

## Orange Countywide Oversight Board

Date: 1/21/2020

Agenda Item No. 4A

From: Successor Agency to the Fountain Valley Agency for Community Development

Subject: Resolution of the Countywide Oversight Board Approving the Fountain Valley Recognized Obligation Payment Schedule (ROPS) 20-21 A-B

### Recommended Action:

Adopt resolution approving the Fountain Valley Successor Agency Recognized Obligation Payment Schedule for the 20-21 A-B Fiscal Period of July 1, 2020 to June 30, 2021 (“ROPS 20-21 A-B”) and Administrative Budget for Fiscal Year 20-21

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The Successor Agency to the Fountain Valley Agency for Community Development (“Successor Agency”) requests approval of its Recognized Obligation Payment Schedule for the 20-21 A-B annual fiscal period of July 1, 2020 to June 30, 2021 (“ROPS 20-21 A-B”) and approval of the administrative budget for Fiscal Year 20-21 (“FY 20-21”), subject to submittal to and review by the State Department of Finance (“DOF”).

Under Section 34171(h), the ROPS is “the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each fiscal year as provided in subdivision (o) of Section 34177.” Under the mandatory dates in the Dissolution Law, the Successor Agency must submit a copy of the ROPS 20-21 A-B, after approval from the Orange Countywide Oversight Board (“Oversight Board”), and transmittal to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), State Controller’s Office (“SCO”), and DOF by February 1, 2020.

The ROPS 20-21 A-B contains many of the same enforceable obligations listed on the ROPS 19-20 A-B. There are no new line items on the ROPS 20-21 A-B, which include:

- *Owner Participation Agreement - Fry’s (Line Item 6):* Item 6 is an enforceable obligation pursuant to an Owner Participation Agreement with Fry’s Electronics, Inc. entered into prior to dissolution;
- *Palm Island Development Agreement (Line Item 9):* Item 9 is an enforceable obligation pursuant to an Owner Participation Agreement with Fountain Valley Senior Housing, LLC entered into prior to dissolution;
- *Successor Agency Administration (Line Item 10):* The administrative allowance is limited to the greater of \$250,000 per year, or three percent (3%) of the Redevelopment Property Tax Trust Fund (“RPTTF”) distributed in the prior fiscal year, excluding the administrative allowance and any City/Former Agency loan repayments. However, under Section 34171(b)(4) the administrative allowance cannot exceed 50 percent (50%) of RPTTF distributed in the prior fiscal year, excluding the administrative allowance and any City/Former Agency loan repayments. In the ROPS 19-20 A-B period, the Successor Agency received \$96,896 of RPTTF, excluding all administrative allowance. Under Section 34171(b)(4), the maximum RPTTF that can be distributed in ROPS 20-21 A-B is \$48,448. The Successor Agency has reevaluated the administrative resources necessary during FY 20-21 for the continued wind-down of the affairs of the former Fountain Valley Agency for Community Development (“Former Agency”). Therefore, the administrative cost allowance

requested for ROPS 20-21 A-B is \$14,283, which is approximately 69% lower than the allowance approved in FY 2019-20 and \$34,165 less than the amount under the Dissolution Law for FY 2020-21. It should be noted that the Draft Administrative Budget for 2020-21 was submitted to the Oversight Board on September 26, 2019 for discussion and a straw vote. No changes have been made to the Administrative Budget that was provided to the Oversight Board in September 2019.

- The Successor Agency adopted a resolution (copy attached) approving the ROPS 20-21 A-B and FY 20-21 administrative budget at its meeting on December 17, 2019. After review and action by this Oversight Board, if approved, then Successor Agency staff will transmit ROPS 20-21 A-B to the DOF, with copies to the CEO, CAC, and SCO. Upon receipt of an oversight board-approved ROPS, DOF has 45 days to make its determination of the enforceable obligations, including amounts and funding sources. Within five business days of DOF's determination, the Successor Agency may request additional review and an opportunity to meet and confer on disputed items. DOF has until 15 days prior to the date for property tax distribution to make its final decision after the meet and confer. The RPTTF distribution dates for the ROPS 20-21A period and 20-21B period are on or about June 1, 2020 and January 2, 2021, respectively.

#### Impact on Taxing Entities

The proposed ROPS 20-21 A-B will reduce the RPTTF distribution to all other taxing entities by \$114,283 in the 20-21 A period and by \$150,000 in the 20-21 B period.

#### Staff Contact

Jason Al-Imam, Finance Director  
[jason.alimam@fountainvalley.org](mailto:jason.alimam@fountainvalley.org)

#### Attachments

1. Orange Countywide Oversight Board Resolution Approving the ROPS 20-21
2. Exhibit A: Recognized Obligation Payment Schedule 20-21 A-B
3. Exhibit B: Fiscal Year 20-21 Administrative Budget
4. Successor Agency Resolution Approving ROPS 20-21 A-B

Resolution No. 20-\_\_\_\_

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD, WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2020 TO JUNE 30, 2021, INCLUDING THE FY 20-21 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

WHEREAS, the Fountain Valley Agency for Community Development (“Former Agency”) was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Fountain Valley (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to the Fountain Valley Agency for Community Development (“Successor Agency”) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

WHEREAS, pursuant to Section 34179(j) of the Dissolution Law, in every California county there shall be only one oversight board that is staffed by the county’s auditor-controller; and

WHEREAS, as of and after July 1, 2018, the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency and all other successor agencies in Orange County; and

WHEREAS, every oversight board, both the prior local oversight board and this Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

WHEREAS, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the

Oversight Board before final review and approval by the State Department of Finance (“DOF”); and

WHEREAS, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 20-21 A-B fiscal period of July 1, 2020 to June 30, 2021 (“ROPS 20-21 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2020; and

WHEREAS, the ROPS 20-21, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 20-21 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

WHEREAS, the Oversight Board held a regular meeting on January 21, 2020; and

WHEREAS, the Oversight Board has reviewed and considered the Successor Agency’s ROPS 20-21 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 20-21 A-B to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (“SCO”) as required under the Dissolution Law;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

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

Section 2. The Oversight Board hereby approves ROPS 20-21 A-B submitted therewith and incorporated by this reference, including the FY 20-21 administrative budget included herewith.

Section 3. The Oversight Board authorizes transmittal of the ROPS 20-21 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

Section 4. The City of Fountain Valley’s Finance Director/Treasurer or his authorized designee is directed to post this Resolution, including the ROPS 20-21 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

Section 5. Under Section 34179(h), written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The Orange Countywide Oversight Board’s action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

Section 6. The Clerk of the Board shall certify to the adoption of this Resolution.

EXHIBIT A

SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY  
DEVELOPMENT RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 A-B

**Recognized Obligation Payment Schedule (ROPS 20-21) - Summary**  
**Filed for the July 1, 2020 through June 30, 2021 Period**

**Successor Agency:** Fountain Valley  
**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>20-21A Total (July - December)</b>	<b>20-21B Total (January - June)</b>	<b>ROPS 20-21 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	\$ 114,283	\$ 150,000	\$ 264,283
F RPTTF	100,000	150,000	250,000
G Administrative RPTTF	14,283	-	14,283
<b>H Current Period Enforceable Obligations (A+E)</b>	\$ 114,283	\$ 150,000	\$ 264,283

**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

**Fountain Valley**  
**Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail**  
**July 1, 2020 through June 30, 2021**

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 20-21 Total	L ROPS 20-21A (Jul - Dec)					Q 20-21A Total	R ROPS 20-21B (Jan - Jun)					W 20-21B Total	
											M Fund Sources						S Fund Sources						
											N Bond Proceeds	O Reserve Balance	P Other Funds	R RPTTF	T Admin RPTTF		S Bond Proceeds	T Reserve Balance	U Other Funds	V RPTTF	W Admin RPTTF		
6	OPA - Fry's	OPA/DDA/ Construction	07/08/1993	07/14/2025	Fry's Electronics Inc.	Assistance for development of site	Industrial Area	2,665,000	N	\$264,283	\$-	\$-	\$-	\$100,000	\$14,283	\$114,283	\$-	\$-	\$-	\$150,000	-	\$150,000	
9	Palm Island Dev. Agreement	OPA/DDA/ Construction	02/02/1999	11/16/2026	Fountain Valley Senior Housing, LLC	Financial assistance for retirement community	Industrial Area	800,000	N	\$100,000	-	-	-	100,000	-	\$100,000	-	-	-	-	-	-	\$-
10	Successor Agency Administration	Admin Costs	02/01/2012	11/16/2026	City, Attorneys, Consultants	Salary, benefits, insurance, contract services	Industrial Area	2,043,989	N	\$14,283	-	-	-	-	14,283	\$14,283	-	-	-	-	-	-	\$-
18	Housing Successor Entity Administrative Cost Allowance	Housing Entity Admin Cost	07/01/2015	06/30/2016	Housing Successor Entity	Administrative costs of the Housing Successor Entity	Industrial Area	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-

Fountain Valley  
 Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances  
 July 1, 2018 through June 30, 2019  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	Fund Sources				Comments	
		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 07/01/18) RPTTF amount should exclude "A" period distribution amount.	-	-	257,978	22,750	253,104	
2	Revenue/Income (Actual 06/30/19) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller	-	-	-	-	577,250	
3	Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)	-	-	-	22,750	294,783	
4	Retention of Available Cash Balance (Actual 06/30/19) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	-	-	257,978	-	-	
5	ROPS 18-19 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC			<b>No entry required</b>		282,467	
6	Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$253,104	

**Fountain Valley  
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes  
July 1, 2020 through June 30, 2021**

<b>Item #</b>	<b>Notes/Comments</b>
6	
9	
10	
18	

**EXHIBIT B**

**SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY  
DEVELOPMENT FISCAL YEAR 20-21 ADMINISTRATIVE BUDGET**

**SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT  
ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2020-21**

<b>DIRECT PERSONNEL COSTS</b>						
<b>Employee Classification</b>	<b>Department</b>	<b>Annual Cost of Salaries &amp; Benefits</b>	<b>Hourly Rate</b>	<b>Successor Agency Hours</b>	<b>Administrative Allocation</b>	
					<b>% Percentage</b>	<b>\$ Amount</b>
Finance Director	Finance	\$228,845	\$110.02	14	0.67%	\$1,540
Accounting Manager	Finance	150,287	72.25	32	1.54%	2,312
Budget Analyst	Finance	138,384	66.53	14	0.67%	931
<b>TOTAL DIRECT PERSONNEL COSTS</b>						<b>4,783</b>
<b>Primary Responsibilities:</b>						
<ul style="list-style-type: none"> <li>• Process payments for enforceable obligations</li> <li>• Maintain documentation of Agency financial and other records</li> <li>• Coordinate with consultant to answer questions and provide documentation as requested by Oversight Board, County Auditor-Controller, and Department of Finance</li> <li>• Coordinate with auditors to audit the Successor Agency</li> <li>• Coordinate and hold Successor Agency meetings</li> <li>• Prepare staff reports, resolutions and the administrative budget</li> </ul>						
<b>OTHER DIRECT COSTS</b>						
<b>Contract Services</b>						<b>3,000</b>
<b>Primary Responsibilities:</b>						
<ul style="list-style-type: none"> <li>• Prepare ROPS and PPA</li> <li>• Coordinate with and answer questions for the Oversight Board, County Auditor-Controller, and Department of Finance</li> <li>• Monitor and project cash flow to ensure sufficient revenues for obligations and inform Agency staff of expected revenues</li> </ul>						
<b>Successor Agency Audit Services</b>						<b>3,000</b>
<b>Primary Responsibilities:</b>						
<ul style="list-style-type: none"> <li>• Audit the Successor Agency's financial statements, which is performed by an independent certified public accounting firm in accordance with <i>generally accepted auditing standards</i> and the standards applicable to financial audits contained in <i>Government Auditing Standards</i>, issued by the Comptroller General of the United States</li> </ul>						
<b>Successor Agency Legal Services</b>						<b>3,500</b>
<b>Primary Responsibilities:</b>						
<ul style="list-style-type: none"> <li>• Review staff reports and resolutions</li> <li>• Provide legal services as needed</li> </ul>						
<b>TOTAL OTHER DIRECT COSTS</b>						<b>9,500</b>
<b>TOTAL ADMINISTRATIVE BUDGET</b>						<b>\$14,283</b>

**SUCCESSOR AGENCY RESOLUTION NO. 26**

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2020 TO JUNE 30, 2021, INCLUDING THE FY 20-21 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD AND THE STATE DEPARTMENT OF FINANCE PURSUANT TO DISSOLUTION LAW; AUTHORIZING THE POSTING AND TRANSMITTAL THEREOF**

**WHEREAS**, the Fountain Valley Agency for Community Development ("Former Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code ("HSC") Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Fountain Valley ("City"); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation, and most recently by Senate Bill 107 (together, the "Dissolution Law"); and

**WHEREAS**, as of February 1, 2012 the Former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to the Fountain Valley Agency for Community Development ("Successor Agency") administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency's affairs, all subject to the review and approval by a seven-member oversight board; and

**WHEREAS**, pursuant to Section 34179(j) of the Dissolution Law, in every California county there shall be one oversight board that is staffed by the county's auditor-controller; and

**WHEREAS**, the applicable consolidated oversight board overseeing this Successor Agency is called the Orange Countywide Oversight Board ("Oversight Board"); and

**WHEREAS**, every oversight board, both the prior local oversight board and this newly established Oversight Board, has fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State Department of Finance ("DOF"); and

**WHEREAS**, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 20-21 A-B fiscal period of July 1, 2020 to June 30, 2021 ("ROPS 20-21 A-B") shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2020; and

**WHEREAS**, Section 34177(j) of the Dissolution Law requires the Successor Agency to prepare an administrative budget and submit it to the Oversight Board for approval; and

**WHEREAS**, the ROPS 20-21 A-B, in the form required by DOF, is attached as Exhibit A and the Fiscal Year ("FY") 2020-21 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

**WHEREAS**, the Successor Agency has reviewed the ROPS 20-21 A-B along with the FY 2020-21 Administrative Budget and desires to approve this schedule and to authorize and direct the Successor Agency staff to transmit the ROPS 20-21 A-B to the Oversight Board, with copies to the Orange County Administrative Officer ("CAO"), Orange County Auditor-Controller ("CAC"), the State Controller's Office ("SCO") and DOF as required by Dissolution Law.

**NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT:**

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

**Section 2.** The Successor Agency hereby approves the ROPS 20-21 A-B including the FY 2020-21 Administrative Budget submitted herewith and fully incorporated by this reference.

**Section 3.** The Successor Agency hereby authorizes and directs transmittal of the ROPS 20-21 A-B, with the FY 2020-21 Administrative Budget to the Oversight Board and then to the DOF and other bodies as required by law.

**Section 4.** The Director of Finance/Treasurer of the Successor Agency or his authorized designee is directed to post this Resolution, including the ROPS 20-21 A-B, on the Successor Agency website pursuant to the Dissolution Law, and to take such other actions required under the Dissolution Law, including Sections 34177 and 34179.

**Section 5.** The Secretary of the Successor Agency shall certify to the adoption of this Resolution.

**PASSED, APPROVED AND ADOPTED** this 17<sup>th</sup> day of December 2019 by the following vote:

Ayes: Constantine, Harper, Vo, Brothers  
Nays: None  
Absent: Nagel  
Abstain: None



Cheryl Brothers, Chair  
Successor Agency to the Fountain Valley Agency  
for Community Development

ATTEST:



Rick Miller, Secretary  
Successor Agency to the Fountain Valley Agency for Community Development

STATE OF CALIFORNIA            )  
COUNTY OF ORANGE            ) ss.  
CITY OF FOUNTAIN VALLEY    )

I, Rick Miller, Secretary of the Successor Agency to the Fountain Valley Agency for Community Development, hereby certify that the foregoing resolution was duly adopted by the Successor Agency at a regular meeting held on the 17<sup>th</sup> day of December 2019, and that it was so adopted by the following vote:

Ayes:           Constantine, Harper, Vo, Brothers  
Nays:           None  
Absent:         Nagel  
Abstain:       None



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Rick Miller, Secretary  
Successor Agency to the Fountain Valley Agency  
for Community Development

(SEAL)

Resolution No. 19-005

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2019 TO JUNE 30, 2020, INCLUDING THE FY 19-20 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

WHEREAS, the Fountain Valley Agency for Community Development (“Former Agency”) was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Fountain Valley (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to the Fountain Valley Agency for Community Development (“Successor Agency”) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

WHEREAS, pursuant to Section 34179(j) of the Dissolution Law, in nearly every California county there shall be only one oversight board that is staffed by the county’s auditor-controller; and

WHEREAS, as of and after July 1, 2018, the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency and all other successor agencies in Orange County; and

WHEREAS, every oversight board, both the prior local oversight board and this newly established Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

WHEREAS, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State Department of Finance (“DOF”); and

WHEREAS, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 19-20 A-B fiscal period of July 1, 2019 to June 30, 2020 ("ROPS 19-20 A-B") shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2019; and

WHEREAS, the ROPS 19-20, in the form required by DOF, is attached as Exhibit A and the Fiscal Year ("FY") 19-20 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

WHEREAS, the Oversight Board held a regular meeting on January 22, 2019; and

WHEREAS, the Oversight Board has reviewed and considered the Successor Agency's ROPS 19-20 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 19-20 A-B to the DOF, with copies to the County Executive Officer ("CEO"), County Auditor-Controller ("CAC"), and the State Controller's Office ("SCO") as required under the Dissolution Law;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

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

Section 2. The Oversight Board hereby approves ROPS 19-20 A-B submitted therewith and incorporated by this reference, including the FY 19-20 administrative budget included herewith.

Section 3. The Oversight Board authorizes transmittal of the ROPS 19-20 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

Section 4. The City of Fountain Valley's Finance Director/Treasurer or his authorized designee is directed to post this Resolution, including the ROPS 19-20 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

Section 5. Under Section 34179(h), written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. The Orange Countywide Oversight Board's ~~action shall become effective five (5) business days after notice in the manner specified by the~~ DOF unless the DOF requests a review.

Section 6. The Clerk of the Board shall certify to the adoption of this Resolution.

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JANUARY 22, 2019

YES: STEVE FRANKS, CHRIS GAARDER, STEVE JONES,  
BRIAN PROBOLSKY, DEAN WEST, PHILLIP E.  
YARBROUGH

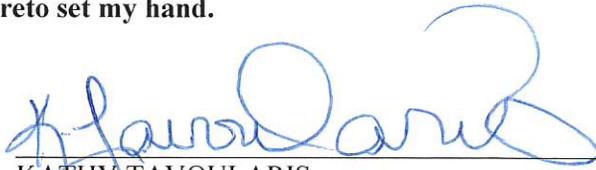
NOES:  
EXCUSED: CHARLES BARFIELD  
ABSTAINED:

  
\_\_\_\_\_  
BRIAN PROBOLSKY  
CHAIRMAN

STATE OF CALIFORNIA )  
  )  
COUNTY OF ORANGE )

**I, KATHY TAVOULARIS, Clerk of the Orange Countywide Oversight Board, Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange Countywide Oversight Board.**

**IN WITNESS WHEREOF, I have hereto set my hand.**

  
\_\_\_\_\_  
KATHY TAVOULARIS  
Clerk  
Orange Countywide Oversight Board

Resolution No: 19-005

Agenda Date: Tuesday, January 22, 2019

Item No: 5D

EXHIBIT A

SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY  
DEVELOPMENT RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20 A-B

**Recognized Obligation Payment Schedule (ROPS 19-20) - Summary**  
**Filed for the July 1, 2019 through June 30, 2020 Period**

**Successor Agency:** Fountain Valley  
**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>19-20A Total (July - December)</b>	<b>19-20B Total (January - June)</b>	<b>ROPS 19-20 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	\$ 146,011	\$ 250,000	\$ 396,011
F RPTTF	100,000	250,000	350,000
G Administrative RPTTF	46,011	-	46,011
<b>H Current Period Enforceable Obligations (A+E):</b>	\$ 146,011	\$ 250,000	\$ 396,011

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.

Brian Probolsky, Chairman  
Name \_\_\_\_\_ Title \_\_\_\_\_  
/s/ [Signature] \_\_\_\_\_ Date 1/24/19  
Signature \_\_\_\_\_ Date \_\_\_\_\_

Fountain Valley Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K ROPS 19-20 Total	19-20A (July - December)					Q 19-20A Total	19-20B (January - June)					W 19-20B Total
											Fund Sources						Fund Sources					
											L Bond Proceeds	M Reserve Balance	N Other Funds	O RPTTF	P Admin RPTTF		R Bond Proceeds	S Reserve Balance	T Other Funds	U RPTTF	V Admin RPTTF	
6	OPA - Fry's	OPA/DDA/Construction	7/6/1993	7/14/2025	Fry's Electronics Inc.	Assistance for development of site	Industrial Area	\$ 5,905,000	N	\$ 396,011	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 46,011	\$ 146,011	\$ 0	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 250,000
9	Palm Island Dev. Agreement	OPA/DDA/Construction	2/2/1999	11/16/2026	Fountain Valley Senior Housing, LLC	Financial assistance for retirement community	Industrial Area	2,915,000	N	\$ 250,000				100,000		\$ 100,000						\$ 250,000
10	Successor Agency Administration	Admin Costs	2/1/2012	11/16/2026	City, Attorneys, Consultants	Salary, benefits, insurance, contract services	Industrial Area	2,090,000	N	\$ 46,011					46,011	\$ 46,011						\$ 46,011
18	Housing Successor Entity Administrative Cost Allowance	Housing Entity Admin Cost	7/1/2015	6/30/2016	Housing Successor Entity	Administrative costs of the Housing Successor Entity	Industrial Area		N	\$ -						\$ -						\$ -
19									N	\$ -						\$ -						\$ -
20									N	\$ -						\$ -						\$ -
21									N	\$ -						\$ -						\$ -
22									N	\$ -						\$ -						\$ -
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**Fountain Valley Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances**  
**July 1, 2016 through June 30, 2017**  
**(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	
		<b>Fund Sources</b>						
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>		
	<b>ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)</b>	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	<b>Comments</b>	
1	<b>Beginning Available Cash Balance (Actual 07/01/16)</b> RPTTF amount should exclude "A" period distribution amount			257,978	22,750		Column E: Prior ROPS RPTTF remaining from ROPS 15-16 period	
2	<b>Revenue/Income (Actual 06/30/17)</b> RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller					1,665,042		
3	<b>Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)</b>					1,411,938		
4	<b>Retention of Available Cash Balance (Actual 06/30/17)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			257,978	22,750		Column E: Balance applied to ROPS 18-19 Items 6 and 9. Column F: Other Funds applied to ROPS 17-18 Item 9	
5	<b>ROPS 16-17 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required					253,104	
6	<b>Ending Actual Available Cash Balance (06/30/17)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)							
		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		



**EXHIBIT B**

**SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY  
DEVELOPMENT FISCAL YEAR 19-20 ADMINISTRATIVE BUDGET**

**EXHIBIT B**

**SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT  
ADMINISTRATIVE BUDGET FISCAL YEAR 2019-20  
FOR JULY 1, 2019 to JUNE 30, 2020**

Expense Category	Responsibilities	FY 2019-20 Proposed Budget
<b>Salaries and Wages</b>		
Staff salaries, benefits, and payroll taxes	<ul style="list-style-type: none"> <li>• Process payment of enforceable obligations</li> <li>• Maintain documentation of Agency financial and other records</li> <li>• Coordinate with consultant to answer questions and provide documentation as requested by Oversight Board, County Auditor-Controller, and Department of Finance</li> <li>• Coordinate with auditors to audit Successor Agency fund</li> <li>• Coordinate and hold Successor Agency meetings</li> </ul>	\$28,011
<b>TOTAL</b>		<b>\$28,011</b>
<b>Maintenance and Operations</b>		
Contract services	<ul style="list-style-type: none"> <li>• Prepare ROPS, PPA, staff reports, and resolutions</li> <li>• Coordinate with and answer questions for Oversight Board, County Auditor-Controller, and Department of Finance</li> <li>• Monitor and project cash flow to ensure sufficient revenues for obligations and to inform Agency staff of expected revenues</li> </ul>	\$5,000
Accounting Fees	<ul style="list-style-type: none"> <li>• Prepare the Successor Agency portion of the audited financial statements/CAFR</li> </ul>	\$5,000
Insurance and legal services	<ul style="list-style-type: none"> <li>• Review staff reports and resolutions</li> <li>• Provide legal services as needed</li> </ul>	\$5,000
Operating and overhead costs	<ul style="list-style-type: none"> <li>• Successor Agency share of City Hall overhead and operating costs (supplies, utilities, etc.)</li> </ul>	\$3,000
<b>TOTAL</b>		<b>\$18,000</b>
<b>TOTAL BUDGET</b>		<b>\$46,011</b>

**OVERSIGHT BOARD RESOLUTION NO. 36**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 18-19 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2018 TO JUNE 30, 2019, INCLUDING THE FY 18-19 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE DEPARTMENT OF FINANCE PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AUTHORIZING THE POSTING AND TRANSMITTAL THEREOF; AND AUTHORIZING THE FINANCE DIRECTOR/TREASURER, IN CONSULTATION WITH LEGAL COUNSEL, TO REQUEST AND COMPLETE MEET AND CONFER SESSION(S) WITH THE DOF AND MAKE AUGMENTATIONS, MODIFICATIONS, ADDITIONS OR REVISIONS AS MAY BE NECESSARY OR DIRECTED BY DOF.**

**WHEREAS**, the Fountain Valley Agency for Community Development ("former Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Fountain Valley ("City"); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation, and most recently by Senate Bill 107 (together, the "Dissolution Law"); and

**WHEREAS**, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to the Fountain Valley Agency for Community Development ("Successor Agency") administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

**WHEREAS**, pursuant to Section 34179 the Successor Agency's Oversight Board has been formed and its initial meeting occurred on April 9, 2012; and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State Department of Finance ("DOF"); and

**WHEREAS**, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 18-19 A-B fiscal period of July 1, 2018 to June 30, 2019 ("ROPS 18-19 A-B") shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2018; and

**WHEREAS**, pursuant to Sections 34179.6 and 34177(k)(2)(B) of the Dissolution Law, the Successor Agency is required to submit a copy of the ROPS 18-19 A-B to the County Administrative Officer ("CAO"), the County Auditor-Controller ("CAC"), the State Controller's Office ("SCO"), and the DOF at the same time that the Successor Agency submits such ROPS to the Oversight Board for review and action; and

**WHEREAS**, the Oversight Board has reviewed the ROPS 18-19 A-B presented by the Successor Agency and desires to approve such ROPS, including the FY 18-19 administrative budget included therewith, and to authorize the Successor Agency, to cause posting of the ROPS 18-19 A-B on the City's website: [www.fountainvalley.org](http://www.fountainvalley.org) and to direct transmittal of such ROPS to the DOF, with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

**NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT:**

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

**Section 2.** Pursuant to the Dissolution Law, the Oversight Board hereby approves the ROPS 18-19 A-B submitted herewith as Attachment 1, along with the FY 18-19 administrative budget that is included therewith, which schedule is incorporated herein by this reference; provided however, that the ROPS 18-19 A-B is approved subject to the condition such ROPS is submitted to and reviewed by the DOF. Further, the Finance Director/Treasurer and authorized designees, in consultation with legal counsel shall be authorized to request and complete meet and confer session(s) with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency and the Oversight Board.

**Section 3.** The Oversight Board authorizes transmittal of the ROPS 18-19 A-B again to the DOF, with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

**Section 4.** The Director of Finance/Treasurer or his authorized designee is directed to post this Resolution, including the ROPS 18-19 A-B, on the Successor Agency website ([www.fountainvalley.org](http://www.fountainvalley.org)) pursuant to the Dissolution Law, and to take such other actions required under the Dissolution Law, including Sections 34177 and 34179.

**Section 5.** Pursuant to Section 34179(h) written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. An Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review, provided however, that pursuant to Section 34177(m) as to each ROPS submitted the DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations thereon no later than 45 days after submittal.

**Section 6.** The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

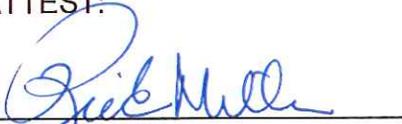
**PASSED, APPROVED AND ADOPTED** this 25<sup>th</sup> day of January 2018, by the following vote:

Ayes: Houston, Thompson, Nagel, Brothers  
Nays: None  
Absent: Gaston, Mogensen, Sanchez  
Abstain: None



Cheryl Brothers, Chair  
Oversight Board of the Successor Agency to the  
Fountain Valley Agency for Community  
Development

ATTEST:



Rick Miller, Secretary  
Oversight Board of the Successor Agency  
to the Fountain Valley Agency for Community Development

STATE OF CALIFORNIA            )  
COUNTY OF ORANGE            ) ss.  
CITY OF FOUNTAIN VALLEY    )

I, Rick Miller, Secretary of the Oversight Board of the Successor Agency to the Fountain Valley Agency for Community Development, hereby certify that the foregoing resolution was duly adopted by the Oversight Board at a regular meeting held on the 25<sup>th</sup> day of January 2018, and that it was so adopted by the following vote:

Ayes:           Houston, Thompson, Nagel, Brothers  
Nays:           None  
Absent:         Gaston, Mogensen, Sanchez  
Abstain:        None



---

Rick Miller, Secretary  
Oversight Board of the Successor Agency to the  
Fountain Valley Agency for Community  
Development

(SEAL)

**ATTACHMENT 1**  
**ROPS 18-19 A-B.**  
**with Administrative Budget**  
**(attached)**

**Recognized Obligation Payment Schedule (ROPS 18-19) - Summary**

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency:

Fountain Valley

County:

Orange

<u>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</u>	<u>18-19A Total (July - December)</u>	<u>18-19B Total (January - June)</u>	<u>ROPS 18-19 Total</u>
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 180,000</b>	<b>\$ 330,000</b>	<b>\$ 510,000</b>
F RPTTF	100,000	250,000	350,000
G Administrative RPTTF	80,000	80,000	160,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 180,000</b>	<b>\$ 330,000</b>	<b>\$ 510,000</b>

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







Fountain Valley Recognized Obligation Payment Schedule (ROPS 18-19) - Notes July 1, 2018 through June 30, 2019

Item #	Notes/Comments



March 22, 2019

Mr. Jason Al-Imam, Finance Director  
City of Fountain Valley  
10200 Slater Avenue  
Fountain Valley, CA 92708

Dear Mr. Al-Imam:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fountain Valley Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 28, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 19-20 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$142,907 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Veronica Zalvidea, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER  
Program Budget Manager

cc: Ms. Suzy Kim, Consultant, RSG  
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

**Attachment**

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 100,000	\$ 250,000	\$ 350,000
Administrative RPTTF Requested	46,011	0	46,011
<b>Total RPTTF Requested</b>	<b>146,011</b>	<b>250,000</b>	<b>396,011</b>
RPTTF Authorized	100,000	250,000	350,000
Administrative RPTTF Authorized	46,011	0	46,011
<b>Total RPTTF Authorized for Obligations</b>	<b>146,011</b>	<b>250,000</b>	<b>396,011</b>
Prior Period Adjustment	(146,011)	(107,093)	(253,104)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 0</b>	<b>\$ 142,907</b>	<b>\$ 142,907</b>



April 6, 2018

Mr. Jason Al-Imam, Finance Director  
City of Fountain Valley  
10200 Slater Avenue  
Fountain Valley, CA 92708

Dear Mr. Al-Imam:

Subject: 2018-19 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fountain Valley Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2018 through June 30, 2019 (ROPS 18-19) to the California Department of Finance (Finance) on January 26, 2018. Finance has completed its review of the ROPS 18-19.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- The total administrative costs are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the other obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources required to successfully wind-down the Agency.
- On the ROPS 18-19 form, the Agency reported cash balances and activity for the period July 1, 2015 through June 30, 2016 (ROPS 15-16). According to our review, the Agency has approximately \$257,978 unexpended from Redevelopment Property Tax Trust Fund (RPTTF) from the ROPS 15-16 period available to fund enforceable obligations on the ROPS 18-19. These unexpended RPTTF funds are now considered Reserve Balances.

HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, with the Agency's concurrence, the funding source for the following items has been reclassified from RPTTF to Reserve Balances in the amounts specified below:

Item No.	Project Name/Debt Obligation	Total Funding Authorized	RPTTF Approved	Reserve Balances Approved
6	Owner Participation Agreement - Fry's	\$250,000	\$ 0	\$250,000
9	Palm Island Development Agreement	100,000	92,022	7,978
			<b>Total</b>	<b>\$257,978</b>

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 18-19. If the Agency disagrees with our determination with respect to any items on the ROPS 18-19, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$252,022 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2018 through December 31, 2018 period (ROPS A period) and one distribution for the January 1, 2019 through June 30, 2019 period (ROPS B period) based on Finance's approved amounts. Since this determination is for the entire ROPS 18-19 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Pursuant to HSC section 34186 (c), beginning October 1, 2018, the Agency will be required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2016 through June 30, 2017 period (ROPS 16-17) to the County Auditor-Controller for review. The Agency will report actual payments for ROPS 16-17 on ROPS 19-20. A prior period adjustment may be applied to the Agency's ROPS 19-20 RPTTF distribution. Therefore, the Agency should retain any unexpended RPTTF from the ROPS 16-17 period.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 18-19. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 18-19 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 18-19 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Mr. Jason Al-Imam  
April 6, 2018  
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Please direct inquiries to Nichelle Jackson, Supervisor, or Thong Thao, Analyst, at (916) 322-2985.

Sincerely,



ERIKA LI  
Program Budget Manager

cc: Ms. Suzy Kim, Consultant, Rosenow Spevacek Group, City of Fountain Valley  
Ms. Cindy Wong, Property Tax Manager, Orange County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2018 through June 2019</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>ROPS 18-19 Total</b>
RPTTF Requested	\$ 100,000	\$ 250,000	\$ 350,000
Administrative RPTTF Requested	80,000	80,000	160,000
<b>Total RPTTF Requested</b>	<b>180,000</b>	<b>330,000</b>	<b>510,000</b>
<b>RPTTF Requested</b>	<b>100,000</b>	<b>250,000</b>	<b>350,000</b>
<u>Adjustments</u>			
Item No. 6	0	(250,000)	(250,000)
Item No. 9	(7,978)	0	(7,978)
	(7,978)	(250,000)	(257,978)
<b>RPTTF Authorized</b>	<b>92,022</b>	<b>0</b>	<b>92,022</b>
<b>Administrative RPTTF Authorized</b>	<b>80,000</b>	<b>80,000</b>	<b>160,000</b>
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 172,022</b>	<b>\$ 80,000</b>	<b>\$ 252,022</b>