

RESOLUTION NO. SA-8

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY APPROVING LOAN AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF SCOTTS VALLEY UNDER HEALTH AND SAFETY CODE SECTION 34173 (h) FOR AB 1484 AUTHORIZED ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE EXPENDITURES

WHEREAS, in accord with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, et seq. ("CRL"), the City Council of the City of Scotts Valley ("City") previously established the Redevelopment Agency of the City of Scotts Valley, a public body, corporate and politic ("Agency") to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved pursuant to Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess., Ch. 5) ("AB 26"), and its rights, posers, duties and obligations were transferred to a "successor agency" (as defined by CRL Section 34171 (j) and Section 34173); and

WHEREAS, the City Council determined that the City would become the Agency's successor agency ("Successor Agency") under CRL Section 34173; and

WHEREAS, pursuant to Section 34179, an oversight board ("Oversight Board") was established for the Successor Agency; and

WHEREAS, with the Oversight Board's approval, CRL Section 34173 (h) permits the City to loan the Successor Agency funds to pay the Successor Agency's enforceable obligations, administrative costs, and project-related expenses; and

WHEREAS, immediately prior to the December 2011 distribution of property tax increment, the Agency's funds reflected a negative cash balance and, following the County Auditor-Controller's subsequent adjustment to the Successor Agency's June 2012 distribution from the RPTTF to reflect the December 2011 property tax distributions, the Successor Agency lacked the funds required to meet the entirety of its obligations arising under the Recognized Obligation Payment Schedule for the period of July 1, 2012 through December 31, 2012; and

WHEREAS, the State Department of Finance has disallowed certain enforceable obligations listed on the Agency's Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013, the Successor Agency will lack the funds to meet the entirety of its obligations for this time period; and

WHEREAS, the City and the Successor Agency have prepared an agreement entitled "Loan Agreement for Enforceable Obligations, Administrative Costs and Project-Related Expenses" ("Loan Agreement") (a copy of which is attached as Exhibit "A") providing for a loan ("Loan") from the City to the Successor Agency in the amount of One Million One Hundred Seventy One Thousand Two Hundred Twenty Eight Dollars (\$1,171,228); and

WHEREAS, the City and Successor Agency desire to approve the Loan Agreement and make the Loan from the funding sources described below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Under the authority of CRL Section 34173 (h), the Agency approves the Loan Agreement, in the form attached as Exhibit "A".

Section 2. The Board directs the Executive Director to execute the Loan Agreement on behalf of the Agency upon approval of the Oversight Board and the State Department of Finance. The Executive Director is further authorized, with the concurrence of the Agency's legal counsel, to approve technical, non-substantive amendments to the Loan Agreement on the Agency's behalf and to otherwise carry out the actions authorized by this Resolution.

Section 3. The City Council directs that the Loan be funded from the City's General Fund. This Loan amount is to be repaid to the General Fund upon the terms of the Loan Agreement, including interest.

Section 4. The approval and other actions authorized by this Resolution will become effective as provided by CRL Section 34179 (h).

PASSED AND ADOPTED by the Board of Directors of the Successor Agency of the Scotts Valley Redevelopment Agency this 16th day of January 2013, by the following vote:

AYES:	BOARDMEMBERS:	AGUILAR, BUSTICHI, JOHNSON, LIND, REED
NOES:	BOARDMEMBERS:	NONE
ABSENT:	BOARDMEMBERS:	NONE
ABSTAIN:	BOARDMEMBERS:	NONE

ATTEST: Tracy A. Ferrara
Tracy A. Ferrara, Secretary

APPROVED: Randy Johnson
Randy Johnson, Chair

REPAYMENT SCHEDULE

<u>Payment Date</u>	<u>Principal Payment *</u>
July 1, 2015	\$ 220,000
January 2, 2016	300,000
July 1, 2016	300,000
January 2, 2017	300,000
July 1, 2017	<u>51,228</u>
Total	<u>\$ 1,171,228</u>

* The principal payments will include accrued interest on the unpaid balance at the Local Agency Investment Fund (LAIF) interest rate.