



**COUNCIL RESOLUTION NO. 4997**

**A RESOLUTION AUTHORIZING EXECUTION OF HUD  
SECTION 108 NOTES IN THE AMOUNT OF \$5,189,000.**

**PASSED: 8/0**

**REJECTED:**

**OPPOSED:**

**ABSENT:**

**CONSIDERED: January 11, 2010**

## **RESOLUTION NO. 4997**

### **A RESOLUTION AUTHORIZING EXECUTION OF HUD SECTION 108 NOTES IN THE AMOUNT OF \$5,189,000.**

#### **The City Council of the City of Eugene finds as follows:**

**A.** The City of Eugene was one of only eleven communities in the United States to be approved for a Brownfields Economic Development Initiative (“BEDI”) grant from the United States Department of Housing and Urban Development (“HUD”) in Fiscal Year 2005. The grant is in the amount of \$2,000,000.

**B.** The BEDI grant award is conditioned upon, and must be used in conjunction with, a new Section 108-guaranteed loan commitment made by HUD pursuant to section 108 of title I of the Housing and Community Development Act of 1974, as amended and 24 CFR Part 570, Subpart M (the “HUD Loan Guarantee Law and Regulations”). The guaranteed loan is authorized up to \$7,895,000.

**C.** The City enacted Ordinance No. 20376 on February 26, 2007, authorizing the City to issue up to \$7,895,000 of revenue bonds to finance loans and other assistance for economic development, property acquisition, public facilities, large-scale physical development projects and any other projects that are eligible for funding under Section 108 (the “Projects”). More than thirty days have passed since that ordinance was enacted, no citizens petitioned to have the ordinance authorizing those bonds referred to the voters, and the City is now authorized to issue the revenue bonds described in that ordinance.

**D.** Ordinance No. 20376 authorized the City to secure any HUD Loan Contracts with federal grant funds, revenues and rights the City obtains in connection with the projects, repayments of loans and other assistance provided by the City pursuant to Section 108, payments from the Urban Renewal Agency of the City of Eugene (the “Agency”), and similar amounts.

**E.** On July 23, 2007, the City Council adopted Resolution No. 4914, authorizing: (i) execution and delivery of a “Contract For Loan Guarantee Assistance Under Section 108 Of The Housing And Community Development Act of 1974, As Amended, 42 U.S.C. §5308” with HUD (the “2007 HUD Loan Contract”) in the amount of \$7,895,000, (ii) the execution and delivery of a revenue bond under Ordinance No. 20376 in the form of one or more Notes that are required by the 2007 HUD Loan Contract in the amount of not more than \$7,895,000 to finance property acquisition for the West Broadway Redevelopment Project (the “2007 Project”). Pursuant to Resolution No. 4914 the City executed the 2007 HUD Loan Contract and issued notes for the 2007 Project in the amount of \$2,706,000, leaving the City with \$5,189,000 of unused borrowing authority under Ordinance No. 20376. The City completed the property transaction in July 2008.

**F.** The City adopts this resolution to authorize: (i) the execution and delivery of a revenue bond under Ordinance No. 20376 in the form of one or more Notes that are required by a HUD Loan Contract in the amount of not more than \$5,189,000 to finance rehabilitation of the Centre Court building and pay related costs (the “2010 Project”); and (ii) the execution of additional HUD Loan Contracts and any related HUD documents; and (iii) City staff to take other actions to obtain funds from HUD under the HUD Loan Contracts for the 2010 Project.

**NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Eugene, a municipal corporation of the State of Oregon, as follows:**

**Section 1. Notes Authorized.** The City Council hereby authorizes the execution and delivery of a revenue bond under Ordinance No. 20376 in the form of one or more Notes (the “2010 Project Notes”) that are required by the HUD Loan Contracts for the 2010 Project. The 2010 Project Notes shall be in a maximum principal amount of \$5,189,000, and proceeds of the 2010 Project Notes shall be used to provide financial assistance for the 2010 Project.

**Section 2. HUD Documents Authorized.** The City Council hereby authorizes the execution and delivery of additional HUD Loan Contracts and any other documents that are required by HUD to finance the 2010 Project with the 2010 Project Notes.

**Section 3. Delegation.** The City Official may, on behalf of the City and without further action by the Council:

- (1) Negotiate the final terms of, execute and deliver the 2010 Project Notes, and perform all of the City’s obligations under the 2010 Project Notes.
- (2) Negotiate the final terms of, execute and deliver any additional HUD Loan Contracts and other documents that are required by HUD to finance the 2010 Project with the 2010 Project Notes.
- (3) Pledge to secure the City’s obligations under any HUD Loan Contract and the 2010 Project Notes, and grant HUD a right of assignment in all or any portion of, the following: (a) the allocations or grants which have been made or for which the City may become eligible under Section 106 of title I of the Housing and Community Development Act of 1974, as amended (the “Act”), as well as any grants which are or may become available to the City pursuant to Section 108(q) of the Act; (b) “program income,” as defined at 24 CFR 570.500(a) (or any successor regulation), directly generated from the use of the amounts received by the City under any HUD Loan Contracts and the 2010 Project Notes; (c) payments made by the Agency to the City under an intergovernmental agreement signed on June 30, 2008 that sets out the agreement for payments between the Agency and City for the Projects; (d) proceeds (including insurance and condemnation proceeds) from any of the foregoing; (e) funds or investments in the accounts established under any HUD Loan Contracts; and (f) any other amounts that are required by HUD.
- (4) Execute and deliver any agreements or certificates and take any other action in connection with the HUD Loan Contracts and the 2010 Project Notes which the City Manager finds is desirable to permit the City to execute and deliver the 2010 Project Notes and obtain funds from HUD for the 2010 Project.

**Section 4.**    **Effective Date.**    This resolution shall take effect immediately upon adoption.

**The foregoing Resolution adopted on the 11<sup>th</sup> day of January, 2010.**

  
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**Acting City Recorder**