



## CITY COUNCIL AGENDA ITEM STAFF REPORT

MEETING DATE:	Monday, February 26, 2018
TITLE:	Ordinance Approving the Transfer of 2018 Volume Cap to SWIDA and City of Aurora
DEPARTMENT:	Finance Department
PROJECT MANAGER:	Tamara Ammann, Director of Finance
REQUESTED ACTION:	Approval
STRATEGIC PLAN GOAL(S):	Goal #7 – Financial Stewardship and Sustainability
ATTACHMENTS:	Ordinance, Settlement

### EXECUTIVE SUMMARY:

This Ordinance will transfer the City's authority to issue private activity bonds to the City of Aurora and Southwestern Illinois Development Agency (SWIDA) as was done in prior years.

### BACKGROUND & HISTORY:

The federal Tax Reform Act of 1986 imposes a limit on the aggregate amount of private activity bonds that can be issued in Illinois. The Governor's Office is charged with allocating that limit among all of the political subdivisions of the State. As a home rule community, the City of Collinsville has been granted the privilege of issuing \$2,685,795 (based on population) in private activity bonds for 2018. This bonding authority is commonly referred to as "volume cap."

### STAFF REVIEW & ANALYSIS:

This ordinance provides for the 2018 volume cap to be split evenly between SWIDA and the City of Aurora. SWIDA's projects have built the tax base of the four-county area and created/retained jobs for citizens of Collinsville. The City of Aurora issues bonds for Assist, a first-time homebuyer down payment assistance program. The program allows families with good credit but little extra capital to buy their first home in Collinsville by offering 30-year fixed-rate loans with low interest rates and 3% cash grants to offset some of the down payment, closing costs and origination fee.

### FINANCIAL IMPACT:

None.

### ALTERNATIVES:

If the City of Collinsville does not use, transfer or reserve its 2018 volume cap by May 1<sup>st</sup>, it will be returned to the State of Illinois for reallocation.

### RECOMMENDATION:

Approval

**CONCLUSION:**

Since the City of Collinsville received two requested for 2018 volume cap (letters attached), splitting it is a fair way to acknowledge the benefit of being in the Assist program and of being in the region served by SWIDA.