



Angela D. Alsobrooks
County Executive

CR-96-2020

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

September 16, 2020

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

Dear Council 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 Woodyard Station 4, LLC (Owner) for the Woodyard Station Senior Apartments project (Project).

The Owner is an entity formed by the development team of Pax-Edwards, LLC and Osprey Property Company II, LLC, for the purpose of acquiring and constructing one hundred and twelve (112) unit affordable apartment community for low-to-moderate income seniors ages sixty-two (62) and over, located at 8999 Woodyard Road, Clinton, Maryland 20735. Every unit in the Project will be affordable. Of the one hundred and twelve (112) apartment units, one (1) unit will be reserved for a low-to-moderate-income senior household earning thirty percent (30%) of the Area Median Income (AMI) and two (2) units will be reserved for senior households earning forty percent (40%) of the AMI. Eight (8) units will be reserved for senior households earning fifty percent (50%) of the AMI and the remaining one hundred and one (101) apartment units will be reserved for senior households earning sixty percent (60%) of the AMI. Additionally, the unit mix will consist of seventy-five (75) one-bedroom units and thirty-seven (37) two-bedroom units.

The Project's total development cost, including the acquisition, infrastructure development and construction, is approximately twenty-seven million, nine hundred twenty-four thousand, eight hundred sixty-two dollars (\$27,924,862). Financing will consist of tax-exempt bonds proceeds totaling approximately thirteen million, ninety-five thousand dollars (\$13,095,000) issued 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; approximately nine million, one hundred ninety-five dollars (\$9,000,195) from the investment of investor member equity provided in connection with 4% Low-Income Housing Tax Credits (LIHTC) awarded by the CDA; approximately two million, five hundred thousand dollars (\$2,500,000) from a Maryland CDA Rental Housing Works (RHW) loan; deferred payment of approximately three hundred twenty-nine thousand, six hundred sixty-seven dollars (\$329,667) from the developer's equity; and a Prince George's County HOME Investment Partnerships (HOME) Program loan of three million dollars (\$3,000,000).

The PILOT will require a mandatory annual payment in an amount of no less than thirty-three thousand, six hundred dollars or three hundred dollars per unit (\$33,600 or \$300 per unit) for the first full tax year. Thereafter, the required payment will increase by two percent (2%) for each subsequent tax year. The PILOT agreement will remain in effect for forty (40) years which includes the extended affordability period. Without the PILOT agreement, the estimated County property tax would be approximately eighty-five thousand, one hundred forty-eight dollars or approximately seven hundred sixty dollars per unit (\$85,148, or approximately \$760 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately fifty-one thousand, five hundred forty-eight dollars (\$51,548) to this affordable housing development.

The Council's favorable consideration of this legislation is greatly appreciated. If you have any questions or concerns, 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