

RESOLUTION NO. _____-12-OB

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF SUNNYVALE APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE PERIOD JANUARY THROUGH JUNE 2013, MAKING RELATED FINDINGS AND DECLARATIONS AND TAKING RELATED ACTIONS

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, on January 10, 2012 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, pursuant to Health and Safety Code Section 34173; and

WHEREAS, on February 1, 2012, the RDA was dissolved pursuant to Health and Safety Code Section 34172; 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, such as approve the establishment of recognized obligation payment schedules of the Successor Agency and to direct the Successor Agency in certain other actions (pursuant to Health and Safety Code Sections 34080 and 34181); 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 Successor Agency submitted the Proposed Third ROPS to the Santa Clara County Administrative Officer, the Santa Clara County Auditor-Controller, and the State Department of Finance (pursuant to Health and Safety Code Section 34179.6), and under the Dissolution Act, the Proposed Third ROPS must be submitted to Oversight Board for the Oversight Board’s approval.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board 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 the Oversight Board has examined the items on the Approved Third ROPS and finds that each of them is necessary for the continued maintenance and preservation of property owned by the Successor Agency until disposition in accordance with the Dissolution Act, the continued administration of the ongoing agreements herein

approved by the Oversight Board, or the expeditious wind-down of the affairs of the Dissolved RDA by the Successor Agency.

BE IT FURTHER RESOLVED that the Oversight Board hereby approves the Proposed Third ROPS in the form presented to the Oversight Board and attached hereto as Exhibit A (the “Approved Third ROPS”), including the agreements and obligations described in the Approved Third ROPS, and hereby determines that such agreements and obligations constitute “enforceable obligations” and “recognized obligations” for all purposes of the Dissolution Act. In connection with such approval, the Oversight Board makes the specific findings set forth below.

BE IT FURTHER RESOLVED that the Successor Agency is authorized and directed to enter into any agreements and amendments to agreements necessary to memorialize and implement the agreements and obligations in the Approved Third ROPS and herein approved by the Oversight Board.

BE IT FURTHER RESOLVED that the Oversight Board must also approve the Administrative Budget for the Successor Agency (Health and Safety Code Section 34177(j).) and that the Oversight Board does hereby approve the Proposed Administrative Budget in the form attached hereto as Exhibit B (the “Administrative Budget”), and further authorizes the Successor Agency to incur costs for the general administrative activities and functions described in the Administrative Budget.

BE IT FURTHER RESOLVED that the Oversight Board finds that the Administrative Budget supports a FY 2012-13 Administrative Cost Allowance to the Successor Agency in an amount up to three percent of the property tax allocated or the minimum authorized amount of \$125,000 for the six-month period of January through June 2013.

BE IT FURTHER RESOLVED that the Successor Agency is authorized and directed to enter into any agreements and amendments to agreements necessary to memorialize and implement the agreements and obligations in the Administrative Budget herein approved by the Oversight Board.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Approved Third ROPS and the approved Administrative Budget, and to take any other administrative actions necessary to ensure the validity of the Third ROPS and the validity of any enforceable obligation approved by the Oversight Board in this Resolution. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Approved Third ROPS as may be necessary to submit the Approved Third ROPS in any modified form required by the Department of Finance, and the Approved Third ROPS as modified shall thereupon constitute the Approved Third ROPS as approved by the Oversight Board pursuant to this Resolution.

This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

Adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency at a regular meeting held on _____, 2012, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

By _____
Successor Agency Clerk
[SEAL]

Chair

APPROVED AS TO FORM AND LEGALITY:

Michael D. Martello, Interim Successor Agency Attorney

EXHIBIT A

Successor Agency Contact Information

Name of Successor Agency:	Redevelopment Successor Agency of the <u>City of Sunnyvale</u>
County:	<u>Santa Clara</u>
Primary Contact Name:	Brice McQueen
Primary Contact Title:	Successor Agency Manager
Address	650 W. Olive Ave. Sunnyvale, CA 94088
Contact Phone Number:	<u>(408) 730-7284</u>
Contact E-Mail Address:	<u>bmcqueen@ci.sunnyvale.ca.us</u>
Secondary Contact Name:	<u>Grace K. Leung</u>
Secondary Contact Title:	<u>Director of Finance</u>
Secondary Contact Phone Number:	<u>(408) 730-7398</u>
Secondary Contact E-Mail Address:	<u>gleung@ci.sunnyvale.ca.us</u>

EXHIBIT A
SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Redevelopment Successor Agency of the City of Sunnyvale

	Total Outstanding Debt or Obligation
Outstanding Debt or Obligation	\$ 107,940,637
Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	-
B Anticipated Enforceable Obligations Funded with RPTTF	4,826,000
C Anticipated Administrative Allowance Funded with RPTTF	144,780
D Total RPTTF Requested (B + C = D)	4,970,780
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>	\$ 4,970,780
E Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller)</i>	5,155,378
F Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ 184,598
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
G Enter Estimated Obligations Funded by RPTTF <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	4,673,603
H Enter Actual Obligations Paid with RPTTF	4,207,647
I Enter Actual Administrative Expenses Paid with RPTTF	66,359
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	399,597
K Adjusted RPTTF <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ 4,571,183

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) of the Health and Safety code,
 I hereby certify that the above is a true and accurate Recognized
 Obligation Payment Schedule for the above named agency.

 Name Title

 Signature Date

Name of Successor Agency:
County:

Redevelopment Successor Agency of the City of Sunnyvale
Santa Clara

EXHIBIT A
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)
January 1, 2013 through June 30, 2013

Item #	Notes/Comments
1	Tab "Prior Period Payments" Page A Line 1, funding source for the debt service \$109,308 was from prior tax increment.
2	Tab "Prior Period Payments" Page A Line 4, legal bills are still in the process of being approved by the City.
3	Tab "Prior Period Payments" Page A Line 5: The unspent amount \$2,025 is expected to be used for arbitrage rebate analysis in April 2013.
4	Tab "Prior Period Payments" Page A Item 4: This is related to the item above. County approved and remitted \$460,824 (for Jan. to Jun. 2012) and \$145,633 (for Jul. to Dec. 2012) for this project as shown in the first and second ROPS.
	The actual payments using the cash basis amounted to \$63,252 from January to June in 2012. The unspent amount of \$397,572 is expected to be paid out between January and June in 2013.
5	Tab "Prior Period Payments" Page B Line 1, General Fund paid \$108,054 for administration without being reimbursed. This amount is not presented in the Tab "Prior Period Payments."
6	Tab "Prior Period Payments" Page B Line 2, General Fund paid \$10,688 for professional/legal administrative services without being reimbursed. This amount is not presented in the Tab "Prior Period Payments."
7	Tab "Prior Period Payments" Page B Line 3, General Fund paid \$5,550 for audit services without being reimbursed. This amount is not presented in the Tab "Prior Period Payments."

**EXHIBIT B
REDEVELOPMENT SUCCESSOR AGENCY
CITY OF SUNNYVALE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
THIRD ADMINISTRATIVE BUDGET
January 1, 2013 – June 30, 2013**

This document constitutes the third Administrative Budget of the Redevelopment Successor Agency of the City of Sunnyvale. This Administrative Budget has been prepared by the Redevelopment Successor Agency (RSA) of the City of Sunnyvale and submitted to the Sunnyvale Oversight Board for approval in accordance with the requirements of Health and Safety Code Section 34177(j). The Administrative Budget accompanies the third Recognized Obligation Payment Schedule (ROPS) prepared pursuant to Health and Safety Code Section 34177(l) for the period January through June 2013.

This Administrative Budget is prepared in three parts to correspond to the three elements described for the Administrative Budget in Health and Safety Code Section 34177(j) (1), (2), and (3).

1. Estimated Amounts For Successor Agency Administrative Cost For January 1, 2012 – June 30, 2013 (Health and Safety Code Section 34177(j)(1).

Administrative Activities	Job Classification Services & Expenditures	Hours	6-month Budget
705320/706250/723125 – Successor Agency Administration			
- Prepare Administrative Budget	Director of Finance	200	\$34,572
- Prepare Recognized Obligation Payment Schedule (ROPS)	Senior Management Analyst	800	\$82,050
	Principal Accountant	200	\$18,088
- Correspondence/Coordination with County re: Inquiries/Requests	City Clerk	50	\$5,121
- Correspondence/coordination with State re: Inquiries/Requests	Financial Services		\$15,000
- Oversight of property liquidation	Training and Conferences		\$190
Oversight Board Staff Support	Allocations Charges (Space, IT, Supplies, Administrative Support)		\$13,952
- Annual Reporting			
- Annual Audit			
- Due Diligence Review			
- Contract Management and Bill Payment			
750180 – Legal Advice for RSA Issues – ROPS Administration			
- Legal Services Administration	City Attorney	200	\$37,508
	Allocations Charges (Space, IT, Supplies, Administrative Support)		\$3,376
750330 – RSA – ROPS Administration			
- Contract Legal Services to Assist in Winding Down the Former RDA	Legal Services		\$8,000

Administrative Activities (Continued)	Job Classification Services & Expenditures	Hours	6-month Budget
City Wide Overhead – In Lieu			
- City Overhead Charges (Human Resources, Office of City Manager, Liability & Property Insurance)	City Overhead Charges		\$13,868
Total Administrative Budget			\$231,725
Minimum Administrative Cost Allowance (3% of RPTTF allocated or \$125,000 whichever is greater).			\$144,780

This Administrative Budget documents that the RSA's "administrative cost allowance", as defined and authorized pursuant to Health and Safety Code Section 24171(b), for Fiscal Year 2012/13 is an amount up to three percent of the property tax allocated or the minimum authorized amount of \$250,000, whichever is greater. As called for in Health and Safety Code Section 34177(k), and as documented in this Administrative Budget and the January – June 2013 ROPS, the Successor Agency will report to the County Auditor-Controller that its administrative cost allowance to be paid from property taxes deposited in the Redevelopment Property Tax Trust Fund (as further described in Part 2 below) pursuant to Health and Safety Code Section 34183(a)(3) is the amount of \$144,780 for this six month period.

Activities may be added, revised, or deleted from this listing as necessary and appropriate during the course of the Redevelopment Agency wind-down process. Costs shown for each activity are estimates only. Actual costs required for each activity may be higher or lower than the amount shown, not to exceed the aggregate total amount.

2. Proposed Source of Payment For Above-Identified Administrative Costs (Health and Safety Code Section 34177(j)(2)).

As authorized pursuant to Health and Safety Code Section 34183(a)(3), the proposed source of payment for the administrative costs identified in Part 1 above is the Redevelopment Property Tax Trust Fund established and maintained by the County Auditor-Controller pursuant to Health and Safety Code Section 34170.5(b).

3. Proposals For Arrangements For Administration and Operations Services (Health and Safety Code Section 34177(j)(3)).

The RSA has arranged with the City of Sunnyvale to provide the staff services and office materials and equipment to administer the responsibilities of the RSA, and will draw upon services of outside legal and financial consultants (Goldfarb & Lipman LLP and Keyser Marston Associates), to provide special services for the wind-down of the former RDA to the extent City staff lacks the necessary expertise or capacity.