

ORDINANCE NO. O2017-009

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, APPROVING A TRANSFER OF FUNDS TO THE HOUSING AUTHORITY OF THE CITY OF YUMA, REPEALING ORDINANCE NO. O2016-034, WHICH AUTHORIZED AND APPROVED THE EXECUTION OF A TRANSFER AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF YUMA, AND AUTHORIZING THE CONVERSION OF CITY OF YUMA PUBLIC HOUSING TO THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM

WHEREAS, Ordinance No. O2016-34 approved a transfer of funds agreement titled, *HACY Agreement*, between the City of Yuma (City) and the Housing Authority of the City of Yuma (HACY); and,

WHEREAS, the *HACY Agreement* included certain exhibits: a promissory note, a standard U.S. Department of Housing and Urban Development (HUD) General Depository Agreement, and an addendum to the HUD General Depository Agreement requiring the signatures of HACY, HUD and the depository bank; and,

WHEREAS, the documents include a provision giving the City a security interest in the transferred funds and an addendum to HUD's standard general depository agreement that HUD will not agree to; and,

WHEREAS, the previously approved documents are out of date and the name of the depository institution has changed; and,

WHEREAS, this ordinance repeals Ordinance No. O2016-34, the *HACY Agreement*, the Exhibits attached to the *HACY Agreement*, and reauthorizes the transfer of funds up to \$1,900,000 to HACY, subject to City Council approval of the terms, conditions and amounts through a subsequent City Council action; and,

WHEREAS, the impetus for Ordinance No. O2016-34 was the opportunity for HACY to changeover to a new HUD program referred to as the Rental Assistance Demonstration (RAD) program free of debt; and,

WHEREAS, in order to complete the RAD conversion, HUD is also requiring the City of Yuma as owner of the public housing units, to execute the RAD conversion documents as a party to the RAD agreements; and,

WHEREAS, this ordinance further authorizes the City to enter into the RAD conversion as a party, subject to City Council approval of the documents through a subsequent City Council action or actions.

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: Ordinance No. O2016-034 is repealed in its entirety.

SECTION 2: Subject to the terms and conditions to be set forth in an agreement which must be approved by the City Council, the City Administrator is authorized to transfer funds to the Housing Authority of the City of Yuma in an amount up to the \$1,900,000 previously approved by Ordinance No. O2016-034.

SECTION 3: Up to 235 units of public housing owned by the City of Yuma are approved for conversion into the U.S. Department of Housing and Urban Development's Rental Assistance Demonstration program, subject to approval of the necessary RAD conversion documents by the City Council.

Adopted this ____ day of _____, 2017.

APPROVED:

Douglas J. Nicholls
Mayor

ATTESTED:

Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

Richard W. Files
City Attorney