryland DHCD, equity from the sale of Low-Income Housing Tax Credits and deferred developer fee. The Project will also be financed with a Prince George's County Housing Investment Trust Fund ("HITF") loan in the amount of three million dollars (\$3,000,000).

The PILOT will require the Owner to make a mandatory annual payment to the County in an amount of no less than approximately thirty one thousand, fifty-eight dollars (\$31,058) or approximately one hundred six dollars (\$106) per unit for the full tax year. Thereafter, the required payment for these affordable units will increase by two percent (2%) for each subsequent tax year. The PILOT agreement will remain in effect for forty (40) years which includes the extended affordability period. Without the PILOT agreement, the estimated County property tax would be approximately three hundred twenty four thousand, five dollars (\$324,005) or approximately one thousand, one hundred six dollars (\$1,105.82) per unit.

When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately two hundred ninety two thousand, nine hundred forty-seven dollars (\$292,947) to this affordable senior 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

Enclosures