

Orange Countywide Oversight Board

Agenda Item No. 4c

Date: 1/26/2021

From: Successor Agency to the County of Orange Redevelopment Agency

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

Recommended Action:

Approve resolution approving FY 2021-22 ROPS and Administrative Budget for the County of Orange Successor Agency

The County of Orange Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2021-22.

The attached Annual Recognized Obligation Payment Schedule (ROPS) is being presented to the Countywide Oversight Board for their approval in regard to those financial obligations, which remain through June 30, 2022, of the former Orange County Development Agency, pending final approval by the State Department of Finance and State Controller's Office. The financial obligations listed on the ROPS are consistent with the January 21, 2020 Oversight Board approved ROPS.

The Administrative Budget functions of the County's Successor Agency consists of 13 staff located within two (2) departments. Administrative support for daily operations is provided by OC Community Resources (OCCR) and includes a Program Manager who oversees Successor Agency operations, an Accounting Manager I, who reviews/approves calculations for the ROPS and Prior Period Adjustment, a Senior Accountant who is responsible for preparing financial statements, ROPS and PPA documentation as well as coordinates with external auditors, and an Accountant II and Accounting Technician who provide additional support as needed.

The County's Successor Agency also utilizes staff from the CEO's Public Finance division for items pertaining to its debt service. Positions within this group include a Public Finance Manager I and II who are responsible for monitoring compliance with the bond covenants, invoice review and the continuing disclosures and an Accounting Manager I and II and an Accountant who are responsible for monthly trustee activity, preparation of the ROPS, PPA and cash report, debt service payments, and other debt-related items.

During FY 2020-21 staff anticipate several events that could significantly impact the County's Successor Agency's administrative costs. OCCR's Administrative Services group, which houses the Successor Agency, is expected to undergo a reorganization, which could include changes in staffing levels. The financial impact of the reorganization is still pending. Additionally, during the upcoming fiscal year, Successor Agency staff will continue analyzing the processes and timing involved in closing out the NDAPP Bonds. Based on this costs, the County's Successor Agency is requesting the minimum administrative cost allowed under State Law of \$250,000 in administrative costs for FY 2021-22.

On January 12, 2021, the County Board of Supervisors (Board) reviewed and approved the Annual Recognized Obligation Payment Schedule (ROPS) and its associated Administrative Budget. A copy of the relevant Board Resolution/minutes will be provided to the Countywide Oversight Board upon receipt from the County Clerk's office.

Impact on Taxing Entities

None.

Staff Contact(s)

Jeff Kirkpatrick, OC Community Resources
(714-480-2849)

Jeff.Kirkpatrick@occr.ocgov.com

Attachments

- Annual ROPS 2021-22
- Administrative Budget For FY 2021-22
- Resolution of the Countywide Oversight Board
- Resolution of the Orange County Board of Supervisors (Placeholder)
- Annual ROPS 2020-21
- Annual ROPS 2019-20
- DOF Approval Letter re: Annual ROPS 2020-21
- DOF Approval Letter re: Annual ROPS 2019-20

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. _____**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE COUNTY OF ORANGE *APPROVING
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS] 2021-22 A-B* FOR THE
ANNUAL FISCAL PERIOD OF JULY 1, 2021 TO JUNE 30, 2022, INCLUDING THE FY
2021-22 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL TO, AND REVIEW BY
THE STATE DEPARTMENT OF FINANCE [DOF] PURSUANT TO DISSOLUTION LAW,
AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

WHEREAS, the Orange County Development Agency (“Former Agency”) was established as 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 Orange County Board of Supervisors (“County”); 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 Orange County Development Agency (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

WHEREAS, pursuant to Health and Safety Code Section 34179(j) on July 1, 2018 the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the 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 ROPS is submitted to, review and approved by the Successor Agency and then reviewed and approved by the Orange Countywide Oversight Board final review and approval by the State Department of Finance (“DOF”); and

WHEREAS, Section 34177(l) and 34177(o) of the Dissolution Law requires that the annual ROPS for the 2021-22 A-B fiscal period of July 1, 2021 to June 30, 2022 (“ROPS 2021-22 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Orange Countywide Oversight Board, no later than February 1, 2021; and

WHEREAS, the ROPS 2021-22, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2021-22 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s ROPS 2021-22A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 2021-22 A-B to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (“SCO”) as required under 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 approves ROPS 2021-22 A-B submitted therewith and incorporated by this reference, including the FY 2021-22 administrative budget included herewith.

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 2021-22 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The Director of OC Community Resources’ or authorized designee is directed to post this Resolution, including the ROPS 2021-22 A-B, on the Successor Agency website pursuant to the Dissolution Law.

SECTION 5. 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 6. The Clerk of the Board shall certify to the adoption of this Resolution.

Recognized Obligation Payment Schedule (ROPS 21-22) - Summary
Filed for the July 1, 2021 through June 30, 2022 Period

Successor Agency: Orange County
 County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	21-22A Total (July - December)	21-22B Total (January - June)	ROPS 21-22 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)	\$7,148,252 -	\$4,427,803 -	\$11,576,055
F RPTTF	\$7,063,002 -	\$4,333,053 -	\$11,396,055
G Administrative RPTTF	\$85,250 -	\$94,750 -	\$180,000
H Current Period Enforceable Obligations (A+E)	\$ 7,148,252 -	\$ 4,427,803 -	\$ 11,576,055

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.

Certification of Oversight Board Chairman: Brian Probolsky Chair Title
 Name
 /s/ _____ Date
 Signature

Orange County
Recognized Obligation Payment Schedule (ROPS 21-22) - ROPS Detail July 1, 2021 through June 30, 2022

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					Q 21-22A Total	ROPS 21-22B (Jan - Jun)					W 21-22B Total	
											Fund Sources						Fund Sources						
											L Bond Proceeds	M Reserve Balance	N Other Funds	O RPTTF	P Admin RPTTF		R Bond Proceeds	S Reserve Balance	T Other Funds	U RPTTF	V Admin RPTTF		
								\$14,284,305		\$11,576,055	\$-	\$-	\$-	\$ 7,063,002	\$85,250	\$7,148,252	\$-	\$-	\$-	\$4,333,053	\$94,750	\$ 4,427,803	
2	Agency Administration	Admin Costs	01/01/2014	06/30/2025	County of Orange	Staff Salaries, Benefits, etc.	SAH/NDAPP	122,700	N	122,700					61,350	61,350					61,350	61,350	
3	Annexation Agreement	Miscellaneous	07/06/1999	12/31/2099	City of Lake Forest	Property Tax Allocation	NDAPP	6,885,117	N	6,885,117				6,885,117		6,885,117							-
19	Treasury Investment Fees	Fees	03/01/2002	09/01/2023	County of Orange Treasurer/ Tax Collector	Treasury Investment Charge	SAH/NDAPP	805	N	805				340		340					465		465
21	Arbitrage Fees	Fees	08/01/2014	07/31/2024	BLX	Arbitrage Calculation and Reporting	SAH/NDAPP	1,380	N	1,380				1,380		1,380					0		-
22	Bank Trustee Service Fees	Fees	03/01/2002	09/01/2023	US Bank	Bank Trustee Service	SAH/NDAPP	6,670	N	6,670				2,990		2,990					3680		3,680
23	Bond Counsel Fees	Fees	04/23/2013	04/22/2021	Stradling, Yocca, Carlson, Rauth	Bond Counsel	SAH/NDAPP	11,500	N	11,500				11,500		11,500					0		-
25	Bond Administration	Admin Costs	03/01/2002	06/30/2025	County of Orange	Staff Salaries and Benefits	SAH/NDAPP	57,300	N	57,300					23,900.00	23,900						33,400.00	33400
41	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	01/09/2014	09/01/2023	U.S. Bank	Principal and Interest Debt service for 2014 Santa Ana Heights Tax Allocation Bonds.	SAH	5,422,500	N	2,714,250						-					2,714,250		2,714,250
42	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	09/20/2014	09/01/2022	U.S. Bank	Principal and Interest Debt service for 2014 NDAPP Tax Allocation Bonds	NDAPP	1,612,588	N	1,612,588						-					1,612,588		1,612,588
43	Continuing Disclosure Fees	Fees	12/01/2020	11/30/2023	DTA	Bond Continuing Disclosure Service	SAH/NDAPP	2,070	N	2,070				-		-					2,070		2,070
44	Annexation Agreement True Up	Miscellaneous	07/01/1996	12/31/2099	City of Lake Forest	Property Tax True Up	NDAPP	161,675	N	161,675				161,675		161,675							0

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County of Orange - Successor Agency
Administrative Budget FY 2021-22

Position	Projected Amount	Comments
Project Manager	\$ 42,300.00	Oversee agency operations, serves as primary point of contact for DOF, prepares and submits staff reports and correspondence for Oversight Board meetings and serves as a liaison between the County & Successor Agency.
Accounting Manager I	\$ 1,100.00	Reviews the financial statements. Works with auditors as needed during audit. Reviews the ROPS & PPA calculations
Sr. Accountant	\$ 24,200.00	Prepares the financial statements. Works with the External Auditors during audit. Prepares the ROPS and PPA calculations.
Accountant/Auditor II	\$ 121.00	Deskchecks financial statements and other documents required. Provides other assistance as necessary
Accounting Technician	\$ 60.00	Deskchecks financial statements and other documents required. Provides other assistance as necessary
County Counsel	<u>\$ 2,100.00</u>	Provides legal services to the operation of the County's Successor Agency
	\$ 69,881.00	
Public Finance Staff		
Public Finance Manager I	\$ 11,800.00	Duties include Continuing Disclosure, Covenant Compliance, Invoice review.
Public Finance Manager II	\$ 4,000.00	Duties include Continuing Disclosure, Covenant Compliance, Invoice review.
Accountant/Auditor II	\$ 19,700.00	Duties include monthly trustee activity, ROPS & PPA preparation, debt service payments, covenant compliance, continuing disclosures, arbitrage Calculation Review, invoice payment, monthly expenditure tracking
Sr. Acct/Accounting Manager I	\$ 13,900.00	Duties include monthly trustee activity, ROPS & PPA preparation/review, debt service payments, covenant compliance, continuing disclosures, arbitrage Calculation Review, invoice payment, financial statement preparation.
Accounting Manager II	\$ 6,200.00	Duties include monthly trustee activity, ROPS & PPA preparation/review, debt service payments, financial statement preparation.
Supervising Deputy County Counsel	<u>\$ 1,700.00</u>	Provides legal services to Public Finance staff.
	\$ 57,300.00	
Audit Cost	\$ 15,000.00	
Mis costs	<u>\$ 2,100.00</u>	Parking, County Investment Pool Fees
	<u>\$ 17,100.00</u>	
Total Agency Administrative Costs	\$ 144,281.00	

County of Orange - Successor Agency
Administrative Budget FY 2021-22

Position	Projected Amount	Adjusted Amount	Rounded	MOU = 1.025	MOU=1.025	DOF App
				FY 19-20	FY 20-21	Cushion 1.15
Project Manager	\$ 35,000.00	\$ 42,287.66	\$ 42,300.00	\$ 35,875.00	\$ 36,771.88	\$ 42,287.66
Accounting Manager I	\$ 900.00	\$ 1,087.40	\$ 1,100.00	\$ 922.50	\$ 945.56	\$ 1,087.40
Sr. Accountant	\$ 20,000.00	\$ 24,164.38	\$ 24,200.00	\$ 20,500.00	\$ 21,012.50	\$ 24,164.38
Accountant/Auditor II	\$ 100.00	\$ 120.82	\$ 121.00	\$ 102.50	\$ 105.06	\$ 120.82
Accounting Technician	\$ 50.00	\$ 60.41	\$ 60.00	\$ 51.25	\$ 52.53	\$ 60.41
County Counsel	\$ 1,700.00	\$ 2,053.97	\$ 2,100.00	\$ 1,742.50	\$ 1,786.06	\$ 2,053.97
Public Finance Staff						
Public Finance Manager I	\$ 11,800.00					
Public Finance Manager II	\$ 4,000.00					
Accountant/Auditor II	\$ 19,700.00					
Sr. Acct/Accounting Manager I	\$ 13,900.00					
Accounting Manager II	\$ 6,200.00					
Supervising Deputy County Counsel	\$ 1,700.00					
	\$ 57,300.00					
Audit Cost	\$ 15,000.00					
Mis costs	\$ 2,100.00					
	\$ 17,100.00					
Total Agency Administrative Costs	\$ 132,150.00	\$ 144,174.63	\$ 144,281.00			

Orange Countywide Oversight Board
Placeholder for Pending Resolution

Date: 1/26/2021

From: Successor Agency to the County of Orange Redevelopment Agency

Subject: Resolution of the County of Orange Board of Supervisors Approving the County's 2021-22 Annual Recognized Obligation Payment Schedule

The resolution of the County of Orange Board of Supervisors approving the County's 2021-22 Annual Recognized Obligation Payment Schedule was voted upon at their 1/12/2021 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 County's 2021-22 Annual Recognized Obligation Payment Schedule.

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

Successor Agency: Orange County

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)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 7,615,079	\$ 4,869,614	\$ 12,484,693
F RPTTF	7,494,079	4,740,614	12,234,693
G Administrative RPTTF	121,000	129,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 7,615,079	\$ 4,869,614	\$ 12,484,693

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

Orange County
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	
								\$19,519,781		\$12,484,693	\$-	\$-	\$-	\$7,494,079	\$121,000	\$7,615,079	\$-	\$-	\$-	\$4,740,614	\$129,000	\$4,869,614
2	Agency Administration	Admin Costs	01/01/2012	07/31/2024	County of Orange	Staff Salaries, Benefits, etc.	SAH/NDAPP	193,000	N	\$193,000	-	-	-	-	97,000	\$97,000	-	-	-	-	96,000	\$96,000
3	Annexation Agreement	Miscellaneous	07/06/1999	12/31/2099	City of Lake Forest	Property Tax Allocation	NDAPP	7,185,154	N	\$7,185,154	-	-	-	7,185,154	-	\$7,185,154	-	-	-	-	-	\$-
19	Treasury Investment Fees	Fees	03/01/2002	09/01/2023	County of Orange Treasurer/Tax Collector	Treasury Investment Charge	SAH/NDAPP	1,180	N	\$1,180	-	-	-	490	-	\$490	-	-	-	690	-	\$690
21	Arbitrage Fees	Fees	08/01/2014	07/31/2024	BLX	Arbitrage Calculation and Reporting	SAH/NDAPP	1,380	N	\$1,380	-	-	-	1,380	-	\$1,380	-	-	-	-	-	\$-
22	Bank Trustee Service Fees	Fees	03/01/2002	09/01/2023	US Bank	Bank Trustee Service	SAH/NDAPP	6,670	N	\$6,670	-	-	-	2,990	-	\$2,990	-	-	-	3,680	-	\$3,680
23	Bond Counsel Fees	Fees	04/23/2019	04/22/2021	Stradling, Yocca, Carlson, Rauth	Bond Counsel	SAH/NDAPP	11,500	N	\$11,500	-	-	-	11,500	-	\$11,500	-	-	-	-	-	\$-
25	Bond Administration	Admin Costs	03/01/2002	09/01/2023	County of Orange	Staff Salaries and Benefits	SAH/NDAPP	57,000	N	\$57,000	-	-	-	-	24,000	\$24,000	-	-	-	-	33,000	\$33,000
41	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	01/09/2014	09/01/2023	U.S. Bank	Principal and Interest Debt service for 2014 Santa Ana Heights Tax Allocation Bonds.	SAH	8,136,750	N	\$2,714,250	-	-	-	-	-	\$-	-	-	-	2,714,250	-	\$2,714,250
42	2014 Tax	Bonds Issued	09/20/	09/01/2022	U.S. Bank	Principal	NDAPP	3,630,982	N	\$2,018,394	-	-	-	-	-	\$-	-	-	-	2,018,394	-	\$2,018,394

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		
	Allocation Refunding Bonds	After 12/31/10	2014			and Interest Debt service for 2014 NDAPP Tax Allocation Bonds																	
43	Continuing Disclosure Fees	Fees	12/01/2015	11/30/2020	Applied Best Practices	Bond Continuing Disclosure Service	SAH/NDAPP	3,600	N	\$3,600	-	-	-	-	-	\$-	-	-	-	-	3,600	-	\$3,600
44	Annexiation Agreement True Up	Miscellaneous	07/01/1996	12/31/2099	City of Lake Forest	Property Tax True Up	NDAPP	292,565	N	\$292,565	-	-	-	292,565	-	\$292,565	-	-	-	-	-	-	\$-

Orange County
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
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount.			7,191,284	1,756,517		
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller				1,027,361	10,660,586	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)				22,944	10,406,186	
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)			7,191,284	1,733,573		
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			254,400	
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$1,027,361	\$-	

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

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

Successor Agency: Orange County
County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 7,538,248	\$ 4,900,210	\$ 12,438,458
F RPTTF	7,398,948	4,742,510	12,141,458
G Administrative RPTTF	139,300	157,700	297,000
H Current Period Enforceable Obligations (A+E):	\$ 7,538,248	\$ 4,900,210	\$ 12,438,458

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

Brian Probolsky Chair
Name Title
/s/ _____
Signature Date

Orange County Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances
July 1, 2016 through June 30, 2017
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet .								
A	B	C	D	E	F	G	H	
		Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
	ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	Comments	
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount			775	1,053,040	7,064,826		
2	Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller				703,477	5,137,357		
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)					4,823,464	16-17 ROPS Expenditures including accruals of \$6401.98 that were authorized, funded and incurred in 16-17 ROPS but will be paid outside the ROPS period. \$22,944 Lake Forest RPTTF transfer excluded since this is for 17/18A ROPS Distribution per Dept. of Finance.	
4	Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					188,209	17-18A ROPS distribution amount.	
5	ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required					336,086	Excess distribution over expenditures □ Matches PPA Total Difference.
6	Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 775	\$ 1,756,517	\$ 6,854,424	Please note that this includes \$22,944 DOF approved sweep for 17-18 ROPS and \$7,908,238 DOF approved sweep for 18-19 ROPS.	



DEPARTMENT OF
FINANCE

GAVIN NEWSOM ■ GOVERNOR

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

Transmitted via e-mail

March 27, 2020

Jeffrey Kirkpatrick, Administrative Manager
Orange County
601 North Ross Street
Santa Ana, CA 92701

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Orange County 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 22, 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.

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, 2020 through June 30, 2021 (ROPS 20-21) 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 distribution for the reporting period is \$12,230,292, 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.

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/>


Jeffrey Kirkpatrick
March 27, 2020
Page 2

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: Bill Malohn, Accounting Manager, Orange County
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	\$ 7,494,079	\$ 4,740,614	\$ 12,234,693
Administrative RPTTF Requested	121,000	129,000	250,000
Total RPTTF Requested	7,615,079	4,869,614	12,484,693
RPTTF Authorized	7,494,079	4,740,614	12,234,693
Administrative RPTTF Authorized	121,000	129,000	250,000
ROPS 17-18 prior period adjustment (PPA)	(254,401)	0	(254,401)
Total RPTTF Approved for Distribution	\$ 7,360,678	\$ 4,869,614	\$ 12,230,292



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

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

March 28, 2019

Mr. Jeffrey Kirkpatrick, Administrative Manager
Orange County
1770 North Broadway
Santa Ana, CA 92706

Dear Mr. Kirkpatrick:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Orange County 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 25, 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:

- On the ROPS 19-20 form, the Agency reported cash balances and activity for the period July 1, 2016 through June 30, 2017 (ROPS 16-17). According to our review, the Agency has approximately \$680,533 in Other Funds available to fund enforceable obligations on the ROPS 19-20. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF). Therefore, with the Agency's concurrence, the funding source for the following items have been reclassified in the amount specified below:

Item No.	Item Name/Project Name	Requested	Authorized		
		RPTTF	RPTTF	Other Funds	Total
41	2014 Tax Allocation Bonds	\$2,708,250	\$2,330,435	\$377,815	\$2,708,250
42	2014 Tax Allocation Bonds	\$2,020,575	\$1,717,857	\$302,718	\$2,020,575
Total		\$4,728,825	\$4,048,292	\$680,533	\$4,728,825

- The Agency's claimed administrative costs exceed the allowance by \$47,000. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$250,000 for fiscal year 2019-20. Although \$297,000 is claimed for ACA, only \$250,000 is available pursuant to the cap. Therefore, as noted in the table below, \$47,000 in excess ACA is not allowed:

Administrative Cost Allowance Calculation	
Actual RPTTF distributed for fiscal year 2018-19	\$ 2,328,627
Less distributed Administrative RPTTF	(311,262)
RPTTF distributed for 2018-19 after adjustments	2,017,365
ACA Cap for 2019-20 per HSC section 34171 (b)	250,000
ACA requested for 2019-20	297,000
ACA in Excess of the Cap	\$ (47,000)

Additionally, while the administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3), 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 4 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items 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 \$11,374,837 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

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

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

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

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Bill Malohn, Accounting Manager, Orange County
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution			
For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 7,398,948	\$ 4,742,510	\$ 12,141,458
Administrative RPTTF Requested	139,300	157,700	297,000
Total RPTTF Requested	7,538,248	4,900,210	12,438,458
RPTTF Requested	7,398,948	4,742,510	12,141,458
<u>Adjustments</u>			
Item No. 41	0	(377,815)	(377,815)
Item No. 42	0	(302,718)	(302,718)
	0	(680,533)	(680,533)
RPTTF Authorized	7,398,948	4,061,977	11,460,925
Administrative RPTTF Requested	139,300	157,700	297,000
Excess Administrative Costs	0	(47,000)	(47,000)
Administrative RPTTF Authorized	139,300	110,700	250,000
Total RPTTF Authorized for Obligations	7,538,248	4,172,677	11,710,925
Prior Period Adjustment	(336,088)	0	(336,088)
Total RPTTF Approved for Distribution	\$ 7,202,160	\$ 4,172,677	\$ 11,374,837