

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE AMENDING RESOLUTION NO. 712-15, THE EXECUTIVE MORTGAGE ASSISTANCE POLICY FOR THE PROVISION OF HOUSING ASSISTANCE TO NEWLY APPOINTED CHARTER OFFICERS AND DEPARTMENT DIRECTORS (THE “EXECUTIVE MORTGAGE ASSISTANCE PROGRAM”), TO UPDATE THE INDEX USED TO SET THE INTEREST RATE ON NEW MORTGAGES

WHEREAS, the City has had a long-standing Executive Mortgage Assistance Program (the “Program”) that was initially established in 1981 and most recently amended and restated in 2015 (Resolution No. 712-15); and

WHEREAS, the Program promotes the City’s recruitment and retention goals and applies to the positions of City Manager and City Attorney, Department Directors, and Assistant and Deputy City Managers; and

WHEREAS, the interest rate index historically used to set the mortgage interest rates for the Program was historically the 11th District Cost of Funds Index (COFI); and

WHEREAS, the 11th District Cost of Funds Index was discontinued in January 2022 and has been succeeded by the Enterprise 11th District COFI Replacement Index; and

WHEREAS, the Program should be amended update the interest rate index used for the Program to the Enterprise 11th District COFI Replacement Index.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. Section 3(g) of Resolution No. 712-15 is hereby amended to read as follows:

(g) Loans shall have either a variable interest rate or a fixed interest rate. If the interest rate is fixed, the rate shall be the Enterprise 11th District COFI Replacement Index or successor index prevailing prior to making the loan. If the interest rate is variable, the initial interest rate shall be the Enterprise 11th District COFI Replacement Index or successor index prevailing prior to making the loan. The interest rate on variable interest rate loans shall be adjusted annually based upon changes in the index existing on the anniversary date of the loan; provided that any annual adjustment, whether increase or decrease, shall not exceed one half of one percent in any single year; and proved further that no adjusted rate shall vary from the initial interest rate by more than four percent. In no event shall any loan, whether at fixed or variable interest rate, exceed ninety five percent (95%) of the appraised

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value the property as determined by a City-selected appraiser, or be for a term exceeding 45 years.

2. All other provisions of Resolution No. 712-15, as amended, shall remain in full force and effect.

Adopted by the City Council at a regular meeting held on September 26, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:
RECUSAL:

ATTEST:

APPROVED:

DAVID CARNAHAN
City Clerk
(SEAL)

LARRY KLEIN
Mayor

APPROVED AS TO FORM:

JOHN A. NAGEL
City Attorney