

# Orange Countywide Oversight Board

Date: 9/18/2018

Agenda Item No. 9E

From: Successor Agency to the Santa Ana Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)

Recommended Action:

Approve resolution approving amendment to FY 2018/19 ROPS for the Santa Ana Successor Agency

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The Santa Ana Successor Agency requests approval of the Amended Recognized Obligation Payment Schedule (ROPS) 18-19B for the second half of Fiscal Year 2018-19. The annual ROPS for the July 1, 2018 – June 30, 2019 period (18-19) was submitted to the California State Department of Finance (“DOF”) by the statutory deadline of February 1, 2018, with the required approval of the local Oversight Board. DOF issued its final determination letter regarding ROPS 18-19 on May 17, 2018 and the County Auditor-Controller distributed funds for the “A” period (July 1, 2018 – December 31, 2018) from the Redevelopment Property Tax Trust Fund (“RPTTF”) on May 29, 2018.

During the preparation and submission of the ROPS 18-19, it was anticipated that an outstanding obligation pursuant to a disposition and development agreement with an affordable housing developer would be completed by the end of the 17-18 period (June 30, 2018). Therefore, line item 70 of the ROPS regarding this obligation was “retired” for the ROPS 18-19 period. Due to various delays, the outstanding obligation was not completed nor paid by the June 30<sup>th</sup> date and the obligation remains unpaid.

The developer is expected to complete the final steps necessary to qualify for the total \$250,000 fee during the “A” period of the ROPS. This fee is the \$50,000 developer fee per affordable unit for the last five units of the development project. DOF has issued an amended ROPS 18-19B template for successor agencies if amendments are necessary for payment of approved enforceable obligations during the second half of the ROPS period, pursuant to Health and Safety Code section 34177 (o)(1)(E). DOF has reactivated line item 70 on the ROPS per staff’s request and directed Successor Agency staff to amend it to enable the payment of the obligation during the “B” period (January 1, 2019 to June 30, 2019). The developer has agreed to receive payment during the month of January 2019 (“B” period).

The Santa Ana Successor Agency adopted a resolution approving the Amended ROPS 18-19B at its meeting on September 4, 2018 (Attachment 2).

Impact on Taxing Entities

There is no fiscal impact on taxing entities as a result of this action. Funds were previously allocated to the Santa Ana Successor Agency for this obligation and the Amended ROPS proposes to expend the funds from the current Reserve Balance.

Attachments

1. Proposed Orange Countywide Oversight Board Resolution
  - a. Exhibit A – Amended ROPS 18-19B
2. Successor Agency Resolution 2018-002
  - a. Exhibit A – Amended ROPS 18-19B

RESOLUTION NO. 2018-\_\_\_\_

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE SANTA ANA REDEVELOPMENT AGENCY APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 18-19B FOR THE PERIOD OF JANUARY 1, 2019 TO JUNE 30, 2019 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(o)(1)(E), AND PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE (“DISSOLUTION ACT”)

WHEREAS, on January 9, 2012, pursuant to section 34173 of the California Health & Safety Code, the City of Santa Ana (“City”) elected to serve as the Successor Agency for the dissolved Community Redevelopment Agency (“Agency”) of the City of Santa Ana and selected the Housing Authority of the City of Santa Ana to act as “Successor Housing Agency;” and

WHEREAS, the Santa Ana City Council serves as the governing body of the Successor Agency under the Dissolution Act, as amended by AB 1484, AB 471, and SB 107, to administer the enforceable obligations of the Agency and otherwise unwind the Agency’s affairs; and

WHEREAS, SB 107 revised the timeline for the preparation of the required Recognized Obligation Payment Schedule (ROPS) from each six-month period to a one-year period beginning July 1, 2016; and

WHEREAS, the Successor Agency received and filed the ROPS for the 18-19 period, upon review and approval by the Oversight Board on January 29, 2018 and submitted it to the Department of Finance (DOF) and other required entities by the February 1, 2018 deadline. DOF issued its preliminary decision letter regarding ROPS 18-19 on April 13, 2018, and then subsequently issued its final determination letter on May 17, 2018 after a Meet and Confer session requested by Santa Ana; and

WHEREAS, Section 34177(o)(1)(E) authorizes that “[o]nce per period, and no later than October 1, a successor agency may submit one amendment to the [ROPS] approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the [ROPS] period, which shall be defined as January 1 to June 30, inclusive. A successor agency may only amend the amount requested for payment of approved enforceable obligations. The revised [ROPS] shall be approved by the oversight board and submitted to the department by electronic means in a manner of the department’s choosing. The department shall notify the successor agency and the county auditor-controller as to the outcome of the department’s review at least 15 days before the date of the property tax distribution;” and

WHEREAS, during the preparation and submission of the ROPS 18-19, it was anticipated that an outstanding obligation pursuant to a disposition and development agreement with an affordable housing developer would be completed by the end of the ROPS 17-18 period (June 30, 2018), and hence, line item 70 regarding this obligation was “retired” for the ROPS 18-19 period.

Due to various delays, the outstanding obligation was not completed nor paid by the June 30, 2018 date and the obligation remains unpaid.

A. DOF added line item 70 back into the Amended ROPS 18-19B template for Santa Ana to amend the ROPS for the January 1, 2019 through June 30, 2019 “B” fiscal period to enable the Successor Agency to fulfill its payment obligation in the amount of \$250,000.

B. Successor Agency staff prepared the Amended ROPS 18-19B with modifications to the “B” fiscal period of January 1, 2019 to June 30, 2019 as to line item 70.

C. The Successor Agency adopted a resolution approving the Amended ROPS 18-19B on September 4, 2018.

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD does hereby resolve as follows:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. The Orange Countywide Oversight Board approves the Amended Recognized Obligation Payment Schedule 18-19B, attached hereto as Exhibit A and incorporated herein by this reference, determines that the amendment is necessary to pay an enforceable obligation in the ROPS 18-19B period, and authorizes the submission to the County of Orange and Department of Finance for review and approval.

Section 3. Pursuant to the Dissolution Act, the Orange Countywide Oversight Board further authorizes the transmittal of the Amended ROPS 18-19B to DOF with copies to the County Executive Officer, the County Auditor-Controller, and the State Controller’s Office.

Section 4. The City Manager of the City of Santa Ana, or his/her designee (“City Manager”), is directed to post on the City’s website the Amended ROPS 18-19B in the manner required by law.

Section 5. The City Manager of the City of Santa Ana and/or the Executive Director of Community Development for the City of Santa Ana, or their respective designees, as delegated officials of the City acting as Successor Agency, are authorized to make or accept any augmentation, modification, additions, or revisions to the ROPS as may be necessary and appropriate in their reasonable discretion, based on review or communications from the State Department of Finance or County of Orange.

Section 6. This Resolution shall take effect immediately upon its adoption by the Orange Countywide Oversight Board, and the Clerk of the Board shall attest to and certify the vote adopting of this Resolution.

Amended Recognized Obligation Payment Schedule (ROPS 18-19B) - Summary

Filed for the January 1, 2019 through June 30, 2019 Period

Successor Agency:		Santa Ana		
County:		Orange		
Current Period Requested Funding for Enforceable Obligations (ROPS Detail)				
		ROPS 18-19B	ROPS 18-19B	ROPS 18-19B
		Authorized Amounts	Requested Adjustments	Amended Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 113,235	\$ 250,000	\$ 363,235
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	250,000	250,000
D	Other Funds	113,235	-	113,235
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 2,633,098	\$ -	\$ 2,633,098
F	RPTTF	2,505,727	-	2,505,727
G	Administrative RPTTF	127,371	-	127,371
H	Current Period Enforceable Obligations (A+E):	\$ 2,746,333	\$ 250,000	\$ 2,996,333

Certification of Oversight Board Chairman:  
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.

_____ Name	_____ Title
/s/ _____ Signature	_____ Date

Item #	Project Name/Dist Obligation	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS				REQUESTED ADJUSTMENTS				Notes		
				Fund Sources				Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	Bond Proceeds	Reserve Balance		Other Funds	RPTTF
1	2011 Tax Allocation Bonds Series A	Bonds Issued After 12/31/10	\$ 140,270,334	-	-	\$ 113,235	\$ 2,596,727	\$ 127,371	\$ 2,746,333	-	\$ 260,000	-	\$ 260,000	
2	2011 Tax Allocation Bonds Series A	Fees	\$ 92,269,728	-	-	-	2,056,175	-	\$ 2,056,175	-	\$ -	-	\$ -	
3	2011 Tax Allocation Bonds Series A	Fees	\$ 28,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
4	2011 Tax Allocation Bonds Series A	Fees	\$ 28,600	-	-	-	2,600	-	\$ 2,600	-	\$ -	-	\$ -	
5	2003 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	\$ 17,625,663	-	-	-	276,462	-	\$ 276,462	-	\$ -	-	\$ -	
6	2003 Tax Allocation Bonds Series A	Fees	\$ 40,500	-	-	-	725	-	\$ 725	-	\$ -	-	\$ -	
7	2003 Tax Allocation Bonds Series A	Fees	\$ 39,250	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
8	2003 Tax Allocation Bonds Series A	Fees	\$ 35,000	-	-	-	2,500	-	\$ 2,500	-	\$ -	-	\$ -	
9	2003 Tax Allocation Bonds Series B	Bonds Issued On or Before 12/31/10	\$ 5,783,625	-	-	-	70,500	-	\$ 70,500	-	\$ -	-	\$ -	
10	2003 Tax Allocation Bonds Series B	Fees	\$ 4,500	-	-	-	725	-	\$ 725	-	\$ -	-	\$ -	
11	2003 Tax Allocation Bonds Series B	Fees	\$ 3,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
12	2003 Tax Allocation Bonds Series B	Fees	\$ 5,000	-	-	-	2,500	-	\$ 2,500	-	\$ -	-	\$ -	
21	Housing Loan for ERAF FY 08-10	SERAF/ERAF	\$ 532,601	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
28	DDA - Spaymore Parking Concept	OPAC/DDA/Construction	\$ 1,965,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
30	Erickson Lease Agreement - Honda	Business Incentive	\$ 2,151,473	-	-	113,235	90,000	-	\$ 90,000	-	\$ -	-	\$ -	
33	Off Site Improvements (Neusil)	Agreement/Infrastructure	\$ 5,000,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
34	Project Costs for Item #63	Project Management Costs	\$ 122,250	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
38	SA Venture Partnership & Other MainPlace	OPAC/DDA/Construction	\$ 1,000,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
39	Agreements for Item #63	Project Management Costs	\$ 100,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
37	DDA - Discovery Sciences Center	OPAC/DDA/Construction	\$ 189,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
43	Downtown Parking Structure Improvements	Improvement/Infrastructure	\$ 5,831,789	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
50	Aqml for Financial Consulting Services	Professional Services	\$ 100,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
62	Audited Financial Statements / Due Diligence	Professional Services	\$ 375,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
63	Employee Pension Liability	Unfunded Liabilities	\$ 736,732	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
64	Other Pre-Employment Benefits (OPEB)	Unfunded Liabilities	\$ 321,236	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
68	Actuarial Study	Unfunded Liabilities	\$ 70,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
90	Successor Agency Admin	Other Costs	\$ 4,225,328	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
71	Project Costs for Item #70	Project Management Costs	\$ -	-	-	-	-	-	\$ -	-	\$ 250,000	-	\$ 250,000	Developer fee for final 5 units
119	Employee Layoff/Termination Payment Obligation	Unfunded Liabilities	\$ 228,029	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	
129	Housing Entry Administrative Cost Allowance	Housing Entry Admin Cost	\$ 600,000	-	-	-	-	-	\$ -	-	\$ -	-	\$ -	

SUCCESSOR AGENCY RESOLUTION NO. 2018-002

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA APPROVING AN AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 18-19B FOR THE PERIOD OF JANUARY 1, 2019 TO JUNE 30, 2019 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(o)(1)(E), AND PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE ("DISSOLUTION ACT")

BE IT RESOLVED BY THE MEMBERS OF THE SUCCESSOR AGENCY OF THE CITY OF SANTA ANA, AS FOLLOWS:

Section 1. The City Council of Santa Ana, acting as Successor Agency, conclusively finds, determines and declares as follows:

- A. On January 9, 2012, pursuant to section 34173 of the California Health & Safety Code, the City of Santa Ana ("City") elected to serve as the Successor Agency for the dissolved Community Redevelopment Agency ("Agency") of the City of Santa Ana and selected the Housing Authority of the City of Santa Ana to act as "Successor Housing Agency."
- B. The City Council serves as the governing body of the Successor Agency under the Dissolution Act, as amended by AB 1484, AB 471, and SB 107, to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs.
- C. SB 107 revised the timeline for the preparation of the required Recognized Obligation Payment Schedule (ROPS) from each six-month period to a one-year period beginning July 1, 2016.
- D. The Successor Agency received and filed the ROPS for the 18-19 period, upon review and approval by the Oversight Board on January 29, 2018 and submitted it to the Department of Finance (DOF) and other required entities by the February 1, 2018 deadline. DOF issued its preliminary decision letter regarding ROPS 18-19 on April 13, 2018, and then subsequently issued its final determination letter on May 17, 2018 after a Meet and Confer session requested by Santa Ana.
- E. Section 34177(o)(1)(E) authorizes that "[o]nce per period, and no later than October 1, a successor agency may submit one amendment to the [ROPS] approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the [ROPS] period, which shall be defined as January 1 to June 30, inclusive. A successor agency may

only amend the amount requested for payment of approved enforceable obligations. The revised [ROPS] shall be approved by the oversight board and submitted to the department by electronic means in a manner of the department's choosing. The department shall notify the successor agency and the county auditor-controller as to the outcome of the department's review at least 15 days before the date of the property tax distribution."

- F. During the preparation and submission of the ROPS 18-19, it was anticipated that an outstanding obligation pursuant to a disposition and development agreement with an affordable housing developer would be completed by the end of the ROPS 17-18 period (June 30, 2018), and hence, line item 70 regarding this obligation was "retired" for the ROPS 18-19 period. Due to various delays, the outstanding obligation was not completed nor paid by the June 30, 2018 date and the obligation remains unpaid.
- G. DOF added line item 70 back into the Amended ROPS 18-19B template for Santa Ana to amend the ROPS for the January 1, 2019 through June 30, 2019 "B" fiscal period to enable the Successor Agency to fulfill its payment obligation in the amount of \$250,000.
- H. Successor Agency staff has prepared the Amended ROPS 18-19B with modifications to the "B" fiscal period of January 1, 2019 to June 30, 2019 as to line item 70.

Section 2. The Successor Agency approves the Amended Recognized Obligation Payment Schedule 18-19B, attached hereto as Exhibit A and incorporated herein by this reference, determines that the amendment is necessary to pay an enforceable obligation in the ROPS 18-19B period, and authorizes the submission to the County of Orange and Orange Countywide Oversight Board for review and approval.

Section 3. Pursuant to the Dissolution Act, the Successor Agency further authorizes the transmittal of the Amended ROPS 18-19B, upon subsequent Orange Countywide Oversight Board approval, to DOF with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

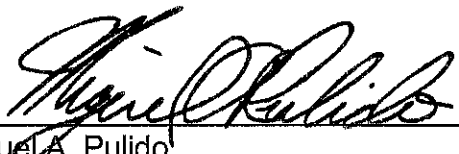
Section 4. The City Manager, or his/her designee ("City Manager"), is directed to post on the City's website the Amended ROPS 18-19B in the manner required by law.

Section 5. The City Manager and/or the Executive Director of Community Development, or their respective designees, as delegated officials of the City acting as Successor Agency, are authorized to make or accept any augmentation, modification, additions, or revisions to the ROPS as may be necessary and appropriate in their reasonable discretion, based on review or communications from the Orange Countywide Oversight Board, the State Department of Finance or County of Orange.

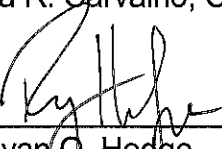
Section 6. This Resolution shall take effect immediately upon its adoption by the Successor Agency, and the Clerk of the Council shall attest to and certify the vote

adopting of this Resolution.

ADOPTED this 4<sup>th</sup> day of September, 2018

  
\_\_\_\_\_  
Miguel A. Pulido  
Mayor

APPROVED AS TO FORM:  
Sonia R. Carvalho, City Attorney

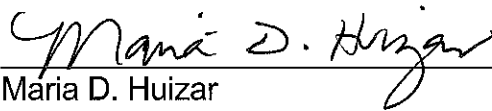
By:   
\_\_\_\_\_  
Ryan O. Hodge  
Assistant City Attorney

AYES:	Councilmembers	<u>Benavides, Martinez, Pulido, Solorio,</u> <u>Tinajero Villegas (6)</u>
NOES:	Councilmembers	<u>None (0)</u>
ABSTAIN:	Councilmembers	<u>None (0)</u>
NOT PRESENT:	Councilmembers	<u>Sarmiento (1)</u>

#### CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, MARIA D. HUIZAR, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2018-002 to be the original resolution adopted by the City Council acting as the Successor Agency on September 4<sup>th</sup>, 2018

Date: 9/6/2018

  
\_\_\_\_\_  
Maria D. Huizar  
Clerk of the Council  
City of Santa Ana



**Amended Recognized Obligation Payment Schedule (ROPS 18-19B) - Summary**  
Filed for the January 1, 2019 through June 30, 2019 Period

Successor Agency: Santa Ana  
County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)					ROPS 18-19B		ROPS 18-19B		ROPS 18-19B	
					Authorized Amounts	Requested Adjustments	Amended Total			
A	Enforceable Obligations Funded as Follows (B+C+D):				\$	113,235	\$	250,000	\$	363,235
B	Bond Proceeds					-		-		-
C	Reserve Balance					-		250,000		250,000
D	Other Funds					113,235		-		113,235
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):				\$	2,633,098	\$	-	\$	2,633,098
F	RPTTF					2,505,727		-		2,505,727
G	Administrative RPTTF					127,371		-		127,371
H	Current Period Enforceable Obligations (A+E):				\$	2,746,333	\$	250,000	\$	2,996,333

Certification of Oversight Board Chairman:  
Pursuant to Section 34177 (c) 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.

_____ Name	_____ Title
/s/	
_____ Signature	_____ Date

**EXHIBIT A**

[illegible]