

Orange Countywide Oversight Board

Agenda Item No. 4e

Date: 1/26/2021

From: Successor Agency to the Cypress Redevelopment Agency

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

Recommended Action:

Adopt resolution approving FY 21-22 ROPS for the Cypress Successor Agency

The Cypress Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) for Fiscal Year 21-22.

All enforceable obligations of the Cypress Successor Agency (CSA) were paid in full as of June 30, 2020; however, \$26,720 of necessary administrative costs directly associated with the dissolution of the CSA are requested with ROPS 21-22.

The CSA initiated the dissolution process with the County Auditor Controller (CAC) and the Countywide Oversight Board in July 2020. The CSA has one remaining asset which needs to be assigned before the dissolution can be finalized and this assignment will require approval by several agencies, including the Department of Finance (DOF) and the Department of Housing and Urban Development (HUD). The CSA is the first agency in Orange County to request dissolution and is working with the CAC to ensure the process adheres to all applicable laws and regulations.

The CSA did not request any administrative costs on ROPS 20-21, however, due to the above factors, the dissolution process is a more complicated and time-consuming process than initially estimated and is expected to extend into FY 21-22. The requested administrative costs of \$26,720 are primarily comprised of necessary personnel and legal costs associated with finalizing the dissolution of the CSA. It is expected the dissolution process will be finalized prior to the end of the ROPS 21-22 period.

Both the ROPS and the Administrative budget for FY 21-22 were approved by the CSA's governing body (City Council) on January 11, 2021.

Impact on Taxing Entities

A total of \$26,720 is requested with the ROPS 21-22 and accumulated Successor Agency funds are available to pay the full amount requested. No RPTTF amounts are requested for FY 21-22, which is consistent with the prior year ROPS; therefore, the taxing entities would not be impacted when compared to FY 20-21.

Staff Contact

Donna Mullally, Assistant Director of Finance and Administrative Services dmullally@cypressca.org
(714) 229-6709

Attachments

1. Oversight Board Resolution 21-__
2. Cypress Successor Agency ROPS 21-22
3. Cypress Successor Agency Resolution dated January 11, 2021 approving ROPS 21-22
4. FY 2021-22 Administrative Budget for the Cypress Successor Agency
5. Cypress Successor Agency Approved ROPS 20-21

ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO.

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 21-22) FOR THE
PERIOD JULY 1, 2021 THROUGH JUNE 30, 2022 FOR THE SUCCESSOR AGENCY TO
THE DISSOLVED CYPRESS REDVELOPMENT AGENCY

WHEREAS, as part of the 2011-2012 State budget bill, the California Legislature enacted and the Governor signed, a budget trailer bill, ABx1 26, requiring that each redevelopment agency be dissolved; and

WHEREAS, an action challenging the constitutionality of ABx1 26 was filed in the California Supreme Court and on December 29, 2011, the Court modified and upheld ABx1 26, thereby causing the dissolution of all redevelopment agencies in the State of California, including the Cypress Redevelopment Agency (“RDA”), as of February 1, 2012; and

WHEREAS, the City of Cypress, pursuant to the terms of ABx1 26, became the successor agency to the dissolved RDA (“Successor Agency”) with the responsibility to wind up the affairs of the dissolved RDA under the terms of ABx1 26; and

WHEREAS, on June 27, 2012, the Legislature enacted and the Governor signed into law, to be effective immediately, Assembly Bill 1484 (“AB 1484”), which amended ABx1 26 and defined the Successor Agency as a separate public entity from the City; and

WHEREAS, on September 22, 2015, the Legislature enacted and the Governor signed into law, to be effective immediately, Senate Bill 107 (“SB 107”), which further amended ABx1 26 and AB 1484; and

WHEREAS, ABx1 26 as amended by AB 1484 and SB 107 is hereinafter referred to as the “Amended Dissolution Act;” and

WHEREAS, effective July 1, 2018 responsibilities of the Oversight Board to the Successor Agency to the dissolved Cypress Redevelopment Agency have transitioned to the Countywide Oversight Board; and

WHEREAS, pursuant to the Amended Dissolution Act, the Countywide Oversight Board is required to review and approve a Recognized Obligation Payment Schedule (ROPS 21-22) prepared by the Cypress Successor Agency covering the fiscal year from July 1, 2021 through June 30, 2022 that lists all enforceable obligations of the dissolved RDA as defined in the Amended Dissolution Act for the period, and for each twelve month period thereafter; and

WHEREAS, at its public meeting of January 11, 2021, the Successor Agency Board reviewed and considered the Recognized Obligation Payment Schedule (ROPS 21-22), attached to this Resolution and Staff Report submitted concurrently with this Resolution; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Countywide Oversight Board hereby approves the Recognized Obligation Payment Schedule (ROPS 21-22) for the period July 1, 2021 through June 30, 2022, as set forth in Exhibit “A” to this Resolution and by this reference incorporated herein.

SECTION 3. The Cypress Successor Agency Board Secretary, or the Successor Agency Executive Director (as the person appointed by action of the Oversight Board at its meeting of March 20, 2012, to be the designated contact person to the Department of Finance), shall transmit the approved Recognized Obligation Payment Schedule to the Department of Finance, State Controller, and County Auditor-Controller in compliance with the requirements of the Amended Dissolution Act. The staff of the Successor Agency shall take such other and further actions and

sign such other and further documents as appropriate to effectuate the intent of this Resolution and to implement the Recognized Obligation Payment Schedule approved hereby on behalf of the Successor Agency. The Countywide Oversight Board further authorizes and directs the Executive Director to make any technical modifications to the Recognized Obligation Payment Schedule as may be required by the Department of Finance, and/or State Controller, including any formatting or technical changes required by any of the foregoing bodies. Any such modifications or changes shall not require re-approval by the Countywide Oversight Board.

SECTION 4. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution. The Countywide Oversight Board hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

SECTION 5. The Clerk of the Orange Countywide Oversight Board shall certify to the adoption of this Resolution.

SUCCESSOR AGENCY BOARD RESOLUTION NO. SA-10

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED CYPRESS REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 21-22) FOR THE PERIOD JULY 1, 2021 THROUGH JUNE 30, 2022

WHEREAS, as part of the 2011-2012 State budget bill, the California Legislature enacted and the Governor signed, a budget trailer bill, ABx1 26, requiring that each redevelopment agency be dissolved; and

WHEREAS, an action challenging the constitutionality of ABx1 26 was filed in the California Supreme Court and on December 29, 2011, the Court modified and upheld ABx1 26, thereby causing the dissolution of all redevelopment agencies in the State of California, including the Cypress Redevelopment Agency ("RDA"), as of February 1, 2012; and

WHEREAS, the City of Cypress, pursuant to the terms of ABx1 26, became the successor agency to the dissolved RDA ("Successor Agency") with the responsibility to wind up the affairs of the dissolved RDA under the terms of ABx1 26; and

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Cypress Redevelopment Agency has been appointed pursuant to the provisions of Health & Safety Code Section 34179; and

WHEREAS, on June 27, 2012, the Legislature enacted and the Governor signed into law, to be effective immediately, Assembly Bill 1484 ("AB 1484"), which amended ABx1 26 and defined the Successor Agency as a separate public entity from the City; and

WHEREAS, on September 22, 2015, the Legislature enacted and the Governor signed into law, to be effective immediately, Senate Bill 107 ("SB 107"), which further amended ABx1 26 and AB 1484; and

WHEREAS, ABx1 26 as amended by AB 1484 and SB 107 is hereinafter referred to as the "Amended Dissolution Act;" and

WHEREAS, effective July 1, 2018 responsibilities of the Oversight Board to the Successor Agency to the dissolved Cypress Redevelopment Agency have transitioned to the County Oversight Board; and

WHEREAS, prior to consideration for approval by the County Oversight Board, the Successor Agency Board is required to review and approve a Recognized Obligation Payment Schedule (ROPS 21-22) prepared by the Successor Agency covering the fiscal year from July 1, 2021 through June 30, 2022 that lists all enforceable obligations (if any) of the dissolved RDA as defined in the Amended Dissolution Act for the period, and for each twelve month period thereafter; and

WHEREAS, at its public meeting of January 11, 2021, the Successor Agency Board reviewed and considered the Recognized Obligation Payment Schedule (ROPS 21-22), attached to this Resolution and Staff Report submitted concurrently with this Resolution; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency Board as follows:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The Successor Agency Board hereby approves the Recognized Obligation Payment Schedule (ROPS 21-22) for the period July 1, 2021 through June 30,

2022, as set forth in Exhibit "A" to this Resolution and by this reference incorporated herein.

SECTION 3. The Board Secretary, or the Successor Agency Executive Director (as the person appointed by action of the Oversight Board at its meeting of March 20, 2012, to be the designated contact person to the Department of Finance), shall transmit the approved Recognized Obligation Payment Schedule to the County Oversight Board, Department of Finance, State Controller, and County Auditor-Controller in compliance with the requirements of the Amended Dissolution Act. The staff of the Successor Agency shall take such other and further actions and sign such other and further documents as appropriate to effectuate the intent of this Resolution and to implement the Recognized Obligation Payment Schedule approved hereby on behalf of the Successor Agency. The Successor Agency Board further authorizes and directs the Executive Director to make any technical modifications to the Recognized Obligation Payment Schedule as may be required by the County Oversight Board, Department of Finance, and/or State Controller, including any formatting or technical changes required by any of the foregoing bodies. Any such modifications or changes shall not require re-approval by the Successor Agency Board.

SECTION 4. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

PASSED, APPROVED AND ADOPTED by the Successor Agency Board at a meeting held on the 11th day of January, 2021.



CHAIR, SUCCESSOR AGENCY BOARD

ATTEST:



SECRETARY, SUCCESSOR AGENCY BOARD

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

I, ALISHA FARNELL, Secretary to the Successor Agency Board, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Successor Agency Board, held on the 11th day of January, 2021, by the following roll call vote:

AYES:	5	BOARD MEMBERS:	Hertz, Marquez, Morales, Berry and Peat
NOES:	0	BOARD MEMBERS:	None
ABSENT:	0	BOARD MEMBERS:	None



SECRETARY, SUCCESSOR AGENCY BOARD

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

Successor Agency: Cypress
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)	\$ 25,795	\$ 925	\$ 26,720
F RPTTF	-	-	-
G Administrative RPTTF	25,795	925	26,720
H Current Period Enforceable Obligations (A+E)	\$ 25,795	\$ 925	\$ 26,720

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

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

A	B	C	D	E	F	G	H	I	J	K	P	Q	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)	21-22A Total	ROPS 21-22B (Jan - Jun)	21-22B Total
											Fund Sources		Fund Sources	
											Admin RPTTF		Admin RPTTF	
								\$26,720		\$26,720	\$25,795	\$25,795	\$925	\$925
3	Employee Costs	Admin Costs	07/01/2020	06/30/2022	City Employees	Payroll costs for staff engaged in Redevelopment and Successor Agency activities for period July 2020 to June 2022	All	12,800	N	\$12,800	12,800	\$12,800	-	\$-
4	Legal Services	Admin Costs	07/01/2020	06/30/2022	Rutan & Tucker/ Aleshire & Wynder/ Other	Legal Services for the Successor Agency	All	12,000	N	\$12,000	12,000	\$12,000	-	\$-
6	Administrative/ Office Supplies	Admin Costs	07/01/2020	06/30/2022	Various Vendors	Telephone, postage, printing/copying, computer usage and office supplies associated with the RDA and Successor Agency	All	100	N	\$100	100	\$100	-	\$-
7	Land Lease	Admin Costs	04/01/2001	03/31/2022	OCTA	Lease of Land/ ROW for parking	Lincoln Avenue Project Area	1,820	N	\$1,820	895	\$895	925	\$925

Cypress
Recognized Obligation Payment Schedule (ROPS 21-22) - Report of Cash Balances
July 1, 2018 through June 30, 2019
(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 18-19 Cash Balances (07/01/18 - 06/30/19)		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 07/01/18) RPTTF amount should exclude "A" period distribution amount.				39,115			
2	Revenue/Income (Actual 06/30/19) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller				58,954	1,896,201		
3	Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)				2,401	1,872,123		
4	Retention of Available Cash Balance (Actual 06/30/19) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				-			
5	ROPS 18-19 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC		No entry required			24,078		
6	Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$95,668	\$-		

Cypress
Recognized Obligation Payment Schedule (ROPS 21-22) - Notes
July 1, 2021 through June 30, 2022

Item #	Notes/Comments
3	The Cypress SA has started the dissolution process and is the first SA in Orange County to do so. This process involves working with the County Auditor Controller and has been delayed. Additional personnel resources will be necessary to complete the dissolution process, which is expected to occur prior to December 31, 2021.
4	The Cypress SA legal counsel is working with the CAC's counsel on the dissolution process, which involves gaining approval from various State and Federal agencies. These legal services are necessary the process is completed timely and in accordance with all laws and requirements.
6	
7	The Cypress SA's 20-21 ROPS was filed under the assumption the SA would be dissolved in early FY 2020-21, therefore no amounts were requested as part of the 20-21 ROPS filing. However, the dissolution process has been delayed and will extend into FY 2021-22. These land lease payments remain an obligation of the SA and will be requested as part of the ROPS process until the SA is officially dissolved.

EXHIBIT A

City of Cypress, As Successor Agency to the Dissolved Cypress Redevelopment Agency
Proposed Administrative Expenditure Budget
For the Two Six-Month Periods Ending December 31, 2021 and June 30, 2022

<u>Description (Fund 462-Program 62194)</u>	Six Months Ending <u>12/31/2021</u>	Six Months Ending <u>6/30/2022</u>	Total <u>FY 2021/22</u>
<i>Administrative</i>			
1. Employee Costs			
Full-time Salaries (4001)	8,000	-	8,000
Fringe Applied (4006)	<u>4,800</u>	<u>-</u>	<u>4,800</u>
Total	12,800	-	12,800
2. Legal Services (4189_004)	12,000	-	12,000
3. Administrative/ Office Supplies			
Supplies (4103_003)	100	-	100
4. Land Lease (4177)	895	925	1,820
Total Administrative Expenditures	\$ 25,795	\$ 925	\$ 26,720

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

Successor Agency: Cypress
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)	\$ -	\$ -	\$ -
F RPTTF	-	-	-
G Administrative RPTTF	-	-	-
H Current Period Enforceable Obligations (A+E)	\$ -	\$ -	\$ -

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

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

A	B	C	D	E	F	G	I	K	N	O	P	Q	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)			20-21A Total	ROPS 20-21B (Jan - Jun)			20-21B Total
									Fund Sources				Fund Sources			
									Other Funds	RPTTF	Admin RPTTF		Other Funds	RPTTF	Admin RPTTF	
							\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
2	Restated and Re-entered Repayment Agreement/ Promissory Note to refinance Prommissory Note dated 6/30/2009 which matured 6/30/2012.	Reentered Agreements	05/22/2012	06/30/2025	City of Cypress	Restated and Re-entered Repayment Agreement approved by Oversight Board to restructure Promissory Note used to finance infrastructure improvements, development assistance and RDA operations. Initial note was issued due to insufficient cash flow of Tax Increment, and the Cypress Redevelopment Agency could not issue bonded debt for the improvements.	-	\$-	-	-	-	\$-	-	-	-	\$-
3	Employee Costs	Admin Costs	07/01/2019	06/30/2020	City Employees	Payroll costs for staff engaged in Redevelopment and Successor Agency activities for period July 2018 to June 2019	-	\$-	-	-	-	\$-	-	-	-	\$-
4	Legal Services	Admin Costs	07/01/2019	06/30/2020	Rutan & Tucker/ Aleshire & Wynder/ Other	Legal Services for the Successor Agency	-	\$-	-	-	-	\$-	-	-	-	\$-
5	Audit Services	Admin Costs	06/12/2017	06/30/2020	Lance Soll & Lunghard LLP	Final audit work for FYE 6/30/19 for Successor Agency audit and other required audits	-	\$-	-	-	-	\$-	-	-	-	\$-
6	Administrative/ Office Supplies	Admin Costs	07/01/2019	06/30/2020	Various Vendors	Telephone, postage, printing/copying, computer usage and office supplies associated with the RDA and Successor Agency	-	\$-	-	-	-	\$-	-	-	-	\$-
7	Land Lease	Admin Costs	04/01/2001	03/31/2021	OCTA	Lease of Land/ ROW for parking	-	\$-	-	-	-	\$-	-	-	-	\$-

Cypress
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.				9,188		
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller				39,115	2,117,181	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)					2,079,762	
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)				9,188		
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				37,419
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$39,115	\$-	

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

Item #	Notes/Comments
2	All principal and interest is expected to be paid in full on June 30, 2020; therefore, no amounts are requested for FY 2020-21.
3	
4	
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7	