

**ORDINANCE NO.**

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO THE 2015 BUDGET, APPROPRIATING \$100,000 FROM THE GENERAL FUND BALANCE TO THE HOUSING AND URBAN DEVELOPMENT FUND 107.

WHEREAS, the Housing and Urban Development (HUD) Fund 107 utilizes HUD related program income; i.e., income received from housing rehabilitation loan repayments and interest for these loans, the proceeds from the HUD Community Development Block Grant (CDBG), Section 108 Loan proceeds, and other funds as appropriate or designated by the City Council for approved projects; and

WHEREAS, HUD requires that the City use program income on eligible project expenses prior to the receipt of CDBG funding; in addition, HUD requires that the City request Section 108 Loan draws after payment of eligible expenses; and

WHEREAS, the City spends program income first, which may result in a timing issue of cash availability in the HUD Fund; and

WHEREAS, there is General Fund Balance in excess of the fund balance reserve requirement, of which \$100,000 (the Funding) could be used to address the cash flow issue with the HUD Fund; and

WHEREAS, the Funding, or any funds remaining therefrom, shall be transferred back to the General Fund should the HUD Fund be discontinued, and unless authorized by Council, the funds would not be spent on CDBG related projects; and

WHEREAS, the Finance Committee considered this issue at its August 12, 2015, meeting and recommended that an ordinance be prepared for consideration by the City Council;

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1. Appropriation.** The following appropriations are hereby made:

**GENERAL FUND**

<b>Resources:</b>	Fund Balance	\$ 100,000
	<b>TOTAL RESOURCES</b>	<b>\$ 100,000</b>
<b>Appropriations:</b>	Transfer to HUD Fund (107)	\$ 100,000
	<b>TOTAL APPROPRIATIONS</b>	<b>\$ 100,000</b>

**Section 2. Transfer of Funds.**

- A. The Director of Administrative Services is hereby authorized to transfer \$100,000 from the General Fund Balance to HUD Fund 107.
- B. The Director of Administrative Services is further authorized to transfer \$100,000, or any funds remaining therefrom, from HUD Fund 107 to the General Fund Balance should HUD Fund 107 be discontinued for any reason. Once transferred back to the General Fund Balance, said funds shall not be used for CDBG related projects unless authorized by the City Council.

**Section 3. Severability.** The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances shall be unaffected.

**Section 4. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 5. Effective Date.** This Ordinance shall take effect five (5) days after publication, as provided by law.

---

MAYOR

ATTEST:

---

CITY CLERK

APPROVED AS TO FORM:

  
ASSISTANT CITY ATTORNEY (ACA)

PASSED:

APPROVED:

PUBLISHED: