

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 6/14/2021

AGENDA ITEM:	
A RESOLUTION OF THE CITY OF MARYSVILLE AUTHORIZING A \$455,000 INTERFUND LOAN FROM THE GENERAL FUND 001 TO THE AFFORDABLE HOUSING TAX FUND 115, AND PROVIDING A FORMULA FOR PAYMENT OF INTEREST	
PREPARED BY:	DIRECTOR APPROVAL:
Sandy Langdon, Finance Director	
DEPARTMENT:	
Finance	
ATTACHMENTS:	
Proposed Resolution	
BUDGET CODE:	AMOUNT:
	\$455,000
SUMMARY:	

In January of 2020 the city passed Ordinance 3144 establishing the Affordable Housing Tax Fund which is funded by a portion of the state sales tax rate for the purpose of encouraging investments in affordable and supportive housing. Yearly funding is capped at \$97,117.37.

The 2021/2022 budget planned for the purchase of housing for this purpose with the assistance of an inter-fund loan. Recently housing was acquired and therefore the need for the inter-fund loan. The proposal provides an annual payment schedule of six payments. To compensate for cash flow needs the proposal provides an payment of \$85,000.

RECOMMENDED ACTION: Staff recommends that Council authorize the Mayor to sign and execute the resolution authorizing a \$455,000 inter-fund loan from the General Fund to the Affordable Housing Tax Fund.
RECOMMENDED MOTION: I move to authorize the Mayor to sign and execute Resolution No. _____.

CITY OF MARYSVILLE
Marysville, Washington

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF MARYSVILLE AUTHORIZING A
\$455,000 INTERFUND LOAN FROM THE GENERAL FUND 001
TO THE AFFORDABLE AND SUPPORTIVE HOUSING SALES TAX FUND 115,
AND PROVIDING A FORMULA FOR PAYMENT OF INTEREST.**

WHEREAS, it was the Affordable Housing Tax Fund (Fund) was established on January 14, 2020, and

WHEREAS, the purpose of the Fund is to assist with providing affordable and supportive housing to enhance public health and welfare, and

WHEREAS, acquiring affordable housing is an authorized purpose, and

WHEREAS, the need for financing is necessary and accordingly, establish an inter-fund loan from the General Fund 001 to the Affordable Housing Tax Fund 115 and is necessary and in the public interest.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARYSVILLE, WASHINGTON AS FOLLOWS:

Section 1. Loan.

There is established an inter-fund loan in the amount of \$455,000.00 from the General Fund 001 to the Affordable Housing Tax Fund 115.

Section 2. Interest.

A. The initial interest on said loan shall be set at the rate of 0.70% to reflect current investment rates by the Local Government Investment Pool (LGIP).

B. The interest rate shall be reviewed and possibly adjusted annually on the last day of the year as set by the Local Government Investment Pool (LGIP) Anticipated Gross Earnings Rate. Found on the following web site.

Section 3. Repayment.

The Loan shall be repaid with interest from the Affordable Housing Tax Fund 115 to the General Fund 001 on or before 12/31/2026. The table below identifies the annual payment schedule:

Year of Payment	Principal	Interest	Total Payment	Outstanding Balance
	\$ 455,000	0.07%		

2021	1	\$ 84,681.50	\$ 318.50	\$ 85,000.00	\$ 370,318.50
2022	2	\$ 84,740.78	259.22	\$ 85,000.00	285,577.72
2023	3	\$ 84,800.10	199.90	\$ 85,000.00	200,777.63
2024	4	\$ 84,859.46	140.54	\$ 85,000.00	115,918.17
2025	5	\$ 84,918.86	81.14	\$ 85,000.00	30,999.31
2026	6	\$ 30,999.31	21.70	\$ 31,021.01	-

Total	\$ 455,000	\$ 1,021	\$ 456,021
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Section 4. Severability.

If any section, sentence, clause or phrase of this resolution should be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

Section 5. Effective Date.

This resolution shall take effect immediately upon passage by the Marysville City Council.

ADOPTED by the City Council at an open public meeting this _____ day of _____, 20____.

CITY OF MARYSVILLE

By _____
Jon Nehring, MAYOR

Attest:

By _____
Tina Brock, DEPUTY CITY CLERK

Approved as to from:

By _____
Jon Walker, CITY ATTORNEY