



CITY OF DANBURY
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DANBURY, CONNECTICUT 06810

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MEMORANDUM

TO: Mark D. Boughton via the Common Council

FROM: Dena R. Diorio, Director of Finance & Personnel

DATE: September 30, 2004

SUBJECT: Section 108 Loan - Contract & Note Agreements

Attached for your consideration is a resolution that will enable the City to proceed with Section 108 financing to proceed with the Senior Center Expansion Project.

As you may recall, in October 2003, the City applied for and received approval from HUD for \$3.2 million for property acquisition and construction for the senior center expansion. Now that these activities are underway, the City needs to execute the various agreements to secure the funds.

The attached Contract for Loan Guarantee Assistance and the Variable/Fixed Rate Note Agreements will enable the City to proceed as planned.

I am requesting that the Common Council consider this resolution at its next meeting. Please feel free to contact me if you require any additional information. Thank you.



RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

_____ A. D., 200__

RESOLVED by the Common Council of the City of Danbury:

WHEREAS, the Common Council of the City of Danbury (the "Common Council") has heretofore authorized the acquisition of certain properties for the development of a proposed Senior Center Project;

WHEREAS, the Common Council has heretofore determined to utilize financing for the Senior Center Project provided by a loan guarantee assistance program under Section 108 of the Housing and Community Development Act of 1974, as amended, providing for a loan of not exceeding \$3,200,000 (the "Loan") to be repaid from the City's Community Development Block Grants pursuant to a Contract for Loan Guarantee Assistance (the "Guarantee Contract") in substantially the form set forth in Exhibit A hereto;

WHEREAS, the Loan shall be evidenced by a Variable/Fixed Rate Note (the "Note") providing for the principal installments and interest rate applicable to the Loan in substantially the form set forth in Exhibit B hereto;

WHEREAS, the Common Council has heretofore pledged sufficient property tax revenues as additional security for the Loan as required pursuant to the Guarantee Agreement;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF DANBURY THAT, the City of Danbury hereby authorizes the Loan and hereby authorizes the Mayor and the City Treasurer, in the name of the City, to execute and deliver the Guarantee Contract and the Note substantially in the form thereof as presented to this meeting and made a part of this resolution, and such other documents as necessary or desirable to obtain the Loan, each with such changes, omissions, insertions and revisions as the Mayor and the City Treasurer shall deem advisable, and the approval of the City shall conclusively be determined from their signatures thereon.