

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

Meeting Date: 10/12/99

Reference No.: CR-42-1999

Proposer: County Executive

Draft No.: 1

Sponsors: Scott, Bailey

Item Title: A Resolution to approve Section 108 Loan Guarantee
Application to establish a Commercial Building Loan
Fund for Economic Development activities.

Drafter: Jalal Greene
Housing

Resource Jalal Greene
Personnel: Housing

LEGISLATIVE HISTORY:

Date Presented: __/__/__

Executive Action: __/__/__

Committee Referral: 9/21/99 THE

Effective Date: __/__/__

Committee Action: 10/7/99 FAV

Date Introduced: 9/21/99

Public Hearing: 10/12/99 1:30 P.M.

Council Action: 10/12/99 ADOPTED

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

Pass/Fail: P

Remarks: _____

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 10/7/99

Committee Vote: Favorable, 4-0, (In favor: Council Members Gourdine, Shapiro, Scott and Wilson)

Staff explained the purpose of the resolution and informed the Committee of referral comments, that were received. The Office of Law and the Council's Legislative Officer determined that the resolution is in proper legislative form. The Office of Audits and Investigations determined that there should not be negative fiscal impact on the County as a result of adopting CR 42-1999. The Executive Branch supports the resolution. The Mayor and Town Council of Cheverly supports CR-42-1999.

The County's Economic Development Initiative (EDI) grant application to the United States Department of Housing and Urban Development (HUD) for \$1,000,000 was awarded. The

associated application, Section 108 Loan Guarantee, is due to HUD within 60 days of approval of the County's EDI grant. Therefore, the purpose of CR-42-1999 is to approve a Section 108 Loan Guarantee Application in the amount of \$10,000,000, pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended. With the proceeds of the Section 108 loan, the County will establish a loan pool for the Commercial Building Loan Fund (CBLF). The CBLF will be administered by the Prince George's County Economic Development Corporation, and will help finance commercial revitalization. Public Hearing is required and has been scheduled for Tuesday, October 12, 1999.

Staff from the County's Department of Housing and Community Development (DHCD) indicated that the application was prepared by their agency. The loan would come to the County, be administered by the DHCD and would be forwarded to the PGCEDC for implementation.

Staff from the PGCEDC indicated that there are existing revitalization programs; however, the CBLF program is geared towards retail. Staff further indicated that \$7.5 million have been earmarked for 4 specific projects. Staff also indicated that it is the goal of the Corporation to focus on the inner beltway target areas: Landover, Hyattsville and Oxon Hill. However, that is not a criteria for the program. The remaining \$2.5 million is designated for the Care and other CBLF Projects. Letters of interest to participate in the Care Program are currently being considered. Care Project funding is for "for profit" businesses.

BACKGROUND INFORMATION/FISCAL IMPACT

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

Approval of a \$10 million loan by the U.S. Department of Housing and Urban Development (HUD) to establish a commercial building loan fund. This fund will be used to increase leveraging opportunities, particularly public-private partnerships, for revitalization of distressed commercial areas in the County.

CODE INDEX TOPICS: