

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

11-0650R

RESOLUTION AUTHORIZING A TERMINATION OF LOAN AGREEMENT AND A NEW LOAN AGREEMENT WITH GREATER MINNESOTA HOUSING FUND TO FUND A REVOLVING LINE OF CREDIT FOR AFFORDABLE HOUSING.

CITY PROPOSAL:

WHEREAS, city entered into a loan agreement with Greater Minnesota Housing Fund ("GMHF") on October 3, 2006 ("original agreement") pursuant to which GMHF extended a \$200,000 loan to city ("funds") and city executed a promissory note ("note") in favor of GMHF with a maturity date of November 6, 2016 for the purpose of establishing a revolving maintenance fund to be used for city's tenant remedies action to help attain compliance with applicable housing and safety codes for affordable housing; and

WHEREAS, GMHF desires to change the structure of the loan so that funds are no longer held in the city's account but instead are held by GMHF in a revolving line of credit; and

WHEREAS, in order to implement the loan structure change: (i) city and GMHF will terminate the original agreement; (ii) city will return the loan funds held in the city account to GMHF; (iii) upon receipt of the loan funds, GMHF will provide a loan repayment receipt to the city; (iv) city and GMHF will enter into a new loan agreement establishing a \$200,000 revolving line of credit to be used for the city's tenant remedies actions; and (v) city will enter into a new promissory note evidencing such loan.

NOW, THEREFORE, BE IT RESOLVED, that the proper city officials are authorized to enter into a termination of loan agreement, substantially in the form of that on file in the office of the city clerk as Public Document No. _____ with Greater Minnesota Housing Fund pursuant to which the city will return the loan funds held in the city's account to GMHF, payable from Fund 230 GMHF Revolving Fund.

FURTHER RESOLVED, that the proper city officials are authorized to enter into a loan agreement and execute the promissory note attached thereto as Exhibit

A, substantially in the form of that on file in the office of the city clerk as Public Document No. _____, with Greater Minnesota Housing Fund, in the amount of \$200,000 for the purpose of establishing a revolving line of credit to be used for the city's tenant remedies action to help attain compliance with applicable housing and safety codes for affordable housing, monies received from the line of credit payable into Fund 230 GMHF Revolving Fund.

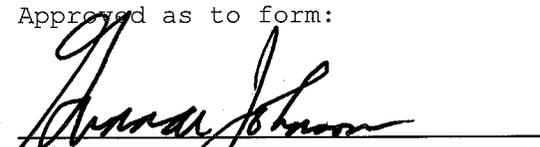
Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

BD/ATTY JC:cjk 11/23/2011

STATEMENT OF PURPOSE: This resolution authorizes the termination of the original agreement, the return of the funds to GMHF and the execution of the new loan agreement with GMHF to establish a revolving line of credit to be used for the city's tenant remedies action to help attain compliance with applicable housing and safety codes for affordable housing. The line of credit is in the amount of \$200,000 at 0% interest with a maturity date of November 6, 2016.