

Council of the City of York, PA
Session 2013
Resolution No.

Memo

INTRODUCED BY: **Renee S. Nelson**

DATE: **December 3, 2013**

WHEREAS, in 2002, the City of York obtained a Section 108 Loan in the amount of \$2,000,000.00 from the Department of Housing and Urban Development to repair streets and sidewalks in certain areas of the city; develop rental units in the 300, 400 and 500 blocks of N. Beaver Street; develop rental units in the 200 and 300 Blocks of W. Market Street; and purchase of 50 S. Duke Street for the Housing Alliance; and

WHEREAS, the city has an \$800,000.00 principal balance remaining on the loan; and

WHEREAS, it would be in the best interest of the city to refinance the existing Section 108 Loan over a seven year period beginning August 1, 2014 through August 1, 2020; and

WHEREAS, the City desires to accomplish this by executing the following documents:

1. Notice of intent to Prepay Existing Section 108 Loan in the amount of \$800,000.00
2. New contract for Section 108 Loan
3. New promissory note
4. Legal opinion regarding the new contract and note from the York City Solicitor's Office; and

WHEREAS, the City of York desires to refinance the remaining principal balance using a variable interest rate based on the LIBOR rate plus 20 basis points; and

WHEREAS, the terms and conditions of the new note and contractual documents will remain the same with the exception of lowering the interest rate.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor is authorized and the Controller is authorized and directed to initiate and execute all documents necessary to undertake the refinancing of the Section 108 HUD Loan #B-99-MC-42-0018 on behalf of the City of York, Pennsylvania.

PASSED FINALLY:

BY THE FOLLOWING VOTE:

YEAS: _____, _____, _____, _____, _____

NAYS: _____.

Carol Hill-Evans, President of Council

ATTEST:

Dianna L. Thompson-Mitchell, City Clerk