



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

September 16, 2020

The Honorable Todd M. Turner
Council Chair
Prince George's County Council
County Administration Building
14741 Governor Oden Bowie Drive
Upper Marlboro, Maryland 20772

Dear Council Chair Turner:

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 Woodyard Station 9, LLC (Owner) for the Woodyard Station Apartments project (Project).

The Owner is an entity formed by the development team of Pax-Edwards, LLC and Osprey Property Company II, LLC, for the purpose of acquiring and constructing a forty-six (46) unit general occupancy, affordable apartment community for low-to-moderate income families, located at 8999 Woodyard Road, Clinton, MD 20735. Every unit in the Project will be affordable. Of the forty-six (46) apartment units, fifteen (15) units will be reserved for low-to-moderate-income families earning thirty percent (30%) of the Area Median Income (AMI). Thirty-one (31) units will be reserved for households whose income is at fifty percent (50%) of the AMI. Additionally, the unit mix will consist of five (5) one-bedroom units, and twenty-three (23) two-bedroom units, and eighteen (18) three-bedrooms units.

The Project's total development cost, including the acquisition, infrastructure development and construction, is approximately eighteen million, six hundred fifty-two thousand, seven hundred fifty-five dollars (\$18,652,755). Financing will consist of proceeds from a private Suntrust Mortgage loan totaling approximately three million, five hundred seventy-five thousand dollars (\$3,575,000); approximately fourteen million, three hundred ninety-eight thousand, five hundred sixty dollars (\$14,398,560) from the investment of investor member equity provided in connection with nine percent (9%) Low-Income Housing Tax Credits awarded by the Community Development Administration, a unit of the Division of Development Finance of the Department of Housing and Community Development of the State of Maryland; a deferred payment of approximately four hundred ninety-five thousand, one hundred ninety-six dollars (\$495,196) from the developer's equity; and an Operating Subsidy Reserve totaling approximately one hundred eight-four thousand dollars (\$184,000).

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September 16, 2020
Page 2

The PILOT will require a mandatory annual payment of an amount no less than thirteen thousand, eight hundred dollars or three hundred dollars per unit (\$13,800 or \$300 per unit) for the first full tax year. Thereafter, the required payment 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 thirty-five thousand, five hundred eighty-five dollars or approximately seven hundred seventy-four dollars per unit (\$35,585 or approximately \$774 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately twenty-one thousand, seven hundred eighty-five dollars (\$21,785) to this affordable housing development.

The Council's favorable consideration of this legislation is greatly appreciated. If you have any questions, please contact my office or Estella Alexander, Director, Department of Housing and Community Development at, (301) 883-5531.

Sincerely,



Angela D. Alsobrooks
County Executive

Enclosures