



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

April 28, 2023

The Honorable Thomas E. Dernoga
Chair
Prince George's County Council
Wayne K. Curry Administration Building
Largo, Maryland 20774

Dear Chair Dernoga:

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 (the "County") and an entity to be formed by Developer: HAPGC Affordable Housing Development Corporation, LLC C/O Housing Authority of Prince George's County (the "Owner") concerning the Cottage City Towers Apartments (the "Project").

The Owner is an entity to be formed by Developer: HAPGC Affordable Housing Development Corporation, LLC C/O Housing Authority of Prince George's County for the purpose of acquiring and rehabilitating the Project, which is an existing one hundred (100) unit affordable multi-family rental housing for low-income to moderate-income families, known as Cottage City Towers, located at 4142 Bunker Hill Road, Cottage City, Maryland 20722. The Project is located 0.5 miles east of the Washington DC border, with immediate access to US Route 1, Rhode Island Avenue. The Project will consist of a mix of studios/efficiency units and one-bedroom. All units will be reserved for households earning sixty percent (60%) or less of the Area Median Income ("AMI"). Proposed amenities include on-site management, community room, computer center, library, laundry room, patio with park benches, park grills, and picnic tables.

The Project's total development cost, including acquisition, is approximately thirty two million, three hundred seventy thousand, eight hundred eighty dollars (\$32,370,880). Financing will consist of a tax-exempt bond loan, CDA Partnership Rental Housing Loan funds, seller takeback financing, deferred developer fee and equity from the sale of Low-Income Housing Tax Credits. The Project will also be financed with a Prince George's County Housing Investment Trust Fund ("HITF") loan in the amount of two million, five hundred thousand dollars (\$2,500,000).

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The PILOT will exempt the Owner from making a mandatory annual property tax payment to the County and will remain in effect for a period of at least forty (40) years. Under HAPGC's ownership, the Project does not presently pay County real estate tax. The ability to continue receiving this level of tax relief enables the Project to acquire financing necessary to support the rehabilitation and continued long term affordability.

The Council's favorable consideration of this legislation, which along with the terms and conditions of the PILOT Agreement, is included as Attachment B in the legislation package, is greatly appreciated. If you have any questions or concerns, please contact my office or Aspasia Xypolia, Director, Department of Housing and Community Development at (301) 883-6511.

Sincerely,

A handwritten signature in black ink that reads "Angela D. Alsobrooks". The signature is written in a cursive, flowing style.

Angela D. Alsobrooks
County Executive

Enclosures