



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

November 13, 2015

Mr. David Loya, Community Development Deputy Director
City of Arcata
736 F Street
Arcata, CA 95221

Dear Mr. Loya:

Subject: Oversight Board Action Reviews

The City of Arcata Successor Agency (Agency) notified the California Department of Finance (Finance) of its October 29, 2015 Oversight Board (OB) resolutions on November 5, 2015. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB actions.

Based on our review and application of the law, Finance has made the following determinations:

OB Resolution No. 2015-16-03

This OB resolution, finding that a loan for the 2010-11 fiscal year between the former Arcata Community Development Agency and the City of Arcata, is approved.

The Agency received a Finding of Completion on September 10, 2015. As a result of the OB finding the loan was for valid redevelopment purposes and Finance's subsequent approval of OB Resolution No. 2015-16-03, the Agency may now place the loan on a Recognized Obligation Payment Schedule (ROPS). However, the repayment amount of the City loan is subject to the repayment formula outlined in HSC section 34191.4 (b) (3) (A) and subject to Finance's review and approval on subsequent ROPS.

OB Resolution No. 2015-16-04

This resolution, finding that a loan for the 2011-12 fiscal year between the former Arcata Community Development Agency and the City of Arcata, is not approved.

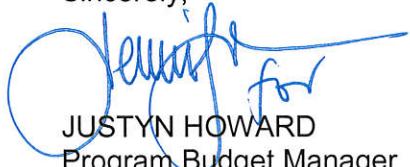
While the OB made the finding that the loan was for legitimate redevelopment purposes, the Agency was not able to provide documentation to support amount loaned to the former Community Development Agency remains unpaid. Therefore, the loan is not considered an enforceable obligation at this time.

As authorized by HSC section 34179 (h), Finance is returning OB Resolution No. 2015-16-04 to the board for reconsideration.

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Please direct inquiries to Cindie Lor, Supervisor, or Todd Vermillion, Lead Analyst, at (916) 445-1546.

Sincerely,

A handwritten signature in blue ink, appearing to read "Justyn Howard".

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Janet Luzzi, Finance Director, City of Arcata
Mr. Joe Mellett, Auditor-Controller, Humboldt County