

SUCCESSOR AGENCY
RESOLUTION NO. _____

**A RESOLUTION OF THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY OF THE CITY OF
SAN JOSE AUTHORIZING THE CHIEF FINANCIAL
OFFICER TO THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY TO WRITE OFF
UNCOLLECTABLE SMALL BUSINESS LOANS IN AN
AMOUNT NOT TO EXCEED \$119,919.90**

WHEREAS, on June 25, 2002, the former Redevelopment Agency approved the Small Business Loan Program (“SBLP”) to promote and maintain small businesses in San José redevelopment project areas, which helped increase sales tax revenues and generated jobs in redevelopment project areas; and

WHEREAS, the SBLP made thirty loans totaling \$1.2 million, of which twenty-four have been paid in full and six have been in default for several years; and

WHEREAS, Successor Agency and City staff made various efforts to collect on the delinquent accounts; and

WHEREAS, as accounts are considered for write-off, the following criteria is followed to determine if an account should be written off as a bad debt:

- Debtor has no assets; out of business or has no indication of future assets;
- Debtor has filed bankruptcy;
- Debtor has “skipped”, moved or sold property and has no forwarding information; or
- Statute of limitations has expired; and

WHEREAS, Successor Agency staff recommends that the SBLP balances be written off since all collection efforts have been exhausted and unsuccessful and

to facilitate accurate maintenance of the Successor Agency's book of accounts;
and

WHEREAS, should new information arise that changes the collectability of the SBLP claims, the Successor Agency may attempt to collect payment;

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE that:

The Chief Financial Officer to the Successor Agency is authorized to write off the uncollectable small business loans listed in an amount not to exceed \$119,919.90, as described in Attachment A.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Chairperson

ATTEST:

TONI J. TABER, CMC
Secretary

**Attachment A - Successor Agency to the Redevelopment Agency of the City of San Jose
Proposed Write-off of Uncollectable Small Business Loan Account Balances**

Borrower	Payment Term	Loan Amount	Balance as of May 15, 2018	Justification for Write-off
Tee Nee Thai Cuisine, Inc.	12/1/09 - 11/30/14	\$ 50,000.00	\$ 9,721.74	Filed Small Claims action against the owners to regain the unpaid balance. The commissioner found in favor of the owners. Criteria: Court ruling
Ngan's Tailoring	12/1/02 - 1/1/13	\$ 20,000.00	\$ 884.10	Initial collection attempts by Finance Staff then by collection agency staff. Criteria: Out of statute
Zanotto's Downtown Market	4/1/10 - 2/1/14	\$ 15,363.00	\$ 16,140.86	Made six visits, sent letters, but the owners were never in the store nor responded to letters. Process server made many attempts to serve court papers, but was unsuccessful. Criteria: "Skip" - unable to locate responsible person.
Hally K. Ono Café	3/1/09 - 1/31/19	\$ 40,000.00	\$ 39,420.68	Business closed and Collection Agency was unable to locate business owners and therefore no assets were able to be recovered. Criteria: "Skip" - sold property and has no forwarding information.
Subway Sandwich #2	2/1/07 - 6/30/12	\$ 40,000.00	\$ 3,771.44	Initial collection attempts by Finance Staff then by collection agency staff. Criteria: Out of statute
House of Siam	12/1/09 - 11/30/14	\$ 50,000.00	\$ 49,981.08	Bankruptcy filed Jan. 2012; and SARA filed claim March 2012. Bankruptcy Trustee designated debt as unsecured and the restaurant closed June 2014. Criteria: Bankruptcy
		\$ 215,363.00	\$ 119,919.90	