

**PRINCE GEORGE'S COUNTY COUNCIL  
AGENDA ITEM SUMMARY**

**Meeting Date:** 7/22/97

**Reference No.:** CR-46-1997

**Proposer:** County Executive

**Draft No.:** 1

**Sponsors:** Maloney

**Item Title:** For approval of tax exempt financing for Selborne House  
Apartments and Approval of Payment in Lieu of Taxes  
(PILOT) for the Project

**Drafter:** John Shanley  
Housing

**Resource Personnel:** Michael A. Doaks  
Housing

**LEGISLATIVE HISTORY:**

**Date Presented:**        \_\_/\_\_/\_\_  
**Committee Referral:**(1) 7/8/97    THE  
**Committee Action:**(1) 7/10/97   FAV  
**Date Introduced:**        7/8/97  
**Pub. Hearing Date:** (1) \_\_/\_\_/\_\_   \_\_:\_\_ \_\_

**Executive Action:** \_\_/\_\_/\_\_    \_\_  
**Effective Date:**    \_\_/\_\_/\_\_

**Council Action:** (1)        7/22/97    ADOPTED  
**Council Votes:** DB:A, SD:A, JE:A, IG:A, WM:A, RVR:A, AS:A, MW:A  
**Pass/Fail:** P

**Remarks:** \_\_\_\_\_

**TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE**    DATE: 7/10/97

Committee Vote: Favorable, 5-0 (In favor: Council Members Russell, Scott, Bailey, Del Giudice and Estepp).

The Maryland Community Development Administration (CDA) will issue tax exempt bonds of \$7,500,000 for a first mortgage for the Selborne House Apartments located at 429-437 Main Street, Laurel, Maryland (126 units). All of the units will be occupied by persons 62 and older whose income is 60% of the Washington Area median. A condition of the State loan is that the project receive real property tax relief from the County in a PILOT program.

The total development cost is \$10,223,000. The sources of funds that will be used are: \$7,500,000 in CDA tax exempt bonds, \$585,000 in County HOME funds and \$2,138,000 in equity syndication of four percent housing tax credits.

Settlement is scheduled for August 18, 1997.

The Legislative Officer finds it to be in proper legislative form and the Acting County Auditor has determined that there should not be any negative fiscal impact on the County as a result of adopting CR-46-1997.

The committee moved favorable on CR-46-1997.

### **BACKGROUND INFORMATION/FISCAL IMPACT**

**(Includes reason for proposal, as well as any unique statutory requirements)**

The Maryland Community Development Administration will issue tax exempt bonds in an amount not to exceed \$7,500,000 that will be a first mortgage. The State requires that the tax exempt financing be approved by the County. A condition of the State loan is that the project receive real property tax relief from the County in a PILOT Agreement. The proposed project is a 126 unit elderly housing project to be built on land at 429 to 437 Main Street in the City of Laurel. The proposed PILOT calls for a minimum payment of one-half of normal annual real property taxes and a maximum payment of up to normal annual real taxes based on project net annual cost flow. Starting in the eleventh year, the owner will be required to pay all normal real property taxes and one-twentieth of any deferred real property taxes, plus accrued interest until all deferred taxes are paid in full.

### **CODE INDEX TOPICS:**