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COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

Legislative Session

1992

Resolution No. _____ CR-26-

1992

Proposed by The Chairman (by request - County Executive)

Introduced by Council Members Pemberton and Castaldi

Co-Sponsors

Date of Introduction April 14,
1992

RESOLUTION

A RESOLUTION concerning

Forest Creek Apartments

(formerly known as New Keystone 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 New Keystone 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, at 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 New Keystone Apartments project by the Housing Authority through Resolution No. LHA-398, dated June 28, 1982; and

WHEREAS, by CR-95-1982, the County Council approved the amendment to the Housing Development Program of Prince George's County to include new Keystone Apartments and the issuance and sale of bonds by the Housing Authority of Prince George's County, in an aggregate amount not to exceed \$29,600,000; and

WHEREAS, pursuant to Resolution No. LHA-402 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 1982 New Keystone Apartments Project (FHA Insured

Mortgage Loan)" (the "Bonds") in a principal amount of \$29,600,000, the proceeds of which were loaned to New Keystone Associates Limited Partnership (the "Owner") for the acquisition and rehabilitation of a 930 unit multifamily housing project located in Forestville, in Prince George's County, Maryland, originally known as New Keystone Apartments Project (now known as Forest Creek Apartments and hereinafter referred to as the "Project"); and

WHEREAS, the Bonds are subject to optional redemption on any May 1 and November 1 on or after May 1, 1992, and the Owner has requested that the Housing Authority refund the Bonds on May 1, 1992 in order to secure a lower interest rate for the mortgage loan on the Project; and

WHEREAS, the Owner has represented to the Housing Authority showing that if the mortgage interest rate is lowered by means of a refunding of the Bonds, the Project will generate sufficient funds to help assure the continued long-term economic viability of the Project, thus helping to continue to provide a supply of affordable housing in the area of the Project. The Owner has agreed to pay any premium due as a result of redeeming the Bonds prior to their stated maturities, thus relieving the Authority of any liability therefor; and

WHEREAS, based upon the foregoing, the Owner has asked the Housing Authority to authorize a current refunding of the outstanding Bonds; and

WHEREAS, the Housing Authority adopted Resolution No. LHA-803 whereby it concluded that it was in the best interests of

the County residents living in the Project and of the County's Housing Development Program generally to assist the Owner in establishing the long-term economic viability of the Project, and expressed its intent to issue and sell federally tax-exempt Series 1992A refunding bonds, subject to the approval of the County Council, in a principal amount not to exceed \$29,600,000 to provide funds for the refunding of an equal principal amount of the outstanding Bonds, and to issue and sell federally taxable Series 1992B refunding bonds in a principal amount not to exceed \$3,000,000 determined by the Executive Director of the Housing Authority, upon the advice of the Authority's financial advisor and the purchasers of the refunding bonds, as shall be sufficient to pay certain bond issuance costs and such additional costs as are necessary to retire the 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 Artery Property Management, Inc.;

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 \$29,600,000 of federally tax-exempt Series 1992A Bonds and in an aggregate amount of federally taxable Series 1992B Bonds as determined by

the Executive Director of the Housing Authority, not to exceed \$3,000,000 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 21st day of April, 1992.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:

Richard J. Castaldi
Chairman

ATTEST:

Joyce T. Sweeney
Acting Clerk of the Council

PROJECT INFORMATION SHEET

NEW KEYSTONE (FOREST CREEK) APARTMENTS
6501 HIL MAR DRIVE
FORESTVILLE, MARYLAND 20747

COUNCILMANIC DISTRICT VI

LOAN AMOUNT: million for	Not to exceed \$29.6
bonds.	A bonds. Not to exceed \$3.0 million for B
PROPERTY DESCRIPTION: located in the	The apartments are
corridor.	Pennsylvania Avenue
and 4	The 69 buildings are 3
constructed	stories high and are
siding	of brick with some
was	material. The Project
1960.	constructed around
REHABILITATION PROGRAM:	Project has been fully renovated.
REVIEW OF CODE: outstanding	There are no Code Violation Notices.
ADDITIONAL DEVELOPER INFORMATION: The	The development group,
been	Artery Organization has
financing and	involved in the
several	rehabilitation of
the	projects. Recently,
company,	owner's management
Management,	the Artery Property
management	Inc., has taken over
providing	of these projects,
by the	for more direct control
operates	owner. Artery owns and

in Prince
Cambridge
Hall, Park
Center III,
Timber Ridge.

the following projects
George's County:
Crossing, Jefferson
Place Towers, Towne
Cypress Creek and

PROJECT INFORMATION SHEET
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NEIGHBORHOOD PROFILE
AND OTHER AREA DEVELOPMENTS:
project
commercial
place.

The area around the
is stable with some new
development taking

RENTAL TRENDS:
percent of
Section 8
trend as

The project has 20
its units under a
contract. Street rents
follows:

555
695
750

1 BR	\$ 530 -
2 BR	\$ 650 -
3 BR	\$ 735 -

