RESOLUTION NO. 10-2012
Adopted July 9, 2012

RESOLUTION APPROVING A FIRST AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2012 TO DECEMBER 31, 2012 (ROPS) FOR THE PURPOSE OF MODIFYING THE PAYMENT SCHEDULES UNDER TWO EXISTING ENFORCEABLE OBLIGATIONS WITHOUT CHANGING THE TERMS OR CONDITIONS OF THOSE OBLIGATIONS: 1) INCREASING LOAN PAYMENTS FROM $200,000 TO $600,000 FOR THE HUNTERS VIEW SECOND AMENDED AND RESTATED PHASE 1 TAX INCREMENT LOAN AGREEMENT (LINE BVHP-10 OF EXHIBIT A-2, HOUSING, OF THE ROPS); AND 2) ADDING THE FINAL REPAYMENT AMOUNT NOT TO EXCEED $11,000 FOR THE CALIFORNIA HOUSING FINANCE AGENCY RESIDENTIAL DEVELOPMENT LOAN #031607-01, (474 NATOMA STREET) (LINE SOM-8 OF EXHIBIT A-2, HOUSING, OF THE ROPS)

WHEREAS, The Oversight Board by Resolution No. 6-2012 and the Department of Finance approved the Recognized Obligation Payment Schedule (ROPS) for July 1, 2012 to December 31, 2012 (the "July-December ROPS"); and,

WHEREAS, The July-December ROPS includes line BVHP-10 on Exhibit A-2, Housing, which includes $200,000 in payments for the Hunters View affordable housing project (the “Project”) pursuant to the Hunters View Second Amended and Restated Phase 1 Tax Increment Loan Agreement (the “Loan Agreement”); and,

WHEREAS, Payments pursuant to the Loan Agreement for this Project were also included in the ROPS for January 1, 2012 to June 30, 2012 (the “January-June ROPS”), and;

WHEREAS, The amounts included in the January-June ROPS were based on an erroneous assumption that payments related to a December 2011 invoice payable under the Loan Agreement were paid out in December 2011, and that payments under the January-June ROPS period would be for invoices originating after January 1, 2011; however, the December 2011 invoice was actually paid in January 2012, which used up a portion of the January-June ROPS authority needed to cover January-June 2011 payments; and,

WHEREAS, In order to correct this error, the payment amounts shown on the July-December ROPS for the Project must be increased from a total of $200,000 to $600,000 in order to allow for some January-June invoices to be paid in the July-December ROPS period. The increase in payments on the ROPS are consistent with the successor agency’s obligation under the Loan Agreement and, therefore, does not reflect a modification to the obligation to make payments under the Loan Agreement; and,

WHEREAS, Repayment due to the California Housing Finance Agency (“CalHFA”) pursuant to CalHFA Loan #031607-01 was mistakenly excluded from the July-December ROPS because staff assumed that the payment to CalHFA, as previously authorized by Agency Resolution No. 154-2010 in the amount of $2,724,408, was complete and final, but in fact CalHFA recently informed the staff that a balance of $10,398.72 remains; and,
WHEREAS Interest in the amount of $426.35 has accrued as of June 30, 2012; and,

WHEREAS, In order to correct this error, the July-December ROPS must be amended to include additional line SOM-8 on Exhibit A-2, Housing, which now includes $11,000 for repayment to CalHFA for the unspent portion of the CalHFA Residential Loan #031607-01, which supported the 474 Natoma affordable homeownership family housing project (the “Affordable Housing Project”), including unpaid accrued interest and anticipated interest; and,

WHEREAS, The first amendment to the ROPS for the period July 1, 2012 to December 31, 2012 increasing payments for the Project from $200,000 to $600,000 and including payment to CalHFA not to exceed $11,000 for the Affordable Housing Project is attached to this resolution as Exhibit A, and fully incorporated in this resolution (the "1st Amendment to the July-December ROPS"); and,

WHEREAS, Having determined the validity of the July-December ROPS, the successor agency staff and the City Controller, having consulted with the City Attorney’s Office, recommend that the Oversight Board approve the 1st Amendment to the July-December ROPS and authorize its submission to the State Controller and Department of Finance; now, therefore, be it

RESOLVED, That this Oversight Board approves the First Amendment to the July-December ROPS (attached to this Resolution), and directs the Executive Director or her designee to submit the First Amendment to the July-December ROPS to the City Controller, Department of Finance, and State Controller, post the First Amendment to the July-December ROPS on the internet website of the Oversight Board, and to take any other actions necessary or appropriate to comply with statutory requirements relating to the ROPS; and, be it, further

RESOLVED, That this Oversight Board authorizes City officials to take such actions as may be necessary or appropriate, in consultation with the City Attorney, to effectuate the purpose and intent of this resolution and to comply with statutory requirements, and ratifies and confirms any prior actions taken by City officials consistent with this resolution.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of July 9, 2012.

Natasha Jones
Board Secretary

Attachment : The First Amendment to the July-December 2012 ROPS