

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2024 Legislative Session

Resolution No. CR-077-2024

Proposed by The Chair (by request - County Executive)

Introduced by Council Members Ivey, Blegay, Watson and Dernoga

Co-Sponsors Council Member Hawkins

Date of Introduction September 10, 2024

RESOLUTION

A RESOLUTION concerning

Payments in Lieu of Taxes (“PILOT”) Agreement for The Highlands Senior Apartments
For the purpose of approving the terms and conditions of a Payments in Lieu of Taxes
 (“PILOT”) Agreement between Prince George’s County, Maryland (the “County”) and Highland
Senior Living, LLLP (the “Owner”).

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

WHEREAS, the Owner proposes to construct one hundred thirty seven (137) units of new
affordable multi-family rental housing for low-income to moderate-income seniors, known as
The Highlands Senior Apartments, on a 8.25 acre parcel located at 6801 Sheriff Road, Landover,
Maryland 20785, as more particularly described in Exhibit A, attached hereto and herein
incorporated by reference (“Property”); and

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

WHEREAS, Section 7-506.3 of the Tax-Property Article of the Annotated Code of
Maryland, as amended, provides that in Prince George's County, real property may be exempt
from county property tax if: (a)(2)(i) the real property is owned by a person engaged in
constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a
housing structure or project that is; (a)(2)(ii)(1) is acquired, constructed, or rehabilitated under a
federal, State, or local government program that (a)(2)(ii)(1)(A) funds construction or

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

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

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

WHEREAS, the County Executive has recommended support of the construction of The Highlands Senior Apartments Project.

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

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

BE IT FURTHER RESOLVED that the County Executive, prior to the execution and delivery of the Agreement, may make such changes or modifications to the Agreement as

deemed appropriate in order to accomplish the purpose of the transaction authorized by this Resolution; and the execution of the Agreement by the County Executive or the County Executive’s designee shall be conclusive evidence of the approval of the County Executive of all changes or modifications to the Agreement; and the Agreement shall thereupon become binding upon the County in accordance with the terms and conditions therein.

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

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

Adopted this 15th day of October, 2024.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Jolene Ivey
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**The Highlands Senior Apartments
6801 Sheriff Road
Landover, Maryland 20785**

COUNCILMANIC DISTRICT 5

PROJECT DESCRIPTION: A one hundred thirty seven (137) unit senior rental apartment community will be constructed in a one elevator building with four stories on an 8.25-acre site in Landover, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.

OWNER: Highland Senior Living, LLLP

DEVELOPER: Community Housing Initiative, Inc.

CONTACT: Joe Byrne
Vice President
709-407-1626
jbyrne@chidc.org

NEIGHBORHOOD/LOCALITY: Landover, District 5

UNIT MIX: A mix of one (1) and two (2) 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

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**The Highlands Senior Apartments
6801 Sheriff Road
Landover, Maryland 20785**

COUNCILMANIC DISTRICT 5**PROJECT DESCRIPTION:**

The Highlands Senior Apartments is a one hundred thirty seven (137) unit new-construction, senior affordable housing project located on the existing campus of the First Baptist Church of Highland Park (FBCHP) in Landover. The Campus has a new sanctuary and parking lots that were constructed within the last ten (10) years. The Senior apartments will be built on top of the current parking lot and will be reconfigured to accommodate the new development. It is located along the southeast side of Sheriff Road, just east of the intersection of Sheriff Road and Martin Luther King, Jr. Highway, two (2) miles south of US-50 and two (2) miles west of the Washington Beltway. The pedestrian access is excellent with sidewalks adjacent to the site and several retailers and service providers within one (1) mile. Four (4) bus stops will provide access to three different routes all within a few hundred feet of the campus, including one bus stop on the campus of FBCHP. The Glenarden Senior Center is roughly two (2) miles northeast and offers a range of programs and services for aging residents.

The site is approximately 8.25 acres and is situated in an established area, surrounded by townhomes to the north, a vacant wooded parcel and cemetery to the east, a vacant wooded parcel to the south, the FBCHP and single-family homes to the southwest, and freestanding commercial establishments further west. The building will be four (4) stories in the front and five (5) stories in the rear with elevator service. The Project will be designed to meet all ADA requirements as well as all requirements for green/energy efficiency.

The Project will offer a mix of one (1) bedroom and two (2) bedroom units. All units will be restricted to renters aged sixty two (62) or older earning up to sixty percent (60%) of the Area Median Income (AMI). Five percent (5%) of the units will be ADA accessible, and two percent (2%) will be adaptable for residents with audio, visual, or hearing needs.

The units will have energy-efficient appliances, a washer/dryer, a private storage closet,

and designer fixtures. The community amenities include a multipurpose community room with a billiards lounge, television, and library/business center. A dog washing station, fitness room, and bike storage will be available for the residents. They will also be able to enjoy an open patio/courtyard, and outdoor recreation including bocce ball, a dog run, a gazebo, and a community garden.

The development team is well-versed in affordable housing development. Community Housing Initiative, Inc. (CHI) is experienced in developing Low-Income Housing Tax Credit (LIHTC) projects with one currently under construction in Frederick. The architect for this project is Studio K. They have extensive experience working on LIHTC projects in the State of Maryland. The property management team is Habitat America, an industry leader in the management of affordable housing projects, and an MBE based out of Annapolis. The civil engineer is iCivil, Inc. based out of Prince George's County. The current general contractor for this project is Austrian, who also has a high level of multifamily experience. The sponsor is partnering with the landowner, FBCHP, who will contribute the land to the project at no cost.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE**

**The Highlands Senior Apartments
6801 Sheriff Road
Landover, Maryland 20785**

COUNCILMANIC DISTRICT 5

SOURCES	Amount	Percentage
Tax-exempt Bond Financing	\$ 20,900,000	50.54%
Maryland Rental Housing Works	\$ 3,500,000	8.46%
PGC HITF	\$ 2,500,000	6.05%
Deferred Developer Fee	\$ 1,669,323	4.04%
LIHTC - Investor Equity	\$ 12,780,000	30.91%
TOTAL	\$ 41,349,323	100.00%

USES	Amount	Percentage
Construction Costs	\$ 27,154,971	65.67%
Fees Related to Construction	\$ 2,837,435	6.86%
Financing Fees and Charges	\$ 5,360,531	12.96%
Acquisition Cost	\$ 240,000	0.58%
Developer's Fee	\$ 3,909,989	9.46%
Syndication Costs	\$ 400,340	0.97%
Guarantees and Reserves	\$ 1,446,057	3.50%
TOTAL	\$ 41,349,323	100.00%