



City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

City Council

Approval of an Ordinance Amending the Fund 107 CDBG Loan Repayment Fund and Fund 108 HUD Fund

Agenda Date: 6/16/2015
Agenda Item Number: 4.N
File Number: 15-0559

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

Title

Approval of an Ordinance Amending the Fund 107 CDBG Loan Repayment Fund and Fund 108 HUD Fund

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the ordinance on second reading, and to direct the Administrative Services Director to close the existing HUD Fund (Fund 108) and transfer any remaining funds and budget to the new HUD Fund (Fund 107) after final passage.

Report

Issue:

Expand the use of Fund 107 to include the purpose of Fund 108, combining the two Funds and closing Fund 108.

Staff Contact:

Stacie Tellers, Senior Accountant, Administrative Services, 360.753.8599

Presenter(s):

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

Fund 108 utilizes the HUD Community Development Block Grant (CDBG), HUD-related program income, income received from housing rehabilitation loan repayments, and other funds as appropriate or designated by the City Council for approved projects. This fund currently serves as the main project fund for the CDBG Annual Action Plan.

Fund 107 - CDBG Loan Repayment Fund

The Community Development Block Grant (CDBG) Loan Repayment Fund was established to account for the community development loans made from the "HUD Fund" and to receive deposits of loan repayments and interest for these loans. These funds may be used for any legal purpose as authorized by the City Council, subject to the authorization from the Federal Department of Housing and Urban Development and are considered program income related to the HUD CDBG program. This fund serves as the main program income fund for the CDBG Annual Action Plan and serves as the home fund of the CDBG related community development loans.

This amendment would expand the use of Fund 107, currently the CDBG Loan Repayment Fund, to include the use and purpose of the current HUD Fund (Fund 108), therefore closing Fund 108, and renaming the CDBG Loan Repayment Fund (Fund 107) the HUD Fund. The budget in Fund 108 would be transferred to the new HUD Fund (Fund 107), along with any remaining funds.

Combining the CDBG/HUD functions into a Fund 107 will streamline the administration of the HUD related funds.

Neighborhood/Community Interests (if known):

None; this is an administrative amendment.

Options:

1. Approve the ordinance amending the use and purpose of the City's CDBG Loan Repayment Fund, combining the existing CDBG Loan Repayment and HUD Funds into one fund, allowing staff to more effectively administer the HUD related funds.
2. Do not approve the ordinance amending the use and purpose of the City's CDBG Loan Repayment Fund, combining the existing CDBG Loan Repayment and HUD Funds into one fund, requiring additional administrative work related to the HUD funds.

Financial Impact:

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