

Resolution #20-0034
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**RESOLUTION APPROVING DEFEASANCE OF THE REMAINING HUD SECTION
108 LOAN BALANCE OF \$796,000 FOR HOUSING PRODUCTION,
REDEVELOPMENT, AND ECONOMIC DEVELOPMENT ACTIVITIES**

WHEREAS, in 1998 the City authorized obtaining a \$4,500,000 HUD Section 108 Loan to pursue housing production, redevelopment, and economic development activities as outlined in the City's Consolidated Plan; and

WHEREAS, all but \$560,000 of the Loan funds obtained were expended on eligible activities as contemplated in the Consolidated Plan; and

WHEREAS, in 1999 the City authorized obtaining a \$2,000,000 HUD Section 108 Loan for the Brookwood Business Park, and all funds under this loan were expended; and

WHEREAS, repayment of the Loan has taken place annually using CDBG funds as required in the Loan agreement and reflected in the City's Consolidated and Annual Action Plans; and

WHEREAS, there is a remaining balance on the 1998 Loan of \$796,00, including the undisbursed Loan proceeds of \$560,000—and projected interest of approximately \$31,000; and

WHEREAS, the final three (3) annual payments of the Loan are to take place in 2020, 2021 and 2022; and

WHEREAS, defeasing the remaining loan balance with a HUD-designated trustee accomplishes payment of the Loan in 2020, 2021, and 2022; and

WHEREAS, defeasing the remaining loan balance will remove this liability from the City's books as the loan will be deemed paid in full upon transmittal of the \$796,000 and projected interest to the HUD trustee.

NOW, THEREFORE BE IT RESOLVED that the Mayor and City Council of the City of Winston-Salem hereby authorize defeasance of the remaining HUD Section 108 Loan balance of \$796,000 and payment of required interest.

BE IT FURTHER RESOLVED by the City Council, that the City Manager is authorized to execute contracts and documents necessary to carry out the activities herein authorized.