



CITY OF WASHINGTON, ILLINOIS
City Council Agenda Communication

Meeting Date: April 1, 2024

Prepared By: Joanie Baxter, Finance Director

Agenda Item: 2024 First Time Homebuyer Program

Explanation: Attached is an ordinance authorizing the use of the annual volume cap for the Assist 2024 – First Time Homebuyers’ Program. As you may recall, the City has participated in this program over the last twenty-three years, which provides qualifying first-time homebuyers, assistance with obtaining a mortgage by offering a 30-year fixed-rate mortgage with a 3% - 7% contribution toward down payment and closing costs. An option for utilizing mortgage credit certificates (MCC) is also included. The private activity bonding authority granted to the City is based on \$125 per capita and equals \$1,986,250 for 2024. This ordinance is necessary to show the intent of the City in regard to the allocation of tax-exempt private activity bonding authority and must be approved prior to May 1.

According to the Director, there were no loans made in the 61571 zip code area under the program in 2023.

The Ordinance is scheduled for First Reading on April 1, 2024 with Second Reading and approval scheduled for April 15, 2024.

Fiscal Impact: None.

Recommendation/Committee Discussion Summary: Staff recommends approval.

Action Requested: Approval of Ordinance at 2nd Reading on April 15, 2024.

ORDINANCE NO. _____

AN ORDINANCE APPROVING THE TRANSFER AND REALLOCATION OF VOLUME CAP IN CONNECTION WITH PRIVATE ACTIVITY BOND ISSUES, AND RELATED MATTERS.

WHEREAS, the City of Washington, Tazewell County, Illinois (the "*Municipality*") is a municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the "*Code*"), provides that the Municipality has volume cap equal to \$125 per resident of the Municipality in calendar year 2024, which volume cap may be allocated to certain tax-exempt private activity bonds; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 *Illinois Compiled Statutes*, 345/1 *et seq.*, as supplemented and amended (the "*Act*"), provides that a home rule unit of government may transfer and reallocate its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof or any non-home rule unit of government; and

WHEREAS, it is now deemed necessary and desirable by the Municipality to transfer its entire volume cap allocation for calendar year 2024 to the Town of Normal, McLean County, Illinois (the "*Issuer*") to be applied toward the issuance of single family mortgage revenue bonds by the Issuer (the "*Bonds*") or for such other purpose permitted by this Ordinance.

NOW, THEREFORE, Be It Ordained by the City Council of the City of Washington, Tazewell County, Illinois, as follows:

Section 1. Pursuant to Section 146 of the Code and the Act, the entire volume cap of the Municipality for calendar year 2024 is hereby transferred and reallocated to the Issuer, which shall issue the Bonds using such transfer of volume cap, without any further action required on the part of the Municipality, and the adoption of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or other private activity bonds or mortgage credit certificates.

Section 2. The Municipality and the Issuer shall maintain a written record of this Ordinance in their respective records during the term that the Bonds or any other such bonds to which such volume cap is allocated remain outstanding.

Section 3. The Mayor, the City Clerk and all other proper officers, 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 and certificates as may be necessary to further the purposes and intent of this Ordinance.

Section 4. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision of this Ordinance shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases and provisions of this Ordinance.

Section 5. All ordinances, resolutions or orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded; and that this Ordinance shall be in full force and effect upon its adoption and approval.

Presented, passed, approved and recorded this ___ day of _____, 2024.

Approved:

Mayor

[Seal]

Attest:

City Clerk

Ayes: _____

Nays: _____

Absent or Not Voting: _____

AFFIDAVIT RELATING TO VOLUME CAP REALLOCATION

City of Washington, Tazewell County, Illinois (the "Municipality") is a home rule unit of local government and a public agency of the State of Illinois and has reallocated \$1,986,250 of private activity bond volume cap allocated to the Municipality in calendar year 2024 (the "Reallocated Volume Cap") to the Town of Normal, McLean County, Illinois ("Normal"). In connection therewith, the Municipality makes the following certifications:

1. The Reallocated Volume Cap was properly allocated to the Municipality for calendar year 2024 and properly reallocated to Normal as authorized by an Ordinance or Resolution duly adopted by the governing body of the Municipality.
2. During calendar year 2024, the Municipality has not (a) applied the reallocated Volume Cap to any issuance of tax-exempt bonds, (b) made any election not to issue qualified mortgage bonds, or (c) surrendered or reallocated the Reallocated Volume Cap to any other political subdivisions within the State of Illinois.
3. The Municipality provided notice to the Governor's Office of the reallocation of the Reallocated Volume Cap to Normal in accordance with the Illinois Private Activity Bond Allocation Act, as amended, and the Guidelines and Procedures issued by the Governor's office under such Act.

Dated: _____, 2024

CITY OF WASHINGTON, TAZEWELL
COUNTY, ILLINOIS

By: _____
Name: _____
Title: _____