



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

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**AGENDA DATE:** December 13, 2021

**SUBJECT:** Public Hearing First Reading Ordinance 2021-219. An Ordinance Approving the Loan Agreement Between the Town of Johnstown and the Johnstown House Authority.

**ACTION PROPOSED:** Consider First Reading of Ordinance 2021-219

**ATTACHMENTS:**

1. Ordinance 2021-219
2. Loan Agreement Between the Town of Johnstown and Housing Authority of the Town of Johnstown
3. Exhibit A – Legal Description
4. Exhibit B - Promissory Note
5. Exhibit C – Amortization Schedule
6. Exhibit D - Deed of Trust

**PRESENTED BY:** Matt LeCerf, Town Manager

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### AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is an ordinance and proposed loan agreement between the Town of Johnstown and the Johnstown Housing Authority. The Housing Authority desires to move forward in receiving a loan from the Town in working towards paying off the debt of the existing loan with the USDA. In general, the terms of the loan include the following:

- 2.75% interest rate
- Total loan amount of \$312,000
- 20-year loan term

Based on the structure of this loan, funds will be deposited to an escrow account while the Housing Authority continues to move forward to payoff the loan with the USDA. During that time, interest will accrue. A preliminary amortization schedule based on a February 2022 first payment target date is enclosed. This amortization schedule may be adjusted based on when the actual first payment is submitted to the Town. Payments will be made on a monthly basis.

*The Community That Cares*

[www.TownofJohnstown.com](http://www.TownofJohnstown.com)

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**LEGAL ADVICE:** Ordinance 2021-219 and associated documents were drafted by the Town Attorney in consultation with Staff.

**FINANCIAL ADVICE:** Funds were allocated in FY 2021, but a budget amendment may be necessary in FY 2022 based on when the disbursement of funds occurs.

**RECOMMENDED ACTION:** Approve Ordinance 2021-219 upon first reading.

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**SUGGESTED MOTIONS:**

**For Approval**

I move we approve Ordinance 2021-219 Approving the Loan Agreement Between the Town of Johnstown and the Johnstown House Authority.

**For Denial**

I move we deny Ordinance 2021-219 Approving the Loan Agreement Between the Town of Johnstown and the Johnstown House Authority.

*Reviewed and Approved for Presentation,*



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Town Manager