COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND 2019 Legislative Session

Resolution No.	CR-58-2019			
Proposed by	The Chair (by request – County Executive)			
Introduced by	Council Members Turner, Harrison, Anderson-Walker, Davis, Glaros,			
	Dernoga, Taveras, Hawkins and Franklin			
Date of Introduc	Lion July 2, 2019			

RESOLUTION

A RESOLUTION concerning

Payments in Lieu of Taxes ("PILOT") Agreement for The Woodlands at Reid Temple 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 Woodlands at Reid Temple, LP (the "Owner").

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

WHEREAS, the Owner proposes to acquire and construct two hundred and fifty-two (252) units of new multi-family rental housing for low-to-moderate income seniors known as The Woodlands at Reid Temple, located at 11609 Facchina Place, Glenn Dale, Prince George's County, Maryland, 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 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended; and

WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of
Maryland, as amended, provides that real property may be exempt from county and municipal
corporation 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) funds construction or insures its financing in

whole or in part, or (a)(2)(ii)(2) provides interest subsidy, rent subsidy, or rent supplements; (a)(2)(iii) the owner and the governing body of the county and, where applicable, the municipal corporation where the real property is located agree that the owner shall pay a negotiated amount in lieu of the applicable county or municipal corporation 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 the county or municipal corporation to allow the entire property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (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 Seniors 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 Project.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that in accordance with Section 7-506.1 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, provided that such changes or modifications shall be within the scope of the

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transactions 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 this Resolution shall become effective as of the date of

its adoption.

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Adopted this <u>23rd</u> day of <u>July</u>, 2019.

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

BY: _____

Todd M. Turner Chair

ATTEST:

Donna J. Brown Acting Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

The Woodlands at Reid Temple 11609 Facchina Place Glenn Dale, MD 20769

COUNCILMANIC DISTRICT 4

PROJECT DESCRIPTION:	Land acquisition and new construction of two hundred and fifty-two (252) apartments for seniors, ages sixty-two (62) years and older, in the Glenn Dale neighborhood of Prince George's County, Maryland		
PROPOSED OWNER :	Woodlands at Reid Temple LP		
DEVELOPER(S):	Atlantic Pacific Communities LLC UrbanMatters Development Partners LLC Reid Community Development Corporation		
CONTACT:	Kenneth Naylor, COO Atlantic Pacific Communities LLC (305) 357-4700		
NEIGHBORHOOD/LOCALITY:	City of Glenn Dale, Maryland Prince George's County District 4		
UNIT MIX:	One hundred and ninety-five (195) one-bedroom and fifty-seven (57) two-bedroom units		
AFFORDABILITY BAND:	Mixed-income		
PROPOSED RENTS:	One-bedroom – Range of \$1,009 to \$1,229 per month Two-bedroom – Range of \$1,213 to \$1,477 per month		

ATTACHMENT A-2

PROJECT INFORMATION SHEET

The Woodlands at Reid Temple 11609 Facchina Place Glenn Dale, MD 20769

COUNCILMANIC DISTRICT 4

PROJECT DESCRIPTION:

Woodlands at Reid Temple LP seeks to acquire land and construct a development consisting of two hundred and fifty-two (252) mixed-income apartments for seniors, ages sixty-two (62) years and older, in the Glenn Dale neighborhood of Prince George's County, Maryland (hereinafter referred to as "Woodlands at Reid Temple"). The total development cost is expected to be fifty eight million, nine hundred ninety three thousand, six dollars (\$58,993,006).

Located four (4) miles east of the capital beltway off Glenn Dale Boulevard (Rt. 193) and one (1) mile from its intersection with Lanham-Severn Road (Rt. 564), Woodlands at Reid Temple will offer seniors a quiet location near retail, transportation, healthcare, as well as other important neighborhood amenities. Neighboring the proposed development are various retail and potential employment centers, including Vista Gardens Marketplace and Eastgate Shopping Center. Vista Gardens Marketplace is within four (4) miles of Woodlands at Reid Temple and is anchored by a Target and Home Depot. Eastgate Shopping Center is within two (2) miles of the site and is anchored by a Giant Food store. Additionally, there are several restaurants and other retail stores located southeast of the site.

Woodlands at Reid Temple is positioned in close proximity to local public transportation. The Metrobus has a stop located one (1) mile from the site, while the Metrorail, via the New Carrollton Metro Station, is six (6) miles from the site. Furthermore, the nearest hospital, Doctors Community Hospital, is four and a half (4.5) miles west of the site. Other neighborhood amenities include the WB&A walking trail, which is less than one (1) mile from the site.

The Woodlands at Reid Temple is designed as two-winged set of buildings connected by a central community center housing an onsite management office. Each wing will boast a fourstory, elevator-served building. Of the two hundred and fifty-two (252) apartment units, there will be one hundred and ninety-five (195) one-bedroom units with one bathroom and fifty-seven (57) two-bedroom units with two bathrooms. Each unit will have in-unit washer/dryer hook-ups,

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walk-in closets, and kitchens with dishwashers, garbage disposals, microwaves, and EnergyStar appliances. Furthermore, Woodlands at Reid Temple is designed to meet the *Enterprise Green Community 2015* criteria, which will provide a direct benefit to each resident's electric bill (units will be all-electric). Woodlands at Reid Temple's monthly utility allowances are conservatively estimated at ninety dollars (\$90) for one-bedroom units and one hundred and five dollars (\$105) for two-bedroom units.

Amenities at Woodlands at Reid Temple will include a large meeting room, community food preparation area, salon/barber shop, game room, gym/exercise room, library/computer room, coffee bar, and an arts and crafts room. The community center will house a medical facility with an aquatic therapy tub that will be available for a resident's physician to provide onsite medical treatment, when necessary. Lounges will be located on each floor of each residential building with the ground floor units fitted with outdoor patios. There will be organized activities offered on-site, including crafts, games, lectures, workshops, and computer classes. Additionally, health and wellness activities will include seminars regarding health and nutrition. Fitness classes such as Zumba, aerobics and yoga will also be offered. Other amenities include two courtyards, a bocce court, a nature walking path and trail, a community garden, a gathering area with benches and barbecue grills.

Woodlands at Reid Temple is reserving two hundred and fifty (250) of its units for seniors, ages sixty-two (62) years, earning sixty percent (60%) of the Area Median Income (AMI), which translates into an income of approximately fifty six thousand, two hundred and eighty dollars (\$56,280) for a household of two (2) persons. At this income band, the rent for a one-bedroom apartment will be one thousand, two hundred and twenty-nine dollars (\$1,229), while the two-bedroom apartments will rent for one thousand, four hundred and seventy-seven dollars (\$1,477). The remaining two (2) units are being reserved for seniors earning fifty percent (50%) of the AMI, which translates into an income of approximately forty six thousand, nine hundred dollars (\$46,900) for a household of two (2) persons. At this income band, the rent for a one-bedroom apartment will be one thousand, nine dollars (\$1,009), while the two-bedroom apartments will rent for one thousand, seventy-seven apartments will rent for a ne-bedroom apartment will be one thousand, nine dollars (\$1,009), while the two-bedroom apartments will rent for one thousand, seventy-seven apartments will rent for a one-bedroom apartment will be one thousand, nine dollars (\$1,009), while the two-bedroom apartments will rent for one thousand, nine dollars (\$1,213).

The construction of The Woodlands at Reid Temple aligns with the goals of the "Prince George's County 2035: Approved General Plan" by increasing the supply of high-quality, attractive housing reserved for a vulnerable population and allows seniors to age-in-place.

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ATTACHMENT A-3

PROJECT FINANCING ESTIMATE

The Woodlands at Reid Temple 11609 Facchina Place Glenn Dale, MD 20769

COUNCILMAN DISTRICT 4

SOURCES		AMOUNTS	PERCENTAGE
Tax-exempt Bonds		34,190,027	57.96%
Lessor Note		750,000	1.27%
State DHCD Rental Housing Works loan		2,500,000	4.24%
County HOME funds		618,490	1.05%
HUD Working Capital Reserve		653,801	1.11%
Tax Credit Equity		17,414,140	29.52%
Deferred Developer Fee	\$	2,866,548	4.86%
TOTAL SOURCES	\$	58,993,006	100.00%
USES		AMOUNTS	PERCENTAGE
Total Construction Costs	\$	41,275,086	69.97%
Fees Related to Construction		5,312,454	9.01%
Financing Fees and Charges		4,222,100	7.16%
Acquisition Costs		1,200,000	2.03%
Developer's Fee		5,356,759	9.08%
Syndication Related Costs		134,846	0.23%
Guarantees and Reserves		1,491,761	2.53%
TOTAL USES	\$	58,993,006	100.00%