



THE PRINCE GEORGE'S COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

Tara H. Jackson
Acting County Executive

March 7, 2025

The Honorable Jolene Ivey
Chair
Prince George's County Council
Wayne K. Curry County Administration Building
1301 McCormick Drive
Largo, Maryland 20774

Dear Chair Ivey:

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 ("County"), Maryland and Penn Place I Owner, LLC ("Owner") concerning the Penn Place I project ("Project").

The Penn Place I project involves the new construction of a one hundred sixty eight (168) unit affordable rental housing community for families earning sixty percent (60%) or below of the Area Median Income ("AMI"), located at 5501 Penn Crossing Drive, District Heights, Maryland 20747. The unit mix will consist of one (1) bedroom, two (2) bedroom and three (3) bedroom units.

The Project's total development cost is expected to be seventy eight million, one hundred twenty five thousand, six hundred thirty dollars (\$78,125,630). Financing will consist of tax-exempt bond financing, Rental Housing Works loan through the State of Maryland Department of Housing and Community Development, equity from the sale of Low-Income Housing Tax Credits ("LIHTC"), a seller note, and a deferred developer fee. Additionally, the Penn Place I project will be financed by the Prince George's County Housing Investment Trust Fund ("HITF") Program loan in the amount of two million, five hundred thousand dollars (\$2,500,000).

The PILOT will require a mandatory annual payment of no less than approximately one hundred thirty two thousand, forty eight dollars or seven hundred eighty six dollars per unit (\$132,048 or \$786, per unit) for the first 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, including the extended affordability period. Without the PILOT agreement, the estimated County property tax would be approximately two hundred thirty two thousand, eight hundred three dollars or approximately one thousand, three hundred eighty six dollars per unit (\$232,803 or \$1,386 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately one hundred thousand, seven hundred fifty five dollars (\$100,755) to this affordable family housing development.

The Honorable Jolene Ivey

March 4, 2025

Page Two

Council's favorable consideration of this legislation is requested. If you have any questions, please contact my office or Aspasia Xypolia, Director, Department of Housing and Community Development at (301) 883-6511.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tara H. Jackson", with a long horizontal flourish extending to the right.

Tara H. Jackson
Acting County Executive

Enclosure