

RESOLUTION NO. 03-1415

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF ARCATA ACCEPTING THE TRANSFER OF AVAILABLE CASH AND INVESTMENT FUNDS, AND ACCEPTING A PROMISSORY NOTE FROM THE CITY OF ARCATA IN COMPLIANCE WITH THE APRIL 2014 STATE CONTROLLER'S TRANSFER ORDER

WHEREAS, between January 1, 2011, and January 31, 2012, the Arcata Community Development Agency ("RDA") transferred approximately \$30,586,012 in funds and assets to the City of Arcata for purposes of implementation of housing and economic development goals of the RDA; and

WHEREAS, in furtherance of the former RDA purposes for which the cash transfer was made, the City has expended part of the transferred cash on the following projects:

- Arcata Bay Crossing Housing for the Homeless
- Twin Parks Master Planning
- Happy Valley Master Plan
- Little Lakes Master Plan
- Downtown sidewalk improvements and sculptures (G and H Streets)
- Samoa Boulevard Streetscape Phase II
- Samoa Boulevard Master Plan
- Mad River Business Park Development Agreement
- Rotary Park Improvements
- Sunset and H Street Gateway Improvements
- Sandpiper Mobile Home Park
- Plaza Point Mixed Use Development; and

WHEREAS, pursuant to Health and Safety Code section 34172 *et seq.* the RDA was dissolved effective February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34167.5, in April 2014 the State Controller completed review of fund and asset transfers made by the former RDA to the City between January 1, 2011 and January 31, 2012 ("SCO Asset Transfer Review Report"), and directed the City to transfer \$7,136,645 of the former RDA cash and investment funds to the former RDA Successor Agency ("Successor Agency");

WHEREAS, subsequent to the SCO review period, from January 31, 2012 through June 30, 2014, the former RDA cash and investment fund accounts have accrued interest and other income, and additional expenditures deemed allowable by the California Department of Finance ("DOF") have been made;

WHEREAS, the unadjusted updated balances of the former RDA cash accounts and investment funds are shown on the "Successor Agency to Arcata Community Development Agency, Summary of Assets Transferred to City of Arcata, as of June 30, 2014, Unadjusted" attached hereto and incorporated herein, and estimate the updated balance of cash and investment funds subject to transfer to the Successor Agency at approximately \$7,411,434.16; and

WHEREAS, in order to comply with the State Controller's Asset Transfer Review Report, the City has approved transferring to the Successor Agency available cash and investment funds received from the RDA in 2011 (approximately equal to \$4,156,328.19) and entering into a promissory note in favor of the Successor Agency in the principal amount of the remaining balance (approximately equal to \$3,255,105.97); and

WHEREAS, the City intends to pay off said promissory note to the Successor Agency concurrent with its previous commitment of financial assistance to the Successor Agency to satisfy the DOF final due diligence review (DDR) determinations made pursuant to Health and Safety Code Section 34179.5.

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

1. The above recitals are true and correct and incorporated herein.
2. The Successor Agency accepts the transfer of available cash and investment funds received from the City of Arcata in partial satisfaction of the State Controller's Asset Transfer Review Report dated April 2014. The unadjusted balance of said accounts is estimated to be \$ 4,156,328.19 at June 30, 2014.
3. The Successor Agency Treasurer is authorized and directed to accept on behalf of the Successor Agency a promissory note from the City of Arcata in the principal amount of the balance remaining to be transferred to the Successor Agency as ordered by the State Controller pursuant to its 2014 Asset Transfer Review Report, to be paid concurrent with payments to be made by the City to the Successor Agency in satisfaction of the California Department of Finance determination of Successor Agency obligations made pursuant to its Due Diligence Reviews.
4. The Successor Agency Secretary and Treasurer are hereby authorized to execute on behalf of the Successor Agency all documents necessary to accept the transfer of said assets, and directed to forward this resolution to the Oversight Board for its approval.

This Resolution shall be effective upon its adoption.

Dated: August 20, 2014

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

Attachment: Successor Agency to Arcata Community Development Agency
Summary of Assets Transferred to City of Arcata
As of June 30, 2014, Unadjusted

SECRETARY'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of **Resolution No. 03-1415**, 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 20th day of August, 2014, by the following vote:

AYES: WHEETLEY, WINKLER, ORNELAS, STILLMAN

NOES: NONE

ABSENT: NONE

ABSTENTIONS: NONE

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

Successor Agency to Arcata Community Development Agency
Summary of Assets Transferred to City of Arcata
As of June 30, 2014, Unadjusted

Date	Description	Total	Allowable	Unallowable	Oversight		Cash Assets
					Approval	Clawback	Amount due to Successor Agency
3/10/11	Housing cash transfer to City	1,863,000		1,863,000		1,863,000	1,863,000.00
3/10/11	Housing real property transfer to City	50,000		50,000	50,000	-	
3/28/11	Non-housing cash transfer to City	4,682,395		4,682,395		4,682,395	4,682,395.00
3/28/11	Housing notes receivable transfer to City	2,745,811		2,745,811	2,745,811	-	
3/28/11	Non-housing notes receivable transfer to City	294,226		294,226		294,226	
3/28/11	Housing real property transfer to City	4,358,046		4,358,046	4,358,046	-	
3/28/11	Non-housing real property transfer to City	1,320,297		1,320,297		1,320,297	
7/31/11	Non-housing cash transfer to City	591,250		591,250		591,250	591,250.00
1/31/12	Assets transferred to Successor Agency	14,680,987	14,680,987	-		-	
		<u>30,586,012</u>	<u>14,680,987</u>	<u>15,905,025</u>	<u>7,153,857</u>	<u>8,751,168</u>	<u>7,136,645.00</u>
Additional Funds Earned After 1/31/12 through 6/30/14:							
	Interest income						60,164.18
	Investment income on Bond Funds						142,753.77
	Rents & Leases						10,500.00
	Sale of Sandpiper Homes						<u>658,900.00</u>
	Total Cash/Investments to account for through 6/30/14						8,008,962.95
Less Allowable Successor Agency Expenditures:							
	Legal services						(11,370.00)
	Project - Sandpiper						(367,158.79)
	Project - Mad River Parkway						(19,000.00)
	Project - Plaza Point						(100,000.00)
	Project - Plaza Point (prior to 6/28/11)						<u>(100,000.00)</u>
	Total Allowable Expenditures						<u>(597,528.79)</u>
	Total Amount Due to Successor Agency						<u>7,411,434.16</u>
Less Cash and Investments at 6/30/14:							
	244-00-00-11000				General Cash		(956,430.16)
	244-00-00-11530				Investments		(274,055.78)
	245-00-00-11000				General Cash		(273,163.39)
	245-00-00-11530				Investments		(85,124.22)
	245-00-00-11560				Bond Funds		<u>(2,567,554.64)</u>
	Total Cash and Investments at 6/30/14						<u>(4,156,328.19)</u>
	Total Amount of Note Payable from City to Successor Agency						<u>3,255,105.97</u>