

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**

**1995 Legislative Session**

Resolution No. CR-27-1995

Proposed by The Chairwoman (by request - County Executive)

Introduced by Council Members MacKinnon and Bailey

Co-Sponsors

Date of Introduction May 23, 1995

**RESOLUTION**

A RESOLUTION concerning

Downing Street Station 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 Downing Street Station Apartments.

WHEREAS, Section 4-102 of Article 44A of the Annotated Code of Maryland (as amended from time to time) permits the Housing Authority of Prince George's County ("Housing Authority") to exercise certain powers to enable it to make construction loans and long-term mortgage loans which will produce housing, 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 Downing Street Station Apartments project by the Housing Authority through Resolution No. LHA-410, dated October 10, 1982; and

WHEREAS, by CR-144-1982, the County Council approved the amendment to the Housing Development Program of Prince George's County to include Downing Street Station

Apartments and the issuance and sale of bonds by the Housing Authority of Prince George's County; and

WHEREAS, pursuant to Resolution No. LHA-492 the Housing Authority has previously authorized the issuance and sale of its mortgage revenue bonds, designated "HOUSING AUTHORITY OF PRINCE GEORGE'S COUNTY (Maryland) REVENUE BONDS, SERIES 1984 (FHA COINSURED MORTGAGE LOAN - DOWNING STREET STATION APARTMENTS PROJECT) (the "Bonds"), in a principal amount of \$3,960,000, in order to fund a loan to Sharon Lou Limited Partnership, a Maryland Limited Partnership (the "Owner"), for the acquisition and rehabilitation of a 225 unit multifamily housing project located at 6500 Ronald Road, Capitol Heights, in Prince George's County, Maryland, known as Downing Street Station Apartments Project (hereinafter referred to as the "Project"); and

WHEREAS, the Bonds are subject to optional redemption on any December 1 and June 1 on or after June 1, 1994, and the Owner has requested that the Housing Authority refund the Bonds 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 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; 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--905 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, 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 \$3,960,000 to provide funds for

the refunding of an equal principal amount of the outstanding Bonds, and to issue and sell federally taxable Series 1995B bonds (the "Series 1995B Bonds"), simultaneously with the issuance and sale of the Series 1995A Bonds, in a principal amount to be determined by the Executive Director 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 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 Monocle Management, Ltd.

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 bonds by the Housing Authority of Prince George's County, in an aggregate amount not to exceed \$3,960,000, and the simultaneous issuance and sale of federally taxable refunding bonds in an aggregate amount to be determine by the Executive Director 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 \_\_\_\_ day of \_\_\_\_\_, 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  
DOWNING STREET STATION APARTMENTS  
6500 RONALD ROAD  
CAPITOL HEIGHTS, MD 20743

COUNCILMANIC DISTRICT 7

**PROPERTY DESCRIPTION:** This is a 225 unit garden style apartment complex. The project contains 44 1-bedroom, 155 2-bedroom and 26 3-bedroom units. It is located off Addison Road about 1/2 mile south of the Addison Road Metro Station.

**DEVELOPER INFORMATION:** Monocle Management is a Bethesda based developer. Monocle now manages its own projects and currently owns and manages just over 3,000 units in Prince George's County.

The developer is exercising an option to call the outstanding bonds issued in 1984 and issue new bonds at a much lower interest rate.

**REVIEW OF CODE:** There are no outstanding Code violations.

**REHABILITATION PROGRAM:** The increased cash flows will be used to keep the project in good condition. Some maintenance items have been deferred due to lack of funds and these will be addressed. Specifically, the major items needing rehabilitation funds are the mechanical systems and some drainage problems.

**RENT TRENDS:** Current rents are:

1BR	\$595 - \$625
2BR	\$695 - \$775
3BR	\$825 - \$840

Rents will trend upward at about 3 percent per year after the refunding.

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