

RESOLUTION NO. 02-1314

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE ARCATA COMMUNITY DEVELOPMENT AGENCY APPROVING AN INSTALLMENT PAYMENT PLAN TO BE OFFERED TO THE DEPARTMENT OF FINANCE

WHEREAS, the City Council of the City of Arcata created the Arcata Community Development Agency and adopted the first Redevelopment Implementation Plan in 1983 for the purpose of considering and pursuing redevelopment activities in the community pursuant to the Community Redevelopment Law (“CRL”), Health and Safety Code §§ 33000 *et seq.*; and

WHEREAS, pursuant to Health and Safety Code Section 34179.5, the Successor Agency completed Due Diligence Reviews (DDR) for its housing fund and for its other assets fund to determine unobligated balances available for transfer to the taxing entities; and

WHEREAS, based on the DDRs, the California Department of Finance (DOF) issued final determinations demanding that the Successor Agency remit \$2,415,359.00 for the Housing DDR and \$2,126,209.00 for the Other Assets DDR; and

WHEREAS, Health and Safety Code section 34179.6(h)(3) authorizes the DOF to accept an installment payment plan to satisfy outstanding DDR balances when it determines that full payment of such balances is not currently feasible or would jeopardize the ability of the Successor Agency to pay enforceable obligations in a timely manner; and

WHEREAS, the Successor Agency currently does not have the financial resources to make full payment of the DDR balances, or to do so would jeopardize the ability of the Successor Agency to pay enforceable obligations in a timely manner; and

WHEREAS, in electing to act as successor to the Arcata Community Development Agency as provided in Health and Safety Code Sections 34173 and 34176, the City Council expressly recognizes and reaffirms the statutory limitation on the City and the City Council's liability in such actions. Nothing in this Resolution shall be construed as a commitment, obligation, or debt of the City or any resources, funds or assets of the City to fund the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Arcata Community Development Agency as follows:

1. The above recitals are true and correct and incorporated herein.
2. The Successor Agency Treasurer, Secretary and Attorney are directed to draft, execute and offer to the Department of Finance an installment payment plan based on the terms set out in Exhibit 1, attached hereto and incorporated herein, in order to satisfy the DOF's final determinations concerning the DDR balances.
3. The Successor Agency staff is hereby directed and authorized to take all action as required to implement said installment payment plan upon its acceptance by the DOF.

This Resolution shall be effective upon adoption.

DATED: October 24, 2013

ATTEST:

APPROVED:

Secretary, Successor Agency to the
Community Development Agency of the
City of Arcata

Chair, Successor Agency to the
Community Development Agency of the
City of Arcata

SECRETARY'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of **Resolution No. 02-1314**, passed and adopted at a regular meeting of the Successor Agency to the Community Development Agency of the City of Arcata, County of Humboldt, State of California, held on the 24th day of October, 2013, by the following vote:

AYES: BRINTON, WHEETLEY, ORNELAS, STILLMAN, WINKLER

NOES: NONE

ABSENT: NONE

ABSTENTIONS: NONE

Secretary, Successor Agency to the
Community Development Agency of the
City of Arcata

EXHIBIT 1

DDR BALANCE INSTALLMENT PLAN TERMS

EXHIBIT 1

CITY OF ARCATA SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY

Due Diligence Review Repayment Plan Term Sheet

October 24, 2013

PURPOSE: Satisfy the Department of Finance (DOF) demands for the Housing and Other Assets Due Diligence Reviews.

FUNDING SOURCE: Various

AMOUNT: Housing DDR: \$2,415,359
 Other Assets DDR: \$2,126,209

TERM: 12 years

PAYMENT: SA has remitted \$489,078 to date
 SA will remit \$1,000,000 within 30 days of DOF acceptance of payment plan for its FY 2013/14 payment
 SA will commit to \$300,000 per year payments annually by March 1 beginning in FY 2014/15

KEY CONDITIONS:

1. SA may submit prepayment in any amount at any time.