



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

Office of the County Executive

July 28, 2022

The Honorable Calvin S. Hawkins, II
Chair
Prince George's County Council
Wayne K. Curry Administration Building
Largo, Maryland 20774

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 Addison Park, L.P. ("Owner") for the Addison Park project ("Project").

The Owner is an entity formed by the development team of Atlantic Pacific Communities and Cober Johnson Romney for the purpose of acquiring land and constructing two hundred forty-six (246) units of new affordable rental housing for seniors, ages sixty two (62) years and older, located at 216 Yolanda Avenue, Capitol Heights, MD, 20743. All units will be reserved for senior households whose incomes are at or below sixty percent (60%) of the Area Median Income ("AMI"). The unit mix will consist of one-bedroom and two-bedroom units.

The Project's total development cost, including the acquisition and construction, is approximately eighty seven million, one hundred sixty eight thousand, four hundred twenty five dollars (\$87,168,425). Financing will consist of Tax-Exempt Bonds totaling approximately thirty six million dollars (\$36,000,000); loans by the 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") totaling three million, five hundred thousand dollars (\$3,500,000) and approximately ten million dollars (\$10,000,000) from the Multifamily Capital Fund; approximately thirty million, seventy seven thousand, five hundred thirty five dollars (\$30,077,535) from the investor member in connection with Low-Income Housing Tax Credits ("LIHTC") awarded by CDA; a deferred payment of approximately five million, three hundred forty thousand, eight hundred ninety dollars (\$5,340,890) from the developer's equity; and a Prince George's County Housing Investment Trust Fund ("HITF") Program loan of approximately two million, two hundred fifty thousand dollars (\$2,250,000).

The PILOT will require a mandatory annual payment in an amount of no less than approximately sixty-four thousand, four hundred thirty dollars or two hundred sixty-two dollars per unit (\$64,430 or \$262 per unit) for the year. Thereafter, the required payment for these

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affordable units 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 two hundred sixty-one thousand, two hundred thirty dollars or approximately one thousand sixty-two dollars per unit (\$261,230, or approximately \$1,062 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately one hundred ninety-six thousand, eight hundred dollars (\$196,800) to this affordable senior 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