

PENNROSE LLC
(Master Developer)

AND

**REDEVELOPMENT AUTHORITY
OF PRINCE GEORGE'S COUNTY**
(Site Owner)

**REQUEST FOR LETTER OF INTENT
NO. 2022-01**

*Glenarden Hills – Purchase and Development of 20
Finished Town House Lots by a Certified MBE*

ISSUE DATE: June 30, 2022

PROPOSAL CLOSING: August 1, 2022, 2:00 P.M.



This document is available at the following web sites:

Redevelopment Authority: [Letter of Intent | Prince George's County, MD \(princegeorgescountymd.gov\)](https://princegeorgescountymd.gov)

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SECTION I: INTRODUCTION

1.1 SUMMARY STATEMENT

Pennrose LLC (“Pennrose”), selected to lead the Glenarden Redevelopment Project as Master Developer, and the Redevelopment Authority of Prince George’s County (RDA), owner of the site, are hereby soliciting Letters of Intent (LOI) from licensed and qualified homebuilders for the purchase and development of 20 town house lots located in the new Glenarden Hills master planned community. The 20 lots referenced in the present solicitation are part of a larger 97 lot home ownership phase of the development which represent a unique opportunity to build in a desirable and easily accessible location within an approved master-planned community. Upon completion, the 27-acre Glenarden Hills development will feature a total of 424 rental and homeownership units within a walkable, traditional neighborhood design setting, featuring a diverse mix of housing types, amenities, and ample green space. The planned community includes an approximately 5,000 square foot clubhouse, tot-lot, and outdoor patio, which upon completion of phase 3 will also include a pool and additional open space. Phases I and II are complete, Phase III begins construction in 2022.

The 20 townhouse lots provide a rare opportunity to develop a vibrant homeownership community that is ideally situated between Washington D.C. and Baltimore and located within a five-minute drive of the new 600,000 square foot, \$543 million University of Maryland Capital Regional Medical Center, Largo, Maryland which recently opened in 2021. Glenarden Hills is also located directly across from the 70-acre Landover Mall redevelopment site. Other attractions and amenities include shopping, dining, entertainment, transportation, health services, education options, and employment centers. Located nearby are the MARC and Amtrak trains at New Carrollton, and the Orange, Blue and Silver Metro lines accessible from the Largo Town Center and Landover Metro Stations; Woodmore Town Center and Largo Town Center; FedEx Field and the Prince George’s County’s Sports and Learning Complex.

The site is in a Prince George’s County Opportunity Zone and Revitalization Tax Credit district. Existing zoning is Mixed-Use Transportation Oriented (M-X-T) with a Residential Revitalization Ordinance (RRO) overlay. A Preliminary Plan of Subdivision and Detailed Site Plan for the 27-acre site has been approved.

The solicitation is open exclusively to Certified MBEs with the capacity at all levels of the project, including ownership, design, development, contract, marketing and sales.

1.2 LOI SUBMISSION CLOSING DATE

The LOI Submissions must be addressed and emailed, on or before August 1, 2022, at 2:00 pm EST, to :

Patrick Stewart
Regional Vice President
Pennrose, LLC
1501 Saint Paul Street, Suite 118
Baltimore, MD 21202
Pstewart@pennrose.com

And

Gerald P. Konohia
Senior Manager
Redevelopment Authority of Prince George's County
9200 Basil Court, Suite 504
Largo, MD 20774
GPKonohia@co.pg.md.us

1.3 QUESTIONS AND INQUIRIES

Questions and inquiries must be submitted via email by July 18, 2022, to:

pstewart@pennrose.com

Phone calls or faxed questions will not be accepted. All questions and answers will be posted to the RDA website by July 21, 2022. All potential respondents are responsible for checking the RDA website for any addendums.

1.4 LOI ACCEPTANCE

Pennrose and the RDA reserve the right to accept or reject all LOIs, in whole or in part, received as a result of this solicitation and to waive minor irregularities. Further, Pennrose and the RDA reserves the right to make a whole award, partial award, or no award at all.

1.5 DURATION OF LOI

LOIs are to be held valid for six months following the closing date for this RFLOI. This period may be extended by mutual written agreement between the Offeror and Pennrose.

SECTION II: GENERAL INFORMATION

2.1 ADDENDA TO THE REQUEST FOR LETTER OF INTENT

If it becomes necessary to revise any part of this RFLOI, Addenda will be provided on the RDA's website. It is the responsibility of all potential respondents to regularly check the RDA's website for any Addenda.

2.2 AGREEMENT WITH SUCCESSFUL HOMEBUILDER

The Agreement to be negotiated and executed as a result of this RFLOI shall be by and between the selected homebuilder/ownership entity and Pennrose or a related entity.

SECTION III: TERMS AND REQUIREMENTS

3.1 BACKGROUND

The Redevelopment Authority's mission is to contribute to the creation of a diverse and vibrant economy and living environment for Prince George's County, using community building techniques and providing responsible and responsive development and redevelopment that is designed to enhance quality of life, balanced growth and job creation for diverse, sustainable communities.

In furtherance of this mission, in 2014, the RDA purchased the 27- acre Glenarden Apartments from HUD and demolished existing dilapidated structures. Through a competitive RFP process, a development team lead by Pennrose Properties, LLC (now Pennrose, LLC) as Master Developer, was selected to master plan and redevelop the site. Working collaboratively with the RDA and Prince George's County, Pennrose obtained approval of a Preliminary Plan of Subdivision and a Detailed Site Plan for the community which can be accessed on the Redevelopment Authority's Website select: Glenarden Hills Request for Letter of Intent to access the Approved Preliminary Plan of

Subdivision and Detailed Site Plans on the website link below.
<https://www.princegeorgescountymd.gov/865/Redevelopment-Authority>

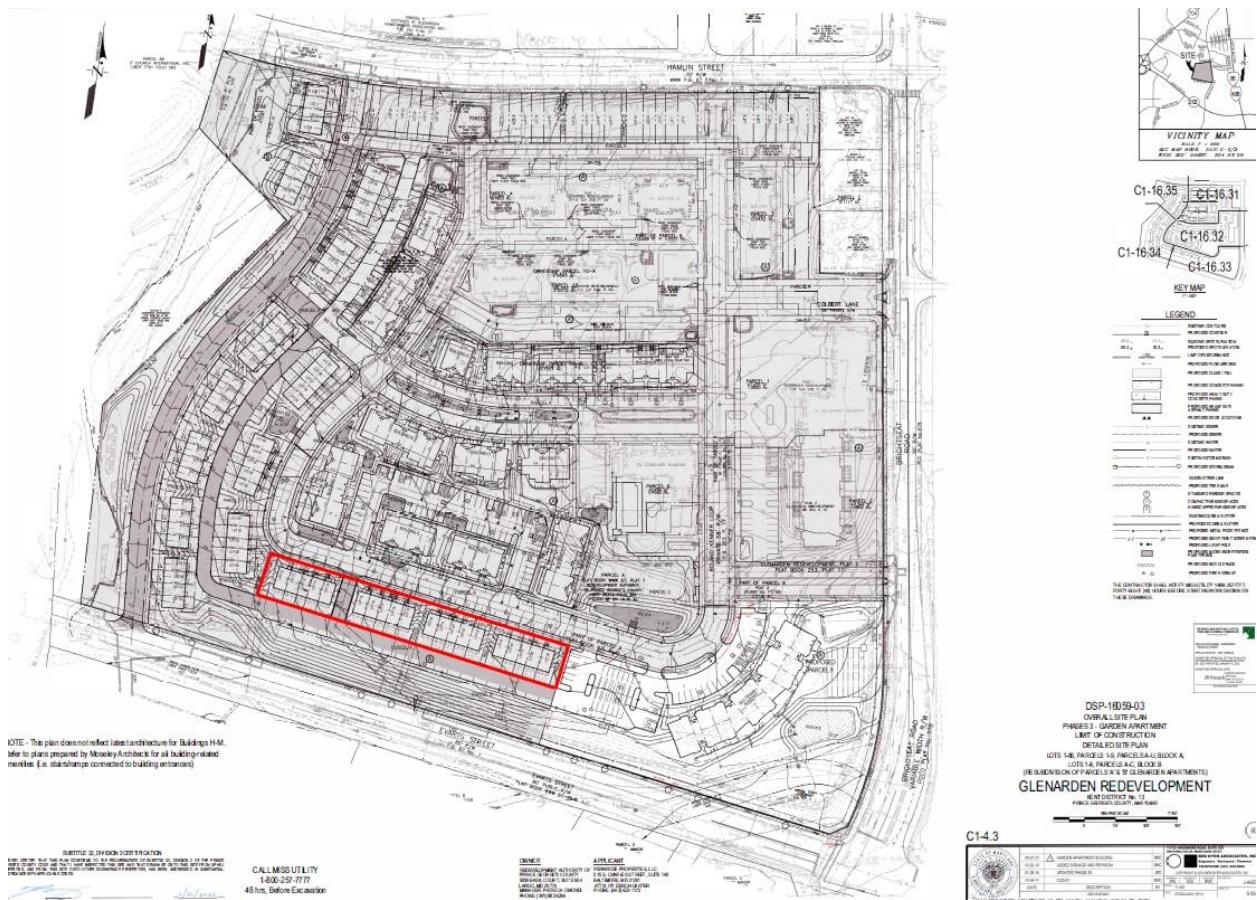
Fig 1. Glenarden Hills illustrative site plan showing Homeownership Phases



3.2 LOT DESCRIPTION

The 20 lots can accommodate 16-foot-wide townhouses, with depth of 34 to 38 feet from the front set-back line. Each lot will accommodate a one or two car garage accessible from a rear alleyway. The townhouses are required to be affordable (10-year affordability period) to households earning up to 120% of Area Median Income as determined by HUD. It is the intent of the Master Developer to deliver the lots finished with the surrounding street infrastructure in place, but preference may be given to respondents who submit offers based on purchasing the lots in “as is” condition.

Fig. 2 Configuration location of the 20 Town House Lots



3.3 ENTITLEMENT AND APPROVALS

The zoning in place is M-X-T with an RRO overlay. A Preliminary Plan of Subdivision and Detailed Site Plan has been approved. It is the Offeror's responsibility to familiarize themselves with the requirements of the M-X-T zone and RRO Overlay and the approved Preliminary Plan of Subdivision and Detailed Site Plan. The selected homebuilder will be responsible for all permits, plans, submittals and site approvals required for construction on the 20 lots.

3.4 FINISHED LOT CONDITIONS

Finished lots will be transferred to the selected Homebuilder. The characteristics of finished lots upon delivery include:

- Development of lots into single family residential building pads, clearing and rough over-lot grading
- Completion of base paving, curb and gutters, installation of streets and alleys interior to the site
- Water lines, sanitary sewer lines and storm drains; water and sewer laterals to lots, 5 feet inside curb

The following improvements are to be completed by the selected builder:

- Gas and electric service connections and meters
- Driveways and driveway aprons
- Sidewalks and lead walks
- Sidewalk and final pavement along Evarts Street
- Sod
- Grading/fine grading as required to complete house construction
- Building permit and any sewer and water or other impact fees; as well as the cost of any modifications to the approved Preliminary Plan of Subdivision and Detailed Site Plan resulting from changes by the Builder.

Where applicable, lot restoration bonds, if any, are Homebuilder's responsibility. Subdivision bonds and fees to be provided by the Seller and reimbursed by selected builder pro-rata. Builder will be obligated to protect existing subdivision infrastructure improvements, tree conservation areas, storm water management facilities, and any other existing improvements, from damage during house construction.

3.5 LOT TRANSFER CONDITIONS

The 20 lots are expected to be purchased in bulk in one closing by the homebuilder upon satisfaction of agreed-upon conditions. Purchase price is to be delivered by homebuilder at closing. Transfer costs will be split between seller and purchaser.

3.6 AFFORDABILITY REQUIREMENTS

HUD has imposed a ten (10) year Affordability Period restricting the sale of the townhouses to purchasers with maximum household income of 120% of the area median. See chart below for June 2022 120% AMI income levels for Prince George's County, as may be amended / updated. Selected homebuilder must ensure the compliance with this Affordability restriction by recordation of an Affordability Covenants for 20 lots sold as affordable units.

2022 HUD 120% AMI Income Limits Prince George's County

Household size	1	2	3	4	5	6	7	8
Income Limits	\$80,333	\$104,924	\$132,794	\$163,944	\$191,224	\$220,603	\$252,280	\$285,656

3.7 BUYER DOWNPAYMENT AND CLOSING COSTS ASSISTANCE

Through the Prince George's County Purchase Assistance Program, up to \$20,000 in down payment and closing costs assistance may be available to eligible first-time homebuyers with household income at or below 120% of the area median.

SECTION IV: LETTER OF INTENT SUBMITTALS

4.1 MINIMUM LETTER OF INTENT REQUIREMENTS

1. Name and address of ownership entity that will purchase the lots
2. Homebuilder license and proof of MBE certification issued by Prince George's County, (MD) State of Maryland or WMATA
3. Homebuilder capacity statement
4. Purchase price for Lots
5. Proposed lot take down schedule
6. Timing of the plan book submittal to MNCPPC upon receiving delivery of lots
7. Proposed financing plan including sources and use statement.
8. Homebuilder financials including lines of credit, commitment letters from lenders and most recent audited, compiled or reviewed financial statements.
9. Exceptions or Restrictions statement- Should the Offeror take exception to any provision or requirement of this RFLOI, it must be indicated in this section.
10. Conflicts of Interest -The Offeror is required to make a statement of no knowledge of any potential conflicts of interests with the Redevelopment Authority or Prince George's County.
11. Pending Litigation: The Offeror must affirm that they are not party to any pending litigation against the Redevelopment Authority or Prince George's County.
12. Certificate of Good Standing
13. Proof of MBE Certification: issued by the Prince George's County Government, or another acceptable jurisdiction/authority (i.e., State of MD, WSSC, Washington Area Metropolitan Transit Authority).

SECTION V: EVALUATION AND SELECTION PROCESS

5.1 EVALUATION CRITERIA

Key selection criteria are Offeror's MBE certification, purchase price for lots and homebuilder experience and financial capacity to fully perform within the applicable time and quality requirements.

5.2 SELECTION PROCESS

LOIs submitted will be evaluated by Pennrose in collaboration with the Redevelopment Authority. The LOI that is determined to best meet the key evaluation criteria and LOI requirements will be selected.

5.3 INVESTIGATION PERIOD

A sixty (60) day investigation period will be provided to the selected homebuilder, beginning on the effective day of execution of the LOI and ending 60 days thereafter (the "Investigation Period"). Any reports, investigations, or studies that have previously been conducted at the property that are deemed relevant to this undertaking will be provided if requested.

5.4 RIGHT OF WAY AGREEMENT

The selected homebuilder and the Redevelopment Authority will enter into a Right of Entry Agreement for the Investigation Period.

5.5 DEPOSITS

An initial deposit of \$100,000 is required payable as follows (a) \$50,000.00 within ten (10) business days of the effective date of an executed LOI and (b) \$50,000.00 within ten(10) days of the completion of the study period. Initial deposits shall be payable to Pennrose or related entity, held in escrow and credited to the purchase of the lots.

5.6 LOI PROPERTY OF PENNROSE AND THE RDA

All LOIs submitted in response to this RFLOI become the property of Pennrose and/or related entities and the RDA and may be appended to any formal documentation which would further define or expand the contractual relationship between Pennrose and the successful Offeror.