

OVERSIGHT BOARD RESOLUTION NO. 123-18-OB

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE SUNNYVALE REDEVELOPMENT AGENCY MAKING CERTAIN FINDINGS THAT THE 2003 LOAN AND REPAYMENT AGREEMENT BETWEEN THE FORMER SUNNYVALE REDEVELOPMENT AGENCY AND THE CITY OF SUNNYVALE RELATED TO ADMINISTRATIVE COSTS WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES AND APPROVING REPAYMENT OF THE LOAN IN THE PRINCIPAL AMOUNT OF \$14,017,916 PLUS ACCRUED INTEREST AS AN ENFORCEABLE OBLIGATION

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the City Council of the City of Sunnyvale (the "City Council") declared that the City of Sunnyvale (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Sunnyvale (the "Dissolved RDA") effective February 1, 2012; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, on December 23, 2015, the Successor Agency was issued a Finding of Completion by the California Department of Finance pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b)(1), upon receipt of a Finding of Completion and approval of the Oversight Board, loan agreements (as defined in Section 34191.4(b)(2)) entered into between the Dissolved RDA and the City shall be deemed to be enforceable obligations if the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, the City of Sunnyvale ("City") and the Dissolved RDA entered into a Loan and Repayment Agreement dated December 18, 2003 ("Loan Agreement") whereby the City agreed to advance funds to the Dissolved RDA for administrative costs associated with the

Dissolved RDA implementing the redevelopment program for the Sunnyvale Redevelopment Project Area and the Dissolved RDA agreed to repay the City from available tax increment; and

WHEREAS, the County of Santa Clara performed an audit of the Dissolved RDA as required by the Dissolution Act and determined pursuant to that audit that at the time of dissolution the City was owed \$15,517,916 under the Loan Agreement; and

WHEREAS, the Loan Agreement qualifies for repayment pursuant to Health and Safety Code Section 34191.4(b).

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency for the Former RDA hereby finds, resolves, and determines that the foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

BE IT FURTHER RESOLVED, that Oversight Board hereby finds that the Loan Agreement was for legitimate redevelopment purposes.

BE IT FURTHER RESOLVED, that the Oversight Board hereby approves inclusion of the Loan Agreement on ROPS 18-19 and authorizes repayment of the amounts owed to the City pursuant to the Loan Agreement in the principal amount of \$14,017,916 with such repayments to be made in accordance with the requirements of Health and Safety Code Section 34191.4(b)(3) and pursuant to the repayment schedule attached as Exhibit A.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

ADOPTED January 24, 2018 by the Oversight Board of the Sunnyvale Successor Agency, by the following vote:

AYES: LEZOTTE, MCELROY, KIRBY, HENDRICKS
NOES: SNOW, MORENO, LAM
ABSTAIN:
ABSENT: BILICH, BRADLEY, TINSLEY
RECUSAL:

ATTEST:



Successor Agency Clerk

APPROVED:



Chair

EXHIBIT A

REPAYMENT SCHEDULE

ROPS	Projected RPTTF	ROPS Distribution	County Admin	Residual Distribution	Residual Distribution Over Base Year	Maximum Fiscal Year Payment	ROPS	ROPS Payment
20/21	\$18,564,420	(\$3,965,007)	(\$258,045)	\$14,341,368	\$7,285,162	\$3,642,581	21/22A	\$542,978
21/22	\$19,621,353	(\$4,646,006)	(\$272,737)	\$14,715,773	\$7,659,567	\$3,829,783	22/23A	\$3,829,783
22/23	\$20,209,993	(\$4,786,446)	(\$280,919)	\$15,746,208	\$8,690,002	\$4,345,001	23/24A	\$4,345,001
23/24	\$20,816,293	(\$4,435,001)	(\$289,346)	\$16,091,946	\$9,035,740	\$4,517,870	24/25A	\$4,517,870
24/25	\$21,440,782	(\$4,607,870)	(\$298,027)	\$16,534,885	\$9,478,679	\$4,739,340	25/26A	\$3,239,340
25/26	\$22,084,006	(\$4,829,340)	(\$306,968)	\$16,947,698	\$9,891,492	\$4,945,746	26/27A	\$4,245,819
26/27	\$22,746,526	(\$5,035,746)	(\$316,177)	\$17,394,603	\$10,338,397	\$5,169,198	27/28A	\$2,080,731

Note - The repayment schedule is estimated based on current property tax projections over the FY 2012/13 base year (\$7,056,206) and is subject to change based on development and the economy conditions. Actual repayment will not start until full repayment of the Low and Moderate Income Housing Fund obligation has been repaid (estimated to be complete in FY 2020/21). Moneys repaid shall be applied first to the principal, and second to the interest.