

RESOLUTION NO. 4259

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD  
CANCELING THE OBLIGATION OF THE SOLEDAD HOUSING AUTHORITY TO  
REPAY THE PAYMENT IN LIEU OF TAXES ("PILOT") AND AUTHORIZING THE  
INTERIM CITY MANAGER TO ENTER INTO AN AGREEMENT TO RELEASE  
FUNDS TO THE CITY FOR DISBURSEMENT FROM AN ESCROW ACCOUNT**

**WHEREAS**, the Soledad Housing Authority opted for Payment In Lieu of Taxes ("PILOT") when the Agency was created in 1952; and

**WHEREAS**, the in lieu payment of taxes for the Benito Street affordable housing project was deducted from the total which left the in lieu payment outstanding for the Monterey Street affordable housing site; and

**WHEREAS**, it was agreed by the City, the Soledad Housing Authority and the Housing Authority of the County of Monterey that funds, \$100,000, for the PILOT be placed in escrow while staffs of both the City and the Housing Authority resolved the issue; and

**WHEREAS**, the Board of Directors of the Soledad Housing Authority approved a resolution requesting that the PILOT debt be forgiven and that the City of Soledad and the Soledad Housing Authority enter into an agreement to release said funds from escrow.

**NOW THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City of Soledad as follows:

1. The City of Soledad hereby agrees to cancel the Soledad Housing Authority's obligation to pay the Payment In Lieu of Taxes in the amount of Ninety-Two Thousand Two Hundred Seventy-Two Dollars and Eighty-Eight Cents (\$92,272.88).
2. The Interim City Manager is hereby authorized and directed to enter into an agreement with the Soledad Housing Authority regarding the release of the funds currently being held in escrow.

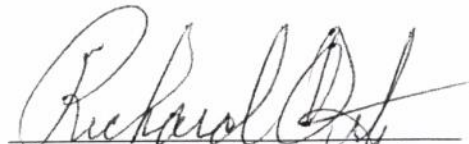
**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Soledad duly held on the 2<sup>nd</sup> day of July 2008 by the following vote:

AYES, and in favor thereof, Councilmembers: Martha Camacho, Juan Saavedra, Patricia Stephens, Mayor Richard Ortiz

NOES, Councilmembers: None

ABSENT, Councilmembers: Mayor Pro Tem Christopher Bourke

ABSTAIN, Councilmembers: None

  
RICHARD V. ORTIZ, Mayor

ATTEST  
  
ADELA P. GONZALEZ, Interim City Clerk

**ESCROW RELEASE OF FUNDS AGREEMENT**

This Escrow Release of Funds Agreement ("**Agreement**") is effective July 2, 2008, ("**Effective Date**") by and among the City of Soledad ("**City**"), a municipal corporation, and the Soledad Housing Authority, ("**Authority**") with reference to the following facts:

**RECITALS**

A. The City and the Authority have held numerous meetings in an attempt to address the Authority obligation to make certain payments in lieu of taxes ("**PILOT**").

B. After researching the Authority's records, the Authority's Executive Director found audits dating from 1999 to 2005 confirming accrued PILOT debt.

C. On February 28, 2008 Chairman of the Board of Directors of the Authority, Tony Acosta, prepared and delivered a letter to the City acknowledging the Agency's PILOT debt.

D. On April 9, 2008, the Board of Directors of the Authority and the City Council of the City held a joint meeting to discuss payment, forgiveness and/or disbursement of the PILOT debt and other issues related to the operation and solvency of the Authority.

E. On July 2, 2008 at a regularly scheduled meeting the City Council of the City authorized the cancellation of the PILOT debt and agreed to disburse the cancelled PILOT debt to the Authority upon receipt of the same from escrow.

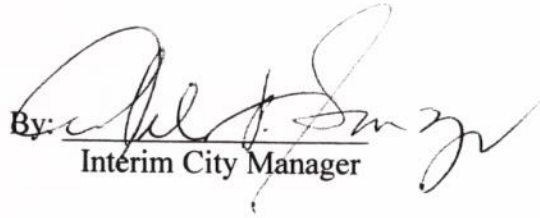
F. One Hundred Thousand Dollars (\$100,000) is being held in escrow by First American Title Company and shall only be distributed upon the execution of an agreement between the City and Authority regarding the distribution of said funds.

**The parties to this Agreement do hereby agree as follows:**

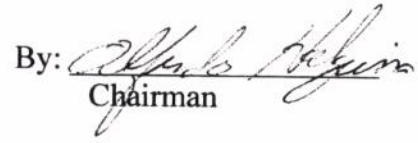
1. The foregoing recitals are true and correct.
2. First American Title Company is hereby authorized and directed to release the One Hundred Thousand Dollars (\$100,000) currently held in escrow by First American Title Company to the City of Soledad for disbursement of the cancelled PILOT debt to the Soledad Housing Authority.

**Signatures on the following page.**

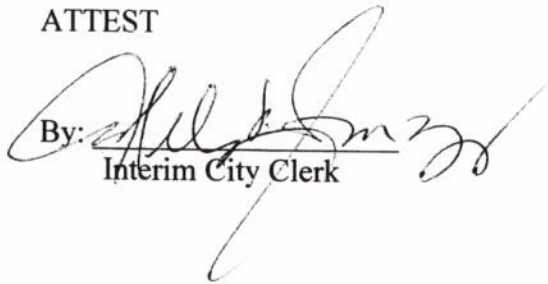
CITY

By:   
Interim City Manager

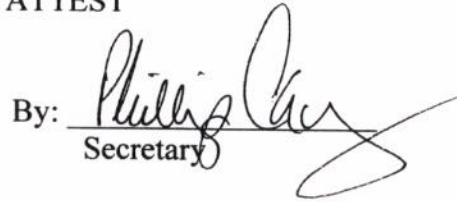
AUTHORITY

By:   
Chairman

ATTEST

By:   
Interim City Clerk

ATTEST

By:   
Secretary