

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2025 Legislative Session

Reference No.: CR-030-2025

Draft No.: 1

Committee: COW

Date: April 15, 2025

Action: FAV

REPORT: Committee Vote: Favorable 10-0 (Council Members Burroughs, Blegay, Dernoga, Fisher, Hawkins, Harrison, Ivey, Olson, Oriadha and Watson)

The Prince George's County Council, sitting as the Committee of the Whole, convened on April 15, 2025, to consider CR-030-2025 is a Resolution Concerning a Payment in Lieu of Taxes ("PILOT") Agreement for the **NEW CARROLLTON - AFFORDABLE - PHASE 2 PROJECT** 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 New Carrollton Affordable Multifamily II, LLC (the "Owner").

During the meeting, DHCD Director Aspasia Xypolia described the terms of the PILOT agreement, which include 100% tax waivers of 102 units for the next 40 years, with a 2% annual escalation per unit over that period. The project consists of a one hundred two (102) unit rental apartment community for families that will be constructed in New Carrollton, Maryland. All units will be affordable, and rents will be restricted for the entire term, which would be forty (40) years. The Annual Rate (expressed as a percentage) is 2% per year. This development is for seniors whose incomes are at or below seventy percent (70%) of the Area Median Income ("AMI").

The Project's annual real property assessed value is approximately \$17,681,308, and the County real property tax that will be due on the project is an estimated \$178,813 (\$1,733/unit) in the first year. The PILOT reduces the aggregate tax burden on the entire 102-unit Project by 62.5% of that amount, or approximately \$66,300, equivalent to a \$650 per unit tax burden on the 102 affordable units. Under the agreement, the County would forgo real property tax revenue of approximately \$110,513, or approximately \$1,083 per affordable unit, in year one.

The total impact is estimated at \$6,675,209, forgoing 62.5% of the tax revenue cumulatively over the 40-year period that the PILOT agreement remains in effect.

On a motion of Council Member Olson, seconded by Council Member Harrison, the Prince George's County Council, sitting as the Committee of the Whole, voted 10-0 favorably on CB-030-2025.