

CITY OF BALTIMORE
COUNCIL BILL 16-0640
(First Reader)

Introduced by: The Council President
At the request of: The Administration (Department of Planning)
Introduced and read first time: March 21, 2016
Assigned to: Taxation, Finance and Economic Development Committee

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

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Bond Issue - Affordable Housing Loan - \$6,000,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution
4 III of 2016 approved by the members of the Maryland General Assembly representing
5 Baltimore City) to create a debt, and to issue and sell its certificates of indebtedness as
6 evidence thereof, and proceeds not exceeding \$6,000,000 from the sale of such certificates of
7 indebtedness to be used for the cost of issuance, including the expense of engraving, printing,
8 advertising, attorneys' fees, and all other incidental expenses connected therewith, and the
9 remainder of such proceeds to be used for or in connection with planning, developing,
10 executing, and making operative the Affordable Housing Program of the Mayor and City
11 Council of Baltimore, including, but not limited to, the acquisition, by purchase, lease,
12 condemnation or any other legal means, of land or property, or any right, interest, franchise,
13 easement or privilege therein, in the City of Baltimore; the payment of any and all costs and
14 expenses incurred in connection with or incidental to the acquisition and management of the
15 land or property, including any and all rights or interests therein hereinbefore mentioned; the
16 payment of any and all costs and expenses incurred for or in connection with relocating and
17 moving persons or other legal entities displaced by the acquisition of the land or property, or
18 any of the rights or interest therein hereinbefore mentioned, in the City of Baltimore, and the
19 disposition of land and property for such purposes, such costs to include but not limited to
20 rental payment and home purchase assistance, housing counseling and buyer education
21 assistance, and activities to support the orderly and sustainable planning, preservation,
22 rehabilitation, and development of economically diverse housing in City neighborhoods; the
23 elimination of unhealthful, unsanitary or unsafe conditions, lessening density, eliminating
24 obsolete or other uses detrimental to the public welfare or otherwise removing or preventing
25 the spread of blight or deterioration in the City of Baltimore; the demolition, removal,
26 relocation, renovation or alteration of land, buildings, streets, highways, alleys, utilities or
27 services, and other structures or improvements, and for the construction, reconstruction,
28 installation, relocation or repair of buildings, streets, highways, alleys, utilities or services,
29 and other structures or improvements; the payment of any and all costs and expenses incurred
30 for or in connection with doing any or all of the things herein mentioned, including, but not
31 limited to, the costs and expenses of securing administrative, appraisal, economic analysis,
32 engineering, planning, designing, architectural, surveying, and other professional services;
33 and doing any and all things necessary, proper or expedient in connection with or pertaining

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

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1 to any or all of the matters or things hereinbefore mentioned; all such land or property shall
2 be acquired, developed, redeveloped, renovated, rehabilitated, altered, improved, held or
3 disposed of, as provided by law; authorizing the issuance of refunding bonds; conferring and
4 imposing upon the Board of Finance of Baltimore City certain powers and duties; authorizing
5 the submission of this Ordinance to the legal voters of the City of Baltimore, for their
6 approval or disapproval, at the General Election to be held in Baltimore City, on Tuesday, the
7 8th day of November, 2016; and providing for the expenditure of the proceeds of sale of said
8 certificates of indebtedness in accordance with the provisions of the Charter of the Mayor and
9 City Council of Baltimore, and by the municipal agency designated in the annual Ordinance
10 of Estimates of the Mayor and City Council of Baltimore.

11 **WHEREAS**, By Resolution III of 2016, approved by the members of the Maryland General
12 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to
13 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as
14 evidence thereof, and proceeds not exceeding \$6,000,000 from the sale of such bonds to be used
15 in connection with the community development program of the Mayor and City Council of
16 Baltimore as authorized by said Resolution; and

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

18 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
19 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said
20 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell
21 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or
22 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance
23 from time to time and at such times as shall be requisite, and proceeds not exceeding \$6,000,000
24 from the sale of such bonds shall be used for the purposes hereinafter named, provided that this
25 Ordinance shall not become effective unless it shall be approved by a majority of the votes of the
26 legal voters of Baltimore City cast at the time and place hereinafter designated 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 said
6 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 and
11 City Council of Baltimore, to receive bids for the purchase of the bonds authorized to be issued
12 hereunder or any part thereof; the form, terms and conditions of such bids; the time, place and
13 manner of awarding bonds so bid for, including the right whenever any of the bonds authorized
14 by this Ordinance are offered for sale and sold at the same time as other bonds of the City, to
15 establish the conditions for bids and awards and to award all of the bonds on an all or none basis,
16 and the time, place, terms and manner of settlement for the bonds so bid for; provided, however,
17 that notwithstanding anything in this section, the Mayor and City Council of Baltimore, or the
18 Board of Finance, as the case may be, shall have the right to reject any or all bids therefor for any
19 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 8th day of November, 2016.

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

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

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

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

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

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

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

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

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

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

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1 preservation, rehabilitation, and development of economically diverse housing in City
2 neighborhoods; and

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

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

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

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

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

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

26 (2) Debt restructuring that:

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

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

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

38 (d) Any refunding bonds authorized to be issued and sold under the provisions of this
39 Ordinance may be issued to mature on such dates and in such amounts as the Board of Finance

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1 may determine; provided that the entire principal amount represented by the refunding bonds
2 shall be discharged not more than 40 years from the date of issuance of the bonds being refunded.

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

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

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

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

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

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