

HAYWARD SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. 2017-\_\_

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR  
AGENCY FOR THE CITY OF HAYWARD APPROVING THE REPAYMENT OF  
THE CITY SEWER AND WATER FUND LOAN AS AN ENFORCEABLE  
OBLIGATION, AND DIRECTING THE CITY MANAGER TO TAKE ALL  
ACTIONS NECESSARY TO EFFECTUATE REQUIREMENTS ASSOCIATED  
WITH THIS APPROVAL

WHEREAS, pursuant to ABx1 26 (as amended by AB 1484, the "Dissolution Statutes"), the separate legal entity known as the Hayward Successor Agency (the "Successor Agency") must prepare "Recognized Obligation Payment Schedules" ("ROPS") that enumerate the enforceable obligations and expenses of the Successor Agency for each fiscal year until the wind down and disposition of assets of the dissolved Redevelopment Agency of the City of Hayward (the "Dissolved RDA") has been completed; 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 November 12, 2014, 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 Hayward ("City"), pursuant to City Council Resolution 98-187, approved on November 17, 1998, made a loan to the Former RDA in the amount of \$3,200,000, consisting of \$1,600,000 from City Sewer Fund 611 and \$1,600,000 City Water Fund 621 (the "Sewer and Water Fund Loan") to fund the acquisition of specified real property located on the northerly portion of the block bounded by Watkins Street, B Street and Mission Boulevard and financing upgrades to the garage and abutting commercial/retail improvements, lawful purposes under the then applicable Community Redevelopment Law,

WHEREAS, pursuant to the agreement between the City and the Former RDA, the Sewer and Water Fund Loan was subject to quarterly compounding interest based on the interest rate of the City's Pool Funds and a repayment schedule approved by the City. Pursuant to the agreement between the City and Former RDA, the Former RDA was required to make two interest only repayments of \$158,000 and \$190,000, and upon the issuance of long-term debt for the project, the annual debt service on the Sewer and Water Fund Loan was set at \$338,000 per year, including principal and interest charges. The current outstanding obligation on the Sewer and Water Fund Loan is \$1,872,952; and

WHEREAS, Oversight Board concludes that the Agenda Report dated November 17, 1998 together with Resolution 98-187 constitutes an agreement under which the City advanced \$3,200,000 of City funds to the Former RDA for legitimate and lawful redevelopment purposes obligated to be repaid according to a set repayment schedule, in accordance with the requirements of the Dissolution Act. The Oversight Board concludes that the Sewer and Water Fund Loan constitutes an enforceable obligation under Health and Safety Code Section 34171(d) and 34191.4(b)(2)(A) and thus 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 Dissolved 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 Sewer and Wafer Fund Loan was for legitimate redevelopment purposes and specifically finds that City Council Resolution 98-187 constitutes an agreement for a loan between the City and the Former RDA for funds transferred to the Former RDA for use by the Former RDA for a lawful purpose, where the Former RDA was obligated to repay the funds to the City pursuant to a required repayment schedule and thus meets all of the requirements for repayment under Health and Safety Code Section 34191.4(b)(2)(A).

BE IT FURTHER RESOLVED, that the Oversight Board hereby approves inclusion of the Sewer and Water Fund Loan on ROPS 17-18 approved by the Oversight Board on January 25, 2017, and on all subsequent Successor Agency recognized obligation payment schedules until such time as the entire outstanding obligation has been repaid; and authorizes repayment of the amounts owed to the City pursuant to the Sewer and Water Fund Loan in the principal amount of \$1,872,952 with such repayments to be made in accordance with a repayment schedule in conformance with the requirements of Health and Safety Code Section 34191.4(b)(3) and an estimated repayment schedule is attached.

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).

HAYWARD, CALIFORNIA, April \_\_, 2017

ADOPTED BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST: \_\_\_\_\_  
Chair of the Oversight Board

Estimated Residual Redevelopment Property Tax for Sewer and Water Fund Loan  
Repayment by the Hayward Successor Agency<sup>1</sup>

A	B	C	D	E	F	G	H	I
ROPS Period	Base Year Distribution Total (ROPS II/III)	Last Year ROPS (16-17) Distribution	Difference (C-B)	Difference Divided by 2 (D/2)	Maximum Repayment Allowed	Loan Balance	Loan Repayment	Loan Residual Balance
<b>ROPS 17-18</b>	949,521	8,444,533	7,495,012	3,747,506	3,747,506	1,872,952	1,872,952	-

Note - The repayment schedule is estimated based on current property tax projections over the FY 2012/13 base year (\$949,521) and is subject to change based on development and the economy conditions. Actual repayment will start FY 2017/2018.

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<sup>1</sup> Calculation provided by Sarah Krttil, Financial and Performance Evaluator, California Department of Finance; confirmed by Agency Staff.