

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**  
**2020 Legislative Session**

Resolution No. CR-54-2020  
Proposed by The Council Chair (by request – County Executive)  
Introduced by Council Members Turner, Davis, Hawkins, Taveras, Franklin and Glaros  
Co-Sponsors \_\_\_\_\_  
Date of Introduction June 23, 2020

**RESOLUTION**

1 A RESOLUTION concerning

2       Payments in Lieu of Taxes (“PILOT”) Agreement for the Townes at Peerless

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 Peerless

5 Avenue Associates LLC (the “Owner”).

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

8       WHEREAS, the Owner proposes to acquire and construct sixty-two (62) units of new rental  
9 housing for mixed income families, especially those with low- and moderate-income, known as  
10 Townes at Peerless, located at 15507 Peerless Avenue, Upper Marlboro, Prince George’s  
11 County, Maryland, as more particularly described in Exhibit A, attached hereto and herein  
12 incorporated by reference (“Property”); and

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

17       WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of  
18 Maryland, as amended, provides that real property may be exempt from county and municipal  
19 corporation property tax if: (a)(2)(i) the real property is owned by a person engaged in  
20 constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a  
21 housing structure or project that is constructed or substantially rehabilitated under a federal,  
22 State, or local government program that (a)(2)(ii)(1) funds construction or insures its financing in

1 whole or in part, or (a)(2)(ii)(2) provides interest subsidy, rent subsidy, or rent supplements;  
 2 (a)(2)(iii) the owner and the governing body of the county and, where applicable, the municipal  
 3 corporation where the real property is located agree that the owner shall pay a negotiated amount  
 4 in lieu of the applicable county or municipal corporation property tax; and (a)(2)(iv) the owner of  
 5 the real property: (a)(2)(iv)(1)(A) agrees to continue to maintain the real property as rental  
 6 housing for lower income persons under the requirements of the government programs described  
 7 in paragraph (a)(2)(ii) of this subsection; and (a)(2)(iv)(1)(B) agrees to renew any annual  
 8 contributions contract or other agreement for rental subsidy or supplement, or (a)(2)(iv)(2) enters  
 9 into an agreement with the governing body of the county or municipal corporation to allow the  
 10 entire property or the portion of the property which was maintained for lower income persons to  
 11 remain as housing for lower income persons for a term of at least five (5) years; and

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

15 WHEREAS, in order to induce the Owner to provide housing for families with restricted  
 16 incomes, it is in the interest of the County to accept payments in lieu of County real property  
 17 taxes, subject to the terms and conditions of the PILOT Agreement (the "Agreement") set forth  
 18 in Attachment B, attached hereto and made a part hereof; and

19 WHEREAS, the County Executive has recommended support of the acquisition and  
 20 construction of the Project.

21 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's  
 22 County, Maryland, that in accordance with Section 7-506.1 of the Tax-Property Article of the  
 23 Annotated Code of Maryland, as amended, the County shall accept payments in lieu of County  
 24 real property taxes for the Project, subject to the Agreement attached to this Resolution.

25 BE IT FURTHER RESOLVED that the County Executive or the County Executive's  
 26 designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf  
 27 of the County in substantially the same form attached hereto.

28 BE IT FURTHER RESOLVED that the County Executive, prior to the execution and  
 29 delivery of the Agreement, may make such changes or modifications to the Agreement as  
 30 deemed appropriate in order to accomplish the purpose of the transaction authorized by this  
 31 Resolution, provided that such changes or modifications shall be within the scope of the

1 transactions authorized by this Resolution; and the execution of the Agreement by the County  
2 Executive or the County Executive’s designee shall be conclusive evidence of the approval of the  
3 County Executive of all changes or modifications to the Agreement; and the Agreement shall  
4 thereupon become binding upon the County in accordance with the terms and conditions therein.

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

Adopted this 21st day of July, 2020.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Todd M. Turner  
Council Chair

ATTEST:

\_\_\_\_\_  
Donna J. Brown  
Clerk of the Council

**ATTACHMENT A-1**

**PROJECT INFORMATION SHEET**

**The Townes at Peerless  
15507 Peerless Avenue  
Upper Marlboro, MD 20772**

**COUNCILMANIC DISTRICT 6**

**PROJECT DESCRIPTION:** Land acquisition and new construction of sixty-two (62) apartments for mixed income families, especially those with low- and moderate-income

**PROPOSED OWNER:** Peerless Avenue Associates LLC

**DEVELOPER:** Conifer Realty, LLC

**CONTACT:** Kyle F. Speece, Regional Vice President  
Conifer Realty, LLC  
5560 Sterrett Place, Suite 200  
Columbia, MD 21044  
(443) 367-9147

**NEIGHBORHOOD/LOCALITY:** Town of Upper Marlboro, Maryland  
Prince George’s County  
District 6

**UNIT MIX:** Ten (10) one-bedroom, twenty-eight (28) two-bedroom, and twenty-four (24) three-bedroom units

**AFFORDABILITY BAND:** Mixed Income  
Seventy-six percent (76%), forty-seven (47) units, at sixty percent (60%) or below of Area Median Income (AMI)  
Twenty-four percent (24%), fifteen (15) units, at Market Rate

**PROPOSED RENTS:**

One-bedroom apartments will range from eight hundred, fifty dollars (\$850.00) to one thousand five hundred and sixty-one dollars (\$1,561.00). Two-bedroom units will range from seven hundred, forty-four dollars (\$744.00) to one thousand seven hundred and eleven dollars (\$1,711.00). Three-bedroom units will range from eight hundred, sixty-one dollars (\$861.00) to one thousand eight hundred and seventy-five dollars (\$1,875.00)

**ATTACHMENT A-2**

**PROJECT INFORMATION SHEET**

**The Townes at Peerless  
15507 Peerless Avenue  
Upper Marlboro, MD 20772**

**COUNCILMANIC DISTRICT 6**

**PROJECT DESCRIPTION:**

Peerless Avenue Associates LLC intends to develop the Townes at Peerless, sixty-two (62) units of sustainable apartment housing for mixed income families, especially those with low- and moderate-income, in the Upper Marlboro Community of Prince George’s County, Maryland.

The Townes at Peerless will consist of townhouse structures and a mid-rise “podium” building with designs that provide enhanced aesthetics and amenities for the residents. Of the sixty-two (62) units, there will be ten (10) one-bedroom units, twenty-eight (28) two-bedroom units, and twenty-four (24) three-bedroom units. The exterior of the buildings will be clad with sustainable and durable materials such as brick, stone and cementitious siding to complement existing development in the area, while the interiors of each unit will boast an open-concept layout equipped with Energy Star appliances and high efficiency systems. Specifically, each unit consists of spacious kitchens with dishwashers, disposals, microwaves, Energy Star appliances, and spacious closets.

The use of high efficiency mechanical, electrical and plumbing systems, elevated insulation and a photovoltaic array will increase the green profile of the development while significantly reducing resident utility expenses. Thirteen percent (13%) of the development will provide accessible units where residents have the option to age in place. Additionally, the Townes at Peerless is situated near Metro Bus Route 53, which serves the Town of Upper Marlboro, the Prince George’s County Courthouse, and the Village of Marlborough Center.

Of the sixty-two (62) units, thirty-seven (37) will be set aside for families earning between forty percent (40%) and sixty percent ( 60%) of the Area Median Income (AMI), ten (10 ) units will be marketed to families with incomes of up to thirty (30%) of the AMI and fifteen (15) units will be market rate housing units. Income ranges from twenty-two thousand, three hundred and fifty dollars (\$22,350.00) for a one (1) bedroom unit at thirty percent (30%) AMI to fifty-three thousand, two hundred and fifty dollars (\$53,250.00) for a three (3) bedroom market rate unit.

The developer, Conifer Realty LLC (Conifer), will make significant infrastructure improvements to the site and surrounding areas. Most importantly, Conifer will develop a storm water management system to stabilize the area surrounding the development. Also, Conifer is planning an extension of water and sewer lines eastward from the cul-de-sac termination of Peerless Avenue approximately one thousand, seven hundred (1,700) feet to the intersection of

Peerless Avenue and Route 301, then southward approximately one thousand (1,000) feet to the intersection of Route 301 and Maryland Route 725. These water and sewer improvements are estimated to cost at least One million dollars (\$1,000,000) and are being required by the Washington Suburban Sanitary Commission (WSSC). The public water and sewer extension will make the entire land area zoned MXT at the northwestern corner of the intersection of Routes 301 and 725 much more developable and marketable, because there is no existing water and sewer serving this entire acreage at current. Finally, new sidewalks will be constructed, and a re-engineering of the Peerless Avenue roadway will be built to County standards, widened and dedicated back to the County.

Additional community amenities at The Townes at Peerless include a community room with a warming kitchen and computer nook, onsite laundry, 24-hour fitness room, walking paths throughout the tree-filled and park like setting of this serene location. The Townes at Peerless will also offer a comprehensive tenant service plan through its development partner, Episcopal Housing Corporation. As the resident service provider, Episcopal Housing Corporation will provide the tenants with direct linkage to qualified service providers that offer an array of programs and services. Further, local educational, cultural, and recreational and health programs will be identified for all residents including the unemployed and underemployed.

In addition to providing much needed housing for low- to -moderate income residents in Prince George's County and the Town of Upper Marlboro with the provision of sixty-two (62) units, the Townes at Peerless will contribute many economic benefits including, but not limited to the economic boost of construction jobs and permanent full time jobs related to the operation of this residential community upon construction completion.

**ATTACHMENT A-3****PROJECT FINANCING ESTIMATE**

**The Townes at Peerless  
15507 Peerless Avenue  
Upper Marlboro, MD 20772**

**COUNCILMANIC DISTRICT 6**

<b>SOURCES*</b>	<b>AMOUNT</b>	<b>%</b>
Wells Fargo Bank, N.A.	\$9,030,000.00	33.60%
MD CDA Rental Housing Funds	\$629,636.00	2.34%
LIHTC (9%)	\$14,998,500.00	55.81%
Deferred Developer Fee	\$579,954.00	2.16%
Prince George's County Housing Investment Trust Fund Loan	\$1,500,000.00	5.58%
Solar Investment Tax Credits	\$135,567.00	0.50%
<b>TOTAL</b>	<b>\$26,873,658.00</b>	<b>100.00%</b>

<b>USES*</b>	<b>AMOUNT</b>	<b>%</b>
Acquisition Costs	\$907,250.00	3.38%
Construction Costs	\$16,513,123.00	61.44%
Fees Related to Construction	\$4,537,301.00	16.88%
Financing Fees and Charges	\$1,921,865.00	7.15%
Developers Fee	\$2,500,000.00	9.30%
Syndication Related Costs	\$173,000.00	0.64%
Guarantees and Reserves	\$321,119.00	1.19%
<b>TOTAL</b>	<b>\$26,873,658.00</b>	<b>100.00%</b>

\*These amounts are subject to change based on fluctuations and changes in the market rates, HUD Fair Market Rents (FMR) and Low-Income Housing Tax Credits (LIHTC) rents