



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

April 13, 2022

The Honorable Calvin S. Hawkins, II
Chair
Prince George's County Council
County Administration Building
Upper Marlboro, Maryland 20772

Dear Chair Hawkins:

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 Birchwood at Upper Marlboro, LLC ("Owner") for the Birchwood at Upper Marlboro project ("Project").

The Owner is an entity formed by the development team consisting of MBID of Delaware, LLC (d/b/a/ Ingerman) and Housing Initiative Partnership, Inc. for the purpose of acquiring and constructing ninety (90) affordable rental housing units for seniors, located at 15402 Marlboro Pike, Upper Marlboro, Maryland 20772. Every unit in the Project will be affordable. The units in Birchwood at Upper Marlboro will be reserved for senior households at various income levels up to eighty percent (80%) of the Area Median Income ("AMI"). Across the Project, there will be a unit mix of sixty-two (62) one-bedroom units and twenty-eight (28) two-bedroom units.

The Project's total development cost, including the acquisition, infrastructure development and construction, is approximately twenty-four million, six hundred sixty-three thousand, eight hundred nineteen dollars (\$24,663,819). Financing will consist of a mortgage loan made by CitiBank, NA ("First Loan") totaling approximately eleven million, four hundred ninety-nine thousand, nine hundred ninety-seven dollars (\$11,499,997); approximately two million, five hundred thousand dollars (\$2,500,000) from a loan by the Maryland Community Development Administration ("CDA"), a unit of the Division of Development Finance of the Department of Housing and Community Development of the State of Maryland, under its Rental Housing Works program ("RHW Loan"); approximately seven million, four hundred ninety-one thousand, two hundred eighty-nine dollars (\$7,491,289) from investor equity in connection with Low-Income Housing Tax Credits ("LIHTC") awarded by CDA; deferred payment of the developer's fee of approximately nine hundred forty-two thousand, five hundred thirty-three dollars (\$942,533); approximately two hundred thirty thousand dollars in a return of Freddie Mac fee (\$230,000); and a Prince George's County HOME Investment Partnerships ("HOME") Program loan of approximately two million dollars (\$2,000,000).

The PILOT will require a mandatory annual payment in an amount of no less than twenty-two thousand, five hundred dollars or two hundred fifty dollars per unit (\$22,500 or

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\$250 per unit) for the first full tax year. Thereafter, the required payment will increase by two percent (2%) for each subsequent tax year. The PILOT agreement will remain in effect for forty (40) years which includes the extended affordability period. Without the PILOT agreement, the estimated County property tax would be approximately seventy-two thousand, six hundred sixty-eight dollars or approximately eight hundred seven dollars per unit (\$72,668, or approximately \$807 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately fifty thousand, one hundred sixty-eight dollars (\$50,168) to this affordable housing development.

The Council's favorable consideration of this legislation is greatly appreciated. If you have any questions or concerns, please contact my office or Aspasia Xypolia, Director, Department of Housing and Community Development at (301) 883-6511.

Sincerely,



Angela D. Alsobrooks
County Executive

Enclosures