

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2024 Legislative Session

Reference No.: CR-073-2024

Draft No.: 1

Committee: Committee of the Whole

Date: October 8, 2024

Action: FAV

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

The Prince George's County Council Sitting as the Committee of the Whole on October 8, 2024, to consider **CR-073-2024** a Payments in Lieu of Taxes ("**PILOT**") **Agreement for the New Carrollton – Affordable – Phase 3 – 9% Project**.

The project, if adopted, would be a fifty (50) unit, affordable, family rental apartment community that will be constructed in New Carrollton, Maryland. All units will be affordable, and rents will be restricted for forty (40) years.

This project guarantees housing reserved at fifty percent (50%) of AMI or Area Median Income to be included in the center of a much larger development.

Claw-back provisions are included if necessary, upon termination, the Owner shall pay the County all payments then due under this Agreement, including but not limited to the Deferred Amount, within sixty (60) calendar days.

The Project's total development cost is expected to be nineteen million, three hundred sixty-eight thousand, five hundred forty dollars (\$19,368,540).

The Project is expected to have a total development cost \$19,368,540. Financing includes private loan financing, subordinate Rental Housing Program funds through the State of Maryland Department of Housing and Community Development (DHCD), equity from the sale of Low-Income Housing Tax Credits ("LIHTC"), and a deferred developer fee.

The PILOT will require a mandatory annual payment of no less than approximately two thousand, five hundred dollars, or fifty dollars per unit (\$2,500 or \$50 per unit) for the first year. Thereafter, the required payment for these affordable units will increase by two percent (2%) for each subsequent tax year. The PILOT agreement will remain in effect for forty (40) years, including the extended affordability period.

DHCD Director Xypollia informed the committee the developer was able to receive a 9% credit which is rarely available. Typically, it would be 4%.

Mathew Sanchez, representing Urban Atlantic, and Brad Frome, a consultant on the project, presented a PowerPoint showing the entire project, including this phase. All four phases of the 40-acre project were reviewed, and the financing and site amenities were described.

The Prince George's County Council, Sitting as the Committee of the Whole, voted favorably on CR-73-2023, 10-0.