

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2025 Legislative Session

Resolution No. CR-036-2025

Proposed by The Chair (by request - County Executive)

Introduced by Council Members Harrison, Ivey, Olson, Hawkins, Dernoga, Oriadha,
Fisher, Watson and Blegay

Co-Sponsors _____

Date of Introduction March 18, 2025

RESOLUTION

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for the Penn Place I Project
 3 For the purpose of approving the terms and conditions of a Payments in Lieu of Taxes
 4 (“PILOT”) Agreement between Prince George’s County, Maryland (the “County”) and Penn
 5 Place I Owner, LLC (the “Owner”).

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

8 WHEREAS, the Owner proposes to construct one hundred sixty eight (168) units of new
 9 affordable multi-family rental housing for low-income to moderate-income families, earning
 10 sixty percent (60%) or below of the Area Median Income (“AMI”), known as Penn Place I,
 11 located at 5501 Penn Crossing Drive, District Heights, Maryland 20747, as more particularly
 12 described in Exhibit A, attached hereto and herein incorporated by reference (“Property”); and

13 WHEREAS, the Owner has requested that the County Council of Prince George’s County,
 14 Maryland, (the “County Council”) authorize the Owner to make payments in lieu of County real
 15 property taxes pursuant to Section 7-506.3 of the Tax-Property Article of the Annotated Code of
 16 Maryland, as amended; and

17 WHEREAS, Section 7-506.3 of the Tax-Property Article of the Annotated Code of
 18 Maryland, as amended, provides that in Prince George's County, real property may be exempt
 19 from county property tax if: (a)(2)(i) the real property is owned by a person engaged in
 20 constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a
 21 housing structure or project that is constructed or substantially rehabilitated under a federal,

1 State, or local government program that (a)(2)(ii)(1) is acquired, constructed, or rehabilitated
 2 under a federal, State, or local government program that (a)(2)(ii)(1)(A) funds construction or
 3 rehabilitation or insures the financing of construction or rehabilitation in whole or in part,
 4 including a housing investment trust, or (a)(2)(ii)(1)(B) provides interest subsidy, rent subsidy,
 5 or rent supplements; or (a)(2)(ii)(2) is acquired under the Right of First Refusal program under
 6 Subtitle 13, Division 14 of the Prince George's County Code; (a)(2)(iii) the owner and the
 7 governing body of Prince George's County agree that the owner shall pay a negotiated amount in
 8 lieu of the applicable county property tax; and (a)(2)(iv) the owner of the real property:
 9 (a)(2)(iv)(1)(A) agrees to continue to maintain the real property as rental housing for lower
 10 income persons under the requirements of the government programs described in paragraph
 11 (a)(2)(ii) of this subsection; and (a)(2)(iv)(1)(B) agrees to renew any annual contributions
 12 contract or other agreement for rental subsidy or supplement; or (a)(2)(iv)(2) enters into an
 13 agreement with the governing body of Prince George's County to allow the entire property or the
 14 portion of the property that was maintained for lower income persons to remain as housing for
 15 lower income persons for a term of at least 5 years; and

16 WHEREAS, the Owner has demonstrated to the County that an agreement for payments in
 17 lieu of County real property taxes is necessary to make the Project economically feasible, as
 18 described in Attachments "A-1," "A-2," and "A-3," attached hereto and made a part hereof; and

19 WHEREAS, in order to induce the Owner to provide housing for families with restricted
 20 incomes, it is in the interest of the County to accept payments in lieu of County real property
 21 taxes, subject to the terms and conditions of the PILOT Agreement (the "Agreement") set forth
 22 in Attachment B, attached hereto and made a part hereof; and

23 WHEREAS, the County Executive has recommended support of the acquisition and
 24 construction of the Penn Place I Project.

25 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
 26 County, Maryland, that in accordance with Section 7-506.3 of the Tax-Property Article of the
 27 Annotated Code of Maryland, as amended, the County shall accept payments in lieu of County
 28 real property taxes for the Project, subject to the Agreement attached to this Resolution.

29 BE IT FURTHER RESOLVED that the County Executive or the County Executive's
 30 designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf
 31 of the County in substantially the same form attached hereto.

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

8 BE IT FURTHER RESOLVED that the County Executive, subsequent to the execution of
9 the Agreement, may amend the Agreement as deemed appropriate in order to accomplish the
10 purpose of the transaction authorized by this Resolution.

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

Adopted this 29th day of April, 2025.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____



Edward P. Burroughs III
Chair

ATTEST:



Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**Penn Place I
5501 Penn Crossing Drive
District Heights, Maryland 20747**

COUNCILMANIC DISTRICT 7

PROJECT DESCRIPTION:	A one hundred sixty eight (168) unit rental apartment community for families will be constructed in four elevator buildings on a 7.54-acre site in District Heights, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.
OWNER:	Penn Place I Owner, LLC
DEVELOPERS:	Northern Real Estate Urban Ventures, LLC and Velocity Capital, LLC
CONTACT:	Brandon Bellamy Velocity Capital, LLC Principal 410-630-6935 bbellamy@velocity-llc.com
NEIGHBORHOOD/LOCALITY:	District Heights, Prince George’s County, District 7
UNIT MIX:	A mix of one (1) bedroom, two (2) bedroom and three (3) bedroom units
AFFORDABILITY:	All units will be priced at levels affordable to households earning sixty percent (60%) or less of the Area Median Income (AMI) for forty (40) years. A minimum of up to forty three (43) units will be at fifty percent (50%) AMI and one hundred twenty five (125) units will be at sixty percent (60%) AMI.

ATTACHMENT A-2

PROJECT INFORMATION SHEET

**Penn Place I
5501 Penn Crossing Drive
District Heights, Maryland 20747**

COUNCILMANIC DISTRICT 7

PROJECT DESCRIPTION:

The Project is a proposed one hundred sixty eight (168) unit transit-oriented family affordable housing development to be newly constructed on a 7.54-acre parcel, located at 5501 Penn Crossing Drive in District Heights. The target population will be families earning no more than sixty percent (60%) of the Area Median Income (“AMI”). Of the one hundred sixty eight (168) units, nine (9) will be set aside to meet Uniform Federal Accessibility Standards (UFAS) requirements, and four (4) will be built to accommodate sensory-impaired residents.

The Project is comprised of two (2) vacant parcels, located at the intersection of Pennsylvania Avenue, Silver Hill Road, and Marlboro Pike. The site is located approximately 2.2 miles south of the Capitol Heights Metro Station and 1.4 miles east of the Suitland Metro Station offering residents unparalleled access and mobility within the region.

The Project will consist of fifty six (56) one (1) bedroom units, seventy nine (79) two (2) bedroom units, and thirty three (33) three (3) bedroom units in four elevator-served buildings. Residents will have shared access to fitness and business centers located within Penn Place I and II, as well as a centrally located ten thousand square feet (10,000 sq. ft.) area with outdoor play equipment, several green areas with outdoor benches, and forest conservation areas.

The project is being led by Penn Place I Owner, LLC, a joint venture with Northern Real Estate Urban Ventures, LLC and Velocity Capital, LLC. The two (2) firms have over fifty (50) years of real estate development experience, with more than twenty five (25) of those years dedicated specifically to tax credit and affordable housing projects. The general contractor is CCG Residential, Inc. They have extensive experience with building multi-family, affordable housing, senior living, and mixed-use projects in the Mid-Atlantic region. The architect, Torti Gallas + Partners, has designed many communities under the Low-Income Housing Tax Credits (LIHTC) Program, HOPE VI Program, and Rental Assistance Demonstration Program. The

Management Agent, S.L. Nusbaum Realty Co., supervises over one thousand (1,000) team members who are responsible for over two hundred twenty five (225) apartment communities composed of over thirty thousand (30,000) units.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

Penn Place I
5501 Penn Crossing Drive
District Heights, Maryland 20747

COUNCILMANIC DISTRICT 7

SOURCES	Amount	Percentage
Tax-exempt Bond Financing	\$ 31,727,536	40.61%
Maryland Rental Housing Works	\$ 3,500,000	4.48%
PGC HITF	\$ 2,500,000	3.20%
Seller Note	\$ 2,400,000	3.07%
Deferred Developer Fee	\$ 2,766,314	3.54%
Reinvestment Income	\$ 3,824,129	4.89%
LIHTC - Investor Equity	\$ 31,407,651	40.20%
TOTAL	\$ 78,125,630	100.00%

USES	Amount	Percentage
Construction Costs	\$ 45,074,189	57.69%
Fees Related to Construction	\$ 6,317,343	8.09%
Financing Fees and Charges	\$ 13,412,245	17.17%
Acquisition Cost	\$ 3,864,306	4.95%
Developer's Fee	\$ 7,235,840	9.26%
Syndication Costs	\$ 825,037	1.06%
Guarantees and Reserves	\$ 1,396,670	1.79%
TOTAL	\$ 78,125,630	100.00%