

## INTERLOCAL LOAN AGREEMENT

### **SECTION A. PARTIES**

THIS INTERLOCAL LOAN AGREEMENT is made and entered into this \_\_\_\_ day of February, 2012, by and between the CITY OF LONGVIEW (“Longview”) a municipal corporation organized under the laws of the State of Washington through its HOME and CDBG Program, and the LONGVIEW HOUSING AUTHORITY, a public corporation of the State of Washington.

### **SECTION B. RECITALS**

WHEREAS, the Longview City Council on January 26, 2012 took action to amend its 2009-2013 Consolidated Plan for the CDBG program to include a Float Loan Provision for CDBG eligible activities as needed; and

WHEREAS, the City of Longview by and through its Community Development and Finance Departments Home and CDBG Program wishes to enter into an agreement with the Longview Housing Authority to extend to the Longview Housing Authority a Float Loan in the amount of three hundred thousand dollars (\$300,000) for use by the Longview Housing Authority in its Comrade Quarters Rehabilitation activity for the Stratford Arms Apartments, 1312 Hemlock Street, Longview, during the 2011 CDBG program year; and

WHEREAS, a thirty day public comment period was held from December 23, 2011 through January 21, 2012 for the Proposed Substantial Amendment and 2011 Annual Plan amendment for the Float Loan provision and proposed activity.

NOW, THEREFORE, it is hereby agreed by and between the parties hereto as follows:

### **SECTION C. TERMS AND CONDITIONS**

**1. Amount of Loan:** The City of Longview by and through its HOME and CDBG Program does hereby extend to the Longview Housing Authority a Float Loan in the amount of three hundred thousand dollars (\$300,000).

**2. Repayment and Interest:** The Longview Housing Authority does promise to repay to the City of Longview the entire amount of the Float Loan plus interest at the rate of one-percent (1%) per annum on or before July 23, 2012. This shall include all dispersed but unused loan proceeds. Interest shall accrue from the date of the agreement as stated above.

**3. Use of Loan Proceeds:** The Longview Housing Authority shall use the proceeds of this Float Loan for the Comrade Quarters repair, rehabilitation and restoration project for the Stratford Arms Apartments, a low income housing facility, located at 1312 Hemlock Street, Longview, and for no other purpose. A more detailed description of said project is attached to this Agreement.

**4. Records:** The Longview Housing Authority shall maintain written records of how the proceeds of the Float Loan are spent during the term of the loan. The Longview Housing Authority shall submit to the City of Longview a written financial report detailing how the Float Loan proceeds were spent. Such report shall be submitted to the City of Longview Community Development Department by August 23, 2012.

**5. Administrative Requirements:** The Longview Housing Authority shall comply with the requirements of OMB Circular A-47, 24 CFR Part 85 and OMB Circular A-133.

**6. Suspension and Termination:** Suspension or termination of this agreement may occur if the Longview Housing Authority fails to comply with any term of this Agreement.

**7. Default:** Should the Longview Housing Authority default in the repayment of principle or interest, it agrees to pay to the City of Longview all costs and expenses of enforcing its rights hereunder, including reasonable attorneys fees and expenses.

**8. Applicable Law:** This Agreement shall be governed in accordance with the laws of the State of Washington and in accordance with 24 CFR Part 570. Jurisdiction over and venue of any action to enforce, interpret, construe or otherwise in connection herewith may, at the City of Longview's option, be had in a court located in Cowlitz County, Washington.

IN WITNESS WHEREOF, the parties have executed this Agreement as of \_\_\_\_\_, 2012.

LONGVIEW HOUSING AUTHORITY

CITY OF LONGVIEW

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form:

Approved as to form:

By: \_\_\_\_\_

Attorney for LHA

By: \_\_\_\_\_

City Attorney

**Table 3C  
Consolidated Plan Listing of Projects**

**Jurisdiction's Name**     City of Longview

**Priority Need**

Preserve and Improve Affordable Housing through Rehabilitation

**Project Title**

**Comrade Quarters Float Loan**

**Description**

Provide a Float Loan to rehabilitate the Stratford Apartments (Comrade Quarters) located at 1312 Hemlock St. to support ADA accessibility and life/safety improvements for homeless veterans' housing. The loan will be for elevator equipment, elevator electrical, fire doors and strobes (balance of costs), ADA entry remodel, communication/entry alarms, demolition and remodel of two apartments near elevator, and general building rehabilitation. The Longview Housing Authority is the building owner and borrower.

**CDBG Float Loan is \$300,000 with a 1% annual interest rate which will be loaned upon signing of the CDBG Contract and to be repaid in full after July 1, 2012 and no later than July 23, 2012. The Float Loan will return as Program Income at time of repayment. The City declares that should the float loan default it will amend or delete activities in an amount equal to any default or failure to produce sufficient income in a timely manner. A Public Hearing, with legal advertisement and notification to persons and agencies on its CDBG/HOME Community mailing list, will be held to determine which CDBG activities will be amended or deleted.**

**Objective category:**     Suitable Living Environment     Decent Housing     Economic Opportunity  
**Outcome category:**     Availability/Accessibility     Affordability     Sustainability

**Location/Target Area**

1312 Hemlock St., Longview

**17 persons at 30% and 7 persons at 50%**

Objective Number DH-3.3	Project ID 6- Main Entitlement
HUD Matrix Code 14 D	CDBG Citation 570.202 and 570.301 (b)
Type of Recipient Housing Authority	CDBG National Objective Low-Moderate Income
Start Date (mm/dd/yyyy) 02-9-2012	Completion Date (mm/dd/yyyy) 07-31-2012
Performance Indicator Float Loan Repaid	Annual Units 20 in PY 11
Local ID 2011-9	Units Upon Completion 20

**Funding Sources:**

CDBG	300,000
ESG	
HOME	189,950 (2010)
HOPWA	
Total Formula	489,950
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	939,600
Total	1,429,550

The primary purpose of the project is to help:  the Homeless     Persons with HIV/AIDS     Persons with Disabilities     Public Housing Needs