

Clerk's note: Amended by Resolution No. 16-1298.

Resolution No.:	<u>16-675</u>
Introduced:	<u>July 29, 2008</u>
Adopted:	<u>July 29, 2008</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: To authorize Montgomery County, pursuant to and in accordance with Chapter 20 of the Montgomery County Code, as amended, and Section 5(P)(2) of Article 25A of the Annotated Code of Maryland (2005 Replacement Volume and 2007 Supplement) to issue and sell its revenue bonds in an amount not to exceed \$50,000,000 at one time or from time to time, in one or more series, as limited obligations and not upon the faith and credit of Montgomery County, in order to provide funding for the acquisition and/or renovation of properties for the purpose of preserving or increasing the inventory of affordable housing in Montgomery County; to provide that the County Executive may provide for the date of maturity, fix the rate or rates of interest, fix the denomination and provide for the manner of sale of the revenue bonds; to make certain covenants with respect to the revenue bonds; to provide that the County Executive and other County officials must take all necessary, proper or convenient action to effect the issuance, sale and delivery of the revenue bonds; and generally to provide for and determine various matters in connection with the revenue bonds.

Background

1. The County Executive of Montgomery County, Maryland (the "County Executive") and the County Council of Montgomery County, Maryland ("County Council") recognize that there is a significant need for quality housing in Montgomery County, Maryland ("Montgomery County") for households of limited income. The County Council enacted the Montgomery County housing policy, codified at Sections 25B-1 *et seq.* of the Montgomery County Code, as amended, and its policy with respect to displacement of tenants from rental housing, codified at Sections 53A-1 *et seq.* of the Montgomery County Code, as amended, to address the issue of the diminishing stock of affordable housing.

2. Section 5(P)(2) of Article 25A of the Annotated Code of Maryland (2005 Replacement Volume and 2007 Supplement) (the “State Revenue Bond Act”) authorizes Montgomery County, as a charter county, to issue bonds or other obligations payable solely from the funds or revenues received from or in connection with any system, project or undertaking, all or part of which is financed with the proceeds of the bonds or other obligations issued for such purpose and that such bonds or other obligations do not constitute an indebtedness of the county or a pledge of its faith and credit or taxing power.
3. Sections 20-47 to 20-54 of the Montgomery County Code, as amended, (the “County Revenue Bond Act”) provides in part that Montgomery County has the power to issue revenue bonds payable solely from the funds or revenues received from or in connection with any project, all or any part of which is financed with the proceeds of such revenue bonds.
4. Section 20-51 of the County Revenue Bond Act provides that the county executive must specify, prescribe, determine, provide for, or approve all matters, forms, documents, or procedures that the county executive deems appropriate to effect the authorization, sale, security, issuance, delivery, and payment of or for revenue bonds, subject to certain limitations.
5. Section 20-52 of the County Revenue Bond Act provides that the proceeds of revenue bonds issued pursuant thereto may be applied only to (i) pay the costs of the projects for which the revenue bonds are authorized; or (ii) any fund created for the payment of the revenue bonds.
6. Section 20-54 of the County Revenue Bond Act provides that revenue bonds issued pursuant to the Revenue Bond Act do not constitute a pledge of the full faith and credit of Montgomery County.

Action

The County Council for Montgomery County, Maryland, (the “County Council”) approves the following resolution:

Section 1. The County Council hereby authorizes the issuance, sale and delivery of revenue bonds of Montgomery County, Maryland (“Montgomery County”) in an aggregate principal amount not to exceed Fifty Million Dollars (\$50,000,000) (the “Revenue Bonds”), at one time or from time to time, and in one or more series, under the authority of Section 5(P)(2) of Article 25A of the Annotated Code of Maryland (2005 Replacement Volume and 2007 Supplement) (the “State Revenue Bond Act”) and the authority of Sections 20-47 to 20-54 of the Montgomery County Code, as amended, (the “County Revenue Bond Act”) in order to provide funding for the acquisition and/or renovation of real property (the “Project”) for the purpose of increasing the inventory of affordable housing properties in Montgomery County. The proceeds of the Revenue

Bonds must be applied only to (i) pay the costs of the Project or (ii) any fund created for the payment of the Revenue Bonds

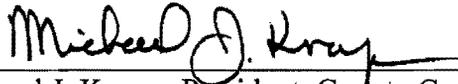
Section 2. The County Executive of Montgomery County (the "County Executive") by executive order or otherwise must specify, prescribe, determine, provide for, or approve all matters, forms, documents, or procedures that the County Executive deems appropriate to effect the authorization, sale, security, issuance, delivery, and payment of or for the Revenue Bonds, subject to certain limitations, and is hereby authorized to determine all matters authorized under Section 20-51 of the County Revenue Bond Act, including but not limited to, the dates of maturity, the rates of interest, the denominations, the form of revenue bond and the manner of sale of the Revenue Bonds. The maturity date of the Revenue Bonds shall in no event exceed fifty (50) years from the date of their issuance.

Section 3. The proceeds of the Revenue Bonds may be used to pay the costs of the Project or for deposit to any fund created (i) to pay the Revenue Bonds or (ii) by the County Executive pursuant to Chapter 25B of the Montgomery County Code.

Section 4. In accordance with the provisions of the State Revenue Bond Act and Section 20-54 of the County Revenue Bond Act, the payment of principal of and interest on the Revenue Bonds is payable solely from the funds or revenues received from or in connection with the Project. The Revenue Bonds do not constitute an indebtedness of Montgomery County or a pledge of its faith and credit or taxing power.

Section 5. The members of the County Council, the County Executive, the Chief Administrative Officer of the County, the County Attorney, the Director of Finance of the County and the Clerk of the Council, for and on behalf of Montgomery County, are hereby authorized and empowered to do all things, execute all instruments, and otherwise take all such action as maybe necessary, proper or convenient to carry out the authority conferred by this Resolution, including (without limitation) the execution of certificates of Montgomery County, elections, statements and reports, subject to the limitations set forth in the State Revenue Bond Act, the County Revenue Bond Act and this Resolution.

Section 6. This Resolution shall take effect upon approval of the President for the County Council.

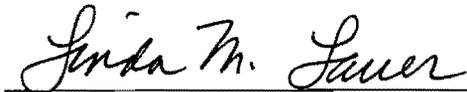


Michael J. Knapp, President, County Council

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Date

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council