

SPONSORS: Council President Gregory and Council Member Freel

ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY'S GENERAL OBLIGATION BOND (WILMINGTON HOUSING PROJECT) SERIES 2016 (FEDERALLY TAXABLE), IN ORDER TO PROVIDE THE FUNDS NECESSARY TO REFUND THE CITY'S GENERAL OBLIGATION BOND (WILMINGTON HOUSING PROJECT) SERIES 2013 (FEDERALLY TAXABLE); AUTHORIZING A LOAN OF THE PROCEEDS TO THE WILMINGTON HOUSING PARTNERSHIP CORPORATION; PROVIDING FOR THE SALE OF THE BOND; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the City of Wilmington (the "City") and Wilmington Housing Partnership Corporation, a Delaware non-profit corporation and an instrumentality of the City (the "Corporation"), have previously undertaken a project (the "Project"), consisting of the acquisition, construction and rehabilitation of single family housing in various sites located in the City; and

WHEREAS, in order to provide financing or refinancing for the Project, the City previously issued its General Obligation Bond (Wilmington Housing Project) Series 2013 (Federally Taxable) (the "2013 Bond"), in a principal amount not to exceed \$4,000,000, and loaned all of the proceeds of the 2013 Bond to the Corporation to finance or refinance the Project; and

WHEREAS, the Corporation presently owns various single family housing properties (the "Housing Properties") located in the City which were financed or refinanced in whole or in part from the proceeds of the 2013 Bond; and

WHEREAS, the City has determined to issue its General Obligation Bond (Wilmington Housing Project) Series 2016 (Federally Taxable) (the "2016 Bond") in order to refund the 2013 Bond at or prior to its maturity on September 30, 2016; and

WHEREAS, the Corporation intends to sell the Housing Properties and to apply part or all of the net proceeds of sale to the payment of the principal of the 2016 Bond; and

WHEREAS, the City has heretofore adopted the General Obligation Bond Ordinance, No. 83-019, Division 4 of Article VI of Chapter 2 of the Wilmington City Code (the "General Ordinance"), authorizing the City to issue General Obligation Bonds or Notes secured by a pledge of the City's full faith, credit and taxing power, for the purpose of, among other things, refunding prior general obligation debt; and

WHEREAS, this Ordinance is a Supplemental Ordinance adopted pursuant to the General Ordinance and provides for the issuance and sale of the 2016 Bond.

THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

Section 1. Defined Terms. Terms used in this Ordinance and not otherwise defined shall have the meaning specified in the General Ordinance.

Section 2. Authorization of General Obligation Bond (Wilmington Housing Project) Series 2016 (Federally Taxable). The City hereby authorizes the issuance of its General Obligation Bond (Wilmington Housing Project) Series 2016 (Federally Taxable) in a principal amount not to exceed \$3,400,000 (the “2016 Bond”) for the purpose of refunding the 2013 Bond and paying the costs of issuance of the 2016 Bond. The proceeds of the 2016 Bond will be loaned to the Corporation, and the Corporation will apply the proceeds to pay the 2013 Bond. The 2016 Bond shall be issued pursuant to and in accordance with the General Ordinance, as supplemented by this Ordinance and the Bond Committee Resolution (as defined herein). The 2016 Bond shall be sold at private negotiated sale or competitive sale as determined by such Resolution of the Bond Committee.

The Corporation will agree to market and sell the Housing Properties and to apply part or all of the net sale proceeds to the payment of the 2016 Bond.

The Bond shall be awarded and sold by the Bond Committee to an underwriter or group of underwriters or to any financial institution or other bond purchaser to be selected by the Bond Committee (the “Bond Purchaser”) at a purchase price and in accordance with such terms and conditions as will be determined by the Bond Committee.

The Bonds shall bear such rate or rates of interest (fixed or variable), shall mature in such principal amounts and on such dates, shall be subject to redemption, shall be sold at such price and in such manner, and shall be in such form and contain or be subject to such other terms and conditions, as shall be determined in a Resolution adopted by the Bond Committee (a “Bond Committee Resolution”). The Bond Committee Resolution shall also identify the Housing Properties owned by the Corporation which will be sold in order to provide for the payment of the 2016 Bond.

Section 3. Authorization of Loan Agreements. The City is hereby authorized to enter into: (i) a loan agreement, or similar agreement, with the purchaser of the 2016 Bond, if appropriate; and (ii) a loan agreement, or similar agreement, with the Corporation, both of which shall be approved in form and substance by the Bond Committee.

Section 4. Execution of the Bonds. The 2016 Bond shall be executed by the manual or facsimile signatures of the Mayor, the City Treasurer and the City Auditor, and by the actual or facsimile impression of the City seal, both attested by the manual or facsimile

signatures of the City Clerk or Deputy City Clerk. The 2016 Bond in definitive form may be printed or typewritten as determined by the Bond Committee.

Section 5. Security for the Bonds. The full faith, credit and taxing power of the City is hereby pledged to the prompt payment of the principal of, premium, if any, and the interest on the 2016 Bond. The 2016 Bond shall be the direct and unlimited obligations of the City, and unless paid from other sources, the City shall levy *ad valorem* taxes upon all taxable property in the City for the payment of the 2016 Bond without limitation as to rate or amount.

Section 6. Further Action. The appropriate officers of the City are hereby authorized and directed to take all such action, execute, deliver, file and record all such documents, publish all notices and otherwise carry out the intent of the General Ordinance and this Ordinance in the name of and on behalf of the City.

Section 7. Inconsistent Provisions. In the event that any provision of the 2016 Bond, or any term or condition contained in the agreement relating to the 2016 Bond, shall be inconsistent with any of the provisions of the General Ordinance, the provision of the 2016 Bond and such agreements shall be controlling with respect to the 2016 Bond and such agreements.

Section 8. Relation to General Ordinance. This Ordinance is supplemental to the General Ordinance and all sections of the General Ordinance, except as modified herein in accordance therewith, are applicable to the 2016 Bond authorized hereunder.

Section 9. Effective Date. This Ordinance shall become effective upon its passage by Council and approval by the Mayor.

First Reading.....August 18, 2016
Second Reading.....August 18, 2016
Third Reading.....

Passed by City Council _____, 2016

President of City Council

Attest: _____
City Clerk

Approved as to form
this ____ day of August, 2016

City Solicitor

Approved by this ____ day of _____, 2016.

Mayor

SYNOPSIS: This Ordinance authorizes the issuance of up to \$3,400,000 principal amount General Obligation Bond (Wilmington Housing Project) Series 2016 (Federally Taxable), to provide for the refunding of the City's General Obligation Bond (Wilmington Housing Project) Series 2013 (Federally Taxable). The proceeds of the 2013 Bond were used by the Wilmington Housing Partnership Corporation (the "Corporation") to finance or refinance the acquisition, construction or rehabilitation of single family housing at various sites in the City (the "Housing Properties"). The Housing Properties will be sold by the Corporation and part or all of the proceeds of the sale will be applied to the payment of the 2016 Bond. All of the 2016 Bond proceeds will be loaned to the Corporation pursuant to a Loan Agreement between the Corporation and the City.