



AGENDA

Meeting of the
**Scotts Valley Successor Agency of the
 Scotts Valley Redevelopment Agency**
In-Person and Remote Access
Date: December 18, 2024
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
Successor Agency of the Scotts Valley Redevelopment Agency 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR https://us02web.zoom.us/j/83295730901	The agenda was posted 12-13-2024 at City Hall, SV Senior Center, SV Public Works Building and on the Internet at www.scottsvalley.gov .

ELECTED OFFICIALS

Jack Dilles, Chair
 Randy Johnson, Vice Chair
 Donna Lind, Board Member
 Derek Timm, Board Member
 Allan Timms, Board Member

MEETING NOTICE AND AGENDA PACKET MATERIALS

Notice regarding Successor Agency of the Scotts Valley Redevelopment Agency Meetings:

The Successor Agency Board of Directors of the Scotts Valley Redevelopment Agency meets as needed, immediately following the Scotts Valley City Council meeting, which begins at 6:00 PM in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066.

Agenda and Agenda Packet Materials:

The Successor Agency of the Scotts Valley Redevelopment Agency agenda and the complete agenda packet are available for review by 5:00 PM the Friday before the Wednesday meeting on the Internet at the City's website: www.scottsvalley.gov and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA. Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvalley.gov.

Public Participation:

The meeting will be available on Zoom and livestreamed to the City of Scotts Valley's YouTube channel: <https://www.youtube.com/@cityofscottsvalley>
 For those wishing to participate via Zoom you can join the following ways:

Date: December 18, 2024

Zoom Webinar meeting link: <https://us02web.zoom.us/j/83295730901>

Or dial one of these numbers: (669) 900-9128 or (669) 444-9171

Webinar ID: 832 9573 0901

Whether attendance is in-person or remote, you will be given opportunities to provide public comment at the appropriate times throughout the meeting. The time limit is up to 3 minutes for an individual, or 5 minutes for someone who is representing a group of three or more, at the discretion of the Mayor. Please note that this is not a question-and-answer time, but simply a time to provide comments to the Council. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted.

CALL TO ORDER 6:00 PM

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

PUBLIC COMMENT TIME

This is the opportunity for individuals attending in person to make oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda. Written public comment may be emailed to the City Clerk by 5:00 PM on the day of the meeting at csimonovich@scottsvally.gov.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which are intended to be non-controversial and are approved without discussion. Persons wishing to speak on any item may request the item be moved to the Regular Agenda by raising their hand to be recognized by the Mayor. An item will only be moved from the Consent Agenda to the Regular Agenda if a City Council Member requests it to be moved and a majority of the Council agrees.

1. Approve Successor Agency minutes of 12-20-2023
2. Approve Administration Budget for July 1, 2025 through June 30, 2026
3. Approve Recognized Obligation Payment Schedule (ROPS) for July 1, 2025 through June 30, 2026

Date: December 18, 2024

4. Approve Resolution for Enforceable Obligation Loan Agreement with the City of Scotts Valley Waste Water Enterprise Fund

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5600 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

Date: December 18, 2024

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.



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MINUTES

Meeting of the
**Scotts Valley Successor Agency of the
Scotts Valley Redevelopment Agency**
Date: December 20, 2023
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
Successor Agency of the Scotts Valley Redevelopment Agency 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR https://us02web.zoom.us/j/83295730901	The agenda was posted on 12-15-2023 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at www.scottsvalley.gov .

CALL TO ORDER 6:00 PM

The Successor Agency meeting was called to order at 7:41 PM.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT: Randy Johnson, Chair Derek Timm, Vice Chair Jack Dilles, Board Member Donna Lind, Board Member Allan Timms, Board Member	CITY STAFF MEMBERS PRESENT: Mali LaGoe, Executive Director Kirsten Powell, Agency Council Cathie Simonovich, Secretary
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PUBLIC COMMENT TIME

None.

ALTERATIONS TO CONSENT AGENDA

Date: December 20, 2023

M/S: Timm/Dilles

To approve the Consent Agenda with no alterations.

Carried 5/0 (AYES: Dilles, Johnson, Lind, Timm, Timms)

CONSENT AGENDA

1. Approve Successor Agency minutes of 12-21-2022 and 08-16-2023
2. Approve Administration Budget for July 1, 2024 through June 30, 2025
3. Approve Recognized Obligation Payment Schedule (ROPS) for July 1, 2024 through June 30, 2025

ADJOURNMENT

The meeting adjourned at 7:42 PM.

Approved: _____
Randy Johnson, Chair

Attest: _____
Cathie Simonovich, Secretary

City of Scotts Valley SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY STAFF REPORT

DATE: 12/18/2024
TO: Honorable Mayor and City Council
FROM: Kendra Reed, Finance Manager
APPROVED:
SUBJECT: **Approve Administration Budget for July 1, 2025 through June 30, 2026**

SUMMARY OF ISSUE

Pursuant to HSC (California Health and Safety Code) Section 34171 (b), effective July 1, 2016, the Successor Agency must prepare a proposed administrative budget for the twelve-month fiscal period, which must also be submitted to the County Consolidated Oversight Board for approval. Each proposed administrative budget must include all of the following: (1) estimated amounts for Successor Agency administrative costs for the applicable twelve-month fiscal period; (2) proposed sources of payment for the administrative costs; and (3) proposals for arrangements for administrative and operations services provided by the City or other entity.

The Successor Agency is required to submit an Administrative Budget to the County Consolidated Oversight Board for approval and then submit the County Consolidated Oversight Board-approved Administrative Budget to the State Department of Finance, State Controller and the County Auditor-Controller no later than February 1, 2025.

The Successor Agency is also required to submit ROPS 25-26 to the County Consolidated Oversight Board for approval and then submit the County Consolidated Oversight Board-approved ROPS 25-26 to the State Department of Finance, State Controller and the County Auditor-Controller no later than February 1, 2025. Staff has prepared a ROPS 25-26 for the Successor Agency's approval at this meeting as a separate agenda item. Staff recommends that the Board approve Administrative Budget 25-26 on the same date as the Board's approval of ROPS 25-26.

A meeting of the County Consolidated Oversight Board will be held in January 2025, prior to the February 1, 2025, deadline. The administrative budget and the ROPS will be submitted to the County Consolidated Oversight Board for its approval at that meeting.

FISCAL IMPACT

Under the Redevelopment Dissolution Law, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The

Administrative Cost Allowance is defined as an amount, subject to the approval of the County Consolidated Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount shall not be more than \$250,000 for any fiscal year, unless this amount is reduced by the County Consolidated Oversight Board or by agreement with the Successor Agency. The Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS.

STAFF RECOMMENDATION

Staff recommends that the Successor Agency of the Scotts Valley Redevelopment Agency adopt Resolution No. SA-58 approving a proposed administrative budget for the twelve-month fiscal period from July 1, 2025 through June 30, 2026 and taking certain other related actions.

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1. Reso SA-58 Administrative Budget 25-26
2. FY25-26_Admin Budget

RESOLUTION NO. SA-58

**A RESOLUTION OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY
REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE
BUDGET FOR THE TWELVE-MONTH FISCAL PERIOD FROM JULY 1, 2025
THROUGH JUNE 30, 2026 AND TAKING CERTAIN RELATED ACTIONS**

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency of the Scotts Valley Redevelopment Agency (the "Successor Agency") must prepare a proposed administrative budget for each twelve-month fiscal period (commencing each July 1) and submit the proposed administrative budget to the County Consolidated Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. There has been presented to the Successor Agency Board for approval a proposed administrative budget for the Successor Agency for the twelve-month fiscal period from July 1, 2025 through June 30, 2026 ("Administrative Budget 25-26").

NOW, THEREFORE, THE BOARD OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Successor Agency Board hereby approves the proposed Administrative Budget 25-26 substantially in the form attached hereto as Exhibit A.

Section 3. The staff of the Successor Agency is hereby directed to provide the Oversight Board the attached Administrative Budget 25-26 for its consideration and approval.

Section 4. The officers of the Successor Agency Board and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

PASSED, APPROVED AND ADOPTED this 18th day of December, 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

Randy Johnson, Chair

ATTEST:

Cathie Simonovich, City Clerk

EXHIBIT A

**SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY
ADMINISTRATIVE BUDGET
(July 1, 2025 through June 30, 2026)**

SUCCESSOR AGENCY OF THE
SCOTTS VALLEY REDEVELOPMENT AGENCY

ADMINISTRATIVE BUDGET
JULY 1, 2025 TO JUNE 30, 2026

Administrative Services Provided by the City of Scotts Valley:

\$ 100,000

Including, but not limited to:

- City Staff services
- City Attorney services
- City marketing services
- Hiring of outside Legal Services
- Hiring of outside bond trustee services

Note: The above costs will be paid from the Administrative Cost Allowance.

City of Scotts Valley SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY STAFF REPORT

DATE: 12/18/2024
TO: Honorable Mayor and City Council
FROM: Kendra Reed, Finance Manager
APPROVED:
SUBJECT: **Approve Recognized Obligation Payment Schedule (ROPS) for July 1, 2025 through June 30, 2026**

SUMMARY OF ISSUE

Pursuant to California Health and Safety Code section 34177(o)(1), the City of Scotts Valley Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each twelve-month fiscal period (commencing each July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Countywide Oversight Board. Furthermore, each approved ROPS must be submitted to the State Department of Finance ("DOF") for review and approval.

The attached ROPS is due to DOF by February 1, 2025. A meeting with the Countywide Oversight Board for the Scotts Valley Redevelopment Successor Agency ROPS will be held in January 2025 for approval before submitting the ROPS to the DOF.

FISCAL IMPACT

The preparation and submittal of ROPS 25-26 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2025 to June 30, 2026.

STAFF RECOMMENDATION

Staff recommends that the Board of the Successor Agency of the Scotts Valley Redevelopment Agency adopt Resolution No. SA-59, approving the Recognized Obligation Payment Schedule for the twelve-month fiscal period from July 1, 2025 through June 30, 2026 and taking certain related actions.

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1. Reso SA-59 Approving ROPS 25-26
2. FY2526_ROPS Detail

RESOLUTION NO. SA-59

A RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE TWELVE-MONTH FISCAL PERIOD FROM JULY 1, 2025 THROUGH JUNE 30, 2026, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency of the Scotts Valley Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") for each twelve-month fiscal period (commencing each July 1) and submit a proposed ROPS to the Countywide Oversight Board for approval.

B. There has been presented to the Successor Agency Board for approval a proposed ROPS for the Successor Agency for the twelve-month fiscal period from July 1, 2025 through June 30, 2026 ("ROPS 25-26").

NOW, THEREFORE, THE BOARD OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Successor Agency Board hereby approves proposed ROPS 25-26, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to provide the Oversight Board the attached ROPS 25-26 for its consideration and approval.

Section 3. The officers and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

PASSED, APPROVED AND ADOPTED this 18th day of December, 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

Randy Johnson, Chair

ATTEST:

Cathie Simonovich, City Clerk

EXHIBIT A

**SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2025 through June 30, 2026)**

City of Scotts Valley
Recognized Obligation Payment Schedule (ROPS 25-26) - Summary
Filed for the July, 1 2025 through June 30, 2026 Period

Successor Agency: Scotts Valley
County: Santa Cruz

Current Period Requested Funding and Enforceable Obligations (ROPS Detail)	25-26A Total (July-December)	25-26B Total (January-June)	ROPS 25-26 Total
A. Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B. Bond Proceeds			
C. Reserve Balance			
D. Other Funds			
E. Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 2,658,708	\$ 261,139	\$ 2,919,847
F. RPTTF	2,608,708	211,139	2,819,847
G. Administrative RPTTF	50,000	50,000	100,000
H. Curent Period Enforceable Obligations (A+E)	\$ 2,658,708	\$ 261,139	\$ 2,919,847

Certification of Oversight Board Chairman:

Name Title

Pursuant to Section 34177 (o) 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
Successor Agency.

/s/ _____
Signature Date

City of Scotts Valley
Recognized Obligation Payment Schedule (ROPS 25-26) - ROPS Detail
July 1, 2025 through June 30, 2026

Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding
6	Loan Agreement	City/County Loan (Prior 06/28/11), Other	8/7/1980	11/27/2040	City of Scotts Valley	City Loan entered into on 8/7/80	2,942,607	-
8	Loan Agreement	City/County Loan (Prior 06/28/11), Other	7/16/2009	11/27/2040	City of Scotts Valley	Loan from Wastewater Enterprise Fund	2,366,126	1,745,270
14	Services Contract	Professional Services	3/8/2011	3/8/2030	SV Chamber of Commerce	Marketing Services	125,000	25,000
15	Rental Assistance Agreement	Miscellaneous	10/20/1999	10/20/2029	Acorn Court Apartments	Affordable Housing Rent Subsidy	349,574	64,541
16	Rental Assistance Agreement	Miscellaneous	6/7/2000	6/7/2030	Bay Tree, LLC	Affordable Housing Rent Subsidy	436,420	55,255
20	Services Agreement	Admin Costs	3/8/2011	11/27/2040	City of Scotts Valley	Administrative Services	1,400,000	100,000
27	2017 Tax Allocation Bond Series A	Bonds Issued After 12/31/10	4/1/2017	9/1/2039	Bank of New York	Bonds issued to refinance 2006 TAB and 2009 A&B Lease Revenue Bonds	11,156,784	929,781
28	2017 Tax Allocation Bond Series B	Bonds Issued After 12/31/10	4/1/2017	9/1/2039	Bank of New York	Bonds issued to refinance 2006 TAB and 2009 A&B Lease Revenue Bonds	-	-
							18,776,511.20	2,919,847.02

City of Scotts Valley
Recognized Obligation Payment Schedule (ROPS 25-26) - Report of Cash Balances
July 1, 2022 through June 30, 2023
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H
	ROPS 22-23 Cash Balances (07/01/22 - 06/30/23)	Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/22) RPTTF amount should exclude A" period distribution amount"				80,481	621,622	
2	Revenue/Income (Actual 06/30/23) RPTTF amount should tie to the ROPS 22-23 total distribution from the County Auditor-Controller					1,605,058	
3	Expenditures for ROPS 22-23 Enforceable Obligations (Actual 06/30/23)					1,081,306	
4	Retention of Available Cash Balance (Actual 06/30/23) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					638,188	
5	ROPS 22-23 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 22-23 PPA form submitted to the CAC	No entry required	No entry required	No entry required	No entry required	507,078	
6	Ending Actual Available Cash Balance (06/30/23) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	-	-	-	80,481	108	

City of Scotts Valley SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY STAFF REPORT

DATE: 12/18/2024
TO: Honorable Mayor and City Council
FROM: Stephanie Hill, Administrative Services Director
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Approve Resolution for Enforceable Obligation Loan Agreement with the City of Scotts Valley Waste Water Enterprise Fund**

SUMMARY OF ISSUE

SUMMARY OF ISSUE

The City of Scotts Valley (the City) and the Scotts Valley Redevelopment Agency (Redevelopment Agency) entered into a Cooperation Agreement on August 7, 1980, whereby the City agreed to provide "such staff assistance, supplies, technical services and other services and facilities of the City as the Agency may require in carrying out its functions under the Community Redevelopment Law." It also provided for the City to "advance necessary funds to the Agency or to expend funds on behalf of the Agency for the implementation of the redevelopment plan including, but not limited to the costs of acquisition of property within the project area, demolition and clearance of properties acquired, building and site preparation, public improvements, and relocation assistance to displaced residential and nonresidential occupants as required by law."

In accordance with the terms of the Cooperation Agreement, on July 16, 2009, the Redevelopment Agency obtained a loan from the City through the Wastewater Fund to acquire property for construction of the City's Library within the redevelopment project area (the "Loan"). The Loan was documented in an agreement ("Original Loan Agreement"), a copy of which is attached to this report as Exhibit B.

On February 1, 2012, redevelopment agencies were eliminated. As part of the winding down of the Redevelopment Agency, loan agreements between redevelopment agencies and the cities that formed them were scrutinized by the State Department of Finance and had to be approved by the State in order to be repaid. On April 26, 2012 the Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency approved a loan agreement, a copy of which is attached to this report as Exhibit C, with the Scotts Valley Wastewater Fund with the same terms as the Original Loan Agreement with the former Scotts Valley Redevelopment Agency (the "Loan Agreement"). Unfortunately, at that time, the State Department of Finance did not agree that the loan was an enforceable obligation. Since that

time, the City complied with the requirements for dissolving the Redevelopment Agency and the City received a Finding of Completion on April 3, 2013.

Pursuant to California Health & Safety Code Section 34191.4, upon a Finding of Completion, loan agreements entered into between the redevelopment agency and the city that created the redevelopment agency shall be deemed enforceable obligations if the Oversight Board makes a finding that the loan was for a legitimate redevelopment purpose. The City is now requesting that the Loan be deemed an enforceable obligation in accordance with Health & Safety Code Section 34191.4(b)(1) as the Loan was a loan from the Wastewater Enterprise Fund in the amount of \$1,600,000 for the Redevelopment Agency's acquisition of land within the redevelopment area for the purpose of building a public library. The Loan included a repayment schedule as required by Health & Safety Code Section 34191.4(b)(2)(A). On July 17, 2009, the Redevelopment Agency closed escrow on the land purchase, of which the Agency wired the title company \$1,603,682.97. As the Successor Agency Board knows, that property is now the home of the Scotts Valley Branch Library which was contemplated in the Scotts Valley Redevelopment Plan and a legitimate redevelopment purpose.

ANALYSIS

The Loan Agreement is an enforceable obligation pursuant to Health & Safety Code Section 34191.4 as it was a loan agreement between the Redevelopment Agency and the City to enable the Redevelopment Agency to purchase land which was redeveloped into the Scotts Valley Branch Library. Money was loaned to the Redevelopment Agency from the City's Wastewater Enterprise Fund and then put into escrow to pay for the property. The Loan Agreement included a repayment schedule; however, the repayment schedule will be modified to comply with the requirements of Health & Safety Code Section 34191.4. A copy of the revised repayment schedule is attached to this report as Exhibit D.

If the Loan Agreement is not determined to be an enforceable obligation, the City will be detrimentally impacted as it reasonably relied on the terms of the Loan Agreement and in good faith, loaned the money to the Redevelopment Agency to acquire the property for the City's Library which was consistent with the implementation of the Redevelopment Plan.

FISCAL IMPACT

Failure to approve could result in a loss of \$2,366,126.03 to the City of Scotts Valley.

STAFF RECOMMENDATION

It is recommended the Successor Agency Board of Directors approve Resolution SA 55.1 approving the loan agreement as an enforceable obligation.

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1. Exhibit A Successor Agency Resolution Wastewater Fund Loan
2. Exhibit B Wastewater Orig 2M 2009 Loan
3. Exhibit C Wastewater Loan Agreement_Successor Agency
4. Exhibit D Wastewater Loan Repayment Schedule

RESOLUTION NO. 55.1

RESOLUTION OF THE SUCCESSOR AGENCY BOARD OF DIRECTORS FOR THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY APPROVING LOAN AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF SCOTTS VALLEY WASTEWATER ENTERPRISE FUND UNDER HEALTH AND SAFETY CODE SECTION 34191(b)(2) FOR AB 1484 AUTHORIZED ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE EXPENDITURES

WHEREAS, in accord with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.* ("CRL"), the City Council of the City of Scotts Valley ("City") previously established the Redevelopment Agency of the City of Scotts Valley, a public body, corporate and politic ("Agency") to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved pursuant to Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess., Ch. 5) ("AB 26"), and its rights, posers, duties and obligations were transferred to a "successor agency" (as defined by CRL Section 34171) and Section 34173); and

WHEREAS, the City Council determined that the City would become the Agency's successor agency ("Successor Agency") under CRL Section 34173; and

WHEREAS, pursuant to Section 34179.7, the City received a Finding of Completion on April 3, 2013; and

WHEREAS, pursuant to Section 34191.4, upon a Finding of Completion, loan agreements entered into between the redevelopment agency and the city that created the redevelopment agency shall be deemed enforceable obligations if the Oversight Board makes a finding that the loan was for a legitimate redevelopment purpose; and

WHEREAS, on July 16, 2009, the City and Agency entered into a loan agreement, a copy of which is attached hereto as Exhibit A, with the Wastewater Enterprise Fund in the amount of \$1,600,000 for the Agency's acquisition of land within the redevelopment area for the purpose of building a public library (the "Original Loan Agreement"); and

WHEREAS, on July 17, 2009, the Agency closed escrow on the land purchase, of which the Agency wired the title company \$1,603,682.97; and

WHEREAS, the Scotts Valley Branch Library now operates in that building; and

WHEREAS, on April 26, 2012 the Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency approved a loan agreement, a copy of which is attached hereto as Exhibit C, with the Scotts Valley Wastewater Fund with the same terms as the Original Loan Agreement with the former Scotts Valley Redevelopment Agency (the “Loan Agreement”); and

WHEREAS, the City and Agency desire to approve the Original Loan Agreement as an enforceable obligation in accordance with CRL Section 34191.4 and repay the loan from the funding sources described below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Under the authority of CRL Section 34191.4(b)(2), the Successor Agency hereby approves the Original Loan Agreement, a copy of which is attached as Exhibit A.

Section 2. The Successor Agency hereby finds that the purpose of the loan was for a legitimate redevelopment purpose as it was used to convert an existing building into a branch library in the Santa Cruz County Library system.

Section 3. The Board directs the Executive Director to present the Original Loan Agreement to the Oversight Board and the State Department of Finance for approval. The Executive Director is further authorized, with the concurrence of the Successor Agency's legal counsel, to approve technical, non-substantive amendments to the Cooperation Agreement and Loan Agreement on the Successor Agency's behalf and to otherwise carry out the actions authorized by this Resolution.

Section 4. As the Original Loan was paid from the City's Wastewater Enterprise Fund, the Loan shall be repaid to the Wastewater Enterprise Fund upon the terms of the Loan Agreement, including interest allowed pursuant to CRL Section 34191.4.

PASSED AND ADOPTED by the Board of Directors of the Successor Agency of the Scotts Valley Redevelopment Agency this day of December 18, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Randy Johnson, Chairperson

ATTEST:

**AGREEMENT BETWEEN THE CITY OF SCOTTS VALLEY
AND THE REDEVELOPMENT AGENCY OF THE CITY OF SCOTTS VALLEY**

This agreement is made between the City of Scotts Valley, a Municipal Corporation ("City") and the Redevelopment Agency of the City of Scotts Valley ("Agency").

RECITALS

WHEREAS, the Agency is in need of funds for deposit into escrow pursuant to the purchase agreement dated June 3, 2009, between the Agency and the Slawinski Family Partnership for the purchase of the property at 251 Kings Village Road (APN's 022-211-31 and 022-211-80); and

WHEREAS, the Agency may be in need of additional funds for the purchase and remodeling of this property; and

WHEREAS, the City will not need the funds during the term of the loan.

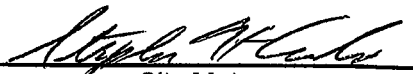
AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein, the City and the Agency agree as follows:

1. The City agrees to loan the Agency the sum of up to \$2,000,000 which shall go toward the property noted above and for any remodeling costs associated with the property.
2. Interest shall accrue on the unpaid balance of the loan at a rate equal to the earnings rate of the City investment portfolio for the previous month.
3. The Agency shall, upon receipt of this loan, repay said loan to the City with available tax increment funds in the debt service account, and such other sources as may be available for the purposes set forth herein.
4. The loan will be repaid in full no later than five years from the date of this agreement.
5. If any provision of this agreement is held invalid, the remainder of this agreement shall not be affected, thereby if such remainder would then continue to conform to the terms and requirements of California Health and Safety Code.
6. This agreement shall be effective on July 16, 2009.

IN WITNESS WHEREOF, City and Agency have caused this to be fully executed this 15th day of July, 2009.

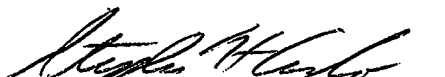
THE CITY OF SCOTTS VALLEY
A Municipal Corporation

By: 
City Manager

APPROVED AS TO FORM


City Attorney

REDEVELOPMENT AGENCY OF THE
CITY OF SCOTTS VALLEY, a body politic

By: 
Executive Director

**FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF SCOTTS VALLEY
AND THE REDEVELOPMENT AGENCY OF THE CITY OF SCOTTS VALLEY**

RECITALS

WHEREAS, the Redevelopment Agency of the City of Scotts Valley (Agency) entered into an agreement on July 16, 2009, with the City of Scotts Valley (Agreement) to borrow funds from the Wastewater Treatment Plant Capital Replacement Fund for deposit into escrow pursuant to the purchase agreement dated June 3, 2009, between the Agency and the Slawinski Family Partnership for the purchase of the property at 251 Kings Village Road (APN's 022-211-31 and 022-211-80), hereinafter referred to as the "Agreement"; and

WHEREAS, the term of the Agreement is five years; and

WHEREAS, the State of California shifted \$1,485,273 from the Agency during fiscal year 2009-10 and an additional \$305,510 during fiscal year 2010-11 to the Supplemental Educational Revenue Augmentation Fund (SERAF) in order to balance the State budget; and

WHEREAS, pursuant to State law, the Agency borrowed funds from the Low and Moderate Income Fund in order to make the two SERAF payments, however, those funds must be repaid within five years; and

WHEREAS, because of the repayment to the Low and Moderate Income Fund, the Agency will have insufficient funds to repay in accordance with the Agreement; and

WHEREAS, the Agency desires to extend the term of the Agreement and the City is willing to extend the term of the Agreement.

AGREEMENT

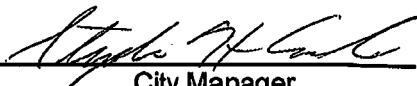
1. Section 4 of the Agreement is hereby amended to read as following:

"4. The loan will be repaid in full no later than November 27, 2040."

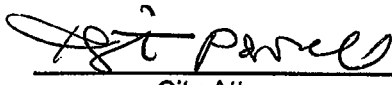
2. Except as expressly amended hereinabove, the terms of the Agreement shall remain unchanged.

IN WITNESS WHEREOF, City and Agency have caused this to be fully executed this 8th day of March, 2011.

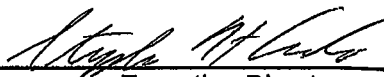
THE CITY OF SCOTTS VALLEY
A Municipal Corporation

By: 
City Manager

APPROVED AS TO FORM


City Attorney

REDEVELOPMENT AGENCY OF THE
CITY OF SCOTTS VALLEY, a body politic

By: 
Executive Director

WASTEWATER ENTERPRISE FUND LOAN REPAYMENT SCHEDULE

	Loan Activity	Loan Balance
Balance 6/30/11	1,600,000.00	1,600,000.00
Interest at .38% to 12/31/11	3,040.00	1,603,040.00
Interest at .5% to 6/30/12	4,000.00	1,607,040.00
Interest at .5% to 06/30/13	8,035.20	1,615,075.20
Interest at .5% to 06/30/14	8,075.38	1,623,150.58
Interest at .5% to 06/30/15	8,115.75	1,631,266.33
Interest at .5% to 6/30/16	8,156.33	1,639,422.66
Payment at 6/30/16	(25,000.00)	1,614,422.66
Interest at .5% to 12/31/16	4,036.06	1,618,458.72
Payment at 12/31/16	(25,000.00)	1,593,458.72
Interest at .5% to 6/30/17	3,027.57	1,596,486.29
Payment at 6/30/17	-	1,596,486.29
Interest at .5% to 12/31/17	3,991.22	1,600,477.50
Payment at 12/31/17	(425,000.00)	1,175,477.50
Interest at .5% to 6/30/18	2,233.41	1,177,710.91
Payment at 6/30/18	(450,000.00)	727,710.91
Interest at .5% to 12/31/18	1,819.28	729,530.19
Payment at 12/31/18	(300,000.00)	429,530.19
Interest at .5% to 12/31/18	1,073.83	430,604.01
Payment at 12/31/18	(300,000.00)	130,604.01
Interest at .5% to 12/31/18	326.51	130,930.52
Payment at 12/31/18	(130,930.52)	0.00
 Total Payments =	 1,655,930.52	

Note: Interest rate estimated to be one-half percent.

**AGREEMENT BETWEEN THE CITY OF SCOTTS VALLEY
AND THE SUCCESSOR AGENCY OF THE
SCOTTS VALLEY REDEVELOPMENT AGENCY**

This agreement is made between the City of Scotts Valley, a Municipal Corporation ("City") and the Successor Agency of the Scotts Valley Redevelopment Agency ("Successor Agency").

RECITALS

WHEREAS, the former Scotts Valley Redevelopment Agency ("Agency") borrowed \$1,600,000 from the Wastewater Enterprise Fund of the City on July 16, 2009; and

WHEREAS, that loan agreement was amended on March 8, 2011, to extend the term of the loan to be repaid in full no later than November 27, 2040; and

WHEREAS, redevelopment agencies were eliminated pursuant to California legislation effective February 1, 2012; and

WHEREAS, Health and Safety Code Section 34180 (h) provides for an oversight board for a successor agency to approve "a request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding;" and

WHEREAS, at their April 26, 2012, meeting, the Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency did approve the request of the Successor Agency to enter into an agreement with the Scotts Valley Wastewater Fund with the same terms as the loan with the former Scotts Valley Redevelopment Agency; and

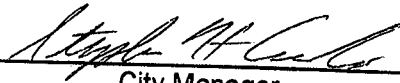
AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein, the City and the Successor Agency agree as follows:

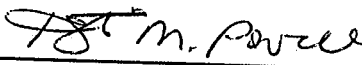
1. The Successor Agency agrees to repay the loan of the former Scotts Valley Redevelopment Agency to the City of Scotts Valley Wastewater Enterprise Fund in the sum of \$1,600,000.
2. Interest shall accrue on the unpaid balance of the loan at a rate equal to the earnings rate of the City investment portfolio for the previous month.
3. The Successor Agency shall repay said loan to the City with available property tax funds requested through future Recognized Obligation Payment Schedules.
4. The loan will be repaid per the attached repayment schedule.
5. If any provision of this agreement is held invalid, the remainder of this agreement shall not be affected, thereby if such remainder would then continue to conform to the terms and requirements of California Health and Safety Code.
6. This agreement shall be effective on May 16, 2012.

IN WITNESS WHEREOF, City and Successor Agency have caused this to be fully executed
this 16th day of May, 2012.

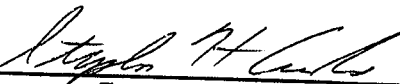
THE CITY OF SCOTTS VALLEY
A Municipal Corporation

By: 
City Manager

APPROVED AS TO FORM


City Attorney

SUCCESSOR AGENCY OF THE
SCOTTS VALLEY REDEVELOPMENT
AGENCY

By: 
Executive Director

Waterwater Enterprise Fund Loan - Successor Agency of SV RDA
Repayment Schedule - Revised Per HSC 34191.4

	Principal Balance	Loan Payment ⁽¹⁾	Simple Interest Incurred	Loan Balance	Interest Rate ⁽²⁾
7/16/2009	\$ 1,600,000		\$ 10,126.03	\$ 1,610,126.03	3%
12/31/2009	\$ 1,600,000		\$ 12,000.00	\$ 1,622,126.03	
3/31/2010	\$ 1,600,000		\$ 12,000.00	\$ 1,634,126.03	
6/30/2010	\$ 1,600,000		\$ 12,000.00	\$ 1,646,126.03	
9/30/2010	\$ 1,600,000		\$ 12,000.00	\$ 1,658,126.03	
12/31/2010	\$ 1,600,000		\$ 12,000.00	\$ 1,670,126.03	
3/31/2011	\$ 1,600,000		\$ 12,000.00	\$ 1,682,126.03	
6/30/2011	\$ 1,600,000		\$ 12,000.00	\$ 1,694,126.03	
9/30/2011	\$ 1,600,000		\$ 12,000.00	\$ 1,706,126.03	
12/31/2011	\$ 1,600,000		\$ 12,000.00	\$ 1,718,126.03	
3/31/2012	\$ 1,600,000		\$ 12,000.00	\$ 1,730,126.03	
6/30/2012	\$ 1,600,000		\$ 12,000.00	\$ 1,742,126.03	
9/30/2012	\$ 1,600,000		\$ 12,000.00	\$ 1,754,126.03	
12/31/2012	\$ 1,600,000		\$ 12,000.00	\$ 1,766,126.03	
3/31/2013	\$ 1,600,000		\$ 12,000.00	\$ 1,778,126.03	
6/30/2013	\$ 1,600,000		\$ 12,000.00	\$ 1,790,126.03	
9/30/2013	\$ 1,600,000		\$ 12,000.00	\$ 1,802,126.03	
12/31/2013	\$ 1,600,000		\$ 12,000.00	\$ 1,814,126.03	
3/31/2014	\$ 1,600,000		\$ 12,000.00	\$ 1,826,126.03	
6/30/2014	\$ 1,600,000		\$ 12,000.00	\$ 1,838,126.03	
9/30/2014	\$ 1,600,000		\$ 12,000.00	\$ 1,850,126.03	
12/31/2014	\$ 1,600,000		\$ 12,000.00	\$ 1,862,126.03	
3/31/2015	\$ 1,600,000		\$ 12,000.00	\$ 1,874,126.03	
6/30/2015	\$ 1,600,000		\$ 12,000.00	\$ 1,886,126.03	
9/30/2015	\$ 1,600,000		\$ 12,000.00	\$ 1,898,126.03	
12/31/2015	\$ 1,600,000		\$ 12,000.00	\$ 1,910,126.03	
3/31/2016	\$ 1,600,000		\$ 12,000.00	\$ 1,922,126.03	
6/30/2016	\$ 1,600,000		\$ 12,000.00	\$ 1,934,126.03	
9/30/2016	\$ 1,600,000		\$ 12,000.00	\$ 1,946,126.03	
12/31/2016	\$ 1,600,000		\$ 12,000.00	\$ 1,958,126.03	
3/31/2017	\$ 1,600,000		\$ 12,000.00	\$ 1,970,126.03	
6/30/2017	\$ 1,600,000		\$ 12,000.00	\$ 1,982,126.03	
9/30/2017	\$ 1,600,000		\$ 12,000.00	\$ 1,994,126.03	
12/31/2017	\$ 1,600,000		\$ 12,000.00	\$ 2,006,126.03	
3/31/2018	\$ 1,600,000		\$ 12,000.00	\$ 2,018,126.03	
6/30/2018	\$ 1,600,000		\$ 12,000.00	\$ 2,030,126.03	
9/30/2018	\$ 1,600,000		\$ 12,000.00	\$ 2,042,126.03	
12/31/2018	\$ 1,600,000		\$ 12,000.00	\$ 2,054,126.03	
3/31/2019	\$ 1,600,000		\$ 12,000.00	\$ 2,066,126.03	
6/30/2019	\$ 1,600,000		\$ 12,000.00	\$ 2,078,126.03	
9/30/2019	\$ 1,600,000		\$ 12,000.00	\$ 2,090,126.03	

	Principal Balance	Loan Payment ⁽¹⁾	Simple Interest Incurred	Loan Balance	Interest Rate ⁽²⁾
12/31/2019	\$ 1,600,000		\$ 12,000.00	\$ 2,102,126.03	
3/31/2020	\$ 1,600,000		\$ 12,000.00	\$ 2,114,126.03	
6/30/2020	\$ 1,600,000		\$ 12,000.00	\$ 2,126,126.03	
9/30/2020	\$ 1,600,000		\$ 12,000.00	\$ 2,138,126.03	
12/31/2020	\$ 1,600,000		\$ 12,000.00	\$ 2,150,126.03	
3/31/2021	\$ 1,600,000		\$ 12,000.00	\$ 2,162,126.03	
6/30/2021	\$ 1,600,000		\$ 12,000.00	\$ 2,174,126.03	
9/30/2021	\$ 1,600,000		\$ 12,000.00	\$ 2,186,126.03	
12/31/2021	\$ 1,600,000		\$ 12,000.00	\$ 2,198,126.03	
3/31/2022	\$ 1,600,000		\$ 12,000.00	\$ 2,210,126.03	
6/30/2022	\$ 1,600,000		\$ 12,000.00	\$ 2,222,126.03	
9/30/2022	\$ 1,600,000		\$ 12,000.00	\$ 2,234,126.03	
12/31/2022	\$ 1,600,000		\$ 12,000.00	\$ 2,246,126.03	
3/31/2023	\$ 1,600,000		\$ 12,000.00	\$ 2,258,126.03	
6/30/2023	\$ 1,600,000		\$ 12,000.00	\$ 2,270,126.03	
9/30/2023	\$ 1,600,000		\$ 12,000.00	\$ 2,282,126.03	
12/31/2023	\$ 1,600,000		\$ 12,000.00	\$ 2,294,126.03	
3/31/2024	\$ 1,600,000		\$ 12,000.00	\$ 2,306,126.03	
6/30/2024	\$ 1,600,000		\$ 12,000.00	\$ 2,318,126.03	
9/30/2024	\$ 1,600,000		\$ 12,000.00	\$ 2,330,126.03	
12/31/2024	\$ 1,600,000		\$ 12,000.00	\$ 2,342,126.03	
3/31/2025	\$ 1,600,000		\$ 12,000.00	\$ 2,354,126.03	
6/30/2025	\$ 1,600,000		\$ 12,000.00	\$ 2,366,126.03	
	\$ 1,600,000.00		\$ 766,126.03	\$ 2,366,126.03	

(1) No loan payments have been made. Expected to start with the FY25/26 ROPS cycle.

(2) Per HSC 34191.4, interest is to be recalculated from the date of origination on the unpaid principal on a quarterly basis of annual 3% simple interest.