

ORDINANCE NO. 8889-36

AN ORDINANCE

APPROVING THE FILING OF AN ELECTION TO CARRY FORWARD
UNUSED PRIVATE ACTIVITY BOND ALLOCATION FOR THE PURPOSE OF
ISSUING QUALIFIED MORTGAGE BONDS OR MORTGAGE CREDIT CERTIFICATES

WHEREAS, Section 6(a) of Article VII of the 1970 Constitution of Illinois provides that "any municipality which has a population of more than 25,000...(is) a Home Rule Unit" and the City of Urbana, Champaign County, Illinois (the "Municipality"), has a population of more than 25,000 and is therefore a Home Rule Unit and may, under the power granted by said Section 6(a) of Article VII of said Constitution of 1970 exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, there exists within the borders of 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 authorized to issue up to \$1,710,250 of private activity bonds (as that term is defined in Section 141 of the Internal Revenue Code of 1986) during calendar year 1988 by virtue of its population of 34,205 (as set forth in the most recent census estimate of the Municipality's population published by the United States Bureau of the Census prior to January 1, 1988); and

WHEREAS, the Municipality has not issued any private activity bonds in calendar year 1988 and has not otherwise used any of its 1988 volume cap allocation; and

WHEREAS, Section 146(f) of the Internal Revenue Code of 1986 permits issuers of tax-exempt bonds to elect to carry forward to future years any excess of its allocation to issue private activity bonds in a specified year over the actual amount of private activity bonds issued in that year; and

WHEREAS, Section 146(f) of the Internal Revenue Code of 1986 requires that an issuer electing to carry forward its unused allocation specify the purpose, which must be a purpose described in Section 146(f)(5), for which the unused allocation that is carried forward will be used; and

WHEREAS, Section 146(f)(4) of the Internal Revenue Code of 1986 provides that an election to carry forward unused allocation is irrevocable; and

WHEREAS, the Municipality wishes to preserve its unused authority to issue private activity bonds by electing to carry forward its unused allocation for the purpose of issuing qualified mortgage bonds or qualified mortgage credit certificates.

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

Section 1. The Municipality hereby irrevocably elects to carry forward all of its unused 1988 allocation of authority to issue private activity bonds (such amount being \$1,710,250) to calendar years 1989, 1990 and 1991 for the purpose of issuing qualified mortgage bonds or qualified mortgage credit certificates.

Section 2. The Mayor of the Municipality is hereby authorized and directed to file a carryforward election with the Internal Revenue Service on or before December 31, 1988 in order to effect the carryforward described in Section (1) above.

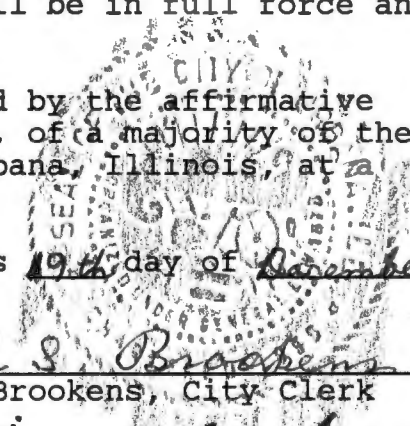
Section 3. The appropriate officers, agents and attorneys of and for the Municipality be and they are hereby authorized and directed to execute such other and supplemental documents and instruments and to take such other action as may be desirable or necessary to effect such election.

Section 4. All ordinances, resolutions, orders or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 5. This Ordinance shall be in full force and effect upon its passage and approval.

This ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said council.

PASSED by the City Council this 19th day of December, 1988.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 21st day of December, 1988.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor