



Council Meeting: January 31, 2012

SUBJECT: Declaration of the City Council of the City of Sunnyvale with Respect to Loan, Advance or Indebtedness Forgiveness

BACKGROUND

On January 1, 2012, redevelopment bill, AB 936, became effective that specifies procedures to be implemented in connection with past or future total or partial forgiveness of a loan, advance or indebtedness between a redevelopment agency and a public body (forgiveness by the Redevelopment Agency of a loan made to the City, or forgiveness by the City of a loan made to the Redevelopment Agency).

AB 936 requires that, by February 1, 2012, the Agency and the City Council each adopt a resolution declaring whether or not it forgave such a loan in whole or in part during calendar years 2010 and 2011. If such loan forgiveness did occur, the resolution must contain specified information about the loan parties and terms, and the nature and fiscal effect of the forgiveness. Within 10 days after adoption of the resolution, the adopting entity must transmit a copy of the resolution to the State Controller and the City Council.

EXISTING POLICY

The Redevelopment Implementation Plan Goal 1 states: *Meet the Agency's Existing Financial and Administrative Obligations*

DISCUSSION

During the period of time from January 1, 2010, through December 31, 2011, the City has not forgiven, wholly or partially, repayment of any loans, advances or other indebtedness owed to it by the Redevelopment Agency. Accordingly, it is appropriate for the City Council to adopt a resolution declaring that no such loan forgiveness has occurred, and directing staff to submit a copy of such resolution to the State Controller and the City Council. Staff has prepared the attached resolution (Attachment A) for consideration by the City Council, as required by AB 936, to declare that no such forgiveness has occurred.

FISCAL IMPACT

There is no fiscal impact. No loan forgiveness occurred during 2010 or 2011.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

RECOMMENDATION

Staff recommends that the City Council approve a Resolution of the City Council of the City of Sunnyvale making a declaration that no loan, advance or indebtedness forgiveness as described in AB 936 occurred during 2010 or 2011. If Resolution is not adopted, the City will be in violation of AB 936.

Reviewed by:

Grace K. Leung, Director, Finance
Prepared by: Brice McQueen, Redevelopment Manager

Approved by:

Gary M. Luebbbers
City Manager

Attachments

- A. Resolution of the City Council of the City of Sunnyvale Making a Declaration with Respect to Loan, Advance or Indebtedness Forgiveness in Compliance with Health and Safety Code Section 33354.8

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE MAKING A DECLARATION WITH RESPECT TO
LOAN, ADVANCE OR INDEBTEDNESS FORGIVENESS IN
COMPLIANCE WITH HEALTH AND SAFETY CODE SECTION
33354.8**

WHEREAS, the Redevelopment Agency of the City of Sunnyvale (the "Agency") is responsible for implementing redevelopment programs and activities within its jurisdiction pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the "CRL"), and the City of Sunnyvale (the "City") is authorized to cooperate with the Agency and to facilitate such redevelopment pursuant to the CRL; and

WHEREAS, Health and Safety Code Section 33354.8, added to the CRL by AB 936 effective January 1, 2012, requires a public body (such as the City) to adopt a resolution that declares whether or not it has been involved in the forgiveness, during the period of time commencing January 1, 2010, through December 31, 2011, of the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed by the public body (such as the City) to the Agency or by the Agency to the public body (such as the City), and, if so, setting forth specified information about such forgiveness; and

WHEREAS, this Resolution is adopted to constitute the resolution required by Health and Safety Code Section 33354.8.

NOW, THEREFORE, BE IT RESOLVED, that the City Council declares that the City has not been involved in the forgiveness, during the period of time commencing January 1, 2010, through December 31, 2011, of the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed by the City to the Agency or by the Agency to the City.

BE IT FURTHER RESOLVED, that the City Manager or the City Manager's designee is authorized and directed to transmit a copy of this Resolution to the State Controller and the City Council in compliance with Health and Safety Code Section 33354.8(c).

BE IT FURTHER RESOLVED, that this Resolution shall take immediate effect upon adoption.

Adopted by the City Council at a regular meeting held on _____, 2012, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM AND LEGALITY:

David E. Kahn, City Attorney