

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7313

AUTHORIZING SHORT-TERM INTERFUND OPERATING LOANS NOT TO EXCEED \$1,000,000 FROM SPECIFIED FUNDS TO THE COMMUNITY DEVELOPMENT BLOCK GRANT – ECONOMIC OPPORTUNITY INITIATIVE FUND AND NEIGHBORHOOD PROSPERITY INITIATIVE URBAN RENEWAL AREA FUNDS FROM JULY 1, 2019, TO JUNE 30, 2020

WHEREAS, Prosper Portland anticipates entering into agreements with the Portland Housing Bureau (“PHB”) and the City of Portland (“City”) for fiscal year 2019-20 pursuant to which Prosper Portland will receive federal and other funds from PHB and the City for the implementation of the Economic Opportunity Initiative (“EOI”);

WHEREAS, Prosper Portland will submit monthly or other periodic billings to PHB and the City for expenditures incurred by Prosper Portland in implementation of the EOI;

WHEREAS, Prosper Portland staff submit the monthly billings within approximately two weeks after the end of a billing period in which expenses attributable to that billing period have been recorded on the books of Prosper Portland;

WHEREAS, the combination of a two-week billing period and the customary 30-day payment period will result in, absent interfund borrowing, a minimum average cash overdraft position equal to one and one half months of expenditures in the Community Development Block Grant (“CDBG”) – EOI Fund;

WHEREAS, the Neighborhood Prosperity Initiative (“NPI”) Urban Renewal Areas (“URA”), Fund 310 – 42nd Avenue NPI URA, Fund 311 – Cully Boulevard NPI URA, Fund 312 – Parkrose NPI URA, Fund 313 – Rosewood NPI URA, Fund 314 – Division-Midway NPI URA, and Fund 315 – 82nd Avenue & Division NPI URA will have insufficient funding for continuing project work until receipt of tax increment financing du jour proceeds in March 2020;

WHEREAS, Prosper Portland’s financial auditor, Moss Adams, stated in its December 20, 2007, letter to management that “...for both state legal and governmental accounting purposes, overdrawn cash balances represent interfund 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 interfund borrowing timely enough to approve the loan via resolution in advance;” and

WHEREAS, Prosper Portland is authorized pursuant to Oregon Revised Statutes (“ORS”) 294.468 to loan money from a fund to another fund of the municipal corporation if the loan is authorized by official resolution or ordinance of the governing body.

NOW, THEREFORE, BE IT RESOLVED, that the Prosper Portland Board of Commissioners hereby authorizes, pursuant to ORS 294.468, short-term interfund operating loans (“Interfund Loans”) not to exceed \$1,000,000 in aggregate at any one time, from the lender funds identified below to provide cash, as needed on a temporary basis, to the borrowing fund specified below, in accordance with the following loan terms:

- (a) The following funds shall be permitted to borrow cash on a monthly basis, in multiples of \$1,000, in an amount sufficient to prevent a cash overdraft:

Fund 213 – CDBG-EOI Fund	Fund 310 – 42nd Avenue NPI URA
Fund 311 – Cully Boulevard NPI URA	Fund 312 – Parkrose NPI URA
Fund 313 – Rosewood NPI URA	Fund 314 – Division-Midway NPI URA
Fund 315 – 82nd Avenue & Division NPI URA	

- (b) Interfund Loans may be made by any of the following sub-funds to the extent of available cash, but in an amount not to exceed the maximum amounts specified below:

Fund 108 – Grant Offset Fund	\$700,000
Fund 410 – Small Business Loan Fund	\$700,000
Fund 463 – Business Development Loan Fund	\$400,000

- (c) The Interfund Loans are operating loans to be repaid within the first accounting period after funds are received from the City but in no event later than the following fiscal year. The Interfund Loans shall bear no interest.
- (d) Authorization to extend Interfund Loans under this resolution shall commence July 1, 2019, and expire on June 30, 2020; and

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

Adopted by the Prosper Portland Commission on June 12, 2019



Pam Feigenbutz, Recording Secretary