

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

Resolution No. CR-047-2022
Proposed by The Chair (by request – County Executive)
Introduced by Council Members Hawkins, Streeter, Turner, Franklin, Glaros, Harrison, Taveras
Co-Sponsors _____
Date of Introduction April 26, 2022

RESOLUTION

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for the Sovren West Hyattsville Metro
3 Apartments 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 WHPC
6 Block 3, LLC (the “Owner”).

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

9 WHEREAS, the Owner proposes to acquire land from the Washington Metro Area Transit
10 Authority (“WMATA”) and construct two hundred ninety three (293) units of new mixed-use
11 rental housing community for mixed-income families, known as Sovren West Hyattsville Metro
12 Apartments, located at Little Branch Run, Hyattsville, Prince George’s County, Maryland, 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 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.

30 BE IT FURTHER RESOLVED that the County Executive or the County Executive's
 31 designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf

1 of the County in substantially the same form attached hereto.

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

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

Adopted this 5th day of July, 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

**Sovren West Hyattsville Metro Apartments
Little Branch Run
Hyattsville, MD 20782**

COUNCILMANIC DISTRICT 2

PROJECT DESCRIPTION: A two hundred ninety three (293) unit mixed income, mixed-use apartment building that will be constructed next to the West Hyattsville Metro station. Ownership plans to restrict rents for approximately half the units to levels affordable to households at or below eighty percent (80%) of the Area Median Income (“AMI”) for a period of ninety nine (99) years.

OWNER: WHPC Block 3, LLC

DEVELOPER: Gilbane Development Company

CONTACT: Robert Gilbane, Jr.
Gilbane Development Company
(703) 312-7275
RVGilbane@GilbaneCo.com

NEIGHBORHOOD/LOCALITY: Hyattsville, Prince George’s County, District 2

UNIT MIX: Efficiency/Studio: 1 unit
One-bedroom: 169 units
Two-bedroom: 119 units
Three-bedrooms: 4 units

AFFORDABILITY: One hundred forty-seven (147) units will be reserved for households at or below 80% of the AMI and will be affordable for ninety-nine (99) years. One hundred forty six (146) units will be priced at the market rate.

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Sovren West Hyattsville Metro Apartments
Little Branch Run
Hyattsville, MD 20782**

COUNCILMANIC DISTRICT 2**PROJECT DESCRIPTION:**

Gilbane Development Company (the “Developer”) plan to construct the Sovren West Hyattsville Metro Apartments (the “Project”), a mixed-income, mixed-use apartment building on a site that will be purchased from the Washington Metro Area Transit Authority (“WMATA”). The site is located next to West Hyattsville Metro station. Rent levels for one hundred forty-seven (147) rental units at this upcoming Project will be restricted to eighty percent (80%) of the Area Median Income (“AMI”) for ninety nine (99) years, and the remaining one hundred forty-six (146) units will be priced at the market rate.

Approximately fifty percent (50%) of units will be rent-restricted. This affordability is a requirement of the subordinate private debt financing. The 5-story, wood-framed project will include a two hundred ninety eight (298) space structured parking garage, approximately two thousand six hundred (2,600) square feet of ground floor retail space, and a public promenade with attractive landscaping, public amenities and art that connects the WMATA pedestrian tunnel to the rest of the development and nearby public trail system. The Project will achieve a minimum sustainability designation of LEED Silver (or equal designation).

A publicly accessible pedestrian promenade will be constructed alongside the Project – a loan from the County’s Housing Investment Trust Fund (“HITF”) will support a portion of these costs. The pedestrian promenade will be integrated with the Project’s layout to provide a safe, well-lit, attractive passage for pedestrians and bicyclists, benefitting not only those that live in the development but also those accessing the Metro from the Northwest Branch trail. To further activate this connection, the Developer plans to locate its retail component on the southern end of the proposed building, which is the entrance to the promenade when walking towards the Metro

station. The promenade will be activated with attractive landscaping, hardscaping, lighting, seating, sculpture artwork, and opportunities for passive recreation. This pedestrian promenade will tie into the existing WMATA sidewalk which extends along the east side of the Project. The Developer is working with Metro to widen and upgrade this existing pedestrian connection so that it is better able to accommodate the level of use and the bicyclists who currently use it and make it ADA compliant. In addition, although currently lit, existing light fixtures will be replaced to further improve both the functionality and aesthetics of the sidewalk

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

**Sovren West Hyattsville Metro Apartments
Little Branch Run
Hyattsville, MD 20782**

COUNCILMANIC DISTRICT 2

Sources	Amount	
Private mortgage - M&T Bank	\$57,970,000	59.87%
Subordinate private lender debt	\$16,060,000	16.59%
Developer Equity	\$22,589,115	23.33%
Housing Investment Trust Fund loan	\$200,000	0.21%
TOTAL	\$96,819,115	100.00%

Uses	Amount	
Construction or Rehabilitation Costs	\$65,549,000	67.70%
Fees Related to Construction or Rehabilitation	\$9,391,314	9.70%
Financing Fees and Charges	\$5,730,438	5.92%
Acquisition Costs	\$10,224,391	10.56%
Developer's Fee	\$3,281,315	3.39%
Guarantees and Reserves	\$2,642,657	2.73%
TOTAL	\$96,819,115	100.00%