

ORDINANCE NO. 9091-1

AN ORDINANCE PRELIMINARILY APPROVING THE
ISSUANCE OF 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, it is necessary and desirable that the Municipality issue either qualified mortgage bonds pursuant to Section 143(a) of the Internal Revenue Code of 1986 (the "Code") or mortgage credit certificates pursuant to Section 25 of the Code in order to reduce the cost of financing for the acquisition of housing located in or near the Municipality for qualifying persons;

WHEREAS, it is necessary and desirable that the Municipality apply for an allocation of 1990 "volume cap" under the Illinois Private Activity Bond Allocation Act to be used for the issuance of qualified mortgage bonds or mortgage credit certificates.

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

Section 1. Home Rule Authority. The Municipality is a home rule unit under the provisions of the 1970 Constitution of Illinois, and as a home rule unit may, under the powers granted by Section 6(a) of Article VII thereof, "exercise any power and perform any function pertaining to its government and affairs," and this Ordinance is adopted pursuant to the Municipality's home rule powers, any provisions contained in any other Municipality ordinance or resolution or in Illinois law to the contrary notwithstanding.

Section 2. Declaration of Public Purpose. It is hereby found, determined and declared that the purpose of this Ordinance is to take steps designed to reduce the cost of financing for the acquisition of principal residence housing located in or near the Municipality in order to provide decent, safe and sanitary housing for qualifying persons of moderate income. It is further hereby found, determined and declared that this will provide for and promote the public health, safety and welfare, maintain and foster the increase of industrial and

commercial activity and economic development, and preserve and increase the ad valorem tax base of the Municipality and its environs. The foregoing are hereby declared and determined to be public purposes and functions pertaining to the government and affairs of the Municipality.

Section 3. Preliminary Authorization for Issuance of Qualified Mortgage Bonds or Mortgage Credit Certificates. The Mayor, City Clerk and other officers of the Municipality are hereby authorized to take such steps as are necessary to provide for the issuance by the City, subject to City Council approval of the final terms of all instruments and agreements to be entered into in connection therewith, of its qualified mortgage bonds or, in lieu thereof, mortgage credit certificates. Such qualified mortgage bonds shall be issued in one or more series in a principal amount not to exceed the "volume cap" approved by the State of Illinois as approved pursuant to Section 4 hereof. If mortgage credit certificates are issued in lieu of qualified mortgage bonds, the Municipality shall elect not to issue qualified mortgage bonds in an amount not to exceed the amount set forth in the preceding sentence.

Section 4. 1990 Volume Cap. The Mayor and other officials of the Issuer are hereby authorized to take such actions as are necessary under the Illinois Private Activity Bond Allocation Act to obtain up to \$15,000,000 of "volume cap" as defined therein for the calendar year 1990 for purposes of the

issuance of either qualified mortgage bonds or mortgage credit certificates as described herein.

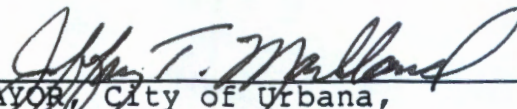
Section 5. Approval of Further Actions. From and after the adoption of this Ordinance, the proper officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Ordinance or to effectuate the purposes hereof.

Section 6. Repeal of Conflicting Actions. 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 7. Effective Date. This Ordinance shall be in full force and effect upon its passage and approval.

PRESENTED, PASSED, APPROVED AND RECORDED by the City of Urbana, Champaign County, Illinois, a home rule unit of government, this 5th day of July, 1990.

APPROVED:


MAYOR, City of Urbana,
Champaign County, Illinois

Attest:


City Clerk, City of Urbana,
Champaign County, Illinois



Recorded in the records of the City the 5th day of July, 1990.