

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2025 Legislative Session

Resolution No. CR-030-2025

Proposed by The Chair (by request - County Executive)

Introduced by Council Members Watson, Olson, Harrison, Ivey, Hawkins and Dernoga

Co-Sponsors _____

Date of Introduction March 18, 2025

RESOLUTION

1 A RESOLUTION concerning
2 Payments in Lieu of Taxes (“PILOT”) Agreement for the New Carrollton – Affordable – Phase 2
3 Project

4 For the purpose of approving the terms and conditions of a Payments in Lieu of Taxes
5 (“PILOT”) Agreement between Prince George’s County, Maryland (the “County”) and New
6 Carrollton Affordable Multifamily II, LLC (the “Owner”).

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

9 WHEREAS, the Owner proposes to acquire and construct one hundred two (102) units of
10 new affordable multi-family rental housing for low-income to moderate-income families, earning
11 seventy percent (70%) or below of the Area Median Income (“AMI”), known as New Carrollton
12 – Affordable – Phase 2, located at 4051 Garden City Drive, Hyattsville, Maryland 20785, as
13 more particularly described in Exhibit A, attached hereto and herein incorporated by reference
14 (“Property”); and

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

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

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

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

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

24 WHEREAS, the County Executive has recommended support of the acquisition and
 25 construction of the New Carrollton – Affordable – Phase 2 Project.

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

31 BE IT FURTHER RESOLVED that the County Executive or the County Executive's

1 designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf
2 of the County in substantially the same form attached hereto.

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

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

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

Adopted this ____ day of _____, 2025.

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

**New Carrollton - Affordable – Phase 2
4051 Garden City Drive
Hyattsville, Maryland 20785**

COUNCILMANIC DISTRICT 5

PROJECT DESCRIPTION: A one hundred two (102) unit affordable rental apartment community for families that will be constructed in New Carrollton, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.

OWNER: New Carrollton Affordable Multifamily II, LLC

DEVELOPER: Urban Atlantic Development LLC

CONTACT: Alan Lederman
Managing Director of Development
Urban Atlantic Development LLC
240-630-3299
alederman@urban-atlantic.com

NEIGHBORHOOD/LOCALITY: New Carrollton, Prince George’s County, District 5

UNIT MIX: A mix of one (1), two (2) bedroom units, and three (3) bedroom units.

AFFORDABILITY: All units will be priced at levels affordable to households earning seventy percent (70%) or less of the Area Median Income (AMI) for forty (40) years

ATTACHMENT A-2

PROJECT INFORMATION SHEET

**New Carrollton - Affordable – Phase 2
4051 Garden City Drive
Hyattsville, Maryland 20785**

COUNCILMANIC DISTRICT 5

PROJECT DESCRIPTION:

The New Carrollton – Affordable – Phase 2 project (the “Project”) is a proposed one hundred two (102) unit transit-oriented affordable housing development for families, to be located at 4051 Garden City Drive, Hyattsville, Maryland 20785, and developed by Urban Atlantic Development LLC. The target population will be families with household incomes at or below seventy percent (70%) of the Area Median Income (“AMI”).

The Project will consist of seventy two (72) one (1) bedroom units, fifteen (15) two (2) bedroom units, and fifteen (15) three (3) bedroom units within one (1) elevator building of four (4) or less stories. The Project will have a shared access easement for the amenities in the Senior Phase (New Carrollton - Affordable – Phase 1), which includes more than three thousand, five hundred (3,500) square feet to planned amenities, which include entertainment rooms, fitness centers, business centers, a library, a pet spa and a swimming pool.

The Project is in an Opportunity Zone, Qualified Census Tract, and Transit Oriented Development Zone. Additionally, it sits within 0.5 mile of the New Carrollton Metro station, which is the terminus of the Orange Line, the future Purple Line, home to an AMTRAK and MARC station, as well as having a bus station serving multiple Metro bus lines and Greyhound.

The proposed development is part of a forty (40) Acre Joint Development Agreement between Urban Atlantic Development LLC and Washington Metro Transit Authority (WMATA). To date, the Project has seen more than three hundred fifty million dollars (\$350,000,000) in new construction development.

Historically, affordable housing has been an afterthought in metropolitan, transit-oriented developments. By including high-quality affordable housing early in the master development of New Carrollton Metro Center, this project guarantees housing reserved at seventy percent (70%) of the AMI to be included in the center of a much larger development. Without this project,

residents at this proposed income level will be priced out of this area, as land value and market rate rent are expected to increase with additional new construction development in the coming years.

Urban Atlantic Development LLC., the applicant/owner of the proposed New Carrollton – Affordable – Phase 2 project, is an experienced developer that has raised and deployed over one billion, three hundred million dollars (\$1,300,000,000) in debt and equity to develop over five hundred thirty (530) acres of land development and infrastructure, while creating over eight thousand, eight hundred (8,800) residential units and four hundred thousand (400,000) square feet of commercial space. Whiting Turner Contracting Company will provide General Contracting services and Washington, D.C. based BKV Group DC, PPLC, will serve as architect.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

**New Carrollton - Affordable – Phase 2
4051 Garden City Drive
Hyattsville, Maryland 20785**

COUNCILMANIC DISTRICT 5

SOURCES	Amount	Percentage
Tax-exempt Bonds	\$ 13,190,000	37.71%
CDA - Rental Housing Works	\$ 3,500,000	10.01%
Prince George's County HITF	\$ 2,500,000	7.15%
LIHTC Proceeds	\$ 13,357,167	38.19%
Deferred Developer Fee	\$ 1,702,964	4.87%
Interim Income	\$ 725,300	2.07%
TOTAL	\$ 34,975,431	100.00%

USES	Amount	Percentage
Construction costs	\$ 21,461,182	61.36%
Fees related to construction or rehab	\$ 3,694,565	10.56%
Total financing fees and charges	\$ 4,342,328	12.42%
Acquisition costs / Ground Lease Costs	\$ 229,110	0.66%
Developer's fee	\$ 3,344,093	9.56%
Syndication related costs - legal	\$ 980,596	2.80%
Guarantees and reserves	\$ 923,557	2.64%
TOTAL	\$ 34,975,431	100.00%