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Title: A MOTION expressing the council's support for refinancing the HUD Section 108 loan authorized by Ordinance 15222.

Sponsors: Joe McDermott

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Date	Ver.	Action By	Action	Result
12/10/2018	1	Metropolitan King County Council	Passed	Pass

A MOTION expressing the council's support for refinancing the HUD Section 108 loan authorized by Ordinance 15222.

WHEREAS, in June 2005, the King County council adopted Ordinance 15222, which authorized the executive to accept a six million eight hundred fifty thousand dollar loan from the Section 108 loan guarantee program of the federal housing and urban development department (HUD), a loan program that gives local governments the ability to borrow against their federal community development block grant allocation to fund physical and economic revitalization projects, and

WHEREAS, the county used the loan to fund infrastructure improvements at the King County Housing Authority's Greenbridge development in the White Center neighborhood in unincorporated King County, and

WHEREAS, the loan was to be repaid by a variety of county fund sources, including the roads capital fund, the surface water management fund, the real estate excise tax number 1 fund, the general fund and the housing and community development fund, including proceeds from the county's community development block grant allocation, and

WHEREAS, debt service payments on the loan are anticipated to be completed in 2024, and have been

gradually declining as the various funds complete their required payments, with the real estate tax number 1 fund making its final payment in 2014 and the roads capital fund and surface water management fund making their final payments during the 2015-2016 biennium, and

WHEREAS, HUD has offered the county an opportunity to refinance the remaining outstanding balance on the loan, which is anticipated to provide the county with a net savings of approximately ninety-three thousand dollars over the remainder of the loan repayment period, and

WHEREAS, implementing this refinancing will require additional legislation, which cannot be transmitted until the terms of the new loan agreement with HUD are finalized, and

WHEREAS, HUD has asked the county to provide a statement of interest in the refinancing opportunity by December 11, 2018;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. The King County council expresses its support for refinancing the HUD Section 108 loan authorized by Ordinance 15222.

B. The executive is requested to provide a statement of interest to HUD by December 11, 2018, and to develop and transmit to the council the necessary legislation for implementing the refinancing of the loan as expeditiously as possible.