

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

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**Meeting Date:** 6/6/2000

**Reference No.:** CR-27-2000

**Proposer:** County Executive

**Draft No.:** 2

**Sponsors:** Wilson, Shapiro

**Item Title:** A Resolution expressing the Prince George's County Council's approval of the issuance by the Housing Authority of Prince George's County of residual revenue capital appreciation bonds in aggregate principal amount not to exceed \$1,500,000

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**Drafter:** Fred Stichnoth  
Bond Counsel

**Resource** Jalal Greene  
**Personnel:** Housing

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**LEGISLATIVE HISTORY:**

**Date Presented:** \_\_/\_\_/\_\_

**Executive Action:** \_\_/\_\_/\_\_

**Committee Referral:** 5/23/2000 THE

**Effective Date:** \_\_/\_\_/\_\_

**Committee Action:** 6/1/2000 FAV(A)

**Date Introduced:** 5/23/2000

**Public Hearing:** \_\_/\_\_/\_\_ :\_\_ \_\_

**Council Action:** 6/6/2000 ADOPTED

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

**Pass/Fail:** P

**Remarks:** \_\_\_\_\_

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**TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 6/1/00**

Committee Vote: Favorable as amended, 3-1 (In favor: Council Members Shapiro, Gourdine, Wilson, Opposed: Maloney).

Staff explained the purpose of the resolution and informed the Committee of referral comments, which were received. The Office of Law determined that the resolution is in proper legislative form and provided written technical amendments. Staff summarized the amendments proposed to CR-27-2000. The amendments are reflected in Draft 2 of the legislation. A representative from the Office of Law indicates that a Public Hearing is not required as previously indicated. The Executive Branch supports the resolution.

The Director of the Department of Housing and Community Development (DHCD) indicates that CR-27-2000 would allow up to \$1,500,000 to be raised through the issuance of Residual Revenue Capital Appreciation Bonds. The DHCD Director further states that the proceeds will be used for public housing reserves and to pay the costs of issuing the Residual Revenue Bonds. The Bonds are issued as subordinate lien bonds to the Authority's outstanding series 1987 and 1989 single family bond issues. The mortgage assets are worth more than the outstanding bonds. This financing structure will allow the Authority to realize that excess.

The Financial Advisor and Bond Counsel were present to provide further clarification to the Committee Members.

The Legislative Officer was requested to provide a legal opinion as to the proceeds being allocated to the public housing reserves.

#### **BACKGROUND INFORMATION/FISCAL IMPACT**

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

This resolution approves the issuance of residual revenue capital bonds in an aggregate principal amount not to exceed \$1,500,000. The bonds will be paid from residual revenue projected from the Housing Authority's 1987 Series A and 1989 Series A single family bonds. The proceeds of the residual revenue capital appreciation bonds will be used for governmental purposes of the Housing Authority.

#### **CODE INDEX TOPICS:**