

RESOLUTION 15-10

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF ALACHUA, FLORIDA, AUTHORIZING THE NEGOTIATION OF A LOAN IN AN AGGREGATE AMOUNT NOT TO EXCEED \$1,150,000, TO REFINANCE A PRIOR LOAN INCURRED BY THE CITY IN CONNECTION WITH THE HUD SECTION 108 LOAN GUARANTEE PROGRAM; APPROVING THE EXECUTION AND DELIVERY OF A CONTRACT FOR LOAN GUARANTEE ASSISTANCE WITH THE STATE OF FLORIDA AND THE UNITED STATES SECRETARY OF HOUSING AND URBAN DEVELOPMENT; APPROVING THE EXECUTION AND DELIVERY OF A PROMISSORY NOTE; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH THE MAKING OF SUCH LOAN; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 108 of Title I of the Housing and Community Development Act of 1974, as amended, and 24 of the Code of Federal Regulations, Subpart M, the U.S. Department of Housing and Urban Development ("HUD") may guarantee: (i) notes issued by units of local government eligible to receive annual Community Development Block Grants ("CDBG Grants"), and (ii) certificates backed by trusts or pools of such notes (such guarantees, the "Section 108 Loan Guarantee Program");

WHEREAS, the City of Alachua, Florida (the "City") is eligible to receive annual CDBG Grants pursuant to 24 Code of Federal Regulations, Section 570.705(b)(2);

WHEREAS, in August 2001 the City issued a Promissory Note in the amount of \$2,250,000 (the "2001 Note") and participated in a pooled offering of certificates guaranteed pursuant to the Section 108 Loan Guarantee Program (the "2001 Public Offering");

WHEREAS, the City has been informed that on or about May 28, 2015, HUD will hold a new public offering of certificates issued under the Section 108 Loan Guarantee Program to refinance and legally defease, for savings, certificates issued in connection with the 2001 Public Offering (the "2015 Public Offering");

WHEREAS, it is hereby determined that a need exists to borrow funds to refinance and legally defease, for savings, the 2001 Note (the "Refinancing");

WHEREAS, it is determined to be in the best interest of the City to borrow funds through the participation in the 2015 Public Offering for purposes of financing the cost of the Refinancing; and

WHEREAS, the City desires to authorize the receipt of the Loan (as hereinafter defined) from the proceeds of the 2015 Public Offering for the purpose of the Refinancing based upon the conditions hereafter stated.

NOW THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF ALACHUA, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the Constitution of the State of Florida (the "State"), Chapter 166, Part II, Florida Statutes, the City's Municipal Charter and other applicable provisions of law.

SECTION 2. AUTHORIZATION OF THE REFINANCING. The City hereby authorizes the Refinancing using the proceeds of the 2015 Public Offering. The Legal defeasance of the 2001 Note shall be in accordance with the Contract for Loan Guarantee Assistance entered into by the City in connection with the execution and delivery of the 2001 Note.

SECTION 3. PARTICIPATION IN THE 2015 PUBLIC OFFERING. Due to the complicated nature of the transaction described above and the ability of HUD to access the markets based upon the Section 108 Loan Guarantee Program, it is hereby determined that it is in the best interest of the City participate in the 2015 Public Offering rather than a public sale of the 2015 Note by competitive bid.

SECTION 4. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE CONTRACT. The Mayor of the City (the "Mayor") or Vice-Mayor of the City (the "Vice-Mayor") are hereby authorized and directed to execute and deliver a Contract for Loan Guarantee Assistance (the "Contract"), to be entered into by and between the City, the State, acting by and through its Florida Department of Economic Opportunity, and the Secretary of HUD, in substantially the form attached hereto as Exhibit A, with such changes, insertions and omissions as may be approved by the Authorized Officers, the execution thereof being conclusive evidence of such approval.

SECTION 5. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE 2015 NOTE. The Mayor or Vice-Mayor are hereby authorized and directed to execute and deliver the 2015 Note, in the principal amount not to exceed \$1,150,000, in substantially the form attached hereto as Exhibit B with such changes, insertions, and omissions as may be approved by the Authorized Officers, the execution thereof by the Mayor or Vice-Mayor being conclusive evidence of such approval.

SECTION 6. DESCRIPTION OF THE LOAN. The amount of the loan to the City evidenced by the 2015 Note shall not exceed \$1,150,000 (the "Loan"). Such Loan shall bear interest and shall be repayable according to the terms and conditions set forth in the Contract and the 2015 Note authorized pursuant to Sections 4 and 5 hereof, respectively, with such changes, insertions and omissions as may be approved by the Mayor or Vice-Mayor, the City Manager of the City (the "City Manager"), the City Clerk or the Deputy City Clerk of the City (collectively, the "City Clerk") or any other appropriate officers of the City (collectively with the Mayor, the Vice-Mayor, the City Manager and the City Clerk, the "Authorized Officers"), but such Loan shall bear interest at a fixed interest cost rate not to exceed 5.00%, and shall mature no later than August 1, 2021, and the Refinancing shall generate net present value savings equal to not less than the Minimum Savings Target Percentage of the principal amount of the 2001 Note. The "Minimum Savings Target Percentage" equals 3.00%.

SECTION 7. AUTHORIZATION OF EXECUTION AND DELIVERY OF OTHER CERTIFICATES, INSTRUMENTS OR DOCUMENTS. The Authorized Officers are hereby authorized and directed to execute any and all certifications or other instruments or documents required by this Resolution, the Contract, the 2015 Note or any other document required by HUD or Bryant Miller Olive P.A., as the City's Bond Counsel, as a prerequisite or precondition to participation in the 2015 Public Offering, and any such representation made therein shall be deemed to be made on behalf of the City. All action taken to date by the officers of the City in furtherance of the execution and delivery of the 2015 Note and the making of the Loan is hereby approved, confirmed and ratified.

SECTION 8. AUTHORIZATIONS. The Authorized Officers are hereby authorized to approve the final rate of interest applicable to the Loan and to pay the costs of incurring the Loan on behalf of the City.

SECTION 9. COMPLIANCE WITH TRUTH-IN-BONDING. The 2015 Note shall not be executed and delivered unless and until the City has received the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C. Notwithstanding the foregoing, nothing in this Section 9 shall prevent the City from delivering the 2015 Note to HUD in escrow in anticipation of the 2015 Public Offering.

SECTION 10. SUBSEQUENT ACTION. Pursuant to subsequent resolution, prior to execution and delivery of the Contract and the 2015 Note, the City may establish such additional terms as it may so determine to be in the best interests of the City.

SECTION 11. That this resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND RESOLVED in regular session of the City of Alachua, Florida, this 27th day of April, 2015.

CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA

Gib Coerper, Mayor
SEAL

ATTEST:

Traci L. Cain, City Manager/Clerk