



MARIPOSA COUNTY

Treasurer-Tax Collector-County Clerk ·



RESOLUTION - ACTION REQUESTED 2019-496

MEETING: August 20, 2019
TO: The Board of Supervisors
FROM: Keith Williams, Treasurer/Tax Collector
RE: USDA ReAmort Request

RECOMMENDATION AND JUSTIFICATION:

Approve the Reamortization Request Form from the United States Department of Agriculture; and Authorize the Board of Supervisors Chair to Sign the Reamortization Request Form.

Revenue from the Lake Don Pedro Sewer Bonds of 2006 has been in decline since the housing crash of 2008. Staff has been working for many years to resolve the issue. Property values in the sewer zone area are still not at a level high enough to support development. The Board has approved two previous workout agreements with the USDA and this form will formally request a reamortization process to start.

Staff will return to the Board for approval of new terms and conditions,

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board approved the Bonds in 2006 and has since approved actions to resolve this issue.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not approve the request and let the bonds default. This action could affect the County's credit rating and our ability to receive federal funds.

ATTACHMENTS:

Mariposa Co RD1951-33 ReAmort form (PDF)

RESULT: ADOPTED [UNANIMOUS]

MOVER: Kevin Cann, District IV Supervisor

SECONDER: Marshall Long, District III Supervisor

AYES: Smallcombe, Jones, Long, Cann, Menetrey

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

REAMORTIZATION REQUEST

| | | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------|
| Name of Borrower County of Mariposa | Case Number 04-022-946000880 | Project Number |
| Address 4982 10th St PO Box 247 Mariposa, CA 95388 | State <input checked="" type="checkbox"/> CA | County Mariposa |
| Type of Loan RUS-WEP | <input type="checkbox"/> Direct <input type="checkbox"/> Insure | Date(s) of Notes 10-12-2006 & 02-15-2007 |
| Original Amount of Loan(s) and Grant(s) \$ 4,500,000.00 \$ 1,200,000.00 | Amount to be reamortized | Period of Reamortization Years 40 Mo. |
| Interest Rate 4.2500 % 4.125% | Reamortized \$ Installment | |

Bonds were issued in 2006 on mostly undeveloped land adjacent to a golf course. A large portion of the properties in the district were owned by a single developer. In 2008, the housing crash occurred and the subsequent recession slowed housing and property sales. The golf course closed and the adjacent land never sold. Over time, the developer and others in the affected area stopped paying their tax bills. The balance of redemption fund and reserves were used to maintain the payments. Foreclosure proceedings were started but the added expense to each property compounded the problem. With USDA approval, the foreclosure proceedings were stopped. The purpose of the re-amortization request is seek relief from the current payment structure and create a more sustainable payment plan that will avoid default, allow for continued operation of the facility, demonstrate the values of USDA to the public and facilitate payment in full.

Date 8-20-19 [Signature]
Borrower

SEAL

APPROVED AS TO FORM:

[Signature]
STEVEN W. DAHLEM
COUNTY COUNSEL

B Miles Menefrey, Board Chair
y Attest: [Signature]
Secretary

Recommendations and Proof that Borrower Has Made Payments for at Least a Year or can Make Payments in an Amount Necessary to Keep the Reamortized Account Current:

Date Servicing Official

Date Program Director/District Director

Date State Director

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0137 and 0575-0066. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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Date 8-26-19

Miles Menetrey
Borrower

APPROVED AS TO FORM:

B Miles Menetrey, Board Chair

Steven W. Dahlem
STEVEN W. DAHLEM
COUNTY COUNSEL

Attest: Gene LaRoch
Secretary

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