COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2025 Legislative Session

Resolution No. CR-115-2025

Proposed by (The Chair – by request of the County Executive)

Introduced by Council Members Olson, Harrison, Adams-Stafford, Ivey, Blegay and Fisher

Co-Sponsors Council Member Hawkins

Date of Introduction October 7, 2025

RESOLUTION

A RESOLUTION concerning

Payments in Lieu of Taxes ("PILOT") Agreement for the New Carrollton – Affordable – Phase 4 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 Urban Atlantic Development LLC (the "Owner").

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

WHEREAS, the Owner proposes to acquire and construct one hundred two (102) units of new affordable multi-family rental housing for low-income to moderate-income families, earning seventy percent (70%) and below of the Area Median Income ("AMI"), known as New Carrollton – Affordable – Phase 4, located at 4041 Pennsy Drive, Hyattsville, 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 constructed or substantially rehabilitated under a federal, State, or local government program that (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 families 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 acquisition and construction of the New Carrollton – Affordable – Phase 4 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 17th day of November, 2025.

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

BY: _____
Edward P. Burroughs, III
Chair

ATTEST:

_____
Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

New Carrollton – Affordable – Phase 4
4041 Pennsy Drive
Hyattsville, Maryland 20785

COUNCILMANIC DISTRICT 5

PROJECT DESCRIPTION:	A one hundred two (102) 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.
OWNER:	Urban Atlantic Development LLC
DEVELOPER:	Urban Atlantic Development LLC
CONTACT:	Alan Lederman Managing Director of Development Urban Atlantic Development LLC 240-630-3299 alederman@urban-atlantic.com
NEIGHBORHOOD/LOCALITY:	New Carrollton, Prince George's County, District 5
UNIT MIX:	A mix of one (1), two (2) and three (3) bedroom units
AFFORDABILITY:	All units will be priced at levels affordable to households earning seventy percent (70%) or less of the Area Median Income ("AMI") for forty (40) years

ATTACHMENT A-2

PROJECT INFORMATION SHEET

New Carrollton – Affordable – Phase 4
4041 Pennsy Drive
Hyattsville, Maryland 20785

COUNCILMANIC DISTRICT 5

PROJECT DESCRIPTION:

The New Carrollton – Affordable – Phase 4 project (the "Project") is a proposed one hundred two (102) unit transit-oriented family affordable housing development to be located at 4041 Pennsy Drive, Hyattsville, Maryland 20785. The target population will be families that qualify at or less than seventy percent (70%) of the area median income ("AMI"). Of the one hundred two (102) units, nine (9) units will be set-aside for residents with mobility impairments, including three (3) units set aside for residents with sensory impairments. This Project is the fourth (4^{th}) of a total of four (4) phases of affordable housing at the New Carrollton Metro station.

The Project will consist of seventy two (72) one (1) bedroom units, fifteen (15) two (2) bedroom units, and fifteen (15) three (3) bedroom units within one (1) elevator building of five (5) or more stories. The Project will offer a lounge, computer lab, and dog park with access to additional amenities within the neighboring buildings. Amenities include a fitness room, community room, outdoor lounge area, and swimming pool. The Community spaces will be furnished to facilitate community programs and activities

The Project is located in an Opportunity Zone, Qualified Census Tract, and Transit Oriented Development Zone. Additionally, it sits within 0.5 mile of the New Carrollton Metro station, which is the terminus of the Orange Line, the future Purple Line, home to an AMTRAK and MARC station, as well as having a bus station serving multiple Metro bus lines and Greyhound. The property is closely surrounded by wooded areas and some commercial office buildings.

The proposed development is part of a forty (40) Acre Joint Development Agreement between Urban Atlantic Development LLC and Washington Metro Transit Authority (WMATA). To date, the Project has seen more than three hundred fifty million dollars ($350,000,000) in new construction development.

Historically, affordable housing has been an afterthought in metropolitan, transit-oriented developments. However, by including high-quality affordable housing early in the master development of New Carrollton Metro Center, this project guarantees housing reserved at seventy percent (70%) of AMI to be included in the center of a much larger development. Without this project, residents at this proposed income level will be priced out of this area, as land value and market rate rent prices are expected to increase with additional new construction development in the coming years.

Urban Atlantic Development LLC., the applicant/owner of the proposed New Carrollton – Affordable – Phase 4 project, is an experienced developer that has raised and deployed over one billion, three hundred million dollars ($1,300,000,000) in debt and equity to develop over five hundred thirty (530) acres of land development and infrastructure, while creating over eight thousand, eight hundred (8,800) residential units and four hundred thousand (400,000) square feet of commercial space. Whiting Turner Contracting Company will provide General Contracting services and Washington DC based BKV Group DC, PPLC will serve as architect.

ATTACHMENT A-3

PROJECT FINANCING ESTIMATE

New Carrollton – Affordable – Phase 4
4041 Pennsy Drive
Hyattsville, Maryland 20785

COUNCILMANIC DISTRICT 5

SOURCES	Amount	Percentage
Tax Exempt Bond	$ 14,534,734	36.24%
CDA - Rental Housing Works	$ 3,500,000	8.73%
Prince George's County HOME	$ 2,500,000	6.23%
LIHTC Proceeds	$ 15,392,604	38.38%
Deferred Developer Fee	$ 1,931,794	4.82%
Interim Income	$ 421,554	1.05%
45L Energy Credits	$ 43,860	0.11%
MEEHA Grant	$ 70,000	0.17%
Cash Collateralized Income	$ 1,714,019	4.27%
TOTAL	**$ 40,108,565**	100.00%

USES	Amount	Percentage
Construction costs	$ 23,093,849	57.58%
Fees related to construction or rehab	$ 3,652,219	9.11%
Total financing fees and charges	$ 7,842,792	19.55%
Acquisition costs	$ 133,120	0.33%
Developer's fee	$ 3,845,513	9.59%
Syndication related costs - legal	$ 436,992	1.09%
Guarantees and reserves	$ 1,104,080	2.75%
TOTAL	**$ 40,108,565**	100.00%