

# Orange Countywide Oversight Board

Agenda Item No. 8b

Date: 9/21/2021

From: Successor Agency to the Placentia Redevelopment Agency

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

## Recommended Action:

Approve resolution approving amendment to FY 2021-22B ROPS for the Placentia Successor Agency

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The Placentia Successor Agency requests approval of the Amended Recognized Obligation Payment Schedule (ROPS) 21-22B for the period of January 1, 2022 to June 30, 2022.

Pursuant to HSC section 34177.7 (o) (1) (E), once per ROPS period, and no later than October 1, a successor agency may also submit one amendment to the ROPS approved by the Department of Finance (DOF) 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 half of the ROPS period, which shall be defined as January 1 to June 30, inclusive.

SA Staff is recommending the revision of line-items No. 36 and No. 37 related to the payment of loan agreements between the City of Placentia and the SA. The DOF's loan repayment calculation is based upon 50% of the actual residual balance from the Redevelopment Property Tax Trust Fund ("RPTTF") distributions. Based upon the actual residual distributions that were received, the Successor Agency can request a maximum repayment of \$709,834 for line-items No. 36 and No. 37.

Therefore, it is recommended that the SA amend the 21-22 ROPS to increase the amounts originally requested in order to pay off the outstanding obligation for line-item No. 37 in full and increase line-item No. 36 by \$58,044. The Countywide Oversight Board ("OB") and DOF approved the ROPS 21-22 on January 26, 2021, specifically in the amount of \$478,676 for line-Items No. 36 and No. 37. The amendment would increase the enforceable obligation by \$231,158 bringing the total enforceable obligation for ROPS 21-22 to \$709,834. On September 7, 2021, the Successor Agency to the Placentia Redevelopment Agency approved the amendment to the FY 2021-22B ROPS via Resolution No. RSA-2021-02.

## Impact on Taxing Entities

The proposed ROPS Amendment will reduce residual RPTTF to the taxing entities from the January 2, 2022 distribution by \$213,158.

## Agency Contact

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## Attachments

- Attachment No. 1: Resolution of the Orange Countywide Oversight Board for the Amended Recognized Obligation Payment Schedule 21-22B
- Attachment No. 2: Approved Placentia Successor Agency Resolution No. RSA-2021-02 for the Amended Recognized Obligation Payment Schedule 21-22B

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD**  
**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING AN *AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE* FOR ROPS 21-22B FISCAL PERIOD OF JANUARY 1, 2022 TO JUNE 30, 2022, FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, 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 Redevelopment Agency for the City of Placentia (“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 Placentia (“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 Redevelopment Agency of the City of Placentia (“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 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” or “Department”); and

**WHEREAS**, Section 34177(o)(1)(E) of the Dissolution Law authorizes that “once 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 21-22B reflecting additional payments for line-items No. 36 and No. 37, to enable the Successor Agency to pay off the outstanding obligation for line-item No. 37 in full and increase line-item No. 36 by \$58,044; 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 21-22B to correct and increase \$231,158 as reflected on the amendment to the Successor Agency’s ROPS 21-22B 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 21-22B, and desires to make certain findings, including: (i) amendment is necessary to pay a DOF-approved enforceable obligation on ROPS 21-22 during the “B” fiscal period, (ii) ROPS 21-22B, as amended, is approved, (iii) the Successor Agency or City staff are authorized to post ROPS 21-22B, as amended, on the City’s website, and (iv) staff is directed to transmit ROPS 21-22B, 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 21-22B for funds to be distributed from the Redevelopment Property Tax Trust Fund (RPTTF) for the fiscal period January 1, 2022 to June 30, 2022 is necessary to pay DOF-approved enforceable obligations for such ROPS 21-22B 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 to the Redevelopment Agency of the City of Placentia.

**SECTION 3.** Under the Dissolution Law, the Orange Countywide Oversight Board approves the ROPS 21-22B, as amended, (Attachment No. 1); provided however, that the ROPS 21-22B, 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 21-22B, 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 21-22B, as amended, on the City's website.

**SECTION 6.** The approval of the amendment to the ROPS 21-22B 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.** The Clerk of the Orange Countywide Board shall certify to the adoption of this Resolution.

## RESOLUTION NO. RSA-2021-02

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, ACTING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, APPROVING AND ADOPTING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2022 TO JUNE 30, 2022 (ROPS 21-22B)

#### A. Recitals.

(i) On December 29, 2011, the California Supreme Court delivered its decision in California Redevelopment Association v. Matosantos, finding ABx1 26 ("Dissolution Act") largely constitutional.

(ii) The Dissolution Act and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, all California redevelopment agencies, including the Redevelopment Agency for the City of Placentia ("former Agency"), were dissolved on February 1, 2012.

(iii) On January 17, 2012, the Placentia City Council adopted Resolution No. R-2012-03 accepting for the City, the role of Successor Agency to the former Redevelopment Agency ("Successor Agency").

(iv) California Health and Safety Code § 34177 provides that before each twelve-month fiscal period, successor agencies to former redevelopment agencies must prepare a Recognized Obligation Payment Schedule ("ROPS") for the enforceable obligations of a former redevelopment agency. The next twelve-month period for which a ROPS is required is the period that commences on July 1, 2021 and ends on June 30, 2022 ("ROPS 21-22").

(v) The City Council, in its capacity as the Successor Agency, adopted Resolution RSA-2021-01 approving the ROPS 21-22 in accordance with California Health and Safety Code § 34177, which covers the twelve-month fiscal period that commences on July 1, 2021 and ends on June 30, 2022.

(vi) The City Council, in its capacity as the Successor Agency, desires to adopt this Resolution approving the Amended ROPS 21-22B in accordance with California Health and Safety Code § 34177, which specifically covers the six-month fiscal period that commences on January 1, 2022 and ends on June 30, 2022.

(vii). All legal prerequisites to the adoption of this Resolution have occurred.

#### B. Resolution.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, ACTING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:**

1. In all respects as set forth in the Recitals, Part A., of this Resolution.
2. The City Council, acting in its capacity as the Successor Agency, approves and authorizes transmittal of the draft Amended ROPS 21-22B, covering the period of January 1, 2022 through June 30, 2022, in substantially the form attached hereto as Exhibit "A", as required by State law.
3. In retaining the responsibilities of the Redevelopment Agency of the City of Placentia as provided in California Health and Safety Code § 34177, the City Council expressly determines, recognizes, reaffirms, and ratifies the statutory limitation on the City and the City Council's liability in retaining the responsibilities of the Redevelopment Agency of the City of Placentia under AB X1 26 and AB 1484. Nothing in this Resolution shall be construed as a commitment, obligation, or debt of the City or any resources, funds, or assets of the City to fund the City's service as the Successor Agency to the Redevelopment Agency of the City of Placentia as provided in this Resolution.
4. The City Administrator, or his designee, hereby is authorized and directed to submit the Amended ROPS 21-22B set forth in Exhibit "A" to the Oversight Board for approval and transmittal to all required County and State agencies as well as to post the Amended ROPS 21-22B on the Successor Agency's website.

**PASSED, APPROVED and ADOPTED this 7th day of September, 2021.**

  
\_\_\_\_\_  
Craig S. Green, Chairman

ATTEST:

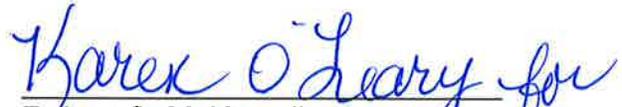
  
\_\_\_\_\_  
Robert S. McKinnell, Agency Secretary



STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Robert s. McKinnell, Secretary of the Successor Agency to the Redevelopment Agency of the City of Placentia do hereby certify that the foregoing Resolution No. RSA-2021-02 was adopted at a regular meeting of the City Council acting as the Successor Agency to the Redevelopment Agency of the City of Placentia held on the 7<sup>th</sup> day of September, 2021 by the following vote:

AYES: Council/Agency Members: Shader, Smith, Yamaguchi, Wanke, Green  
NOES: Council/Agency Members: None  
ABSENT: Council/Agency Members: None  
ABSTAIN: Council/Agency Members: None

  
Robert S. McKinnell, Agency Secretary

Approved as to Form:

  
Christian L. Bettenhausen, General Counsel

Exhibit A:

Amended Recognized Obligation Payment Schedule for January 1, 2022 to June 30, 2022 (Amended ROPS 21-22B)

# Placentia

## ROPS 2021-22 Amended

SummaryDetailSubmission

Requested Funding for Obligations		Authorized Amounts	Requested Adjustments	Amended Total
<b>A</b>	<b>Obligations Funded as Follows (B+C+D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
B	Bond Proceeds	0	0	0
C	Reserve Balance	0	0	0
D	Other Funds	0	0	0
<b>E</b>	<b>Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>1,455,916</b>	<b>173,114</b>	<b>1,629,030</b>
F	RPTTF	1,369,251	173,114	1,542,365
G	Administrative RPTTF	86,665	0	86,665
<b>H</b>	<b>Current Period Obligations (A+E)</b>	<b>1,455,916</b>	<b>173,114</b>	<b>1,629,030</b>

# Placentia

## ROPS 2021-22 Amended

Summary      Detail      Submission

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Item #	Obligation Name	Obligation Type	AUTHORIZED AMOUNTS						REQUESTED ADJUSTMENTS						Notes	
			Total Outstanding Balance	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Authorized	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Total Adjusted
	<b>TOTAL</b>		17,628,708				1,369,251	86,665	1,455,916				173,114		173,114	
4	2003 COPs City Reimbursement	Miscellaneous	2,926,139				51,862		51,862							
9	Trustee Fees	Fees	24,750				2,250		2,250							
15	Administrative Overhead	Admin Costs	2,079,960													
19	Bond Administration	Fees	16,500				1,500		1,500							
29	2013 Tax Allocation Refund Bond	Refunding Bonds Issued After 6/27/12	2,717,963				184,963		184,963							
32	2013 Tax Allocation Refund Bond	Reserves	8,720,000				650,000		650,000							
36	Real Property Transaction (312 S. Melrose) between City of Placentia and Redevelopment Agency	City/County Loan (Prior 06/28/11), Property transaction	730,944				239,338		239,338							
37	Real Property Transaction (110 S. Bradford Ave) between City of Placentia and Redevelopment Agency	City/County Loan (Prior 06/28/11), Property transaction	412,452				239,338		239,338				173,114		173,114	Per DOF Suggestion there is enough RPTTF residual that the Successor Agency and payoff any outstanding balance related to the loan from the City.

## Placentia

## ROPS 2021-22 Amended

Summary.DetailSubmission

Requested Funding for Obligations		Authorized Amounts	Requested Adjustments	Amended Total
<b>A</b>	<b>Obligations Funded as Follows (B+C+D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
B	Bond Proceeds	0	0	0
C	Reserve Balance	0	0	0
D	Other Funds	0	0	0
<b>E</b>	<b>Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>1,455,916</b>	<b>173,114</b>	<b>1,629,030</b>
F	RPTTF	1,369,251	173,114	1,542,365
G	Administrative RPTTF	86,665	0	86,665
<b>H</b>	<b>Current Period Obligations (A+E)</b>	<b>1,455,916</b>	<b>173,114</b>	<b>1,629,030</b>

# Placentia

## ROPS 2021-22 Amended

[Summary](#)      [Detail](#)      [Submission](#)

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	Item #	Obligation Name	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS						REQUESTED ADJUSTMENTS						Notes
					Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Authorized	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Adjusted	
		TOTAL		17,628,708	-	-	-	1,369,251	86,665	1,455,916	-	-	-	173,114	-	173,114	
	4	2003 COPs City Reimbursement	Miscellaneous	2,926,139	-	-	-	51,862	-	51,862	-	-	-	-	-	-	
	9	Trustee Fees	Fees	24,750	-	-	-	2,250	-	2,250	-	-	-	-	-	-	
	15	Administrative Overhead	Admin Costs	2,079,960	-	-	-	-	-	-	-	-	-	-	-	-	
	19	Bond Administration	Fees	16,500	-	-	-	1,500	-	1,500	-	-	-	-	-	-	
	29	2013 Tax Allocation Refund Bond	Refunding Bonds Issued After 6/27/12	2,717,963	-	-	-	184,963	-	184,963	-	-	-	-	-	-	
	32	2013 Tax Allocation Refund Bond	Reserves	8,720,000	-	-	-	650,000	-	650,000	-	-	-	-	-	-	
	36	Real Property Transaction (312 S. Melrose) between City of Placentia and Redevelopment Agency	City/County Loan (Prior 06/28/11), Property transaction	730,944	-	-	-	239,338	-	239,338	-	-	-	-	-	-	
	37	Real Property Transaction (110 S. Bradford Ave) between City of Placentia and Redevelopment Agency	City/County Loan (Prior 06/28/11), Property transaction	412,452	-	-	-	239,338	-	239,338	-	-	-	173,114	-	173,114	Per DOF Suggestion there is enough RPTTF residual that the Successor Agency and payoff any outstanding balance related to the loan from the City.

# CITY OF PLACENTIA

ROPS Review Period:	<b>ROPS 21-22</b>		
<b>Sponsoring Entity Loan Repayment Calculator</b>			
Base Year:	ROPS II July thru December 2012	ROPS III January thru June 2013	Total For Base Year
Residual Balance	0	0	0

Comparison Year:	ROPS 20-21 A July thru December 2020	ROPS 20-21 B January thru June 2021	Total For Comparison Year
Residual Balance	578,193	841,475	1,419,668

A	Total Residual Balance for Comparison Year	1,419,668
B	Total Residual Balance for Base Year	0
A-B	Difference of Residual Balance	1,419,668
		÷2
	<b>Maximum Repayment for Fiscal Year 2021-22</b>	<b>709,834</b>