

Orange Countywide Oversight Board

Agenda item No. 7

Date: September 20, 2022

From: Successor Agency to the Cypress Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving the Dissolution of the Successor Agency to the Cypress Redevelopment Agency

Recommended Action:

Approve resolution to dissolve the Successor Agency to the Cypress Redevelopment Agency.

State law requires a request to dissolve a successor agency be submitted to its oversight board within 30 days of all enforceable obligations being retired or paid in full, all real property disposed of and all outstanding litigation resolved. On June 30, 2020, the last outstanding enforceable obligation of the Cypress Successor Agency (Agency) was paid in full. The Agency had previously disposed of all real property and resolved all outstanding litigation, therefore formal dissolution of the Agency is required.

The Agency Board submitted an initial request to the Countywide Oversight Board to dissolve the Agency on July 30, 2020 contingent upon the assignment of an outstanding receivable due to the Agency in 2029. The Countywide Oversight Board considered the matter but chose not to approve the Agency's request to assign the receivable or to proceed with the dissolution of the Agency.

As a result of the Countywide Oversight Board's decision, the Agency has been essentially inactive since 2020 awaiting resolution of the outstanding receivable. On August 15, 2022 the Agency received full payment on the outstanding receivable due to a refinancing. With the outstanding receivable matter resolved, the Orange County Auditor-Controller and the State Department of Finance requested the Agency proceed with a second attempt to dissolve the Agency. The Agency Board approved a resolution on September 12, 2022 requesting the Countywide Oversight Board approve the formal dissolution of the Successor Agency. The Agency Board has made a determination that the Successor Agency has met all of the Dissolution Criteria.

Pursuant to HSC Section 34187(b), the Countywide Oversight Board must take action within 30 days to approve the Successor Agency's request to dissolve and then submit the request to the State Department of Finance (the "DOF"). The DOF will have 30 days to approve or deny the request.

If the DOF approves the request, the Successor Agency must take the following steps within 100 days of the DOF's approval:

- (1) dispose of all remaining assets and transfer any proceeds to the County Auditor-Controller for distribution to the affected taxing entities, and
- (2) notify the Countywide Oversight Board that it has complied with such disposition and transfer of proceeds.

The Agency reports that its remaining assets as of September 12, 2022 consist of \$664,430.29 which includes \$438,900 of note proceeds received on August 15, 2022 and \$225,530.29 of remaining Redevelopment Property Tax Trust Fund monies. Pursuant to the attached Resolution, the Countywide Oversight Board will direct the Agency to transfer the remaining assets to the County Auditor-Controller following the DOF's approval of the dissolution request.

Pursuant to HSC Section 34187(f), upon receipt of notification from the Agency that such transfer has been completed, the Countywide Oversight Board must verify that, with respect to the Agency, all obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets have been disposed of with any remaining proceeds remitted to the county auditor-controller for distribution to the affected taxing entities. Within 14 days of verification, the Countywide Oversight Board must adopt a final resolution to dissolve the Successor Agency, which will become effective immediately.

Impact on Taxing Entities

After the DOF's approval of the Agency's request to dissolve, the Agency will transmit the remaining assets to the County Auditor-Controller. The County Auditor-Controller will disburse such moneys to the taxing entities.

In conjunction with the retirement and pay-off of all of the Agency's enforceable obligation and the dissolution of the Agency, no further property tax will be allocated to the Agency's Redevelopment Property Tax Trust Fund.

Staff Contact(s)

Matt Burton, Director of Finance and Administrative Services
Donna Mullally, Assistant Director of Finance and Administrative Services

Attachments

Countywide Oversight Board Resolution dated September 20, 2022
Cypress Successor Agency Approved Resolution dated September 12, 2022

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 22-032**

IN THE MATTER OF APPROVING THE REQUEST OF THE
SUCCESSOR AGENCY TO THE CYPRESS REDEVELOPMENT
AGENCY TO FORMALLY DISSOLVE AND TAKING RELATED ACTIONS

WHEREAS, the Successor Agency to the Cypress Redevelopment Agency (“Successor Agency”) has been duly created and existing in accordance with applicable law, including Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the “Dissolution Law”), as the successor-in-interest by operation of law of the former Cypress Redevelopment Agency (“RDA”); and

WHEREAS, pursuant to HSC Section 34179(j), commencing on and after July 1, 2018, the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency; and

WHEREAS, in accordance with the Dissolution Law, the Successor Agency has over the years duly submitted the Recognized Obligation Payment Schedule (“ROPS”) to the Oversight Board and California Department of Finance (“DOF” or “department”), which have duly been approved by the Oversight Board and DOF; and

WHEREAS, the Successor Agency is tasked with winding down the former Redevelopment Agency’s affairs; and

WHEREAS, pursuant to California Health and Safety Code (HSC) section 34187(b) in the Dissolution Law (“Section 34187(b)”), “When all of the enforceable obligations have been retired or paid off, all real property has been disposed of pursuant to Section 34181 or 34191.4, and all outstanding litigation has been resolved, the successor agency shall, within 30 days of meeting the aforementioned criteria, submit to the oversight board a request, with a copy of the request to the county auditor-controller, to formally dissolve the successor agency[, and the] oversight board shall approve the request within 30 days, and shall submit the request to the department”; and

WHEREAS, in accordance with the Dissolution Law, all “enforceable obligations” (as defined in Health and Safety Code section 34171(d) of the former Cypress RDA were paid off as of June 30, 2020, pursuant to the duly approved ROPS; and

WHEREAS, the Successor Agency met all criteria in Section 34187(b) to request and ultimately process to completion the formal dissolution of the Successor Agency; and

WHEREAS, the Successor Agency, on July 30, 2020, requested the Oversight Board dissolve the Successor Agency; and

WHEREAS, the Oversight Board did not approve the dissolution of the Successor Agency because of an outstanding receivable owed to the Successor Agency; and

WHEREAS, the Successor Agency became inactive after the dissolution requirements were met on June 30, 2020, pending the resolution of the outstanding receivable; and

WHEREAS, the Successor Agency received payment in full of the outstanding receivable on August 15, 2022; and

WHEREAS, the Board of Directors of the Successor Agency (the "SA Board") adopted its Resolution No. SA 2022-12, on September 12, 2022 (the "SA Resolution"), and a copy of the SA Resolution is set forth in Exhibit A; and

WHEREAS, the SA Board found and determined the Successor Agency has met all of the Dissolution Criteria and requested the Oversight Board to recommence the process to formally dissolve the Successor Agency'; and

WHEREAS, pursuant to HSC Section 34187(b), the Oversight Board shall approve the Successor Agency's request to dissolve within 30 days and submit such request to the California State Department of Finance (the "DOF"); and

WHEREAS, pursuant to HSC Section 34187(e), after the DOF's approval of the Successor Agency's request to dissolve, the Successor Agency shall transfer all remaining assets to the County Auditor-Controller (the "Final Transfer");

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

SECTION 1. The Recitals above are true and correct and are incorporated into the Resolution by this reference.

SECTION 2. The Oversight Board hereby approves the Successor Agency's request to formally dissolve.

SECTION 3. The Oversight Board hereby directs the Successor Agency to transfer all remaining assets to the County Auditor-Controller for the Final Transfer and notify the Oversight Board of such transfer within 100 days after the DOF's approval of the request to dissolve the Successor Agency, pursuant to HSC Section 34187(e).

SECTION 4. The Clerk of the Oversight Board is hereby directed to transmit a copy of this Resolution, including Exhibit A) to the DOF.

SECTION 5. The approval of this Resolution does not commit the 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 (California Public Resources Code Section 21000 *et seq.*).

SECTION 6. 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 Oversight Board hereby declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7 The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

SUCCESSOR AGENCY BOARD RESOLUTION NO. SA-12

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE
CYPRESS REDEVELOPMENT AGENCY REQUESTING
ORANGE COUNTYWIDE OVERSIGHT BOARD ACTION TO
DISSOLVE THE SUCCESSOR AGENCY, CONDITIONED UPON
APPROVAL BY THE CALIFORNIA DEPARTMENT OF FINANCE,
AND MAKING RELATED FINDINGS UNDER THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT (CEQA)

WHEREAS, the Successor Agency to the Cypress Redevelopment Agency ("Successor Agency") has been duly created and existing in accordance with applicable law, including Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the "Dissolution Law"), as the successor-in-interest by operation of law of the former Cypress Redevelopment Agency ("RDA"); and

WHEREAS, in accordance with the Dissolution Law, the Successor Agency has over the years duly submitted the Recognized Obligation Payment Schedule ("ROPS") to the Oversight Board to the Successor Agency as it existed or does currently exist as set forth in Health and Safety Code section 34179 ("Oversight Board") and California Department of Finance ("DOF" or "department"), which have duly been approved by the Oversight Board and DOF; and

WHEREAS, pursuant to Health and Safety Code section 34187(b) in the Dissolution Law ("Section 34187(b)", "When all of the enforceable obligations have been retired or paid off, all real property has been disposed of pursuant to Section 34181 or 34191.4, and all outstanding litigation has been resolved, the successor agency shall, within 30 days of meeting the aforementioned criteria, submit to the oversight board a request, with a copy of the request to the county auditor-controller, to formally dissolve the successor agency, and the oversight board shall approve the request within 30 days, and shall submit the request to the department"; and

WHEREAS, in accordance with the Dissolution Law, all "enforceable obligations" (as defined in Health and Safety Code section 34171(d)) of the former RDA were paid off as of June 30, 2020, pursuant to the duly approved ROPS; and

WHEREAS, the Successor Agency meets all criteria in Section 34187(b) to request and ultimately process to completion the formal dissolution of the Successor Agency; and

WHEREAS, the Successor Agency, on July 30, 2020 , requested the Orange Countywide Oversight Board dissolve the Successor Agency; and

WHEREAS, the Orange Countywide Oversight Board did not approve the dissolution of the Successor Agency because of the outstanding receivable owed to the Successor Agency; and

WHEREAS, the Successor Agency became inactive after the dissolution requirements were met on June 30, 2020, pending the resolution of the outstanding receivable; and

WHEREAS, the Successor Agency received payment in full of the outstanding receivable on August 15, 2022; and

WHEREAS, the Successor Agency adopts and transmits to the Orange Countywide Oversight Board, now existing pursuant to Health and Safety Code section 34179 ("County Oversight Board") a new resolution to recommence the process to formally dissolve the Successor Agency, in accordance with the Dissolution Law.

NOW THEREFORE, BE IT RESOLVED, by the Successor Agency to the Cypress Redevelopment Agency, as follows:

SECTION 1. The Recitals above are true and correct and comprise a substantive part of this Resolution.

SECTION 2. The Successor Agency hereby finds and determines that all of the Dissolution Criteria set forth in HSC Section 34187(b) for the Successor Agency's dissolution have been met.

SECTION 3. The Successor Agency, pursuant to Section 34187(b), hereby requests that the Countywide Oversight Board adopt a resolution (OB Resolution) to (i) approve the Successor Agency's request to formally dissolve, (ii) direct the transfer of all surplus funds in the Successor Agency's possession to the County Auditor-Controller, and (iii) submit this Resolution and the OB Resolution to the DOF in accordance with HSC Section 34187(b).

SECTION 4. The Successor Agency finds and declares that this request and implementing actions to dissolve the Successor Agency, as required by and pursuant to Section 34187(b), do not constitute a project under the California Environmental Quality Act, Public Resources Code section 21000 *et seq.*, ("CEQA"), and implementing regulations in Title 14, section 15000 *et seq.*, of the California Code of Regulations, because the actions taken by this request: (i) Are organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment; and (ii) Do not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (14 Cal. Code Regs. §15378(a) & (b)(5).) In the alternative, if applicable and to the extent the request and implementing actions may constitute a change in the organization or reorganization of local governmental agencies, the actions taken are exempt from environmental review because: (i) There is no alteration in the geographic areas within which the powers are exercised for the purposes of CEQA; and (ii) It can be seen with certainty that the dissolution of the Successor Agency will not have a significant effect on the environment. (14 Cal. Code Regs. §§15061(b)(3), 15320.)

SECTION 5. If any of the Conditions of Formal Dissolution are not satisfied, or any of the requirements set forth as part of the formal dissolution process in Section 34187(b) or any other applicable provisions in the Dissolution Law are not met by the Oversight Board or DOF, this Resolution shall be rescinded and of no force and effect, without any need for further action by the Successor Agency, and the process for final dissolution of the Successor Agency requested by this Resolution shall immediately cease and shall not proceed, and the Successor Agency shall not be dissolved until a future request by the Successor Agency for final dissolution is submitted to the Oversight Board.

SECTION 6. The Successor Agency hereby authorizes and directs the Executive Director of the Successor Agency to take any further actions on behalf of the Successor Agency, as may be necessary or appropriate, to implement the request and satisfy the requirements of the Dissolution Law. The authorization and direction in this section includes but is not limited to the submittal of this Resolution to the Auditor-Controller in accordance with Section 34187(b), the Orange Countywide Oversight Board, and the submittal of any documents as may be requested by the Oversight Board or DOF.

SECTION 7. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 8 The Successor Agency Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED by the Successor Agency Board at a meeting held on the 12th day of September, 2022.



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 12th day of September, 2022, by the following roll call vote:

AYES: 5 BOARD MEMBERS: Marquez, Minikus, Peat, Hertz-Mallari and Morales
NOES: 0 BOARD MEMBERS: None
ABSENT: 0 BOARD MEMBERS: None



SECRETARY, SUCCESSOR AGENCY BOARD