

RESOLUTION NO. 2166

A Resolution of the City Council of the City of Longview authorizing interfund loans from the General Fund to the Arterial Street and Community Development Block Grant Entitlement Fund, and providing for repayment thereof.

WHEREAS, the City's Arterial Street Fund has secured federal funding from the Federal Highway Administration for the construction of the Washington Way Bridge; and

WHEREAS, throughout the course of construction of the Washington Way bridge the Arterial Street Fund was required to meet its obligations for the costs associated with this project, and in order to pay the City's Share of the cost thereof from its share of future Motor Vehicle Fuel Tax distributions, it is deemed reasonable to permit a loan of funds from the General Fund to the Arterial Street Fund, bearing interest at a rate which equals the Washington State Treasurer's Local Government Investment Pool rate for the period which the loan is outstanding, and subject to repayment to the General Fund from future budget allocations of the Arterial Street Fund;

WHEREAS, the City's Community Development Block Grant Entitlement Fund receives federal funding for the purposes of developing viable urban communities by providing affordable housing and a suitable living environment, and expanding economic opportunities principally for low and moderate-income individuals; and

WHEREAS, throughout the course of business in 2015 the Community Development Block Grant Entitlement Fund was required to meet its obligations under the Community Development Block Grant Entitlement Program, and in order to pay the cost thereof until such time as the City receives reimbursement from the U.S. Department of Housing and Urban Development, it is deemed reasonable to permit a loan of funds from the General Fund to the Community Development Block Grant Entitlement Fund, free of interest for the period which the loan is outstanding, and subject to repayment to the General Fund from future budget allocations to the Community Development Block Grant Entitlement Fund;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Longview as follows:

1. That a loan in an amount of \$1,435,000.00 shall be made from the General Fund to the Arterial Street Fund for the purpose of covering the cash deficit, and that said loan shall bear interest at a rate which equals the Washington State Treasurer's Local Government Investment Pool rate for the period which the loan is outstanding, and that it be repaid on or before December 31, 2018, upon receipt of future motor vehicle fuel tax revenues to the Arterial Street Fund. A minimum of \$71,750.00 shall be applied toward the principal and repaid annually. The loan status for this interfund loan between the General Fund and Arterial Street Fund shall be presented to the City Council and reviewed annually at a regular Council meeting. Annual payments for principal and interest shall occur on December 1st of each year for which the loan is outstanding.
2. That a loan in an amount of \$55,000.00 shall be made from the General Fund to the Community Development Block Grant Entitlement Fund for the purpose of covering the cash deficit, and that said loan shall be free of interest for the period which the loan is outstanding, and that it be repaid on or before December 31, 2016, upon receipt of future revenues and allocations to the Community Development Block Grant Entitlement.

PASSED by the City Council of the City of Longview, Washington, and approved by its Mayor at a regular meeting of said Council held on the ____ day of February, 2016.

M A Y O R

ATTEST:

City Clerk