

ORDINANCE NO. 0-79-8

AN ORDINANCE CREATING THE CITY OF CONWAY, ARKANSAS RESIDENTIAL HOUSING FACILITIES BOARD PURSUANT TO THE PROVISIONS OF ACT NO. 142 OF THE ACTS OF ARKANSAS OF 1975; APPOINTING THE INITIAL MEMBERS THEREOF; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Conway, Arkansas (the "City"), pursuant to the provisions of Act No. 142 of the Acts of the General Assembly of the State of Arkansas for the year 1975 (the "Act"), is authorized to establish public facilities boards for the purposes set forth in the Act, which include assisting in the financing of residential housing facilities within the City; and

WHEREAS, the providing of decent, safe and sanitary residential housing facilities will be aided by the creation of a public facilities board to assist in the financing of residential housing facilities; and

WHEREAS, funds may be obtained by a public facilities board on such terms and under such conditions as will materially assist persons of low and moderate income to obtain financing of residential housing facilities under conditions more favorable than would otherwise be available;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS:

Section 1. Findings. The City Council of the City hereby finds and determines:

(a) There exists within the City a shortage of decent, safe and sanitary residential housing facilities available for rehabilitation, construction or purchase on terms that persons and families of low and moderate income can afford to pay.

(b) Existing economic conditions including high rates of interest on residential mortgage loans, and a shortage of funds within lending institutions in the State of Arkansas

for residential mortgage loans are operating (i) to further restrict the rehabilitation, construction and purchase of residential housing by persons of low and moderate income at reasonably affordable costs; and (ii) to create unemployment and hardship within the residential construction industry, adversely affecting residents of the City.

(c) The availability of mortgage financing to assist such persons and families in the rehabilitation, construction or purchase of decent, safe and sanitary residential housing facilities will be aided by the providing of funds for mortgage financing of residential housing facilities by the creation of a public facilities board pursuant to the provisions of the Act.

(d) The providing of financial assistance in order to enable persons and families of low and moderate income to finance the costs of decent, safe and sanitary residential housing facilities is a proper public purpose, as declared by the Act and by this determination of the City Council of the City. Persons and families of low and moderate income shall include persons and families with a gross income not exceeding \$25,000.00.

(e) The public purpose of financing residential housing facilities may best be served by establishing a facilities board to purchase mortgages on such residential housing facilities or make loans to mortgage lenders to provide financing for residential housing facilities as provided in the Act.

Section 2. Creation of Board. Pursuant to the authority of the Act there is hereby created and established the "City of Conway, Arkansas Residential Housing Facilities Board" (hereinafter referred to as the "Board") with authority as hereinafter provided to finance, purchase and contract concerning mortgage loans for the purpose of providing decent, safe and sanitary residential housing facilities within the City.

Section 3. Members of the Board; Term of Office.

The Board shall consist of five persons. The initial members shall be as follows:

<u>Name</u>	<u>Term</u>
David Parks	- Five Years
Jim Lee	- Four Years
Kenne Ketcheside	- Three Years
A. J. Hambuchen, Jr.	- Two Years
Ken Graves	- One Year

Successor members shall be selected as provided in the Act but following confirmation by a majority vote of the City Council. The members of the Board shall be residents of the City and shall take and file with the City Clerk the oath of office prescribed by the Act. As soon as practicable after the enactment of this Ordinance, each member of the Board shall qualify by taking and filing with the City Clerk the oath of office as prescribed by the Act. Any member may be removed from the Board as prescribed by the Act.

Section 4. Powers. The Board is empowered to make loans to mortgage lenders for the purpose of financing residential housing facilities as shall be determined by the Board to be necessary to effect the purposes of this Ordinance. The rate of interest charged for financing residential housing facilities shall not exceed 8.5 percent. The Board may enter into such contractual or cooperative agreements with such persons as may, in its discretion, be advisable to accomplish the purposes of this Ordinance, including without limitation, departments, agencies or instrumentalities of the United States of America, the State of Arkansas or the City; for example, the Department of Housing and Urban Development, the Federal Housing Administration and the Arkansas Housing Development Agency.

Section 5. Issuance of Bonds. (a) The Board is authorized to issue \$3,000,000 in revenue bonds and to use the proceeds, either alone or together with other available funds and revenues, to accomplish the purposes for which the Board is created as the same relates to the providing of decent, safe and sanitary residential housing facilities. Such revenue bonds shall be obligations only of the Board and shall not constitute an indebtedness for which the faith and credit of the City or any of its revenues are pledged, and the principal and interest on the bonds shall be payable from and secured by a pledge of revenues derived from residential housing facilities financed, in whole or in part, from bond proceeds.

(b) Only a single issue of bonds may be issued by the Board under the authority hereof, except upon prior approval of the City Council.

(c) Any revenues of the Board derived from residential housing facilities financed by the Board shall, upon payment of the principal of and interest on bonds of the Board or provision having been made therefor, be transferred to the City.

(d) The designation of the underwriter and bond counsel for any bonds issued by the Board shall be subject to approval of the City Council.

Section 6. Maintenance of Office of Board. The Board shall maintain its office or offices within the City.

Section 7. Organization; Reports. As soon as practicable after the adoption of this Ordinance the Board shall meet and elect such officers as shall be required by the Act. The Board may adopt such by-laws and other rules and regulations as shall be necessary for the conduct of its business and consistent with the provisions of the Act. The Board shall cause to be filed with the City Clerk of the City the annual report described in Section 18 of the Act.

Section 8. Severability. If any provisions of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the other provisions or applications of this Ordinance, which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 9. General Repeal. All Ordinances of the City, or parts thereof, in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 10. Emergency. It is hereby found and determined that there is an immediate and urgent need for the providing of decent, safe and sanitary housing for persons of low and moderate income in or near the City and the providing of financial assistance to such persons, and that the creation of the Board and the exercise of the duties and powers provided in this Ordinance are necessary to the preservation of the public peace, health and safety. Therefore, an emergency is declared to exist and this Ordinance shall be in full force and effect from and after its passage.

PASSED: February 16, 1979.

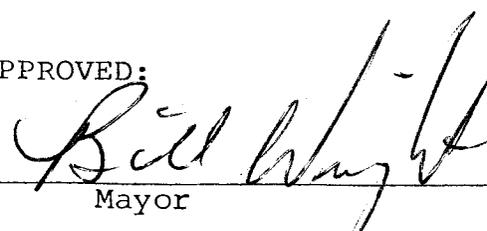
ATTEST:



City Clerk

(SEAL)

APPROVED:



Mayor