

3/31/2006

**27-R-06**

**A RESOLUTION**

**Ceding of \$2,484,800 of Bond Volume Cap in Year 2006 to the  
Illinois Housing Development Authority  
First Time Home Buyer Single Family Program and the  
Mortgage Credit Certificate Program**

**WHEREAS**, there exists within the borders of the City of Evanston, Illinois, a recognized need for decent, safe, sanitary, well-constructed and well maintained housing which persons of moderate income can afford; and

**WHEREAS**, The City of Evanston is a home rule unit of local government pursuant to Article VII of the Illinois Constitution of 1970, and as such, Evanston 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") authorized home rule units to issue mortgage revenue bonds ("Revenue Bonds") using Volume Cap, the proceeds of which can 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 authorized 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; Home buyers receiving such MCC's are entitled to a credit against their federal income tax; and

**WHEREAS**, the City of Evanston is willing to cede \$1,448,800.00 of its Volume Cap for the Year 2006 for the use by IHDA to operate a First Time Homebuyers Program for the benefit of Evanston residents; and to cede \$1,000,000 for a mortgage credit certificate program (the "MCC Program") which will issue MCC's to homebuyers living within the City of Evanston; and

**WHEREAS**, the Illinois Housing Development Authority ("IHDA") has offered to create and administer both the MRB Program and the MCC Program; the City of Evanston would cede to IHDA a portion of its Year 2006 Volume Cap, IHDA would purchase Mortgage loans from private lenders made exclusively to, and provide the MCC's exclusively to, homebuyers living in the City of Evanston; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:**

**SECTION 1.** The City of Evanston 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 City of Evanston approves and authorizes its participation in the MRB Program and cedes to IHDA \$1,448,800.00 for purposes of establishing and administering the MRB Program.

**SECTION 3.** The City of Evanston approves and authorizes its participation in the MCC Program and cedes to IHDA \$1,000,000.00 of its Year 2006 Volume Cap for purposes of establishing and operating the MCC Program.

**SECTION 4:** From and after the adoption of this Resolution, the proper officials, agents and employees of the City 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 this Resolution or to effectuate the purposes hereof.

**SECTION 5:** This Resolution shall be in full force and effect upon its passage and approval in the manner provided by law.

  
Lorraine H. Morton, Mayor

Attest:

  
Mary P. Morris, City Clerk

Adopted: April 11, 2006