

Orange Countywide Oversight Board

Agenda Item No. 4h

Date: 1/26/2021

From: Successor Agency to the La Habra 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 La Habra Successor Agency

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

The enforceable obligations included in ROPS 21-22 total \$1,588,531 (\$1,292,330 for 21-22 A and \$296,201 for 21-22 B).

RPTTF funds requested will cover payments for the 1998 COP B/C Loan, executed on September 15, 1998 between the City and the Redevelopment Agency. The payments for the 1998 B/C loan include debt service principal payment (item # 1) and debt service interest payment (item # 2). Total RPTTF funds related to the 1998 B/C loan is \$469,278 (\$457,678 for 21-22 A and \$11,600 for 21-22 B).

RPTTF funds requested to cover the loan between the City and the Redevelopment Agency for the purchase of 1001 Imperial Loan (item 11) dated September 11, 2007. The total RPTTF funds related to 1001 Imperial Highway is \$550,000. \$550,000 is requested for 21-22 A. There is no request for item 11 in 21-22 B.

RPTTF funds requested to cover trustee fees (item #13) totals \$10,000 (\$7,500 for 21-22 A and \$2,500 for 21-22 B). RPTTF funds for continuing disclosure fees of \$3,250 (item # 30) is requested for 21-22 B. There is no request for item # 30 in 21-22 A.

RPTTF funds totaling \$432,863 (\$215,582 for 21-22 A and \$217,281 for 21-22 B) is requested for 2016 Tax Allocation Refunding Bonds principal and interest payments (items # 43 and 44).

The La Habra Successor Agency request a total of \$123,140 for Fiscal Year 2021-22 Administration Budget as follows:

<u>Administrative Budget</u>	<u>FY 21/22</u>
Direct Payroll Costs (Salaries and benefits)	
Community Development Director (6%)	\$ 13,478
Director of Finance (6%)	14,089
Deputy Community Development Director (6%)	12,550
Housing and Econ Dev Manager (18%)	27,256
Finance Manager (14%)	23,499
Annual Audit	1,570
Attorney Fee	8,000
Consultant Fee (HDL)	1,375
Administrative Overhead	21,323
 Total Administrative Budget	 <u>\$ 123,140</u>

The direct payroll of Director of Community and Economic Development, Director of Finance, and Deputy Director of Finance are budgeted at 6% to account for time the Directors spent participating in meetings, reviewing and approving work completed by the Housing and Economic Development Manager and Finance Manager.

The direct payroll of the Housing and Economic Development Manager is budgeted at 14%. The cost represents time expected to spend on Successor Agency related affairs such as processing, coordinating and negotiating disposition of remaining properties, preparing staff reports, attending and presenting reports to the Successor Agency as well as Oversight Board.

The direct payroll of the Finance Manager is budgeted at 14%. The cost represents time expected to spend on preparing, reconciling, and submitting ROPS and Prior Period Adjustment Form required by the County and the State Department of Finance (DOF). This cost also accounts for time spent on coordinating and responding to the County and DOF when questions arise in the ROPS reviewing process.

The cost of an annual audit is allocated to the Successor Agency based on the proportionate share of the Successor Agencies assets to the City's entire assets which is approximately 2%. Annual audit cost of \$1,570 represents 2% of the annual audit contract of \$78,515.

The attorney fee of \$8,000 is budgeted for FY 2021-22. It represents a retainer fee for potential legal services relating to Successor Agency's affairs such as disposal of property, ROPS Meet and Confer, etc.

The consultant fee of \$1,375 represents the cost for property tax consulting services such as tax increment projections, cash flow projections, and monitor distribution of tax-sharing revenues. This cost is allocated to the Successor agency based on the proportionate share of the Successor Agency assessed property values to the entire City's assessed property values, which is approximately 10%.

Administrative overhead of \$21,323 represents administrative support services provided by the City to the Successor Agency such as City Council, City Manager, City Clerk, and financial services (accounting, banking, accounts payable, etc.).

The Successor Agency approved a Resolution No. XXX, on January 19, 2021 approving and adopting the Recognized Obligation Payment Schedule for the period of July 1, 2021- June 30, 2022. A motion was approved to forward the Recognized Obligation Payment Schedule to the Countywide Oversight Board for approval.

The proposed ROPS 21-22 will reduce RPTTF to the taxing entities in the amount of \$1,588,531. This amount is equal to the total RPTTF request for 21-22 A and 21-22 B as outlined through enforceable

obligations and administrative cost.

Staff Contact(s)

Miranda Cole-Corona, Economic Development and Housing Manager
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(562) 383-4110

Attachments

1. Proposed Countywide Oversight Board Resolution
2. ROPS 21-22
3. Placeholder for Pending Successor Agency Resolution

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 LA HABRA REDEVELOPMENT
AGENCY *APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)*
21-22 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2021 TO JUNE 30, 2020,
INCLUDING THE FY 21-22 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 FORMER La Habra Redevelopment 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 City Council of the City of La Habra (“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 La Habra Redevelopment (“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 21-22 A-B fiscal period of July 1, 2021 to June 30, 2022 (“ROPS 21-22 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 21-22, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 21-22 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 21-22 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 21-22 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 21-22 A-B submitted therewith and incorporated by this reference, including the FY 21-22 administrative budget included herewith.

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 21-22 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The City of La Habra’s Finance Director or authorized designee is directed to post this Resolution, including the ROPS 21-22 A-B, on the City/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.

Exhibit B

Administrative Budget	FY 21/22
Direct Payroll Costs (Salaries and benefits)	
Community Development Director (6%)	\$ 13,478
Director of Finance (6%)	14,089
Deputy Community Development Director (6%)	12,550
Housing and Econ Dev Manager (18%)	27,256
Finance Manager (14%)	23,499
Annual Audit	1,570
Attorney Fee	8,000
Consultant Fee (HDL)	1,375
Administrative Overhead	21,323
 Total Administrative Budget	 <u><u>\$ 123,140</u></u>

RESOLUTION NO. 2021-01

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022 (ROPS 21-22) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(l) AND 34177(o)

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of La Habra ("Successor Agency") elected to become the Successor Agency to the Redevelopment Agency of the City of La Habra by Resolution No. 5508 on January 12, 2012; and

WHEREAS, Health and Safety Code Section 34177(l)(2), as modified by the Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 and Section 34177 (m), requires the Successor Agency to prepare a Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, Senate Bill 107 changed the ROPS period from six months to twelve months from July 1 to June 30 of each year. To maintain continuity of Redevelopment Property Tax Trust Fund (RPTTF) distribution, the annual ROPS will continue to separate the A Period (July 1 through December 31) and the B Period (January 1 through June 30); and

WHEREAS, pursuant to Health and Safety Code Section 34177 (m) (1) (A), provides that the Successor agency shall complete the Recognized Obligation Payment Schedule (ROPS) in the manner provided for by the Department of Finance. Pursuant to Health and Safety Code Section 34177 (l) (2), the Successor Agency is required to prepare the ROPS covering the period of July 1, 2021, through June 30, 2022 (ROPS 21-22). The Department of Finance (DOF) released the new ROPS template on November 24, 2020 and all successor agencies must submit their ROPS to the DOF by February 1, 2021; and

WHEREAS, pursuant to Health and Safety Code Section 34179.7 (o) (1), the ROPS 21-22 will cover the period from July 1, 2021 through June 30, 2022; successor agencies must submit an oversight board approved annual ROPS to DOF and the County Auditor-Controller by February 1, 2021; and

WHEREAS, Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Orange Countywide Oversight Board for approval; and

WHEREAS, Health and Safety Code Section 34180(g) requires the Orange Countywide Oversight Board to approve the Successor Agency's establishment of the ROPS prior to the Successor Agency acting upon the ROPS; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2), the Successor Agency is required to submit a copy of the ROPS approved by the Orange Countywide Oversight Board to the Orange County Auditor Controller, the California State Controller, and the California State Department of Finance, and to post the ROPS on the Successor Agency's website.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The approval of the ROPS through this Resolution does not commit the Successor Agency 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. The Successor Agency Secretary is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Orange, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Approval of ROPS. The Successor Agency hereby approves and adopts the ROPS, in substantially the form attached to this Resolution as Attachment 1, as required by Health and Safety Code Section 34177.


Section 4. Transmittal of ROPS. The City Manager/Executive Director is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS, including submitting the ROPS approved by the Successor Agency to the Orange Countywide Oversight Board for approval and subsequent submittal to the Orange County Auditor Controller, the California State Controller, and California State Department of Finance along with the posting of the ROPS on the Successor Agency's website, and making any non-substantive changes to the ROPS required by the Orange Countywide Oversight Board, County or the Department of Finance.

Section 5. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. Certification. The Successor Agency Secretary shall certify to the adoption of this Resolution.

Section 7. Effective Date. This Resolution shall be effective immediately upon approval by the Successor Agency.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Successor Agency to the Redevelopment Agency of the City of La Habra on the 19th day of January 2021.



Jose Medrano, Chair

ATTEST:



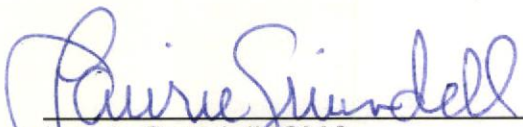
Laurie Swindell, CMC
Secretary

STATE OF CALIFORNIA)
CITY OF LA HABRA) ss
COUNTY OF ORANGE)

I, Laurie Swindell, Secretary for the Successor Agency to the Redevelopment Agency of the City of La Habra, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2021-01 introduced and adopted at a regular meeting of the Successor Agency to the La Habra Redevelopment Agency held on the 19th day of January 2021.

AYES: DIRECTORS: Medrano, Simonian, Espinoza, Gomez, Shaw
NOES: DIRECTORS: NONE
ABSENT: DIRECTORS: NONE
ABSTAIN: DIRECTORS: NONE

Witness my hand and the official seal of the City of La Habra this 19th day of January, 2021.



Laurie Swindell, CMC
Secretary

Attachment 1

**Recognized Obligation Payment Schedule
July 1, 2021 through June 30, 2022**

[Attached behind this cover page]

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

Successor Agency: La Habra
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)	\$ 1,292,330	\$ 296,201	\$ 1,588,531
F RPTTF	1,230,760	234,631	1,465,391
G Administrative RPTTF	61,570	61,570	123,140
H Current Period Enforceable Obligations (A+E)	\$ 1,292,330	\$ 296,201	\$ 1,588,531

Certification of Oversight Board Chairman:

 Name Title

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.

/s/ _____
 Signature Date

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

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)			ROPS 21-22B (Jan - Jun)			21-22A Total	21-22B Total				
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds			Reserve Balance	Other Funds	RPTTF	Admin RPTTF
1	1998 COP B/C Loan Debt Service Principal	City/County Loan (Prior 06/28/11), Other	09/15/1998	09/01/2022	City of La Habra	1998 COP B/C Future Principal on Loan Agreement	LHRA	\$7,339,277	N	\$1,588,531	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,292,330	\$296,201			
2	1998 COP B/C Loan Debt Service Interest	City/County Loan (Prior 06/28/11), Other	09/15/1998	09/01/2022	City of La Habra	1998 COP B/C Future Interest on Loan Agreement	LHRA	45,878	N	\$34,278	-	22,678	-	-	-	-	-	\$22,678	\$11,600			
11	1001 Imperial purch Loan Principal	City/County Loan (Prior 06/28/11), Property transaction	06/15/2009	07/05/2038	City of La Habra	Promissory Note (Due in June 2014)	LHRA	1,121,700	N	\$550,000	-	550,000	-	-	-	-	-	\$550,000	\$-			
12	1001 Imperial purch Loan Interest	City/County Loan (Prior 06/28/11), Property transaction	06/15/2009	07/05/2038	City of La Habra	Promissory Note (Due in June 2014)	LHRA	763,178	N	\$-	-	-	-	-	-	-	-	\$-	\$-			
13	Trustee Fees	Fees	11/01/2000	10/01/2032	Bank of New York	Trustee Fees	LHRA	45,000	N	\$10,000	-	7,500	-	-	-	-	-	\$7,500	\$2,500			
24	Administrative Costs	Admin Costs	01/01/2014	10/01/2032	Various	Operations	LHRA	123,140	N	\$123,140	-	-	-	-	-	-	-	\$61,570	61,570			
30	General Operations	Fees	06/01/2011	10/01/2032	Various	Operations	LHRA	21,500	N	\$3,250	-	-	-	-	-	-	-	\$-	3,250			
43	2016 Tax Allocation Refunding	Bonds Issued After 12/	12/13/2016	10/01/2032	Bank of New York	Bond Obligation	LHRA	3,505,000	N	\$297,500	-	145,000	-	-	-	-	-	\$145,000	152,500			

A	B	C	D	E	F	G	H	I	J	K	L	M			N			O			P	Q	R	S			T	U	V	W
												ROPS 21-22A (Jul - Dec)	ROPS 21-22A (Jan - Jun)	ROPS 21-22B (Jan - Jun)	ROPS 21-22A (Jul - Dec)	ROPS 21-22A (Jan - Jun)	ROPS 21-22B (Jan - Jun)	ROPS 21-22A (Jul - Dec)	ROPS 21-22A (Jan - Jun)	ROPS 21-22B (Jan - Jun)				ROPS 21-22A (Jul - Dec)	ROPS 21-22A (Jan - Jun)	ROPS 21-22B (Jan - Jun)				
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	21-22A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	21-22B Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	21-22B Total		
	Bonds Principal	31/10																												
44	2016 Tax Allocation Refunding Bonds Interest	Bonds Issued After 12/31/10	12/13/2016	10/01/2032	Bank of New York	Bond Obligation	LHRA	823,881	N	\$135,363	-	-	-	70,582	-	\$70,582	-	-	-	64,781	-	-	-	-	-	-	64,781	-	\$64,781	

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

Item #	Notes/Comments
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