



Angela D. Alsobrooks  
County Executive

# PRINCE GEORGE'S COUNTY GOVERNMENT

## OFFICE OF THE COUNTY EXECUTIVE

April 20, 2022

The Honorable Calvin S. Hawkins, II  
Chairman  
Prince George's County Council  
County Administration Building  
Upper Marlboro, Maryland 20772

Dear Chairman Hawkins:

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 Willows at Upper Marlboro, LLC ("Owner") for the Willows at Upper Marlboro project ("Project").

The Owner is an entity formed by the development team of MBID of Delaware, LLC (d/b/a/ Ingerman) and Housing Initiative Partnership, Inc. for the purpose of acquiring and constructing sixty (60) units of new multi-family rental housing for mixed income families, especially those with low-and moderate-income, known as Willows at Upper Marlboro, located at 15402 Marlboro Pike, Upper Marlboro, MD 20772. Of the sixty units, the Project will reserve fifty one (51) units for families at various income levels up to eighty percent (80%) of the AMI. Additionally, nine (9) units will be at market rate. Across the Project, there will be a unit mix of thirteen (13) one-bedroom units, twenty nine (29) two-bedroom units, and eighteen (18) three-bedroom units.

The Project's total development cost, including the acquisition, infrastructure development and construction, is approximately twenty four million, three hundred forty one thousand, three hundred forty three dollars (\$24,341,343). Financing will consist of a mortgage loan made by Citi Mortgage ("First Loan") totaling approximately four million, two hundred seventy eight thousand, eight hundred thirty six dollars (\$4,278,836); approximately one million, six hundred thirty eight thousand dollars (\$1,638,000) from a loan by the Maryland Community Development Administration ("CDA"), a unit of the Division of Development Finance of the Department of Housing and Community Development ("DHCD") of the State of Maryland, under its Rental Housing Works program ("RHW Loan"); approximately fourteen million, two hundred forty eight thousand, five hundred seventy five dollars (\$14,248,575) from investor equity in connection with Low-Income Housing Tax Credits ("LIHTC") awarded by CDA; deferred payment of the developer's fee of approximately one million, four hundred thirty five thousand, nine hundred thirty two dollars (\$1,435,932); approximately two hundred forty thousand dollars in Developer Equity: Contribution to Social Services (\$240,000); and a Prince George's County Housing Investment Trust Fund ("HITF") Program loan of approximately two million, five hundred thousand dollars (\$2,500,000).

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The PILOT will apply to the affordable portion only and will require a mandatory annual payment in an amount of no less than twelve thousand, nine hundred eighty one dollars or one hundred seventy five dollars per affordable unit (\$12,981 or \$175 per affordable unit) for the 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 which includes the extended affordability period. Without the PILOT agreement, the estimated County property tax would be approximately twenty seven thousand, thirty eight dollars or approximately four hundred fifty one dollars per unit (\$27,038, or approximately \$451 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately fourteen thousand, fifty seven dollars (\$14,057) 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 Aspasia Xypolia, Director, Department of Housing and Community Development (DHCD), at (301) 883-6511.

Sincerely,



Angela D. Alsobrooks  
County Executive

Enclosures