

**CITY OF BALTIMORE
COUNCIL BILL 18-0211
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Department of Planning)

Introduced and read first time: March 26, 2018

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Commission, Baltimore Development Corporation, Department of Housing and Community Development, Department of Finance

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Bond Issue - Affordable Housing Loan - \$10,000,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to General
4 Assembly House Resolution IV and Senate Resolution II of 2018 approved by the members
5 of the Maryland General Assembly representing Baltimore City) to create a debt, and to issue
6 and sell its certificates of indebtedness as evidence thereof, and proceeds not exceeding
7 \$10,000,000 from the sale of such certificates of indebtedness to be used for the cost of
8 issuance, including the expense of engraving, printing, advertising, attorneys' fees, and all
9 other incidental expenses connected therewith, and the remainder of such proceeds to be used
10 for or in connection with planning, developing, executing, and making operative the
11 Affordable Housing Program of the Mayor and City Council of Baltimore, including, but not
12 limited to, the acquisition, by purchase, lease, condemnation or any other legal means, of land
13 or property, or any right, interest, franchise, easement or privilege therein, in the City of
14 Baltimore; the payment of any and all costs and expenses incurred in connection with or
15 incidental to the acquisition and management of the land or property, including any and all
16 rights of interest therein hereinbefore mentioned; the payment of any and all costs and
17 expenses incurred for or in connection with relocating and moving persons or other legal
18 entities displaced by the acquisition of the land or property, or any of the rights or interest
19 therein hereinbefore mentioned, in the City of Baltimore; the development or redevelopment,
20 including, but not limited to, the comprehensive renovation or rehabilitation of, any land or
21 property, or any rights or interests therein hereinbefore mentioned, in the City of Baltimore,
22 and the disposition of land and property for such purposes; costs related to the rehabilitation
23 and new construction of and operation of rental and homeownership developments, such
24 costs to include but not be limited to relocation assistance, rental payment and home purchase
25 assistance, housing counseling and buyer education assistance, and activities to support the
26 orderly and sustainable planning, preservation, rehabilitation, and development of
27 economically diverse housing in City neighborhoods; the elimination of unhealthful,
28 unsanitary or unsafe conditions, lessening density, eliminating obsolete or other uses
29 detrimental to the public welfare or otherwise removing or preventing the spread of blight or
30 deterioration in the City of Baltimore; the demolition, removal, relocation, renovation or
31 alteration of land, buildings, streets, highways, alleys, utilities or services, and other
32 structures or improvements, and for the construction, reconstruction, installation, relocation
33 or repair of buildings, streets, highways, alleys, utilities or services, and other structures or

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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1 improvements; the payment of any and all costs and expenses incurred for, or in connection
2 with, doing any or all of the things herein mentioned, including, but not limited to, the costs
3 and expenses of securing administrative, appraisal, economic analysis, engineering, planning,
4 designing, architectural, surveying, and other professional services; and doing any and all
5 things necessary, proper or expedient in connection with or pertaining to any or all of the
6 matters or things hereinbefore mentioned; authorizing the issuance of refunding bonds;
7 conferring and imposing upon the Board of Finance of Baltimore City certain powers and
8 duties; authorizing the submission of this Ordinance to the legal voters of the City of
9 Baltimore, for their approval or disapproval, at the General Election to be held in Baltimore
10 City, on Tuesday, the 6th day of November, 2018; and providing for the expenditure of the
11 proceeds of sale of said certificates of indebtedness in accordance with the provisions of the
12 Charter of the Mayor and City Council of Baltimore, and by the municipal agency designated
13 in the annual Ordinance of Estimates of the Mayor and City Council of Baltimore.

14 **WHEREAS**, By General Assembly House Resolution IV and Senate Resolution II of 2018,
15 approved by the members of the Maryland General Assembly representing Baltimore City, the
16 Mayor and City Council of Baltimore is authorized to create a debt and to issue and sell its
17 certificates of indebtedness (hereinafter called "bonds") as evidence thereof, and proceeds not
18 exceeding \$10,000,000 from the sale of such bonds to be used in connection with the community
19 development program of the Mayor and City Council of Baltimore as authorized by said
20 Resolution; and

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

22 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
23 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said
24 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell
25 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or
26 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance
27 from time to time and at such times as shall be requisite, and proceeds not exceeding
28 \$10,000,000 from the sale of such bonds shall be used for the purposes hereinafter named,
29 provided that this Ordinance shall not become effective unless it shall be approved by a majority
30 of the votes of the legal voters of Baltimore City cast at the time and place hereinafter designated
31 by this Ordinance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 **SECTION 6. AND BE IT FURTHER ORDAINED**, That this Ordinance shall be submitted to the
2 legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to
3 be held in Baltimore City, on Tuesday, the 6th day of November, 2018.

4 **SECTION 7. AND BE IT FURTHER ORDAINED**, That prior to the date of the election
5 hereinbefore mentioned, notice shall be given to the public of the amount of money which the
6 Mayor and City Council of Baltimore is authorized to borrow, and the general purposes for
7 which such borrowed funds may be expended, under the terms and provisions of this Ordinance,
8 and the time when the election hereinbefore mentioned is to be held; and such public notice shall
9 be given in such manner and by such means or through such media and at such time or times as
10 may be determined, from time to time, by a majority of the Board of Finance.

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

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

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

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

25 (ii) The payment of any and all costs and expenses incurred in connection with or
26 incidental to the acquisition and management of said land or property, including any and all
27 rights or interests therein hereinabove mentioned;

28 (iii) The payment of any and all costs and expenses incurred for or in connection with
29 relocating and moving persons or other legal entities displaced by the acquisition of said land or
30 property, or any of the rights or interests therein hereinbefore mentioned, in the City of
31 Baltimore;

32 (iv) The development or redevelopment, including, but not limited to, the
33 comprehensive renovation or rehabilitation of, any land or property, or any rights or interests
34 therein hereinbefore mentioned, in the City of Baltimore, and the disposition of land and property
35 for such purposes;

36 (v) Costs related to the rehabilitation and new construction of and operation of rental
37 and homeownership developments, such costs to include but not be limited to relocation
38 assistance; rental payment and home purchase assistance, housing counseling and buyer
39 education assistance, and activities to support the orderly and sustainable planning, preservation,
40 rehabilitation, and development of economically diverse housing in City neighborhoods;

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

4 (vii) The demolition, removal, relocation, renovation or alteration of land, buildings,
5 streets, highways, alleys, utilities or services, and other structures or improvements, and for the
6 construction and reconstruction, installation, relocation or repair of buildings, streets, highways,
7 alleys, utilities or services, and other structures or improvements;

8 (viii) The payment of any and all costs and expenses incurred for, or in connection
9 with, doing any or all of the things herein mentioned, including, but not limited to, the costs and
10 expenses of securing administrative, appraisal, economic analysis, engineering, planning,
11 designing, architectural, surveying, and other professional services; and

12 (ix) Doing any and all things necessary, proper or expedient in connection with or
13 pertaining to any or all of the matters or things hereinbefore mentioned.

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

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

17 (a) The Mayor and City Council of Baltimore, acting by and through the Board of Finance
18 thereof, is hereby authorized and empowered to issue its bonds for the purpose of refunding any
19 bonds authorized to be issued under the provisions of this Ordinance by payment at maturity or
20 the purchase or redemption of bonds in advance of maturity. The validity of any refunding bonds
21 shall in no way be dependent upon or related to the validity or invalidity of the bonds being
22 refunded. Such refunding bonds may be issued by the Mayor and City Council of Baltimore,
23 acting by and through the Board of Finance thereof, for the purpose of providing it with funds to
24 pay any of its outstanding bonds authorized to be issued under the provisions of this Ordinance at
25 maturity, to purchase in the open market any of its outstanding bonds authorized to be issued
26 under the provisions of this Ordinance prior to their maturity, to redeem prior to their maturity
27 any outstanding bonds which are, by their terms, redeemable, to pay interest on any outstanding
28 bonds prior to their payment at maturity or purchase or redemption in advance of maturity, or to
29 pay any redemption or purchase premium in connection with the refunding of any of its
30 outstanding bonds authorized to be issued under the provisions of this Ordinance.

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

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

35 (2) Debt restructuring that:

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

37 (ii) Is determined by the Board of Finance of the Mayor and City Council of
38 Baltimore to be in the best interests of Baltimore City, to be consistent with Baltimore City's
39 long-term financial plan, and to realize a financial objective of Baltimore City including,

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1 improving the relationship of debt service to a source of payment such as taxes, assessments, or
2 other charges.

3 (c) Any refunding bonds authorized to be issued and sold under the provisions of this
4 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose
5 for the issuance of the refunding bonds, which amount may be in excess of the principal amount
6 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under
7 Section 1 of this Ordinance.

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

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

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

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

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

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

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