

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

Meeting Date: 7/13/99

Reference No.: CR-31-1999

Proposer: County Executive

Draft No.: 2

Sponsors: Shapiro

Item Title: A Resolution for Approval of a Payment in Lieu of Taxes
Agreement and Revenue Bonds for University Landing
at Langley Apartments Project

Drafter: JoAnn C. Gould
Housing

Resource Jalal Greene
Personnel: Housing

LEGISLATIVE HISTORY:

Date Presented: __/__/__

Executive Action: __/__/__

Committee Referral: 06/22/99 THE

Effective Date: __/__/__

Committee Action: 7/8/99 FAV (A)

Date Introduced: 06/22/99

Public Hearing: __/__/__ :__ __

Council Action: 7/13/99 ADOPTED

Council Votes: JE:-, DB:A, IG:A, TH:A, WM:A, RVR:A, AS:A, PS:A, MW:A

Pass/Fail: P

Remarks: _____

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 7/8/99

Committee Vote: Favorable as amended, 4-0, (In favor: Council Members Gourdine, Maloney, Scott and Wilson)

CR-31-1999 approves tax exempt financing by the Housing Authority of Prince George's County and a Payment In Lieu Of Taxes (PILOT) Agreement, each for the acquisition and rehabilitation of University Landing at Langley Apartments. State law provides for a negotiated PILOT Agreement between the County and a developer under certain circumstances.

The University Landing at Langley Apartments would be comprised of 117 units for moderate income persons presently part of three facilities: Chatham House, located at 1001-1009 Merrimac Drive; Manchester Gardens, located at 8104-8112 Tahona Drive; and Somerset House, located at 1020-1028 University Boulevard, each in Langley Park, Maryland.

All of the units will be occupied by persons whose income does not exceed 60 percent of the median for the Washington metropolitan area. The total development cost is \$10,848,821. The sources of funds that will be used are \$6,539,800 in Housing Authority tax exempt bonds, \$925,000 in County HOME funds, \$200,000 in Community Development Administration lead abatement grant funds, \$2,926,426 in equity from the syndication of four percent tax credits and \$257,595 in deferred developer's fees.

The PILOT Agreement permits deferral of up to one hundred percent of normal annual County real property taxes for twenty-five years, but only to the extent that project cash flow after payment of operating expenses and prior debt obligations is insufficient to pay the normal real property tax. Starting in the twenty-sixth year, the owner will be required to pay all normal real property taxes as they become due, regardless of the availability of sufficient cash flow. Deferred amount, with interest, are required to be repaid to the full extent of available cash flow (after payment of operating expenses and prior debt obligations) whenever, during or following the twenty-five year deferral period, such cash is available. The estimated annual County real property taxes without the PILOT would be \$54,900 per year.

Settlement is projected for August 31, 1999. A public hearing is required for the issuance of the bonds, and will be conducted by the County Department of Housing and Community Development.

Staff from the Department of Housing and Community Development noted the following changes/additions, which will necessitate a draft 2. On Page 2 line 5 after the phrase has requested..... delete the words "Housing Authority" and on Page 2, line 6, after the word "bonds", insert a comma, and after the word "and", insert the phrase "that the County". This will clarify that the County is the entity which will enter into the Negotiated Payment In Lieu of Taxes Agreement. On Attachment A, there is a correction as to the number of one-bedroom (27 instead of 26) and two-bedroom units (90 instead of 91). Also, on Attachment A, under RENTAL STRUCTURE, the number of units should be changed from 20 to 22, 6 to 5, 72 to 73 and 19 to 17.

The Legislative Officer finds CR-31-1999 to be in proper legislative form and the Office of Audits and Investigations find that there should not be any negative fiscal impact on the County as a result of adopting CR-31-1999.

BACKGROUND INFORMATION/FISCAL IMPACT

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

The University Landing at Langley Apartments project is composed of 117 units from Chatham House, Manchester Gardens and Somerset House apartments combined into one community. Financing is a combination of Housing Authority tax-exempt and taxable bonds, State lead and DHCD HOME funds, County Real Property Tax deferral and County revitalization tax credit.

CODE INDEX TOPICS: