

RESOLUTION OF THE CITY COUNCIL

No. 424

Approved September 11, 1992

RESOLUTION AUTHORIZING THE CITY COUNCIL OF THE CITY OF PROVIDENCE, RHODE ISLAND, TO AMEND THE STATEMENT OF OBJECTIVES AND FUNDING UNDER THE HOUSING AND COMMUNITY DEVELOPMENT ACT AS PROPOSED AND APPROVED ON AUGUST 2, 1991, AS RESOLUTION NUMBER 453, TO INCLUDE THE USE OF LOAN GUARANTEE ASSISTANCE FUNDS IN ACCORDANCE WITH SECTION 108 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED.

WHEREAS, the City of Providence is eligible to receive Community Development Block Grant Entitlement Funds for Fiscal Year 1991 under Section 106(a) or (h) of Title I of the Housing and Community Development Act of 1974; and

WHEREAS, The City Council of the City of Providence, County of Providence, State of Rhode Island, on August 2, 1991, by Resolution 453, authorized the City of Providence, through its official representative, the Mayor, to file a STATEMENT OF OBJECTIVES AND FUNDING with the Boston Area Office of the Department of Housing and Urban Development for the purpose of obtaining Community Development Block Grant; and

WHEREAS, Section 108 of the Act authorizes submission of an application for loan guarantee assistance for those communities entitled to receive a Community Development Block Grant; and

WHEREAS, Section 108 provides a source of front-end financing for large-scale projects which cannot be financed from annual grants; and

WHEREAS the Statement of Community Development Objectives and projected use of Loan Guarantee Funds provides the necessary assurances and/or Certification of Compliance with applicable Federal Regulations and requirements; and

WHEREAS, the Mayor must be authorized to submit the Statement of Community Development Objectives and use Loan Guarantee Funds with the Secretary of the Department of Housing and Urban Development and to accept and execute the Agreement.

IN CITY COUNCIL

AUG 6 1992

FIRST READING

REFERRED TO COMMITTEE ON

FINANCE

and

URBAN REDEVELOPMENT
RENEWAL & PLANNING

Michael R. Crest CLERK

Council President Stroninelli (By request)

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Providence, County of Providence, State of Rhode Island, hereby authorizes the City of Providence, through its representative, the Mayor, by amending the STATEMENT OF OBJECTIONS AND FUNDING, as authorized by Resolution 453, on August 12, 1991, to include the application for loan guarantee assistance under Section 108 of the aforementioned Act for the following project: The City of Providence will make application to the U.S. Department of Housing and Urban Development in an amount not to exceed Two Million Dollars, (\$2,000,000.00), to fund as economic development project, whereby the loan funds would be used exclusively to finance the restructuring and expansion of Rau Fastener, Inc., 102 Westfield Street, Providence, Rhode Island. Collateral for such loan shall be the attaching machines detailed in Exhibit A and the personal guarantees of Louis Handwerger, John Champagne and Alan Handwerger.

NOW, THEREFORE, BE IT FURTHER RESOLVED, That this Resolution shall be contingent upon final approval and execution with the Rhode Island Industrial-Recreational Building Authority in the amount of 3.6 million dollars.

IN CITY COUNCIL
SEP 3 1992
READ AND PASSED
James J. Hassell
PRES.
Michael R. Clement
CLERK

APPROVED
SEP 11 1992
Vincent A. Cianci
MAYOR