

Orange Countywide Oversight Board

Agenda Item No. 11a

Date: 9/22/2020

From: Successor Agency to the La Palma Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving the Last and Final Recognized Obligation Payment Schedule (L&F ROPS)

Recommended Action:

Approve resolution approving the L&F ROPS for the La Palma Successor Agency

The La Palma Successor Agency requests approval of the Last and Final Recognized Obligation Payment Schedule (L&F ROPS).

Senate Bill 107 (SB 107) from 2015 added Health and Safety Code Section 34191.6 which allows Successor Agencies that meet certain criteria to submit a L&F ROPS to the State of California Department of Finance (DOF). To submit a L&F ROPS:

- 1) The remaining debt on the ROPS must be limited to payments of enforceable obligations,
- 2) All remaining obligations must have been previously listed on a ROPS and approved for payment by DOF,
- 3) And the Successor Agency is not a party to pending litigation with the State.

The Successor Agency meets all of these requirements. After approval by the Oversight Board, the DOF has the final say as to whether to approve the L&F ROPS.

The remaining obligations on the L&F ROPS are:

- 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. The final payment of \$206,100 on June 1, 2022 will be paid using reserves held by the Trustee.
- Related bond expenses (bank fees, arbitrage fees) with the final payments in fiscal year 21-22.
- 1999 Loan for Senior Affordable Apartments – DOF approved the outstanding balance of the October 28, 1999 loan at \$4,225,960 in April 2014. No payments have yet been made, so the outstanding balance at June 30, 2021, is \$4,225,960 plus interest. With an approved L&F ROPS, the interest rate will be adjusted upward to 4% simple interest from loan inception. As required by law, 20% of any repayments will have to be paid to the Low-Income Housing Fund.
- 2002 Loan to former CDC from City - DOF approved the outstanding balance of the May 1, 2002 loan at \$794,862 in April 2014. Payments totaling \$539,410 (including the pending amendment to 20-21 of \$204,526) have been approved by DOF. The outstanding balance at June 30, 2021, is \$255,452 plus interest. With an approved L&F ROPS, the interest rate will be adjusted upward to 4% simple interest from loan inception. As required by law, 20% of any repayments will have to be paid to the Low-Income Housing Fund.
- Administrative Costs – the Successor Agency has proposed annual administrative costs of \$10,000 per year. The Successor Agency will still be required to account for the receipt of RPTTF funds, account

for the reserve funds after the final bond payments, allocate interest to remaining funds on hand, and after the final ROPS period (ROPS 33-34), the accounting will have to be submitted to DOF for review.

The Successor Agency has provided copies of 1) the Successor Agency Resolution approving the L&F ROPS, 2) the calculation for items listed on the L&F ROPS prepared by HdL, 3) the DOF determination letter from the ROPS 20-21, and 4) the approved ROPS 20-21 Forms.

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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Attachments

1. Oversight Board Resolution approving the L&F ROPS
 - a. Exhibit A Last and Final Recognized Obligation Payment Schedule
2. La Palma Successor Agency Resolution approving the L&F ROPS
3. Calculations for items listed on the L&F ROPS
4. DOF 2020-21 ROPS Determination Letter
5. Approved ROPS for FY 2020-21

RESOLUTION NO. _____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING THE LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) OF THE SUCCESSOR AGENCY TO THE LA PALMA REDEVELOPMENT AGENCY

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 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, 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 34191.6 allows Successor Agencies to prepare a Last and Final Recognized Obligation Payment Schedule (L&F ROPS); 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 Last and Final Recognized Obligation Payment Schedule (L&F ROPS), 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 L&F ROPS, 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 Last and Final Recognized Obligation Payment Schedule (L&F ROPS); provided however, that the L&F ROPS is subject to the condition that such L&F ROPS is to be submitted to and reviewed by the DOF. Further, the City Manager and/or his 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 L&F ROPS as may be necessary or directed by the DOF.

SECTION 3. The Oversight Board authorizes transmittal of the L&F ROPS to the DOF, with copies to the County Administrative Office, the County Auditor-Controller, and the State Controller's Office.

SECTION 4. The City Manager and/or his authorized designee is directed to post this Resolution, including the L&F ROPS, 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.

**Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary
Filed for the July 1, 2021 through June 30, 2034 Period**

Successor Agency: La Palma
County: Orange
Initial ROPS Period: 21-22A
Final ROPS Period: 33-34B

Requested Funding for Enforceable Obligations	Total Outstanding Obligation
A Enforceable Obligations Funded as Follows (B+C)	\$206,100
B Bond Proceeds	-
C Other Funds	206,100
D Redevelopment Property Tax Trust Fund (RPTTF) (E+F)	\$9,573,035
E RPTTF	9,448,035
F Administrative RPTTF	125,000
G Total Outstanding Obligations (A+D)	\$9,779,135

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
Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary by ROPS Period
July 1, 2021 through June 30, 2034

A Period July - December					
ROPS Period	Fund Sources				Six-Month Total
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	
	\$-	\$-	\$9,448,035	\$65,000	\$9,513,035
ROPS 21-22A	-	-	264,660	5,000	\$269,660
ROPS 22-23A	-	-	747,177	5,000	\$752,177
ROPS 23-24A	-	-	555,597	5,000	\$560,597
ROPS 24-25A	-	-	703,614	5,000	\$708,614
ROPS 25-26A	-	-	684,538	5,000	\$689,538
ROPS 26-27A	-	-	741,686	5,000	\$746,686
ROPS 27-28A	-	-	760,418	5,000	\$765,418
ROPS 28-29A	-	-	812,652	5,000	\$817,652
ROPS 29-30A	-	-	851,398	5,000	\$856,398
ROPS 30-31A	-	-	900,356	5,000	\$905,356
ROPS 31-32A	-	-	947,897	5,000	\$952,897
ROPS 32-33A	-	-	1,000,070	5,000	\$1,005,070
ROPS 33-34A	-	-	477,972	5,000	\$482,972

B Period January - June						Twelve-Month Total
ROPS Period	Fund Sources				Six-Month Total	
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF		
	\$-	\$206,100	\$-	\$60,000	\$266,100	\$9,779,135
ROPS 21-22B	-	206,100	-	5,000	\$211,100	\$480,760
ROPS 22-23B	-	-	-	5,000	\$5,000	\$757,177
ROPS 23-24B	-	-	-	5,000	\$5,000	\$565,597
ROPS 24-25B	-	-	-	5,000	\$5,000	\$713,614
ROPS 25-26B	-	-	-	5,000	\$5,000	\$694,538
ROPS 26-27B	-	-	-	5,000	\$5,000	\$751,686
ROPS 27-28B	-	-	-	5,000	\$5,000	\$770,418
ROPS 28-29B	-	-	-	5,000	\$5,000	\$822,652
ROPS 29-30B	-	-	-	5,000	\$5,000	\$861,398
ROPS 30-31B	-	-	-	5,000	\$5,000	\$910,356
ROPS 31-32B	-	-	-	5,000	\$5,000	\$957,897
ROPS 32-33B	-	-	-	5,000	\$5,000	\$1,010,070
ROPS 33-34B	-	-	-	-	\$-	\$482,972

RESOLUTION NO. SA 2020-09

**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 LAST AND FINAL RECOGNIZED OBLIGATION
PAYMENT SCHEDULE (L&F ROPS)**

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, Health and Safety Code Section 34177(o)(1) 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, Health and Safety Code Section 34191.6(a), the City may file a L&F ROPS; and

WHEREAS, if the L&F ROPS is approved by the State Department of Finance, the City would no longer need to prepare annual ROPS, and the interest rate on the City Loans would increase from 3% to 4% retroactive to loan inception; and

WHEREAS, the Last and Final Recognized Obligation Payment Schedule (L&F ROPS) has been considered by the Successor Agency; 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 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 submission of the L&F Recognized Obligation Payment Schedule.

SECTION 3. The City Manager and/or his authorized designees are hereby authorized to submit the L&F ROPS to the Orange Countywide Oversight Board for its approval and then to the State DOF.

SECTION 4. The City Manager and/or his authorized designees are hereby authorized to negotiate with the State DOF regarding changes to amounts on the L&F ROPS.

PASSED, APPROVED, AND ADOPTED this 4th day of August 2020.



Peter L. 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, California, DO HEREBY CERTIFY that the foregoing resolution was adopted by the Successor Agency to the dissolved Community Development Commission of City of La Palma, at a regular meeting held on the 4th day of August 2020, and that it was so adopted by called vote as follows:

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

NOES: None



Kimberly Kenney, CMC
City Clerk

Loan Calculator for 2002 Successor Loan

Estimated Loan Balance - Simple Interest - the initial calculation can be shown annually (because there is no compounding). When payments are made, the

Interest Rate 4.0%

Year	Interest - Simple				Principal			Total Loan - End		
	Beginning Int	Current Year Int	Payment	Ending Int	Beginning Pr	Addition	Payment			Ending Prin
2002	0	5,299		5,299	0	794,862		794,862	800,161	Use 5/1/02
2003	5,299	31,794		37,094	794,862			794,862	831,956	
2004	37,094	31,794		68,888	794,862			794,862	863,750	
2005	68,888	31,794		100,683	794,862			794,862	895,545	
2006	100,683	31,794		132,477	794,862			794,862	927,339	
2007	132,477	31,794		164,271	794,862			794,862	959,133	
2008	164,271	31,794		196,066	794,862			794,862	990,928	
2009	196,066	31,794		227,860	794,862			794,862	1,022,722	
2010	227,860	31,794		259,655	794,862			794,862	1,054,517	
2011	259,655	31,794		291,449	794,862			794,862	1,086,311	
2012	291,449	31,794		323,244	794,862			794,862	1,118,106	
2013	323,244	31,794		355,038	794,862			794,862	1,149,900	
13-14A	355,038	15,897		370,935	794,862			794,862	1,165,797	
13-14B	370,935	15,897		386,832	794,862			794,862	1,181,694	
14-15A	386,832	15,897		402,729	794,862			794,862	1,197,591	
14-15B	402,729	15,897		418,626	794,862			794,862	1,213,488	
15-16A	418,626	14,215		432,841	794,862		(84,097)	710,765	1,143,606	
15-16B	432,841	14,215		447,056	710,765			710,765	1,157,821	
16-17A	447,056	12,414		459,470	710,765		(90,042)	620,723	1,080,193	
16-17B	459,470	12,414		471,884	620,723			620,723	1,092,607	
17-18A	471,884	11,423		483,307	620,723		(49,583)	571,140	1,054,447	
17-18B	483,307	11,423		494,730	571,140			571,140	1,065,870	
18-19A	494,730	9,200		503,930	571,140		(111,162)	459,978	963,908	
18-19B	503,930	9,200		513,130	459,978			459,978	973,108	
19-20A	513,130	9,200		522,330	459,978		0	459,978	982,308	
19-20B	522,330	9,200		531,530	459,978			459,978	991,508	
20-21A	531,530	9,200		540,730	459,978		0	459,978	1,000,708	
20-21B	540,730	5,109		545,839	459,978		(204,526)	255,452	801,291	
21-22A	545,839	151		545,990	255,452		(247,910)	7,542	553,532	
21-22B	545,990	151		546,141	7,542			7,542	553,683	
22-23A	546,141	0	(546,141)	0	7,542		(7,542)	0	0	
22-23B	0	0		0	0			0	0	
23-24A	0	0		0	0			0	0	
23-24B	0	0		0	0			0	0	
24-25A	0	0		0	0			0	0	
24-25B	0	0		0	0			0	0	
25-26A	0	0		0	0			0	0	
25-26B	0	0		0	0			0	0	
26-27A	0	0		0	0			0	0	
26-27B	0	0		0	0			0	0	
Totals			<u>(546,141)</u>				<u>(794,862)</u>			
					Total est payments		<u>(1,341,003)</u>			

	Residual Amount Avail. for Repayment	Total Loan Payments on ROPS
20-21B		(204,526)
21-22A		(247,910)
22-23A	247,910	(747,177)
23-24A	747,177	(555,597)
24-25A	555,597	(703,614)
25-26A	703,614	(684,538)
26-27A	684,538	(741,686)
27-28A	741,686	(760,418)
28-29A	760,418	(812,652)
29-30A	812,652	(851,398)
30-31A	851,398	(900,356)
31-32A	900,356	(947,897)
32-33A	947,897	(1,000,070)
33-34A	1,000,070	(477,972)
34-35A	1,054,104	0
35-36A	1,402,219	
	1,731,042	

Loan Calculator for 1999 Successor Loan
 Estimated Loan Repayments - Simple Interest - the initial calculation can be shown annually (because there is no compounding). When payme

Interest Rate 4.0%

Year	Interest - Simple			Principal			Total Loan - E
	Beginning Int	Current Year Payment	Ending Int	Beginning Pr Addition	Payment	Ending Prin	
1999	0	28,173	28,173	0	4,225,960	4,225,960	4,254,133
2000	28,173	169,038	197,211	4,225,960		4,225,960	4,423,171
2001	197,211	169,038	366,250	4,225,960		4,225,960	4,592,210
2002	366,250	169,038	535,288	4,225,960		4,225,960	4,761,248
2003	535,288	169,038	704,327	4,225,960		4,225,960	4,930,287
2004	704,327	169,038	873,365	4,225,960		4,225,960	5,099,325
2005	873,365	169,038	1,042,403	4,225,960		4,225,960	5,268,363
2006	1,042,403	169,038	1,211,442	4,225,960		4,225,960	5,437,402
2007	1,211,442	169,038	1,380,480	4,225,960		4,225,960	5,606,440
2008	1,380,480	169,038	1,549,519	4,225,960		4,225,960	5,775,479
2009	1,549,519	169,038	1,718,557	4,225,960		4,225,960	5,944,517
2010	1,718,557	169,038	1,887,595	4,225,960		4,225,960	6,113,555
2011	1,887,595	169,038	2,056,634	4,225,960		4,225,960	6,282,594
2012	2,056,634	169,038	2,225,672	4,225,960		4,225,960	6,451,632
2013	2,225,672	169,038	2,394,711	4,225,960		4,225,960	6,620,671
2014	2,394,711	169,038	2,563,749	4,225,960		4,225,960	6,789,709
2015	2,563,749	169,038	2,732,787	4,225,960		4,225,960	6,958,747
2016	2,732,787	169,038	2,901,826	4,225,960		4,225,960	7,127,786
2017	2,901,826	169,038	3,070,864	4,225,960		4,225,960	7,296,824
2018	3,070,864	169,038	3,239,903	4,225,960		4,225,960	7,465,863
18-19B	3,239,903	84,519	3,324,422	4,225,960		4,225,960	7,550,382
19-20A	3,324,422	84,519	3,408,941	4,225,960		4,225,960	7,634,901
19-20B	3,408,941	84,519	3,493,460	4,225,960		4,225,960	7,719,420
20-21A	3,493,460	84,519	3,577,979	4,225,960		4,225,960	7,803,939
20-21B	3,577,979	84,519	3,662,498	4,225,960		4,225,960	7,888,458
21-22A	3,662,498	84,519	3,747,017	4,225,960		4,225,960	7,972,977
21-22B	3,747,017	84,519	3,831,536	4,225,960		4,225,960	8,057,496
22-23A	3,831,536	80,649	3,912,185	4,225,960	(193,494)	4,032,466	7,944,651
22-23B	3,912,185	80,649	3,992,834	4,032,466		4,032,466	8,025,300
23-24A	3,992,834	69,537	4,062,371	4,032,466	(555,597)	3,476,869	7,539,240
23-24B	4,062,371	69,537	4,131,908	3,476,869		3,476,869	7,608,777
24-25A	4,131,908	55,465	4,187,373	3,476,869	(703,614)	2,773,255	6,960,628
24-25B	4,187,373	55,465	4,242,838	2,773,255		2,773,255	7,016,093
25-26A	4,242,838	41,774	4,284,612	2,773,255	(684,538)	2,088,717	6,373,329
25-26B	4,284,612	41,774	4,326,386	2,088,717		2,088,717	6,415,103
26-27A	4,326,386	26,941	4,353,327	2,088,717	(741,686)	1,347,031	5,700,358
26-27B	4,353,327	26,941	4,380,268	1,347,031		1,347,031	5,727,299
27-28A	4,380,268	11,732	4,392,000	1,347,031	(760,418)	586,613	4,978,613
27-28B	4,392,000	11,732	4,403,732	586,613		586,613	4,990,345
28-29A	4,403,732	0	(226,039)	4,177,693	586,613	(586,613)	0
28-29B	4,177,693	0	4,177,693	0		0	4,177,693
29-30A	4,177,693	0	(851,398)	3,326,295	0	0	3,326,295
29-30B	3,326,295	0	3,326,295	0		0	3,326,295
30-31A	3,326,295	0	(900,356)	2,425,939	0	0	2,425,939
30-31B	2,425,939	0	2,425,939	0		0	2,425,939
31-32A	2,425,939	0	(947,897)	1,478,042	0	0	1,478,042
31-32B	1,478,042	0	1,478,042	0		0	1,478,042
32-33A	1,478,042	0	(1,000,070)	477,972	0	0	477,972
32-33B	477,972	0	477,972	0		0	477,972
33-34A	477,972	0	(477,972)	0	0	0	0
33-34B	0	0	0	0		0	0
34-35A	0	0	0	0		0	0
34-35B	0	0	0	0		0	0
Totals			<u>(4,403,732)</u>			<u>(4,225,960)</u>	
				Total est payments		<u>(8,629,692)</u>	

Note: The Reso said 10/28/1999, but for ease of calculating interest, used 11/1/1999 (2 months in 1999)



Transmitted via e-mail

April 10, 2020

Allan Roeder, City Manager
City of La Palma
7822 Walker Street
La Palma, CA 90623

2020-21 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, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 29, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 20-21 at this time. However, Finance notes the following:

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

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$985,491, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. 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 20-21 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 20-21 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 the 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 Anna Kyumba, Supervisor, or Thong Thao, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Michael Matsumoto, Financial Consultant, City of La Palma
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 446,612	\$ 436,013	\$ 882,625
Administrative RPTTF Requested	53,550	53,550	107,100
Total RPTTF Requested	500,162	489,563	989,725
RPTTF Authorized	446,612	436,013	882,625
Administrative RPTTF Authorized	53,550	53,550	107,100
ROPS 17-18 prior period adjustment (PPA)	(4,234)	0	(4,234)
Total RPTTF Approved for Distribution	\$ 495,928	\$ 489,563	\$ 985,491

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	
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
				66,500

**Hourly rate based on 38 hours per week / 1976 hours per year*

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