

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

Resolution No. CR-95-2020
Proposed by The Chairman (by request – County Executive)
Introduced by Council Members Turner, Franklin, Glaros, Harrison, Davis, Streeter
and Taveras
Date of Introduction September 22, 2020

RESOLUTION

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for Woodyard Station Apartments
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 Woodyard Station 9, LLC (the “Owner”).

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

8 WHEREAS, the Owner proposes to acquire and construct forty-six (46) units of affordable
9 general occupancy multi-family rental apartment housing community for families known as
10 Woodyard Station Apartments, located at 8999 Woodyard Road, Clinton, 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 10th day of November, 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
WOODYARD STATION APARTMENTS
8999 Woodyard Road
Clinton, MD 20735
COUNCILMAN DISTRICT 9

PROJECT DESCRIPTION:	Woodyard Station 9, LLC plans to acquire land for construction of a forty-six (46) unit general occupancy, affordable apartment community for families
PROPOSED OWNER:	Woodyard Station 9, LLC
DEVELOPER:	Pax-Edwards, LLC Osprey Property Company II, LLC
CONTACT:	Jeff Paxson, President Pax-Edwards, LLC 141 North Main Street Belair, Maryland 21014 410-925-2923
NEIGHBORHOOD/LOCALITY:	Clinton, Maryland Prince George’s County District 9
UNIT MIX:	Five (5) one-bedroom, and twenty-three (23) two-bedrooms, and eighteen (18) three-bedrooms units
AFFORDABILITY BAND:	Mixed Income
PROPOSED RENTS:	One-bedroom – Range of \$575 to \$985 per month Two-bedroom – Range of \$685 to \$1,180 per month Three-bedroom – Range of \$797 to \$1,340 per month

ATTACHMENT A-2
PROJECT INFORMATION SHEET
WOODYARD STATION APARTMENTS
8999 Woodyard Road
Clinton, MD 20735
COUNCILMAN DISTRICT 9

PROJECT DESCRIPTION:

Woodyard Station 9, LLC plans to acquire land and construct a forty-six (46) unit affordable, general occupancy apartment housing community for families in Clinton, Prince George's County, Maryland (hereinafter referred to as "Woodyard Station Apartments") as part of a larger mixed-income development. The total development cost of this general occupancy project is expected to be eighteen million, six hundred fifty two thousand, seven hundred fifty-five dollars (\$18,652,755).

Located four miles outside the Capital Beltway and southeast of the Anacostia section of Washington, District of Columbia (DC), less than a half (1/2) mile from Woodyard Road's intersection with Branch Avenue, Woodyard Station Apartments will be constructed as part of the development of a larger master-planned mixed-income community that will include the construction of a neighboring one hundred and twelve (112) unit affordable senior apartment building, and approximately one hundred and twenty-three (123) for-sale, market rate townhomes. Woodyard Station Apartments will be located within a walkable community near local amenities, offering residents a convenient location for employment, healthcare, retail, and transit. A Metrobus stop located one block away from the community's entrance will offer transit to the Branch Avenue Metro Station located six and a half (6.5) miles away from the site. Significant nearby employment centers include Andrews Air Force Base, which is located three (3) miles from the site and the US Census Bureau headquarters at the Suitland Federal Center that is approximately nine (9) miles away from the site and also home to approximately four thousand, four hundred (4,400) employees.

Local amenities include the Woodyard Crossing Shopping Center located one quarter (1/4) mile away at the intersection of Woodyard Road and Branch Avenue, which is home to retail options, such as a Safeway supermarket, Walmart, and a Lowe's Home Improvement store. Other nearby amenities less than one half (1/2) mile away, include a post office, a Walgreens

pharmacy, several banks, various restaurants and eateries, a Patient First clinic and other medical offices. The MedStar Southern Maryland Hospital Center is also located at the intersection of Surratts Road and Branch Avenue two (2) miles from the site. Additionally, public elementary, middle, and high schools are all located within three (3) miles of the site.

Woodyard Station Apartments is designed as a four-story, elevator-served building. Of the forty-six (46) units, five (5) are one-bedroom units, twenty-three (23) are two-bedroom units, and eighteen (18) are three-bedroom units. The one-bedroom units will have one bathroom, and the two-bedroom and three-bedrooms units will have two bathrooms. Woodyard Station Apartments was designed with sustainability in mind. Each unit will feature open floor plans, be EnergyStar certified and will have EnergyStar rated appliances including dishwashers and microwaves, and energy efficient HVAC systems. The monthly utility allowances are conservatively estimated at seventy dollars (\$70) for the one-bedroom units, ninety dollars (\$90) for the two-bedroom units, and one hundred and five dollars (\$105) for the three-bedroom units. Woodyard Station Apartments is reserving fifteen (15) units for households whose incomes are at thirty percent (30%) of the Area Median Income (“AMI”), which translates into an income of thirty thousand, two hundred fifty dollars (\$30,250) for a household of two and thirty seven thousand, eight hundred dollars (\$37,800) for a household of four, with rents at five hundred seventy-five dollars (\$575) for the one-bedroom units, six hundred, eighty-five dollars (\$685) for the two-bedroom units, and seven hundred ninety-seven dollars (\$797) for the three-bedroom units. Thirty-one (31) units will be reserved for households whose income is at fifty percent (50%) of the AMI, which translates into incomes of fifty thousand, four hundred dollars (\$50,400) for a household of two and sixty three thousand dollars (\$63,000) for a household of four, with rents at nine hundred eighty-five dollars (\$985) for the one-bedroom units, one thousand, one hundred eighty dollars (\$1,180) for the two-bedroom units, and one thousand, three hundred forty dollars (\$1,340) for the three-bedroom units.

Onsite amenities available to the residents will include a large multi-purpose community room with a kitchen, a business center with computers and internet access, a fitness room, and laundry facilities. The community will also have a playground. The managing agent, Severn Management Company, LLC, will maintain an onsite management office. The development team plans to engage Rainbow Housing Assistance Corporation (“RHAC”) to provide supportive services. RHAC will provide a calendar of monthly events, programs, and services that will

initially be determined by surveys offered to residents. Programming will be offered in a group setting in the community room with subject matters including topics such as financial literacy, employment readiness, health and nutrition, computer training, continuing education, senior workshops, crisis intervention, and parenting workshops. Additionally, programming will be available on-demand twenty-four hours a day, seven days per week. Vocational programming will also be available in an online format. Qualifying residents will be able to receive employment training and achieve certifications.

The addition of these forty-six (46) units of high-quality affordable senior housing, as part of a larger mixed-income community, will help address housing needs within the Clinton community. The construction of the Woodyard Station Apartments project and the larger community will contribute many economic benefits including, but not limited to, the addition of at least four hundred and twenty-four (424) jobs during construction. Additionally, it will contribute to the expansion of Prince George's County tax base through the investment of over forty-six million dollars (\$46,000,000) in new residential rental housing.

ATTACHMENT A-3**PROJECT FINANCING ESTIMATE****WOODYARD STATION APARTMENTS****8999 Woodyard Road****Clinton, MD 20735****COUNCILMANIC DISTRICT 9**

SOURCES	Amount	Percentage
Suntrust Mortgage	\$ 3,575,000	19.17%
LIHTC Equity Proceeds	\$ 14,398,560	77.19%
Developer's Equity - Deferred	\$ 495,196	2.65%
Operating Subsidy Reserve	\$ 184,000	0.99%
TOTAL	\$ 18,652,756	100.00%
USES	Amount	Percentage
Construction Costs	\$ 9,778,274	52.42%
Fees Related to Construction	\$ 2,497,432	13.39%
Financing Fees and Charges	\$ 1,183,400	6.34%
Acquisition Costs	\$ 2,500,000	13.40%
Developer's Fee	\$ 2,044,347	10.96%
Syndication Related Costs	\$ 157,500	0.84%
Guarantees and Reserves	\$ 491,802	2.64%
TOTAL	\$ 18,652,755	100.00%