



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

June 30, 2022

The Honorable Calvin S. Hawkins, II
Chair
Prince George's County Council
County Administration Building
Upper Marlboro, Maryland 20772

Dear Chair Hawkins:

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 NORE Fund – Landover Owner, LLC ("Owner") for the Verona at Landover Hills project ("Project").

The Owner is an entity formed by the development team led by Dantes Community Partners for the purpose of acquiring seven hundred twenty-seven (727) units of affordable multi-family rental housing for families, located at 4085 Warner Avenue, Landover Hills, MD 20784, under the Right of First Refusal ("ROFR") program. Of the seven hundred twenty-seven (727) units, five hundred forty-five (545) units will be affordable and reserved for family households who incomes are at or below sixty percent (60%) of the Area Median Income ("AMI"). Additionally, one hundred eighty-two (182) units will be at market rate. The unit mix will consist of two hundred fifty-five (255) one-bedroom units, three hundred ninety-six (396) two- bedroom units, and seventy-six (76) three-bedroom units.

The Project's total development cost, including the acquisition, infrastructure development and rehabilitation, is approximately one hundred sixty-one million, five hundred forty-three thousand, three hundred seven dollars (\$161,543,307). Financing will consist of a private mortgage loan ("First Loan") totaling approximately one hundred four million, two hundred forty-five thousand dollars (\$104,245,000) and approximately fifty-seven million, two hundred ninety-eight thousand, three hundred seven dollars (\$57,298,307) from an equity investor.

The PILOT requires the Owner to make annual payments to the County for each tax year of approximately twenty-five percent (25%) of the amount annually payable for Prince George's County real property taxes based on the Maryland State Department of Assessments and Taxation's annual assessment. The PILOT agreement will remain in effect for the fifteen (15) year affordability period. Without the PILOT agreement, the estimated County property tax would be approximately seven hundred forty-two thousand, seven hundred thirty-two dollars or

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approximately one thousand twenty-two dollars per unit (\$742,732, or approximately \$1,022 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately five hundred fifty-six thousand, seven hundred ninety-four dollars (\$556,794) 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 Aspasia Xypolia, Director, Department of Housing and Community Development at (301) 883-6511.

Sincerely,



Angela D. Alsobrooks
County Executive

Enclosures