

Orange Countywide Oversight Board

Date: 1/28/2020

Agenda Item No. 6B

From: Successor Agency to the Fullerton Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget

Recommended Action:

Approve resolution approving FY 2020-21 ROPS and Administrative Budget for the Fullerton Successor Agency

The Fullerton Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2020-21.

The Fullerton Successor Agency requests approval of the Resolution No. 20-XX (see Attachment 1) approving Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2020-21 (see Attachment 2).

Fullerton Recognized Obligation Payment Schedule (ROPS)

The purpose of the Recognized Obligation Payment Schedule (ROPS) is to identify the funds needed to carry out the dissolution process of the former Fullerton Redevelopment Agency, and to set forth the payment amounts and due dates for all existing financial obligations. ROPS shall be forward looking and prepared annually until all debt is repaid. Attached is the proposed ROPS 20-21 for the time period of July 1, 2020 through June 30, 2021. ROPS 20-21 must be submitted to the State Department of Finance (DOF) by February 1, 2019 for their review and approval.

Included in the ROPS 2020-21 are all of the enforceable obligations of the Fullerton Successor Agency requiring payments during Fiscal Year 2020-21. These obligations include annual bond debt service payments, leases, a purchase and sale agreement, ongoing programs, a stipulated judgment, and an administrative cost allowance.

More specifically, the Fullerton Successor Agency has the following three remaining bonds that are outstanding:

ROPS Item No.	Bond Name	Term Ends
4	2005 Tax Allocation Bonds	2027-28
6	2010 Taxable Tax Allocation Housing Bonds	2026-27
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	2024-25
49	Annual bank trustee fees for bonds	Until all bonds are paid

Item No. 4

The 2005 Tax Allocation Revenue Bonds were issued in 2005 in the amount of \$74,600,000 for the purpose of financing capital improvement projects in the project areas. The bonds are secured by property tax revenues derived from each project area. Repayment commenced on March 1, 2006 with interest rates ranging from 3.75% to 5.00%. The final maturity date is September 1, 2027. Interest and principal payments are due semiannually and annually, respectively. All 2005 bond proceeds have been expended. The funds were used to construct the Fullerton Community Center and Fullerton Library

Expansion projects. Other projects funded include a parking structure, street grade separation, public park projects, numerous street improvements and street light projects.

Item No. 6

The 2010 Tax Allocation Housing Bonds were issued in 2010 in the amount of \$28,980,000 for the purpose of financing low and moderate income housing in the City. The bonds are secured by property tax revenues derived from each project area. Repayment commenced on March 1, 2011 with interest rates ranging from 3.00% to 6.63%. The final maturity date is September 1, 2026. Interest and principal payments are due semiannually and annually, respectively. The bond proceeds have been used for six affordable housing development projects that created 252 affordable units.

Item No. 60

The 2015 Tax Allocation Refunding Bonds were issued in 2015 in the amount of \$11,975,000 for the purpose of prepaying a financing agreement entered into by the former redevelopment agency and to refund certain outstanding bonds issued by the 1998 Financing Agreement. The bonds are secured by property tax revenues derived from each project area. Repayment commenced on March 1, 2016 with interest rates ranging from 3.00% to 5.00%. The final maturity date is March 1, 2025. Interest and principal payments are due semiannually and annually, respectively.

Item No. 49

Annual bank trustee fees for bonds. Estimated fees for this time period are \$7,000.

In addition to the bonds debt service payments there are two property leases and a purchase and sale agreement:

ROPS Item No.	Lease Reference Name	Term Ends	Purpose
9	Fullerton Arboretum	December 3, 2020	Development and use of park premises and facilities
11	Miller Property Lease	August 1, 2024	Use of premises. Currently used for public parking
62	Miller Property Purchase	2024	Purchase and Sale agreement when lease expires

Item No. 9

The Fullerton Arboretum Authority Agreement was entered into on March 24, 1976 between the Fullerton Redevelopment Agency and the Trustees of California State University and Colleges. The purpose of the agreement is for the development (acquisition and construction), maintenance and operation of public facilities at the arboretum and botanical gardens. The term of the agreement ends on December 3, 2020. Please note that the obligation for this item expires in December 2020; therefore, the request for this year is half the estimated annual payment.

Item No. 11

The Miller Property Lease Agreement (127 West Chapman Avenue, Fullerton, California) was entered into on July 6, 2004 between Ronald F. Miller, Ronald F. Miller Family Trust, and the Fullerton Redevelopment Agency. The purpose of the lease agreement is lease the premises for public parking. The lease expires on July 31, 2024.

Item No. 62

The Miller property purchase Agreement for Sale and Purchase of Real Estate (127 West Chapman Avenue, Fullerton, California) between Ronald F. Miller, Ronald F. Miller Family Trust, (Seller) and the

Fullerton Redevelopment Agency (Buyer) was entered on July 6, 2004. The agreement provides for the purchase of the property when the lease expires.

Other ROPS items include the following:

ROPS Item No.	Description	Term	Purpose
24	Commercial Seismic and Rehabilitation Loan	Annual until loans are paid off	There are over 50 commercial seismic and rehabilitation loans that require billing, payment processing and monitoring.
27	Administrative Cost Allowance	Annual until dissolution is complete	Allowed annual administrative cost for successor agency operations

Item No. 24

The former redevelopment agency issues several types of loans including seismic loans, commercial tenant rehabilitation loans, and a school expansion loan. There are currently over 50 of these loans that require billing, payment processing and monthly monitoring.

Item No. 27

The administrative budget amount being requested is \$344,679 for FY 2020-21 calculated per the Department of Finance guidelines. If approved, this amount will be allocated to staff salaries, and operations costs including supplies, postage, printing, legal and professional contractual services. A detailed description for this request is provided below.

With regards to previously denied ROPS Items: 19, 20, 23, 25, 28, and 30, staff has deleted Items 19, 20 and 30. However staff continues to include Items 23, 25, and 28 these per our legal counsel's advice, due to recent settled and pending litigation. The outcome of the litigation may cause the State Department of Finance to change their determination to continue to deny these items in the future. Below is a list of the previously denied items.

ROPS Item No.	Description	Purpose
23	Affordable Housing Project Monitoring	Annually inspect and monitor 17 affordable housing projects with long term covenants.
25	Stipulated Judgement	Enforce requirements placed on development of affordable housing units
28	Affordable Housing Project Administration and Reporting	Administer over 50 down payment assistance loans and two home ownership projects with 45 affordable housing agreements, and prepare required annual reports to State and Federal agencies.

Item No. 23

Since 1992, the agency entered into development agreements for the construction of 17 affordable housing projects. Per the agreements, in order to ensure the affordability covenants are enforced, it is necessary for staff to conduct annual monitoring and inspections of each unit. Subsequent to inspections,

staff is required to prepare reports to submit to property owners, and the Department of Housing and Community Development. Most of the covenants continue for 55 years and some as long as 98 years.

Item No. 25

A Stipulated Judgement (*Ivens et al. v. City of Fullerton et al.* Case No 670579 (Orange County)) was entered into on July 20, 1992 requiring that for every unit assisted that services families with incomes exceeding 50% of the median, the agency must provide one that service families below 50% of median. There is no specific financial obligation for this item and the agency no longer receives low and moderate income housing funds after the dissolution of the redevelopment agencies. In July 2012, the agency received a letter from the Western Center on Law & Poverty requesting that the stipulated judgement be included in the ROPS.

Item No. 28

The agency issued over 69 down payment assistance loans, and 45 affordable ownership housing agreement that require staff to manage and prepare annual State and Federal reports. In addition, staff manages the preparation of appraisals, subordination agreements, and reviews refinancing documents when necessary.

Administrative Budget

On January 21, 2020, the Fullerton Successor Agency Board approved SA Resolution No 2020-01 approving ROPS 20-21 and administrative budget allowance for the period covering July 1, 2020 – June 30, 2021 (see Attachment 3).

The administrative budget amount being requested for FY 2020-21 is \$344,679 consistent with the calculated administrative budget allowance amount per the Department of Finance guidelines. If approved, this amount will be allocated to staff salaries, direct costs including supplies, postage, printing, legal and professional contractual services, and indirect costs including insurance, facility maintenance and repair, custodial, computer and software, and human resources support costs. Please note that indirect costs were calculated at 1% or less of total costs.

The City Council recently approved reorganizing and modifying staff assignments in order to prioritize completion of Successor Agency wind-down efforts. The hours of staff time is estimated for personnel that work on activities for the successor agency dissolution such as making monthly, quarterly, and yearly payments on enforceable obligations including bond debt service, leases, and rents. Accounting for payments received on loans and notes. Other tasks involved are budget preparation and monitoring, preparation of annual Recognized Obligation Payment Schedules (ROPS), annual Prior Period Adjustment (PPA) reports, financial reconciliation and audits as well as various planning, development and real property related project management including consultant and attorney time for implementing the Long Range Property Management Plan (LRPMP) and future disposition of the remaining five properties/assets. In addition, city clerk staff are needed for items that are presented to the Successor Agency Board and uploaded to the City's website. Information technology staff is needed for computer and software support.

More specifically, the Fullerton Successor Agency has the following three remaining bond payment obligations that are outstanding and require bi-annual payment processing and annual reporting:

ROPS Item No.	Bond Name	Term Ends
4	2005 Tax Allocation Bonds	2027-28
6	2010 Taxable Tax Allocation Housing Bonds	2026-27
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	2024-25
49	Annual bank trustee fees for bonds	Until all bonds are paid

In addition to the bonds debt service payments there are two property leases and a purchase and sale agreement that require monthly and quarterly payment processing:

ROPS Item No.	Lease Reference Name	Term Ends	Purpose
9	Fullerton Arboretum	December 3, 2020	Development and use of park premises and facilities.
11	Miller Property Lease	August 1, 2024	Use of premises. Currently used for public parking.
62	Miller Property Purchase	2024	Purchase and Sale agreement when lease expires

Another task that requires staff time are the outstanding loans issued by the former redevelopment agency. There are over 50 commercial and seismic rehabilitation loans that staff has to bill monthly and process payments, issue delinquent notices, monitor and report on a quarterly basis. When the loans are going to be paid in full, a demand letter is prepared, final payment is processed and reconveyance of title for deeds need to be prepared, executed and recorded.

As mentioned, the Successor Agency together with the City continues to work on implementing the Long Range Property Management Plan (LRPMP). Specifically, there are five properties/assets that were designated for future economic development:

- Fox Block Theatre Complex – Disposition and Development Agreement (DDA) for the rehabilitation of the theatre and tea room. Staff is responsible for monitoring and enforcing the DDA and working with the foundation for the completion of the restoration of the structure. Over the course of the next year, the City will be working with the Fox Theater Foundation to expedite the rehabilitation as well as working with private developers on adjoining parcels for future development which will greatly benefit the overall Fox Block.
- Fox Block Peck Parking Structure – Owner Participation Agreement (OPA). Staff is working with a development team to construct a parking structure with ground floor commercial uses. This process will begin in earnest this budget year with expected start of entitlement, plan check, and eventual construction and inspection activities.
- Fox Block Public Parking Lot – Staff is working with a development team to incorporate this property with the parking structure and theatre project mentioned above.
- Amerige Court Site - Staff is reviewing the feasibility of future uses for this site. The Disposition and Development Agreement expired and the current site remains a public parking lot for surrounding businesses.

- Fullerton Transportation Center – This property consists of 14 assessor parcels developed with a train depot, parking lots and businesses. Staff, together with a developer and legal counsel are currently evaluating a development proposal which will start the entitlement process at the beginning of 2020. Due to the location of the development proposal, this project will involve significant staff time and additional staffing resources as reflected in the administrative budget.

As part of the LRPMP, the City was required to secure a compensation agreement from all public taxing entities that share in the property tax base prior to the disposition of the Successor Agency owned real properties if the property sale is for economic development purposes. Compensation Agreements have been secured from all taxing entities and state that for those properties sold for economic development purposes, the City shall remit all eligible net unrestricted proceeds to the Orange County Auditor-Controller's Office for distribution to the taxing entities. Accordingly, the City did not request any change to the standard distribution of pro rata share of property tax when these properties are sold.

Fullerton Successor Agency Action

On January 21, 2020, the Fullerton Successor Agency Board approved SA Resolution No 2020-01 approving ROPS 20-21 and administrative budget allowance for the period covering July 1, 2020 – June 30, 2021 (see Attachment 3).

Impact on Taxing Entities

The affected taxing entities will continue to receive the statutory pass-through payments as in previous years plus available property tax revenue due enforceable obligations being retired.

Staff Contact(s)

Fullerton Successor Agency staff contacts are as follows:

Kenneth A. Domer, City Manager
714-738-6310 or via e-mail at KDomer@cityoffullerton.com

Ramona Castaneda, Revenue Manager
714-738-6573 or via e-mail at Ramonac@cityoffullerton.com

Attachments

Attachment 1 – Orange Countywide Board Resolution No. 20-XX

Attachment 2 – Fullerton Successor Agency Recognized Obligation Payment Schedule 2020-21 and Administrative Budget Allowance

Attachment 3 – SA Resolution No 2020-01 approving ROPS 20-21 and administrative budget allowance for the period covering July 1, 2020 – June 30, 2021

Attachment 4 – Fullerton Successor Agency Recognized Obligation Payment Schedule and Administrative Budget Allowance for FY 2019-20 and FY 2018-19

Attachment 5 – Department of Finance Determination Letters for ROPS 19-20 and ROPS 18-19

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT
BOARD, CALIFORNIA, APPROVING AND ADOPTING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2020-2021
AND ADMINISTRATIVE BUDGET ALLOWANCE
(PERIOD COVERING JULY 1, 2020 – JUNE 30, 2021) OF THE
FULLERTON SUCCESSOR AGENCY

WHEREAS, the Fullerton Successor Agency to the Fullerton Redevelopment Agency (the "Successor Agency") has been established to take certain actions to wind down the affairs of the Fullerton Redevelopment Agency in accordance with the Health and Safety Code; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2)(B), the Recognized Obligation Payment Schedule (ROPS) prepared by the Successor Agency is to be submitted to the Orange Countywide Oversight Board for their approval; and

WHEREAS, the ROPS contains a list of enforceable obligations including, but not limited to, the following: 1) contracts, leases and agreements; 2) existing bond debt; and 3) administrative cost allowance; and

WHEREAS, the ROPS includes all the funds the Fullerton Successor Agency will need to carry out the dissolution process of the former Fullerton Redevelopment Agency and pursuant to Health and Safety Code Section 34177(l)(1) and identifies the funding source of payment for the enforceable obligations listed on the ROPS; and

WHEREAS, the Fullerton Successor Agency staff has now prepared the Recognized Obligation Payment Schedule 2020-2021 and administrative budget allowance for the time period of July 1, 2020 – June 30, 2021;

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

Section 1. The above recitals are true and correct and incorporated by reference herein.

Section 2. The Recognized Obligation Payment Schedule 2020-2021 and administrative budget allowance (for the time period of July 1, 2020 – June 30, 2021), a copy of which is attached hereto and incorporated herein as Exhibit "A", is hereby approved.

Section 3. Subsequent to the approval of this Resolution by the Orange Countywide Oversight Board, this Resolution including the ROPS 2020-2021 shall be transmitted to the State Department of Finance.

Section 4. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

EXHIBIT A

Fullerton Successor Agency
Recognized Obligation Payment Schedule 2020-21 (ROPS 2020-21)
and Administrative Budget Allowance











Fullerton






ROPS 2020-21 Annual

[Summary](#)[Detail](#)[Cash Balances](#)[Submission](#)

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Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
 4	2005 Tax Allocation Bonds	Bond Reimbursement Agreements	12/01/2005	06/30/2028	US Bank Corporation	Bond issue to fund non-housing projects	43,040,000	7,064,648	
 6	2010 Taxable Tax Allocation Housing Bonds	Bonds Issued On or Before 12/31/10	10/21/2010	06/30/2027	US Bank Corporation	Bond issue for affordable housing	18,961,333	2,771,051	
 9	Lease: Fullerton Arboretum	Miscellaneous	10/05/1977	12/03/2020	Calif. State Univ. Fullerton	Property lease	125,297	125,297	
 11	Lease: Ron Miller	Miscellaneous	08/01/2004	08/01/2024	Ronald F Miller Trust	Property lease	661,625	162,030	
 19	City/Agency Co-Op Agreement Jan 2011	City/County Loan (Prior 06/28/11), Other	01/29/2011	06/30/2020	City of Fullerton	Harbor Blvd Slope stabilization, Truslow Ave lighting improvements, transportation center parking structure, and graffiti removal.	-	-	
 20	City/Agency Co-Op Agreement June 2011	City/County Loan (Prior 06/28/11), Other	06/07/2011	06/30/2020	City of Fullerton	Street and curb/gutter/sidewalk reconstruction, transportation center steel stairwaysafety refurbishment, downtown art and State College Grade Separation.	-	-	
 23	Affordable Housing Project Monitoring	Unfunded Liabilities	01/01/2014	06/30/2098	Various Consultants and City of Fullerton	Annually inspect and monitor 11 affordable housing projects with long term covenants.	9,834,000	120,000	
 24	Commercial Seismic and Rehab Loan Monitoring	Project Management Costs	01/01/2015	06/30/2028	Various Consultants and City of Fullerton	Administer over 100 existing commercial seismic/rehabilitation loans.	252,000	12,000	
 25	Stipulated Judgement	Miscellaneous	07/20/1992	06/30/2028	Affordable housing developers	Development of affordable housing units	-	-	
 27	Administrative Cost Allowance FY 2019-20)	Admin Costs	07/01/2018	06/30/2020	Fullerton Successor Agency	Administrative expenses for Successor Agency	344,679	344,678	

	Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
	28	Affordable Housing Administration and Reporting	Unfunded Liabilities	01/01/2015	06/30/2020	Various Consultants and City of Fullerton	Administer 69 down payment assistance laond and two home ownership projects with 45 affordable housing agreements, and prepare required annual reports to State and Federal agencies.	260,000	260,000	
	30	Capital Improvement Projects (four)	Improvement/Infrastructure	03/08/2011	06/30/2020	Griffin Structures, Inc.	Program Management for Truslow Street Lights, Harbor Blvd. Slop Stablization, Hillcrest Park Improvements, and Fullerton Transportation Center Parking Garage	-	-	
	49	Bond Debt Service Fees	Fees	07/01/1998	06/30/2028	US Bank and Wells Fargo	Bond Debt Service Fees	63,000	7,000	
	60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	Refunding Bonds Issued After 6/27/12	01/28/2015	12/31/2025	US Bank	Debt service payment on 2015 Tax Allocation Refunding Bonds	7,338,250	1,265,000	
	62	Miller Property Purchase	Miscellaneous	07/06/2004	08/01/2024	Ronald F Miller Family Trust	Purchase of real estate per Purchase and Sale Agreement dated 7/6/2004	-	-	

Fullerton

ROPS 2020-21 Annual

<u>Summary</u>	<u>Detail</u>	<u>Cash Balances</u>	<u>Submission</u>	
Requested Funding for Obligations		20-21A Total	20-21B Total	ROPS Total
A	Obligations Funded as Follows (B+C+D)	0	0	0
B	Bond Proceeds	0	0	0
C	Reserve Balance	0	0	0
D	Other Funds	0	0	0
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	10,103,998	2,027,706	12,131,704
F	RPTTF	9,931,659	1,855,367	11,787,026
G	Administrative RPTTF	172,339	172,339	344,678
H	Current Period Obligations (A+E)	10,103,998	2,027,706	12,131,704

Fullerton
ROPS 2020-21 Annual

Summary Detail Cash Balances Submission

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](#).

Export to Excel

Note: Cash Balances data is auto-saved.

July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H
		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	Comments
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude 'A' period distribution amount	215,018		148,498	2,395,523	12,955	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor- Controller	101,084			136,824	11,586,092	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)	315,904			167,366	11,569,131	
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				23,315		
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 198	\$ 0	\$ 148,498	\$ 2,341,666	\$ 29,916	

Attachment 1

Fullerton Successor Agency FY 2020-21 Proposed Administrative Budget Allowance

Direct Personnel Costs

Position	Department	FY 2020-21 Costs	Hourly Rate	Successor Agency Hours	Successor Agency Admin Cost	% of time SA Admin
City Manager	City Manager	313,236	150.59	108	16,264	5.19%
Deputy City Manager	City Manager	218,733	105.16	108	11,357	5.19%
Administrative Analyst	City Manager	122,369	58.83	108	6,354	5.19%
Executive Assistant	City Manager	119,269	57.34	108	6,193	5.19%
City Clerk	City Clerk	174,338	83.82	12	1,006	0.58%
Assistant City Clerk	City Clerk	105,204	50.58	12	607	0.58%
Administrative Services Director	Administrative Services	266,107	127.94	48	6,141	2.31%
Revenue Manager	Administrative Services	191,288	91.97	240	22,072	11.54%
Fiscal Services Manager	Administrative Services	158,258	76.09	48	3,652	2.31%
Budget Analyst	Administrative Services	113,234	54.44	48	2,613	2.31%
Accounting Supervisor	Administrative Services	147,459	70.89	48	3,403	2.31%
Accountant II	Administrative Services	119,716	57.56	48	2,763	2.31%
Account Clerk II (AP)	Administrative Services	68,095	32.74	12	393	0.58%
Account Clerk II (AR)	Administrative Services	50,802	24.42	12	293	0.58%
Payroll Technician	Administrative Services	92,210	44.33	12	532	0.58%
Information Technology Webmaster	Administrative Services	121,432	58.38	12	701	0.58%
Information Systems Assistant	Administrative Services	79,290	38.12	12	457	0.58%
Director	Community Development	218,733	105.16	240	25,238	11.54%
Deputy Director	Community Development	194,981	93.74	360	33,747	17.31%
Planning Manager	Community Development	180,336	86.70	120	10,404	5.77%
Analyst	Community Development	113,234	54.44	240	13,065	11.54%
HR Manager I	Human Resources	152,423	73.28	12	879	0.58%
Real Property Agent	Public Works - Engr.	143,363	68.92	168	11,579	8.08%
Total Direct Personnel Costs:					179,713	

Other Direct Costs

Attorney Fees	50,000
Consultant Fees	50,000
Audit Fees	4,400
Postage	50
Auto Expense	50
Office Supplies	966
Printing	500
Total Other Direct Costs:	105,966

Indirect Costs

(Applied at 1% or less of total costs)

Worker's Compensation Insurance	9,000
Liability Insurance	15,000
Facility Maintenance (Bldg and VOIP Phone)	13,000
Custodial	5,000
Facility Capital Repair	5,000
IT/Computer Allocations	10,000
Human Resources (non-payroll)	2,000
Total Indirect Costs:	59,000

Total Successor Agency Admin Allowance Cost: 344,679



**ACTION OF THE CITY COUNCIL / SUCCESSOR AGENCY /
CITY OF FULLERTON**

JANUARY 21, 2020

The City of Fullerton City Council / Successor Agency / held a regular meeting on Tuesday, January 22, 2020.

Council / Agency Members Present: Fitzgerald, Flory, Silva, Whitaker, Zahra

Council / Agency Members Absent: None

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2020-21 AND
ADMINISTRATIVE BUDGET ALLOWANCE PER ASSEMBLY BILLS 1X 26 AND 1484
AND SENATE BILL 107**

City Council moved and seconded to:

1. Adopt Resolution No. SA 2020-01

A RESOLUTION OF THE FULLERTON SUCCESSOR AGENCY OF THE CITY COUNCIL OF THE CITY OF FULLERTON, APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2020-21 AND ADMINISTRATIVE BUDGET ALLOWANCE (PERIOD COVERING JULY 1, 2020 – JUNE 30, 2021)

Motion carried 5-0.

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF FULLERTON)

I, Mea Klein, Assistant City Clerk of the City of Fullerton, California, do hereby certify the foregoing to be an official action taken by the City Council/Successor Agency at the above meeting.

IN WITNESS WHEREOF, I have here unto set my hand and seal this 22nd day of January 2020.

Mea Klein, Assistant City Clerk

SA RESOLUTION NO. 2020-XX

A RESOLUTION OF THE FULLERTON SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2020-2021 AND ADMINISTRATIVE BUDGET ALLOWANCE (PERIOD COVERING JULY 1, 2020 – JUNE 30, 2021)

WHEREAS, the Fullerton Successor Agency to the Fullerton Redevelopment Agency (the "Successor Agency") has been established to take certain actions to wind down the affairs of the former Fullerton Redevelopment Agency in accordance with the Health and Safety Code.

WHEREAS, pursuant to Health and Safety Code Section 34177, the Recognized Obligation Payment Schedule (ROPS) prepared by the Successor Agency is to be submitted to the County Oversight Board for their approval.

WHEREAS, the ROPS contains a list of enforceable obligations including, but not limited to, the following: 1) existing bond debt payments 2) contracts, leases and agreements 3) administering ongoing affordable housing and loan programs 4) a stipulated judgement and 5) administrative budget allowance.

WHEREAS, the ROPS includes all the funds the City of Fullerton Successor Agency will need to carry out the dissolution process of the former Fullerton Redevelopment Agency and pursuant to Health and Safety Code Section 34177(I)(1) shall identify the funding source of payment for the enforceable obligations listed on the ROPS.

WHEREAS, the Successor Agency Staff has now prepared the Recognized Obligation Payment Schedule 2020-2021 and administrative budget allowance for the time period of July 1, 2020 – June 30, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE FULLERTON SUCCESSOR AGENCY TO THE FULLERTON REDEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The above recitals are true and correct and incorporated by reference herein.

Section 2. The Recognized Obligation Payment Schedule 2020-2021 and administrative budget allowance (for the time period of July 1, 2020 – June 30, 2021) is hereby approved.

Section 3. Subsequent to the approval of this Resolution by the Successor Agency, this Resolution including the ROPS 2020-2021 shall be transmitted to the Orange County Oversight Board.

Section 4. The City Clerk / Secretary shall certify to the adoption of this Resolution.

ADOPTED BY THE FULLERTON SUCCESSOR AGENCY ON JANUARY 21, 2020.

Jennifer Fitzgerald, Mayor

ATTEST:

Lucinda Williams, City Clerk / Secretary

Date

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

Successor Agency:	<u>Fullerton</u>
County:	<u>Orange</u>

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 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):	\$ 11,515,016	\$ 4,367,661	\$ 15,882,677
F	RPTTF	11,379,097	4,231,743	15,610,840
G	Administrative RPTTF	135,919	135,918	271,837
H	Current Period Enforceable Obligations (A+E):	\$ 11,515,016	\$ 4,367,661	\$ 15,882,677

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

Fullerton Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail																						
July 1, 2019 through June 30, 2020																						
(Report Amounts in Whole Dollars)																						
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	19-20A (July - December)					19-20A Total	19-20B (January - June)					19-20B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$ 121,105,466		\$ 15,882,677	\$ 0	\$ 0	\$ 0	\$ 11,379,097	\$ 135,919	\$ 11,515,016	\$ 0	\$ 0	\$ 0	\$ 4,231,743	\$ 135,918	\$ 4,367,661
4	2005 Tax Allocation Bonds	Bonds Issued On or Before	12/1/2005	6/30/2028	US Bank Corporation	Bond issue to fund non-housing	Merged	61,879,460	N	\$ 6,463,953				5,323,694		\$ 5,323,694				1,140,259		\$ 1,140,259
6	2010 Taxable Tax Allocation Housing Bonds	Bonds Issued On or Before 12/31/10	10/21/2010	6/30/2027	US Bank Corporation	Bond issue for affordable housing	Merged	22,256,760	N	\$ 2,774,045				2,301,382		\$ 2,301,382				472,663		\$ 472,663
9	Lease: Fullerton Arboretum	Miscellaneous	10/5/1977	12/3/2020	Calif. State Univ. Fullerton	Property lease	Merged	373,330	N	\$ 244,006				122,003		\$ 122,003				122,003		\$ 122,003
11	Lease: Ron Miller	Miscellaneous	8/1/2004	8/1/2024	Ronald F Miller Trust	Property lease	Merged	881,379	N	\$ 173,386				86,693		\$ 86,693				86,693		\$ 86,693
19	City/Agency Co-Op Agreement Jan 2011	City/County Loan (Prior 06/28/11), Other	1/29/2011	6/30/2020	City of Fullerton	Harbor Blvd Slope stabilization, Truslow Ave lighting improvements, transportation center parking structure, and graffiti removal.	Merged	14,000,000	N	\$ 2,000,000				1,000,000		\$ 1,000,000				1,000,000		\$ 1,000,000
20	City/Agency Co-Op Agreement June 2011	City/County Loan (Prior 06/28/11), Other	6/7/2011	6/30/2020	City of Fullerton	Street and curb/gutter/sidewalk reconstruction, transportation center steel stairwaysafety refurbishment, downtown art and State College Grade Separation.	Merged	1,500,000	N	\$ 1,500,000				500,000		\$ 500,000				1,000,000		\$ 1,000,000
23	Affordable Housing Project Monitoring	Unfunded Liabilities	1/1/2014	6/30/2098	Various Consultants and City of Fullerton	Annually inspect and monitor 11 affordable housing projects with long term covenants.	Merged	9,954,000	N	\$ 120,000				60,000		\$ 60,000				60,000		\$ 60,000
24	Commercial Seismic and Rehab Loan Monitoring	Project Management Costs	1/1/2015	6/30/2028	Various Consultants and City of Fullerton	Administer over 100 existing commercial seismic/rehabilitation loans.	Merged	264,000	N	\$ 12,000				6,000		\$ 6,000				6,000		\$ 6,000
25	Stipulated Judgement	Miscellaneous	7/20/1992	6/30/2028	Affordable housing developers	Development of affordable housing units	Merged		N	\$ -						\$ -						\$ -
27	Administrative Cost Allowance FY 2019-20)	Admin Costs	7/1/2018	6/30/2020	Fullerton Successor Agency	Administrative expenses for Successor Agency	Merged	271,837	N	\$ 271,837					135,919	\$ 135,919					135,918	\$ 135,918
28	Affordable Housing Administration and Reporting	Unfunded Liabilities	1/1/2015	6/30/2020	Various Consultants and City of Fullerton	Administer 69 down payment assistance laond and two home ownership projects with 45 affordable housing agreements, and prepare required annual reports to State and Federal agencies.	Merged	260,000	N	\$ 260,000				130,000		\$ 130,000				130,000		\$ 130,000
30	Capital Improvement Projects (four)	Improvement/Infrastructure	3/8/2011	6/30/2020	Griffin Structures, Inc.	Program Management for Truslow Street Lights, Harbor Blvd. Slop Stabilization, Hillcrest Park Improvements, and Fullerton Transportation Center Parking Garage	Merged	95,000	N	\$ 95,000				47,500		\$ 47,500				47,500		\$ 47,500
49	Bond Debt Service Fees	Fees	7/1/1998	6/30/2028	US Bank and Wells Fargo	Bond Debt Service Fees	Merged	70,000	N	\$ 7,000						\$ -				7,000		\$ 7,000
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	Refunding Bonds Issued After 6/27/12	1/28/2015	12/31/2025	US Bank	Debt service payment on 2015 Tax Allocation Refunding Bonds	Merged	9,299,700	N	\$ 1,961,450				1,801,825		\$ 1,801,825				159,625		\$ 159,625
62	Miller Property Purchase	Miscellaneous	7/6/2004	8/1/2024	Ronald F Miller Family Trust	Purchase of real estate per Purchase and Sale Agreement dated 7/6/2004	Merged		N	\$ -						\$ -						\$ -
63									N	\$ -						\$ -						\$ -
64									N	\$ -						\$ -						\$ -
65									N	\$ -						\$ -						\$ -
66									N	\$ -						\$ -						\$ -

Fullerton Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

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
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)	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	Comments
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount	794,321		2,884,336		0	E1: Reserve amount (from ROPS 15-16B) for 16-17 bond debt service payments
2	Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller	2,730			23,203	8,491,639	F2: Rents
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)	485,834		2,884,336		8,478,685	E3: Reserve amount (from ROPS 15-16B) for 16-17 bond debt service payments
4	Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				13,164		F4: Accruals
5	ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required					
6	Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 311,217	\$ 0	\$ 0	\$ 10,039	\$ 12,954	

Fullerton Recognized Obligation Payment Schedule (ROPS 19-20) - Notes July 1, 2019 through June 30, 2020

[illegible]

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

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

Successor Agency:

Fullerton

County:

Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 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):	\$ 11,344,070	\$ 4,257,080	\$ 15,601,150
F	RPTTF	11,174,029	4,087,039	15,261,068
G	Administrative RPTTF	170,041	170,041	340,082
H	Current Period Enforceable Obligations (A+E):	\$ 11,344,070	\$ 4,257,080	\$ 15,601,150

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

Fullerton Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail																						
July 1, 2018 through June 30, 2019																						
(Report Amounts in Whole Dollars)																						
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total	18-19A (July - December)					18-19A Total	18-19B (January - June)					18-19B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$ 122,473,068		\$ 15,601,150	\$ -	\$ -	\$ -	\$ 11,174,029	\$ 170,041	\$ 11,344,070	\$ -	\$ -	\$ -	\$ 4,087,039	\$ 170,041	\$ 4,257,080
4	2005 Tax Allocation Bonds	Bonds Issued On or Before	12/1/2005	6/30/2028	US Bank Corporation	Bond issue to fund non-housing	Merged	68,172,948	N	\$ 6,293,488				5,051,194		\$ 5,051,194				1,242,294		\$ 1,242,294
6	2010 Taxable Tax Allocation Housing Bonds	Bonds Issued On or Before	10/21/2010	6/30/2027	US Bank Corporation	Bond issue for affordable housing	Merged	25,082,104	N	\$ 2,781,554				2,260,172		\$ 2,260,172				521,382		\$ 521,382
9	Lease: Fullerton Arboretum	Miscellaneous	10/5/1977	12/3/2020	Calif. State Univ. Fullerton	Property lease	Merged	478,276	N	\$ 233,306				116,653		\$ 116,653				116,653		\$ 116,653
11	Lease: Ron Miller	Miscellaneous	8/1/2004	8/1/2024	Ronald F Miller Trust	Property lease	Merged	980,008	N	\$ 150,770				75,385		\$ 75,385				75,385		\$ 75,385
14	Amerige Court DDA	OPA/DDA/Construction	2/6/2006	12/31/2017	Pelican-Laing/Fullerton LLC	Mixed-use residential & commercial development	Merged		Y													
19	City/Agency Co-Op Agreement Jan 2011	City/County Loan (Prior 06/28/11), Other	1/29/2011	6/30/2019	City of Fullerton	Harbor Blvd Slope stabilization, Truslow Ave lighting improvements, transportation center parking structure, and graffiti removal.	Merged	14,000,000	N	2,000,000				1,000,000		1,000,000				1,000,000		1,000,000
20	City/Agency Co-Op Agreement June 2011	City/County Loan (Prior 06/28/11), Other	6/7/2011	6/30/2019	City of Fullerton	Street and curb/gutter/sidewalk reconstruction, transportation center steel stairwaysafety refurbishment, downtown art and State College Grade Separation.	Merged	1,500,000	N	1,500,000				750,000		750,000				750,000		750,000
23	Affordable Housing Project Monitoring	Unfunded Liabilities	1/1/2014	6/30/2098	Various Consultants and City of Fullerton	Annually inspect and monitor 11 affordable housing projects with long term covenants.	Merged		N	9,660,000												
24	Commercial Seismic and Rehab Loan Monitoring	Project Management Costs	1/1/2015	6/30/2028	Various Consultants and City of Fullerton	Administer over 100 existing commercial seismic/rehabilitation loans.	Merged	276,000	N	\$ 12,000				6,000		\$ 6,000				6,000		\$ 6,000
25	Stipulated Judgement	Miscellaneous	7/20/1992	6/30/2028	Affordable housing developers	Development of affordable housing units	Merged		N	\$ -						\$ -						\$ -
27	Administrative Cost Allowance FY 2018-19)	Admin Costs	7/1/2018	6/30/2019	Fullerton Successor Agency	Administrative expenses for Successor Agency	Merged	340,082	N	\$ 340,082					170,041	\$ 170,041					170,041	\$ 170,041
28	Affordable Housing Administration and Reporting	Unfunded Liabilities	1/1/2015	6/30/2019	Various Consultants and City of Fullerton	Administer 69 down payment assistance laond and two home ownership projects with 45 affordable housing agreements, and prepare required annual reports to State and Federal agencies.	Merged	260,000	N	260,000				130,000		130,000				130,000		130,000
30	Capital Improvement Projects (four)	Improvement/Infrastructure	3/8/2011	6/30/2019	Griffin Structures, Inc.	Program Management for Truslow Street Lights, Harbor Blvd. Slop Stablization, Hillcrest Park Improvements, and Fullerton Transportation Center Parking Garage	Merged	95,000	N	95,000				47,500		47,500				47,500		47,500
49	Bond Debt Service Fees	Fees	7/1/1998	6/30/2028	US Bank and Wells Fargo	Bond Debt Service Fees	Merged	60,000	N	\$ 6,000						\$ -				6,000		\$ 6,000
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	Refunding Bonds Issued After 6/27/12	1/28/2015	12/31/2025	US Bank	Debt service payment on 2015 Tax Allocation Refunding Bonds	Merged	11,228,650	N	\$ 1,928,950				1,737,125		\$ 1,737,125				191,825		\$ 191,825
61	Street Improvements FY 2017-18	Improvement/Infrastructure	7/1/2017	6/30/2018	Unknown at this time	Reconstruction of various stree segments within the project area boundaries that are eligible for utilizing bond proceeds.	Merged		Y	\$ -						\$ -						\$ -
62	Miller Property Purchase	Miscellaneous	7/6/2004	8/1/2024	Ronald F Miller Family Trust	Purchase of real estate per Purchase and Sale Agreement dated 7/6/2004	Merged	-	N	\$ -						\$ -						\$ -
63									N	\$ -						\$ -						\$ -

Fullerton Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances
July 1, 2015 through June 30, 2016
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), 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	I
	Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)	Fund Sources						Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/15)	4,392,699				2,410,346	-	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16 total distribution from the County Auditor-Controller during June 2015 and January 2016.	3,415				168,231	13,621,708	H2: ROPS 15-16A \$7,672,383 ROPS 15-16B \$5,949,325
3	Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)	3,601,793		250,750		52,754	10,862,766	E3: ROPS 14-15A PPA -\$126,948 ROPS 14-15B PPA -\$123,802
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					23,142	2,758,942	
5	ROPS 15-16 RPTTF Balances Remaining	No entry required					2,758,942	
6	Ending Actual Available Cash Balance (06/30/16) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 + 5)	\$ 794,321	\$ -	\$ (250,750)	\$ -	\$ 2,502,681	\$ 2,758,942	

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

[illegible]



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

GAVIN NEWSOM - GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

April 15, 2019

Ms. Ramona Castaneda, Revenue Manager
City of Fullerton
303 West Commonwealth Avenue
Fullerton, CA 92832

Dear Ms. Castaneda:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fullerton 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 31, 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 made the following determinations:

- Item Nos. 19 and 20 – City of Fullerton (City) and Agency Cooperation Agreements (Agreements) dated January 29, 2011 and June 7, 2011 with outstanding obligation amounts totaling \$15,500,000 (\$14,000,000 and \$1,500,000, respectively), are not allowed. Finance continues to deny these items. The Agency contends the Agreements committed the former Redevelopment Agency (RDA) to fund the related capital improvement projects.

However, HSC 34171 (d) (2) states agreements, contracts, or arrangements between the former RDA and the city that created the RDA are not enforceable unless issued within two years of the RDA creation date or for issuance of indebtedness to third-party investors or bondholders. Further, the Agency did not provide any new documentation during the ROPS 19-20 review. Therefore, these line items are not enforceable obligations and the total requested amount of \$3,500,000 (\$2,000,000 + \$1,500,000) is ineligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

- Item Nos. 23 and 28 – Affordable Housing Monitoring, Administration, and Reporting Contracts, outstanding obligation amounts totaling \$10,214,000 (\$9,954,000 and \$260,000, respectively) are not allowed. Finance continues to deny these items. HSC section 34176 requires “all rights, powers, duties, obligations, and housing assets...be transferred” to the new housing entity. Since the City Housing Division assumed the housing functions, this transfer of “duties and obligations” necessarily includes the transfer of administrative obligations. Further, the Agency did not provide any new documentation during the ROPS 19-20 review. Therefore, the total requested amount of \$380,000 (\$120,000 + \$260,000) is ineligible for RPTTF funding.
- Item No. 24 – Commercial Seismic and Rehab Loan Monitoring in the requested amount of \$12,000 has been reclassified from RPTTF to Administrative RPTTF. Although enforceable, the types of services requested are considered general and administrative in nature.

- Item No. 30 – Capital Improvement Projects, total outstanding obligation amount of \$95,000, is not allowed. Finance continues to deny this item for the following reasons:
 - The contract was entered into between the City and Griffin Structures; the former redevelopment agency (RDA) was not a party to the contract.
 - The cooperation agreement the RDA entered into with the City, dated January 29, 2011, which commits RDA funding to the City, was not enforceable pursuant to HSC 34171(d) (2), which states agreements, contracts, or arrangements between the former RDA and the city that created the RDA are not enforceable unless issued within two years of the RDA creation date or for issuance of indebtedness to third-party investors or bondholders.

Further, the Agency did not provide any new documentation during the ROPS 19-20 review. Therefore, this item is not an enforceable obligation and the requested amount of \$95,000 is ineligible for RPTTF funding.

- The Agency's claimed administrative costs exceed the allowance by \$12,000. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater, not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$271,837 for the fiscal year 2019-20. Although \$271,837 is claimed for the ACA, Item No. 24 is considered an administrative cost and should be counted toward the cap as explained above. Therefore, as noted in the table below, \$12,000 of excess ACA is not allowed:

Administrative Cost Allowance Calculation	
Actual RPTTF distributed for fiscal year 2018-19	\$ 9,401,300
Less distributed Administrative RPTTF	(340,083)
RPTTF distributed for 2018-19 after adjustment	9,061,217
ACA Cap for 2019-20 per HSC section 34171 (b)	271,837
ACA requested for 2019-20	271,837
Plus amount reclassified to ACA	12,000
Total ACA	283,837
ACA in Excess of Cap	\$ (12,000)

Further, 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.

- On the ROPS 19-20 form, the Agency reported cash balances and activity for the period July 1, 2016 through June 30, 2017 (ROPS 16-17). According to our review, the Agency has approximately \$120,389 from Other Funds available to fund enforceable obligations on the ROPS 19-20. HSC section 34177 (I) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 4 – 2005 Tax Allocation Bonds, debt service payment in the amount of \$6,463,953 is partially reclassified from RPTTF to Other Funds. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$6,343,564 and the use of Other Funds in the amount of \$120,389, totaling \$6,463,953.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 4 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, 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/>

The Agency's maximum approved RPTTF distribution for the reporting period is \$11,761,122 as summarized in the Approved RPTTF Distribution table on Page 4 (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:

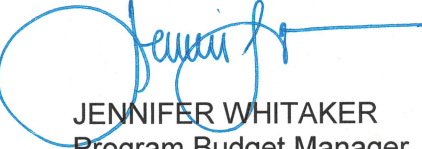
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

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: Mr. Christine Pilapil, Project Manager, City of Fullerton
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	\$ 11,379,097	\$ 4,231,743	\$ 15,610,840
Administrative RPTTF Requested	135,919	135,918	271,837
Total RPTTF Requested	11,515,016	4,367,661	15,882,677
RPTTF Requested	11,379,097	4,231,743	15,610,840
<u>Adjustments</u>			
Item No. 4	(120,389)	0	(120,389)
Item No. 19	(1,000,000)	(1,000,000)	(2,000,000)
Item No. 20	(500,000)	(1,000,000)	(1,500,000)
Item No. 23	(60,000)	(60,000)	(120,000)
Item No. 24	(6,000)	(6,000)	(12,000)
Item No. 28	(130,000)	(130,000)	(260,000)
Item No. 30	(47,500)	(47,500)	(95,000)
	(1,863,889)	(2,243,500)	(4,107,389)
RPTTF Authorized	9,515,208	1,988,243	11,503,451
Administrative RPTTF Requested	135,919	135,918	271,837
<u>Adjustment</u>			
Item No. 24	6,000	6,000	12,000
Excess Administrative Costs	0	(12,000)	(12,000)
Administrative RPTTF Authorized	141,919	129,918	271,837
Total RPTTF Authorized for Obligations	9,657,127	2,118,161	11,775,288
Prior Period Adjustment	(14,166)	0	(14,166)
Total RPTTF Approved for Distribution	\$ 9,642,961	\$ 2,118,161	\$ 11,761,122

April 13, 2018

Ms. Ramona Castaneda, Revenue Manager
City of Fullerton
303 West Commonwealth Avenue
Fullerton, CA 92832

Dear Ms. Castaneda:

Subject: 2018-19 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fullerton 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 31, 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:

- Item Nos. 19 and 20 – City of Fullerton (City) and Agency Cooperation Agreements (Agreements) dated January 29, 2011 and June 7, 2011 with outstanding obligation amounts totaling \$15,500,000, are not allowed. Finance continues to deny these items. The Agency contends the Agreements committed the former Redevelopment Agency (RDA) to fund the related capital improvement projects. However, HSC 34171 (d) (2) states agreements, contracts, or arrangements between the former RDA and the city that created the RDA are not enforceable unless issued within two years of the RDA creation date or for issuance of indebtedness to third-party investors or bondholders. Further, the Agency did not provide any new documentation during the ROPS 18-19 review. Therefore, these line items are not enforceable obligations and the total requested amount of \$3,500,000 (\$2,000,000 + \$1,500,000) is ineligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 23 and 28 – Affordable Housing Monitoring, Administration, and Reporting Contracts with outstanding obligation amounts totaling \$260,000, are not allowed. Finance continues to deny these items. HSC section 34176 requires “all rights, powers, duties, obligations, and housing assets...be transferred” to the new housing entity. Since the City Housing Division assumed the housing functions, this transfer of “duties and obligations” necessarily includes the transfer of administrative obligations. Further, the Agency did not provide any new documentation during the ROPS 18-19 review. Therefore, these items are not enforceable obligations and the total requested amount of \$260,000 is ineligible for RPTTF funding.

- Item No. 24 – Commercial Seismic and Rehab Loan Monitoring in the requested amount of \$12,000, has been reclassified from RPTTF to Administrative RPTTF with the Agency's consent. Although enforceable, the types of services requested are considered general and administrative in nature.
- Item No. 30 – Capital Improvement Projects, total outstanding obligation amount of \$95,000, is not allowed. Finance continues to deny this item for the following reasons:
 - The contract was entered into between the City and Griffin Structures; the former RDA was not a party to the contract.
 - The cooperation agreement the RDA entered into with the City, dated January 29, 2011, which commits RDA funding to the City, was not enforceable pursuant to HSC 34171(d) (2), which states agreements, contracts, or arrangements between the former RDA and the city that created the RDA are not enforceable unless issued within two years of the RDA creation date or for issuance of indebtedness to third-party investors or bondholders.

Further, the Agency did not provide any new documentation during the ROPS 18-19 review. Therefore, this item is not an enforceable obligation and the requested amount of \$95,000 is ineligible for RPTTF funding.

- The Agency's claimed administrative costs exceed the allowance by \$11,999. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater, not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$340,083 for the fiscal year 2017-18. Although \$340,082 is claimed for the ACA, Item No. 24 is considered an administrative cost and should be counted toward the cap as explained above. Therefore, as noted in the table below, \$11,999 of excess ACA is not allowed:

Administrative Cost Allowance Calculation	
Actual RPTTF distributed for fiscal year 2017-18	\$ 11,586,092
Less distributed Administrative RPTTF	(250,000)
RPTTF distributed for 2017-18 after adjustment	11,336,092
ACA Cap for 2018-19 per HSC section 34171 (b)	340,083
ACA requested for 2018-19	340,082
Plus amount reclassified to ACA	12,000
Total ACA	352,082
ACA in Excess of Cap	\$ (11,999)

Further, 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.

- 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 \$148,498 in RPTTF unexpended from the ROPS 15-16 period and \$2,184,353 in Other Funds, totaling \$2,332,851, available to fund enforceable obligations on the ROPS 18-19. The unexpended RPTTF is 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 item has been reclassified in the amounts specified below:
 - Item No. 4 – 2005 Tax Allocation Bonds, debt service payment in the amount of \$6,293,488, has been reclassified. This item does not require payment from property tax revenues. Therefore, Finance approves \$3,960,637 from RPTTF, \$148,498 from Reserve Balances, and \$2,184,353 from Other Funds, totaling \$6,293,488.

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 that 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/>

The Agency's maximum approved RPTTF distribution for the reporting period is \$9,401,300 as summarized in the Approved RPTTF Distribution table on Page 5 (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.

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

Sincerely,



ERIKA LI
Program Budget Manager

cc: Mr. Christine Pilapil, Project Manager, City of Fullerton
Ms. Cindy Wong, Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution For the period of July 2018 through June 2019			
	ROPS A Period	ROPS B Period	ROPS 18-19 Total
RPTTF Requested	\$ 11,174,029	\$ 4,087,039	\$ 15,261,068
Administrative RPTTF Requested	170,041	170,041	340,082
Total RPTTF Requested	11,344,070	4,257,080	15,601,150
RPTTF Requested	11,174,029	4,087,039	15,261,068
<u>Adjustments</u>			
Item No. 4	(2,332,851)	0	(2,332,851)
Item No. 19	(1,000,000)	(1,000,000)	(2,000,000)
Item No. 20	(750,000)	(750,000)	(1,500,000)
Item No. 24	(6,000)	(6,000)	(12,000)
Item No. 28	(130,000)	(130,000)	(260,000)
Item No. 30	(47,500)	(47,500)	(95,000)
	(4,266,351)	(1,933,500)	(6,199,851)
RPTTF Authorized	6,907,678	2,153,539	9,061,217
Administrative RPTTF Requested	170,041	170,041	340,082
<u>Adjustment</u>			
Item No. 24	6,000	6,000	12,000
Adjusted Administrative RPTTF	176,041	176,041	352,082
Excess Administrative Costs	0	(11,999)	(11,999)
Administrative RPTTF Authorized	176,041	164,042	340,083
Total RPTTF Approved for Distribution	\$ 7,083,719	\$ 2,317,581	\$ 9,401,300