

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2022 Legislative Session

Resolution No. CR-093-2022
Proposed by The Chair (by request - County Executive)
Introduced by Council Members Hawkins, Taveras, Glaros, Franklin, Turner and Medlock
Co-Sponsors _____
Date of Introduction September 6, 2022

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 four hundred forty-three (443)
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, (the “County Council”) authorize the Owner to make payments in lieu of County real
15 property taxes pursuant to Section 7-506.3 of the Tax-Property Article of the Annotated Code of
16 Maryland, as amended; and

17 WHEREAS, Section 7-506.3 of the Tax-Property Article of the Annotated Code of
18 Maryland, as amended, provides that in Prince George's County, real property may be exempt
19 from county 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) is acquired, constructed, or rehabilitated

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

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

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

22 WHEREAS, this Resolution, along with the terms and conditions of the PILOT Agreement,
23 attached hereto and made a part hereof, will supersede and replace Council Resolution CR-098-
24 2021, approved and adopted by the Prince George's County Council on November 9, 2021; and

25 WHEREAS, the County Executive has recommended support of the acquisition and
26 renovation of the Project.

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

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, provided that such changes or modifications shall be within the scope of the
7 transactions authorized by this Resolution; and the execution of the Agreement by the County
8 Executive or the County Executive’s designee shall be conclusive evidence of the approval of the
9 County Executive of all changes or modifications to the Agreement; and the Agreement shall
10 thereupon become binding upon the County in accordance with the terms and conditions therein.

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

Adopted this 24th day of October, 2022.

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 Avenue
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 four hundred forty three (443) 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: One-bedroom: 164 units
Two-bedrooms: 330 units
Three-bedrooms: 96 units

AFFORDABILITY: 60% or less of the AMI: 443 units
Market rate: 147 units

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

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

COUNCILMANIC DISTRICT 2**PROJECT DESCRIPTION:**

Jair Lynch Real Estate Partners (the “Developer”) proposes to restrict rent levels four hundred forty-three (443) 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 seventy-five percent (75%) of 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 Avenue
Hyattsville, MD 20783**

COUNCILMANIC DISTRICT 2**SOURCES**

Sources	Amount	Percentage
Private Mortgage	\$68,000,000	62.86%
Investor Equity	\$32,087,503	29.66%
County HITF Loan	\$2,000,000	1.85%
10-year value of County PILOT	\$6,106,053	5.63%
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%