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Res. No. 118 - 21 - 22. By Alderpersons Mitchell and Filicky-Peneski.  
December 20, 2021.

A RESOLUTION establishing a debt service reserve account regarding the City of Sheboygan's Section 108 Loan to renovate 1817 N. 8<sup>th</sup> Street.

WHEREAS, in Res. No. 105-20-21, the Common Council of the City of Sheboygan expressed its desire to borrow approximately \$3,200,000 through Section 108 of the Housing and Community Development Act of 1974 ("Section 108") to develop the former Save a Lot building at 1817 N. 8<sup>th</sup> Street into a community center to serve seniors and other community groups; and

WHEREAS, in that Resolution, the Mayor was authorized to execute the documents necessary to implement the City's Section 108 application and to issue any debt obligations; and

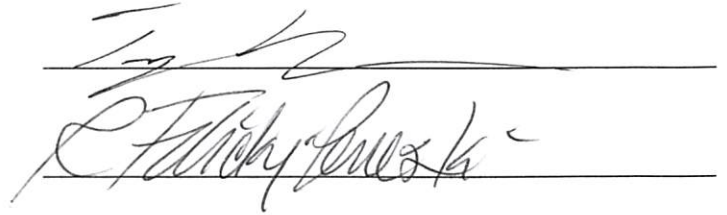
WHEREAS, because of the appraised value of the property at 1817 N. 8<sup>th</sup> Street relative to the loan value, the U.S. Department of Housing and Urban Development is requiring that the City of Sheboygan establish a debt service reserve account of at least \$350,000 for the Section 108 loan.

NOW, THEREFORE, BE IT RESOLVED: That the appropriate City officials may take all actions necessary to establish a debt service reserve account with an initial balance of \$350,000 that complies with all requirements imposed by the U.S. Department of Housing and Urban Development.

BE IT FURTHER RESOLVED: That this debt service reserve account shall be funded with funds currently held in the State of Wisconsin Local Government Investment Pool.

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BE IT FURTHER RESOLVED: That City Staff is instructed and directed to work with the U.S. Department of Housing and Urban Development to permit the debt service reserve account to be closed and the funds returned to the Local Government Investment Pool as quickly as possible, which is anticipated to be approximately two years after the City begins making payment toward the Section 108 loan.



I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor