

RESOLUTION NO. 2022-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AUTHORIZING FORGIVENESS OF THE LOAN
AGREEMENTS BETWEEN THE CITY OF
MERCED'S GENERAL FUND AND CITY OF
MERCED'S COMMUNITY FACILITIES
DISTRICT PUBLIC SAFETY POLICE FUND, FIRE
FUND AND PARKS FUND**

WHEREAS, in 2003, the City approved a policy requiring all new development within the City to annex to a Community Facilities District ("CFD") for services pursuant to the Mello Roos Community Facilities Act of 1982;

WHEREAS, in 2005, the City began collecting CFD special taxes. Although several improvement areas began annexing into the CFD, there was insufficient funds to hire the personnel needed to provide the required services;

WHEREAS, in order to fund the services several General Fund loan advances for fire, police and park personnel to the CFD were approved by the City Council through direct council action or budget adoption process;

WHEREAS, in 2008, the City was faced with the housing market decline and economic downturn. Developers stopped building, some abandoned their developments, filed bankruptcy or went through foreclosures.

WHEREAS, in 2009, due to the reduction in citywide revenues, the City was forced to restructure and layoff employees. Several positions could not be fiscally supported by the CFD. Since it was unknown when the economy would improve or housing would start to development again, the City stopped depending on the General Fund to advance funding;

WHEREAS, there are currently three active General Fund loans that need to be repaid from the CFD – Fund 156 CFD-Fire in the amount of \$740,654.44, Fund 157 CFD-Police in the amount of \$694,696.28, and Fund 158 CFD-Parks in the amount of \$275,640.99 for a total amount due of \$1,710,991.71; and,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The City Council of the City of Merced hereby authorizes forgiveness of the General Fund loans from the CFD – Fund 156 CFD-Fire in the amount of \$740,6544.44, Fund 157 CFD-Police in the amount of \$694,696.28, and Fund 158 CFD-Parks in the amount of \$275,640.99 for a total amount due of \$1,710,991.71, plus interest that is currently outstanding.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2022, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:


Mayor

ATTEST:
STEPHANIE R. DIETZ, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

 4-12-22

City Attorney Date