

RESOLUTION NO. 14-62

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER APPROVING ASSIGNMENT OF DELINQUENT TAX RECEIVABLES TO THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR PRIOR FISCAL YEARS, AND AUTHORIZING EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND ACTIONS

WHEREAS, under Section 6516.6 of the Government Code of the State of California (the “Law”), a city is authorized to sell and assign to a joint powers authority any or all of its right, title, and interest in and to the enforcement and collection of delinquent and uncollected property taxes, assessments and other receivables that have been levied by or on behalf of such city for collection on the secured, unsecured, or supplemental property tax rolls (collectively, “Delinquent Taxes and Assessments”) in accordance with such terms and conditions as are set forth in an agreement with the joint powers authority; and

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) has been formed as a joint powers authority and, as such, is authorized under the Law to issue its bonds, notes, certificates of participation or other obligations for the purpose of providing funds to purchase Delinquent Taxes and Assessments in accordance with the Law upon terms and conditions which are acceptable to the local agency from whom such Delinquent Taxes and Assessments are acquired; and

WHEREAS, the Authority has requested the City authorize the sale of its Delinquent Taxes and Assessments to the Authority for the fiscal years ending June 30 in each of the years 2009 through 2014 inclusive forthwith, and years 2015 and 2016 thereafter (the “Covered Fiscal Years”) at a purchase price equal to 110% of the principal amount of Delinquent Taxes and Assessments which are eligible for sale and assignment; and

WHEREAS, the Authority has made arrangements to issue and sell one or more series of certificates of participation which represent a participation interest in all of the Delinquent Taxes and Assessments received from the City and from other participating local agencies, which certificates of participation will be sold to a designee of Tower Capital Management, LLC, a Delaware limited liability company (“Tower Capital”); and

WHEREAS, the City Council wishes at this time to approve the foregoing financing plan and authorize the execution and delivery of all related documents and actions;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Lancaster as follows:

Section 1. Authorization of Sale of Delinquent Taxes and Assessments. The City Council hereby approves and authorizes the sale of Delinquent Taxes and Assessments, in whole or in part, for any one or more of the Covered Fiscal Years, to the Authority for a minimum purchase price of 110% of the amount thereof.

Section 2. Authorization to Execute Financing Documents. In order to implement the financing plan approved under Section 1, the City Council hereby authorizes the City Manager or his designee to execute and deliver an agreement between the Authority and the City whereby the City sells Delinquent Taxes and Assessments to the Authority upon terms and conditions which are acceptable to the City. The material terms of each such agreement shall include the following:

- (a) the Delinquent Taxes and Assessments shall be sold to the Authority for a purchase price which is at least equal to 110% thereof, which amount shall be paid to the City upon the closing of the transaction in funds which are immediately available to the City;
- (b) as a result of such sale, the Authority shall be entitled to receive all amounts collected in respect of such Delinquent Taxes and Assessments, including applicable interest and penalties, provided that all such collections shall continue to be made in the manner prescribed by law;
- (c) such sale of Delinquent Taxes and Assessments shall be without recourse to the City, and the City shall not incur any liability or assume any responsibility to the Authority for the collection of the Delinquent Taxes and Assessments;
- (d) all costs of financing the purchase of Delinquent Taxes and Assessments by the Authority shall be the sole responsibility of the Authority, and the City shall not have any liability for payment of such costs; and
- (e) in order to provide funds for the financing of the Delinquent Taxes and Assessments, the Authority shall be authorized to sell one or more series of certificates of participation to Tower Capital.

Section 3. Official Actions. The City Manager or his designee is hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, amendments to existing bond indentures or similar instruments, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale of Delinquent Taxes and Assessments to the Authority for the Covered Fiscal Years.

Section 4. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

PASSED, APPROVED, and ADOPTED this _____ day of _____, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, CMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. 14-62, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)
