RESOLUTION NO. ____________

RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CLARA
AUTHORIZING THE DIRECTOR OF FINANCE
TO MAKE TEMPORARY LOANS TO SUCCESSOR AGENCIES
FROM THE TREASURY COMMINGLED POOL

WHEREAS, the Legislature passed, and California Supreme Court upheld, Assembly
Bill X1 26 of June 29, 2011 ("ABX1 26"), which bill dissolved all redevelopment agencies in
California effective February 1, 2012 and transferred responsibility for the payment of
recognized obligations of former redevelopment agencies to successor agencies; and

WHEREAS, there are nine successor agencies to former redevelopment agencies in
Santa Clara County, consisting of the cities of Campbell, Cupertino, Milpitas, Morgan Hill,
Mountain View, San José, Santa Clara, Sunnyvale, and the Town of Los Gatos; and

WHEREAS, ABX1 26 provides for the creation of Redevelopment Property Tax Trust
Funds for each former redevelopment agency within the County Treasury, from which the
county auditor-controller is to distribute funds every January 16 and June 1 to successor
agencies’ Redevelopment Obligation Retirement Funds for the payment of recognized
obligations of the former redevelopment agencies; and

WHEREAS, this twice annual distribution of funds may result in cash flow problems for
successor agencies in making prompt payments on debts of former redevelopment agencies; and

WHEREAS, California Health and Safety Code Section 34183(c) provides that: “The
county treasurer may loan any funds from the county treasury that are necessary to ensure
prompt payments of redevelopment agency debts”; and

WHEREAS, the Board of Supervisors has adopted Policy Resolution Number 09-10
establishing criteria for temporary loans from the County Treasury;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County
of Santa Clara, State of California, as follows:

Section 1. The Director of Finance is hereby authorized to make temporary loans of
funds from the County Treasury Commingled Pool to each of the nine successor agencies within
Santa Clara County provided that such transfers are in full compliance with all applicable
portions of Section 4.8.14.1 of the Board Policy Manual, Article XVI, Section 6 of the California
Constitution, and all other legal requirements.

//
//
//
//
Section 2. The Director of Finance shall only provide such temporary loans upon the following conditions, in addition to any applicable requirements imposed by Board Policy 4.8.14.1, Article XVI, Section 6 of the California Constitution, and all other applicable laws:
(a) Successor agencies shall make a formal request for a short-term loan to the Director of Finance.
(b) Successor agencies shall provide cash flow estimates in a form acceptable to the Director of Finance and sufficient to demonstrate to the Director of Finance, at his or her discretion, that the loans will be paid in full upon the next apportionment from the relevant Redevelopment Property Tax Trust Fund.
(c) All loans shall accrue interest at County Commingled Pool rates.
(d) All loans shall be repaid by the County Auditor-Controller from the next apportionment from the relevant Redevelopment Property Tax Trust Fund on June 1 or January 16.
(e) All loans shall be limited to assistance with temporary cash flow needs, and no loan shall issue for a structural deficit or long-term borrowing need.

Section 3. The authorization provided by this Resolution is valid only through June 30, 2013.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara, State of California, on May 22, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

GEORGE SHIRAKAWA
President, Board of Supervisors

ATTEST:

LYNN REGADANZ
Interim Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:

JAMES R. WILLIAMS
Deputy County Counsel

Resolution of the Board of Supervisors
Authorizing the Director of Finance
 to Make Loans to Successor Agencies
 from the Treasury Commingled Pool