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BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

(A) Pursuant to Ordinance No. 960718-G adopted July 16, 1996 (the “Authorizing Ordinance”), the City of Austin previously obtained the Section 108 Housing and Urban Development (HUD) loan (B-94-MC-48-0500) (Section 108 HUD Loan) for \$8,785,000 for the purpose of constructing the Millennium Youth Center in east Austin.

(C) HUD notified the City on May 7, 2008 that the City needed to complete certain documents so that the City could refinance the Section 108 HUD Loan as part of a June 5, 2008 Public Offering.

(E) The City will save approximately \$416,675.50 in interest expense through the term of the loan by completing this refinancing. The City Council finds that it is the best interest of the City to complete the refinance of the Section 108 HUD Loan (B-94-MC-48-0500).

(F) HUD requires the City to complete and execute the following documents: a note, a contract for loan guarantee assistance, a legal opinion, wire transfer documents, and any other documents needed to obtain Texas Attorney General approval, and HUD authorization to complete this refinancing.

(G) This Ordinance supplements Ordinance No. 960718-G and is being adopted to authorize the City Manager to take action to lower the interest rate the City will pay as it completes the repayment of the Section 108 HUD Loan approved by Ordinance No. 960718-G.

(G) The City is authorized to execute and deliver the refinanced note pursuant to Chapter 373 of the Texas Local Government Code.

34 **PART 2. AUTHORIZATION.**

35 (a) The City authorizes, ratifies and approves the refinancing of the Section
36 108 HUD Loan. The Mayor, the City Manager, the Director of Neighborhood
37 Housing and Community Development, the Chief Financial Officer of the City and
38 all other officers of the City (Authorized Officers) are authorized and directed to
39 take all actions necessary or desirable to effect such refinancing in accordance with
40 the provisions of this ordinance and the Authorizing Ordinance.

41 (b)The City authorizes, ratifies and approves the refinanced note between the
42 City and HUD in substantially the form attached as Exhibit A. The Authorized
43 Officers are authorized to execute and deliver the refinanced note, with such
44 changes as may be approved by an Authorized Officer. The execution of the
45 refinanced note is conclusive evidence the City Council approved the refinanced
46 note.

47 (c) The City authorizes, ratifies and approves the contract between the City
48 and HUD relating to the refinanced note in substantially the form attached as
49 Exhibit B. The Authorized Officers are authorized to execute and deliver the
50 contract relating to the refinanced note, with such changes as may be approved by
51 an Authorized Officer. Execution of the contract relating to the refinanced note is
52 conclusive evidence the City Council approved the contract relating to the
53 refinanced note.

54 **PART 3. SEVERABILITY.** If any part, paragraph, clause or provision
55 of this Ordinance is for any reason held to be invalid or unenforceable, the
56 invalidity or unenforceability of such part, paragraph, clause or provision shall not
57 affect any of the remaining provisions of this Ordinance.

58 **PART 4. OPEN MEETING.** The City posted sufficient written notice of
59 the date, hour, place and subject of the meeting of the City Council at which this
60 Ordinance was adopted at a place convenient and readily accessible at all times to
61 the general public at the Austin City Hall for the time required by the Open
62 Meetings Act, Chapter 551, Texas Government Code. This meeting has been open
63 to the public as required by law at all times during which this Ordinance and its
64 subject matter were discussed, considered and formally acted upon. The City
65 Council ratifies, approves and confirms the written notice, the contents and
66 posting.

67 **PART 5. EFFECTIVE IMMEDIATELY.** Notwithstanding the
68 provisions of the City Charter, this Ordinance shall become effective immediately
69 upon its adoption at this meeting pursuant to Section 1201.028, Texas Government
70 Code, as amended.

PART 7. REPEALER. All orders, resolutions and ordinances, or their parts, that are inconsistent with this Ordinance are repealed only to the extent needed to eliminate the inconsistency.

[Execution Page Follows]

DRAFT

PASSED AND APPROVED

§
§

_____, 2008 § _____

Will Wynn
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk

DRAFT