

**CITY OF BALTIMORE**  
**ORDINANCE \_\_\_\_\_**  
**Council Bill 06-0354**

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Introduced by: The Council President  
At the request of: The Administration (Department of Planning)  
Introduced and read first time: March 6, 2006  
Assigned to: Taxation and Finance Committee

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Committee Report: Favorable with amendments  
Council action: Adopted  
Read second time: July 10, 2006

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**AN ORDINANCE CONCERNING**

**Bond Issue — Affordable Housing Loan — \$10,000,000**

1  
2           **FOR** the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution  
3           VI of 2006 approved by the members of the Maryland General Assembly representing  
4           Baltimore City) to create a debt, and to issue and sell its certificates of indebtedness as  
5           evidence thereof, and proceeds not exceeding \$10,000,000 from the sale of such certificates  
6           of indebtedness to be used for the cost of issuance, including the expense of engraving,  
7           printing, advertising, attorneys' fees, and all other incidental expenses connected therewith,  
8           and the remainder of such proceeds to be used for or in connection with planning,  
9           developing, executing, and making operative the Affordable Housing program of the Mayor  
10          and City Council of Baltimore, including, but not limited to, the acquisition, by purchase,  
11          lease, condemnation or any other legal means, of land or property, or any right, interest,  
12          franchise, easement or privilege therein, in the City of Baltimore; the payment of any and all  
13          costs and expenses incurred in connection with or incidental to the acquisition and  
14          management of said land or property, including any and all rights of interest therein  
15          hereinbefore mentioned; the payment of any and all costs and expenses incurred for or in  
16          connection with relocating and moving persons or other legal entities displaced by the  
17          acquisition of said land or property, or any of the rights or interest therein hereinbefore  
18          mentioned, in the City of Baltimore, and the disposition of land and property for such  
19          purposes, such costs to include but not be limited to rental payment and home purchase  
20          assistance, housing counseling and buyer education assistance, and activities to support the  
21          orderly and sustainable planning, preservation, rehabilitation, and development of  
22          economically diverse housing in City neighborhoods; the elimination of unhealthful,  
23          unsanitary or unsafe conditions, lessening density, eliminating obsolete or other uses  
24          detrimental to the public welfare or otherwise removing or preventing the spread of blight or  
25          deterioration in the City of Baltimore; the demolition, removal, relocation, renovation or  
26          alteration of land, buildings, streets, highways, alleys, utilities or services, and other  
27          structures or improvements, and for the construction, reconstruction, installation, relocation  
28          or repair of buildings, streets, highways, alleys, utilities or services, and other structures or  
29          improvements; the payment of any and all costs and expenses incurred for, or in connection  
30          with, doing any or all of the things herein mentioned, including, but not limited to, the costs  
31          and expenses of securing administrative, appraisal, economic analysis, engineering, planning,  
32          designing, architectural, surveying, and other professional services; and for doing any and all

**EXPLANATION:** CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.  
Underlining indicates matter added to the bill by amendment.  
~~Strike out~~ indicates matter stricken from the bill by  
amendment or deleted from existing law by amendment.

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1 things necessary, proper or expedient in connection with or pertaining to any or all of the  
2 matters or things hereinbefore mentioned; authorizing the issuance of refunding bonds;  
3 conferring and imposing upon the Board of Finance of Baltimore City certain powers and  
4 duties; authorizing the submission of this Ordinance to the legal voters of the City of  
5 Baltimore, for their approval or disapproval, at the Election to be held in Baltimore City on  
6 Tuesday, the 7th day of November, 2006; and providing for the expenditure of the proceeds  
7 of sale of said certificates of indebtedness in accordance with the provisions of the Charter of  
8 the Mayor and City Council of Baltimore, and by the municipal agency designated in the  
9 annual Ordinance of Estimates of the Mayor and City Council of Baltimore.

10 **WHEREAS**, By Resolution VI of 2006, approved by the members of the Maryland General  
11 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to  
12 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as  
13 evidence thereof, and proceeds not exceeding \$10,000,000 from the sale of such bonds to be  
14 used in connection with the ~~community development~~ Affordable Housing program of the Mayor  
15 and City Council of Baltimore as authorized by said Resolution; and

16 **WHEREAS**, Funds are now needed for said purposes; now, therefore,

17 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the  
18 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said  
19 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell  
20 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or  
21 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance  
22 from time to time and at such times as shall be requisite, and proceeds not exceeding  
23 \$10,000,000 from the sale of such bonds shall be used for the purposes hereinafter named,  
24 provided that this Ordinance shall not become effective unless it shall be approved by a majority  
25 of the votes of the legal voters of Baltimore City cast at the time and place hereinafter designated  
26 by this Ordinance.

27 **SECTION 2. AND BE IT FURTHER ORDAINED**, That:

28 (a) The denomination or denominations of the bonds to be issued at any particular time  
29 and the place or places for the payment of principal and interest thereof are to be determined by  
30 the Board of Finance.

31 (b) The bonds authorized to be issued and sold under the provisions of this Ordinance  
32 may be issued to mature on such dates and in such amounts as the Board of Finance may  
33 determine; provided that the entire principal amount represented thereby shall be discharged not  
34 more than 40 years from the date of issuance of the bonds.

35 (c) The bonds, when issued, shall bear interest at such rate or rates as may be determined  
36 by the Board of Finance, which rate or rates may be fixed or variable or as determined by a  
37 method approved by the Board of Finance, and such interest shall be payable at such time or  
38 times as may be determined by the Board of Finance.

39 **SECTION 3. AND BE IT FURTHER ORDAINED**, That a majority of the Board of Finance of the  
40 Mayor and City Council of Baltimore be, and they are hereby, authorized to pass a resolution or  
41 resolutions, from time to time, to determine and set forth any or all of the following:

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1 (a) The amount of debt to be incurred by the Mayor and City Council of Baltimore at any  
2 particular time, and from time to time, under and pursuant to the provisions of this Ordinance;  
3 the date or dates when any bonds representing said debt, or any part thereof, are to mature, and  
4 the amount or amounts of said debt, or any part thereof, which shall mature upon the aforesaid  
5 date or dates; and the date or dates in each year, during the entire period of time when any of  
6 said bonds are outstanding, when interest on any of said bonds shall be payable;

7 (b) The form or forms of the bonds representing the debt, or any part thereof, authorized  
8 to be issued under the provisions of this Ordinance at any particular time; and

9 (c) If the bonds are to be sold at public sale, the time, place, manner and medium of  
10 advertisement of the readiness of the Board of Finance, acting for and on behalf of the Mayor  
11 and City Council of Baltimore, to receive bids for the purchase of the bonds authorized to be  
12 issued hereunder or any part thereof; the form, terms and conditions of such bids; the time, place  
13 and manner of awarding bonds so bid for, including the right whenever any of the bonds  
14 authorized by this Ordinance are offered for sale and sold at the same time as other bonds of the  
15 City, to establish the conditions for bids and awards and to award all of the bonds on an all or  
16 none basis, and the time, place, terms and manner of settlement for the bonds so bid for;  
17 provided, however, that notwithstanding anything in this section, the Mayor and City Council of  
18 Baltimore, or the Board of Finance, as the case may be, shall have the right to reject any or all  
19 bids therefor for any reason.

20 **SECTION 4. AND BE IT FURTHER ORDAINED, That:**

21 (a) All premiums resulting from the sale of any of the bonds issued and sold pursuant to  
22 the provisions of this Ordinance shall be applied as directed by the Board of Finance.

23 (b) The debt authorized by the provisions of this Ordinance, and the bonds issued and  
24 sold pursuant thereto and their transfer, and the principal and interest payable thereon (including  
25 any profit made in the sale thereof), shall be and remain exempt from any and all State, county  
26 and municipal taxation in the State of Maryland.

27 (c) All bonds issued and sold pursuant to the provisions of this Ordinance may be sold at  
28 public sale by the solicitation of competitive bids or at private (negotiated) sale without  
29 advertisement or solicitation of competitive bids, for a price or prices which may be at, above or  
30 below par value of the bonds, as determined by resolution of the Board of Finance of the Mayor  
31 and City Council of Baltimore.

32 **SECTION 5. AND BE IT FURTHER ORDAINED, That** until all of the interest on and principal of  
33 any bonds issued pursuant to the provisions of this Ordinance have been paid in full, the Mayor  
34 and City Council of Baltimore shall levy and impose an annual tax on each \$100 of assessable  
35 property in the City of Baltimore at a rate sufficient to produce revenue to pay all interest on and  
36 principal of all bonds theretofore issued and outstanding or authorized to be issued and  
37 outstanding, payable in the next succeeding year.

38 **SECTION 6. AND BE IT FURTHER ORDAINED, That** this Ordinance shall be submitted to the  
39 legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to  
40 be held in Baltimore City, on Tuesday, the 7th day of November, 2006.

41 **SECTION 7. AND BE IT FURTHER ORDAINED, That** prior to the date of the election  
42 hereinbefore mentioned, notice shall be given to the public of the amount of money which the

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1 Mayor and City Council of Baltimore is authorized to borrow, and the general purposes for  
2 which such borrowed funds may be expended, under the terms and provisions of this Ordinance,  
3 and the time when the election hereinbefore mentioned is to be held; and such public notice shall  
4 be given in such manner and by such means or through such media and at such time or times as  
5 may be determined, from time to time, by a majority of the Board of Finance.

6 **SECTION 8. AND BE IT FURTHER ORDAINED,** That the actual cash proceeds derived from the  
7 sale of the bonds authorized to be issued under the provisions of this Ordinance shall be used  
8 exclusively for the following purposes, to wit:

9 (a) So much thereof as may be necessary for the cost of issuance, including the expense  
10 of engraving, printing, advertising, attorneys' fees, and all other incidental expenses connected  
11 therewith (which may include the proportion of the compensation of employees and general  
12 administrative expenses of the Department of Finance reasonably allocated to the issuance of the  
13 bonds); and

14 (b) The remainder of such proceeds shall be used for or in connection with planning,  
15 developing, executing and making operative the Affordable Housing Program of the Mayor and  
16 City Council of Baltimore, including, but not limited to:

17 (i) The acquisition, by purchase, lease, (i) condemnation, or any other legal means, of  
18 land or property, or any right, interest, franchise, easement or privilege therein, in the City of  
19 Baltimore;

20 (ii) The payment of any and all costs and expenses incurred in connection with or  
21 incidental to the acquisition and management of said land or property, including any and all  
22 rights or interest therein hereinbefore mentioned;

23 (iii) The development or redevelopment, including, but not limited to, the  
24 comprehensive renovation or rehabilitation of any land or property, or any rights or interests  
25 therein hereinbefore mentioned, in the City of Baltimore, and the disposition of land and  
26 property for such purposes;

27 (iv) The elimination of unhealthful, unsanitary, or unsafe conditions, lessening  
28 density, eliminating obsolete or other uses detrimental to the public welfare or otherwise  
29 removing or preventing the spread of blight or deterioration in the City of Baltimore;

30 (v) The demolition, removal, relocation, renovation or alteration of land, buildings,  
31 streets, highways, alleys, utilities or services, and other structures or improvements, and for the  
32 construction, reconstruction, installation, relocation or repair of buildings, streets, highways,  
33 alleys, utilities or services, and other structures or improvements;

34 (vi) The payment of any and all costs and expenses incurred for or in connection with  
35 doing any or all of the things herein mentioned, including, but not limited to, the costs and  
36 expenses of securing administrative, appraisal, economic analysis, engineering, planning,  
37 designing, architectural, surveying, and other professional services; relocation assistance,  
38 including but not limited to rental payment and home purchase assistance, housing counseling  
39 and buyer education assistance, and activities to support the orderly and sustainable planning,  
40 preservation, rehabilitation, and development of economically diverse housing in City  
41 neighborhoods; and

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1 (vii) Doing any and all things necessary, proper or expedient in connection with or  
2 pertaining to any or all of the matters or things hereinbefore mentioned.

3 All such land or property shall be acquired, developed, redeveloped, renovated,  
4 rehabilitated, altered, improved, held or disposed of, as provided by law.

5 **SECTION 9. AND BE IT FURTHER ORDAINED, That:**

6 (a) The Mayor and City Council of Baltimore, acting by and through the Board of  
7 Finance thereof, is hereby authorized and empowered to issue its bonds for the purpose of  
8 refunding any bonds authorized to be issued under the provisions of this Ordinance by payment  
9 at maturity or the purchase or redemption of bonds in advance of maturity. The validity of any  
10 refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the  
11 bonds being refunded. Such refunding bonds may be issued by the Mayor and City Council of  
12 Baltimore, acting by and through the Board of Finance thereof, for the purpose of providing it  
13 with funds to pay any of its outstanding bonds authorized to be issued under the provisions of  
14 this Ordinance at maturity, to purchase in the open market any of its outstanding bonds  
15 authorized to be issued under the provisions of this Ordinance prior to their maturity, to redeem  
16 prior to their maturity any outstanding bonds which are, by their terms, redeemable, to pay  
17 interest on any outstanding bonds prior to their payment at maturity or purchase or redemption in  
18 advance of maturity, or to pay any redemption or purchase premium in connection with the  
19 refunding of any of its outstanding bonds authorized to be issued under the provisions of this  
20 Ordinance.

21 (b) Any refunding bonds authorized to be issued and sold under the provisions of this  
22 Ordinance may be issued for the public purpose of:

23 (1) Realizing savings to Baltimore City in the aggregate cost of debt service on either  
24 a direct comparison or present value basis; or

25 (2) Debt restructuring that:

26 (i) In the aggregate effects such a reduction in the cost of debt service; or

27 (ii) Is determined by the Board of Finance of the Mayor and City Council of  
28 Baltimore to be in the best interests of Baltimore City, to be consistent with Baltimore City's  
29 long-term financial plan, and to realize a financial objective of Baltimore City including,  
30 improving the relationship of debt service to a source of payment such as taxes, assessments, or  
31 other charges.

32 (c) Any refunding bonds authorized to be issued and sold under the provisions of this  
33 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose  
34 for the issuance of the refunding bonds, which amount may be in excess of the principal amount  
35 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under  
36 Section 1 of this Ordinance.

37 (d) Any refunding bonds authorized to be issued and sold under the provisions of this  
38 Ordinance may be issued to mature on such dates and in such amounts as the Board of Finance  
39 may determine; provided that the entire principal amount represented by the refunding bonds  
40 shall be discharged not more than 40 years from the date of issuance of the bonds being  
41 refunded.

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1 (e) Any refunding bonds authorized to be issued and sold under the provisions of this  
2 Ordinance may be sold at public sale by the solicitation of competitive bids or at private  
3 (negotiated) sale without advertisement or solicitation of competitive bids, for a price or prices  
4 which may be at, above or below the par value of the refunding bonds, as determined by  
5 resolution of the Board of Finance of the Mayor and City Council of Baltimore.

6 (f) Any refunding bonds authorized to be issued and sold under the provisions of this  
7 Ordinance shall bear interest at such rate or rates as may be determined by the Board of Finance  
8 of the Mayor and City Council of Baltimore, which rate or rates may be fixed or variable or as  
9 determined by a method approved by the Board of Finance, and such interest shall be payable at  
10 such time or times as may be determined by the Board of Finance.

11 (g) The proceeds of the sale of any refunding bonds authorized to be issued and sold  
12 under the provisions of this Ordinance, after the payment of issuance costs relating thereto, shall  
13 be set aside by the Mayor and City Council of Baltimore as a separate trust fund to be used  
14 solely for the purposes stated in this Section 9.

15 (h) Except as otherwise provided in this Section 9, the powers granted in, the limitations  
16 and obligations imposed by, and the procedures specified in this Ordinance with respect to the  
17 issuance of bonds shall be applicable to the issuance of refunding bonds.

18 (i) Any refunding bonds authorized to be issued and sold under the provisions of this  
19 Ordinance shall not be subject to any debt policy limitation that may from time to time be  
20 established by the Mayor and City Council of Baltimore.

21 **SECTION 10. AND BE IT FURTHER ORDAINED,** That the expenditure of the proceeds derived  
22 from the sale of the bonds authorized to be issued under the provisions of this Ordinance shall be  
23 in accordance with the provisions of the Charter of the Mayor and City Council of Baltimore,  
24 and by the municipal agency designated in the annual Ordinance of Estimates of the Mayor and  
25 City Council of Baltimore.

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Certified as duly passed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Chief Clerk

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Mayor, Baltimore City