

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

Meeting Date: 7/30/2002

Reference No.: CR-43-2002

Proposer: County Executive

Draft No.: 1

Sponsors: Shapiro, Scott

Item Title: A Resolution expressing the County Council's approval of the Housing Authority of Prince George's County Single Family Mortgage Revenue Bonds, Series 2002A and authorizing the issuance of bonds in an aggregate principal amount not to exceed \$33,000,000

Drafter: Allison Ladd, Dept. of Housing
and Community Development

**Resource
Personnel:** Jalal Greene, Dept. of Housing
and Community Development

LEGISLATIVE HISTORY:

Date Presented: __/__/__

Executive Action: __/__/__

Committee Referral: 7/16/2002 THE

Effective Date: __/__/__

Committee Action: 7/25/2002 FAV

Date Introduced: 7/16/2002

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

Council Action: 7/30/2002 ADOPTED

Council Votes: PS:A, DB:A, TD:A, JE:A, TH:A, TK:A, RVR:A, AS:A, MW:A

Pass/Fail: P

Remarks: _____

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 7/25/02

Committee Vote: Favorable, 5-0 (In favor: Council Members Scott, Dernoga, Knotts, Shapiro and Wilson).

Staff explained the purpose of the resolution and informed the Committee of referral comments that were received. CR-43-2002 approves the Housing Authority of Prince George's County's 2002 Single Family Mortgage Purchase Program and the issuance of bonds in an amount not to exceed \$33,000,000. The Bond proceeds will be used to make long-term mortgage loans, to purchase mortgages, to finance housing, housing rehabilitation or housing project(s), and to pay or retire bonds previously issued by the Housing Authority.

The Director of the Department of Housing and Community Development (DHCD) indicated that the size of the 2002 Single Family Mortgage Purchase Program is almost two times the 2001 Program of \$17,500,000. He further indicated that the interest rates have declined since drafting of this legislation and that the interest rates for the assisted loans will be 6.75% and 6.2% for the unassisted loans.

The bond proceeds will be made available to finance mortgage loans to income-eligible first time homebuyers on price-eligible dwellings. Assisted loans (mortgages made without downpayment and closing cost assistance with a lower interest rate) and unassisted loans (loans made with a 4% grant for downpayment and closing cost assistance at a higher rate) will be available. Approximately 13% of loan funds are set aside for seven Target Areas, eliminating first-time homebuyer requirement and permitting higher income and purchase price limitations in these areas. The Target Areas include Bladensburg, Capitol Heights, Colmar Manor, Fairmount Heights, Mount Rainier, North Brentwood, and Seat Pleasant.

DHCD indicated that the lenders for the 2002 Program have been identified, with six (6) lenders from the previous year program.

DHCD distributed the 2001 Single Family Bond Program Statistics.

The Office of Audits and Investigations determined that there should not be any negative fiscal impact on the County as a result of adopting CR-43-2002.

BACKGROUND INFORMATION/FISCAL IMPACT

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

This resolution approves the Housing Authority of Prince George's County's 2002 Single Family Mortgage Purchase Program and authorizes the issuance from time to time by the Housing Authority of Prince George's County of Single Family Mortgage Revenue Bonds, Series 2002A in an amount not to exceed \$33,000,000. The bond proceeds will be used to make long-term mortgage loans, to purchase mortgages, to finance housing, housing rehabilitation or housing project(s), and to pay or retire bonds previously issued by the Housing Authority. A public hearing will be required and will be held by the Housing Authority.

CODE INDEX TOPICS: