

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2007 Legislative Session

Resolution No. CR-36-2007

Proposed by The Chairman (by request – County Executive)

Introduced by Council Member Bland

Co-Sponsors _____

Date of Introduction June 5, 2007

RESOLUTION

1 A RESOLUTION concerning

2 Allentowne Apartments

3 For the purpose of approving the issuance and sale of revenue bonds by the Housing Authority of
4 Prince George's County (the "Housing Authority"), the awarding of Low Income Housing Tax
5 Credits by the State of Maryland Community Development Administration ("CDA") to
6 Allentown Associates, L.P. (the "Owner"), for the acquisition and rehabilitation of the
7 Allentowne Apartments (the "Project") and amending the Prince George's County "Annual
8 Action Plan: FY 2007" (the "FY 2007 Annual Action Plan") to include the Project.

9 WHEREAS, the Allentowne Apartments which is sited on approximately 7 acres located at
10 5218 Morris Avenue, Suitland, Maryland 20746 and consists of 178 units, including a rental
11 office, in 8 buildings with common laundry facilities, swimming pool and common areas is
12 currently in a distressed state and in significant need of rehabilitation; and

13 WHEREAS, the Project Information Sheet attached hereto as Attachment A substantially
14 describes the Project; and

15 WHEREAS, RST Development, L.L.C. will be the developer of the Project; and

16 WHEREAS, the Owner has requested assistance in financing a portion of the costs of the
17 Project through the issuance of the Housing Authority's Multifamily Housing Revenue Bonds, in
18 an aggregate principal amount not to exceed \$15,870,000 (collectively, the "Bonds"); and

19 WHEREAS, it is anticipated that the Bonds will be issued as tax-exempt bonds and,
20 potentially, taxable bonds; and

21 WHEREAS, pursuant to Sections 4-101 and 4-102 of Article 44A of the Annotated Code of
22 Maryland, as amended, with the approval of the County governing body, the Housing Authority

1 has the power to make construction loans and long-term mortgage loans to produce housing, to
2 purchase and to insure mortgages secured by housing, and to issue and sell bonds and notes to
3 finance housing, housing rehabilitation and housing projects as it may determine necessary; and

4 WHEREAS, the Housing Authority adopted Resolution No. LHA – 1214, attached hereto
5 as Attachment B, which expresses the Housing Authority's intent to issue and sell the Bonds, the
6 proceeds of which will be used to finance a portion of the costs of the Project; and

7 WHEREAS, the estimated cost of the Project is \$23,700,000; and

8 WHEREAS, additional sources of financing include equity from the sale of federal low
9 income housing tax credits (“LIHTCs”) awarded by CDA; Interim Project Income; a HOME
10 Loan from Prince George’s County; and Deferred Developer fees in the estimated amounts set
11 forth in Attachment A; and

12 WHEREAS, the FY 2007 Annual Action Plan approved by CR-31-2006, and adopted on
13 June 20, 2006, included a description of the Rental Housing Rehabilitation and Development
14 Program activity and funding for such activity; and

15 WHEREAS, pursuant to Section 15A-105(a)(2) of the Prince George’s County Code, the
16 Annual Action Plan must also include the estimated cost for each proposed project in the subject
17 program year, the total cost for completion and identification of all of the funds to be used for the
18 project; and

19 WHEREAS, the approved FY 2007 Annual Action Plan did not include the Project; and

20 WHEREAS, the applicable law and regulations of Title 4, Housing and Community
21 Development Article of the Annotated Code of Maryland and Title 05 of the Code of Maryland
22 Regulations require approval of the Project and the Project financing by the County Council for
23 Prince George’s County and the County Executive; and

24 WHEREAS, the County Executive endorses the Project and recommends approval for
25 financing a portion of the costs of the Project, substantially as described on Attachment A; and

26 WHEREAS, the Department of Housing and Community Development of Prince George's
27 County held a Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) public hearing
28 required by Section 147(f) of the Internal Revenue Code, on May 17, 2007 following publication
29 of notice of said hearing.

30 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
31 County, Maryland, that the issuance and sale by the Housing Authority of the Bonds, in one or

1 more series in such aggregate principal amount per series as shall be determined by the
2 Chairman and the Executive Director of the Housing Authority to be sufficient to accomplish the
3 purposes hereof, provided that such Bonds shall be issued in an aggregate principal amount not
4 to exceed \$15,870,000, and subject to any other conditions or requirements imposed by the
5 County Executive in order to assure decent, safe and sanitary housing for County residents, be
6 and the same is hereby approved.

7 BE IT FURTHER RESOLVED that this Resolution shall constitute the approval of the
8 County Council as required by Section 147(f) of the Internal Revenue Code of 1986, as
9 amended, for a portion of the costs of the Project to be financed with the proceeds of the Bonds.

10 BE IT FURTHER RESOLVED that this Resolution shall constitute the approval of the
11 County Council of the award of LIHTCs by Maryland CDA.

12 BE IT FURTHER RESOLVED that the Prince George's County "Annual Action Plan:
13 FY2007" is hereby amended to include the Project, including the estimated cost for the Project,
14 the projected and estimated Project financing, and the Project description as set forth in
15 Attachment A.

16 BE IT FURTHER RESOLVED that the County Council incorporates into the Project, by
17 reference, the Security Overview for The Allentown Apartments provided by RST Development,
18 L.L.C. as set forth in Attachment C.

19 BE IT FURTHER RESOLVED that a copy of this Resolution shall be sent to the Secretary
20 of the Department of Housing and Community Development of the State of Maryland.

Adopted this 19th day of June, 2007.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Camille A. Exum
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Jack B. Johnson
County Executive

Attachment B & C available in hard copy only

ATTACHMENT A

PROJECT INFORMATION SHEET

**Allentowne Apartments
5218 Morris Avenue
Suitland, Maryland 20746**

COUNCILMANIC DISTRICT 9

PROPERTY DESCRIPTION: Allentowne Apartments consists of 178 units, including a rental office, in 8 garden style buildings, with common laundry facilities and a swimming pool, sited on approximately 7 acres.

YEAR BUILT: 1963

OWNER: Allentown Associates, L.P. will acquire and own the Project.

MANAGER: Hercules Real Estate Services, Inc. will be the management agent for the Project.

DEVELOPER: RST Development, L.L.C. will be the developer of the Project.

OWNER’S CONTACT: Allentown Associates, L.P.
c/o RST Development, LLC
6001 Montrose Road, Suite 710
Rockville, MD 20852
Attn: M. Scott Copeland, Principal

PROJECTED FINANCING: Approximately \$13,800,000 in Housing Authority of Prince George’s County Revenue Bonds (not to exceed \$15,870,000); \$6,435,751 in Low Income Housing Tax Credit equity; \$613,873 in Interim Project Income; \$1,700,000 HOME Loan; and \$1,347,010 Deferred Developer fees

PROPOSED CREDIT ENHANCEMENT: Freddie Mac

NEIGHBORHOOD/LOCALITY: Allentowne Apartments are located near Andrews Air Force Base, the Capital Beltway, Presidential Corporate Center and Suitland Federal Center.

PROPOSED RENOVATIONS:	The complex is in need of major structural and other renovations. The Owner's proposed rehabilitation plans presently include (but are not limited to) replacement of all roofs, fascia, flashing, gutters, downspouts and siding; repairing or replacing balconies; replacement of all HVAC systems; substantial renovations of all kitchens and bathrooms including new cabinets, fixtures, tile, flooring and appliances; replacement of all windows and doors; security improvements including surveillance cameras, secured card access to laundry rooms, and increased site lighting; repairing pool; creating community room; grounds improvements including new playground, replacing or repairing walkways, improving parking lots and landscaping.
UNIT MIX:	Currently 24 efficiencies, 42 one-bedroom units, 77 two-bedroom units, and 35 three-bedroom two bathroom units.
CURRENT RENTS:	\$650 - \$1,200 per month
PROPOSED RENTS:	Efficiencies: \$650 – \$710 per month One Bedroom Units: \$760 - \$815 per month Two Bedroom Units: \$860 - \$965 per month Three Bedroom/Two Bathroom: \$1,225 per month (tenant paid gas for heating and electricity)