

Resolution No.:	<u>18-1181</u>
Introduced:	<u>July 10, 2018</u>
Adopted:	<u>July 17, 2018</u>

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

---

Lead Sponsor: County Council

---

**SUBJECT:** To authorize Montgomery County, Maryland (the “County”) pursuant to and in accordance with Chapter 20 of the Montgomery County Code, as amended, and Section 10-203(b) of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2017 Supplement) to issue and sell obligations of the County in an amount not to exceed \$37,562,000 at one time or from time to time, in one or more series, either as revenue bonds or as limited obligation certificates subject to annual appropriation and not upon the faith and credit of the 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 the County; to refund the limited obligation certificates in whole or part with proceeds from the issuance and sale of limited obligation certificates, or other available funds; to provide that the County Executive of the County (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 such obligations; to make certain covenants with respect to the obligations; 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 obligations; and generally to provide for and determine various matters in connection with the obligations.

**Background**

1. The County Executive of Montgomery County, Maryland (the “County Executive”) and the County Council of Montgomery County, Maryland (the “County Council”) recognize that there is a significant need for quality housing in Montgomery County, Maryland (“Montgomery County” or the “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 10-203(b) of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2017 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 20-54 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.
5. The County has determined that it is advisable to have the option to issue obligations to finance the Project identified and defined herein either as revenue bonds under the State Revenue Bond Act and the County Revenue Bond Act payable solely from the funds or revenues received from or in connection with the Project or as limited obligation certificates subject to annual appropriation by the County Council and not upon the faith and credit and taxing power of the County.

### **Action**

The County Council for Montgomery County, Maryland approves the following resolution:

Section 1. All terms used herein with an initial capital letter shall have the meanings given such terms in the Background section of this Resolution.

Section 2. The County Council hereby authorizes the issuance, sale and delivery of revenue bonds (the “Revenue Bonds”) of Montgomery County under the authority of the State Revenue Bond Act and the County Revenue Bond Act and limited obligation certificates of the County (the “Certificates”), subject to annual appropriation by the County Council and not upon the faith and credit or taxing power of the County, in either case in an aggregate principal amount not to exceed Thirty-Seven Million Five Hundred Sixty-Two Thousand Dollars (\$37,562,000) at one time or from time to time, and in one or more series, 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 Revenue Bonds and the Certificates shall be referred to collectively as the “Obligations.”

Section 3. The County Council hereby authorizes the issuance, sale and delivery of limited obligation certificates (“Refunding Certificates”), or the use of other available funds to

refund in whole or in part, the limited obligation certificates authorized hereunder, or any outstanding limited obligation certificates issued under Resolution No. 16-675, Resolution No. 16-1298, Resolution No. 17, 227. Such Refunding Certificates may be issued in one or more series and may be issued in the principal amount required to achieve the purpose of the issuance of the refunding. The Refunding Certificates may be issued from time to time in the same manner as the Obligations.

Section 4. 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 Obligations, subject to certain limitations, and is hereby authorized to determine all matters in connection with the Obligations (and as authorized under Section 20-51 of the County Revenue Bond Act with regard to any Revenue Bonds), including but not limited to, the dates of maturity, the rates of interest, the denominations, the form of obligation and the manner of sale of the Obligations. The maturity date of any Revenue Bonds shall in no event exceed fifty (50) years from the date of their issuance.

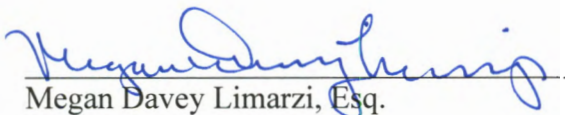
Section 5. The proceeds of the Obligations may be applied only to (i) pay the costs of the Project or (ii) any fund created for the payment of the Obligations or by the County Executive pursuant to Chapter 25B of the Montgomery County Code.

Section 6. 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 7. 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 County 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 may be 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 this Resolution (and in the State Revenue Bond Act and the County Revenue Bond Act in the case of any Revenue Bonds).

Section 8. This Resolution shall take effect upon its adoption.

This is a correct copy of Council action.



Megan Davey Limarzi, Esq.

Clerk of the Council