



# PRINCE GEORGE'S COUNTY GOVERNMENT

## OFFICE OF THE COUNTY EXECUTIVE

Rushern L. Baker, III  
County Executive

September 10, 2015

The Honorable Mel R. Franklin  
Chairman  
Prince George's County Council  
County Administration Building  
Upper Marlboro, Maryland 20772

Dear Chairman Franklin:

Enclosed for the County Council's consideration is a Resolution approving the terms and conditions of a Payment in Lieu of Taxes ("PILOT") Agreement between Prince George's County, Maryland and Woodland Springs, L.P. (the "Owner") for the Woodland Springs acquisition and rehabilitation of five hundred and six (506) apartment rental units (the "Project").

The Owner, an entity formed by Omni New York, LLC (the "Developer"), will acquire and own the existing Woodland Springs Apartments 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 will rehabilitate and preserve five hundred and one (501) units that serve households with incomes at or below sixty percent (60%) of the Area Median Income ("AMI"), two (2) market rate housing units and three (3) units set aside for on-site staff. The unit mix will consist of 142 one-bedrooms, 287 two-bedrooms, 33 three-bedrooms, and 44 four-bedroom units.

The total development cost for the acquisition and rehabilitation of the Project is approximately \$69,692,674. Financing will consist of \$41,929,000 in tax exempt bond financing; approximately \$20,898,740 from the sale of four percent (4%) Low Income Housing Tax Credits ("LIHTC") allocated by the Maryland Department of Housing and Community Development, Community Development Administration ("CDA"); \$2,500,000 in Rental Housing Works ("RHW") funds; \$2,492,649 from Interim Income; and \$1,872,285 in Developer's Equity.

The PILOT payment, in lieu of paying the full County assessed taxes, shall be triggered in the event that the aggregate County real estate taxes, the Maryland State Tax and other municipal assessments exceed a ceiling of \$498,202 in the first year of stabilization and increasing three percent (3%) every year thereafter. If triggered, the PILOT will be the amount of the County real estate tax portion included in the ceiling for that particular year, plus twenty-five percent (25%) of the Project's excess cash flow after the payment of any deferred developer fee.

The Honorable Mel R. Franklin  
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The Council's favorable consideration of this legislation is greatly appreciated. If you have any questions or concerns, please contact my office or Eric C. Brown, Director, Department of Housing and Community Development at (301) 883-5531.

Sincerely,

A handwritten signature in black ink, appearing to read "Rushern L. Baker, III". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping underline.

Rushern L. Baker, III  
County Executive

Enclosures