RESOLUTION 81-2

A RESOLUTION TO APPROVE A COOPERATION AGREEMENT BETWEEN THE CITY AND THE BLOOMINGTON HOUSING AUTHORITY AND TO APPROVE AN APPLICATION TO H.U.D. BY THE HOUSING AUTHORITY FOR A PRELIMINARY LOAN FOR A PROPOSED HOUSING PROJECT.

WHEREAS, it is the policy of this locality to eliminate sub-standard and other inadequate housing, to prevent the spread of slums and blight, and to realize as soon as feasible the goal of a decent home in a suitable living environment for all of its citizens; and

WHEREAS, under the provisions of the United States Housing Act of 1937, as amended, the Department of Housing and Urban Development is authorized to provide financial assistance to local public housing agencies for undertaking and carrying out preliminary planning of low-rent housing projects that will assist in meeting this goal; and

WHEREAS, the Act provides that there shall be local determination of need for low-rent housing to meet needs not being adequately met by private enterprise and that the Department of Housing and Urban Development shall not make any contract with a public housing agency for preliminary loans for surveys and planning in respect to any low-rent housing projects unless the governing body of the locality involved has by resolution approved a Cooperation Agreement between the local authority and the municipality, and by resolution approved the application of the public housing agency for such pereliminary loan; and

WHEREAS, The Housing Authority of the City of Bloomington, Indiana (hereinafter "Local Authority") is a public housing agency and is applying to the Department of Housing and Urban Development for a preliminary loan to cover the costs of surveys and planning in connection with the development of low-rent housing.

NOW, THEREFORE, be it resolved by the Common Council of the City of Bloomington, Indiana, as follows:

SECTION 1. There exists in the City of Bloomington, Indiana, a need for such low-rent housing at rents within the means of low-income families.

SECTION 2. The Cooperation Agreement between the City of Bloomington, Indiana and the Housing Authority of the City of Bloomington, Indiana, a copy of which is attached hereto and made a part hereof, be approved.

SECTION 3. The Mayor be authorized to execute the Cooperation Agreement for and in behalf of the City.

SECTION 4. The application of the Local Authority to the Department of Housing and Urban Development for a preliminary loan in an amount not to exceed Sixty Thousand Dollars ($60,000.00) for surveys and planning in connection with low-rent housing projects of not to exceed approximately 100 dwelling units is hereby approved.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 18th day of February, 1981.

Alfred I. Towell, President
Bloomington Common Council

SIGNED and APPROVED by me upon this 23rd day of February, 1981.

Francis X. McCloskey, Mayor
City of Bloomington

ATTEST:

Nora M. Connors, City Clerk

SYNOPSIS

The Bloomington Housing Authority is eligible to receive a preliminary loan of $60,000 for the development of up to 100 conventional housing units. This resolution approves a cooperation agreement between the Housing Authority and the City and approves application to H.U.D. for a preliminary loan to pay such costs as preliminary site plans, appraisals, etc.

COOPERATION AGREEMENT

This Agreement entered into this _____ day of _____, 1981, by and between The Housing Authority of the City of Bloomington, Indiana (hereinafter "Local Authority") and the City of Bloomington, Indiana (hereinafter "Municipality"), WITNESSETH:

In consideration of the mutual covenants hereinafter set forth, the parties hereto do agree as follows:

1. Whenever used in this Agreement:

(a) The term "Project" shall mean any low-rent housing hereafter developed as an entity by the Local Authority with financial assistance of the Department of Housing and Urban Development (hereinafter "HUD"); excluding, however, any low-rent housing project covered by any contract for loans and annual contributions entered into between the Local Authority and HUD, or its predecessor agencies, prior to the date of this Agreement.

(b) The term "Taxing Body" shall mean the State of any political subdivision or taxing unit thereof in which a Project is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a Project if it were not exempt from taxation.

(c) The term "Shelter Rent" shall mean the total of all charges to all tenants of a Project for dwelling rents and nondwelling rents (excluding all other income of such Project), less the cost to the Local Authority of all dwelling and nondwelling utilities.

(d) The term "Slum" shall mean any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

2. The Local Authority shall endeavor (a) to secure a contract or contracts with HUD for loans and annual contributions covering one or more Projects comprising approximately 100 units of low-rent housing and (b) to develop and administer such Project or Projects, each of which shall be located within the corporate limits of the Municipality. The obligations of the parties hereto shall apply to each such Project.

3. (a) Under the constitution and statutes of the State of Indiana, all Projects are exempt from all real and personal property taxes levied or imposed by any Taxing Body. With respect to any Project, so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and HUD for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project remain unpaid, whichever period is the longest, the Municipality agrees that it will not levy or impose any real or personal property taxes upon such Project or upon the Local Authority with respect thereto. During such period, the Local Authority shall make annual payments (herein called "Payments in Lieu of Taxes") in lieu of such taxes and in payment for the Public Services and facilities furnished from time to time without other cost or charge for or with respect to such Project.

(b) Each such annual Payment in Lieu of Taxes shall be made at the time when real property taxes on such Project would be paid if it were subject to taxation, and shall be in an amount equal to either (i) ten percent (10%) of the Shelter Rent charged by the Local Authority in respect to such Project during the 12 month period ending December 31, before such payment is made or (ii) the amount permitted to be paid by applicable state law in effect on the date such payment is made, whichever amount is the lower.

(c) The Municipality shall distribute the Payments in Lieu of Taxes among the Taxing Bodies in the proportion which the real property taxes which would have been paid to each Taxing Body for such year if the Project were not exempt from taxation bears to the total real property taxes which would have been paid to all of the Taxing Bodies for such year if the Project were not exempt from taxation; Provided, however, that no payment for any year shall be made to any Taxing Body in excess of the amount of the real property taxes which would have been paid to such Taxing Body for such year if the Project were not exempt from taxation.

(d) Upon failure of the Local Authority to make any Payment in Lieu of Taxes, no lien against any Project or assets of the Local Authority shall attach, nor shall any interest or penalties accrue or attach on account thereof.

4. The Municipality agrees that, subsequent to the date of initiation (as defined in the United States Housing Act of 1937, as amended) of each Project and within five years after the completion thereof, or such further period as may be approved by HUD, there has been or will be elimination (as approved by HUD) by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area in which such Project is located, substantially equal in number to the number of newly constructed dwelling units provided by such Project; Provided, That, where more than one family is living in an unsafe or insanitary dwelling unit, the elimination of such unit shall count as the elimination of units equal to the number of families accomodated therein; and Provided, further, That this paragraph 4 shall not apply in the case of (i) any Project developed on the site of a Slum cleared subsequent to July 15, 1949, and that the dwelling units eliminated by the clearance of the site of such Project shall not be counted as elimination for any other Project or any other low-rent housing project, or (ii) any Project located in a rural nonfarm area.

5. During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and HUD for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to HUD in connection with such Project remain unpaid, whichever period is the longest, the Municipality without cost or charge to the Local Authority or the tenants of such Project (other than the Payments in Lieu of Taxes) shall:

(a) Furnish or cause to be furnished to the Local Authority and the tenants of such Project public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants in the Municipality;

(b) Vacate such streets, roads, and alleys within the area of such Project as may be necessary in the development thereof, and convey without charge to the Local Authority such interest as the Municipality may have in such vacated areas; and, in so far as it is lawfully able to do so without cost or expense to the Local Authority or to the Municipality, cause to be removed from such vacated areas, in so far as it may be necessary, all public or private utility lines and equipment;

(c) In so far as the Municipality may lawfully do so, (i) grant such deviations from the building code of the Municipality as are reasonable and necessary to promote economy and efficiency in the development and administration of such Project, and at the same time safeguard health and safety, and (ii) make such changes in any zoning of the site and surrounding territory of such Project as are reasonable and necessary for the development and protection of such Project and the surrounding territory;

(d) Accept grants of easements necessary for the development of such Project; and

(e) Cooperate with the Local Authority by such other lawful action or ways as the Municipality and the Local Authority may find necessary in connection with the development and administration of such Project.

6. In respect to any Project the Municipality further agrees that within a reasonable time after receipt of a written request therefor from the Local Authority:

(a) It will accept the dedication of all interior streets roads, alleys, and adjacent sidewalks within the area of such Project, together with all storm and sanitary sewer mains in such dedicated areas, after the Local Authority, at its own expense, has completed the grading, improvement, paving, and installation thereof in accordance with specifications acceptable to the Municipality;

(b) It will accept necessary dedications of land for, and will grade, improve, pave, and provide sidewalks for, all streets bounding such Project or necessary to provide adequate access thereto (in consideration whereof the Local Authority shall pay to the Municipality such amount as would be assessed against the Project site for such work if such site were privately owned); and

(c) It will provide,or cause to be provided, water mains, and storm and sanitary sewer mains, leading to such Project and serving the bounding streets thereof (in consideration whereof the Local Authority shall pay to the Municipality such amount as would be assessed against the Project site for such work if such site were privately owned).

7. If by reason of the Municipality's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed hereunder to furnish or to cause to be furnished to the Local Authority or to the tenants of any Project, the Local Authority incurs any

expense to obtain such services or facilities then the Local Authority may deduct the amount of such expenses from any Payments in Lieu of Taxes due or to become due to the Municipality in respect to any Project or any other low-rent housing projects owned or operated by the Local Authority.

8. No Cooperation Agreement heretofore entered into between the Municipality and the Local Authority shall be construed to apply to any Project covered by this Agreement.

9. So long as any contract between the Local Authority and HUD for loans (including preliminary loans) or annual contributions, or both, in connection with any Project remains in force and effect, or so long as any bonds issued in connection with any Project or any monies due to HUD in connection with any Project remain unpaid, this Agreement shall not be abrogated, changed, or modified without the consent of HUD. The privileges and obligations of the Municipality hereunder shall remain in full force and effect with respect to each Project so long as the beneficial title to such Project is held by the Local Authority or by any other public body or governmental agency, including HUD, authorized by law to engage in the development or administration of low-rent housing projects. If at any time the beneficial title to, or possession of, any Project is held by such other public body or governmental agency, including HUD, the provisions hereof shall inure to the benefit of and may be enforced by, such other public body or governmental agency, including HUD.

10. In addition to the payments in Lieu of Taxes and in further consideration for the public services and facilities furnished and to be furnished in respect to any Project for which no Annual Contributions Contract has been entered into prior to August 2, 1954, between the Local Authority and HUD;

(1) After payment in full of all obligations of the Local Authority in connection with such Project for which any annual contributions are pledged and until the total amount of annual contributions paid by HUD in respect to such Project has been repaid, (a) all receipts in connection with such Project in excess of expenditures necessary for the management, operation, maintenance, or financing, and for reasonable reserves therefor, shall be paid annually to HUD and to the Municipality on behalf of the local public bodies which have contributed to such Project in the form of tax exemption or otherwise, in proportion to the aggregate contribution which HUD and such local public bodies have made to such Project, and (b) no debt in respect to such Project, except for necessary expenditures for such Project, shall be incurred by the Local Authority.

(2) If, at any time such Project or any part thereof is sold, such sale shall be to the highest responsible bidder after advertising, or at fair market value as approved by HUD, and the proceeds of such sale, together with any reserves, after application to any outstanding debt of the Local Authority in respect to such Project, shall be paid to HUD and local public bodies as provided in clause 1(a) of this Section 10: Provided, That the amounts to be paid to HUD and the local public bodies shall not exceed their respective total contribution to such Project:

(3) The Municipality shall distribute the payments made to it pursuant to clauses (1) and (2) of this Section 10 among the local public bodies (including the Municipality) in proportion to their respective aggregate contributions to such Project.

IN WITNESS WHEREOF the Municipality and the Local Authority have respectively signed this Agreement and caused their seals to be affixed and attested as of the day and year first above written.

City of Bloomington, Indiana

(SEAL)

By _____
Francis X. McCloskey
Mayor

Attest:

_____
Nora Connors, City Clerk

The Housing Authority of the
City of Bloomington, Indiana

(SEAL)

By _____
Chairman

Attest:

_____
Secretary (Treasurer)