

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**1995 Legislative Session**Resolution No. CR-8-1995Proposed by Chairwoman MacKinnon (by request - County Executive)Introduced by Council Members Del Giudice and Bailey

Co-Sponsors

Date of Introduction February 21, 1995**RESOLUTION**

A RESOLUTION concerning

Marlow Overlook 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 and project bonds or notes for the Marlow Overlook Apartments (also known as "Cedar Ridge").

WHEREAS, Section 4-102 of Article 44A of the Annotated Code of Maryland, as amended, permits the Prince George's County Housing Authority ("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, 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 Marlow Overlook Apartments project through Resolution No. LHA-525 dated October 22, 1984; and

WHEREAS, by Resolution CR-150-1984, the County Council approved the amendment to the Housing Development Program of Prince George's County to include Marlow Overlook Apartments and the issuance and sale of bonds by the Housing Authority of Prince George's

County, in an aggregate amount not to exceed \$15,600,000; and

WHEREAS, pursuant to Resolution No. LHA-559 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 1985 (MARLOW OVERLOOK APARTMENTS PROJECT) (the "Bonds"), in a principal amount of \$15,464,100 enabling a loan to Marlow Limited Partnership, (the "Owner") for the purchase, improvement, equipping and rehabilitation of a 474 unit multifamily housing project located at 4637 Dallas Place, Marlow Heights, Prince George's County, Maryland, (hereinafter referred to as the "Project"); and

WHEREAS, the Housing Authority was presented with evidence that the Owner defaulted on its payment due on the loan and was so notified by letter dated October 3, 1994, and that said default was due to the fact that the Project had failed to generate sufficient net operating income to pay the Owner's obligations under the Mortgage Note, and that the default has continued to this date due to the Project's continuing inability to generate sufficient net operating income to pay the Owner's obligations under the Mortgage Note since the default and to pay all the outstanding arrearages thereunder; and

WHEREAS, the Owner has submitted information to the Housing Authority showing that if the mortgage interest rate is lowered by means of a refunding of the Bonds, the revenue generated by the Project will be sufficient to make all required payments; and

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

WHEREAS, the Housing Authority adopted Resolution No. LHA-906 whereby it concluded that it was in the best interest of the County residents living in the Project and of the County's Housing Development Program generally to assist the Owner in promoting the long-term economic viability of the Project in order to assure decent, safe and sanitary housing for County residents, and expressed its intent, subject to the approval of the County Council, to issue and sell federally tax-exempt Series 1995A refunding bonds (the "Series 1995A Bonds"), in a principal amount not to exceed \$15,464,100 to provide funds for the refunding of an equal principal amount of the outstanding Bonds, and if necessary, to issue

and sell federally taxable refunding bonds (the "Series 1995B Bonds"), simultaneously with the issuance and sale of the Series 1995A Bonds, in a principal amount as determined by the Chairman of the Housing Authority, upon the advice of the Housing Authority's bond counsel and the purchasers of the refunding bonds, as shall be sufficient to pay certain bond issuance costs, and such past mortgage arrearages as are deemed necessary to retire the Bonds (the Series 1995A Bonds and the Series 1995B Bonds are sometimes collectively referred to herein as the "Refunding Bonds"); and

WHEREAS, the current zoning of the project 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 Cornerstone Management, Inc.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the issuance and sale of federally tax- exempt refunding revenue bonds by the Housing Authority of Prince George's County, in an aggregate amount not to exceed \$15,464,100, and the simultaneous issuance and sale of federally taxable refunding revenue bonds in an aggregate amount to be determined by the Chairman of the Housing Authority, 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 14th day of March, 1995.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:

Anne T. MacKinnon
Chairwoman

ATTEST:

Joyce T. Sweeney
Clerk of the Council

PROJECT INFORMATION SHEET
MARLOW OVERLOOK APARTMENTS PROJECT
4637 DALLAS PLACE
MARLOW HEIGHTS, MD 20748
COUNCILMANIC DISTRICT VII

PROPERTY DESCRIPTION: A 474 unit garden style apartment complex. The project contains 236 1--bedroom units, 207 2-bedroom units and 31 3--bedroom units. It is located off of St. Barnabas Road, about one mile south of Branch Avenue. The project contains a swimming pool and large playground area.

OWNER INFORMATION: The owner of the Project is a joint venture/limited partnership with the General Partner Chapparral Development Corporation. The management company is an affiliate of the General Partner. It owns and operates over 900 units in Prince George's County.

REVIEW OF CODE: There are no outstanding Code violations.

REHABILITATION PROGRAM: The Project is fully rehabilitated. There are, however, some delayed maintenance items which will be addressed by use of the excess cash flows which will be available because of the lowering of the interest rate.

RENTAL TRENDS: Rents are expected to trend upward at a rate below 3 percent after refunding.

Current Rents

1BR	\$569-680
2BR	\$679-760
3BR	\$775-835

NOTE: The attached map is available in hard copy only.