

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

Meeting Date: 11/25/97

Reference No.: CR-61-1997

Proposer: County Executive

Draft No.: 1

Sponsors: Bailey, Del Giudice

Item Title: Approval of Issuance of Refunding Bonds of the
Housing Authority for Foxglenn Apartments

Drafter: John Shanley
Housing

Resource Personnel: Michael Doaks
Housing

LEGISLATIVE HISTORY:

Date Presented: 10/28/97
Committee Referral: 10/28/97 THE
Committee Action: 11/13/97 FAV
Date Introduced: 10/28/97
Pub. Hearing Date: __/__/__ __:__ __

Executive Action: __/__/__ ____
Effective Date: __/__/__

Council Action: 11/25/97 ENACTED
Council Votes: DB:A, SD:A, JE:A, IG:A, TH:A, WM:A, RVR:-, AS:A, MW:A
Pass/Fail: P

Remarks: _____

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE 11/13/97

Committee Vote: Favorable, 3-0 (In favor: Council Members Scott, Del Giudice and Estepp).

The Director of Housing & Community Development explained that this legislation will approve the refunding of Housing Authority mortgage revenue bonds for the 171 unit Foxglenn Apartments. All of the units in the property became subsidized under the U.S. Department of Housing and Urban Development's (HUD) Section 8 Moderate Rehabilitation Program as a part of the 1986 initial financing. The refunding will involve a refinancing of current outstanding bonds and the issuance of an additional \$500,000 in taxable bonds to cover the cost of issuance and rating agency requirements. The property is owned by Foxglenn Investors and is located at 6816 Walker Mill Road in Capitol Heights.

The Director further explained that the owner will only receive the benefit of a lower mortgage interest rate at the discretion of the County, if he submits a comprehensive plan acceptable to the County that provides significant improvements in the project. The interest saving that the Housing Authority would receive is estimated to be \$90,000 per year; allowing for funds to assist in affordable housing for county residents.

The property is not on the County's distress property list, and is not in violation of any federal regulations. They continue to meet their minimum obligations. However, there are reasonable concerns about the strengths of the current management. Therefore, the Committee members requested from the Housing & Community Development the status of housing code violations, if any.

The Office of Law finds this resolution to be in proper legislative form.

The Committee voted favorable on CR-61-1997.

BACKGROUND INFORMATION/FISCAL IMPACT
(Includes reason for proposal, as well as any unique statutory requirements)

In 1986, CR-81-1986 approved the issuance of Mortgage Revenue Bonds to finance the purchase, improvement, equipment and rehabilitation of Foxglenn Apartment project. The 1986 Bonds are callable at any time at the option of the Housing Authority. Costs associated with the 1986 Bond refunding will be paid by the Housing Authority from proceeds of the refunding bonds and/or funds available and to become available with respect to the project. The County Council does not have to hold a public hearing as the Housing Authority conducted a public hearing on June 20, 1997, that meets the applicable requirements of the Internal Revenue Code.

There is no fiscal impact to Prince George's County.

CODE INDEX TOPICS: