

Orange Countywide Oversight Board

Date: 1/28/2020

Agenda Item No. 6E

From: Successor Agency to the La Palma 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 La Palma Successor Agency

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

On April 18, 2013, the City received a Finding of Completion from the State of California Department of Finance (DOF). The Finding of Completion allows the Successor Agency Oversight Board to approve the interfund advances from the City to the former CDC on the Recognized Obligation Payment Schedule (ROPS) beginning on July 1, 2014. The Finding of Completion also allows the Successor Agency to utilize proceeds derived from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants, per HSC Section 34191.4(c). Enforceable obligations of the City's former Community Development Commission (CDC) that are on the ROPS and eligible for RPTTF revenues are as follows:

- Debt Service (principal and interest) 1993 Tax Allocation Bonds – on December 1, 1993, the former CDC issued tax allocation bonds in the amount of \$5,100,000 to finance a portion of the cost of the redevelopment area known as the Former CDC Project Area. The bonds are in denominations of \$5,000 each and bear interest at rates ranging from 3.30% to 6.10%. Principal is payable annually on June 1. Interest is payable semiannually on June 1 and December 1. The remaining outstanding balance is \$224,400. Debt service will be fully amortized as of June 1, 2022.
- Debt Service (principal and interest) 2001 Refunding Tax Allocation Bonds – on December 1, 2001, the former CDC issued tax allocation bonds in the amount of \$6,200,000 to refund \$5,760,000 of 1991 tax allocation bonds previously issued and outstanding by the CDC. The refunding bonds are in denominations of \$5,000 each and bear interest at rates ranging from 2.5% to 5.5%. Principal is payable annually on June 1. Interest is payable semiannually on June 1 and December 1. The remaining outstanding balance is \$859,825. Debt service will be fully amortized as of June 1, 2021.
- Related bond expenses (bank fees, arbitrage fees)
- 1999 Loan for Senior Affordable Apartments - During the year ended June 30, 2001, the City Council authorized a \$4,933,000 advance to the former CDC. The CDC then used the proceeds to make a loan to a developer for the construction of a senior citizens affordable rental housing project. Interest on the advance accrues at a rate equal to the rate of return on City investments in LAIF plus 2.375%. Annual principal and interest payments were due from the former CDC over 30 years. The outstanding balance at June 30, 2019, is \$4,620,200 and is recorded as an advance from various City funds. Any payment to repay the advances is to be made from the net income of the Successor Housing Fund. No payments have been made since the dissolution of redevelopment to repay the advances.
- 2002 Loan to former CDC from City - In July 2002, the City loaned \$1,500,000 to the former CDC for the purpose of assisting a third-party business operation to rehabilitate its property, per the scope and guidelines of redevelopment law in force at the time of the loan. The annual payment to the City on the advance is limited to 50% of the growth in residual revenue amounts above residual revenue for 2012. The balance due to the City consists of the unpaid principal portion as of February 1, 2012, and does

not include any accrued interest. The amount of interest that can be charged to the Successor Agency on the advance payable is limited by AB 1X 26 and AB 1484 to the LAIF interest rate. The Successor Agency has projected sufficient cash flow from residual tax increment to pay back the advance by July 1, 2027. As required by statute, 20% of any loan repayment is required to be transferred to the Successor Housing Agency. The outstanding balance of the loan as of June 30, 2019, is \$511,872.

Administrative Budget

The Administrative Budget includes expenses required to carry out Successor Agency activities and administration. Total estimated budgeted administrative costs for Fiscal Year 2020-21 totals \$107,100. This represents a \$141,800, or 56.9%, decrease from the approved FY 2019-20 Administrative Budget. The amount proposed for the FY 2020-21 Administrative Budget is also below the \$250,000 minimum and the fifty percent cap per HSC Section 34171(b). The fifty percent adjusted RPTTF amount for La Palma in FY 2018-19 was \$434,686 and is estimated to be \$436,109 for FY 2019-20.

The La Palma Successor Agency Administrative Budget for Fiscal Year 2020-21 includes personnel costs for six positions which include the City Manager, Administrative Services Director, Accounting Supervisor, Planning Manager, Deputy City Clerk, and Accounting Technician. The percentage of time charged to the Administrative Budget varies depending on the estimated amount of time each position spends on Successor Agency business.

POSITION	EST. HOURS	FY 20-21 EST COST	DUTIES
City Manager	100 hrs	\$11,800	<ul style="list-style-type: none"> • Overall policy direction and executive leadership
Administrative Services Director	285 hrs	25,700	<ul style="list-style-type: none"> • Primary staff liaison to Oversight Board and DOF • Preparation of SA and Oversight Board Agenda Items • Preparation and submittal of annual ROPS and Administrative Budget • Administration of former RDA agreements • Preparation of Last and Final ROPS for submission to the DOF (anticipated in FY 2020-21)
Accounting Supervisor	285 hrs	17,100	<ul style="list-style-type: none"> • Accounting work associated with SA activities, assets, liabilities, and debts • Preparation for annual audit process • Reporting for preparation of annual ROPS • Complete ROPS Prior Period Adjustment report and submittal to the DOF • Assist with preparation of Last and Final ROPS (anticipated in FY 2020-21)
Planning Manager	85 hrs	5,900	<ul style="list-style-type: none"> • Preparation of annual SB 341 Housing Successor Annual Report and submittal to the Dept. of Housing and Community Development • Assist with administration of former RDA agreements
Deputy City Clerk	75 hrs	3,300	<ul style="list-style-type: none"> • SA Agenda Preparation and Publication • Coordinate SA meetings • Official record-keeping for all SA actions
Accounting Technician	65 hrs	2,700	<ul style="list-style-type: none"> • Assist with accounting work associated with SA activities
TOTAL	895 hrs	\$ 66,500	

It should be noted that it is the intent of the La Palma Successor Agency to begin work on its Last and Final ROPS in FY 2020-21. The amount of time estimated for the Administrative Services Director and Accounting Supervisor positions have been augmented since these will be the primary positions working on completion of the Last and Final ROPS. Not represented in the personnel breakdown, but playing an important policy role in the administration of the Successor Agency, are the City's Mayor and Council Members who serve as the Board for the Successor Agency. Although the annual stipend for the City Council is not included in the budgeted personnel costs, maintenance and operations cost for Successor Agency activities have been included in the next section.

The maintenance and operations budgeted expenses include legal and consulting expenses, the cost of information technology support, supplies, printing of agendas and agenda packets, insurance, and associated facility costs.

Legal Services	General counsel services; specialized RDA law services	\$ 7,200
Annual Audit Services	Annual audit services to issue required financial statements	4,500
ROPS Consultant Services	Review of enforceable obligations; assistance in preparation of ROPS, SA/OB meetings as needed, appeals to DOF as needed.	3,500
Contract Accountant Services	General SA accounting support; preparation of quarterly SA cash and investment reports.	3,500
Website Hosting & Content Management	SA Share of CivicPlus website hosting and content management contract	600
Maintenance of Granicus System	SA Share of meetings minutes management and audio recording software	700
Bank Fees	SA Share of City National Bank and PFM Portfolio Fees	2,200
Supplies/Services	SA Share of office supplies, postage, printing, etc.	3,000
General Administrative Overhead	SA share of City Hall overhead and operating costs (office supplies, utilities, equipment maintenance, technology, insurance, etc.)	15,400
TOTAL		\$ 40,600

La Palma staff continues to analyze expenditures and budget allocations as Successor Agency operations become more streamlined. As stated earlier, La Palma is looking to complete its Last and Final ROPS which will further minimize future administrative costs in future years.

Approvals for Annual ROPS and Administrative Budget

The La Palma Successor Agency resolution approving the ROPS and Administrative Budget for FY 2020-21 will be voted upon at the January 21, 2020 City of La Palma Successor Agency regularly scheduled meeting. Successor Agency approval is subject to submittal to and approval by the Orange Countywide Oversight Board and then by the State Department and Finance (DOF). The Successor Agency also requests authorization to post the approved Resolution and ROPS and Administrative Budget for FY 2020-21 to the City's website and to transmit the ROPS 2020-21 to the DOF. Further, the City of La Palma's City Manager and her designees, in consultation with legal counsel, shall be authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

Impact on Taxing Entities

There will be no impact on Taxing Entities beyond the necessary use of RPTTF revenue for repayment of Enforceable Obligations as required by law. All tax RPTTF revenue not used to fulfill Auditor Controller administrative costs; tax sharing obligations; and, Enforceable Obligations will be allocated by the Auditor Controller to all eligible taxing entities.

Staff Contact(s)

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Lori Rake, Accounting Supervisor
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Attachments

1. Oversight Board Resolution approving FY 2020-21 ROPS and Administrative Budget
 - a. Exhibit A 20-21 Recognized Obligation Payment Schedule and Administrative Budget
2. Resolution from La Palma Successor Agency
3. Approved ROPS for FY 2018-19
4. DOF 2018-19 ROPS Determination Letter
5. Approved ROPS for FY 2019-20
6. DOF 2019-20 ROPS Determination Letter

Resolution No. 20-____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE
LA PALMA REDEVELOPMENT AGENCY APPROVING THE
FOURTEENTH RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(ROPS) 20-21 AND ADMINISTRATIVE BUDGET
FOR THE PERIOD JULY 1, 2020, THROUGH JUNE 30, 2021

WHEREAS, the Community Development Commission of the City of La Palma (Former Agency) was activated by the City Council of the City of La Palma as redevelopment agency, under the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code (HSC), 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 Former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic under HSC Section 34171(g), the Successor Agency to the Community Development Commission (Successor Agency) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs; and

WHEREAS, prior to July 1, 2018 under the Dissolution Law, in particular HSC Sections 34179 and 34180, certain actions of the Successor Agency were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Successor Agency’s activities during the period from dissolution until June 30, 2018; and

WHEREAS, as of, on and after July 1, 2018 under the Dissolution Law, in particular HSC Section 34179(j), the single Orange Countywide Oversight Board was established in compliance with HSC Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including the Successor Agency; and

WHEREAS, every oversight board, both the prior local oversight board and this Orange Countywide 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 under the Dissolution Law, in particular HSC Section 34188; and

WHEREAS, HSC Section 34177(l)(1) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) and submit to the Oversight Board pursuant to HSC Sections 34177(l)(2)(B) for approval; and

WHEREAS, HSC Sections 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule (“ROPS”) is submitted by the Successor Agency to the Oversight Board and

then reviewed and approved by the Oversight Board before final review and approval by the California Department of Finance (“DOF”); and

WHEREAS, the Fourteenth Recognized Obligation Payment Schedule (ROPS 20-21) and Administrative Budget (Exhibit A) for the period of July 1, 2020, through June 30, 2021, has been prepared and presented for consideration to the Orange Countywide Oversight Board; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and duly considered the ROPS 20-21 and Administrative Budget for the period of July 1, 2020, to June 30, 2021, and other evidence and testimony presented related thereto.

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. Pursuant to the Dissolution Law, the Oversight Board hereby approves the Fourteenth Recognized Obligation Payment Schedule (ROPS 20-21) and Administrative Budget for the period July 1, 2020, to June 30, 2021; provided however, that the ROPS 20-21 is subject to the condition that such ROPS is to be submitted to and reviewed by the DOF. Further, the City Manager and/or her authorized designees, in consultation with legal counsel, shall be authorized to discuss this matter with the DOF and make augmentations, modifications, additions, or revisions to the ROPS 20-21 as may be necessary or directed by the DOF.

SECTION 3. The Oversight Board authorizes transmittal of the ROPS 20-21 to the DOF, with copies to the County Executive Office, the County Auditor-Controller, and the State Controller’s Office.

SECTION 4. The City Manager and/or her authorized designee is directed to post this Resolution, including the ROPS 20-21, on the City/Successor Agency website pursuant to the Dissolution Law.

SECTION 5. Under HSC 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 Orange Countywide Oversight Board shall certify to the adoption of this resolution.

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

Successor Agency: La Palma

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ 407,500	\$ 407,500
B Bond Proceeds	-	-	-
C Reserve Balance	-	407,500	407,500
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 500,162	\$ 489,563	\$ 989,725
F RPTTF	446,612	436,013	882,625
G Administrative RPTTF	53,550	53,550	107,100
H Current Period Enforceable Obligations (A+E)	\$ 500,162	\$ 897,063	\$ 1,397,225

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

La Palma
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail
July 1, 2020 through June 30, 2021

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	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$7,405,249		\$1,397,225	\$-	\$-	\$-	\$446,612	\$53,550	\$500,162	\$-	\$407,500	\$-	\$436,013	\$53,550	\$897,063
1	1993 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	12/01/1993	06/01/2022	US Bank	Tax Increment Bond Pledge	All	224,400	N	\$12,200	-	-	-	6,100	-	\$6,100	-	-	-	6,100	-	\$6,100
2	2001 Tax Allocation Ref. Bonds	Bonds Issued On or Before 12/31/10	12/01/2001	06/01/2021	US Bank	Tax Increment Bond Pledge	All	859,825	N	\$452,326	-	-	-	22,413	-	\$22,413	-	-	-	429,913	-	\$429,913
3	1999 Loan Agreement (Seasons)	City/ County Loan (Prior 06/28/11), Other	10/28/1999	10/28/2029	City of La Palma	Senior Affordable Apartments	All	4,225,960	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
4	2002 Loan Agreement (Unisource)	City/ County Loan (Prior 06/28/11), Other	05/21/2002	06/01/2022	City of La Palma	Site Rehabilitation Loan	All	513,739	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
9	TAB Fees	Fees	12/01/1993	06/01/2022	U.S. Bank	1993, 2001 TAB Fees	All	15,000	N	\$7,349	-	-	-	7,349	-	\$7,349	-	-	-	-	-	\$-
10	Arbitrage Calculations	Fees	08/12/2003	06/01/2022	Willdan Financial Srvcs	Arbitrage Calculations	All	6,500	N	\$3,250	-	-	-	3,250	-	\$3,250	-	-	-	-	-	\$-
16	AB 1X26 Adminstrative Allowance	Admin Costs	07/01/2012	06/30/2025	City of La Palma	Administrative Cost Allowance	All	700,000	N	\$107,100	-	-	-	-	53,550	\$53,550	-	-	-	-	53,550	\$53,550
19	1993 Tax Allocation Bonds	Reserves	12/01/1993	06/01/2022	US Bank	Tax Increment Bond Pledge	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
20	2001 Tax Allocation Ref. Bonds	Reserves	12/01/2001	06/01/2021	US Bank	Tax Increment Bond Pledge	All	859,825	N	\$815,000	-	-	-	407,500	-	\$407,500	-	407,500	-	-	-	\$407,500

La Palma
Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
(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 17-18 Cash Balances (07/01/17 - 06/30/18)	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 07/01/17) RPTTF amount should exclude "A" period distribution amount.	879,940			-	-	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller	4,156			-	917,538	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)	-			-	915,696	
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)	884,096			-		
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)	\$-	\$-	\$-	\$-	\$1,842	

La Palma
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes/Comments
1	
2	
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4	
9	
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16	
19	
20	

**Successor Agency to the Former
City of La Palma Community Development Commission
Draft Administrative Budget
July 1, 2020 to June 30, 2021**

Salaries and Benefits	FY 2020-21 Estimated Costs	Hrly Rate*	SA Hours	SA Administration
City Manager	233,900	118.37	100	11,800
Administrative Services Director	178,200	90.16	285	25,700
Accounting Supervisor	118,600	60.01	285	17,100
Planning Manager	137,700	69.68	85	5,900
Deputy City Clerk	85,700	43.37	75	3,300
Accounting Technician	82,600	41.79	65	2,700
<i>*Hourly rate based on 38 hours per week / 1976 hours per year</i>				66,500

Maintenance and Operations

Legal Services	General counsel services; specialized RDA law services	7,200
Annual Audit Services	Annual audit services to issue required financial statements	4,500
ROPS Consultant Services	Review of enforceable obligations; assistance in preparation of ROPS, SA/OB meetings as needed, appeals to DOF as needed.	3,500
Contract Accountant Services	General accounting support; preparation of quarterly SA cash and investment reports.	3,500
Website Hosting & Content Management	SA Share of CivicPlus website hosting and content management contract	600
Maintenance of Granicus System	SA Share of meetings minutes management and audio recording software	700
Bank Fees	SA Share of City National Bank and PFM Portfolio Fees	2,200
Supplies/Services	SA Share of office supplies, postage, printing, etc.)	3,000
General Administrative Overhead	SA share of City Hall overhead and operating costs (utilities, equipment maintenance & leases, technology, insurance, etc.)	15,400
		40,600
TOTAL		107,100

RESOLUTION NO. SA 2020-02

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA ACTING AS THE SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF LA PALMA APPROVING THE FOURTEENTH RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 20-21, AND ADOPTING AND APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2020, THROUGH JUNE 30, 2021

WHEREAS, the Community Development Commission of the City of La Palma (Former Agency) was activated by the City Council of the City of La Palma as redevelopment agency, under the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code (HSC), 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 Former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic under HSC Section 34171(g), the Successor Agency to the Community Development Commission (Successor Agency) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency's affairs; and

WHEREAS, HSC Section 34177(l)(1) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) and submit to the Oversight Board pursuant to HSC Sections 34177(l)(2)(B) for approval; and

WHEREAS, the Fourteenth Recognized Obligation Payment Schedule (ROPS 20-21 A/B) and Administrative Budget (Exhibit A) for the July 1, 2020, through June 30, 2021 period has been prepared and presented for consideration to the Successor Agency; and

WHEREAS, Health and Safety Code Section 34177(o)(1) of the Health and Safety Code requires a successor agency to submit an oversight board-approved ROPS to the Department of Finance and the County Auditor-Controller no later than February 1 of each year; and

WHEREAS, as of, on and after July 1, 2018, under the Dissolution Law, in particular HSC Section 34179(j), the County of Orange through the Orange County Auditor-Controller established the single Orange Countywide Oversight Board in

compliance with HSC Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including the Successor Agency; and

WHEREAS, the City Council acting as the Successor Agency has reviewed and duly considered the Staff Report, and the ROPS 20-21 and Administrative Budget for the period of July 1, 2020, to June 30, 2021, and other evidence and testimony presented related thereto.

NOW, THEREFORE, the City Council of the City of La Palma Acting as the Successor Agency to the Dissolved Community Development Commission resolves as follows:

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

SECTION 2. The City Council acting as the Successor Agency, hereby approves the Fourteenth Recognized Obligation Payment Schedule (ROPS 20-21) and Administrative Budget for the period July 1, 2020, to June 30, 2021, as attached hereto as Exhibit "A" and incorporated herein by this reference.

SECTION 3. The Interim City Manager and/or his authorized designees are hereby authorized to submit the ROPS 19-20 and Administrative Budget for the period July 1, 2019, to June 30, 2020, to the Orange Countywide Oversight Board for its approval.

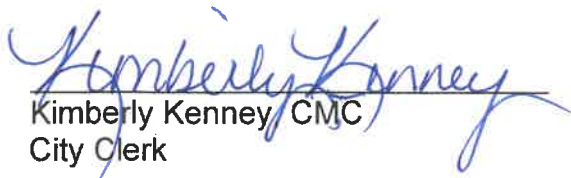
SECTION 4. The Interim City Manager and/or his authorized designees are hereby authorized to submit the ROPS 20-21 for the period July 1, 2020, to June 30, 2021, to the Orange County Auditor-Controller, the California State Controller, and the California Department of Finance, upon approval by the Orange Countywide Oversight Board and shall also post the ROPS 20-21 on the City's website.

PASSED, APPROVED, AND ADOPTED this 21st day of January 2020.



Peter Kim
Mayor

ATTEST:



Kimberly Kenney CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF LA PALMA)

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, HEREBY DO CERTIFY that the foregoing resolution was adopted at a regular meeting of the City Council of the City of La Palma, held on this 21st day of January 2020.

AYES: Goedhart, Goodman, Kim, Patel, and Steggell

NOES: None


Kimberly Kenney, CMC
City Clerk

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

Successor Agency: La Palma

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ 407,500	\$ 407,500
B Bond Proceeds	-	-	-
C Reserve Balance	-	407,500	407,500
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 500,162	\$ 489,563	\$ 989,725
F RPTTF	446,612	436,013	882,625
G Administrative RPTTF	53,550	53,550	107,100
H Current Period Enforceable Obligations (A+E)	\$ 500,162	\$ 897,063	\$ 1,397,225

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

La Palma
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail
July 1, 2020 through June 30, 2021

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	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					ROPS 20-21B (Jan - Jun)					20-21B Total		
											Fund Sources					Fund Sources							
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF			
1	1993 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	12/01/1993	06/01/2022	US Bank	Tax Increment Bond Pledge	All	\$7,405,249	N	\$1,397,225	\$-	\$-	\$-	6,100	\$53,550	\$500,162	\$-	\$407,500	\$-	6,100	-	\$6,100	\$897,063
2	2001 Tax Allocation Ref. Bonds	Bonds Issued On or Before 12/31/10	12/01/2001	06/01/2021	US Bank	Tax Increment Bond Pledge	All	859,825	N	\$452,326	-	-	-	22,413	-	\$22,413	-	-	-	429,913	-	\$429,913	
3	1999 Loan Agreement (Seasons)	City/County Loan (Prior 06/28/11), Other	10/28/1999	10/28/2029	City of La Palma	Senior Affordable Apartments	All	4,225,960	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
4	2002 Loan Agreement (Unisource)	City/County Loan (Prior 06/28/11), Other	05/21/2002	06/01/2022	City of La Palma	Site Rehabilitation Loan	All	513,739	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
9	TAB Fees	Fees	12/01/1993	06/01/2022	U.S. Bank	1993, 2001 TAB Fees	All	15,000	N	\$7,349	-	-	-	7,349	-	\$7,349	-	-	-	-	-	\$-	
10	Arbitrage Calculations	Fees	08/12/2003	06/01/2022	Willdan Financial Svcs	Arbitrage Calculations	All	6,500	N	\$3,250	-	-	-	3,250	-	\$3,250	-	-	-	-	-	\$-	
16	AB 1X26 Administrative Allowance	Admin Costs	07/01/2012	06/30/2025	City of La Palma	Administrative Cost Allowance	All	700,000	N	\$107,100	-	-	-	-	53,550	\$53,550	-	-	-	-	53,550	\$53,550	
19	1993 Tax Allocation Bonds	Reserves	12/01/1993	06/01/2022	US Bank	Tax Increment Bond Pledge	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
20	2001 Tax Allocation Ref. Bonds	Reserves	12/01/2001	06/01/2021	US Bank	Tax Increment Bond Pledge	All	859,825	N	\$815,000	-	-	-	407,500	-	\$407,500	-	407,500	-	-	-	\$407,500	

La Palma
Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
 (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 17-18 Cash Balances (07/01/17 - 06/30/18)			Fund Sources					
				Bond Proceeds		Reserve Balance	Other Funds	RPTTF	Comments
				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 07/01/17) RPTTF amount should exclude "A" period distribution amount.			879,940			-	-	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller			4,156			-	917,538	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)			-			-	915,696	
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)			884,096			-		
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)			\$-	\$-	\$-	\$-	\$1,842	

La Palma
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes/Comments
1	
2	
3	
4	
9	
10	
16	
19	
20	

**Successor Agency to the Former
City of La Palma Community Development Commission
Draft Administrative Budget
July 1, 2020 to June 30, 2021**

Salaries and Benefits	FY 2020-21 Estimated Costs	Hrly Rate*	SA Hours	SA Administration
City Manager	233,900	118.37	100	11,800
Administrative Services Director	178,200	90.16	285	25,700
Accounting Supervisor	118,600	60.01	285	17,100
Planning Manager	137,700	69.68	85	5,900
Deputy City Clerk	85,700	43.37	75	3,300
Accounting Technician	82,600	41.79	65	2,700
<i>*Hourly rate based on 38 hours per week / 1976 hours per year</i>				66,500

Maintenance and Operations

Legal Services	General counsel services; specialized RDA law services	7,200
Annual Audit Services	Annual audit services to issue required financial statements	4,500
ROPS Consultant Services	Review of enforceable obligations; assistance in preparation of ROPS, SA/OB meetings as needed, appeals to DOF as needed.	3,500
Contract Accountant Services	General accounting support; preparation of quarterly SA cash and investment reports.	3,500
Website Hosting & Content Management	SA Share of CivicPlus website hosting and content management contract	600
Maintenance of Granicus System	SA Share of meetings minutes management and audio recording software	700
Bank Fees	SA Share of City National Bank and PFM Portfolio Fees	2,200
Supplies/Services	SA Share of office supplies, postage, printing, etc.)	3,000
General Administrative Overhead	SA share of City Hall overhead and operating costs (utilities, equipment maintenance & leases, technology, insurance, etc.)	15,400
		40,600
TOTAL		107,100

RESOLUTION NO. OB 2018-02

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF LA PALMA APPROVING THE TWELFTH RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 18-19 A/B) FOR THE PERIOD JULY 1, 2018, THROUGH JUNE 30, 2019

WHEREAS, the Community Development Commission of the City of La Palma ("Redevelopment Agency") was activated by the City Council of the City of La Palma as redevelopment agency, under the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.); and

WHEREAS, the California State Legislature enacted Assembly Bill 1X 26 (the "Dissolution Act") to dissolve all redevelopment agencies in the State of California; and

WHEREAS, on January 3, 2012, and pursuant to Health and Safety Code Section 34173, the City Council of the City of La Palma (the "City Council") declared that the City of La Palma, a municipal corporation (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Community Development Commission of the City of La Palma, effective February 1, 2012; and

WHEREAS, on February 1, 2012, the Redevelopment Agency was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, the Oversight Board to the Successor Agency is responsible for implementing the Dissolution Act with respect to the former Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34177(l)(1) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) and submit to the Oversight Board pursuant to Health and Safety Code Sections 34177(l)(2)(B) for approval; and

WHEREAS, the Twelfth Recognized Obligation Payment Schedule (ROPS 18-19A/B) for July 1, 2018, through June 30, 2019, has been prepared and presented for consideration to the Oversight Board to the Successor Agency, as set forth in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, Health and Safety Code Section 34177(o)(1) of the Health and Safety Code requires a successor agency to submit an oversight board-approved ROPS to the Department of Finance and the County Auditor-Controller no later than February 1 of each year; and

WHEREAS, the Oversight Board to the La Palma Successor Agency has reviewed and duly considered the Staff Report, and the ROPS 18-19 A/B for the period of July 1, 2018, to June 30, 2019, and other evidence and testimony presented related thereto.

NOW, THEREFORE, the Oversight Board to the La Palma Successor Agency to the Dissolved Community Development Commission resolves as follows:

SECTION 1. The foregoing Recitals are true and correct and are incorporated herein.

SECTION 2. The Oversight Board of the Successor Agency to the La Palma Community Development Commission, hereby approves the Twelfth Recognized Obligation Payment Schedule (ROPS 18-19 A/B) for the period July 1, 2018, to June 30, 2019, as attached hereto as Exhibit "A" and incorporated herein by this reference.


SECTION 3. The Oversight Board of the Successor Agency to the La Palma Community Development Commission finds the 1999 City Loan to the Community Development Commission for the development of 60 affordable senior apartments is a legitimate redevelopment purpose pursuant to Health and Safety Code Section 34191.4 (b)(1).

SECTION 4. The Oversight Board of the Successor Agency to the La Palma Community Development Commission finds the 2002 City Loan to the Community Development Commission for the rehabilitation and seismic retrofit of certain real property located at 6565 Valley View Street is a legitimate redevelopment purpose pursuant to Health and Safety Code Section 34191.4 (b)(1).

SECTION 5. The City Manager and/or her authorized designees are hereby authorized to submit the ROPS 18-19 A/B for the period July 1, 2018, to June 30, 2019, to the Orange County Auditor-Controller, the California State Controller, and the California Department of Finance, upon approval by the Oversight Board and shall also post the ROPS 18-19 A/B on the City's website.

SECTION 6. The City Clerk of the City of La Palma is directed to post the Oversight Board approved ROPS 18-19A/B on the City's website in compliance with Health & Safety Code Section 34000 et seq.

PASSED, APPROVED, AND ADOPTED this 22nd day of January 2018.



Mark I. Waldman
Chairperson

ATTEST:

A handwritten signature in blue ink, appearing to read "Kimberly Kenney", is written over a horizontal line.

Kimberly Kenney
Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF LA PALMA)

I, KIMBERLY KENNEY, Deputy City Clerk of the City of La Palma, HEREBY DO CERTIFY that the foregoing resolution was adopted at a regular meeting of the Oversight Board to the Successor Agency to the dissolved Community Development Commission of the City of La Palma, held on the 22nd day of January 2018.

AYES:	BOARD MEMBERS:	Carruth, Hutter, Patterson, and Waldman
NOES:	BOARD MEMBERS:	None
ABSENT:	BOARD MEMBERS:	Garcia, Patel, and Nelson


Kimberly Kenney
Deputy City Clerk

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

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

Successor Agency:	La Palma
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):	\$ -	\$ 342,500	\$ 342,500
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	342,500	342,500
D	Other Funds	-	-	-
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 652,067	\$ 585,905	\$ 1,237,972
F	RPTTF	527,067	460,905	987,972
G	Administrative RPTTF	125,000	125,000	250,000
H	Current Period Enforceable Obligations (A+E):	\$ 652,067	\$ 928,405	\$ 1,580,472

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.

Mark I. Waldman	Chairperson
Name	Title
/s/ Mark I. Waldman	1/22/2018
Signature	Date

La Palma Recognized Obligation Payment Schedule (
July 1, 2018 through June 30, 2019
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	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	18-19B (January - June)					18-19B Total
											Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$ 9,428,898		\$ 1,580,472	\$ -	\$ 342,500	\$ -	\$ 460,905	\$ 125,000	\$ 928,405
1	1993 Tax Allocation Bonds	Bonds Issued On or Before	12/1/1993	6/1/2022	US Bank	Tax Increment Bond Pledge	All	526,490	N	\$ 258,060		162,500		81,530		\$ 244,030
2	2001 Tax Allocation Ref. Bonds	Bonds Issued On or Before 12/31/10	12/1/2001	6/1/2021	US Bank	Tax Increment Bond Pledge	All	2,293,100	N	\$ 607,750		180,000		371,375		\$ 551,375
3	1999 Loan Agreement (Seasons)	City/County Loan (Prior 06/28/11), Other	10/28/1999	10/28/2029	City of La Palma	Senior Affordable Apartments	All	4,498,071	N							
4	2002 Loan Agreement (Unisource)	City/County Loan (Prior 06/28/11), Other	5/21/2002	6/1/2022	City of La Palma	Site Rehabilitation Loan	All	609,937	N	\$ 111,162						\$ -
9	TAB Fees	Fees	12/1/1993	6/1/2022	U.S. Bank	1993, 2001 TAB Fees	All	21,750	N	\$ 8,000				8,000		\$ 8,000
10	Arbitrage Calculations	Fees	8/12/2003	6/1/2022	Willdan Financial Svcs	Arbitrage Calculations	All	12,050	N	\$ 3,000						\$ -
16	AB 1X26 Administrative Allowance	Admin Costs	7/1/2016	6/30/2017	City of La Palma	Administrative Cost Allowance	All	1,125,000	N	\$ 250,000					125,000	\$ 125,000
19	1993 Tax Allocation Bonds	Reserves	12/1/1993	6/1/2022	US Bank	Tax Increment Bond Pledge	All	162,500	N	\$ 162,500						\$ -
20	2001 Tax Allocation Ref. Bonds	Reserves	12/1/2001	6/1/2021	US Bank	Tax Increment Bond Pledge	All	180,000	N	\$ 180,000						\$ -

La Palma 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 (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	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)	873,452	-	-	-	2,483	16,528	
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.	13,241	-	-	-	9,448	1,188,016	
3	Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)	6,819	-	-	-	2,495	1,197,106	
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)	879,874	-	-		955	-	Column G - Amount carried over and applied in 16-17A Col N
5	ROPS 15-16 RPTTF Balances Remaining	No entry required						
6	Ending Actual Available Cash Balance (06/30/16) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 + 5)	\$ -	\$ -	\$ -	\$ -	\$ 8,481	\$ 7,438	PPA for 15-16B 7,438 Other Funds Balance applied to 17-18A Col N

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

[illegible]



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

March 21, 2018

Ms. Sea Shelton, Administrative Services Director
City of La Palma
7822 Walker Street
La Palma, CA 90623

Dear Ms. Shelton:

Subject: 2018-19 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of La Palma 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 22, 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 administrative costs claimed 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 \$7,438 in Redevelopment Property Tax Trust Fund (RPTTF) unexpended from the ROPS 15-16 period available to fund enforceable obligations on the ROPS 18-19. These unexpended RPTTF funds are considered Reserve Balances. HSC section 34177 (l) (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 amounts specified below:
 - Item No. 1 – 1993 Tax Allocation Bonds debt service payment in the amount of \$258,060 has been reclassified. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$250,622 and the use of \$7,438 in Reserve Balance funding, totaling \$258,060.

Except for the item 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 \$1,230,534 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.

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.

Ms. Sea Shelton
March 21, 2018
Page 3

Please direct inquiries to Nichelle Jackson, Supervisor, or Michael Painter, Analyst, at (916) 322-2985.

Sincerely,



ERIKA LI
Program Budget Manager

cc: Ms. Laurie A. Murray, Administrative Services Director, City of La Palma
Ms. Cindy Wong, Property Tax Manager, 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	\$ 527,067	\$ 460,905	\$ 987,972
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	652,067	585,905	1,237,972
RPTTF Requested	527,067	460,905	987,972
<u>Adjustment</u>			
Item No. 1	(7,438)	0	(7,438)
RPTTF Authorized	519,629	460,905	980,534
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Approved for Distribution	\$ 644,629	\$ 585,905	\$ 1,230,534

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE LA PALMA
REDEVELOPMENT AGENCY APPROVING THE THIRTEENTH
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 19-20 AND
ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2019, THROUGH
JUNE 30, 2020

WHEREAS, the Community Development Commission of the City of La Palma (Former Agency) was activated by the City Council of the City of La Palma as redevelopment agency, under the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code (HSC), 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 Former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic under HSC Section 34171(g), the Successor Agency to the Community Development Commission (Successor Agency) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency's affairs; and

WHEREAS, prior to July 1, 2018 under the Dissolution Law, in particular HSC Sections 34179 and 34180, certain actions of the Successor Agency were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Successor Agency's activities during the period from dissolution until June 30, 2018; and

WHEREAS, as of, on and after July 1, 2018 under the Dissolution Law, in particular HSC Section 34179(j), the single Orange Countywide Oversight Board was established in compliance with HSC Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including the Successor Agency; and

WHEREAS, every oversight board, both the prior local oversight board and this newly established Orange Countywide 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 under the Dissolution Law, in particular HSC Section 34188; and

WHEREAS, HSC Section 34177(l)(1) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) and submit to the Oversight Board pursuant to HSC Sections 34177(l)(2)(B) for approval; and

WHEREAS, HSC Sections 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule ("ROPS") is submitted by the Successor Agency to the Oversight Board and then reviewed and approved by the Oversight Board before final review and approval by the California Department of Finance ("DOF"); and

WHEREAS, the Thirteenth Recognized Obligation Payment Schedule (ROPS 19-20) (Exhibit A) and Administrative Budget (Exhibit B) for the period of July 1, 2019, through June 30, 2020, has been prepared and presented for consideration to the Orange Countywide Oversight Board; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and duly considered the ROPS 19-20 and Administrative Budget for the period of July 1, 2019, to June 30, 2020, and other evidence and testimony presented related thereto.

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

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

SECTION 2. Pursuant to the Dissolution Law, the Oversight Board hereby approves the Thirteenth Recognized Obligation Payment Schedule (ROPS 19-20) and Administrative Budget for the period July 1, 2019, to June 30, 2020; provided however, that the ROPS 19-20 is subject to the condition that such ROPS is to be submitted to and reviewed by the DOF. Further, the City Manager and/or her authorized designees, in consultation with legal counsel, shall be authorized to discuss this matter with the DOF and make augmentations, modifications, additions, or revisions to the ROPS 19-20 as may be necessary or directed by the DOF.

SECTION 3. The Oversight Board authorizes transmittal of the ROPS 19-20 to the DOF, with copies to the County Executive Office, the County Auditor-Controller, and the State Controller's Office.

SECTION 4. The City Manager and/or her authorized designee is directed to post this Resolution, including the ROPS 19-20, on the City/Successor Agency website pursuant to the Dissolution Law.

SECTION 5. Under HSC 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 Orange Countywide Oversight 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:

ABSTAINED:

CHARLES BARFIELD



BRIAN PROBOLSKY
CHAIRMAN

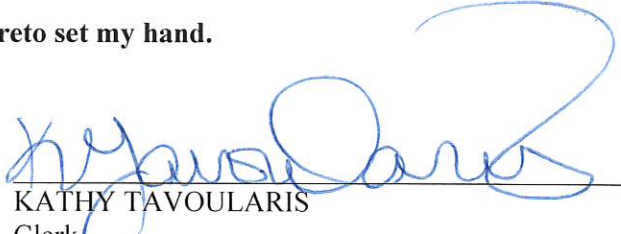
STATE OF CALIFORNIA)

)

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: 19-009

Agenda Date: Tuesday, January 22, 2019

Item No: 5H

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

Successor Agency: La Palma
County: Orange

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):	\$ -	\$ 535,262	\$ 535,262
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	535,262	535,262
D	Other Funds	-	-	-
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 753,475	\$ 417,215	\$ 1,170,690
F	RPTTF	629,025	292,765	921,790
G	Administrative RPTTF	124,450	124,450	248,900
H	Current Period Enforceable Obligations (A+E):	\$ 753,475	\$ 952,477	\$ 1,705,952

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 Probotzky, Chairman
Name Title
/s/ [Signature] 1/24/19
Signature Date

La Palma 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	19-20A (July - December)					19-20B (January - June)				
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	Fund Sources					Fund Sources				
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF
1	1993 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	12/1/1993	6/1/2022	US Bank	Tax Increment Bond Pledge	All	\$ 3,900,581	N	\$ 1,705,952	\$ 0	\$ 0	\$ 0	\$ 629,025	\$ 124,450	\$ 753,475	\$ 0	\$ 535,262	\$ 0	\$ 292,765
2	2001 Tax Allocation Ref. Bonds	Bonds Issued On or Before 12/31/10	12/1/2001	6/1/2021	US Bank	Tax Increment Bond Pledge	All	268,430	N	\$ 44,030				7,015		\$ 7,015			37,015	
								1,685,350	N	\$ 825,525				42,763		\$ 42,763		535,262		247,500
3	1999 Loan Agreement (Seasons)	City/County Loan (Prior 06/28/11), Other	10/28/1999	10/28/2029	City of La Palma	Senior Affordable Apartments	All		N	\$ -						\$ -				
4	2002 Loan Agreement (Unisource)	City/County Loan (Prior 06/28/11), Other	5/21/2002	6/1/2022	City of La Palma	Site Rehabilitation Loan	All	513,739	N	\$ 40,735				40,735		\$ 40,735				
9	TAB Fees	Fees	12/1/1993	6/1/2022	U.S. Bank	1993, 2001 TAB Fees	All	13,750	N	\$ 8,250						\$ -			8,250	
10	Arbitrage Calculations	Fees	8/12/2003	6/1/2022	Willdan Financial Svcs	Arbitrage Calculations	All	9,050	N	\$ 3,250				3,250		\$ 3,250				
16	AB 1X26 Adminstrative Allowance	Admin Costs	7/1/2016	6/30/2017	City of La Palma	Administrative Cost Allowance	All	875,000	N	\$ 248,900					124,450	\$ 124,450				124,450
19	1993 Tax Allocation Bonds	Reserves	12/1/1993	6/1/2022	US Bank	Tax Increment Bond Pledge	All		N	\$ -						\$ -				
20	2001 Tax Allocation Ref. Bonds	Reserves	12/1/2001	6/1/2021	US Bank	Tax Increment Bond Pledge	All	535,262	N	\$ 535,262				535,262		\$ 535,262				
21									N	\$ -						\$ -				
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EXHIBIT A

La Palma 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 (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
		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
	ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)						
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount						
2	Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller	879,874			8,481	7,438	
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)	5,971			5,695	1,212,266	
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)	6,905			955	1,211,757	
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	878,940			8,481		
		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)						
		\$ 0	\$ 0	\$ 0	\$ 4,740	\$ 7,947	

[illegible]



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

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

April 9, 2019

Ms. Sea Shelton, Administrative Services Director
City of La Palma
7822 Walker Street
La Palma, CA 90623

Dear Ms. Shelton:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

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

- Item No. 4 – 2002 Unisource Loan Agreement repayment in the amount of \$40,735 is not allowed. HSC section 34191.4 (b) (3) (A) allows repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in the preceding fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the Orange County Auditor-Controller's (CAC) report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal year 2012-13 and 2018-19 are \$1,395,753 and \$1,072,963, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 19-20 period is zero. Therefore, of the \$40,735 requested, \$40,735 is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding. The Agency may be eligible for additional funding on subsequent ROPS.

- 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 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 CAC's review of the prior period adjustment form submitted by the Agency.

Except for the item 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 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/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,121,118 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 Michael Painter, Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Laurie A. Murray, City Manager, City of La Palma
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	\$ 629,025	\$ 292,765	\$ 921,790
Administrative RPTTF Requested	124,450	124,450	248,900
Total RPTTF Requested	753,475	417,215	1,170,690
RPTTF Requested	629,025	292,765	921,790
<u>Adjustment</u>			
Item No. 4	(40,735)	0	(40,735)
RPTTF Authorized	588,290	292,765	881,055
Administrative RPTTF Authorized	124,450	124,450	248,900
Total RPTTF Authorized for Obligations	712,740	417,215	1,129,955
Prior Period Adjustment	(8,837)	0	(8,837)
Total RPTTF Approved for Distribution	\$ 703,903	\$ 417,215	\$ 1,121,118