

SPONSOR: Councilman Daniel Spitale
Councilman at Large

RESOLUTION NO. R21

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAMMOND AUTHORIZING
THE FILING A SECTION 108 LOAN GUARANTEE APPLICATION
AND DESIGNATING SIGNATORIES FOR PAYMENT VOUCHER ON LETTERS
OF CREDIT FOR A SECTION 108 GUARANTEE LOAN PROJECT**

WHEREAS, the Congress of the United States has enacted and the President of the United States has signed into law on August 22, 1974, Public Law 93-383, the “Housing and Community Development Act of 1974”; and

WHEREAS, Section 108 is the loan guarantee component of the Community Development Block Grant (CDBG) Program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects.

WHEREAS, the primary objective of this program is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for persons of low and moderate income; and

WHEREAS, it is the intention of Congress that the federal assistance made available under this program not be utilized to reduce substantially the amount of local financial support for community development activities below the level of such support prior to availability of assistance hereunder; and

WHEREAS, it is necessary and in the public interest that the City of Hammond, Indiana avail itself of the financial assistance provided by Title I of the Housing and Community

Development Act of 1974, as amended, to commence a Community Development Program within the City of Hammond; and

WHEREAS, documentation of public benefit shall be maintained by the City of Hammond, Indiana in accordance with 24 CFR 570.209(d) and the City with all information necessary to document the public benefit; and

WHEREAS, the City is required under the loan contract to fully repay, with interest, the Section 108 loan by pledging its future allocations of Community Development Block Grant (CDBG) funds pursuant to 24 CFR 570.705(b)(2), as security for HUD's guarantee of the loan funds, however, no general or special funds of the City are pledged or required for the Promissory Note; and

WHEREAS, in addition to the loan contract and note, there are other documents, including but not limited to a Custodial Agreement, Collateral Assignment of Security Document and other forms that will need to be signed at or prior to closing on the loan;

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RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAMMOND AUTHORIZING THE FILING A SECTION 108 LOAN GUARANTEE APPLICATION AND DESIGNATING SIGNATORIES FOR PAYMENT VOUCHER ON LETTERS OF CREDIT FOR A SECTION 108 GUARANTEE LOAN PROJECT

NOW, THEREFORE, BE IT RESOLVED, the Mayor and City Council of the City of Hammond, Indiana that;

1. A Section 108 Guarantee loan application is authorized to be prepared
2. on behalf of the City of Hammond for a loan amount ranging from \$8,000,000 to \$9,000,000, between the Department of Housing and Urban Development and the City of Hammond, Indiana.
3. The Mayor of the City of Hammond, Indiana is Thomas M. McDermott, Jr. and is authorized to certify that the signatures of Phil Taillon and Heather Garay are authorized to sign Standard Form 1194 “Authorized Signatory Card for Payment Voucher on Letter of Credit”, on behalf of the City of Hammond, Indiana.
4. The Mayor the City of Hammond, Indiana is authorized to execute the final versions of the loan contract, note and all other related documents, including but not limited to a collateral assignment of security document and custodial agreement necessary or desirable to accomplish the loan transaction, provided said documents are reviewed and approved by legal counsel and assurances contained herein as provided in this Resolution.

5. Any and all funds received under the above application shall be expended only in strict compliance with all applicable federal laws and regulations, and, upon appropriation thereof by the Common Council.

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OF CREDIT FOR A SECTION 108 GUARANTEE LOAN PROJECT

Adopted this 9th day of November, 2015.

Michael Opinker, President /s/
Common Council

ATTEST:

Robert J. Golec, City Clerk /s/

PRESENTED BY ME, the undersigned City Clerk of the City of Hammond, to the
Mayor of said City for his approval on the 10th day of November, 2015.

Robert J. Golec, City Clerk /s/

The foregoing Resolution Number R21 by consisting of five (5) typewritten pages,
including this page, approved by the Mayor on this 11th day of November, 2015.

Thomas M. McDermott Jr., Mayor /s/
City of Hammond, Indiana

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OF CREDIT FOR A SECTION 108 GUARANTEE LOAN PROJECT

PASSED by the Common Council on the 9th day of November, 2015 and approved by the
Mayor on the 11th day of November, 2015.

Robert J. Golec, City Clerk /s/