



City Council

Approval of Ordinance Amending the Fund 108 and Fund 003 Housing Funds

Agenda Date: 8/12/2014
Agenda Item Number: 4.D
File Number: 14-0736

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of Ordinance Amending the Fund 108 and Fund 003 Housing Funds

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the ordinance amending language for use of and deposits into Fund 108 - Housing and Urban Development (HUD) Fund and Fund 003 - Low Income Housing Loan Account.

Report

Issue:

Whether to approve an ordinance amending Ordinance 3992 which established Fund 108, the City's HUD Fund, and Ordinance 5324 which established governance of the Fund 003 Low Income Housing Loan Account to expand use for other housing and economic development uses and to allow deposits from other funds as may be appropriate or designated by City Council.

Staff Contact:

Leonard Bauer, Deputy Director, Community Planning and Development, 360.753.8206

Presenter:

None, consent calendar item.

Background and Analysis:

The background and analysis have not changed from first to second reading.

Fund 108 - Housing and Urban Development Fund

The Community Development Block Grant (CDBG) Annual Action Plan for CDBG Program Year 2013 (which runs September 1, 2013 to August 31, 2014) reclassified income received from housing rehabilitation loans from what HUD deems Revolving Loan income to Program Income. This change expands the use of those funds for other CDBG eligible housing and economic development activities, as committed to in the Annual Action Plans for Program Years 2013 and 2014.

The U.S. Department of Housing and Urban Development requires that entitlement agencies spend Program Income before utilizing CDBG entitlement grant funds.

Therefore, Ordinance 3992 which established Fund 108 needs to be amended to allow deposits from other funds. This amendment would allow income received from housing rehabilitation loan payments to be deposited into Fund 108 and used for CDBG eligible projects.

Fund 003 - Low Income Housing Loan Account

Currently, monies in the Low Income Housing Loan Account can be used for making loans for construction, remodeling or rehabilitation of housing that is affordable to low and moderate income persons as defined by the U.S. Department of Housing and Urban Development (HUD). This amendment would expand the use of these funds for other housing and economic development uses, which is consistent with Council direction in the adopted CDBG Annual Action Plan for program year 2014 (September 1, 2014-August 31, 2015).

Neighborhood/Community Interests:

None as this is an administrative amendment.

Options:

1. Approve the ordinance amending use of and deposits into the City's HUD Fund and the Low Income Housing Loan Account.
2. Do not approve the ordinance amending use of and deposits into the City's HUD Fund and the Low Income Housing Loan Account.

Financial Impact:

This ordinance is administrative and has no net financial impact to Housing Funds.