



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

October 18, 2016

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INC*
Senior Legislative Auditor

RE: Fiscal Impact Statement
CR-078-2016 Park Tanglewood Apartments

Pursuant to your request, we have reviewed CR-078-2016 to estimate its fiscal impact on Prince George's County, Maryland.

CR-078-2016 provides approval for the Housing Authority of Prince George's County to issue and sell revenue bonds to finance the acquisition and redevelopment of the Park Tanglewood Apartment rental complex (the "Project,") and for the support of the State of Maryland Community Development Administration (CDA) to award Low-Income Housing Tax Credits (LIHTC) to Park Tanglewood Venture, LP (the "Owner.")

The total estimated cost of the project is \$22,000,000, which is anticipated to be financed by the issuance and sale of revenue bonds by the Housing Authority of Prince George's County in the amount of \$21,685,278, and \$9,443,652 from equity investment derived from Low-Income Housing Tax Credits awarded by the CDA. The Resolution provides that the Housing Authority of Prince George's County's issuance of revenue bonds for this Project cannot exceed \$25,000,000, which represents 115% of the actual revenue bond proceeds currently estimated as required to assist in financing the Project.

Details regarding the size and scope of the Project are summarized in Project Information Sheet included as Attachment A to CR-078-2016.

State law and regulations related to the Housing and Community Development Article of the Annotated Code of Maryland requires the County Council's approval of the Project and its proposed financing. The approval of the County Council is also required by Section 147(f) of the Internal Revenue Code of 1986, as amended, for a portion of the costs of the Project to be financed with the proceeds of the revenue bonds. CR-078-2016 provides the requisite local governing body approval.

Robert J. Williams, Jr.

Page 2

Adoption of CR-078-2016 should not have an adverse fiscal impact on the County. The County's full faith and credit are not pledged to the Housing Authority of Prince George's County's revenue bonds and no County-source revenues are identified or reported as being pledged or invested in the development's proposed financing package.

If you require additional information, or have questions about this fiscal impact statement, please call me.