



Rushern L. Baker, III
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

September 23, 2016

The Honorable Derrick Leon Davis
Chairman
Prince George's County Council
County Administration Building
Upper Marlboro, Maryland 20772

Dear Chairman Davis:

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, Maryland and Belnor Residences, LLC for The Belnor project (the "Project").

Belnor Residences, LLC (the "Owner"), a newly formed ownership entity, was created by Mission First Housing Development Corporation for the purpose of acquiring approximately five (5) acres of vacant land from St. Paul Senior Living at Suitland, LP, and developing a one hundred twenty-two (122) unit senior rental community located at 3800 St. Barnabas Road in Suitland, Maryland. The Project will serve seniors with incomes at or below 60% of the Area Median Income (AMI). The unit mix will consist of ninety-six (96) units with one bedroom and twenty-six (26) units with two bedroom units.

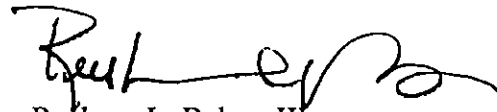
The Project's total development cost, including the acquisition of land and construction, is approximately \$27,012,493. Financing will consist of the following: a mortgage insured by the Federal Housing Administration totaling \$13,735,000; approximately \$8,044,025 from the sale of four percent (4%) Low Income Housing Tax Credits allocated by the Maryland Department of Housing and Community Development, Community Development Administration; a Maryland Rental Housing Works loan totaling \$2,500,000; a grant from the Federal Home Loan Bank totaling \$1,160,000; a County HOME loan totaling \$750,000; and \$823,468 in the Developer's Equity.

The PILOT Agreement will require the owner to make an annual payment to the County in the first full tax year in the amount of \$9,210, approximately seventy five dollars (\$75) per unit, and for each tax year thereafter an additional 8.6253 % of the Owner's surplus cash flow. The PILOT Agreement will remain in effect for as long as the building has an affordability regulatory agreement in place, which is anticipated to be at least forty (40) years. Without the PILOT Agreement, the estimated County property tax would be approximately \$72,788, approximately \$597 per unit. Pursuant to the PILOT Agreement, the County will provide operational support of approximately \$522 per unit, per year.

The Honorable Derrick Leon Davis
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The Council's favorable consideration of this legislation is greatly appreciated. If you have any questions or concerns, please contact my office or Eric C. Brown, Director, Department of Housing and Community Development at (301) 883-5531.

Sincerely,

A handwritten signature in black ink, appearing to read "Rushern L. Baker, III". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Rushern L. Baker, III
County Executive

Enclosures