

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

Meeting Date: 6/6/2000

Reference No.: CR-26-2000

Proposer: County Executive

Draft No.: 2

Sponsors: Bailey, Shapiro, Wilson

Item Title: A Resolution expressing the Prince George's County Council's approval of the Housing Authority of Prince George's County 2000 Single Family Mortgage Purchase Program, authorizing the issuance of bonds in an aggregate principal amount not to exceed \$27,203,287

Drafter: Fred Stichnoth
Bond Counsel

Resource Jalal Greene
Personnel: Housing

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: _____

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

Committee Vote: Favorable as amended, 4-0 (In favor: Council Members Shapiro, Gourdine, Maloney and Wilson).

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 amendment proposed to CR-26-2000. The amendments are reflected in Draft 2 of the legislation. The Executive Branch supports the resolution.

The Director of the Department of Housing and Community Development (DHCD) indicated

that CR-26-2000 would approve the issuance of Housing Authority Single Family Mortgage Revenue Bonds, in a principal amount not to exceed \$27,203,287. The bond proceeds will be made available to finance mortgage loans to income-eligible homebuyers on price-eligible dwellings, and provide four- percent down payment and closing cost assistance. Borrowers must meet certain income limits and must be first time homebuyers, unless purchasing a home in one of the targeted areas. The targeted areas include 12 identified areas inside the beltway. Incentives for purchasing a home in the targeted areas are: higher price for dwellings, waiver of the first time homebuyers and higher income limits.

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

The Committee members requested DHCD staff to provide information on the location of the dwellings purchased in the previous Single Family Mortgage Programs. It was also requested that the City of Laurel be considered as a targeted area. The DHCD Director indicated that the targeted areas were determined by the census tracts and not by the Housing Authority.

DHCD staff explained that there are 14 lenders, of which four are new to the program. To determine the criteria for lender's participation, the Committee members requested a list of the lenders participating in the program, to include the questionnaire that the lenders are required to complete, and history of the last three bond programs regarding the financial institutions.

DHCD staff also indicated that for Program Years 1995, 1997 loans were originated, 1997, 153 loans were originated and 1998, 225 loans were originated. To determine the success rate of the program, Council members requested statistics on the status of loans originated since Program Year 1981.

BACKGROUND INFORMATION/FISCAL IMPACT

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

This resolution approves the Housing Authority of Prince George's County's Single Family Mortgage Purchase Program and authorizes the issuance of bonds in the amount not to exceed \$27,203,287 to purchase mortgage certificates to fund mortgage loans and to provide downpayment and closing cost assistance. A public hearing is required and will be held by the Housing Authority.

CODE INDEX TOPICS: