

**PORTLAND DEVELOPMENT COMMISSION**  
Portland, Oregon

**RESOLUTION NO. 6567**

**AUTHORIZE INTERFUND LOAN OF \$1,825,000 FROM  
PROGRAM RESERVE FUND TO HOUSING AND COMMUNITY  
DEVELOPMENT 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 Portland Development Commission ("PDC") submits monthly billings to BHCD for expenditures incurred by PDC in the administration of the CDBG and HOME programs on behalf of BHCD that must be paid to PDC within two weeks of submission;

**WHEREAS**, the FY 2007-08 agreement between BHCD and PDC was finalized and executed at the end of January 2008;

**WHEREAS**, notwithstanding the delay in execution of the FY 2007-08 agreement between BHCD and PDC, PDC continued to administer the contract in good faith from July 2007 through January 2008 and in so doing, incurred \$1,825,000 of expenditures;

**WHEREAS**, on February 7, 2008, PDC submitted billings to BHCD for the seven-month period from July 2007 through January 2008 but has not yet been reimbursed;

**WHEREAS**, "Fund 110 - Housing and Community Development" ("Fund 110") under the CDBG Program currently has a cash deficit of \$1,825,000 due to the failure of the City of Portland, Bureau of Housing and Community Development to timely remit reimbursement payments to PDC;

**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;

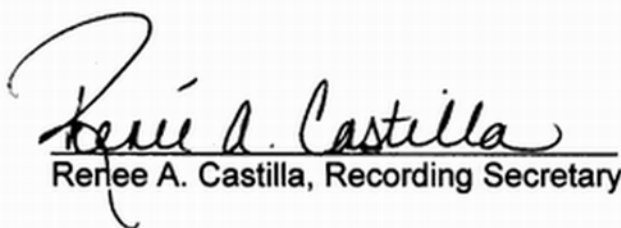
**NOW, THEREFORE, BE IT RESOLVED** that the PDC Board of Commissioners hereby authorizes an interfund loan pursuant to ORS 294.460 ("Loan"), to provide cash to Fund 110 on a temporary basis, in accordance with the following loan terms:

- (a) The Loan shall be made from “Fund 415 - CDBG Program Reserve Fund” (“Fund 415”) in the aggregate principal amount of not to exceed \$1,825,000.
- (b) The Loan is an operating loan to be repaid within the first accounting period after reimbursement is received by PDC from BHCD. The Loan shall bear no interest.

**BE IT FURTHER RESOLVED** that staff will report back to the Board at future Commission meetings on the status payment by BHCD

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

**Adopted by the Portland Development Commission on March 26, 2008.**



Renee A. Castilla, Recording Secretary

# PDC

PORTLAND DEVELOPMENT COMMISSION

## Resolution Number 6567

TITLE: AUTHORIZE INTERFUND LOAN OF \$1,825,000 FROM PROGRAM RESERVE FUND TO HOUSING AND COMMUNITY DEVELOPMENT FUND

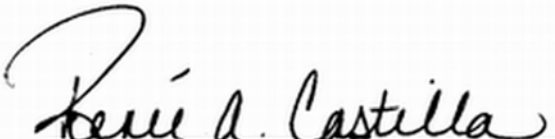
Adopted by the Portland Development Commission on March 26, 2008.

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: April 22, 2008