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

Legislative Session

1992

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Resolution No. \_\_\_\_\_ CR-87-

1992

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Proposed by The Chairman (by request - County Executive)

Introduced by Council Members Castaldi, Del Giudice,

Casula and Pemberton

Co-Sponsors

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Date of Introduction July 14,  
1992

**RESOLUTION**

A RESOLUTION concerning

Evergreen Terrace Apartments  
(formerly known as Ager Terrace 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 Ager Terrace Apartments.

WHEREAS, Section 4-102 of Article 44A of the Annotated Code of Maryland (as amended from time to time) permits the Housing Authority to exercise certain powers to enable it to make construction loans and long-term mortgage loans which will produce housing development, 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 Ager Terrace Apartments project by the Housing Authority through Resolution No. LHA-500, dated June 25, 1984; and

WHEREAS, by CR-126-1983, the County Council approved the amendment to the Housing Development Program of Prince George's County to include Ager Terrace Apartments and the issuance and sale of bonds by the Housing Authority of Prince George's County, in an aggregate amount not to exceed \$4,500,000; and

WHEREAS, pursuant to Resolution No. LHA-500 the Housing Authority previously authorized the issuance and sale of its mortgage revenue bonds, designated "HOUSING AUTHORITY OF PRINCE

GEORGE'S COUNTY (Maryland) MORTGAGE REVENUE BONDS, SERIES 1984 (Ager Terrace Apartments Project)" (the "Bonds") in a principal amount of \$3,410,000, the proceeds of which were loaned to Ager Terrace Limited Partnership, a Maryland limited partnership, for the purchase, improvement, equipping and rehabilitation of a 195 unit multifamily housing project located at 2016 Oglethorpe Street, Hyattsville, Prince George's County, Maryland, originally known as Ager Terrace Apartments (now known as Evergreen Terrace Apartments and hereinafter referred to as the "Project"), and which by Deed of Assumption dated May 1, 1990, did convey the title to the Project to ADC Limited Partnership, a Maryland limited partnership (the "Owner") and by Assignment, Assumption and Acknowledgement, dated October 24, 1990, did transfer to the Owner all its duties and obligations under a certain Financing Agreement dated July 1, 1984, and a certain Issuer Regulatory Agreement dated July 17, 1984, entered into, in connection with the issuance and sale of the Bonds;

WHEREAS, the Housing Authority was presented with evidence that the Owner defaulted on its loan, and that said default was due to the fact that the Project had failed to generate sufficient revenues to pay the current mortgage payments and the outstanding arrearage; and

WHEREAS, the Owner has submitted information to the Housing Authority showing that if the mortgage interest rate is lowered by means of a refunding of the Bonds, the revenues generated by the Project will be sufficient to make all required payments;

and

WHEREAS, based upon the foregoing, the Owner asked the Housing Authority to authorize a current refunding of the Outstanding Bonds; and

WHEREAS, the Housing Authority adopted Resolution No. LHA-820 whereby it concluded that it was in the best interest 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, in order to assure decent, safe and sanitary housing for County residents and expressed its intent, subject to the approval of the County Council to issue and sell federally tax-exempt Series 1992A refunding bonds, in a principal amount not to exceed \$3,410,000 to provide funds for the refunding of an equal principal amount of the outstanding Bonds, and to issue and sell federally taxable Series 1992B refunding bonds in a principal amount as determined by the Executive Director of the Authority, upon the advice of the Authority's bond counsel and the purchasers of the refunding bonds, as shall be sufficient to pay certain bond issuance costs and such past mortgage arrearage 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 Augusta Properties,

Inc.;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the issuance and sale of refunding bonds by the Housing Authority of Prince George's County, in an aggregate amount not to exceed \$3,410,000 of federally tax-exempt Series 1992A Bonds and in an aggregate amount of federally taxable Series 1992B Bonds as determined 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 21st day of July, 1992.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY:

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Richard J. Castaldi  
Chairman

ATTEST:

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Joyce T. Sweeney  
Acting Clerk of the Council

PROJECT INFORMATION SHEET  
EVERGREEN TERRACE (AGER TERRACE) APARTMENTS  
2016 Oglethorpe Street

Hyattsville, MD 20782

COUNCILMANIC DISTRICT II

LOAN AMOUNT: Not to exceed \$3.410 million for series A bonds. Not to exceed \$0.6 million for series B bonds.

PROPERTY DESCRIPTION: The 195 units are in three three-story buildings located in a well established area. There are three efficiencies, 102 1-bedroom units, and 93 2-bedroom units.

DEVELOPER INFORMATION: Project is owned and managed by the Augusta Properties Inc. Augusta owns and manages over 600 other rental units in Prince George's County.

REVIEW OF CODE: There are no outstanding Code violations.

REHABILITATION PROGRAM: Project received over 1/2 million dollars in renovation in 1985. However, owner has pledged that more upgrades will be made with the new cash flows which result from the lower debt service payment.

RENTAL TRENDS: Rent trends as follows:

1 BR - \$399 to \$425  
2 BR - \$495 to \$550