

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 9/25/2001

Reference No.: CR-44-2001

Proposer: County Executive

Draft No.: 1

Sponsors: Wilson

Item Title: A Resolution to approve the financing of the acquisition and rehabilitation of Parkway Apartments by the Franklin Capital Group

Drafter: Mary Lou McDonough
Deputy Director

Resource Jalal Greene
Personnel: Director, DHCD

LEGISLATIVE HISTORY:

Date Presented: __/__/__

Executive Action: __/__/__

Committee Referral: 9/11/2001 THE

Effective Date: __/__/__

Committee Action: 9/18/2001 FAV

Date Introduced: 9/11/2001

Public Hearing: __/__/__ __: __ __

Council Action: 9/25/2001 ADOPTED

Council Votes: RVR:A, DB:A, JE:-, IG:A, TH:A, WM:A, AS:A, PS:A, MW:A

Pass/Fail: P

Remarks: _____

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 9/18/01

Committee Vote: Favorable, 3-0, (In favor: Council Members Estepp, Shapiro and Hendershot)

Staff gave an overview of CR-44-2001 and informed the Committee of referral comments that were received. CR-44-2001 would approve Maryland Community Development Administration (CDA) Multifamily Bond Program financing for the acquisition and rehabilitation of Parkway apartments.

The Parkway Apartments are comprised of 161 units for persons with moderate income located at 4403 23rd Parkway, Hillcrest Heights, Maryland. The property will be acquired and redeveloped by Franklin Capital Group, a joint venture between the Franklin Capital Development Company, L.L.C. and Equity Management Inc. Representatives from the Franklin Capital Group were available for questions.

The total development cost is approximately \$13,000,000. The sources of funds that will be used are: \$9,500,000 in CDA tax exempt bonds and \$3,540,936 in equity from the syndication of Low Income Housing Tax Credits. The DHCD representative stated that the tax credit is 4%. Settlement is projected for September 2001.

The Department of Housing and Community Development (DHCD) representative stated that the County Executive has submitted a letter of support to CDA. However, a resolution is necessary. The DHCD representative also stated that a TEFRA hearing has been held by CDA in accordance with the IRS Code.

The DHCD representative informed the Committee that this project is in the 8th Councilmanic District and not the 6th District as previously indicated in Attachment A of the resolution.

The Legislative Officer and the Office of Law finds CR-44-2001 to be in proper legislative form.

BACKGROUND INFORMATION/FISCAL IMPACT

(Includes reason for proposal, as well as any unique statutory requirements)

This Resolution will approve the financing of the acquisition and rehabilitation of the Parkway Apartments. Parkway Apartments is a 161-unit rental garden apartment complex located at 4403 23rd Parkway, Hillcrest Heights, Maryland. The rehabilitation plan for the property is comprehensive but will not result in a significant change in density. The property will be redeveloped by Franklin Capital Group, a joint venture between Franklin Capital Development Co., L.L.C. and Equity Management Inc. Funding will consist of \$9,500,000 in tax-exempt bond financing and \$3,540,936 in Low Income Housing Tax Credits. A public hearing is required and will be held by CDA.

CODE INDEX TOPICS: