



FISCAL IMPACT NOTE

Resolution: R-34-23

Title: Payments in Lieu of Property Taxes - Forest Drive LIHTC, LLC

Date: June 8, 2023

This resolution approves a payment in lieu of taxes fees (PILOT) for Forest Drive LIHTC, LLC for a 58-unit qualified low-income housing development located at 1701 Forest Drive. The City Manager's Staff Report and the analysis and data prepared by Arundel Community Development Services the City's Economic Development staff supports the financial need for the agreement.

In the first year, the PILOT will be \$11,600, which is \$15,900 less than the estimated \$27,500 of property taxes that would otherwise be due. Each year the PILOT payment increases by 4%. We cannot predict the increase in future property tax assessments, so we cannot estimate the difference between the PILOT payment and future years' taxes. However, property tax assessments (as phased in over a three-year period) have not, on average, increased by more than 4% annually in recent years.

Prepared by Katie Connolly, Budget Manager