

RESOLUTION NO. 2002-03-010R

RESOLUTION APPROVING PARTICIPATION IN
ILLINOIS HOUSING DEVELOPMENT AUTHORITY FIRST-TIME
HOME BUYER SINGLE-FAMILY PROGRAM

(Below Market Rate Program, Series 2002

WHEREAS, there exists within the borders of the City of Urbana, Illinois (the "Municipality"), a recognized need for decent, safe, sanitary and well-constructed and maintained housing which persons of moderate income can afford; and

WHEREAS, the Municipality is a home rule unit of local government pursuant to Article VII of the Illinois Constitution of 1970 and, as such a home rule unit, the Municipality receives an annual allocation of private activity bond volume cap ("Volume Cap") pursuant to Section 146 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"); and

WHEREAS, Section 143 of the Code (Section 143") authorizes home rule units to issue mortgage revenue bonds ("Revenue Bonds") using Volume Cap, the proceeds of which are to be used to purchase qualified mortgage loans, as defined in Section 143 ("Mortgage Loans") made to homebuyers satisfying the requirements of Section 143 ("Homebuyers"); and

WHEREAS, the Municipality is considering establishing and implementing a mortgage revenue bond program (the "MRB Program") to purchase Mortgage Loans from Homebuyers living within the Municipality, using \$682,406 of its Volume Cap for the year 2002 ("Year 2002 Volume Cap"); and

WHEREAS, the Illinois Housing Development Authority ("IHDA") has offered to create and administer the "Below Market Rate Program"; the Municipality would cede to IHDA a portion of its Year 2002 Volume Cap, and for a period of one (1) year from the commencement date of the "Below Market Rate Program", IHDA would issue Revenue Bonds and use the proceeds to purchase only Mortgage Loans made to Homebuyers living in the Municipality.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

SECTION 1. The Municipality makes the findings and determinations set forth in the preamble. The terms defined in the preamble are adopted for the purposes of this Resolution.

SECTION 2. The Municipality approves and authorizes its participation in the "Below Market Rate Program" and cedes to IHDA \$682,406 of its Year 2002 Volume Cap for purposes of establishing and administering the "Below Market Rate Program".

SECTION 3. The Municipality authorizes and empowers the proper officials, agents and employees of the Municipality to do all acts and things and to execute all documents and instruments as may be necessary to participate in the "Below Market Rate Program" and to carry out and comply with the provisions and intent of this Resolution or to effectuate its purpose.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED by the City Council this _____ day of _____, 2002.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, 2002.

Tod Satterthwaite, Mayor