

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6590

**AUTHORIZE SHORT-TERM INTERFUND OPERATING LOANS
NOT TO EXCEED \$4,200,000 FROM SPECIFIED FUNDS TO
HOUSING AND COMMUNITY DEVELOPMENT FUND, LEAD
HAZARD ABATEMENT FUND, AND/OR THE HOME FUND**

WHEREAS, the Board of Commissioners ("Board") has authorized the FY 2007-08 agreement with the Bureau of Housing and Community Development ("BHCD") to implement the Community Development Block Grant ("CDBG") and HOME Grant Programs for affordable housing (Resolution No. 6508, September 12, 2007);

WHEREAS, the Board of Commissioners ("Board") has authorized a contract with the Bureau of Housing and Community Development ("BHCD"), expiring December 31, 2008, to implement the Lead Hazard Control Program (Resolution No. 6481, May 9, 2007);

WHEREAS, the Portland Development Commission ("PDC") submits monthly billings to BHCD for expenditures incurred by PDC in the administration of the CDBG, HOME and Lead Hazard programs on behalf of BHCD that are contractually required to be paid to PDC within two weeks of submission;

WHEREAS, PDC staff submit the monthly billings within approximately two weeks after the end of a month in which all expenses attributable to that month have been recorded on the books of PDC;

WHEREAS, the combination of a two-week billing period plus a two-week payment period will result in a minimum average cash overdraft position equal to one month of expenditures in each fund;

WHEREAS, PDC management has directed staff to suspend further disbursements at the end of the payment due period in the event of non-payment for the prior month's expenditures;

WHEREAS, during the billing and payment periods, PDC will have incurred approximately one additional month of expenditures, resulting in potentially two months of cash overdraft;

WHEREAS, PDC's financial auditor, Moss Adams, stated in their December 20, 2007 letter to management that "...for both state legal and governmental accounting purposes, overdrawn cash balances represent inter-fund borrowings.....and cash balances should be monitored on a monthly basis to identify individual funds that are at risk for overdrawing their share of the pooled cash and investments. The revised monitoring procedures should include informing the Board of Commissioners of the need for an inter-fund borrowing timely enough to approve the loan via resolution in advance;" and

WHEREAS, PDC is authorized pursuant to State of Oregon ORS 294.460 to loan money from any fund to any other fund of the municipal corporation whenever the loan is authorized by official resolution or ordinance of the governing body.

NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners hereby authorizes interfund loans pursuant to ORS 294.460 (“Loans”), to provide cash to as needed on the funds specified as follows on a temporary basis, in accordance with the following loan terms:

- (a) Allowable recipient funds, which shall be permitted to borrow cash on a monthly basis, in multiples of One Thousand Dollars (\$1,000.00), in an amount sufficient to prevent a cash overdraft, are as follows:

Fund 110 – Housing and Community Development Contract Fund (CDBG)
Fund 111 – Lead Hazard Abatement Program Fund
Fund 185 – HOME Grant Program Fund

- (b) Loans may be made by any of the following sub-funds, all of which are a part of the Enterprise Loans Fund, to the extent of available cash, but in an amount not to exceed the maximum amounts specified below:

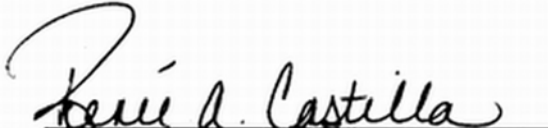
Fund 150 – N/NE Business Assistance	\$ 1,000,000
Fund 412 – Bank of America PLPA	\$ 1,000,000
Fund 415 – Program Reserve Fund	\$ 2,500,000
Fund 425 – Housing Investment Fund	\$ 1,000,000
Fund 431 – Rental Rehabilitation Reloan	\$ 100,000
Fund 463 – Urban Development Action Grant	\$ 750,000
Fund 464 - UDAF – Graphic Arts	\$ 150,000

- (c) The Loans are operating loans to be repaid within the first accounting period after reimbursement is received by PDC from BHCD. The Loans shall bear no interest.
- (d) Authorization to extend interfund loans under this resolution shall expire on December 31, 2008. The authorization to make interfund loans may be extended by subsequent resolution of the Board of Commissioners, but each such extension shall not exceed one year;

BE IT FURTHER RESOLVED that in the event any interfund loan authorized by this resolution remains outstanding for a period of more than sixty (60) days, then Commission staff shall, at the next regularly scheduled meeting of the Commission, report to the Commission on the status of the loan and on its anticipated repayment; and

BE IT FURTHER RESOLVED that this resolution shall become effective immediately upon its adoption.

Adopted by the Portland Development Commission on May 28, 2008.



Renee A. Castilla, Recording Secretary

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6590

TITLE: AUTHORIZE SHORT-TERM INTERFUND OPERATING LOANS NOT TO EXCEED \$4,200,000 FROM SPECIFIED FUNDS TO HOUSING AND COMMUNITY DEVELOPMENT FUND, LEAD HAZARD ABATEMENT FUND, AND/OR THE HOME FUND

Adopted by the Portland Development Commission on May 28, 2008.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Mark Rosenbaum, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Sal Kadri	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

Certification

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: June 12, 2008