

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

Legislative Session _____ 1991 _____

Resolution No. _____ CR-81-1991 _____

Proposed by The Chairman (by request - County Executive)

Introduced by Council Members Castaldi and Casula

Co-Sponsors _____

Date of Introduction _____ September 17, 1991 _____

RESOLUTION

A RESOLUTION concerning

Antoinette Gardens Apartments Housing Authority Bonds
FOR the purpose of expressing the County Council's approval of the
exercise by the Housing Authority of its authority to issue and sell
its revenue refunding bonds or notes for the Antoinette Gardens
Apartments.

WHEREAS, Section 4-102 of Article 44A of the Annotated Code of
Maryland (as amended from time to time) permits the Housing
Authority to exercise certain powers to enable it to make
construction loans and long-term mortgage loans which will produce
housing development, and to issue and sell bonds and/or notes of the
Authority to finance housing and housing rehabilitation in Prince
George's County, Maryland, upon approval of the governing body of
the County; and

WHEREAS, the Housing Authority has additional authority and
power under Section 1-501 of Article 44A of the Annotated Code of
Maryland (as amended from time to time) to issue bonds from time to

time, in its discretion, for any of its authorized purposes, as well as to issue refunding bonds for the purpose of paying or retiring any bonds previously issued by it; and

WHEREAS the Housing Development Program of Prince George's County was previously expanded to include the Antoinette Gardens Apartments project by the Housing Authority through Resolution No. LHA-562, dated June 24, 1985; and

WHEREAS, the County Council approved the amendment to the Housing Development Program of Prince George's County to include Antoinette Gardens Apartments and the issuance and sale of bonds by the Housing Authority of Prince George's County, in an aggregate amount not to exceed \$6,475,000 (CR-103-1984 and CR-221-1985); and

WHEREAS, pursuant to Resolution No. LHA-591 the Housing Authority has previously authorized the issuance and sale of its mortgage revenue bonds, designated "HOUSING AUTHORITY OF PRINCE GEORGE'S COUNTY (Maryland) MORTGAGE REVENUE BONDS, SERIES 1985 (ANTOINETTE GARDENS APARTMENTS PROJECT -- FHA INSURED MORTGAGE LOAN)" (the "Bonds") in a principal amount of \$6,475,000, the proceeds of which were loaned to Antoinette Gardens Limited Partnership (the "Owner") for the purchase, improvement, equipping and rehabilitation of a 196 unit multi-family housing project located at 1226 Benning Road in Coral Hills, Maryland, known as Antoinette Gardens Apartments Project (hereinafter referred to as the "Project"); and

WHEREAS, the Housing Authority was presented with evidence that the Owner defaulted on its loan, and that said default was due to the fact that the Project has failed to generate sufficient revenues

since the default to pay past outstanding arrearages, although it is generating sufficient revenues to make all current required payments; and

WHEREAS, CT Management, Inc., the current management agent of the Project, has submitted information to the Housing Authority showing that if the mortgage interest rate is lowered by means of a refunding of the Bonds, the revenues generated by the Project will be sufficient to make all required payments, including the repayment of an Operating Loss Loan to be provided by the United States Department of Housing and Urban Development concurrently with the refunding of the Bonds, which will be used to pay past outstanding arrearages; and

WHEREAS, based upon the foregoing, Charles Tini and Lester Severe have proposed that they will acquire an ownership interest in the Project and have asked the Housing Authority to authorize a current refunding of the outstanding bonds; and

WHEREAS, the Housing Authority adopted Resolution No. LHA-770, whereby it concluded that it was in the best interests of the County residents living in the Project, and of the County generally, to assist the Owner in establishing the long-term economic viability of the Project, and expressed its intent to issue and sell refunding bonds, subject to the approval of the County Council, in a principal amount not to exceed \$6,475,000, to provide funds for the refunding of an equal principal amount of the outstanding Bonds; and

WHEREAS, the current zoning of the property is R-18 in which apartment development is permissible subject to all applicable

requirements of the Zoning Ordinance (including certification of a nonconforming use, if necessary); and

WHEREAS, the initial manager of the Project, upon the issuance of the refunding bonds, will be CT Management, Inc.; and

WHEREAS, CT Management has agreed that no rental increase will be imposed on any residents for a period of nine months from November 1, 1991, to July 31, 1992.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the issuance and sale of refunding bonds by the Housing Authority of Prince George's County, in an aggregate amount not to exceed \$6,475,000, subject to any other conditions or requirements imposed by the County Executive in order to assure decent, safe and sanitary housing for County residents, be and the same is hereby approved.

Adopted this 24th day of September, 1991.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Richard J. Castaldi
Chairman

ATTEST:

Maurene W. Epps
Acting Clerk of the Council

HOUSING AUTHORITY OF PRINCE GEORGE'S COUNTY

PROJECT INFORMATION SHEET

1. Project Name: Antoinette Gardens

Amount Requested: Refunding bonds not to exceed
\$6,475,000

2. County Council Resolution No.: _____

Date Introduced: _____ Date Adopted _____

3. Housing Authority Resolution No.: LHA-770

Date Adopted: 3/25/91

4. Project Address: 1226 Benning Road
Coral Hills, Maryland 20743

5. Municipality(ies): Capitol Heights, District Heights

6. Councilmanic District: VII

7. Number of Units 197 Number of Buildings: 28

8. Number of Section 8 Tenants: 0

9. Rent Structure:	<u>No. of</u> <u>Units</u>	<u>*Existing</u>	<u>Average</u> <u>Proposed Rents</u>
Efficiency	3	\$ 434	\$ 447
1 BR	68	\$ 495	\$ 510
2 BR	98	\$ 599	\$ 617
3 BR	28	\$ 665	\$ 685

10. Partnership Name: Antoinette Gardens Limited Partnership

11. Names of General partners: Charles Tini
Lester Severe

12. Proposed Management: C.T. Management

Project INFORMATION SHEET

ANTOINETTE GARDENS APARTMENTS
1226 Benning Road
Coral Hills, MD 20743

COUNCILMANIC DISTRICT VII

TYPE OF FINANCING: Project was financed in 1985. It is currently in default. New loan for restructured partnership will offer lower interest and project should generate sufficient cash flows to keep project current as well as pay monies due. This will be a refunding of 1985 bonds and issuing of replacement bonds.

DESCRIPTION: 197 units, 3 efficiencies, 68 1-bedroom, 98 2-bedroom and 28 3-bedroom units. Located at triangle between Benning Road, Marlboro Pike and Southern Avenue. Property has been rehabilitated and occupancy has increased steadily since new management took over,

RENTAL TRENDS: Rents are currently at:

Eff. - \$434
1BR - \$495
2BR - \$599
3BR - \$665

Trend of increase in immediate future is projected at 3 percent.