



Legislation Details (With Text)

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Title: RESOLUTION of the City Council of the City of San Leandro Approving a Loan to the Successor Agency to the Redevelopment Agency of the City of San Leandro to Advance Funds for the Payment of Enforceable Obligations Appropriated from the General Fund Unrestricted Economic Uncertainty Reserve

Sponsors: Cynthia Battenberg

Indexes:

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Attachments: 1. San Leandro - Loan From City to Successor Agency 8-31-15

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Resolution of the City Council of the City of San Leandro Approving a Loan to the Successor Agency to the Redevelopment Agency of the City of San Leandro to Advance Funds for the Payment of Enforceable Obligations Appropriated from the General Fund Unrestricted Economic Uncertainty Reserve

WHEREAS, pursuant to Resolution No. 2012-01, adopted by the City Council of the City of San Leandro on January 9, 2012, the City of San Leandro (“City”) agreed to serve as Successor Agency to the Redevelopment Agency of the City of San Leandro (“Successor Agency”) commencing upon the dissolution of the Agency on February 1, 2012; and

WHEREAS, the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (“ROPS”) for each six-month period setting forth all enforceable obligations of the Successor Agency; and

WHEREAS, an adjustment made to the Successor Agency ROPS for July-December 2015 by the State Department of Finance (“DOF”) resulted in a reduction in funding that was remitted to the Successor Agency for the payment of enforceable obligations; and

WHEREAS, the DOF adjustment will result in the Successor Agency having insufficient funds to pay its enforceable obligations for the July-December ROPS period, or result in a negative fund balance at the beginning of the January 1 through June 30, 2015 ROPS period; and

WHEREAS, a loan from the City will be needed to cover the funding shortfall during the July-December 2015 ROPS period; and

WHEREAS, Section 34173 (h) of the California Health and Safety Code allows the City to loan

money to the Successor Agency to pay for enforceable obligations and permits the Successor Agency to put repayment of the City loan on a subsequent ROPS; and

WHEREAS, the loan will be repaid in full by the Successor Agency as soon as sufficient funding is received from the Redevelopment Property Tax Trust Fund, anticipated to be in January 2016; and

WHEREAS, a loan agreement (the "Loan Agreement") in the amount of \$779,051.00 has been negotiated between the City of San Leandro and the Successor Agency to the Redevelopment Agency of the City of San Leandro to pay for enforceable obligations of the Successor Agency, a copy of which is attached, and it is presented to this City Council; and

WHEREAS, the City Council is familiar with the contents of the Loan Agreement; and

WHEREAS, the City Manager recommends approval of the Loan Agreement.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

Section 1. The above recitals are true and correct and are incorporated herein in their entirety.

Section 2. The Loan Agreement in the amount of \$779,051.00 is hereby approved by the City Council, and appropriation of General Fund Unrestricted Economic Uncertainty Reserve is hereby approved, substantially in the form presented to the City Council;

Section 3. The Loan Agreement will occur contingent upon the approval of the ROPS guaranteeing the repayment of the Loan amount.

Section 4. The City Manager is hereby authorized to execute the Loan Agreement and to take all actions and to execute any and all documents necessary and to make all approvals necessary or appropriate to carry out and implement the terms of this Resolution.

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