



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

June 19, 2020

The Honorable Todd M. Turner
Chair
Prince George's County Council
County Administration Building
14741 Governor Oden Bowie Drive
Upper Marlboro, Maryland 20772

Dear Chair Turner:

Enclosed for the County Council's consideration is a Resolution approving the terms and conditions of a Payments in Lieu of Taxes ("PILOT") Agreement between Prince George's County, Maryland and Peerless Avenue Associates LLC ("Owner") for the Townes at Peerless project ("Project").

The Owner intends to acquire and construct sixty-two (62) units of new sustainable rental housing for mixed income families, especially those with low-and moderate-income, located in 15507 Peerless Avenue, Upper Marlboro, Prince George's County, Maryland. The Project will reserve thirty-seven (37) units 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. The unit mix will consist of ten (10) one-bedroom units, twenty-eight (28) two-bedroom units, and twenty-four (24) three-bedroom units.

The Project's total development cost, including the acquisition, infrastructure development and construction, is approximately twenty-six million, eight hundred seventy-three thousand, six hundred fifty-eight dollars (\$26,873,658). Financing will consist of a mortgage loan made by Wells Fargo Bank, N.A. totaling approximately nine million, thirty thousand dollars (\$9,030,000); a loan by the Community Development Administration ("CDA"), a unit of the Division of Development Finance of the Department of Housing and Community Development of the State of Maryland, under its Rental Housing Funds program ("RHF Loan") totaling six hundred twenty-nine thousand, six hundred thirty-six dollars (\$629,636); approximately fourteen million, nine hundred ninety-eight thousand, five hundred dollars (\$14,998,500) from the proceeds of Low Income Housing Tax Credits ("LIHTC") awarded by the State of Maryland CDA, the investment of investor member equity provided in connection with Low-Income Housing Tax Credits; deferred payment of approximately five hundred seventy-nine thousand, nine hundred fifty-four dollars (\$579,954) from the developer's equity; a Prince George's County Housing Investment Trust Fund ("HITF") Program loan of approximately one million, five hundred thousand dollars (\$1,500,000); and Solar Investment Tax Credits in an amount totaling approximately one hundred thirty-five thousand, five hundred sixty-seven dollars (\$135,567).

Wayne K. Curry Administration Building • 1301 McCormick Drive, Largo, MD 20774
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The PILOT will require a mandatory annual payment in the amount of approximately one hundred and sixty dollars per unit (\$160.00 per unit), per tax year. Thereafter, the required payment will increase by three percent (3%) for each subsequent tax year. The PILOT agreement will remain in effect for forty (40) years. Without the PILOT agreement, the estimated County property tax would be approximately one thousand, sixty-three dollars and thirty-nine cents per unit (\$1,063.39 per unit) for the forty-seven (47) affordable units in the project. When considering the financial effects of the PILOT, for the first year, the County will be providing yearly operating support of approximately forty-two thousand, four hundred and fifty-nine dollars and thirty-three cents or nine hundred three dollars and thirty-nine cents per unit (approximately \$42,459.33 or \$903.39/unit) to this affordable housing development.

The Council's favorable consideration of this legislation is greatly appreciated. If you have any questions, please contact my office or Estella Alexander, Director, Department of Housing and Community Development at (301) 883-5531.

Sincerely,



Angela D. Alsobrooks
County Executive

Enclosures