

Orange Countywide Oversight Board

Date: 1/17/2023

Agenda Item No. 5a

From: Successor Agency to the City of Orange 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 2023-24 ROPS and Administrative Budget for the City of Orange Successor Agency

The City of Orange Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2023-2024.

The enforceable obligations included in the Annual ROPS are outstanding obligations and debts, for a request of \$4,021,006 from the Redevelopment Property Tax Trust Fund (RPTTF) distribution.

The Administrative Budget is \$58,500.

Resolution No. SAORA-036 was adopted on December 13, 2022 by the Governing Board of the Successor Agency to the Orange Redevelopment Agency. The City Council approved the Recognized Obligation Payment Schedule for the fiscal period covering July 1, 2023 through June 30, 2024 (ROPS 23-24), pursuant to Health and Safety Code Section 34177, and taking certain related actions.

Impact on Taxing Entities

The preparation and submittal of the ROPS 23-24 allows the Successor Agency to pay its enforceable obligations for the period from July 1, 2023 through June 30, 2024. Items listed on the ROPS 23-24 will be included in the City's FY 23-24 Annual Budget. The ROPS 23-24 shall become operative after it is approved by the Oversight Board and the State of California Department of Finance.

Attachments

- Proposed Oversight Board Resolution
- ROPS 23-24 for the July 1, 2023 to June 2024
- Successor Agency Governing Board Resolution No. SAORA-036

RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. _____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVESIGHT OF THE SUCCESSOR AGENCY TO THE CITY OF ORANGE *APPROVING*
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS] FY 23-24 A-B FOR THE
ANNUAL FISCAL PERIOD OF JULY 1, 2023 TO JUNE 30, 2024, INCLUDING THE FY 23-
24 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 City of Orange (“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 Orange (“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 City of Orange (“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 FY 23-24 A-B fiscal period of July 1, 2023 to June 30, 2024 (“ROPS FY 23-24 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, 2023; and

WHEREAS, the ROPS 23-24, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 23-24 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 23-24 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 23-24 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 23-24 A-B submitted therewith and incorporated by this reference, including the FY 23-24 administrative budget included herewith.

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 23-24 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The City of Orange’s [Finance Director/Treasurer] or authorized designee is directed to post this Resolution, including the ROPS 23-24 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.

RESOLUTION NO. SAORA-036

A RESOLUTION OF THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2023 THROUGH JUNE 30, 2024, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code Section 34177(o), the Successor Agency to the Orange Redevelopment Agency (the Successor Agency) must prepare a Recognized Obligation Payment Schedule listing the anticipated payments for enforceable obligations to be made by the Successor Agency during the fiscal period from July 1, 2023 through June 30, 2024 (ROPS 23-24) and submit ROPS 23-24 to the oversight board of the Successor Agency (the Oversight Board) for approval; and

WHEREAS, pursuant to Health and Safety Code Section 34177(1)(2)(B), at the same time that the Successor Agency submits ROPS 23-24 to the Oversight Board for approval, the Successor Agency must submit a copy of such ROPS 23-24 to the State Department of Finance (the DOF), the County administrative officer, and the County Auditor-Controller; and

WHEREAS, pursuant to Health and Safety Code Section 34177(1)(2) and Section 34177(o)(1), the Successor Agency must: (i) submit the Oversight Board-approved ROPS 23-24 to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than February 1, 2023, and (ii) post a copy of the Oversight Board-approved ROPS 23-24 on the Successor Agency's website.

NOW THEREFORE, the Governing Board of the Successor Agency to the Orange Redevelopment Agency does hereby find, determine, resolve, and order as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. ROPS 23-24, substantially in the form attached hereto as Exhibit A, is hereby approved. The Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, may modify ROPS 23-24 as the Executive Director or the Successor Agency's legal counsel deems necessary or advisable.

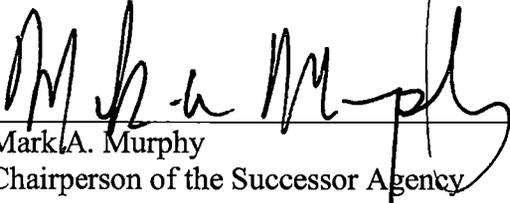
Section 3. Staff is hereby authorized and directed to submit a copy of ROPS 23-24 to the Oversight Board for approval and, at the same time, transmit a copy of ROPS 23-24 to the DOF, the County Auditor-Controller and the County administrative officer as designated by the County.

Section 4. Staff is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 23-24 to the DOF, the Office of the State Controller, and the County Auditor-Controller. If the Oversight Board has not approved ROPS 23-24 by February 1, 2023, Staff is hereby authorized and directed to transmit ROPS 23-24 to the DOF, the Office of the State Controller, and the County Auditor-Controller by February 1, 2023, with a written notification regarding the status of the Oversight Board's review. Written notice and information regarding the action of the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing.

Section 5. Staff is hereby authorized and directed to post a copy of the Oversight Board-approved ROPS 23-24 on the Successor Agency's Internet website (being a page on the Internet website of the City of Orange).

Section 6. The officers and other Staff members of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including but not limited to requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and making adjustments to ROPS 23-24 pursuant to the DOF's instructions, and any such actions previously taken are hereby ratified and confirmed.

PASSED AND ADOPTED this 13th day of December 2022.



Mark A. Murphy
Chairperson of the Successor Agency

ATTEST:



Pamela Coleman
Clerk of the Successor Agency
to the Orange Redevelopment Agency

Attachment: Exhibit A

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF ORANGE)

I hereby certify that the foregoing Resolution was duly and regularly adopted by Governing Board of the Successor Agency to the Orange Redevelopment Agency at a regular meeting thereof held on the 13th day of December 2022, by the following vote:

AYES: BOARD MEMBERS: Nichols, Barrios, Dumitru, Tavoularis, Gutierrez,
and Murphy
NOES: BOARD MEMBERS: None
ABSENT: BOARD MEMBERS: Monaco
ABSTAIN: BOARD MEMBERS: None



Pamela Coleman
Clerk of the Successor Agency
to the Orange Redevelopment Agency

EXHIBIT A

**SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2023 – June 30, 2024)**

Recognized Obligation Payment Schedule (ROPS 23-24) - Summary
Filed for the July 1, 2023 through June 30, 2024 Period

Successor Agency: Orange City

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	23-24A Total (July - December)	23-24B Total (January - June)	ROPS 23-24 Total
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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)	\$ 2,832,956	\$ 1,188,050	\$ 4,021,006
F RPTTF	2,803,706	1,158,800	3,962,506
G Administrative RPTTF	29,250	29,250	58,500
H Current Period Enforceable Obligations (A+E)	\$ 2,832,956	\$ 1,188,050	\$ 4,021,006

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 aboved named successor agency.

_____ Name	_____ Title
_____ Signature	_____ Date

Orange City
Recognized Obligation Payment Schedule (ROPS 23-24) - ROPS Detail
July 1, 2023 through June 30, 2024

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K ROPS 23-24 Total	L M N O P ROPS 23-24A (Jul - Dec)					Q 23-24A Total	R S T U V ROPS 23-24B (Jan - Jun)					W 23-24B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
2	2008 A&B and 2014A Bonds	Fees	6/1/1997	9/1/2037	US Bank	Fiscal agent fees	Orange Merged	174,165	Y	\$ -	\$ -	\$ -	\$ -	\$ 2,803,706	\$ 29,250	\$ 2,832,956	\$ -	\$ -	\$ -	\$ 1,158,800	\$ 29,250	\$ 1,188,050
3	2008 A&B and 2014A Bonds	Fees	6/1/1997	9/1/2037	Willdan	Bond disclosure fee	Orange Merged	172,450	Y	\$ -						\$ -						\$ -
4	2008 A&B and 2014A Bonds	Fees	5/22/2012	9/1/2037	Richards, Watson & Gershon	Bond counsel	Orange Merged	11,500	N	\$ 2,000					1,000	\$ 1,000					1,000	\$ 1,000
8	Orange City Mills	Business Incentive Agreements	9/10/1996	1/20/2019	Mills Limited Partnership	Promissory note based on performance	Orange Merged	0	Y	\$ -						\$ -						\$ -
49	Retirement Cost Obligation	Unfunded Liabilities	8/16/1983	7/5/2039	Cal PERS	Future retirement cost obligation	Orange Merged		Y	\$ -						\$ -						\$ -
60	2008 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	5/1/2008	5/1/2038	US Bank	To fund Orange Merged & Amended	Orange Merged	0	Y	\$ -						\$ -						\$ -
61	2008 Tax Allocation Bonds Series B	Bonds Issued On or Before 12/31/10	5/1/2008	5/1/2038	US Bank	To fund Orange Merged & Amended	Orange Merged	4,535,269	N	\$ 658,881				330,081		\$ 330,081				328,800		\$ 328,800
70	Successor Agency Administrative Costs	Admin Costs	8/16/1983	7/5/2039	various	Costs for maintaining Successor Agency operations	Orange Merged	250,000	N	\$ 38,100					19,050	\$ 19,050					19,050	\$ 19,050
128	2014 Tax Allocation Refunding Bonds Series A	Bonds Issued After 12/31/10	12/4/2014	9/1/2023	US Bank	2014 Bond Refunding of the 1997 Tax Allocation Parity Bonds, Series A and the 2003 Tax Allocation Refunding Bonds, Series A. DOF approved Resolution No. OB-0055 that authorized the bond refunding and issuance.	Orange Merged	11,821,750	N	\$ 2,018,625				2,018,625		\$ 2,018,625				0		\$ -
130	2018 Tax Allocation Refunding Bonds Series A	Bonds Issued After 12/31/10	7/12/2018	9/1/2036	US Bank	2018 Bond Refunding of the 2008 Tax Allocation Bonds, Series A. DOF approved Resolution No. OB-0078 that authorized the bond refunding and issuance.	Orange Merged	30,025,250	N	\$ 1,285,000				455,000		\$ 455,000				830,000		\$ 830,000
131	2008B, 2014A, & 2018A Bonds	Fees	6/1/1997	9/1/2036	US Bank	Fiscal agent fees	Orange Merged	80,400	N	\$ 8,300					4,150	\$ 4,150					4,150	\$ 4,150
132	2008B, 2014A, & 2018A Bonds	Fees	6/1/1997	9/1/2036	Willdan	Bonds disclosure/arbitrage fees	Orange Merged	71,400	N	\$ 10,100					5,050	\$ 5,050					5,050	\$ 5,050

Orange City Recognized Obligation Payment Schedule (ROPS 23-24) - Report of Cash Balances
July 1, 2020 through June 30, 2021
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), 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. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	
		Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
	ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)	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	Comments	
1	Beginning Available Cash Balance (Actual 07/01/20) RPTTF amount should exclude "A" period distribution amount	2,517	129	811,986	11,363	0	E1:PPA 17-18 \$180,566 PPA 18-19 \$495,888 PPA 19-20 \$135,532	
2	Revenue/Income (Actual 06/30/21) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller	5	30	0	98,892	5,451,423	G2: ROPS 20-21B RPTTF \$2,820,728 + ROPS 20-21A RPTTF \$2,630,695 (#920.10100 beg bal)= \$5,451,423	
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)	28	155	180,566	114,234	5,352,719	E3+G3+ G4 [50% of 2008B & 2014A \$12,500 +85,000] = \$5,630,785 = PPA Actual Exp	
4	Retention of Available Cash Balance (Actual 06/30/21) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	0	0	631,420	1,204	97,500	G4: 50% 2008B \$12,500 (435,000 20-21B - 410,000 20-21A) / 2 50% 2014A \$85,000 (3,480,000 20-210B - 3,310,000 20-21A) / 2 = 85,000	
5	ROPS 20-21 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 20-21 PPA form submitted to the CAC	No entry required					1,204	ROPS 20-21 PPA
6	Ending Actual Available Cash Balance (06/30/21) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 2,494	\$ 4	\$ 0	\$ (5,183)	\$ 0		

Orange City
Recognized Obligation Payment Schedule (ROPS 23-24) - Notes
July 1, 2023 through June 30, 2024

Item #	Notes/Comments
4	
61	
70	
128	
130	
131	
132	

City of Orange
FY23-24 ROPS
Administrative Budget

	2008B Bonds 940.9810.52440	2014A Bonds 940.9810.52440	2018A Bonds 940.9810.52440	Total	
1	Trustee fee from US Bank	2,700	2,500	3,100	8,300
2	Willdan Annual disclosure Service	1,100	1,100	2,500	4,700
	Willdan Annual disclosure Service-suppl	600	600	600	1,800
	Willdan Arbitage fee				2,800
	Wildan SB10209 CDIAC report preparation			300	300
	Dissemination to EMMA				400
	Willdan OC appeals database pass through fee				100
					<u>10,100</u>
3	Attorney fees : Richards, Watson & Gershon				2,000
4	Admin Salary (see "Administrative Salary Estimate")				38,100
Total	Administrative Budget for ROPS 22-23				<u>58,500</u>

**City of Orange
Administrative Salary estimate
FY23-24 ROPS**

	Annual	Twice a year	Quarterly	Monthly	One time	Total Annual	Billable Hourly Rate	Amount
City Manager					2	2	203	406.00
Assistant City Manager / Administrator	2			5	6	28	156	4,368.00
Assistant Finance Director	4				2	6	118	708.00
Chief Clerk					3	3	101	303.00
Accounting Manager	96	11		3	0	154	92	14,168.00
Senior Accountant	90			3		126	71	8,946.00
Accountant				3		36	62	2,232.00
Senior Admin Analyst			10			40	80	3,200.00
A/R Senior Finance Clerk				5		60	49	2,940.00
A/P Senior Finance Clerk		8				16	49	784.00
	192	19	15	14	11	471		38,100.00

19,050.00 July to Dec
19,050.00 Jan to June

Staff time notes:

FY21-22

Assistant City Manager / Director of Admin. Svc	-Annual review of ROPS or PPA	2
	-Staff meetings	2
	-Attend oversight board meetings/other one time meetings	24
Assistant Finance Director	-Annual review of Prior Period Adjustm	4
	-Staff meetings	2
Accounting Manager	-Prior Period Adjustment	40
	-Year end audit schedules/prepare CAFR section/work with auditors	36
	-Staff meetings	2
	-Review and process enforceable obligations for bond payments (twice a year)	10
	-Review and process enforceable obligations for admin fees	10
	-Monthly journal entry to record commercial loan balances (3 hrs monthly)	36
	-Annual ROPS	20
Senior Accountant	-Prior Period Adjustment	50
	-Annual ROPS	40
	-Monthly	36
Accountant	JV	36
City Manager	-Meetings	2
Chief Clerk	-Meetings	3
Aaron	-Review contract and compliance	40
AP Sr Finance Clerk (2 staffs)	-Enter wire for bond payments / bank	16
	-Invoice payment for attorney and bank fee	
	-Invoice, MR receipts, reconcile commercial loans invoice - 5 hrs monthly	60

471