

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

Meeting Date: 3/19/2002**Reference No.:** CR-4-2002**Proposer:** County Executive**Draft No.:** 2**Sponsors:** Shapiro, Wilson, Esteppe, Scott**Item Title:** A Resolution approving issuance of tax exempt revenue bonds by the Housing Authority of Prince George's County for the Fairview Apartments and Hillside Heights Apartments

Drafter: Allison Ladd
Housing**Resource** Jalal Greene
Personnel: Housing

LEGISLATIVE HISTORY:**Date Presented:** __/__/__**Executive Action:** __/__/__**Committee Referral:** 2/19/2002 THE**Effective Date:** __/__/__**Committee Action:** 03/14/2002 FAV(A)**Date Introduced:** 2/19/2002**Public Hearing:** __/__/__ __:__ __**Council Action:** 3/19/2002 ADOPTED**Council Votes:** PS:A, DB:-, TD:A, JE:A, TH:A, RVR:A, AS:A, MW:A**Pass/Fail:** P**Remarks:** _____

TRANSPORATION, HOUSING, ENVIRONMENT COMMITTEE REPORT Date:3/14/02

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

Staff summarized the legislation indicating that CR-4-2002 would approve the issuance of tax-exempt revenue bond financing by the Prince George's County Housing Authority for the acquisition and limited renovations of the Fairview Apartments and the Hillside Heights Apartments.

The Fairview Apartments and the Hillside Heights Apartments are owned by Prince George's Affordable Housing, Inc., a Maryland non-profit corporation and an affiliate of the NHP Foundation and because of the common ownership will be treated for the purposes of this financing as one project. Fairview Apartments consists of five six-story mid-rise elevated buildings with 100 units

and six four-story duplex buildings with 122 townhouse units. Hillside Heights Apartments consists of twenty-one three-story buildings with 231 garden style apartments.

The Housing Authority Director indicated the County's support of the project stating that the bond transaction will allow for further enhancements to the property which will benefit the County. The Director further stated that the owner of this particular property owns and manages a number of properties nationally.

Relocation Funding has not been allocated since the renovations are planned for the exterior. Section 8 and senior housing is not a component of this financial package.

The amount of tax-exempt revenue bonds to be issued is approximately \$17,679,200. Bond proceeds will be used to refinance the bridge loan used for acquisition, fund reserve accounts and to finance limited renovations.

A Council Member raised the question regarding the location of the Fairview Apartments. Takoma Park is the postal address rather than the actual location of the site. Housing Authority representative was requested to determine the correct location of the site.

The County Executive is supportive of the legislation. The Legislative Officer and the Office of Law find CR-4-2002 to be in proper legislative form. The Office of Audits and Investigations determined that there should not be any negative fiscal impact on the County as a result of adopting CR- 4-2002. The Office of Law proposed the following amendments: substitute "NHP Foundation" for National Housing Partnership Foundation throughout the document, including Attachment "A"; and a revised Attachment "A" is substituted for the Attachment "A" previously sent with the resolution. The modifications to the revised Attachment "A" include: on page 3, under FINANCING: (Other Repairs) the amount has been changed from \$1,600,000 to \$1,651,400 and (Fees & Other development costs) has been changed from \$1,329,200 to \$1,321,100, and the (Total Bond Issuance) has been changed from \$17,679,200 to \$17,722,500. On page 4, adjustments were made to the PROPOSED RENTS to reflect market adjustments. The Washington Metropolitan Area Median Income is currently \$91,500.

BACKGROUND INFORMATION/FISCAL IMPACT

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

This resolution will approve the issuance of tax-exempt revenue bonds by the Housing Authority of Prince George's County (the "Housing Authority") to refinance acquisition costs and to finance limited renovations of Fairview Apartments and Hillside Heights Apartments by Prince George's Affordable Housing, Inc., an affiliate of the NPH Foundation. Fairview Apartments are located at 780 Fairview Avenue, Chillum, Maryland (Councilmanic District 2) and Hillside Heights Apartments are located 5237 Marlboro Pike, Capitol Heights, Maryland (Councilmanic District 7). For the purposes of this financing, these projects will be treated as one project of 453 units, comprised of a mix of apartments, garden apartments and townhouses. The Owner is a non-profit under Section 501(c)(3) of the Internal Revenue Code; consequently, the proposed bond issuance will not be included when calculating the cap for the Housing Authority. A public hearing is required and will be conducted by the Housing Authority.