

RESOLUTION NO. 2008-04-007R

RESOLUTION APPROVING PARTICIPATION IN ILLINOIS HOUSING DEVELOPMENT AUTHORITY
FIRST-TIME HOMEBUYER SINGLE-FAMILY PROGRAMS

(MCC Program and MRB Program, Series 2008)

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, Section 25 of the Code authorizes home rule units to elect to surrender all or a portion of the Volume Cap available to issue Revenue Bonds and to issue mortgage credit certificates ("MCC's") in place of those Revenue Bonds; Homebuyers receiving such MCC's are entitled to a credit against their federal income tax; and

WHEREAS, the Municipality is considering establishing and implementing (i) a mortgage revenue bond program (the "MRB Program") to purchase Mortgage Loans from Homebuyers living within the Municipality, using \$821,482.00 of its Volume Cap for the year 2008 ("Year 2008 Volume Cap"); and (ii) a mortgage credit certificate program (the "MCC Program") to issue MCC's to Homebuyers

living within the Municipality, using \$821,482.00 of Year 2008 Volume Cap; and

WHEREAS, the Illinois Housing Development Authority ("IHDA") has offered to create and administer both the MRB Program and the MCC Program; the Municipality would cede to IHDA a portion of its Year 2008 Volume Cap, and for a period of one (1) year from the commencement date of the MRB Program and the MCC Program, IHDA would purchase Mortgage Loans made exclusively to, and provide the MCC's exclusively to, Homebuyers living in the Municipality; and

WHEREAS, the MCC Program and the MRB Program have received the approval of the Municipality Finance Committee.

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 MRB Program and cedes to IHDA \$821,482.00 of its Year 2008 Volume Cap for purposes of establishing and administering the MRB Program.

Section 3. The Municipality approves and authorizes its participation in the MCC Program and cedes to IHDA \$821,482.00 of its Year 2008 Volume Cap for purposes of establishing and administering the MCC Program.

Section 4. 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 MRB Program and the MCC Program and to carry out and comply with the provisions and intent of this Resolution or to effectuate its purpose.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSED by the City Council this _____ day of _____,

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AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,

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Laurel Lunt Prussing, Mayor