

RESOLUTION NO. OB 2016-03

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EAST PALO ALTO APPROVING THE GATEWAY LAND PURCHASE AND SALE AGREEMENT WITH THE CITY OF EAST PALO ALTO IN THE AMOUNT OF \$6,413,730 AS ENFORCEABLE OBLIGATION AND FINDING THAT THE LOAN WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency of the City of East Palo Alto (the "Dissolved RDA"), were dissolved on February 1, 2012; and

WHEREAS, on January 10, 2012, the City Council (the "City Council") of the City of East Palo Alto (the "City") adopted resolution 4226 accepting for the City the role of Successor Agency to the Dissolved RDA (the "Successor Agency"); and

WHEREAS, under the Dissolution Law, including the recently enacted SB 107, the definition of sponsoring entity loans was expanded; and

WHEREAS, pursuant to HSC section 34191.4 (b), loan agreements between the former redevelopment agency and the sponsoring entity may be placed on the ROPS if the following requirements are met: (1) the Successor Agency has received a Finding of Completion; and (2) the Successor Agency's Oversight Board approves the loan as an enforceable obligation and finds the loan was for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency staff prepared, and the Oversight Board met at a duly noticed public meeting on January 28, 2016 to consider and information regarding the legitimate redevelopment purposes for which the Gateway Land Purchase and Sale Loan was made; and

WHEREAS, the Successor Agency received a Finding of Completion on July 16, 2013;

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency for the Dissolved RDA hereby finds, resolves, and determines as follows:

SECTION 1. 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.

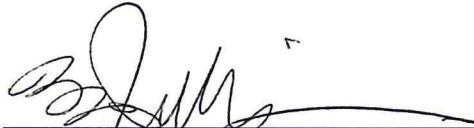
SECTION 2. Under the Health and Safety Code, the Oversight Board may reconsider disallowed enforceable obligations by the Department of Finance.

SECTION 3. The Oversight Board has reviewed the Gateway Land Purchase and Sale Loan, including the existing repayment schedule provided in Exhibit A to this resolution, and approves the loan as an enforceable obligation and finds the loan was made for legitimate redevelopment purposes. This finding is based upon information provided to the Oversight Board.

SECTION 4. The Oversight Board has reviewed the aforementioned obligation, and hereby approves this item to be listed in ROPS 16-17 as an enforceable obligation.

ADOPTED on January 28, 2016 by the Members of the Oversight Board of the Successor Agency for the Former Redevelopment Agency of the City of East Palo Alto with the following vote, to wit:

	Jellins	Farrales	Rutherford	Jackson	Sved (for Singh)	Chow	Martinez
AYES:	✓		✓	✓	✓		✓
NOES:							
ABSENT:		X				X	
ABSTAIN:							



Chair, Nicholas Jellins



Secretary, Joseph Prado



Approved as to form, OB Counsel

Gateway Land Purchase and Sale Agreement			
Amortization of Loan Payments			
Rate		0.00%	
<u>Fiscal</u>	<u>Beginning</u>	<u>Payment</u>	<u>Principal Balance</u>
<u>Year</u>	<u>Balance</u>		
<u>Ending</u>			
Jun-16	\$ 6,413,729.89	\$0.00	\$ 6,413,729.89
Jun-17	\$ 6,413,729.89	\$0.00	\$ 6,413,729.89
Jun-18	\$ 6,413,729.89	(\$188,639.11)	\$ 6,225,090.78
Jun-19	\$ 6,225,090.78	(\$188,639.11)	\$ 6,036,451.67
Jun-20	\$ 6,036,451.67	(\$188,639.11)	\$ 5,847,812.56
Jun-21	\$ 5,847,812.56	(\$188,639.11)	\$ 5,659,173.45
Jun-22	\$ 5,659,173.45	(\$188,639.11)	\$ 5,470,534.34
Jun-23	\$ 5,470,534.34	(\$188,639.11)	\$ 5,281,895.23
Jun-24	\$ 5,281,895.23	(\$188,639.11)	\$ 5,093,256.12
Jun-25	\$ 5,093,256.12	(\$188,639.11)	\$ 4,904,617.01
Jun-26	\$ 4,904,617.01	(\$188,639.11)	\$ 4,715,977.90
Jun-27	\$ 4,715,977.90	(\$188,639.11)	\$ 4,527,338.79
Jun-28	\$ 4,527,338.79	(\$188,639.11)	\$ 4,338,699.68
Jun-29	\$ 4,338,699.68	(\$188,639.11)	\$ 4,150,060.57
Jun-30	\$ 4,150,060.57	(\$188,639.11)	\$ 3,961,421.46
Jun-31	\$ 3,961,421.46	(\$188,639.11)	\$ 3,772,782.35
Jun-32	\$ 3,772,782.35	(\$188,639.11)	\$ 3,584,143.24
Jun-33	\$ 3,584,143.24	(\$188,639.11)	\$ 3,395,504.13
Jun-34	\$ 3,395,504.13	(\$188,639.11)	\$ 3,206,865.02
Jun-35	\$ 3,206,865.02	(\$188,639.11)	\$ 3,018,225.91
Jun-36	\$ 3,018,225.91	(\$188,639.11)	\$ 2,829,586.80
Jun-37	\$ 2,829,586.80	(\$188,639.11)	\$ 2,640,947.69
Jun-38	\$ 2,640,947.69	(\$188,639.11)	\$ 2,452,308.58
Jun-39	\$ 2,452,308.58	(\$188,639.11)	\$ 2,263,669.47
Jun-40	\$ 2,263,669.47	(\$188,639.11)	\$ 2,075,030.36
Jun-41	\$ 2,075,030.36	(\$188,639.11)	\$ 1,886,391.25
Jun-42	\$ 1,886,391.25	(\$188,639.11)	\$ 1,697,752.14
Jun-43	\$ 1,697,752.14	(\$188,639.11)	\$ 1,509,113.03
Jun-44	\$ 1,509,113.03	(\$188,639.11)	\$ 1,320,473.92
Jun-45	\$ 1,320,473.92	(\$188,639.11)	\$ 1,131,834.81
Jun-46	\$ 1,131,834.81	(\$188,639.11)	\$ 943,195.70
Jun-47	\$ 943,195.70	(\$188,639.11)	\$ 754,556.59
Jun-48	\$ 754,556.59	(\$188,639.11)	\$ 565,917.48
Jun-49	\$ 565,917.48	(\$188,639.11)	\$ 377,278.37
Jun-50	\$ 377,278.37	(\$188,639.11)	\$ 188,639.26
Jun-51	\$ 188,639.26	(\$188,639.26)	\$ (0.00)
		(\$6,413,729.89)	