

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2021 Legislative Session

Resolution No. CR-098-2021

Proposed by The Chair (by request – County Executive)

Introduced by Council Members Hawkins, Glaros, Davis, Franklin, Taveras and Turner

Co-Sponsors _____

Date of Introduction September 28, 2021

RESOLUTION

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for Villas at Langley Apartments

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 the 8100

5 15th Ave Owner, LLC (the “Owner”).

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

8 WHEREAS, the Owner proposes to renovate a five hundred ninety (590) unit garden style
 9 apartment community, a portion of which will provide housing for two hundred ninety-five (295)
 10 low-income to moderate-income residents, located near the Purple Lind stations at 8100 15th
 11 Avenue, Hyattsville, Maryland 20783, as more particularly described in Exhibit A, attached
 12 hereto and herein incorporated by reference (“Property”); and

13 WHEREAS, the Owner has requested that the County Council of Prince George’s County,
 14 Maryland authorize the Owner to make payments in lieu of County real property taxes pursuant
 15 to Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended;
 16 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,
 22 State, or local government program that (a)(2)(ii)(1) funds construction or insures its financing in

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

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

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

20 WHEREAS, the County Executive has recommended support of the acquisition and
21 rehabilitation 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 9th day of November, 2021.

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

**Villas at Langley Apartments
8100 15th Ave
Hyattsville, MD 20783**

COUNCILMANIC DISTRICT 2

PROJECT DESCRIPTION: A five hundred ninety (590) unit garden style apartment community acquired in April 2020 by 8100 15th Ave Owner, LLC. This is rental housing without any income-restrictions on 24 acres in Hyattsville, Maryland. Ownership proposes to restrict rents for two-hundred ninety-five (295) of the units for at least ten (10) years.

OWNER: 8100 15th Ave Owner, LLC

DEVELOPER: Jair Lynch Real Estate Partners

CONTACT: Alexander Chamberlain, Asset Manager
Jair Lynch Real Estate Partners
202-798-8420

NEIGHBORHOOD/LOCALITY: Hyattsville, Prince George’s County, District 2

UNIT MIX: Unit Size:
One Bedroom:

- 82 units at 60% of the AMI
- 82 units at Market

Two Bedrooms:

- 165 units at 60% of the AMI
- 165 units at Market

Three Bedrooms:

- 48 units at 60% of the AMI
- 48 units at Market

AFFORDABILITY BAND: 50% Affordable (295 units) at 60% of the AMI
50% Market Rate (295 units) unrestricted income

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Villas at Langley Apartments
8100 15th Ave
Hyattsville, MD 20783**

COUNCILMANIC DISTRICT 2**PROJECT DESCRIPTION:**

Jair Lynch Real Estate Partners (the “Developer”) proposes to restrict rent levels for two hundred ninety-five (295) of the five hundred ninety (590) rental units at the Villas at Langley (the “Project”) to sixty percent (60%) of the Area Median Income (“AMI”) for a period of at least ten (10) years. The Villas at Langley is an inner Beltway rental apartment community that was constructed in 1964 and located a quarter (0.25) mile from the Purple Line route and approximately three tenths (0.30) of a mile from two future Purple Line stations in Hyattsville. The unit mix includes one hundred sixty-four (164) one-bedroom units; three hundred thirty (330) two-bedrooms units; and ninety-six (96) three-bedrooms units. The Villas at Langley community was acquired by 8100 15th Ave Owner, LLC, an investor entity led by Jair Lynch Real Estate Partners, in April 2020 for \$87,500,000. The Project is presently not subject to any rent restrictions however most of its units are priced at levels affordable to households earning sixty percent (60%) of the AMI. Local market rents are projected to increase at greater rates as the Purple Line nears completion and begins service.

The Villas at Langley ownership is carrying out a capital improvement project to remedy deferred maintenance items. Inclusive of the original \$87,500,000 acquisition price, the total cost of acquiring the Villas at Langley and carrying out needed repairs will total \$108,184,556. The Developer is applying for a Prince George’s County payment in lieu of taxes (“PILOT”) and a Housing Investment Trust Fund (“HITF”) loan since these subsidies will allow half the Project’s units to be rent-restricted and ensure the Project is able to adequately service its debt and equity capital. This additionally permits affordability preservation since the rents for the affordable units can be increased more gradually as existing leases expire and the market shows a demand for units at a higher price point.

The Developer intends to remedy deferred maintenance and make improvements that were

recommended by a property condition assessment completed prior to its acquisition of the Villas at Langley. These improvements will help preserve the property and make it more livable for its tenants. The most significant and costly improvement will be the replacement of the obsolete, inefficient centrally controlled and powered HVAC system with systems that are units-based and unit-controlled. HVAC replacement is a priority because repeated outages have occurred since the system has exceeded its useful life. Repairs will be made to the brick exterior of the building. When units are turned over between tenants, vinyl flooring will be installed, and kitchens will be upgraded. The landscaping and amenities will also be improved to make the property more visually attractive and pleasant for residents living in the community.

In addition to the location of this Project being ideally positioned near the route of the Purple Line and two of its stations, onsite amenities include an outdoor basketball court, a large outdoor pool, and a playground. The Project is within walking distance of Langley Park-McCormick Elementary School. Casa de Maryland, a local immigrant advocacy organization, is located onsite and the Langley Park Boys and Girls Club is located immediately off-site. The Prince George's County subsidies consisting of a payment in lieu of taxes ("PILOT") and a loan from its Housing Investment Trust Fund will preserve affordable housing units for a period of at least ten years in a neighborhood whose residents are at greater risk of displacement.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

**Villas at Langley Apartments
8100 15th Ave
Hyattsville, MD 20783**

COUNCILMANIC DISTRICT 2**SOURCES**

Sources	Amount	Percentage
Fannie Mae - Permanent Loan	\$68,000,000	62.86%
Investor Equity	\$35,184,556	32.52%
County HITF Loan	\$1,286,560	1.19%
10-year value of County PILOT	\$3,713,440	3.43%
Total Sources of Funds	\$108,184,556	100.00%

USES

Uses	Amount	Percentage
Construction or Rehabilitation Costs	\$15,134,320	13.99%
Fees Related to Construction or Rehab	\$2,581,916	2.39%
Financing Fees and Charges	\$2,081,971	1.92%
Acquisition Costs	\$87,500,000	80.88%
Developer's Fee	\$886,349	0.82%
Total Uses of Funds	\$108,184,556	100.00%