

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2024 Legislative Session

Resolution No. CR-034-2024
Proposed by The Chair (by request - County Executive)
Introduced by Council Members Watson, Ivey, Harrison, Hawkins, Franklin and Fisher
Co-Sponsors _____
Date of Introduction April 23, 2024

RESOLUTION

A RESOLUTION concerning

Payments in Lieu of Taxes (“PILOT”) Agreement for the Bowie Commons Apartments
For the purpose of approving the terms and conditions of a Payments in Lieu of Taxes
 (“PILOT”) Agreement between Prince George’s County, Maryland (the “County”) and Bowie
Housing Partners, LP (the “Owner”).

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

WHEREAS, the Owner proposes to acquire and renovate thirty six (36) units of new
affordable multi-family rental housing for low-income to moderate-income seniors, earning sixty
percent (60%) and below of the Area Median Income (“AMI”), known as the Bowie Commons,
on a 3.18 acre parcel located at 3909 New Haven Court, Bowie, Maryland 20716, as more
particularly described in Exhibit A, attached hereto and herein incorporated by reference
 (“Property”); and

WHEREAS, the Owner has requested that the County Council of Prince George’s County,
Maryland, (the “County Council”) authorize the Owner to make payments in lieu of County real
property taxes pursuant to Section 7-506.3 of the Tax-Property Article of the Annotated Code of
Maryland, as amended; and

WHEREAS, Section 7-506.3 of the Tax-Property Article of the Annotated Code of
Maryland, as amended, provides that in Prince George's County, real property may be exempt
from county property tax if: (a)(2)(i) the real property is owned by a person engaged in
constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a
housing structure or project that is constructed or substantially rehabilitated under a federal,

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

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

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

WHEREAS, the County Executive has recommended support of the acquisition and renovation of the Bowie Commons Project.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that in accordance with Section 7-506.3 of the Tax-Property Article of the Annotated Code of Maryland, as amended, the County shall accept payments in lieu of County real property taxes for the Project, subject to the Agreement attached to this Resolution.

BE IT FURTHER RESOLVED that the County Executive or the County Executive's designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf of the County in substantially the same form attached hereto.

BE IT FURTHER RESOLVED that the County Executive, prior to the execution and delivery of the Agreement, may make such changes or modifications to the Agreement as deemed appropriate in order to accomplish the purpose of the transaction authorized by this Resolution; and the execution of the Agreement by the County Executive or the County Executive's designee shall be conclusive evidence of the approval of the County Executive of all changes or modifications to the Agreement; and the Agreement shall thereupon become binding upon the County in accordance with the terms and conditions therein.

BE IT FURTHER RESOLVED that the County Executive, subsequent to the execution of the Agreement, may amend the Agreement as deemed appropriate in order to accomplish the purpose of the transaction authorized by this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of its adoption.

Adopted this 4th day of June, 2024.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Jolene Ivey
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**Bowie Commons
3909 New Haven Court
Bowie, Maryland 20716**

COUNCILMANIC DISTRICT 4

PROJECT DESCRIPTION:	A thirty six (36) unit rental apartment community will be renovated in six (6) walk-up buildings on a 3.18 acre site in Bowie, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.
OWNER:	Bowie Housing Partners, LP
DEVELOPER:	Vitus Development IV, LLC
CONTACT:	Brooke Kim, Director Development Vitus Development IV, LLC (206) 832-1328 Brooke.Kim@vitus.com
NEIGHBORHOOD/LOCALITY:	Bowie, Prince George’s County District 4
UNIT MIX:	One-bedroom units
AFFORDABILITY:	All units will be priced at levels affordable to households earning sixty percent (60%) or less of the Area Median Income (AMI) for forty (40) years.

ATTACHMENT A-2

PROJECT INFORMATION SHEET

**Bowie Commons
3909 New Haven Court
Bowie, Maryland 20716**

COUNCILMANIC DISTRICT 4

PROJECT DESCRIPTION:

Bowie Commons is a thirty-six (36) unit apartment community, located at 3909 New Haven Court, Bowie, MD 20716, comprised of individual villa units in garden-style apartment buildings located on a 3.18 acre lot for elderly individuals. The property was originally constructed in 1984 and is made up entirely of one (1) bedroom units. Property amenities include a community building, a laundry room, and three (3) courtyard common areas for outdoor recreation. The property resides in a quiet cul-de-sac, near the City of Bowie Gymnasium, Bowie Senior Center, and fire station 918. In addition to also being located within one-half (1/2) mile of a regional mall, Bowie Commons has nine (9) bus stations in its immediate vicinity.

All thirty-six (36) units are covered by a Housing Assistance Payments (HAP) contract and are restricted to senior residents. The residents at the project have an average income of around twenty three percent (23%) of the Area Median Income (AMI), which highlights the importance of extended affordability. At Acquisition closing, the HAP contract was renewed for a twenty (20) year term, subject to federal appropriations.

The rehabilitation will include improvements to the general site by adding an improved outdoor gathering area and evaluating the parking areas for handicap accessibility with resurfacing and restriping as needed. Building exterior upgrades will include evaluating the siding, windows, and roof for replacement. The interior renovation will include upgrading the plumbing fixtures with low-flow fixtures, replacing lighting fixtures with high-efficiency lighting, and evaluating unit flooring, appliances, and cabinets for replacement. The rehabilitation will be completed with minor disruption to the residents. Two (2) units (five percent – 5%) are set aside for mobility impairments and one (1) unit (two percent – 2%) is set

aside for sensory impairments.

According to a March 21, 2022, Market Study conducted by Novogradac Consulting, there is adequate demand for the property. Per their analysis, eleven (11) comparable properties average two percent (2%) vacancy, which is considered exceptionally low and is indicative of supply-constrained conditions. Additionally, the property has historical occupancy close to one hundred percent (100%) and holds a lengthy waitlist.

The developer of the project, Vitus Development IV, LLC (“Vitus”), specializes in the preservation of affordable properties in market areas where the need is greatest. Since 1996, Vitus has developed and/or acquired more than fifteen thousand (15,000) units of affordable housing in more than one hundred (100) properties, located across twenty-nine (29) states. A combined total of almost thirty thousand (30,000) residents live in Vitus’ affordable housing communities across the country. The general contractor for the project is Southway Builders. Headquartered in Baltimore, MD, Southway Builders has worked on over four thousand, seven hundred (4,700) units in the Mid-Atlantic region. The architect for the project is True Craft Architecture (“True Craft”), a multifaceted architectural firm licensed in dozens of states and headquartered in Baton Rouge, LA. True Craft has extensive knowledge of Low-Income Housing Tax Credit (LIHTC), Housing Choice Voucher (Section 8), U.S. Department of Housing and Urban Development (HUD), Uniform Federal Accessibility Standards (UFAS), The Americans with Disabilities Act (ADA), Real Estate Assessment Center (REAC), and Qualified Allocation Plan (QAP) requirements. The firm has worked on twenty (20) projects with Vitus in the past and currently has eighteen (18) projects under contract. The management agent for Bowie Commons is ARCO Management Corporation (“ARCO”). They were established in 1974 and currently manage one hundred fifty-two (152) projects with eighteen thousand, four hundred two (18,402) units in multiple states.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

Bowie Commons
3909 New Haven Court
Bowie, Maryland 20716

COUNCILMANIC DISTRICT 4

SOURCES	Amount	Percentage
Tax-exempt Bond Financing	\$ 4,100,000	37.87%
Prince George's County HOME	\$ 1,000,000	9.24%
General Partner Note	\$ 2,000,000	18.47%
Deferred Developer Fee	\$ 625,448	5.78%
LIHTC - Investor Equity	\$ 3,100,892	28.64%
TOTAL	\$ 10,826,340	100.00%

USES	Amount	Percentage
Construction Costs	\$ 2,603,383	24.05%
Fees Related to Construction	\$ 315,400	2.91%
Financing Fees and Charges	\$ 600,232	5.54%
Acquisition Cost	\$ 5,300,000	48.95%
Developer's Fee	\$ 1,022,807	9.45%
Syndication Costs	\$ 513,186	4.74%
Guarantees and Reserves	\$ 471,333	4.35%
TOTAL	\$ 10,826,340	100.00%