

Orange Countywide Oversight Board

Agenda Item No. 5

Date: January 24, 2023

From: Successor Agency to the Cypress Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board in the Matter of the Formal Dissolution of the Successor Agency to the Cypress Redevelopment Agency and Taking Related Actions

Recommended Action:

Approve resolution to formally dissolve the Successor Agency to the Cypress Redevelopment Agency (the “Successor Agency”) and taking related actions.

On September 12, 2022, the Successor Agency Board adopted Resolution No. SA 22-12 requesting the Oversight Board dissolve the Successor Agency. The Oversight Board adopted Resolution No. 22-032 on September 20, 2022 approving the Successor Agency's request. On November 15, 2022, the California State Department of Finance (DOF) issued a letter approving the Oversight Board's resolution and request to dissolve the Successor Agency.

Pursuant to Health and Safety Code (HSC) Section 34187(e), the Successor Agency must take the following steps within 100 days of DOF dissolution approval:

- Dispose of all remaining assets and transfer any proceeds to the County Auditor-Controller for distribution to the affected taxing entities
- Send notification (the “Notification”) to the Oversight Board that is has complied with such disposition and transfer of any proceeds

The Oversight Board has received a copy of Successor Agency Board Resolution No. SA-13, adopted on January 9, 2023 (the “SA Final Resolution”). The SA Final Resolution serves as the Notification to the Oversight Board for purposes of HSC Section 34187(e).

Per HSC Section 34187(f), upon receipt of the Notification from the Successor Agency, the Oversight Board must verify that, with respect to the Successor 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 proceeds remitted to the County Auditor-Controller for distribution to the affected taxing entities. Within 14 days of verification, the Oversight Board must adopt a final resolution to dissolve the Successor Agency, which will be effective immediately.

The unaudited final accounting of the Successor Agency indicates that effective as of December 31, 2022 the Successor Agency has no outstanding assets or obligations. The SA Final Resolution recites the Successor Agency Board’s findings and determinations that: (i) all the Successor Agency’s obligations have been retired or paid off, (ii) there is no outstanding litigation to which the Successor Agency is a party, and (iii) all the Successor Agency’s assets have been disposed and any such proceeds remitted to the County Auditor-Controller.

It is recommended the Oversight Board adopt the attached final resolution to formally dissolve the Successor Agency effective immediately upon adoption.

Impact on Taxing Entities

In conjunction with the retirement and pay-off of all of the Successor Agency’s enforceable obligations and the dissolution of the Successor Agency, no further property tax will be allocated

to the Successor 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 January 24, 2023

Exhibit A - Cypress Successor Agency Approved Resolution No. SA-13 dated January 9, 2023

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

**IN THE MATTER OF THE FORMAL DISSOLUTION OF THE
SUCCESSOR AGENCY TO THE CYPRESS REDEVELOPMENT AGENCY
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, 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, the Successor Agency, having determined that all dissolution criteria in Section 34187(b) had been met, adopted Resolution No. SA 2022-12, on September 12, 2022, (“SA requesting resolution”) to request the Oversight Board approve the formal dissolution of the Successor Agency; and

WHEREAS, copies of the SA requesting resolution were submitted to the Oversight Board and the Orange County Auditor-Controller (“County Auditor-Controller”) pursuant to Section 34187(b); and

WHEREAS, the Oversight Board adopted Resolution No. 22-032, on September 20, 2022, (the “OB Approving Resolution”) approving the Successor Agency’s request to formally dissolve; and

WHEREAS, pursuant to Section 34187(e), the OB Approving Resolution (with a copy of the SA requesting resolution attached as Exhibit A thereto) was submitted to the California State Department of Finance (“DOF”) for approval; and

WHEREAS, the DOF issued its letter, dated November 15, 2022 (“DOF approval”), approving the OB approval resolution; and

WHEREAS, pursuant to Section 34187(e), within 100 days after the issuance of the DOF approval, the Successor Agency shall dispose of all remaining assets as directed by the Oversight Board and the proceeds of such disposition shall be transferred to the County Auditor-Controller (“Final Transfer”); and

WHEREAS, the Final transfer was completed by the transfer of \$668,623.52 to the County Auditor-Controller on December 9, 2022 which represents \$229,723.52 of unexpended Redevelopment Property Tax Trust Fund (and accrued interest) amounts previously distributed to the Successor Agency to pay administrative costs and recognized obligations, and \$438,900 of note proceeds received on August 15, 2022; and

WHEREAS, the SA Board adopted Resolution No. SA-13, on January 9, 2023 (the SA Notification Resolution”), to notify the Oversight Board of the completion of the Final Transfer, and a copy of the SA Notification Resolution is set forth in Exhibit A; and

WHEREAS, pursuant to Section 34187(f), upon receipt of the SA Notification Resolution, the Oversight Board shall: (i) verify (the “Verification”) all of the Successor Agency’s obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets have been disposed of with any proceeds remitted to the County Auditor-Controller for distribution to the affected taxing entities; and (ii) within 14 days of verification, adopt a final resolution of dissolution for the Successor Agency, which shall be effective immediately; and

WHEREAS, the Oversight Board has completed the Verification.

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 finds, determines and verifies that, with respect to the Successor Agency, all of the Successor Agency’s obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets have been disposed of with any proceeds remitted to the County Auditor-Controller for distribution to the affected taxing entities.

SECTION 3. The Successor Agency is hereby dissolved.

SECTION 4. The Clerk of the Oversight Board is hereby directed to transmit a copy of this Resolution (including Exhibit A) to the City of Cypress, the County Auditor-Controller, the State Controller's Office, and 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. Pursuant to HSC Section 34187(f), this Resolution shall become effective immediately upon adoption.

SECTION 8. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

RESOLUTION NO. SA-13

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE
CYPRESS REDEVELOPMENT AGENCY DIRECTING THE
NOTIFICATION TO THE COUNTYWIDE OVERSIGHT BOARD
REGARDING THE DISPOSITION OF ASSETS IN CONNECTION
WITH THE SUCCESSOR AGENCY'S DISSOLUTION, DIRECTING
DISSOLUTION UPON THE COUNTYWIDE OVERSIGHT
BOARD'S ADOPTION OF THE FINAL RESOLUTION, MAKING A
FINDING OF EXEMPTION UNDER THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT (CEQA) 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 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, the Successor Agency, having determined that all dissolution criteria in Section 34187(b) had been met, adopted Resolution No. SA 2022-12, on September 12, 2022, ("SA requesting resolution") to request the Orange Countywide Oversight Board approve the formal dissolution of the Successor Agency; and

WHEREAS, copies of the SA requesting resolution were submitted to the Orange Countywide Oversight Board and the County Auditor-Controller pursuant to Section 34187(b); and

WHEREAS, the Orange Countywide Oversight Board adopted its Resolution No. 22-032, on September 20, 2022, ("OB approving resolution") approving the Successor Agency's request to formally dissolve; and

WHEREAS, pursuant to Section 34187(e), the OB approving resolution (with a copy of the SA requesting resolution attached as Exhibit A thereto) was submitted to the California State Department of Finance ("DOF") for approval; and

WHEREAS, the DOF issued its letter, dated November 15, 2022 ("DOF approval"), approving the OB approval resolution; and

WHEREAS, pursuant to Section 34187(e), within 100 days after the issuance of the DOF approval, the Successor Agency shall dispose of all remaining assets as directed by the Orange Countywide Oversight Board and the proceeds of such disposition shall be transferred to the County Auditor-Controller ("Final transfer"); and

WHEREAS, the Final transfer was completed by the transfer of \$668,623.52 to the County Auditor-Controller on December 9, 2022 which represents \$229,723.52 of unexpended Redevelopment Property Tax Trust Fund (and accrued interest) amounts previously distributed to the Successor Agency to pay administrative costs and recognized obligations, and \$438,900 of note proceeds received on August 15, 2022; and

WHEREAS, pursuant to Section 34187(e)(2), the Successor Agency shall send a notification to the Orange Countywide Oversight Board after completing the Final transfer; and

WHEREAS, pursuant to Section 34187(f), upon receipt of the notification, the Oversight Board shall: (i) verify all of the Successor Agency's obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets have been disposed of with any proceeds remitted to the County Auditor-Controller for distribution to the affected taxing entities; and (ii) within 14 days of verification, adopt a final resolution ("OB final resolution") of dissolution for the Successor Agency, which shall be effective immediately; and

WHEREAS, the unaudited final accounting of Successor Agency funds, as of December 31, 2022, shows the Successor Agency has no outstanding assets or obligations.

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 Secretary is hereby directed to cause a copy of this Resolution to be submitted to the Orange Countywide Oversight Board. This Resolution shall serve as notification for the purposes of Section 34187(e)(2).

SECTION 4. The Orange Countywide Oversight Board is hereby requested to adopt the OB final resolution to formally dissolve the Successor Agency.

SECTION 5. It is hereby declared and directed that the Successor Agency shall be dissolved upon the Orange Countywide Oversight Board's adoption of the OB final resolution, without any further action by the Successor Agency.

SECTION 6. The Successor Agency hereby finds and determines that the dissolution of the Successor Agency shall constitute a change in the organization or reorganization of local governmental agencies that does not alter the geographic areas within which the powers are exercised for the purposes of the California Environmental Quality Act. Therefore, such dissolution shall be exempt from environmental review, pursuant to Section 15320 of Title 14 of the California Code of Regulations. In addition, it can be seen with certainty that such request and the dissolution of the Successor Agency will not have significant effect on the environment. Therefore, such request and dissolution shall be exempt from environmental review, pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations.

SECTION 7. 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 Orange Countywide Oversight Board or DOF.

SECTION 8. 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 9 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 9th day of January, 2023.

Anne Hertz-Mallari
CHAIR, SUCCESSOR AGENCY BOARD

ATTEST:

Alisha Farnell
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 9th day of January, 2023, by the following roll call vote:

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

Alisha Farnell
SECRETARY, SUCCESSOR AGENCY BOARD



CITY of CYPRESS

5275 Orange Avenue, Cypress, California 90630

Phone 714-229-6700 www.cypressca.org

November 29, 2022

California State Board of Equalization
PO Box 942879
Sacramento, CA 94279-0063

Email delivery to TASS@boe.ca.gov

To whom it may concern:

The Successor Agency to the Dissolved Cypress Redevelopment Agency has received approval from the Orange Countywide Oversight Board and the California Department of Finance to dissolve. It is anticipated the final payment of funds on hand will be released to the County of Orange and the remaining dissolution items will be completed in January 2023.

As a result of the approved dissolution, we hereby request all of the former Cypress Redevelopment Agency be removed from the TRA Chart.

Sincerely,

Matt Burton
Director of Finance and Administrative Services

cc: Christopher Ranftl, Administrative Manager, Orange County Auditor-Controller

Paulo Morales, Mayor

Anne Hertz-Mallari, Mayor Pro Tem **Frances Marquez, Ph.D., Council Member**

Scott Minikus, Council Member **Jon E. Peat, Council Member**

CHECK NO. 61265

DATE	INVOICE NO.	DESCRIPTION	NET AMOUNT
12/09/2022	HSC34187(e)(1)	Successor Agency Dissolution	668,623.52

Total: \$668,623.52

THIS CHECK HAS A COLORED BACKGROUND AND CONTAINS MULTIPLE SECURITY FEATURES - SEE BACK FOR DETAILS

City of Cypress
5275 Orange Avenue
Cypress, CA 90630
General Operating

Bank of the West
13300 Crossroads Parkway North
City Of Industry, CA 91746
(800)488-2265

9078
1211
041637513

61265

Void after 180 Days

Check Date
12/09/2022

Amount
\$668,623.52

PAY Six Hundred Sixty-Eight Thousand Six Hundred Twenty-Three and 52/100 Dollars

TO THE ORDER OF COUNTY OF ORANGE AUDITOR-CONTROLLER
ATTN: PROPERTY TAX UNIT
1770 N BROADWAY
SANTA ANA, CA 92706

Pat Burt
William J. Burt



⑈ 6 1 2 6 5 ⑈ ⑆ 1 2 1 1 0 0 7 8 2 ⑆ 0 4 1 6 3 7 5 1 3 ⑈

Cash Receipt	Period	Deposit Date	Receipt Date	Reason for Modification:	Department	Workflow Unit	Cash Receipt ID
Office of the Auditor-Controller	6	12/12/2022			003	3101	CR 23008333-1

Checks	Cash	MC/Visa/Debit	Discover	Wire Tnfr	ACH	AMEX
672,740.92	0.00	0.00	0.00	0.00	0.00	0.00
Bank/Deposit Code:	01003010	Bank Code:	01		Total Amount:	672,740.92

Line Description	Event Type	Fund	Dept	Bud Ctrl	Unit	Budget Unit	Object/Rev Src	Sub Obj/ Sub Rev	Dept Obj/ Dept Rev	BSA Acct	Sub BSA	Dept BSA	Job Number	Amount
Property Tax Refund for Tax Bill 2020 for 1770 N Broadway Santa Ana	C001	100	003	003	3101	003-3101	7670							3,712.40
Cypress RDA Successor Agency Asset Sales	C001	68E	003	68E	1001	68E-1001	6290							668,623.52
Orange County Sanitation District - Adj Property Tax - Assessment Change Processing Fee	C001	100	003	003	1501	003-1501	7310		0005				AX200	390.00
Matrix Document Imaging - Subpoena Fee for documents being requested for Ana Maria Baldwin	C001	100	003	003	3101	003-3101	7670							15.00

User Name	Approval Level	Before Approval	After Approval	Date/Time
YAN BING	0	Created		12/12/2022 03:15:17 PM
YAN BING	0	Submitted		12/12/2022
WINNIE KEUNG	1	Pending	Rejected	12/12/2022 05:07:04 PM
WINNIE KEUNG	1	Pending	Approved	12/12/2022 05:16:05 PM

CC List: Financial.Services@ac.ocgov.com; ptax@ac.ocgov.com; Samantha.Nguyen@ac.ocgov.com; Christopher.Ranftl@ac.ocgov.com; Khanh.Doan@ac.ocgov.com; Israel.Guevara@ac.ocgov.com



Gavin Newsom ■ Governor

915 L Street ■ Sacramento CA ■ 95814-3706 ■ www.dof.ca.gov

Transmitted via email

July 15, 2022

Christopher Ranftl, Administrative Manager I, Property Tax Unit
Orange County
1770 North Broadway
Santa Ana, CA 92706

Cypress Successor Agency's Dissolution Status

This letter is to update the County Auditor-Controller (CAC) on the Cypress Successor Agency's (Agency) dissolution status.

Our records indicate the last annual Recognized Obligation Payment Schedule (ROPS) submitted by the Agency that requested funding for the Agency's enforceable obligations was for the ROPS 21-22 period. On July 7, 2022, Finance emailed the Agency, inquiring about its dissolution status. On July 13, 2022, the Agency responded and confirmed that no enforceable obligations are outstanding.

HSC section 34187 (h) requires the CAC to cease all pass-through payments and allocations into the Redevelopment Property Tax Trust Fund (RPTTF) when no further enforceable obligations are outstanding. Given the Agency has not requested any funding for its obligations since ROPS 21-22 and confirmed no enforceable obligations remain, it appears HSC section 34187 (h) applies and all pass-through payments and allocations into the RPTTF should cease.

If you have any questions, please contact Zachary Stacy, Manager, at (916) 322-2985.

Sincerely,

 JENNIFER WHITAKER
Program Budget Manager

cc: Brian Probolsky, Chairman, Countywide Oversight Board of Orange County
Peter Grant, City Manager, City of Cypress



Transmitted via e-mail

November 15, 2022

Peter Grant, City Manager
City of Cypress
5275 Orange Avenue
Cypress, CA 90630

Approval of Redevelopment Successor Agency Dissolution

The City of Cypress Successor Agency (Agency) notified the California Department of Finance (Finance) of its September 20, 2022 Oversight Board (OB) resolution on October 26, 2022, requesting to dissolve the Agency. Pursuant to Health and Safety Code (HSC) section 34187 (d), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution 22-032 approving the dissolution of the Agency, is approved. It is our understanding the Agency has met the conditions per HSC section 34187 (b) as follows:

- All enforceable obligations identified in the Recognized Obligation Payment Schedule have been retired or paid off.
- All real property has been disposed of pursuant to HSC section 34181 or 34191.4.
- All outstanding litigation has been resolved.

Pursuant to HSC section 34187 (e), within 100 days upon receipt of this letter, the Agency shall dispose of any remaining assets as directed by the OB and proceeds from asset dispositions are to be transferred to the County Auditor-Controller. In addition, the Agency is to notify the OB of its compliance related to any remaining assets. Upon notification of the Agency's compliance, and within 14 days of verification, the OB shall submit to Finance a final resolution of the Agency's dissolution which shall be effective immediately.

This is our determination with respect to the OB action taken.

Peter Grant
November 15, 2022
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Please direct inquiries to Zuber Tejani, Supervisor, or Michael Barr, Staff, at
(916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

Cc: Matt Burton, Director of Finance and Administrative Services, City of Cypress
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County

January 12, 2023

VIA ELECTRONIC MAIL

Kathy Tavoularis
Orange County Oversight Board Manager
1770 N. Broadway
Santa Ana, CA 92706

Kathy.Tavoularis@ac.ocgov.com

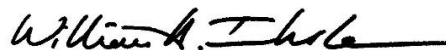
Re: City of Cypress Successor Agency
Confirmation of No Pending Litigation

Dear Ms. Tavoularis:

Our law firm serves as Special Counsel for the City of Cypress Successor Agency to the Cypress Redevelopment Agency ("Successor Agency"). Pursuant to your request to Donna Mullally, this letter will confirm that, as of this date, our office is not aware of any pending litigation involving the Successor Agency.

Very truly yours,

RUTAN & TUCKER, LLP



William H. Ihrke

WHI:lr

cc: Donna Mullally, City of Cypress
Matt Burton, City of Cypress