

ORDINANCE NO. 9192-108

AN ORDINANCE ESTABLISHING A QUALIFIED MORTGAGE CREDIT CERTIFICATE PROGRAM PURSUANT TO THE AUTHORITY OF SECTION 25 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; APPROVING THE ISSUANCE OF QUALIFIED MORTGAGE CREDIT CERTIFICATES; APPROVING THE ELECTION NOT TO ISSUE QUALIFIED MORTGAGE BONDS; APPROVING THE FORM AND AUTHORIZING THE PUBLICATION OF A NOTICE OF THE ISSUANCE OF QUALIFIED MORTGAGE CREDIT CERTIFICATES; AND AUTHORIZING THE PROPER OFFICERS, STAFF AND ELECTED OFFICIALS TO DO ALL OTHER THINGS NECESSARY AND INCIDENTAL THERETO IN ORDER TO EFFECTIVELY IMPLEMENT AND ESTABLISH A QUALIFIED MORTGAGE CREDIT CERTIFICATE PROGRAM.

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 United States government has authorized the several states and their political subdivisions to issue mortgage credit certificates (the "*Certificates*") pursuant to Section 25 of the Internal Revenue Code of 1986, as amended (the "*Code*") in lieu of qualified mortgage bonds as defined in Section 143(a) of the Code ("*Qualified Mortgage Bonds*") which entitle qualifying individuals to a credit against their individual federal income tax; and

WHEREAS, in furtherance of its home rule powers, the Municipality hereby finds and determines that it is necessary and desirable and will provide for and promote the public health, safety and welfare of the citizens of the Municipality to establish and implement a qualified mortgage credit certificate program and to issue Certificates; and

WHEREAS, in order to provide for the issuance of the Certificates it is necessary for the Municipality to authorize the execution of the following described document in substantially the form before this meeting:

(1) a form of Mortgage Credit Certificate Election of the Municipality, as more particularly described in Section 7 hereof (the "*Election*").

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 both the acquisition of principal residence housing located in the Municipality and the rehabilitation and improvement of principal residence housing located in 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 such principal residence ownership, rehabilitation and improvement will provide for and promote the

public health, safety, morals 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. Definitions. All words and phrases not otherwise defined herein shall have the respective meanings set forth in the Administration Agreement (the "*Administration Agreement*") among the Municipality, a Program Administrator (as defined therein), and a Local Administrator (as defined therein) and to be approved at a meeting of the City Council to be held in 1992, unless a different meaning clearly appears in context.

Section 4. Establishment of Qualified Mortgage Certificate Program. (a) There is hereby established and implemented a qualified mortgage credit certificate program under Section 25 of the Code (the "*Program*") for the purpose of issuing Certificates. The Certificates shall be issued to Borrowers in connection with the acquisition, rehabilitation or improvement of the Borrower's Principal Residence within the incorporated area of the Municipality (the "*Program Area*").

(b) The Certificates shall carry (1) a Credit Rate as shall be provided in the Administration Agreement, which Credit Rate shall be not less than 10% nor more than 50%, and (2) an Indebtedness Amount specified in each Certificate.

(c) The Municipality hereby elects not to issue the principal amount of Qualified Mortgage Bonds specified in the Election that were otherwise authorized to be issued by the Municipality during calendar year 1992 pursuant to Sections 103, 143(a) and 146 of the Code and the regulations promulgated thereunder, in no event to exceed \$1,835,068 principal amount.

(d) The Program Administrator is hereby authorized and directed, on behalf of the Municipality, to timely file all reports, annual and otherwise, as are or may be required by Section 25 of the Code and the regulations thereunder.

(e) The Certificates authorized herein shall be provided in the manner and in the amounts and in the time frames as are required by IRS Regulations Section 1.25-4T(g) in connection with owner-financed Target Area residences, if any, within the Program Area.

(f) There is hereby authorized and directed to be an imposition of fees to fund costs of the Program as provided in the Administration Agreement. Such fees shall be charged to each Borrower and shall not exceed 2% of the Borrower's Indebtedness Amount. The amount and type of such fees shall not be unreasonable and shall include only those which are permissible under IRS Regulations Section 1.25-4T(h)(2).

Section 5. Aggregate Limit of Certificates. The Total Proceeds of the Certificates shall not exceed 25 percent of the amount of nonissued Qualified Mortgage Bonds specified in Section 4(c) herein and such Total Proceeds shall be determined as provided in IRS Regulations Section 1.25-5T(b).

Section 6. Certificates. For the purpose of lowering borrowing costs for Borrowers pursuant to the Program, there is hereby authorized to be issued and delivered pursuant to this Ordinance and the Administration Agreement, Certificates, the Total Proceeds of which do not exceed 25% of the principal amount of Qualified Mortgage Bonds elected not to be issued pursuant to the Election described in Section 9 hereof. The Certificates shall be designated "City of Urbana, Champaign County, Illinois Single Family Mortgage Credit Certificates, Series 1992." The Certificates shall be issued and delivered by the Local Administrator under the supervision of the Program Administrator as set forth in the Administration Agreement. The Certificates shall be executed by the manual or facsim-

the signatures of the Mayor and the City Clerk of the Municipality, and the seal of the Municipality or a facsimile thereof shall be affixed thereto or printed thereon. At the time each Certificate is issued, it shall be countersigned by the manual signature of the Local Administrator or otherwise as provided in the Administration Agreement.

The form of the Certificates shall be that prescribed by the Internal Revenue Service. If no form is prescribed or if such form is not readily available, the Certificates shall be issued in the form prepared by the Program Administrator in accordance with the provisions of the Administration Agreement. The Certificates shall contain the information required by IRS Regulations Section 1.25-6T(b) and such other information as the Program Administrator in its discretion may deem necessary.

Section 7. Mortgage Credit Certificate Election. The Election whereby the Municipality elects not to issue Qualified Mortgage Bonds in the amount set forth therein in order to establish the Program, the Total Proceeds of which shall not exceed 25% of the non-issued amount set forth in the Election, is hereby approved in all respects. The amount of Qualified Mortgage Bonds elected not to be issued shall be \$1,835,068 or such lesser amount as is set forth in the Election as executed by the Mayor of the Municipality, his execution thereof to constitute conclusive evidence of his and the City Council's approval of such lesser amount. The Mayor of the Municipality is hereby authorized to execute, deliver and file the Election on behalf of and as the act and deed of the Municipality, such Election to be in substantially the form before this meeting and hereby approved, or with such changes therein as shall be approved by the Mayor of the Municipality, his execution thereof to constitute conclusive evidence of his approval of any and all changes therein from the form of the Election before this meeting. The Municipality hereby reserves its right to

revoke the Election, in whole or in part, during 1992, but such revocation shall be limited to that portion of its allocation not theretofore used to issue Certificates.

Section 8. Public Notice. Public notice of the eligibility requirements for the Certificates and the method of Certificate issuance shall be published once in a newspaper of general circulation in the Municipality.

Section 9. Volume Cap. There is hereby allocated to the Qualified Mortgage Bonds which the Municipality is electing not to issue pursuant to Section 7 hereof, the entire amount of the Municipality's "volume cap", as defined in Section 146 of the Code, for calendar year 1992, such amount being \$1,835,068, or such lesser amount, if any, determined by the Mayor of the Municipality and specified in the Election and the Certificate of the Mayor attached thereto.

Section 10. Ratification. The actions of the officials of the Municipality heretofore taken in connection with the Certificates and the Program are hereby ratified and confirmed.

Section 11. Approval of Further Actions. From and after the execution and delivery of the documents hereby approved, 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 said documents as executed, and to further the purposes and intent of this Ordinance, including the preambles hereto. All acts and doings of the officials of the Municipality which are in conformity with the purposes and intent of this Ordinance and in furtherance of the issuance of the Certificates and the establishment of the Program be, and the same are hereby in all respects, approved and confirmed.

Section 12. Severability. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be

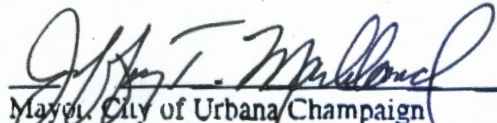
invalid, such declarations shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 13. Repeal of Conflicting Ordinances, Resolutions, Etc. 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 14. Effective Date. This Ordinance shall be in full force and effect upon its passage and approval.

PRESENTED, PASSED AND APPROVED by the City of Urbana, Champaign County, Illinois, a home rule unit of government, this 29th day of June, 1992.

APPROVED:


Mayor, City of Urbana Champaign
County, Illinois

Attest:



City Clerk, City of Urbana
Champaign County, Illinois

[SEAL]

Recorded in the records of the City the ___ day of June, 1992.

CERTIFICATION OF MAYOR OF CITY

The undersigned, Mayor of the City of Urbana, Champaign County, Illinois (the "Issuer") hereby certifies as follows:

1. The Issuer is, and was on January 1, 1992, a home rule unit of government within the meaning of Article VII, Section 6 of the Constitution of the State of Illinois.

2. The population of the Issuer as determined by the 1990 Census released by the United States Bureau of Census in August 1991 was at 36,344.

3. The Issuer has not agreed to any different allocation with respect to its volume cap for any calendar year (its "Volume Cap") as defined in Section 146 of the Internal Revenue Code of 1986, as amended (the "Code") from that afforded to it as a constitutional home rule city described in Section 146(d)(3) of the Code.

4. The Issuer's Volume Cap for 1992, determined as provided in Section 146 of the Code and regulations promulgated thereunder on the basis of its population as set forth in paragraph 2 above, is \$1,835,068. No tax-exempt "private activity bonds" have been issued by the Issuer in 1992 which, under the provisions of Section 146 of the Code, are subject to and require an allocation of the Issuer's Volume Cap for such year. The Issuer's Volume Cap for 1992 has not been reduced by any amounts referred to in Section 146(m) of the Code (relating to the non-qualified amount of any bonds of the Issuer which would not otherwise be private activity bonds) or in Section 146(n) of the Code (relating to mortgage credit certificates). Accordingly, the excess of the Issuer's Volume Cap for the year 1992 over the aggregate amount of tax-exempt private activity bonds issued by the Issuer to date during 1992 which were subject to and required an allocation of the Issuer's Volume Cap, is \$1,835,068 (such amount being referred to as the "1992 Unused Cap").

5. On the date hereof, the Issuer is electing not to issue \$1,835,068 of qualified mortgage bonds in order to issue mortgage credit certificates. The aggregate principal amount of the qualified mortgage bonds which the Issuer is electing not to issue on this date does not exceed the amount of the 1992 Unused Cap described in paragraph (4) hereof.

6. On the basis of the foregoing, the Issuer hereby finds that the \$1,835,068 aggregate principal amount of the qualified mortgage bonds which the Issuer is electing not to issue on this date is within the remaining amount of the 1992 Unused Cap described in paragraph (4). Accordingly, based on the facts and circumstances as of this date, the election not to issue qualified mortgage bonds in the amount of \$1,835,068 meets the requirements of Section 146 of the Code and the regulations promulgated thereunder.

7. Attached hereto as Exhibit A is a copy of the Issuer's notice regarding its election not to issue qualified mortgage bonds mailed to the Governor's office of the State of Illinois pursuant to Section 7 of the Illinois Private Activity Bond Allocation Act, as amended, together with evidence of the mailing of such notice.

IN WITNESS WHEREOF, the undersigned have set their signatures this 30th day of ~~April~~ ^{June}, 1992.

CITY OF URBANA, ILLINOIS

By _____
Mayor



Attest:

Ruth S. Brookes
City Clerk

**MORTGAGE CREDIT CERTIFICATE ELECTION
CITY OF URBANA, ILLINOIS**

I, THE UNDERSIGNED, Mayor of the City of Urbana, Illinois, (the "*Municipality*") hereby certifies that this Election is executed and delivered for and on behalf of the Municipality in connection with its Mortgage Credit Certificate Program and election to issue its Single Family Mortgage Credit Certificates, Series 1992 (the "*Certificates*"). This Election is made, executed and filed pursuant to Section 1.25-4T(c) of the Income Tax Regulations.

I hereby further certify that:

1. The issuer of the Certificates is:

City of Urbana
a political subdivision of the State of Illinois
Urbana Hall
400 South Vine Street
Urbana, Illinois 61801
TIN 37-6000524

2. The Municipality's Allocation to issue Qualified Mortgage Bonds in this calendar year is \$1,835,068 consisting of:

Carry forward From Prior Years for Qualified Mortgage Bonds or Mortgage Credit Certificates	\$ -0-
PLUS: Unused Private Activity Bond Volume Cap for 1992	\$1,835,068
TOTAL AVAILABLE ALLOCATION	\$1,835,068

3. As a constitutional home rule unit in Illinois with a population of 36,344 persons, based on the 1990 Census issued by the U.S. Bureau of Census in August 1991, the Municipality is subject to a volume cap of \$1,835,068 for calendar year 1992 pursuant to Section 146 of the Internal Revenue Code of 1986. Such amount is derived by the following formula:

1992 Volume Cap = $A \times (\$50) \times \left(\frac{B}{C}\right)$, where

A = Population of the Municipality as set forth in 1990 Census issued by U.S. Bureau of the Census in August 1991

B = Illinois population as set forth in U.S. Bureau of Census release on December 30, 1991

C = Illinois population as set forth in 1990 Census issued by U.S. Bureau of the Census in August 1991

4. During calendar year 1992, the Municipality has heretofore issued \$0 of private activity bonds subject to the volume cap, consisting of \$0 of Qualified Mortgage Bonds and \$0 of other private activity bonds subject to the volume cap.

5. During calendar year 1992, the Municipality has heretofore surrendered to other issuers \$0 of its authority to issue Qualified Mortgage Bonds or other private activity bonds subject to the volume cap.

6. During calendar year 1992, the Municipality has heretofore elected not to issue \$0 of Qualified Mortgage Bonds in order to issue Mortgage Credit Certificates.

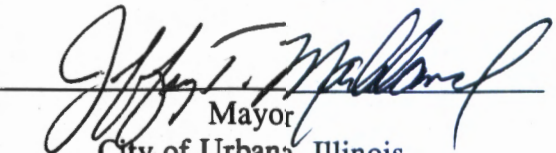
7. Pursuant to its Mortgage Credit Certificate Program the Municipality hereby elects to issue Mortgage Credit Certificates with Total Proceeds (as defined in Section 1.25-1T(b)(10) of the Income Tax Regulations) not exceeding \$458,767 and elects not to issue Qualified Mortgage Bonds in amount equal to \$1,835,068.

8. The Municipality's Mortgage Credit Certificate Program, Series 1992, will expire on December 31, 1994.

9. Attached hereto is the certification, required by Section 1.25-4T(d) of the Income Tax Regulations, that the Municipality's Mortgage Credit Certificate Program, Series 1992, meets the requirements of Section 146 of the Internal Revenue Code of 1986 and applicable regulations thereunder.

This Mortgage Credit Certificate Election is executed for and on behalf of the Municipality pursuant to its Ordinance establishing its mortgage credit certificate program.

WITNESS MY HAND and the Municipality's Official Seal as of this 30th day of ~~February~~ June, 1992.



Mayor
City of Urbana, Illinois

(SEAL)

ATTEST

Ruth S. Brookens
City Clerk