



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

**BILL:** House Bill 444 - Prince George's County - Payment in Lieu of Taxes Agreements - Low-Income Housing PG 403-23

**SPONSOR:** Prince George's County Delegation

**HEARING DATE:** March 30, 2023

**COMMITTEE:** Budget and Taxation

**CONTACT:** Intergovernmental Affairs Office, 301-780-8411

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**POSITION:** SUPPORT

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The Office of the Prince George's County Executive **SUPPORTS House Bill 444 - Prince George's County - Payment in Lieu of Taxes Agreements - Low-Income Housing PG 403-23**, which expands Prince George's County's ability to use PILOTs for affordable housing.

This bill builds off legislation passed in 2021, House Bill 1010, which authorized Prince George's County to enter into a payment in lieu of taxes (PILOT) agreement with owners of specified low-income housing developments if:

- the real property is owned by a person engaged in constructing or operating housing structures or projects;
- the real property is used for a housing structure or project that (1) is acquired, constructed, or rehabilitated under a specified federal, State, or local government program for lower income housing or (2) is acquired under the Right of First Refusal Program, as specified in the Prince George's County Code;
- the owner and Prince George's County agree to a negotiated PILOT agreement in place of the applicable county property tax; and
- the owner of the real property (1) agrees to commence or continue to maintain the real property as rental housing for lower income persons under the requirements of specified government programs and agrees to renew any annual contributions contract or other agreement for rental subsidy or supplement or (2) enters into an agreement with the county to allow the entire

property or the portion of the property that was maintained for lower income persons to remain as housing for lower income persons for a term of at least five years.

The County has been successful in utilizing the 2021 law to expand affordable housing, including the recently announced affordable housing project at the West Hyattsville Metro station that will reserve half of the 293 new apartments for tenants with income that is 80 percent of the area median income. Even with such success, it has become apparent that there are still roadblocks in using PILOTs to their full potential to expand affordable housing. Current law limits when affordable housing PILOTs can be entered into between the County and developers to situations where at least part of the development project is being funded by public dollars.

**HB 444** expands the County's authority to enter into an affordable housing PILOT by expanding to properties that are acquired, constructed, or rehabbed for the purpose of operating rental housing for low-income individuals. This adds a vital tool that the County will leverage to increase affordable housing for its residents.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS House Bill 444** and asks for a **FAVORABLE** report.