

Orange Countywide Oversight Board

Agenda Item No. 8a

Date: 9/22/2020

From: Successor Agency to the Fullerton Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment to the Recognized Obligation Payment Schedule 20-21 (ROPS)

Recommended Action:

Approve resolution approving amendment to FY 2020-21 ROPS for the Fullerton Successor Agency (see Attachment 1).

The Fullerton Successor Agency requests approval of the proposed amendment to the Recognized Obligation Payment Schedule (ROPS) 20-21 for the second half of Fiscal Year 2020-21. The purpose of this item is to authorize an amendment to the ROPS 20-21 B to reflect the updated debt service payments for the Tax Allocation Refunding Bonds Series 2020A and Series 2020B refunding the existing 2005 Tax Allocation Revenue Bonds and 2010 Taxable Tax Allocation Housing Bonds, and to update the existing 2015 Bonds debt service payments as required by the bond indenture(s).

More specifically, the amendment would update debt service payments and related fees as follows:

- Tax Allocation Refunding Bonds, Series 2020A which refunded the 2005 Tax Allocation Revenue Bonds (ROPS Item No. 4);
- Tax Allocation Refunding Bonds, Series 2020B which refunded the 2010 Taxable Tax Allocation Housing Bonds (ROPS Item No. 6);
- Bond Debt Service Fees (ROPS Item No, 49); and
- 2015 Tax Allocation Refunding Bonds (ROPS Item No. 60) to comply with the Indenture requirements of the bonds.

The proposed amount changes are shown on the amended ROPS by item number (see Attachment 2). The following is a summary of the changes:

ROPS Item No.	Project Name/Debt Obligation	Period B Original RPTTF Amount	Period B Revised RPTTF Amount	Difference
4	2005 Tax Allocation Revenue Bonds	1,017,589	2,854,300	1,836,711
6	2010 Taxable Tax Allocation Housing Bonds	418,388	956,001	537,613
49	Bond Debt Service Fee	7,000	9,000	2,000
60	2015 Tax Allocation Refunding Bonds	135,375	642,875	507,500
	TOTALS	1,578,352	4,462,175	2,883,823

The Indenture pursuant to which the 2015 Bonds were issued, and pursuant to which the 2020 Bonds have been issued, requires the Successor Agency to request one half of each bond year's debt service from each of the two annual Redevelopment Property Tax Trust Fund (RPTTF) distribution dates. Previously, the California Department of Finance did not consistently permit successor agencies to comply with such covenants, and accordingly, the Successor Agency's practice has been to request moneys from each RPTTF distribution date only for the following debt service payment. Successor Agency staff therefore is proposing this amendment to the ROPS 2020-21 B to reflect the amount of 2015 and 2020 Bonds debt service coming due on March 1 and September 1, 2021, and to request 50% of that amount from the RPTTF

amount being distributed on January 2, 2021. The total amounts to be paid for debt service are not changing, rather, the Successor Agency is requesting 50% of the bond year's debt service from the January 2, 2021 RPTTF distribution and will request the remainder of the Fiscal Year 2020-21 bond year's debt service from the June 1, 2021 RPTTF distribution when the Successor Agency submits the ROPS 2021-22. Issuance of the 2020A Bonds and the 2020B Bonds was approved by the Orange Countywide Oversight Board by Resolution No. 20-025 on July 21, 2020 (see Attachment 3).

On August 18, 2020, the Fullerton Successor Agency Board approved Resolution No. 2020-06 A Resolution of the Fullerton Successor Agency of the City of Fullerton, California, Authorizing an Amendment to the Recognized Obligation Payment Schedule 2020-2021 (see Attachment 4).

Impact on Taxing Entities

Based on market conditions as of June 3, 2020, the Underwriter projected the refunding of the Prior Obligations would achieve combined Net Present Value savings of approximately \$6.9 million, or 11.84% of refunded par. The Underwriter's estimates include the following key assumptions:

- (i) 2020 Bonds will be issued on parity with the Agency's outstanding 2015 TABs;
- (ii) all of the outstanding Prior Obligations will be refunded,
- (iii) an underlying rating of "A" is assigned by S&P to the 2020 Bonds,
- (iv) the use of bond insurance and a reserve surety in lieu of a cash funded reserve fund,
- (v) a public market negotiated sale of the 2020 Bonds, and
- (vi) a tax-exempt refunding of the 2005 Loans and a taxable refunding of the 2010 Housing TABs.

The savings generated from this refunding are anticipated to result in higher future property tax distributions to the taxing entities, including the City of Fullerton. The list below provides the estimated percentage share of savings and total nominal cash flow savings over the life of the indebtedness for each of the affected taxing entities.

RPTTF Distribution to ATEs	% of Distribution	Annual Savings			Total Savings			Present Value Savings		
		2005 TABs	2010 Housing TABs	Total	2005 TABs	2010 Housing TABs	Total	2005 TABs	2010 Housing TABs	Total
City of Fullerton	15.78%	\$122,021	\$130,834	\$234,165	\$854,149	\$785,002	\$1,639,152	\$801,563	\$290,507	\$1,092,069
County	6.12%	\$47,338	\$50,757	\$90,844	\$331,365	\$304,540	\$635,905	\$310,964	\$112,701	\$423,666
Special Districts	7.67%	\$59,320	\$63,605	\$113,839	\$415,243	\$381,627	\$796,870	\$389,678	\$141,229	\$530,907
K-12 Schools	46.52%	\$359,656	\$385,631	\$690,197	\$2,517,595	\$2,313,785	\$4,831,381	\$2,362,597	\$856,265	\$3,218,862
Community Colleges	6.93%	\$53,600	\$57,471	\$102,860	\$375,199	\$344,825	\$720,023	\$352,099	\$127,610	\$479,709
County Office of Education	1.45%	\$11,175	\$11,982	\$21,446	\$78,227	\$71,894	\$150,121	\$73,411	\$26,606	\$100,016
Total ERAF	15.52%	\$119,968	\$128,632	\$230,223	\$839,774	\$771,791	\$1,611,564	\$788,072	\$285,617	\$1,073,690
Total	100%	\$773,079	\$828,911	\$1,483,574	\$5,411,552	\$4,973,464	\$10,385,016	\$5,078,384	\$1,840,535	\$6,918,919

With improved market conditions and aggressive marketing by the Underwriter, at final pricing on August 19, 2020, the Net Present Value savings is \$9.2 million, or 17.66%.

Staff Contact(s)

Fullerton Successor Agency staff contacts are as follows:

Kellee Fritzal, Deputy Director of Community and Economic Development
714-738-6837 or via e-mail at KFritzal@cityoffullerton.com

Ellis Chang, Director of Administrative Services
714-738-6522 or via e-mail at EChang@cityoffullerton.com

Kenneth A. Domer, Executive Director
714-738-6310 or via e-mail at Kenneth.Domer@cityoffullerton.com

Attachments

Attachment 1 – Orange Countywide Oversight Board Resolution No. 20-XXX

Attachment 2 – Fullerton Successor Agency Amended Recognized Obligation Payment Schedule 2020-21 B

Attachment 3 – Orange Countywide Oversight Board Resolution No. 20-025

Attachment 4 – Fullerton Successor Agency Resolution No 2020-06 A Resolution of the Fullerton Successor Agency of the City of Fullerton, California, Authorizing an Amendment to the Recognized Obligation Payment Schedule 2020-2021

RESOLUTION NO. _____

**A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
APPROVING AN AMENDED RECOGNIZED OBLIGATION PAYMENT FOR THE 20-21
FISCAL PERIOD OF JULY 1, 2020 TO JUNE 30, 2020, FOR THE SUCCESSOR
AGENCY TO THE CITY OF FULLERTON, SUBJECT TO SUBMITTAL TO, AND
REVIEW BY, THE STATE DEPARTMENT OF FINANCE [DOF] UNDER CALIFORNIA
HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85, AND AUTHORIZING
POSTING AND TRANSMITTAL THEREOF**

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

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

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Successor Agency to the Fullerton Redevelopment Agency (“Successor Agency”) administers the enforcement 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 Sections 34179 and 34180, all 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 Section 34179(j), in every California county there shall be only one oversight board that is staffed by the county auditor-controller, with certain exceptions that do not apply in the County of Orange; and

WHEREAS, as of, on and after July 1, 2018, the Orange Countywide Oversight Board (“Oversight Board”) was established through the Orange County Auditor-Controller in compliance with Section 34179(j), which serves as the oversight board to the 25 successor

agencies existing and operating in Orange County, including Successor Agency and all other successor agencies in Orange County; and

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

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

WHEREAS, Section 34177(o)(1)(E) of the Dissolution Law authorizes that “[o]nce per period, and no later than October 1, a successor agency may submit one amendment to the ROPS approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the ROPS period, which shall be defined as January 1 to June 30, inclusive. A successor agency may only amend the amount requested for payment of approved enforceable obligations. The revised ROPS shall be approved by the oversight board and submitted to the department by electronic means in a manner of the department’s choosing. The department shall notify the successor agency and the county auditor-controller as to the outcome of the department’s review at least 15 days before the date of the property tax distribution”; and

WHEREAS, the Successor Agency has submitted to the Orange Countywide Oversight Board an amendment to ROPS 20-21 reflecting additional payments for updated debt service payments resulting from refunding two existing bond issues with the 2020 Tax Allocation Refunding Bonds Series A and B, and to update the existing 2015 bond debt service payments to be in compliance with bond indenture requirements; and

WHEREAS, the objective of this Orange Countywide Oversight Board resolution is to authorize, make findings, and approve the Successor Agency’s amendment of ROPS 20-21 to correct and increase ROPS Line Items Nos. 4, 6, and 60 as reflected on the amendment to the Successor Agency’s ROPS 20-21 attached as Attachment No. 1 to this resolution and fully incorporated herein by this reference; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s amendment of ROPS 2021, and desires to make certain findings, including: (i) amendment is necessary to pay a DOF-approved enforceable obligation on ROPS 20-21 during the “B” fiscal period, (ii) ROPS 20-21, as amended, is approved, (iii) the Successor

Agency or City staff are authorized to post ROPS 20-21, as amended, on the City's website, and (iv) staff is directed to transmit ROPS 20-21, as amended, to the DOF, pursuant to the Dissolution Law;

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

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

SECTION 2. The Orange Countywide Oversight Board hereby finds the revision set forth in amended ROPS 20-21 for funds to be distributed from the Redevelopment Property Tax Trust Fund (RPTTF) for the fiscal period January 1, 2021 to June 30, 2021 is necessary to pay DOF-approved enforceable obligations for such ROPS B period; in particular, the amendment is to correct and increase the RPTTF authorized for disbursement to the Successor Agency and payment by the Successor Agency for ROPS Line Items Nos. 4, 6, and 60.

SECTION 3. Under the Dissolution Law, the Orange Countywide Oversight Board approves the ROPS 20-21, as amended, (Attachment No. 1); provided however, that the ROPS 20-21, as amended, is approved subject to the condition that such ROPS, as amended, is to be submitted to and reviewed by the DOF. Further, the Executive Director of the Successor Agency and 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 as may be necessary or directed by DOF.

SECTION 4. The Orange Countywide Oversight Board authorizes transmittal of ROPS 20-21, as amended, to the DOF.

SECTION 5. The Executive Director of the Successor Agency and his authorized designees directed to post this Resolution, including the ROPS 20-21, as amended, on the City's website.

SECTION 6. The approval of the amendment to the ROPS through this Resolution does not commit the Orange Countywide Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 7. Under Section 34179(h) written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by

electronic means and in a manner of DOF's choosing. The Orange Countywide Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

SECTION 8. This Resolution shall take effect immediately upon its adoption.

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

Successor Agency: Fullerton

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 20-21B Authorized Amounts	ROPS 20-21B Requested Adjustments	ROPS 20-21B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 1,826,132	\$ 2,883,824	\$ 4,709,956
F RPTTF	1,659,367	2,883,824	4,543,191
G Administrative RPTTF	166,765	-	166,765
H Current Period Enforceable Obligations (A+E)	\$ 1,826,132	\$ 2,883,824	\$ 4,709,956

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

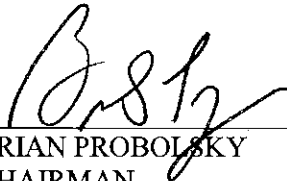
Fullerton
Amended Recognized Obligation Payment Schedule (ROPS 20-21B) - ROPS Detail
January 1, 2021 through June 30, 2021

Item #	Project Name	Obligation Type	Total Outstanding Obligation	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		
			\$80,880,184	\$-	\$-	\$-	\$1,659,367	\$166,765	\$1,826,132	\$-	\$-	\$-	\$2,883,824	\$-	\$2,883,824	
4	2005 Tax Allocation Bonds	Bond Reimbursement Agreements	\$43,040,000	-	-	-	1,017,589	-	\$1,017,589	-	-	-	1,836,711	-	\$1,836,711	
6	2010 Taxable Tax Allocation Housing Bonds	Bonds Issued On or Before 12/31/10	\$18,961,333	-	-	-	418,388	-	\$418,388	-	-	-	537,613	-	\$537,613	
9	Lease: Fullerton Arboretum	Miscellaneous	\$125,297	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
11	Lease: Ron Miller	Miscellaneous	\$661,625	-	-	-	81,015	-	\$81,015	-	-	-	-	-	\$-	
19	City/Agency Co-Op Agreement Jan 2011	City/County Loan (Prior 06/28/11), Other	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
20	City/Agency Co-Op Agreement June 2011	City/County Loan (Prior 06/28/11), Other	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
23	Affordable Housing Project Monitoring	Unfunded Liabilities	\$9,834,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
24	Commercial Seismic and Rehab Loan Monitoring	Project Management Costs	\$252,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
25	Stipulated Judgement	Miscellaneous	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
27	Administrative Cost Allowance FY 2019-20)	Admin Costs	\$344,679	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
28	Affordable Housing Administration and Reporting	Unfunded Liabilities	\$260,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
30	Capital Improvement Projects (four)	Improvement/ Infrastructure	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
49	Bond Debt Service Fees	Fees	\$63,000	-	-	-	7,000	-	\$7,000	-	-	-	2,000	-	\$2,000	
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	Refunding Bonds Issued After 6/27/12	\$7,338,250	-	-	-	135,375	-	\$135,375	-	-	-	507,500	-	\$507,500	
62	Miller Property Purchase	Miscellaneous	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JULY 21, 2020:

YES: CHARLES BARFIELD, STEVE FRANKS, STEVE JONES,
BRIAN PROBOLSKY, DEAN WEST, PHILLIP E.
YARBROUGH

NOES:
EXCUSED: CHRIS GAARDER
ABSTAINED:

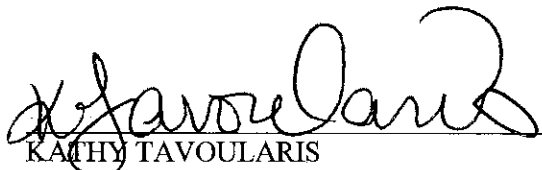


BRIAN PROBOLSKY
CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

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

IN WITNESS WHEREOF, I have hereto set my hand.



KATHY TAVOULARIS
Clerk
Orange Countywide Oversight Board

Resolution No: 20-025

Agenda Date: Tuesday, July 21, 2020

Item No: 4A

RESOLUTION NO. 20-025

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE FULLERTON REDEVELOPMENT AGENCY AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Fullerton Redevelopment Agency (Former Agency) was a public body, corporate and politic, that was duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California), and the powers of the Former Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the "Merged Fullerton Redevelopment Project," which merged five previously existing redevelopment project areas, was adopted and approved by Ordinance No. 3082 of the City of Fullerton on December 19, 2006, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Former Agency previously caused the City of Fullerton Public Financing Authority (Authority) to issue its 2005 Tax Allocation Revenue Bonds (2005 Bonds) in the original aggregate principal amount of \$74,600,000, and to loan the proceeds thereof to the Former Agency pursuant to three loan agreements between the Authority and the Former Agency (2005 Loan Agreements); and

WHEREAS, the Former Agency previously issued its 2010 Taxable Tax Allocation Housing Bonds (2010 Bonds) in the original aggregate principal amount of \$28,980,000; and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (Dissolution Act) and ABx1 27 (Opt-in Bill); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill, resulting in the dissolution of the Former Agency as of February 1, 2012; and

WHEREAS, the Former Agency, including its redevelopment powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the Fullerton Redevelopment Agency (Successor Agency); and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the State of California Fiscal Year 2012-13 budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Former Agency in order to provide savings to the Successor Agency, provided that: (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total

remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded; and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance; and

WHEREAS, the Successor Agency previously issued its Merged Fullerton Redevelopment Project Area 2015 Tax Allocation Refunding Bonds (2015 Bonds) to refund prior debt obligations of the Former Agency, pursuant to an Indenture of Trust, dated as of February 1, 2015 (2015 Indenture), by and between the Successor Agency and U.S. Bank National Association, as trustee; and

WHEREAS, the Successor Agency has been advised by its municipal advisor, Urban Futures, Inc. (UFI), that, given current market conditions, the Successor Agency is likely to achieve debt service savings through the issuance of tax allocation refunding bonds (2020 Bonds), which shall be publicly sold or privately placed as determined by the Authorized Officers (as such term is defined in Section 1), in order to prepay all or portions of the 2005 Loan Agreements, and to refund the 2010 Bonds; and

WHEREAS, for the corporate purposes of the Successor Agency, the Successor Agency desires to issue at this time the 2020 Bonds in an aggregate principal amount that is sufficient to prepay all or portions of the 2005 Loan Agreements, and to refund all or a portion of the 2010 Bonds, and to irrevocably set aside a portion of the proceeds of such 2020 Bonds in a separate segregated trust fund which will be used to prepay the 2005 Loan Agreements, and refund the 2010 Bonds being refunded, to pay costs in connection with the issuance of the 2020 Bonds and to make certain other deposits as required by the First Supplemental Indenture (as defined below); and

WHEREAS, the 2020 Bonds shall be issued pursuant to a First Supplemental Indenture of Trust (First Supplemental Indenture), by and between the Successor Agency and U.S. Bank National Association, as trustee, which shall amend and supplement the 2015 Indenture (such First Supplemental Indenture, together with the 2015 Indenture, the Indenture); and

WHEREAS, the 2020 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

WHEREAS, Section 34179(j) of the Health and Safety Code provides for the appointment of a countywide oversight board (Oversight Board) with specific duties to approve certain Successor Agency actions pursuant to Section 34180 of the Health and Safety Code and to direct the Successor Agency in certain other actions pursuant to Section 34181 of the Health and Safety Code.

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

Section 1. Each of the foregoing recitals is true and correct.

Section 2. The issuance by the Successor Agency to the Fullerton Redevelopment Agency of the 2020 Bonds, in one or more series on a taxable or tax-exempt basis, in an aggregate principal amount sufficient to prepay all or portions of the 2005 Loan Agreements, and to refund all or a portion of the 2010 Bonds, for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2020 Bonds pursuant to the First Supplemental Indenture approved by Section 2 of the Resolution of the Successor Agency adopted on July 7, 2020 (Successor Agency Resolution) approving the issuance of the 2020 Bonds (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved. The 2020 Bonds may be issued as a single issue or from time to time in separate series, on a taxable or tax-exempt basis, as the Successor Agency shall determine. The approval of the issuance of the 2020 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2020 Bonds and the sale of the 2020 Bonds at a public or private sale.

Section 3. The Successor Agency is authorized and directed to prepare, approve and execute the documents approved pursuant to the Successor Agency Resolution and such other documents, certificates and instruments as may be necessary or proper for carrying out the transactions contemplated by this Resolution, the Successor Agency Resolution and the First Supplemental Indenture, including, as necessary, to negotiate and enter into agreements relating to bond insurance and/or a reserve surety bond for the 2020 Bonds, the preparation of a notice of sale in connection with a competitive public sale of the 2020 Bonds, an official statement in connection with a public sale, a term sheet, rate lock agreement, placement agent agreement, and/or private placement memorandum in connection with a private sale, escrow or redemption instructions for the 2005 Loan Agreements and the 2010 Bonds, requests for subordination of pass-through payments to any affected taxing entity and related subordination agreements, and any additional agreements as may be required to carry out the purposes hereof without the need for any further approval from the Oversight Board.

Section 4. The Chair of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Oversight Board are hereby authorized and directed to execute such documents and certificates as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the 2020 Bonds.

Section 5. Pursuant to the provisions of California Health and Safety Code Section 34177.5(f), the Successor Agency is expressly authorized to recover its related costs in connection with the transaction approved hereby, irrespective of whether the 2020 Bonds are issued.

Section 6. This Resolution shall take effect in accordance with Section 34177.5(f) and 34179(h) of the Health and Safety Code.

RESOLUTION NO. SA 2020-06

A RESOLUTION OF THE FULLERTON SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2020-2021

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

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

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

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

WHEREAS, the Successor Agency staff prepared the Recognized Obligation Payment Schedule 2020-2021 (the "ROPS 20-21") and administrative budget allowance for the time period of July 1, 2020 – June 30, 2021; and

WHEREAS, the Successor Agency is in the process of issuing its 2020 Tax Allocation Refunding Bonds, Series A and Series B (collectively the "2020 Bonds") to refund (a) three loans incurred by the Former Agency which, together, secure payment of the 2005 Tax Allocation Revenue Bonds and (b) the 2010 Taxable Tax Allocation Housing Bonds ; and

WHEREAS, following the issuance of the 2020 Bonds, the Successor Agency must amend the ROPS 20-21 bond debt service payment line items relating to the 2005 Bonds and the 2010 Bonds to reflect the new payment amounts for the 2020 Bonds, and to comply with the requirements of the bond indenture relating to the ROPS, and the ROPS 20-21 bond debt service payment line item for the existing 2015 Tax Allocation Refunding Bonds to comply with the requirements of the bond indenture relating to the ROPS.

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

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

Section 2. The amendment authorizing changes to bond debt service payment line items to comply with bond indentures to the Recognized Obligation Payment Schedule 2020-2021 (for the time period of July 1, 2020 – June 30, 2021) is hereby approved. The City Manager as Executive Director, or designee, and the Director of Administrative Services of the City are hereby authorized to complete the amendment to the ROPS 20-21 described herein upon the sale of the 2020 Bonds.

Section 3. Subsequent to the approval of this Resolution by the Successor Agency, this Resolution authorizing an amendment to the ROPS 20-21 and the amendment to ROPS 20-21 authorized by Section 2 hereof shall be transmitted to the Orange Countywide Oversight Board and the California Department of Finance for approval.

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

ADOPTED BY THE FULLERTON SUCCESSOR AGENCY ON AUGUST 18, 2020.



Jennifer Fitzgerald
Chair

ATTEST:



Lucinda Williams, MMC
City Clerk / Secretary

September 11, 2020
Date

City of Fullerton

RESOLUTION CERTIFICATION

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

RESOLUTION NO. SA 2020-06

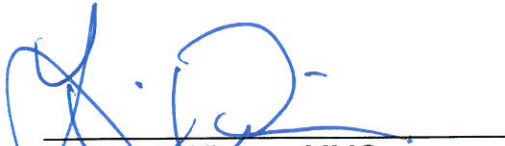
I, Lucinda Williams, City Clerk and ex-officio Secretary of the Successor Agency of the City of Fullerton, California, hereby certify that the whole number of the members of the Successor Agency of the City of Fullerton is five and that the above and foregoing Resolution No. SA 2020-06 was adopted at the August 18, 2020 Successor Agency regular meeting by the following vote:

AGENCY MEMBER AYES: Fitzgerald, Flory, Silva, Whitaker, Zahra

AGENCY MEMBER NOES: None

AGENCY MEMBER ABSTAINED: None

AGENCY MEMBER ABSENT: None



Lucinda Williams, MMC
City Clerk / Secretary