

PRINCE GEORGE'S COUNTY COUNCIL
COMMITTEE REPORT
2016 Legislative Session

Reference No.: CR-086-2016
Draft No.: 2
Committee: PSFM
Date: 11/03/2016
Action: FAV as Amended

REPORT: 1

Committee Vote: Favorable as amended, 5-0 (In Favor: Council Members Franklin, Patterson, Lehman, Harrison and Turner)

CR-086-2016 is a Resolution approving the terms and conditions of a Payments in Lieu of Taxes (“PILOT”) Agreement between Prince George’s County and Tanglewood Venture, LP for Tanglewood Apartments.

Tanglewood Venture was created for the purpose of acquiring and rehabilitating an existing seven story, 180 apartment units located in Riverdale, MD. The Project will serve families with incomes at or below 60% of the Area Median Income. The Project will consist of 6 efficiencies, 129 one-bedroom units, and 45 two-bedroom units.

The Project’s total development cost is approximately \$33,848,450. Financing will consist of \$21,685,278 in Housing Authority Revenue Bonds, approximately \$10,607,127 from the sale of 4% Low Income Housing Tax Credits allocated by the Maryland Department of Housing and Community Development, \$1,553,411 in interim income

e from rents and \$2,634 in the Developer’s Equity.

The PILOT Agreement will require the Owner to make an upfront payment of \$46,203 to the County for FY 2017 and FY 2018 County taxes and the Owner will pay Annual payments in advance which equal \$200,000 per year each year for the PILOT payment. This payment shall increase by 3% annually. The PILOT Agreement will last for 20 years.

CR-086-2016 Attachment B, page 3, Second paragraph, was amended to clarify that the PILOT payments would include County taxes and all Agency Fees.

Eric Brown, Director of Housing and Community Development, provided the Committee an overview of the Resolution and the Project. He further explained the proposed amendment to Attachment B.

The Office of Law reports CR-086-2016 to be in proper legislative form with no legal impediments to its adoption.

After discussion the Public Safety and Fiscal Management Committee reported CR-086-2016 out favorably 5-0 as amended.