

Orange Countywide Oversight Board

Date: 1/28/2020

Agenda Item No. 7B

From: Successor Agency to the San Juan Capistrano Redevelopment Agency

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

Recommended Action:

Approve the resolution authorizing the Fiscal Year 2020-21 ROPS and Administrative Budget for the San Juan Capistrano Successor Agency

The San Juan Capistrano Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS 20-21) and Administrative Budget for Fiscal Year 2020-21.

The ROPS 20-21 (Attachment 2) sets forth estimates of the amounts that are required to be paid by the Successor Agency in Fiscal Year 2020-21 for approved enforceable obligations. The amounts reported in the ROPS 20-21 were determined using the terms of payment set forth in the agreements associated with the approved obligations of the former redevelopment agency.

The majority of the obligation payments are for payments of principal and interest on bonds that were issued by the former Redevelopment Agency or the Successor Agency. In addition to the bond payments, the obligation payments include interest only payments on two promissory notes, payments to repay loans originally made by the City of San Juan Capistrano, payments to private parties as the result of developer agreements or owner participation agreements, and payments associated with the annual costs to administer the Successor Agency. The table below summarizes the amounts estimated for payment:

Bond payments	\$3,147,612
Development agreement payments	346,783
Kinoshita note interest payments	239,901
Payments on City/Agency loans	309,701
Administrative costs	<u>178,584</u>
Total	\$4,222,581

In addition to the use of RPTTF funds as set forth above, \$8.2 million of bond proceeds associated with issuance of the 2018 Tax Allocation Refunding Bonds have been reflected in the ROPS 20-21 as the source for payoff of the Kinoshita notes on March 1, 2021.

Administrative Budget

The Successor Agency is also required to prepare an Administrative Budget for Fiscal Year 2020-21 (Attachment 5). The amount reflected in the Administrative Cost Budget is based upon a detailed analysis of the administrative support provided by City staff to the Successor Agency and other administrative costs paid directly to third party vendors. As a result, the Successor Agency was able to reduce its administrative budget by \$71,416 for Fiscal Year 2020-21.

Additional Documents Requested

As requested, this report is accompanied by the approved ROPS and administrative budgets for the past two fiscal years, as well as the letter provided by the California Department of Finance (DOF) regarding the same.

Successor Agency Approval

On January 21, 2020, the ROPS 20-21 and the Administrative Budget of the Successor Agency for Fiscal Year 2020-21 are scheduled to be presented to the San Juan Capistrano Successor Agency for consideration.

Impact on Taxing Entities

Approval of the ROPS 20-21 and the administrative budget of the San Juan Capistrano Successor Agency for Fiscal Year 2020-21 is expected to result in the distribution of over \$1,800,000 of tax increment funding to the taxing entities.

Staff Contact

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Notifications

California Department of Finance, RedevelopmentAdministration@dof.ca.gov
Orange County Executive Officer, Frank Kim, frank.kim@ocgov.com
Orange County Auditor-Controller's Office, PTAX@ac.ocgov.com
Orange County Auditor-Controller's Office, Israel Guevara, Israel.Guevara@ac.ocgov.com
State Controller's Office, RDA-SDSupport@sco.ca.gov

Attachments

- Attachment 1 – Proposed Oversight Board Resolution –ROPS 20-21
- Attachment 2 – ROPS 20-21
- Attachment 3 – Placeholder for Successor Agency Resolution –ROPS 20-21
- Attachment 4 – Proposed Oversight Board Resolution – Administrative Cost Budget for July 1, 2020, through June 30, 2021
- Attachment 5 – Administrative Cost Budget for July 1, 2020, through June 30, 2021
- Attachment 6 – Placeholder for Successor Agency Resolution – Administrative Cost Budget for July 1, 2020, through June 30, 2021
- Attachment 7 – Approved ROPS 18-19
- Attachment 8 – Approved Admin Budget 18-19
- Attachment 9 – DOF letter Regarding ROPS 18-19
- Attachment 10 – Approved Amended ROPS 18-19B
- Attachment 11 – DOF letter Regarding Amended ROPS 18-19B
- Attachment 12 – Approved ROPS 19-20
- Attachment 13 – Approved Admin Budget 19-20
- Attachment 14 – DOF letter Regarding ROPS 19-20

Resolution No. 20-____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE
SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR
THE PERIOD FROM JULY 1, 2020, THROUGH JUNE 30, 2021 (ROPS 20-21)

WHEREAS, the San Juan Capistrano Community Redevelopment Agency (“Agency”) was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law, Health & Safety Code Section 33000, *et seq.*, which was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council (“City Council”) of the City of San Juan Capistrano (“City”); and

WHEREAS, Assembly Bill X1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies (“Dissolution Act”); and

WHEREAS, on December 29, 2011, in the petition *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012, under the dates in the Dissolution Act that were reformed and extended thereby; and

WHEREAS, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, by a resolution considered and approved by the City Council at an open public meeting the City chose to become and serve as the successor agency to the dissolved Agency under the Dissolution Act; and

WHEREAS, Assembly Bill 1484, enacted on June 27, 2012, and Senate Bill 107 enacted on September 22, 2015, made certain amendments to the Dissolution Act, including the process for adopting Recognized Obligation Payment Schedules (ROPS); and

WHEREAS, as of and on and after February 1, 2012, the City Council serves and acts as the “Successor Agency” and will perform its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency’s affairs, which are now subject to review and approval by the Orange Countywide Oversight Board (“Oversight Board”); and,

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

WHEREAS, pursuant to Section 34171(h) of the Dissolution Act, a "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivisions (l) and (m) and (o) of Section 34177 of the Dissolution Act; and

WHEREAS, pursuant to subdivision (o) (1) of Section 34177, for each period from July 1 to June 30, the Successor Agency is required to submit an annual ROPS to the State Department of Finance and the County Auditor-Controller no later than February 1, of each year; and

WHEREAS, pursuant to subdivisions (l), (m) and (o) of Section 34177 of the Dissolution Act, staff of the City, acting on behalf of the Successor Agency, prepared and submitted to the Successor Agency, the Recognized Obligation Payment Schedule for the period covering July 1, 2020, through June 30, 2021 (ROPS 20-21), in the form attached to this Resolution as Exhibit A and incorporated herein by this reference; and

WHEREAS, the City Council, acting as the governing body of the Successor Agency adopted Resolution SACRA 19-01-21-XX on January 21, 2020, approving the Recognized Obligation Payment Schedule for the period covering July 1, 2020, through June 30, 2021 (ROPS 20-21), and authorizing the Executive Director and/or the Finance Officer of the Successor Agency, or their authorized designees, to make such augmentations, modifications, additions or revisions as they may deem appropriate; and

WHEREAS, Resolution SACRA 19-01-21-XX also directed the Executive Director or authorized designees to transmit the approved ROPS 20-21 to the Oversight Board, the County Executive Officer, the County Auditor-Controller, the State Controller's Office, and the State Department of Finance, and to cause the approved ROPS 20-21 to be posted on the City's website, all in accordance with Section 34177(1)(2)(C) of the Dissolution Act, and take other actions necessary to obtain approval of the ROPS 20-21 from the Oversight Board and the State Department of Finance; and

WHEREAS, pursuant to Section 34177(1)(2)(B) of the Dissolution Act, staff of the City, acting on behalf of the Successor Agency, provided notice of this Oversight Board action, along with the ROPS 20-21 and staff report submitted to the Oversight Board herewith, to the County Executive Officer, the County Auditor-Controller, and the State Department of Finance, concurrently with the posting of the Agenda for this Oversight Board action; and

WHEREAS, pursuant to Sections 34177(1)(2)(B) and 34180(g) of the Dissolution Act, the Oversight Board has received and reviewed the ROPS 20-21 and desires to approve the ROPS 20-21 in substantially the form attached to this Resolution as Exhibit A; and

WHEREAS, pursuant to Section 34177(m) of the Dissolution Act, the State Department of Finance shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the ROPS is submitted;

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

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

Section 2. The Oversight Board hereby approves the revised ROPS 20-21 in the form attached to this Resolution as Exhibit A, which is incorporated herein by this reference.

Section 3. Pursuant to Health and Safety Code Section 34177(o)(1), this Resolution shall be submitted to the California Department of Finance by February 1, 2020, and the California Department of Finance shall issue its determination and approval no later than April 15, 2020.

Section 4. 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: San Juan Capistrano

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)	\$ -	\$ 8,236,598	\$ 8,236,598
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	8,236,598	8,236,598
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 1,108,983	\$ 3,113,598	\$ 4,222,581
F RPTTF	1,019,691	3,024,306	4,043,997
G Administrative RPTTF	89,292	89,292	178,584
H Current Period Enforceable Obligations (A+E)	\$ 1,108,983	\$ 11,350,196	\$ 12,459,179

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

San Juan Capistrano
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	
								\$43,933,662		\$12,459,179	\$-	\$-	\$-	\$1,019,691	\$89,292	\$1,108,983	\$-	\$-	\$8,236,598	\$3,024,306	\$89,292	\$11,350,196
3	2008 Tax Allocation Bonds, Series A	Bonds Issued On or Before 12/31/10	06/03/2008	08/01/2033	U.S. Bank, N.A.	Finance Agency Projects in the Central Project Area consistent with the Redevelopment Plan	Central	8,858,104	N	\$646,591	-	-	-	-	-	\$-	-	-	-	646,591	-	\$646,591
4	2008 Tax Allocation Bonds, Series B (Taxable)	Bonds Issued On or Before 12/31/10	06/03/2008	08/01/2033	U.S. Bank, N.A.	Finance Agency Affordable Housing Projects	Central	12,963,903	N	\$946,962	-	-	-	-	-	\$-	-	-	-	946,962	-	\$946,962
5	Tax Allocation Bond Reserve Set-Aside (See Notes)	Reserves	01/01/2014	06/30/2018	U.S. Bank, N.A.	Reserve set-aside for August 1, 2019 debt service payment - H&S Code Section 34171(b)	Central	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
6	OPA-Fluidmaster	OPA/DDA/Construction	06/17/1997	12/31/2019	Fluidmaster, Inc.	Elimination of Blight/Economic Development	Central	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
7	OPA-Capistrano Volkswagen	OPA/DDA/Construction	04/17/2001	06/30/2020	Miles Brandon	Elimination of Blight/Business Retention	Central	6,783	N	\$6,783	-	-	-	-	-	\$-	-	-	-	6,783	-	\$6,783
8	OPA-Sierra Vista	OPA/DDA/Construction	04/01/2003	06/30/2019	Sierra Vista Partners	Elimination of Blight/Economic Development	Central	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
9	Agreement-TCAG Ford	OPA/DDA/Construction	10/19/2010	03/01/2038	Tuttle Click Automotive Group (TCAG, Inc.)	Elimination of Blight/Business Retention	Central	165,000	N	\$165,000	-	-	-	160,000	-	\$160,000	-	-	-	5,000	-	\$5,000
10	Agreement-OC Chrysler	OPA/DDA/Construction	01/07/2011	06/30/2031	Chrysler Group Realty Co., LLC	Elimination of Blight/Economic Development	Central	175,000	N	\$175,000	-	-	-	93,000	-	\$93,000	-	-	-	82,000	-	\$82,000
12	Kinoshita	Third-Party	02/28/	03/01/2021	Kinoshita	Property	Central	4,151,438	N	\$4,151,438	-	-	-	117,494	-	\$117,494	-	-	4,033,944	-	-	\$4,033,944

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		
	Acquisition - Note Extension (interest payments through March 1, 2021)	Loans	2011		Enterprises, L.P.	Acquisition/ parks & Ag. Preservation																	
13	Kinoshita Acquisition - Note Extension (interest payments through March 1, 2021)	Third-Party Loans	02/28/2011	03/01/2021	Bobby Kinoshita Investment Enterprises, L.P.	Property Acquisition/ parks & Ag. Preservation	Central	4,325,061	N	\$4,325,061	-	-	-	122,407	-	\$122,407	-	-	4,202,654	-	-	\$4,202,654	
14	Kinoshita Note Principal Payment Set-aside	Third-Party Loans	02/28/2011	03/01/2021	See Items 12-13 above	Reserve set-aside for March 1, 2021 principal payment on both notes - \$7,996,697.	Central	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
16	Tax Anticipation Agreement (City/Agency Loan #1-See Notes)	City/County Loan (Prior 06/28/11), Cash exchange	01/20/1988	06/30/2026	City of San Juan Capistrano	Elimination of Blight/ Economic Development	Central	301,575	N	\$301,575	-	-	-	150,000	-	\$150,000	-	-	-	151,575	-	\$151,575	
17	Trulis Acquisition - Loan Agreement (City/Agency Loan #2 - See Notes)	City/County Loan (Prior 06/28/11), Cash exchange	10/01/1998	06/30/2026	City of San Juan Capistrano	Property Acquisition/ Elimination of Blight	Central	8,126	N	\$8,126	-	-	-	4,063	-	\$4,063	-	-	-	4,063	-	\$4,063	
18	Administration Loan Agreement (City/Agency Loan #3 - See Notes)	City/County Loan (Prior 06/28/11), Cash exchange	06/01/2004	06/30/2026	City of San Juan Capistrano	Administration/ Project Costs	Central	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
28	Administrative Cost Allowance	Admin Costs	07/01/2014	06/30/2018	City of San Juan Capistrano	3% allowance for administrative costs incurred.	Central	178,584	N	\$178,584	-	-	-	-	89,292	\$89,292	-	-	-	-	89,292	\$89,292	

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	
32	Legal Costs associated with assets, obligations and property.	Litigation	08/20/1991	06/30/2017	Straddling, Yocca, Carlson & Rauth	Section 34171(b) - cost of maintaining assets prior to disposition	Central	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
51	Lower Rosan Ranch - 2016 Subordinated Tax Allocation Note (See Notes)	Refunding Bonds Issued After 6/27/12	11/01/2016	08/01/2021	Western Alliance Bank	Refunding F&M Note	Central	2,193,559	N	\$745,454	-	-	-	372,727	-	\$372,727	-	-	-	372,727	-	\$372,727
52	Costs associated with selling properties (appraisals, surveys, etc.)	Property Dispositions	09/27/2016	09/27/2017	DMG, Inc.	Appraisal of properties that are to be sold and the proceeds distributed to the taxing entities	Central	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
53	2018 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	08/23/2018	02/01/2033	U.S. Bank, N.A.	Principal payment on refunding bonds to refinance Kinoshita notes		10,606,529	N	\$808,605	-	-	-	-	-	\$-	-	-	-	808,605	-	\$808,605
54	2018 Tax Allocation Refunding Bonds - Reserve Set-Aside (see notes)	Reserves	08/23/2018	02/01/2033	U.S. Bank, N.A.	Reserve set-aside for August 1, 2019 debt service payment - H&S Code Section 34171(b)		-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

San Juan Capistrano
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.	1,775,237		2,287,285		159,568	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller				45,000	3,056,177	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)	174,098		325,860	14,881	2,822,452	
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)			1,961,416		-	
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			233,725	
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$1,601,139	\$-	\$9	\$30,119	\$159,568	

San Juan Capistrano
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes/Comments
3	The total obligation outstanding includes all principal and interest expected to be outstanding at June 30, 2020.
4	The total obligation outstanding includes all principal and interest expected to be outstanding at June 30, 2020.
5	Set-aside reserve pursuant to H&S Code Section 34171(b).
6	The total obligation outstanding is the amount expected to be outstanding as of June 30, 2020. The agreement end date is upon complete payment of obligation. As instructed by DOF staff, an estimated date has been included.
7	The total obligation outstanding is the amount expected to be outstanding as of June 30, 2020. The agreement end date is upon complete payment of obligation. As instructed by DOF staff, an estimated date has been included.
8	The total obligation outstanding is the amount expected to be outstanding as of June 30, 2020. The agreement end date is upon complete payment of obligation. As instructed by DOF staff, an estimated date has been included.
9	The total obligation outstanding includes all principal and interest expected to be outstanding at June 30, 2020.
10	The total obligation outstanding includes all principal and interest expected to be outstanding at June 30, 2020.
12	The total obligation outstanding includes all principal and interest expected to be outstanding at June 30, 2020. Payments for FY 20-21 are interest only at 6.0%.
13	The total obligation outstanding includes all principal and interest expected to be outstanding at June 30, 2020. Payments for FY 20-21 are interest only at 6.0%.
14	The obligations in lines 12 and 13 have principal payments due on March 1, 2021. RPPTF projections show that if the Successor Agency does not set-aside RPTTF ahead of March 1, 2021, there will not be sufficient RPTTF to meet these obligations when due. This will result in a default on these enforceable obligations.
16	The City has received its Finding of Completion; this loan was approved by the Oversight Board pursuant to Health and Safety Code (HSC) Section 34191.4(b) on May 27, 2014, (Oversight Board Resolution14-05-27-02); and DOF approved the loan and payment schedule on August 5, 2014 . The total obligation outstanding is the amount expected to be outstanding as of June 30, 2020.
17	The City has received its Finding of Completion; this loan was approved by the Oversight Board pursuant to Health and Safety Code (HSC) Section 34191.4(b) on May 27, 2014 (Oversight Board Resolution14-05-27-02); and DOF approved the loan and payment schedule on August 5, 2014 . The total obligation outstanding is the amount expected to be outstanding as of June 30, 2020.
18	The City has received its Finding of Completion; this loan was approved by the Oversight Board pursuant to Health and Safety Code (HSC) Section 34191.4(b) on May 27, 2014 (Oversight Board Resolution14-05-27-02); and DOF approved the loan and payment schedule on 10/19/2016. The total obligation outstanding is the amount expected to be outstanding as of June 30, 2020.

28	Staff time and other administrative costs (estimated to be incurred for this ROPS period) provided pursuant to the Agreement for the Reimbursement of Costs approved by the Oversight Board on May 2, 2012, (Resolution 12-05-02-01). The agreement continues until services are no longer needed. Therefore, the actual termination date is unknown.
32	Legal costs associated with property, assets, and enforceable obligations (estimated) - HSC Section 34171(b). The Agreement is valid until services are no longer needed. Therefore, the actual termination date is unknown.
51	Debt service on DOF-approved refinancing of Lower Rosan Farmers and Merchants Bank Note.
52	Costs associated with selling property formerly owned by the CRA that are paid outside of escrow. The proceeds of sale will be distributed to the taxing entities.
53	2019 Tax Allocation Refunding Bonds - The total obligation outstanding includes all principal and interest expected to be outstanding at June 30, 2020.
54	Set-aside reserve pursuant to H&S Code Section 34171(b).

Orange Countywide Oversight Board
Placeholder for Pending Resolution

Date: 1/28/2020

From: Successor Agency to the San Juan Capistrano Redevelopment Agency

Subject: Resolution of the San Juan Capistrano City Council Approving the 2020-21 ROPS

The resolution of the San Juan Capistrano City Council (acting as the Successor Agency Board of Directors) approving the 2020-21 ROPS will be voted upon at their 1/21/2020 meeting. As such, the resolution is not yet available for submission but will be provided before the Countywide Oversight Board votes upon its resolution regarding the 2020-21 ROPS.

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE
SAN JUAN CAPISTRANO COMMUNITY REDEVELOPMENT AGENCY
APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR
THE PERIOD FROM JULY 1, 2020, TO JUNE 30, 2021, PURSUANT TO
HEALTH AND SAFETY CODE SECTION 34177(j).

WHEREAS, the San Juan Capistrano Community Redevelopment Agency (“Agency”) was established as a community redevelopment agency duly organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, et seq. (“CRL”), and has been authorized to transact business and exercise the power of a redevelopment agency pursuant to action of the City Council (“City Council”) of the City of San Juan Capistrano (“City”); and

WHEREAS, Assembly Bill X1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies (the “Dissolution Act”); and

WHEREAS, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, by Resolution No. 12-01-10-01 approved by the City Council at an open meeting on January 10, 2012, the City chose to become and serve as the successor agency to the dissolved Agency under the Dissolution Act; and

WHEREAS, as of and on and after February 1, 2012, the City serves and acts as the “Successor Agency” and will perform its functions as the successor agency under the Dissolution Act to administer all enforceable obligations of the Agency and otherwise unwind the Agency’s affairs, which are now subject to review and approval by the Orange Countywide Oversight Board (“Oversight Board”); and

WHEREAS, Health and Safety Code Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

WHEREAS, Health and Safety Code Section 34177(j) requires the Successor Agency to prepare a proposed Administrative Budget covering the periods from July 1, 2020, through December 31, 2020, and January 1, 2021, through June 30, 2021; and

WHEREAS, pursuant to Section 34177(j), the Successor Agency’s “Administrative Budget” is to include all of the following: (a) estimated amounts of the Successor Agency’s administrative costs for the upcoming six month fiscal period; (b) the proposed sources of payment

for the administrative costs; and (c) proposals for arrangements for administrative and operations services provided by the City as Successor Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34180(h), the Successor Agency may request authorization from the Oversight Board for the Successor Agency and the City of San Juan Capistrano to enter into an agreement to ensure provision of the necessary services from the City to support Successor Agency responsibilities in winding down the activities of the former Agency, including the estimated costs set forth in the Administrative Budget; and

WHEREAS, the Oversight Board adopted Resolution No. 12-05-02-01 on May 2, 2012, to authorize the Successor Agency to enter into an “Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan” (“Costs Reimbursement Agreement”), which agreement authorizes the reimbursement of costs incurred by the City to support Successor Agency operations and obligations; and

WHEREAS, the City Council, acting as the governing body of the Successor Agency adopted Resolution SACRA 20-01-21-~~XX~~, on January 21, 2020, approving the Administrative Budget for the period from July 1, 2020, to June 30, 2021; and

WHEREAS, the Successor Agency’s proposed Administrative Budget for the period from July 1, 2020, to June 30, 2021, has been submitted to the Oversight Board for its review and approval; and

WHEREAS, the Administrative Budget, as approved by the Oversight Board, will be provided to the County of Orange Auditor-Controller pursuant to Health and Safety Code Section 34177(k) so that the Successor Agency’s estimated administrative costs in the approved Administrative Budget will be paid from available property tax revenues deposited into the Redevelopment Property Tax Trust Fund first, then reserves for the upcoming six-month period;

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 HSC Section 34177(j), the Oversight Board approves the Successor Agency’s proposed Administrative Budget, attached hereto as Exhibit A and incorporated by this reference.

Section 3. This Resolution shall take effect immediately upon adoption.

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

ADMINISTRATIVE COSTS BUDGET

POSITION NAME	TASK	TASK -		TOTAL		SALARY COST PER HOUR	BENEFITS (PENSION COSTS, ETC.)	TOTAL		
		HOURS PER TASK	NUMBER OF TIMES PER YEAR	HOURS PER YEAR	HOURS PER YEAR			COST PER HOUR	TOTAL COST PER HOUR	TOTAL COSTS
CITY MANAGER	Consultations with CFO as to SA matters	1.00	52.00	52.00		\$ 124.86	\$ 73.54	\$ 198.40	\$ 10,316.80	
	Review of bi-weekly agenda reports	2.00	26.00	52.00		\$ 124.86	\$ 73.54	\$ 198.40	\$ 10,316.80	
	Bi-weekly SA Board Meetings	0.50	26.00	13.00		\$ 124.86	\$ 73.54	\$ 198.40	\$ 2,579.20	
	Review of annual agenda reports	4.00	1.00	4.00		\$ 124.86	\$ 73.54	\$ 198.40	\$ 793.60	
CFO	Consultations with CM as to SA matters	1.00	52.00	52.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 7,644.00	
	Review of bi-weekly agenda reports	6.00	26.00	156.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 22,932.00	
	Bi-weekly SA Board Meetings	0.50	26.00	13.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 1,911.00	
	Review of annual agenda reports	12.00	1.00	12.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 1,764.00	
	Review of compliance reports	2.00	1.00	2.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 294.00	
	Review of annual financial reports	4.00	1.00	4.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 588.00	
	Approval of invoices and checks	2.00	26.00	52.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 7,644.00	
	Review of journal entries	4.00	12.00	48.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 7,056.00	
	Coordination and review of ROPS prep	20.00	1.00	20.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 2,940.00	
	Coordination and planning of audit and year end close	15.00	1.00	15.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 2,205.00	
	Consultations with City Attorney re SA matters	2.00	12.00	24.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 3,528.00	
	Administrative tasks relating to properties	2.00	12.00	24.00		\$ 92.51	\$ 54.49	\$ 147.00	\$ 3,528.00	
	SR. EXECUTIVE ASSISTANT	Coordination of meetings	1.00	52.00	52.00		\$ 36.12	\$ 21.27	\$ 57.39	\$ 2,984.28
	RECORDS COORDINATOR	Processing of agenda reports/resolutions	1.00	26.00	26.00		\$ 36.06	\$ 21.24	\$ 57.30	\$ 1,489.80
CITY CLERK	Processing of agenda reports/resolutions/mtg agendas	2.00	26.00	52.00		\$ 61.59	\$ 36.28	\$ 97.87	\$ 5,089.24	
ASSISTANT CITY CLERK	Processing of agenda reports/resolutions	1.00	26.00	26.00		\$ 39.80	\$ 23.44	\$ 63.24	\$ 1,644.24	
ADMIN. COORDINATOR	Processing of agenda reports	1.00	26.00	26.00		\$ 36.06	\$ 21.24	\$ 57.30	\$ 1,489.78	
ASST. FINANCE DIRECTOR	Review of annual financial reports	4.00	1.00	4.00		\$ 68.44	\$ 40.31	\$ 108.75	\$ 435.00	
	Supervision of SA personnel	4.00	12.00	48.00		\$ 68.44	\$ 40.31	\$ 108.75	\$ 5,220.00	
	Preparation of SA cash agenda reports	5.00	12.00	60.00		\$ 68.44	\$ 40.31	\$ 108.75	\$ 6,525.00	
	Prep. of prior period adjustment form/rel. questions	12.00	1.00	12.00		\$ 68.44	\$ 40.31	\$ 108.75	\$ 1,305.00	
PAYROLL TECH	Processing of payroll	0.50	26.00	13.00		\$ 33.48	\$ 19.72	\$ 53.20	\$ 691.60	
ACCOUNTS PAYABLE TECH	Processing invoices/disbursements	5.00	12.00	60.00		\$ 30.33	\$ 17.86	\$ 48.19	\$ 2,891.66	
	Preparation of monthly agenda reports	2.00	12.00	24.00		\$ 30.33	\$ 17.86	\$ 48.19	\$ 1,156.66	
ACCOUNTANT	Monthly recordkeeping/bank reconciliations	6.00	12.00	72.00		\$ 41.82	\$ 24.63	\$ 66.45	\$ 4,784.54	
	Prep for year end audit	8.00	1.00	8.00		\$ 41.82	\$ 24.63	\$ 66.45	\$ 531.62	
	Provide records for ROPS/Cash balances	8.00	1.00	8.00		\$ 41.82	\$ 24.63	\$ 66.45	\$ 531.62	
COUNCILMEMBERS	Read agenda reports/resolutions	1.00	26.00	26.00		\$ 15.00	\$ 8.84	\$ 23.84	\$ 619.71	
	Attend meetings	0.50	26.00	13.00		\$ 15.00	\$ 8.84	\$ 23.84	\$ 309.86	
Total personnel costs								\$	123,740.01	
Contracted Services:										
Preparation of ROPS								\$	9,500.00	
Audit Firm								\$	4,500.00	
Continuing Disclosure (Bonds)								\$	2,500.00	
Law Firm Services								\$	3,500.00	
Indirect Costs:										
Insurance (1.5%)								\$	18,030.00	
IT charges (1.5%)								\$	16,814.00	
Total costs								\$	178,584.01	

Orange Countywide Oversight Board
Placeholder for Pending Resolution

Date: 1/28/2020

From: Successor Agency to the San Juan Capistrano Redevelopment Agency

Subject: Resolution of the San Juan Capistrano City Council Approving the 2020-21 Administrative Budget of the Successor Agency

The resolution of the San Juan Capistrano City Council (acting as the Successor Agency Board of Directors) approving the 2020-21 Administrative Budget will be voted upon at their 1/21/2020 meeting. As such, the resolution is not yet available for submission but will be provided before the Countywide Oversight Board votes upon its resolution regarding the 2020-21 Administrative Budget.

San Juan Capistrano 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	18-19A (July - December)					Q	18-19B (January - June)					W
											Fund Sources						Fund Sources					
											L	M	N	O	P		R	S	T	U	V	
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 Total						18-19B Total
1	1997 Subordinated Taxable Tax	Bonds Issued On or Before 12/31/10	5/6/1997	8/1/2017	Bank of New York	Affordable Housing Projects	Central	\$ -	Y	\$ -						\$ -						\$ -
3	2008 Tax Allocation Bonds, Series A	Bonds Issued On or Before 12/31/10	6/3/2008	8/1/2033	U.S. Bank, N.A.	Finance Agency Projects in the Central Project Area consistent with the Redevelopment Plan	Central	10,141,997	N	\$ 638,813						\$ 487,397						\$ 151,416
4	2008 Tax Allocation Bonds, Series B (Taxable)	Bonds Issued On or Before 12/31/10	6/3/2008	8/1/2033	U.S. Bank, N.A.	Finance Agency Affordable Housing Projects	Central	14,846,567	N	\$ 937,416						\$ 656,318						\$ 281,098
5	Tax Allocation Bond Reserve Set-Aside (See Notes)	Reserves	1/1/2014	6/30/2018	U.S. Bank, N.A.	Reserve set-aside for August 1, 2019 debt service payment - H&S Code Section 34171(b)	Central	772,513	N	\$ 294,423						\$ -						\$ 294,423
6	OPA-Fluidmaster	OPA/DDA/Construction	6/17/1997	12/31/2019	Fluidmaster, Inc.	Elimination of Blight/Economic Development	Central	74,760	N	\$ 40,000						\$ 40,000						\$ -
7	OPA-Capistrano Volkswagen	OPA/DDA/Construction	4/17/2001	6/30/2020	Miles Brandon	Elimination of Blight/Business Retention	Central	76,783	N	\$ 35,000						\$ -						\$ 35,000
8	OPA-Sierra Vista	OPA/DDA/Construction	4/1/2003	6/30/2019	Sierra Vista Partners	Elimination of Blight/Economic Development	Central	16,402	N	\$ 16,402						\$ 16,402						\$ -
9	Agreement-TCAG Ford	OPA/DDA/Construction	10/19/2010	3/1/2038	Tuttle Click Automotive Group (TCAG, Inc.)	Elimination of Blight/Business Retention	Central	1,051,617	N	\$ 209,000						\$ 104,500						\$ 104,500
10	Agreement-OC Chrysler	OPA/DDA/Construction	1/7/2011	6/30/2031	Chrysler Group Realty Co., LLC	Elimination of Blight/Economic Development	Central	530,981	N	\$ 170,208						\$ 123,750						\$ 46,458
12	Kinoshita Acquisition - Note Extension (interest payments through March 1, 2021)	Third-Party Loans	2/28/2011	3/1/2021	Kinoshita Enterprises, L.P.	Property Acquisition/parks & Ag. Preservation	Central	3,681,462	N	\$ 234,988						\$ 117,494						\$ 117,494
13	Kinoshita Acquisition - Note Extension (interest payments through March 1, 2021)	Third-Party Loans	2/28/2011	3/1/2021	Bobby Kinoshita Investment Enterprises, L.P.	Property Acquisition/parks & Ag. Preservation	Central	3,835,433	N	\$ 244,814						\$ 122,407						\$ 122,407
14	Kinoshita Note Principal Payment Set-aside	Third-Party Loans	2/28/2011	3/1/2021	See Items 12-13 above	Reserve set-aside for March 1, 2021 principal payment on both notes - \$7,996,697.	Central	7,996,697	N													
16	Tax Anticipation Agreement (City/Agency Loan #1-See Notes)	City/County Loan (Prior 06/28/11), Cash exchange	1/20/1988	6/30/2026	City of San Juan Capistrano	Elimination of Blight/Economic Development	Central	899,014	N	300,000						150,000						150,000
17	Trulis Acquisition - Loan Agreement (City/Agency Loan #2 - See Notes)	City/County Loan (Prior 06/28/11), Cash exchange	10/11/1998	6/30/2026	City of San Juan Capistrano	Property Acquisition/Elimination of Blight	Central	207,535	N	100,000						50,000						50,000
18	Administration Loan Agreement (City/Agency Loan #3 - See Notes)	City/County Loan (Prior 06/28/11), Cash exchange	6/1/2004	6/30/2026	City of San Juan Capistrano	Administration/Project Costs	Central	1,684,800	N													
28	Administrative Cost Allowance	Admin Costs	7/1/2014	6/30/2018	City of San Juan Capistrano	3% allowance for administrative costs incurred.	Central	250,000	N	\$ 250,000						125,000						125,000
32	Legal Costs associated with assets, obligations and property.	Litigation	8/20/1991	6/30/2017	Straddling, Yocca, Carlson & Rauth	Section 34171(b) - cost of maintaining assets prior to disposition.	Central		N													
51	Lower Rosan Ranch - 2016 Subordinated Tax Allocation Note (See Notes)	Refunding Bonds Issued After 6/27/12	11/1/2016	8/1/2021	Western Alliance Bank	Refunding F&M Note		2,981,817	N	\$ 732,309						689,505						42,804
52	Costs associated with selling properties (appraisals, surveys, etc.)	Property Dispositions	9/27/2016	9/27/2017	DMG, Inc.	Appraisal of properties that are to be sold and the proceeds distributed to the taxing entities			N													
53									N	\$ -						\$ -						\$ -
54									N	\$ -						\$ -						\$ -
55									N	\$ -						\$ -						\$ -
56									N	\$ -						\$ -						\$ -
57									N	\$ -						\$ -						\$ -
58									N	\$ -						\$ -						\$ -

SUCCESSOR AGENCY ADMINISTRATIVE BUDGET

July 1, 2018 through June 30, 2019

Obligation Type	Description	July 1, 2018 through December 31, 2018 (ROPS 17-18A)	January 1, 2019 through June 30, 2019 (ROPS 17-18B)	Fiscal Year 2018-2019 Total
Administrative Cost Allowance ⁽¹⁾	Successor Agency share of City employee's salaries and benefits as well as banking, legal and bond administration costs associated with outstanding debt of the former redevelopment agency	\$125,000	\$125,000	\$250,000
Total Administrative Expenses		\$125,000	\$125,000	\$250,000
Funding Source				
RPTTF		\$125,000	\$125,000	\$250,000
Other Funds		\$0	\$0	\$0
Total - All Funding Sources		\$125,000	\$125,000	\$250,000

(1) For Fiscal Year 2018-19, the City, as the Successor Agency, is entitled to receive up to 3% of the portion of its Redevelopment Property Tax Trust Fund (RPTTF), but not less than \$250,000, to meet the administrative expenses of serving as the Successor Agency.



April 9, 2018

Ms. Michelle Bannigan, Assistant Finance Director
City of San Juan Capistrano
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Dear Ms. Bannigan:

Subject: 2018-19 Annual Recognized Obligation Payment Schedule

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

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

- Item No. 10 – Orange Coast Chrysler Agreement. Per discussion with Agency staff and a review of documentation provided, the \$247,500 requested for the annual ROPS period should be \$170,208. Therefore, at the Agency's request, Finance approves \$170,208; the remainder, \$77,292 (\$247,500 - \$170,208), is ineligible for Redevelopment Property Tax Trust Fund (RPTTF) funding on the ROPS.
- Item No. 14 – Kinoshita Note Principal Payment Set-Aside, total requested amount of \$100,000 is not allowed. Finance continues to deny this item. The Agency continues to contest the denial of this item; however, no additional information was provided for ROPS 18-19. Therefore, as previously determined, this item is a contingent obligation for a principal balloon payment for the Kinoshita Note Payable due March 1, 2021. HSC section 34177 (b) allows reserves for indentures, trust indentures, or similar documents governing the issuance of outstanding RDA bonds. The statute does not currently recognize contingent or unknown obligations, thus creation of reserves for such items is not permissible. Therefore, this item is ineligible for RPTTF funding in the amount of \$100,000 at this time.
- Item No. 18 – City of San Juan Capistrano (City) Administration Loan Agreement; total outstanding amount of \$1,684,800, is not allowed. Pursuant to HSC section 34191.4 (b), loan agreements between the former Redevelopment Agency and sponsoring entity may be placed on the ROPS if the following requirements are met: (1) the Agency has received a Finding of Completion and (2) the Agency's Oversight Board (OB) approves the loan as an enforceable obligation by finding the loan was for legitimate redevelopment purposes.

The Agency received a Finding of Completion on November 8, 2013. However, Finance denied OB Resolution No. 14-05-27-02, approving repayment of certain existing loans to the City as enforceable obligations and finding the loans were for legitimate redevelopment purposes, in our determination letter dated August 5, 2014, with respect to this item. The Cooperation and Repayment Agreement executed on June 15, 2004 does not specify dollar amounts to be loaned or advanced or specific repayment terms. Therefore, the total requested RPTTF funding of \$175,000 is not allowed.

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 \$4,168,373 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

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

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

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

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

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

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

Ms. Michelle Bannigan
April 9, 2018
Page 3

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 Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,



ERIKA LI
Program Budget Manager

cc: Mr. Ken Al-Imam, Chief Financial Officer/ Treasurer, City of San Juan Capistrano
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	\$ 2,695,273	\$ 1,575,392	\$ 4,270,665
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	2,820,273	1,700,392	4,520,665
RPTTF Requested	2,695,273	1,575,392	4,270,665
<u>Adjustments</u>			
Item No. 10	0	(77,292)	(77,292)
Item No. 14	(50,000)	(50,000)	(100,000)
Item No. 18	(87,500)	(87,500)	(175,000)
	(137,500)	(214,792)	(352,292)
RPTTF Authorized	2,557,773	1,360,600	3,918,373
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Approved for Distribution	\$ 2,682,773	\$ 1,485,600	\$ 4,168,373

San Juan Capistrano Amended Recognized Obligation Payment Schedule (ROPS 18-19B) - ROPS Detail

January 1, 2019 through June 30, 2019

(Report Amounts in Whole Dollars)

Item #	Project Name/Debt Obligation	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS					Total	REQUESTED ADJUSTMENTS					Total	Notes		
				Fund Sources						Fund Sources								
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF				
			\$ -						\$ -									
			\$ -						\$ -									
			\$ -						\$ -									
			\$ -						\$ -									
			\$ -						\$ -									
			\$ -						\$ -									
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			\$ -						\$ -									
			\$ -						\$ -									
			\$ -						\$ -									
			\$ -						\$ -									



November 8, 2018

Ms. Michelle Bannigan, Assistant Finance Director
City of San Juan Capistrano
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Dear Ms. Bannigan:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of San Juan Capistrano Successor Agency (Agency) submitted an amended Recognized Obligation Payment Schedule for the period January 1, 2019 through June 30, 2019 (Amended ROPS 18-19B) to the California Department of Finance (Finance) on September 24, 2018. Finance has completed its review of the Amended ROPS 18-19B.

Based on our review, Finance is approving all of the adjustments requested on the Amended ROPS 18-19B.

The Agency's amended maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the ROPS 18-19B period is \$2,678,615 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

Please refer to the ROPS 18-19B schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 18-19B. Please note there is no Meet and Confer option for the Amended ROPS process, so Finance's determination is final. This determination is effective for this time 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 Amended 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 the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Ms. Michelle Bannigan
November 8, 2018
Page 2

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

Sincerely,



ERIKA LI
Program Budget Manager

cc: Mr. Ken Al-Imam, CFO/ Treasurer, City of San Juan Capistrano
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution	
For the period of January 2019 through June 2019	
Authorized RPTTF on ROPS 18-19B	\$ 1,360,600
Authorized Administrative RPTTF on ROPS 18-19B	125,000
Total Authorized RPTTF on ROPS 18-19B	1,485,600
Authorized 18-19B RPTTF Adjustments	1,193,015
Total Amended ROPS 18-19B RPTTF approved for distribution	\$ 2,678,615

San Juan Capistrano Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K ROPS 19-20 Total	L, M, N, O, P 19-20A (July - December)					Q, R, S, T, U, V 19-20B (January - June)					W 19-20B Total	
											Fund Sources					Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF
								\$ 48,728,020		\$ 4,853,583	\$ 0	\$ 0	\$ 0	\$ 1,459,085	\$ 125,000	\$ 1,584,085	\$ 0	\$ 0	\$ 0	\$ 3,144,498	\$ 125,000	\$ 3,269,498
3	2008 Tax Allocation Bonds, Series A	Bonds Issued On or Before 12/31/10	6/3/2008	8/1/2033	U.S. Bank, N.A.	Finance Agency Projects in the Central Project Area consistent with the	Central	9,503,185	N	\$ 645,081						\$ 645,081				645,081		\$ 645,081
4	2008 Tax Allocation Bonds, Series B (Taxable)	Bonds Issued On or Before 12/31/10	6/3/2008	8/1/2033	U.S. Bank, N.A.	Finance Agency Affordable Housing Projects	Central	13,909,153	N	\$ 945,250						\$ 945,250				945,250		\$ 945,250
5	Tax Allocation Bond Reserve Set-Aside (See Notes)	Reserves	1/1/2014	6/30/2018	U.S. Bank, N.A.	Reserve set-aside for August 1, 2019 debt service payment - H&S Code Section 34171(b)	Central		N	\$ -						\$ -						\$ -
6	OPA-Fluidmaster	OPA/DDA/Construction	6/17/1997	12/31/2019	Fluidmaster, Inc.	Elimination of Blight/Economic Development	Central	34,760	N	\$ 34,760				34,760		\$ 34,760						\$ -
7	OPA-Capistrano Volkswagen	OPA/DDA/Construction	4/17/2001	6/30/2020	Miles Brandon	Elimination of Blight/Business Retention	Central	41,783	N	\$ 35,000						\$ -				35,000		\$ 35,000
8	OPA-Serra Vista	OPA/DDA/Construction	4/1/2003	6/30/2019	Sierra Vista Partners	Elimination of Blight/Economic Development	Central	5,386	N	\$ 5,386				5,386		\$ 5,386						\$ -
9	Agreement-TCAG Ford	OPA/DDA/Construction	10/19/2010	3/1/2038	Tuttle Click Automotive Group (TCAG, Inc.)	Elimination of Blight/Business Retention	Central	954,777	N	\$ 155,000				150,000		\$ 150,000				5,000		\$ 5,000
10	Agreement-OC Chrysler	OPA/DDA/Construction	1/7/2011	6/30/2031	Chrysler Group Realty Co., LLC	Elimination of Blight/Economic Development	Central	514,380	N	\$ 175,000				93,000		\$ 93,000				82,000		\$ 82,000
12	Kinoshita Acquisition - Note Extension (interest payments through March 1, 2021)	Third-Party Loans	2/28/2011	3/1/2021	Kinoshita Enterprises, L.P.	Property Acquisition/parks & Ag. Preservation	Central	4,503,918	N	\$ 234,988				117,494		\$ 117,494				117,494		\$ 117,494
13	Kinoshita Acquisition - Note Extension (interest payments through March 1, 2021)	Third-Party Loans	2/28/2011	3/1/2021	Bobby Kinoshita Investment Enterprises, L.P.	Property Acquisition/parks & Ag. Preservation	Central	4,692,284	N	\$ 244,814				122,407		\$ 122,407				122,407		\$ 122,407
14	Kinoshita Note Principal Payment Set-aside	Third-Party Loans	2/28/2011	3/1/2021	See Items 12-13 above	Reserve set-aside for March 1, 2021 principal payment on both notes - \$7,996,697.	Central		N	\$ -						\$ -						\$ -
16	Tax Anticipation Agreement (City/Agency Loan #1-See Notes)	City/County Loan (Prior 06/28/11), Cash exchange	1/20/1988	6/30/2026	City of San Juan Capistrano	Elimination of Blight/Economic Development	Central	601,575	N	\$ 300,000				150,000		\$ 150,000				150,000		\$ 150,000
17	Trulis Acquisition - Loan Agreement (City/Agency Loan #2 - See Notes)	City/County Loan (Prior 06/28/11), Cash exchange	10/1/1998	6/30/2026	City of San Juan Capistrano	Property Acquisition/Elimination of Blight	Central	108,126	N	\$ 78,873				50,000		\$ 50,000				28,873		\$ 28,873
18	Administration Loan Agreement (City/Agency Loan #3 - See Notes)	City/County Loan (Prior 06/28/11), Cash exchange	6/1/2004	6/30/2026	City of San Juan Capistrano	Administration/Project Costs	Central		N	\$ -						\$ -						\$ -
28	Administrative Cost Allowance	Admin Costs	7/1/2014	6/30/2018	City of San Juan Capistrano	3% allowance for administrative costs incurred.	Central	250,000	N	\$ 250,000					125,000	\$ 125,000					125,000	\$ 125,000
32	Legal Costs associated with assets, obligations and property.	Litigation	8/20/1991	6/30/2017	Straddling, Yocca, Carlson & Rauth	Section 34171(b) - cost of maintaining assets prior to disposition	Central		N	\$ -						\$ -						\$ -
51	Lower Rosan Ranch - 2016 Subordinated Tax Allocation Note (See Notes)	Refunding Bonds Issued After 6/27/12	11/1/2016	8/1/2021	Western Alliance Bank	Refunding F&M Note	Central	2,193,559	N	\$ 745,454				372,727		\$ 372,727				372,727		\$ 372,727
52	Costs associated with selling properties (appraisals, surveys, etc.)	Property Dispositions	9/27/2016	9/27/2017	DMG, Inc.	Appraisal of properties that are to be sold and the proceeds distributed to the taxing entities	Central		N	\$ -						\$ -						\$ -
53	2018 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	8/23/2018	2/1/2033	U.S. Bank, N.A.	Principal payment on refunding bonds to refinance Kinoshita notes	Central	11,415,134	N	\$ 1,003,977				363,311		\$ 363,311				640,666		\$ 640,666
54	2018 Tax Allocation Refunding Bonds - Reserve Set-Aside (see notes)	Reserves	8/23/2018	2/1/2033	U.S. Bank, N.A.	Reserve set-aside for August 1, 2019 debt service payment - H&S Code Section 34171(b)	Central		N	\$ -						\$ -						\$ -
55									N	\$ -						\$ -						\$ -

SUCCESSOR AGENCY ADMINISTRATIVE BUDGET

July 1, 2019, through June 30, 2020

Obligation Type	Description	July 1, 2019, through December 31, 2019, (ROPS 19-20A)	January 1, 2020, through June 30, 2020, (ROPS 19-20B)	Fiscal Year 2019-2020 Total
Administrative Cost Allowance ⁽¹⁾	Successor Agency share of City employee's salaries and benefits as well as banking, legal and bond administration costs associated with outstanding debt of the former redevelopment agency	\$125,000	\$125,000	\$250,000
Total Administrative Expenses		\$125,000	\$125,000	\$250,000
Funding Source				
RPTTF		\$125,000	\$125,000	\$250,000
Other Funds		\$0	\$0	\$0
Total - All Funding Sources		\$125,000	\$125,000	\$250,000

(1) For Fiscal Year 2019-20, the City, as the Successor Agency, is entitled to receive up to 3% of the portion of its Redevelopment Property Tax Trust Fund (RPTTF), but not less than \$250,000, to meet the administrative expenses of serving as the Successor Agency.



April 9, 2019

Ms. Michelle Bannigan, Assistant Finance Director
City of San Juan Capistrano
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Dear Ms. Bannigan:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of San Juan Capistrano 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 29, 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. 16 and 17 – Tax Anticipation and Trulis Acquisition, City of San Juan Capistrano Loan Agreements, respectively, requested amounts totaling \$400,000 (\$300,000 and \$100,000, respectively) are partially 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 \$0 and \$757,746, respectively. Pursuant to the repayment formula, the maximum loan repayment amount authorized for the ROPS 19-20 period is \$378,873. Therefore, of the \$400,000 requested, Finance approves Redevelopment Property Tax Trust Fund (RPTTF) funding in the amount of \$300,000 and \$78,873 for Item Nos. 16 and 17, respectively. The excess, \$21,127 (\$400,000 - \$378,873) is not eligible for RPTTF funding and the adjustment will be applied to Item No. 17. 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/

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,892,167 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 Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,


JENNIFER WHITAKER
Program Budget Manager

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	\$ 1,459,085	\$ 3,165,625	\$ 4,624,710
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	1,584,085	3,290,625	4,874,710
RPTTF Requested	1,459,085	3,165,625	4,624,710
<u>Adjustment</u>			
Item No. 17	0	(21,127)	(21,127)
RPTTF Authorized	1,459,085	3,144,498	4,603,583
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Authorized for Obligations	1,584,085	3,269,498	4,853,583
Prior Period Adjustment	(1,584,085)	(377,331)	(1,961,416)
Total RPTTF Approved for Distribution	\$ 0	\$ 2,892,167	\$ 2,892,167