

**PRINCE GEORGE'S COUNTY COUNCIL**  
**COMMITTEE REPORT**  
**2022 Legislative Session**

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<b>Reference No.:</b>	CR-044-2022
<b>Draft No.:</b>	1
<b>Committee:</b>	Government Operations and Fiscal Policy
<b>Date:</b>	05/12/2022
<b>Action:</b>	FAV

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**REPORT:** Favorable 4-0: Council Members Burroughs, Franklin, Ivey, and Turner. Absent Streeter.

The Prince Georges County Council, Government Operations, and Fiscal Policy Committee convened on May 12, 2022, to consider CR-044-2022. CR-044-2022 is a Resolution approving the terms and conditions of a Payments in Lieu of Taxes (“PILOT”) Agreement between Prince George’s County, Maryland, and Largo Owner, LLC (“Owner”) for the Haven Largo project (“Project”).

The Owner is an entity formed by the development team of AHC, Inc. and Insight Property Group, LLC for the purpose of acquiring two hundred forty-five (245) units of affordable multi-family rental housing for families, located at 9701 Summit Circle, Largo, MD 20774, under the Right of First Refusal (“ROFR”) program. Of the two hundred forty-five (245) units, ninety-eight (98) units will be affordable and reserved for family households whose incomes are at or below eighty percent (80%) of the Area Median Income (“AMI”). Additionally, one hundred forty-seven (147) units will be at market rate. The unit mix will consist of fifty-five (55) one-bedroom units, one hundred fifty-eight (158) two-bedroom units, and thirty-two (32) three-bedroom units. The Project’s total development cost, including the acquisition, infrastructure development, and rehabilitation, is approximately seventy-six million, twenty-five thousand, eight hundred eighty-seven dollars (\$76,025,887).

Financing will consist of a private mortgage loan made by Capital One Bank, NA (“First Loan”) totaling approximately fifty-four million, seven hundred thirty thousand dollars (\$54,730,000); approximately nineteen million, one hundred sixty-six thousand, two hundred ninety-eight dollars (\$19,166,298) from an equity investor; and approximately two million, one hundred twenty-nine thousand, five hundred eighty-nine dollars (\$2,129,589) from the developer equity.

The PILOT and the Owner are to make annual payments to the County for each tax year of sixty percent (60%) of the amount annually payable for Prince George’s County real property taxes based on the Maryland State Department of Assessments and Taxation’s annual assessment. The PILOT

agreement will remain in effect for the seventeen (17) year affordability period. Without the PILOT agreement, the estimated County property tax would be approximately three hundred eighty-two thousand, twenty-two dollars or approximately one thousand five hundred fifty-nine dollars per unit (\$382,022, or approximately \$1,559 per unit). Therefore, when considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately one hundred fifty-two thousand eight hundred and nine dollars (\$152,809) to this affordable housing development.

Pam Wilson, Housing Development Program Manager, Department of Housing and Community Development, provided an overview of CR-044-2022. Mary Claire Davis, Director, AHC, Inc., presented a brief slide presentation about the project.

During the discussion about CR-044-2022, questions were raised about the utilization of Local business entities to provide services. This issue is to be addressed by the Department of Housing and Community Development and may result in an amendment to this resolution.

The Office of Law reports CR-044-2022 to be in proper legislative form with no legal impediments to its adoption.

The Policy Group reports that the adoption of CR-044-2022 will have an adverse on the County in the form of foregone tax revenue; however, this resolution could have a positive impact to the extent that new residents may generate additional economic activity.

After discussion, the Government Operations and Fiscal Policy Committee voted CR-044-2022 out, 4-0.