



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

March 7, 2024

The Honorable Jolene Ivey
Chair
Prince George's County Council
Wayne K. Curry Administration Building
1301 McCormick Drive
Largo, Maryland 20774

Dear Chair Ivey:

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 (the "County") and KCG SSP Capitol Heights, LP ("Owner") concerning The Cassidy project (the "Project").

The Owner, KCG SSP Capitol Heights, LP, is an entity formed for the purpose of acquiring and constructing the Project, which will be a one hundred seventy-five (175) unit affordable rental housing community for families earning sixty percent (60%) or below of the Area Median Income ("AMI"), located at Karen Boulevard and Wilberforce Court, Capitol Heights, Maryland, 20743. The unit mix will consist of one-bedroom, two-bedroom, and three-bedroom units.

The Project's total development cost is expected to be sixty eight million, six hundred thirty two thousand, five hundred eighty-one dollars (\$68,632,581). Financing will consist of a tax-exempt bond loan, equity from the sale of Low-Income Housing Tax Credits, and a deferred developer fee. Additionally, The Cassidy project will be financed by the Prince George's County Housing Investment Trust Fund ("HITF") Program loan in the amount of three million, five hundred thousand dollars (\$3,500,000) and the Prince George's County HOME Investment Partnerships ("HOME") Program American Rescue Plan ("ARP") ("HOME-ARP") Program funds in the amount of one million, fifty thousand dollars (\$1,050,000).

The PILOT will require the Owner to make a mandatory annual payment to the County in an amount of no less than approximately one hundred two thousand, nine hundred thirty-one dollars or five hundred eighty-eight dollars per unit (\$102,931 or \$588 per unit) for the first year. Thereafter, the required payment for these affordable units will increase by two percent (2%) for each subsequent tax year. The PILOT agreement will remain in effect for forty (40) years, including the extended affordability period. Without the PILOT agreement, the estimated County property tax would be approximately two hundred forty two thousand, nine hundred thirty-one dollars or approximately one thousand, three hundred eighty-eight dollars per unit (\$242,931 or approximately \$1,388 per unit).

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When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately one hundred forty thousand dollars (\$140,000) to this affordable family housing development.

The Council's favorable consideration of this legislation is requested. If you have any questions, 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