

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**  
**2015 Legislative Session**

Resolution No. CR-55-2015

Proposed by The Chairman (by request – County Executive)

Introduced by Council Members Franklin and Davis

Co-Sponsors \_\_\_\_\_

Date of Introduction September 22, 2015

**RESOLUTION**

1 A RESOLUTION concerning

2           Payments in Lieu of Taxes (“PILOT”) Agreement for Woodland Springs

3 For the purpose of approving the terms and conditions of a Payments in Lieu of Taxes

4 (“PILOT”) Agreement between Prince George’s County, Maryland (the “County”) and

5 Woodland Springs, L.P. (the “Owner”).

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

8           WHEREAS, the Owner has or will acquire and own the existing Woodland Springs  
9 Apartment complex located in District Heights, Maryland (the “Property”) for the purpose of  
10 operating thereon a rental community containing approximately five hundred and six (506)  
11 apartment rental units and related facilities (the “Improvements”) dedicated to providing housing  
12 for low to moderate income residents (the Property and the Improvements being collectively  
13 referred to as the “Project”); and

14           WHEREAS, the Owner has requested that the County permit the Owner to make payments  
15 in lieu of County real property taxes pursuant to Section 7-506.1 of the Tax-Property Article of  
16 the Annotated Code of Maryland, as amended (the “Act”); and

17           WHEREAS, the Act provides, among other things, that real property may be exempt from  
18 County property taxes if:

19           (i) the real property is owned by a person engaged in constructing or operating housing  
20 structures or projects (which may include non-dwelling commercial and community facilities,  
21 community rooms, dining halls, infirmaries, child and adult care facilities, and drug  
22 rehabilitation facilities);

1 (ii) the real property is used for a housing structure or project that is constructed or  
2 substantially rehabilitated under a federal, State, or local government program that:

3 (1) funds construction, or insures its financing in whole or in part, or

4 (2) provides interest subsidy, rent subsidy, or rent supplements;

5 (iii) the owner and the governing body of the county and, where applicable, the municipal  
6 corporation where the real property is located agree that the owner shall pay a negotiated amount  
7 in lieu of the applicable county or municipal corporation property tax; and

8 (iv) the owner of the real property:

9 (1) (a) agrees to continue to maintain the real property as rental housing for lower  
10 income persons under the requirements of the government programs described in item (ii) of this  
11 clause; and

12 (b) agrees to renew any annual contributions contract or other agreement for  
13 rental subsidy or supplement; or

14 (2) enters into an agreement with the governing body of the county or municipal  
15 corporation to allow the entire property or the portion of the property which was maintained for  
16 lower income persons to remain as housing for lower income persons for a term of at least five  
17 (5) years; and

18 WHEREAS, the Owner has demonstrated to the County that an agreement for payments in  
19 lieu of County real property taxes is necessary to make the Project economically feasible, which  
20 the Project is described in Attachments "A-1," "A-2" and "A-3," attached hereto and made a part  
21 hereof; and

22 WHEREAS, in order to induce the Owner to provide housing for households of restricted  
23 income, it is in the interest of the County to accept payments in lieu of County real property  
24 taxes, subject to the terms and conditions of the PILOT Agreement attached hereto as  
25 Attachment "B" and made a part hereof; and

26 WHEREAS, the County Executive has recommended support for the Project.

27 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's  
28 County, Maryland, in accordance with the Act, the County shall accept payments in lieu of  
29 County real property taxes for the Project subject to the PILOT Agreement attached to this  
30 Resolution.

31 BE IT FURTHER RESOLVED the County Executive or designee of the County Executive

1 is hereby authorized to execute and deliver the PILOT Agreement in the name of and on behalf  
2 of the County in substantially the form attached hereto.

3 BE IT FURTHER RESOLVED that the County Executive, prior to execution and delivery  
4 of the PILOT Agreement, may make such changes or modifications to the PILOT Agreement as  
5 deemed appropriate by the County Executive in order to accomplish the purpose of the  
6 transactions authorized by this Resolution, provided that such changes or modifications shall be  
7 within the scope of the transactions authorized by this Resolution; and the execution of the  
8 PILOT Agreement by the County Executive or designee of the County Executive shall be  
9 conclusive evidence of the approval of the County Executive of all changes or modifications to  
10 the PILOT Agreement; and the PILOT Agreement shall thereupon become binding upon the  
11 County in accordance with the terms therein.

12 BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of  
13 its adoption.

Adopted this 6th day of October, 2015.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Mel Franklin  
Chairman

ATTEST:

\_\_\_\_\_  
Redis C. Floyd  
Clerk of the Council

APPROVED:

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
Rushern L. Baker, III  
County Executive

**ATTACHMENT A-1**

**PROJECT INFORMATION SHEET**

**Woodland Springs  
6617 Atwood Street  
District Heights, MD 20747**

**COUNCILMANIC DISTRICT 6**

**PROJECT DESCRIPTION:** Acquisition and renovation of five hundred and six (506) apartment rental units

**PROPOSED OWNER:** Woodland Springs, L.P.

**DEVELOPER:** Omni New York, LLC

**CONTACT:** Eugen Schneur  
Omni New York, LLC  
885 Second Avenue, 31st Floor  
New York, NY 10017

**NEIGHBORHOOD/LOCALITY:** District Heights, Prince George’s County Councilmanic District 6

**UNIT MIX:** 142 One-Bedrooms, 287 Two-Bedrooms, 33 Three-Bedrooms, and 44 Four- Bedrooms

**PROPOSED RENTS:** Average rent for one-bedroom units: \$915 per month  
Average rent for two-bedroom units: \$1,095 per month  
Average rent for three-bedroom units: \$1,352 per month  
Average rent for four-bedroom units: \$1,573 per month

**ATTACHMENT A-2****PROJECT INFORMATION SHEET**

**Woodland Springs  
6617 Atwood Street  
District Heights, MD 20747**

**COUNCILMANIC DISTRICT 6****PROJECT DESCRIPTION:**

Woodland Springs, L.P. (the “Owner”), an entity formed by Omni New York, LLC (the “Developer”), will acquire and own the existing Woodland Springs Apartments (the “Project”) located at 6617 Atwood Street, District Heights, Maryland (the “Property”). The Developer will rehabilitate the Project and the Owner will operate the Project on the Property.

The Project is a five hundred and six (506) unit multi-family community. Originally constructed in 1948, Woodland Springs is a garden style complex consisting of multiple three story buildings. The residential units are a mix of 142 one-bedroom, 287 two-bedroom, 33 three-bedroom, and 44 four-bedroom units, of which 121 units are currently supported by an annually renewing Basic Renewal Housing Assistance Payments Contract (the “HAP Contract”) from the U.S. Department of Housing and Urban Development (“HUD”). A HOME agreement together with the Limited Use Regulatory Agreement recorded against the property limit the maximum median incomes for the units: 20% AMI for 5 units; 30% AMI for 5 units; 50% AMI for 121 units; and 60% of AMI for 370 units.

Approximately \$15.6 million (including hard cost contingency) is budgeted to rehabilitate Woodland Springs at prevailing wage rates. The scope of work will include renovation of the building exterior, lobby areas, upgrading of building mechanics, improved common areas and outdoor spaces, in-unit capital improvements, such as new windows, replacement of kitchen cabinets, appliances, countertops, and upgrading bathroom vanities, sinks, and faucets. In addition, the security systems at the property will be completely overhauled. This will include the installation of approximately three hundred (300) DVR surveillance cameras and secured entry into the buildings with a keyless entry system. Additionally, three hundred dollars (\$300) per unit per year is budgeted to be set aside in a replacement reserve account to be used as needed and exclusively for additional capital improvements. Current tenants will not be displaced during the rehabilitation process.

**ATTACHMENT A-3**

**PROJECT FINANCING ESTIMATE**

**Woodland Springs  
6617 Atwood Street  
District Heights, MD 20747**

**COUNCILMANIC DISTRICT 6**

Sources of Funds	Amount	%
Tax Exempt Bonds	\$ 41,929,000.00	60.16%
Tax Credit Equity (LIHTC)	\$ 20,898,740.00	29.99%
Rental Housing Partnership Funds	\$ 2,500,000.00	3.59%
Developer Equity - Deferred Fee	\$ 1,872,285.00	2.69%
Interim Income	\$ 2,492,649.00	3.58%
<b>TOTAL SOURCES</b>	<b>\$ 69,692,674.00</b>	<b>100.00%</b>
Uses	Amount	%
Acquisition	\$ 39,468,000.00	56.63%
Construction Costs	\$ 15,629,328.00	22.43%
A&E and Construction Fees	\$ 774,720.00	1.11%
Developer Fee	\$ 2,500,000.00	3.59%
Financing Fees	\$ 7,846,553.00	11.26%
Guarantees & Reserves	\$ 3,329,810.00	4.78%
Syndication Costs	\$ 144,263.00	0.21%
<b>TOTAL USES</b>	<b>\$ 69,692,674.00</b>	<b>100.00%</b>