

A G E N D A

REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

TUESDAY, JANUARY 16, 2024, 8:30 AM

CITY OF ORANGE COUNCIL CHAMBERS
300 East Chapman Avenue
Orange, California 92866

HON. BRIAN PROBOLSKY
Chairman

CHARLES BARFIELD
Board Member

HON. NICHOLAS DUNLAP
Board Member

STEVE FRANKS
Board Member

LOUIS MCCLURE
Board Member

DEAN WEST, CPA
Board Member

HON. PHILLIP E. YARBROUGH
Board Member

Staff

Hon. Andrew N. Hamilton, CPA, Auditor-Controller
Kathy Tavoularis
Chris Nguyen

Counsel

Patrick K. Bobko

Clerk of the Board

Kathy Tavoularis

The Orange Countywide Oversight Board welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, please complete a Speaker Form identifying the item(s) and deposit it in the Speaker Form Return box located next to the Clerk. If you wish to speak on a matter which does not appear on the agenda, you may do so during the Public Comment period at the close of the meeting. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda. Speaker Forms are located next to the Speaker Form Return box. When addressing the Board, please state your name for the record prior to providing your comments.

****In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Clerk of the Board 72 hours prior to the meeting at (714) 834-2458****

All supporting documentation is available for public review online at <https://ocauditor.gov/ob/> or in person in the office of the Auditor-Controller located at 1770 North Broadway, Santa Ana, California 92706 during regular business hours, 8:00 a.m. - 5:00 p.m., Monday through Friday

A G E N D A

REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

8:30 A.M.

1. Call to Order
2. Pledge of Allegiance
3. Approval of the Minutes from November 14, 2023, Special Meeting
4. Election of Board Vice Chairman
5. Receive Bids, Adopt Resolution, and Provide Direction Regarding Disposition of La Habra Successor Agency Property (APN 018-381-64)
6. Adopt Resolutions Regarding Requests by Successor Agencies for Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget
 - a. Garden Grove
 - b. Irvine
 - c. Mission Viejo
7. Adopt Resolution Regarding Re-Establishment of Successor Agency Enforceable Obligation and Requesting Direction from State Department of Finance
 - a. Huntington Beach
8. Adopt Resolution Regarding Request by Successor Agency for Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget
 - a. Huntington Beach

COMMENTS & ADJOURNMENT:

PUBLIC COMMENTS:

At this time members of the public may address the Board on any matter not on the agenda but within the jurisdiction of the Board. The Board may limit the length of time each individual may have to address the Board.

STAFF COMMENTS:

- Form 700 is Due April 1

BOARD COMMENTS:

CLOSED SESSION:

- CS-1. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION – Pursuant to Government Code Section 54956.9(d)(4):
Number of Cases: One Case
- CS-2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Pursuant to Government Code Section 54956.9(d)(2):
Number of Cases: One Case

ADJOURNMENT

A G E N D A

NEXT MEETING:

Regular Meeting January 23, 2024, 8:30 AM

**MINUTES
SPECIAL MEETING OF THE
ORANGE COUNTYWIDE OVERSIGHT BOARD**

November 14, 2023, 8:30 AM

1. CALL TO ORDER

A special meeting of the Orange Countywide Oversight Board was called to order at 8:44 AM on November 14, 2023, by Chairman Probolsky, presiding officer.

Present:	4	Chairman:	Brian Probolsky
		Vice Chairman:	Steve Jones
		Board Member:	Louis McClure
		Board Member:	Phillip E. Yarbrough
Absent:	3	Board Member:	Dean West
		Board Member:	Steve Franks
		Board Member:	Charles Barfield

Also Present: Kathy Tavoularis, Staff and Clerk of the Board; Patrick “Kit” Bobko, Legal Counsel; Chris Nguyen, Consultant; Cameron Wessel, Consultant.

2. PLEDGE OF ALLEGIANCE

Vice Chairman Steve Jones led the Pledge of Allegiance.

3. APPROVAL OF THE MINUTES FROM SEPTEMBER 19, 2023, REGULAR MEETING

Board Member McClure moved, and Board Member Yarbrough seconded, to approve the Minutes from the Regular Meeting of September 19, 2023.

YES – Probolsky, Jones, McClure, Yarbrough
NO – N/A
Absent – West, Franks, Barfield

4. DISPOSITION OF LA HABRA SUCCESSOR AGENCY ASSET (APN: 018-381-64)

Miranda Cole-Corona, Economic Development and Housing Manager for the City of La Habra, provided an update with the following information:

- The La Habra Successor Agency Asset (APN: 018-381-64) was listed for sale from October 17 to November 7, 2023, with La Habra’s chosen broker, GM Properties.

- Three offers have been received.
- The broker is contacting all three bidders to ask for a last and final offer.
- The La Habra Successor Agency will review offers at their November 20 meeting.
- La Habra staff will prepare a resolution to present to the Successor Agency to consider at their December 4 meeting.
- The La Habra Successor Agency will then submit the bid that was chosen by the La Habra Successor Agency to the Oversight Board for approval at the next available Oversight Board Meeting.

Board Member Yarbrough asked if the three offers were close in their bid amounts. Ms. Cole-Corona confirmed they were.

Board Member Yarbrough stated that he would like to see all three offers brought to the Oversight Board for review, as per the resolution previously passed by the Oversight Board.

Ms. Cole-Corona replied that La Habra would provide all three offers to the Oversight Board in accordance with the Oversight Board's previous resolution.

Chairman Probolsky asked if the terms were similar in the submissions by all three bidders. Ms. Cole-Corona replied that they were.

Chairman Probolsky stated that he would hope that La Habra does not provide preferential treatment to any bidder.

The Board authorized the scheduling of a possible special meeting for Tuesday, December 12, 2023.

COMMENTS & ADJOURNMENT:

PUBLIC COMMENTS:

None.

STAFF COMMENTS:

Staff Member Tavoularis noted that the next regular meeting of the Countywide Oversight Board would be Tuesday, January 16, 2024.

BOARD COMMENTS:

None.

CLOSED SESSION

CS-1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Pursuant to Government Code Section 54956.9(d)(2):
Number of Cases: One Case

CS-2. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION – Pursuant to Government Code Section 54956.9(d)(4):
Number of Cases: One Case

There was no reportable action.

ADJOURNMENT

Chairman Probolsky adjourned the meeting at 9:15 AM

BRIAN PROBOLSKY
CHAIRMAN OF THE COUNTYWIDE OVERSIGHT BOARD

KATHY TAVOULARIS
CLERK OF THE BOARD

DATE

Orange Countywide Oversight Board

Date: 1/16/2024

Agenda Item No. 4

From: Staff of the Oversight Board

Subject: Election of Board Vice Chairman

Recommended Action:

Approve resolution electing Board Vice Chairman

This resolution will fill a vacancy in the Board's position of Vice Chairman.

At the Orange Countywide Oversight Board's first-ever meeting on August 7, 2018, the Board elected the Honorable Brian Probolsky, a Director of the Moulton Niguel Water District and the appointee of the Independent Special District Selection Committee, as Chairman, and the Board also elected the Honorable Steve Jones, the Mayor of Garden Grove and the appointee of the City Selection Committee, as Vice Chairman, each for a term of one year. They were re-elected at the September 26, 2019, September 22, 2020, September 21, 2021, September 20, 2022, and September 19, 2023 meetings for one-year terms.

Vice Chairman Jones is termed out as Mayor of Garden Grove in 2024, so he resigned from the Oversight Board, effective December 31, 2023. Therefore, the Board must elect a new Vice Chairman to serve for the remainder of the term until the September 17, 2024, Board meeting.

RESOLUTION NO. 24-001

**A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
ELECTING ITS VICE CHAIRMAN**

WHEREAS, California Health and Safety Code Section 34179(e) requires all action items of the Orange County Countywide Oversight Board be accomplished by resolution; and

WHEREAS, in accordance with California Health and Safety Code Section 34179(j), the twenty-five oversight boards in place in Orange County consolidated into one Orange Countywide Oversight Board, effective July 1, 2018; and

WHEREAS, the election of a Chairman and Vice Chairman furthers the Board's ability to conduct its work;

WHEREAS, Mayor Steve Jones had served as Vice Chairman since the Oversight Board's inception in August 2018 and was re-elected several times, most recently on September 19, 2023, for a one-year term; and

WHEREAS, Vice Chairman Jones resigned from the Board on December 31, 2023, thereby creating a vacancy in the position of Vice Chairman;

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD hereby elects _____ to serve as Vice Chairman for the remainder of the unexpired term of Steve Jones.

Orange Countywide Oversight Board

Agenda Item No. 5

Date: 1/16/2024

From: Successor Agency to the La Habra Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving the Conveyance of the 2.8-Acre Parcel in La Habra Commonly Known as a Portion of the La Habra Marketplace Parking Lot (APN 018-381-64) from the Successor Agency to the Redevelopment Agency of the City of La Habra to the City of La Habra.

Recommended Action:

Approve resolution approving the conveyance of 2.8-acre parcel in La Habra commonly known as a portion of the La Habra Marketplace parking lot, (APN 018-381-64) for the La Habra Successor Agency to the City of La Habra.

The La Habra Successor Agency requests approval of the conveyance of 2.8-acre parcel in La Habra commonly known as a portion of the La Habra Marketplace parking lot, (APN 018-381-64) from the Successor Agency to the City of La Habra by approving and adopting the proposed Resolution of the Orange Countywide Oversight Board (Attachment 1).

The Successor Agency to the La Habra Redevelopment Agency ("SA") is required by state law to wind down the activities of the City's former Redevelopment Agency. Among those activities is submitting requests for payments for recognized obligations to both the Orange County Oversight Board ("OB") and the State of California Department of Finance, and to dispose of any properties owned by the former Redevelopment Agency. To date, there remains one parcel of land still owned by the former Redevelopment Agency, a 2.8-acre parking lot commonly known as a portion of the La Habra Marketplace Parking Lot, APN 018-381-64 ("Property").

On June 2, 2022, the OB directed the SA, via Resolution No. 22-026 (Attachment 2), to dispose of the property in compliance with the disposition requirements of agency-owned property under the state Surplus Land Act (SLA). The OB resolution included a finding to determine whether the property was exempt for the SLA, and to solicit proposals from interested parties regarding the sale of the parking lot, to include public notices and/or advertisements of the property and inform potential purchasers of the restrictive parking covenant.

On July 25, 2022, the SA began several months of conversations with the State Department of Housing and Community Development (HCD) regarding the SLA and its potential applicability to this parcel of land. On April 6, 2023, staff received a final determination letter from HCD (Attachment 3) stating that the property met SLA's qualifications for "exempt surplus land."

On April 24, 2023, Best Best & Krieger LLP received an appraisal from Anderson & Brabant, Inc. for the Property. The appraised value of the property is currently \$30,000, and it specifically noted the deed restrictions on the Property. The appraisal is Exhibit C of SA RESOLUTION NO 2023-04 (Attachment 4).

On July 25, 2023, the OB approved Resolution No. 23-021 (Attachment 5) directing the manner in which the SA should sell the Property. Exhibit A of the Resolution directed the SA to use a "reputable and properly licensed commercial property broker to help with the solicitation."

The SA approved an Agreement with GM Properties, Inc. (Broker) to act as the listing agent for the Property, and on October 17, 2023, the broker listed the property for sale and requested bids be submitted

no later than November 7, 2023.

By November 7, 2023, the Broker received three bids as follows:

Goldenwheat Properties, LLC	\$27,500
LH Borrower, LLC	\$25,000
Southwest Group Properties	\$25,000

On November 14, 2023, SA staff spoke with the Broker and, since the offers were all similar in price and terms, the Broker recommended that the bidders be requested to submit a best and final offer, due by November 16, 2023. The Broker received the following offers (Attachments 6-8):

Goldenwheat Properties, LLC	\$56,500
LH Borrower, LLC	\$27,500
Southwest Group Properties	\$25,000

On November 20,23 the SA requested the Executive Director to contact the City of La Habra to determine if the City had any interest in purchasing the property. On December 4, 2023, the City Council requested the City Manager to submit an offer to the SA to purchase the property for \$57,500. The City's purchase offer will also include the \$2,875 broker fees. The total cost of the acquisition of the property by the City (including broker's fees) is \$60,375 double the appraised value of the Property. The City's offer is included as Attachment 9.

On December 18, 2023 the SA approved RESOLUTION NO 2023-04, A RESOLUTION OF THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY APPROVING A QUITCLAIM DEED CONVEYING THE 2.80ACRE PARCEL IN LA HABRA COMMONLY KNOWN AS A PORTION OF THE LA HABRA MARKET PLACE PARKING LOT (APN 018-381-64) FROM THE SUCCESSOR AGENCY TO THE CITY OF LA HABRA AND FORWARDING THE PROPOSED TRANSFER TO THE ORANGE COUNTYWIDE OVERSIGHT BOARD FOR APPROVAL. (Attachment 4)

Staff Contact(s)

Miranda Cole-Corona, Economic Development and Housing Manager
mcole@lahabraca.gov
(562) 383-4110

Attachments

1. Proposed Countywide Oversight Board Resolution
2. OB Resolution No. 22-026
3. HCD SLA Determination Letter
4. SA RESOLUTION NO 2023-04
5. OB Resolution No. 23-021
6. LOI Goldenwheat Properties, LLC
7. LOI LH Borrower, LLC
8. LOI Southwest Group Properties
9. City of La Habra LOI

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 24-002**

**IN THE MATTER OF APPROVING A RESOLUTION OF THE ORANGE
COUNTYWIDE OVERSIGHT BOARD APPROVING THE
CONVEYANCE OF THE 2.8 ARCE PARCEL IN LA HABRA
COMMONLY KNOWN AS A PORTION OF THE LA HABRA
MARKETPLACE PARKING LOT (APN 018-381-64) FROM THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
CITY OF LA HABRA TO THE CITY OF LA HABRA**

WHEREAS, on November 7, 1989 the Redevelopment of the City of La Habra entered into an Owner Participation Agreement (OPA) with La Habra Associates regarding the redevelopment of the property formerly known as La Habra Fashion Square (currently La Habra Marketplace); and

WHEREAS, the OPA included an agreement between the two parties to authorize the issuance of bonds to cover the cost of issuing said bonds, any required reserve, and to the extent permitted under federal law, two (2) years of prefunded interest, and to generate net proceeds in the two and one-half million dollars (\$2,500,000) for the acquisition of an improved parking area; and

WHEREAS, on February 1, 1990 the former Redevelopment Agency of the City of La Habra (Agency) issued bonds pursuant to a Fiscal Agent Agreement, by and between the Agency and Bankers Trust Company of California, N.A. The initial principal amount of the bond was \$3,480,000; and

WHEREAS, on February 7, 1990 a Development Agreement (DA) was entered into between the City of La Habra and La Habra Associates concerning redevelopment of the formerly known La Habra Fashion Square (currently La Habra Marketplace); and

WHEREAS, the DA outlined that “all parking spaces located on the parking area improvements transferred to the Agency pursuant to the OPA shall be credited to the code parking requirements applicable to the shopping center to be located on the Site...”; and

WHEREAS, on June 27, 1990 a Grant Deed was recorded that transferred ownership the parking lot to Agency; and

WHEREAS, Section 3 of the Grant Deed states the following restrictions, “The Grantee hereby covenants and agrees, for itself and its successors and assigns, that Grantee shall use, improve and operate the Property solely for a surface level public parking lot and no other use shall be allowed thereon.”; and

WHEREAS, AB X 26 (the Dissolution Act) was enacted in June 2011 as part of the Fiscal Year 2022-2012 State budget package; and

WHEREAS, under the Dissolution Act, all redevelopment agencies in the State of California were dissolved as of February 1, 2012, and

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, the Successor Agency owns that certain real property that is a 2.8-acre parcel in La Habra, commonly known as a portion of the La Habra Marketplace Parking Lot, APN 018-381-64 (Property); and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan (LRPMP) addressing the future disposition and use of all real property of the former La Habra Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34191.5(b) also requires the Successor Agency to submit the LRPMP to the Oversight Board and the State of California Department of Finance (DOF) for review and approval no later than six months following the issuance to the Successor Agency of a Finding of Completion pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, on August 1, 2013, the Oversight Board approved submittal of a draft LRPMP to the DOF; and

WHEREAS, on October 20, 2014, the Successor Agency to Redevelopment Agency of the City of La Habra (Successor Agency) considered first revised LRPMP approved its submittal to the Oversight Board for approval and submission to the DOF; and

WHEREAS, on October 30, 2014, the Oversight Board approved the first revision to the LRPMP for forwarding to the DOF; and

WHEREAS, on July 20, 2015, the Successor Agency approved the second revision to the LRPMP for forwarding to the Oversight Board and DOF; and

WHEREAS, on July 30, 2015, the Oversight Board approved the second revision to the LRPMP (Exhibit A) for forwarding to the DOF; and

WHEREAS, on June 2, 2022, the Oversight Board approved Resolution No. 22-026 directing the Successor Agency to dispose of the Property in compliance with the disposition requirements of agency-owned property under the state Surplus Land Act; and

WHEREAS, on April 6, 2023 the California Department of Housing and Community Development approved the conveyance of the land as exempt surplus land pursuant to Government Code Section 54221(f)(1)(G); and

WHEREAS, on April 24, 2023 an appraisal report was issued by Anderson & Brabant, Inc. with an appraised value of \$30,000 for the Property and specifically noted the deed restrictions on the Property; and

WHEREAS, on July 25, 2023 the Oversight Board approved Resolution No. 23-021 directing the Successor Agency to proceed with the implementation of the LRPMP with respect to the disposition of Property as expeditiously as possible including the request to use a reputable commercial broker and to leave the property available for a period between two to four weeks; and

WHEREAS, on September 18, 2023 the Successor Agency engaged a broker and the broker enlisted and received three best and final offers for the Property; and

WHEREAS, on November 20, 2023 Successor Agency requested staff to contact the City of La Habra (City) regarding potentially purchasing the property; and

WHEREAS, on December 4, 2023 the Successor Agency received an offer to transfer title to the City of La Habra for \$57,500 and cover all fees associated with the transfer of title; and

WHEREAS, the Successor Agency desires to convey the Property to the City, and the City desires to accept such conveyance of the Property for the City's use; and

WHEREAS, the City intends to continue the community benefit of the Property by continuing the use as a surface level parking lot that is occasionally used for community events; and

WHEREAS, the City will incur all transactional cost related to the conveyance, and the quitclaim deed transferring the Property will not be executed until the Successor Agency receives the payment from the City in full; and

WHEREAS, on December 18, 2023 the Successor Agency approved RESOLUTION NO 2023-04, Approving a Quitclaim Deed conveying the Property to the City; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and considered the Successor agency's RESOLUTION NO 2023-04 and desires to approve it and authorize and direct the Successor Agency to complete the transfer of the Property.

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

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

Section 2 □ The Orange Countywide Oversight Board hereby approves and is hereby authorized and directed to take any action necessary to carry out the purpose of this Resolution.

Section 3 □ The Orange Countywide Oversight Board authorizes the conveyance of the Property from the Successor Agency to the City of La Habra..

Section 4 □ 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.

Section 5 □ If any provision of this Resolution or the application of any such provision to any person or circumstance is held valid, 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 declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

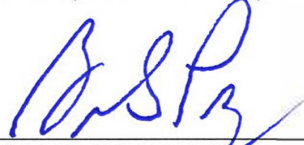
Section 6 □ This Resolution shall be effective immediately upon adoption.

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

Attachment 2

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on THURSDAY, JUNE 2, 2022.

YES: CHARLES BARFIELD, STEVE FRANKS, ANIL KUKREJA,
BRIAN PROBOLSKY
NOES:
EXCUSED: STEVE JONES, DEAN WEST, PHILLIP E. YARBROUGH
ABSTAINED:




BRIAN PROBOLSKY
CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, KATHY TAVOULARIS, Clerk of the Orange Countywide Oversight Board, Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange Countywide Oversight Board.

IN WITNESS WHEREOF, I have hereto set my hand.



KATHY TAVOULARIS
Clerk
Orange Countywide Oversight Board

Resolution No: 22-026

Agenda Date: Thursday, June 2, 2022

Item No: 5

RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

RESOLUTION NO. 22-026

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD DIRECTING THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY TO TAKE ACTIONS FOR THE SALE OF A PARKING LOT PARCEL LOCATED AT NORTHSIDE OF WEST IMPERIAL HIGHWAY AND EAST OF SOUTH BEACH BOULEVARD IN THE CITY OF LA HABRA AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011 and the California Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the La Habra Redevelopment Agency (the “**Former Agency**”) and all other redevelopment agencies within the State of California (the “**State**”) were dissolved as of February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code (“**HSC**”) Section 34173(d), the City Council of the City of La Habra (the “**City**”) adopted Resolution No. 5508 on January 12, 2012, and elected for the City to become the Successor Agency to the La Habra Redevelopment Agency (the “**Successor Agency**”); and

WHEREAS, the Successor Agency is the successor entity to the Former Agency and is tasked with winding down the Former Agency’s affairs; and

WHEREAS, pursuant to HSC Section 34179, each successor agency is under the jurisdiction of an oversight board, consisting of seven members selected in accordance with HSC Section 34179; and

WHEREAS, pursuant to HSC Section 34179(i), oversight boards have fiduciary duties to the taxing entities that benefit from the distribution of property tax and other revenues of the successor agencies; and

WHEREAS, pursuant to HSC Section 34179(a), prior to July 1, 2018, there was an individual oversight board for each successor agency; and

WHEREAS, pursuant to HSC Section 34179(j), commencing July 1, 2018, individual oversight boards for successor agencies were dissolved and, with limited exceptions, a single county-wide oversight board was created within each county and each countywide oversight board subsumed and continued the responsibilities of the individual oversight boards within the relevant county; and

WHEREAS, commencing July 1, 2018, the Orange Countywide Oversight Board (the “**Countywide Oversight Board**”) has jurisdiction over the Successor Agency; and

WHEREAS, pursuant to HSC Section 34191.5(b), the Successor Agency was required to prepare a long-range property management plan to address the disposition and use of the real properties of the Former Agency, and submit such plan to the then-oversight board and the State Department of Finance (the “**DOF**”) for approval; and

WHEREAS, on July 30, 2015, the then-oversight board adopted a resolution approving a Second Revised Long-Range Property Management Plan (the “**LRPMP**”) prepared by the Successor Agency; and

WHEREAS, the DOF approved the LRPMP on September 11, 2015; and

WHEREAS, pursuant to HSC Section 34191.3, upon the DOF’s approval of the LRPMP, the LRPMP shall govern and supersede other provisions relating to the disposition and use of the real property assets of the Former Agency; and

WHEREAS, among the properties listed on the LRPMP is a 2.84 acre parcel (APN 018-381-64) (the “**Property**”); and

WHEREAS, the Property serves as a parking lot for a commercial shopping center, known as the La Habra Marketplace, located at the northside of West Imperial Highway and east of South Beach Boulevard in the City; and

WHEREAS, on the LRPMP, the Successor Agency reported that the estimated current value of the Property was \$2.5 million and the Property was intended for sale; and

WHEREAS, pursuant to HSC Section 34191.5(c)(2)(B), if the LRPMP directs a property to be sold, the proceeds from such sale shall be distributed as property tax to the taxing entities; and

WHEREAS, despite having an approved LRPMP since 2015, and repeated inquiries by the Countywide Oversight Board, the Successor Agency has not yet sold the Property; and

WHEREAS, at the Countywide Oversight Board’s meeting on February 23, 2022, the Successor Agency informed the Oversight Board that the Successor Agency would seek approval for an amendment to the LRPMP, in order to redesignate the Property from “sale” to “governmental use” and, this way, the Property may be transferred to the City without any compensation to the taxing entities and the City may continue using the Property as a parking lot for the shopping center; and

WHEREAS, the Successor Agency adopted its Resolution No. 2022-02 on April 4, 2022 (the “**Successor Agency Resolution**”) to formally request the Countywide Oversight Board to approve such amendment to the LRPMP; and

WHEREAS, the Successor Agency pointed to a restrictive covenant in the deed under which the Former Agency acquired the Property (the “**Parking Restrictive Covenant**”); and

WHEREAS, the Parking Restrictive Covenant requires the Property to be used solely for a surface level public parking lot; and

WHEREAS, in the Successor Agency’s staff report, the Successor Agency contended that, because of this Parking Restrictive Covenant, “staff has determined that the sale of this property is not feasible”; and

WHEREAS, in the Successor Agency Resolution, the Successor Agency stated that “[HSC] Section 34191.3 allows successor agency to amend its LRPMP once, solely to allow for retention of real properties that constitute ‘parking facilities and lots dedicated solely to public parking’ for governmental use”; and

WHEREAS, the Countywide Oversight Board reviewed HSC Section 34191.3 and the facts presented, and decided to reject the Successor Agency’s request for the approval of the proposed LRPMP amendment, for the reasons below; and

WHEREAS, the text of HSC Section 34191.3(b), read in its entirety, is as follows (with emphasis added):

“(b) If the [DOF] has approved a successor agency’s long-range property management plan prior to January 1, 2016, the successor agency may amend its long-range property management plan once, solely to allow for retention of real properties that constitute “parking facilities and lots dedicated solely to public parking” for governmental use pursuant to Section 34181. An amendment to a successor agency’s long-range property management plan under this subdivision shall be submitted to its oversight board for review and approval pursuant to Section 34179, **and any such amendment shall be submitted to the [DOF] prior to July 1, 2016**”; and

WHEREAS, per the text of HSC Section 34191.3(b), the deadline for the submission of any amendment to the LRPMP (the “**7/1/2016 Amendment Deadline**”) has long expired; and

WHEREAS, the DOF confirmed, in a March 3, 2022 e-mail (responding to an inquiry by the counsel to the Countywide Oversight Board) that there is no provision in the HSC that would allow the Successor Agency to amend the LRPMP at this time; and

WHEREAS, the Former Agency acquired the Property pursuant to a deed executed by La Habra Associates, the owner of the shopping center, as grantor, in 1990 (the “**1990 Deed**”), and

WHEREAS, the Parking Restrictive Covenant was in effect when the LRPMP was prepared and, at that time, the Successor Agency indicated on the LRPMP that the Property was intended to be sold and estimated that the then-current value of the Property was \$2.5 million; and

WHEREAS, in the staff report to the Countywide Oversight Board, the Successor Agency asserted that when the LRPMP was first approved, the Successor Agency believed that the DOF would not accept the classification of parking lots as “governmental use,” and, later, HSC Section 34191.3(b) (part of Senate Bill 107 approved in 2015 (“SB 107”)) appeared to provide a basis to amend the LRPMP to reclassify the Property; and

WHEREAS, the Successor Agency Resolution (requesting the County Oversight Board to approve the LRPMP amendment) omitted any reference to the 7/1/2016 Amendment Deadline for the submission of such an amendment; and

WHEREAS, even if the 7/1/2016 Amendment Deadline did not exist, the Countywide Oversight Board would still have the discretion to reject the proposed amendment to the LRPMP; and

WHEREAS, in any event, according to information available on the State legislature's website, SB 107 was enacted and approved by the Governor on September 22, 2015, and the DOF approved the Successor Agency's LRPMP on September 11, 2015; and

WHEREAS, months passed between the enactment of SB 107 and the 7/1/2016 Amendment Deadline, during which the Successor Agency could have submitted an amendment to the DOF pursuant to HSC Section 34191.3(b), but the Successor Agency did not do so; and

WHEREAS, close to seven years has elapsed since the DOF's approval of the LRPMP; and

WHEREAS, after the Countywide Oversight Board made multiple inquiries with the Successor Agency about the Successor Agency's obligation to complete implementation of the LRPMP, the Successor Agency now: (i) asserts that a sale is not feasible because of the Parking Restrictive Covenant, and (ii) proposes an amendment to the LRPMP, so the Property can be transferred to the City at no compensation to the taxing entities; and

WHEREAS, the Successor Agency has not taken meaningful actions which would prove that a sale of the Property is not feasible – such as a formal solicitation of potential buyers or any substantive advertising of the potential sale of the Property; and

WHEREAS, the Successor Agency has only submitted a letter, dated May 26, 2021 (the "**Broker Opinion Letter**"), prepared by CBRE – Valuation and Advisory Services, which apparently concluded that the Property has no intrinsic value; and

WHEREAS, the Broker Opinion Letter was addressed to and appeared to have been prepared at the request of, Stephen Koen, Vice President of Property Management at DJM Capital; and

WHEREAS, the posted agenda and minutes of the Successor Agency's February 22, 2022 meeting designate "City Negotiator: Jim Sadro, City Manager and Stephen Koen, VP of Property Management with DJM Capital, Inc. as Agent for La Habra Associates" and also designate "Negotiating Parties: La Habra Redevelopment Agency, Owner;" and

WHEREAS, DJM Capital's website shows that La Habra Marketplace is part of DJM Capital's portfolio; and

WHEREAS, pursuant to HSC Section 34179(p), on matters within the purview of the Countywide Oversight Board, decisions by the Countywide Oversight Board supersede those made by the Successor Agency or the staff of the Successor Agency; and

WHEREAS, HSC Section 34181 states, in relevant part (with emphasis added):

"The oversight board **shall direct** the successor agency to do all of the following:

(a) (1) Dispose of all assets and properties of the former redevelopment agency...Disposal shall be done expeditiously and in a manner aimed at maximizing value;"

WHEREAS, while HSC Section 34191.3(a) suspended certain requirements of HSC Section 34181(a) until the LRPMP had been approved by the DOF and HSC Section 34191.3(a) further provides that, once the LRPMP was approved by the DOF, the LRPMP shall govern, the Countywide Oversight Board's directions for the Successor Agency to take actions regarding the sale of the Property as provided in this Resolution are consistent with all of the following, without conflict: (i) the LRPMP, (ii) the Countywide Oversight Board's mandate under HSC Section 34181(a), and (iii) the Countywide Oversight Board's fiduciary duties to the taxing entities; and

WHEREAS, a notice to the public of the proposed adoption of this Resolution was posted at least 10 days before the meeting during which the Countywide adopted this Resolution; and

WHEREAS, the Successor Agency stated to the Countywide Oversight Board that the State's Surplus Land Act, set forth in Government Code Section 54220 *et seq.* (the "**Surplus Land Act**") may be applicable to the transfer of the Property; and

WHEREAS, the State's Department of Housing and Community Development ("**HCD**") is charged with implementing the Surplus Land Act; and

WHEREAS, HCD has confirmed to the counsel to the Countywide Oversight Board that, pursuant to Government Code Section 54221, the transfer of the Property – regardless of whether it is to the City (as proposed by the Successor Agency) or via sale to a third party – would be subject to the Surplus Land Act, unless the Successor Agency makes a declaration that the Property is "exempt surplus land" pursuant to Government Code Section 54221(f);

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

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

SECTION 2. The Successor Agency is hereby directed to take the following actions to implement the LRPMP with respect to the Property (and comply with the parameters set forth in Section 3):

- (a) If the Successor Agency determines that the Property is "exempt surplus land" pursuant to Government Code Section 54221(f), then it shall take the necessary actions for the appropriate declaration and submittals to HCD, in accordance with the Surplus Land Act and HCD's guidelines, and
 - (i) No later than October 18, 2022, the Successor Agency shall have completed a process, in good faith, to solicit proposals from interested parties regarding the sale of the Property (and such solicitation shall include public notices and/or advertisements); and

- (ii) The Successor Agency shall provide a report on the result of such solicitation at the immediately next Countywide Oversight Board meeting; and
 - (iii) Based on the result of the solicitation, the Successor Agency shall conduct good faith negotiation for the sale of the Property with the goal of completing the sale no later than March 1, 2023 or as soon thereafter as possible.
- (b) If the Successor Agency does not take any action to declare the Property as “exempt surplus property” under the Surplus Land Act, then by no later than October 18, 2022, the Successor Agency shall commence the process required by HCD regarding the sale of the Property pursuant to the Surplus Land Act; and
- (i) The Successor Agency shall provide a report to the Countywide Oversight Board no later than March 1, 2023 of the proceedings pursuant to the process under the Surplus Land Act; and
 - (ii) If the process required under the Surplus Land Act does not result in a sale of the Property, then by no later July 1, 2023, the Successor Agency shall have completed a separate process, in good faith, to solicit proposals from interested parties regarding the sale of the Property (and such solicitation shall include public notices and/or advertisements); and
 - (iii) The Successor Agency shall provide a report on the result of such solicitation at the immediately next Countywide Oversight Board meeting; and
 - (iv) Based on the result of the solicitation, the Successor Agency shall conduct good faith negotiation with the goal of completing the sale no later than October 1, 2023 or as soon thereafter as possible.

SECTION 3. The Successor Agency shall take all necessary and appropriate steps to disclose to the potential buyers that the purchase of the Property will be subject to the Parking Restrictive Covenant.

SECTION 4. In the event that the Successor Agency does not comply with the provisions of this Resolution, the Chair of the Countywide Oversight Board is hereby authorized to direct Countywide Oversight Board counsel to take such actions on the Board’s behalf with the appropriate State superior court for the issuance of a writ of mandate to compel the Successor Agency’s compliance. Members of the Countywide Oversight Board and members of Countywide Oversight Board staff and consultants, collectively and each individually, are hereby authorized and directed to assist with such court proceedings.

SECTION 5. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act, set forth in Public Resources Code Section 21000 et seq. (“**CEQA**”). Pursuant to the State CEQA Guidelines set forth in 14 Cal Code Regs 15000 et seq. (the “**Guidelines**”), in light of anticipated “as-is” sale of the Property (particularly because of

the Parking Restrictive Covenant), the Countywide Oversight Board has determined that the approval of this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment, and therefore, the actions taken under this Resolution are not a project pursuant to CEQA and, further, are exempt therefrom because they are organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment (Guidelines Section 15378(b)(5)).

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

SECTION 7. Upon the Countywide Oversight Board's adoption of this Resolution, staff of the Countywide Oversight Board is hereby directed to transmit this Resolution to the DOF for review.

SECTION 8. This Resolution shall become effective upon the earliest of the following (the "**Effective Date**"): (i) the DOF's approval or deemed approval, or (ii) the issuance by the DOF of a letter stating, in effect, that no DOF approval is necessary for this Resolution to become effective, because this Resolution pertains to actions to implement the disposition of the Property pursuant to the LRPMP.

SECTION 9. The Clerk of the Countywide Oversight Board shall certify to the adoption of this Resolution.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

Attachment 3



April 06, 2023

Miranda Cole-Corona, Manager
Economic Development and Housing
City of La Habra
110 East La Habra Boulevard
La Habra, CA 90631

Dear Miranda Cole-Corona:

RE: HCD's Review of the Grant Deed From La Habra Associates to the Redevelopment Agency of the City of La Habra for the Property owned by the City of La Habra's Successor Agency (Assessor Parcel Number 018-381-64)

Thank you for contacting the California Department of Housing and Community Development (HCD) regarding the property owned by the City of La Habra's Successor Agency (Successor Agency) (Assessor Parcel Number 018-381-64) (Property). You requested that HCD provide guidance as to whether the Property, which is subject to restrictions in the Grant Deed, qualifies as "exempt surplus land" under Government Code section 54221, subdivision (f)(1)(G).

HCD reviewed the Grant Deed from La Habra Associates to the Redevelopment Agency of the City of La Habra (Grantee) and other documentation you provided. As explained below, HCD finds that the Property qualifies as "exempt surplus land" under Government Code section 54221, subdivision (f)(1)(G).

Analysis**Valid Legal Restrictions Exemption**

According to Government Code section 54221, subdivision (f)(1)(G), "exempt surplus land" means:

"Surplus land that is subject to valid legal restrictions that are not imposed by the local agency and that would make housing prohibited, unless there is a feasible method to satisfactorily mitigate or avoid the prohibition on the site. An existing nonresidential land use designation on the surplus land is not a legal restriction that would make housing prohibited..."

(Emphasis added; also see Surplus Land Act Guidelines section 103(b)(3)(G).)

Grant Deed

According to the Grant Deed, recorded on June 27, 1990, the Grantee agreed for itself and its successors and assigns to “use, improve and operate the Property solely for a surface level public parking lot and no other use shall be allowed thereon.” (Emphasis added.)

HCD was also informed that efforts were made to request that the restrictions in the grant deed be lifted by the other party to the agreement and that the request was denied.

Conclusion

After a thorough review of the documentation provided, HCD finds that, because the restrictions require that the Property be used for surface level parking and no other use is allowed, housing is prohibited on the Property and there isn't a feasible method to mitigate the restriction on the Property. Therefore, the Property qualifies as “exempt surplus land” under Government Code section 54221, subdivision (f)(1)(G).

If you have any questions or need additional technical assistance, please contact Public Lands at Publiclands@hcd.ca.gov.

Sincerely,



Laura Nunn
Senior Manager, Housing Accountability Unit
Housing Policy Development

RESOLUTION NO. 2023-04

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA (SUCCESSOR AGENCY) APPROVING A QUITCLAIM DEED CONVEYING THE 2.8 ACRE PARCEL IN LA HABRA COMMONLY KNOWN AS A PORTION OF THE LA HABRA MARKET PLACE PARKING LOT (APN 018-381-64) FROM THE SUCCESSOR AGENCY TO THE CITY OF LA HABRA AND FORWARDING THE PROPOSED TRANSFER TO THE ORANGE COUNTYWIDE OVERSIGHT BOARD FOR APPROVAL

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, the Successor Agency owns that certain real property that is a 2.8-acre parcel in La Habra, commonly known as a portion of the La Habra Marketplace Parking Lot, APN 018-381-64 (Property); and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan (LRPMP) addressing the future disposition and use of all real property of the former La Habra Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34191.5(b) also requires the Successor Agency to submit the LRPMP to the Oversight Board and the State of California Department of Finance (DOF) for review and approval no later than six months following the issuance to the Successor Agency of a Finding of Completion pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, on August 1, 2013, the Oversight Board approved submittal of a draft LRPMP to the DOF; and

WHEREAS, on October 20, 2014, the Successor Agency to Redevelopment Agency of the City of La Habra (Successor Agency) considered first revised LRPMP approved its submittal to the Oversight Board for approval and submission to the DOF; and

WHEREAS, on October 30, 2014, the Oversight Board approved the first revision to the LRPMP for forwarding to the DOF; and

WHEREAS, on July 20, 2015, the Successor Agency approved the second revision to the LRPMP for forwarding to the Oversight Board and DOF; and

WHEREAS, on July 30, 2015, the Oversight Board approved the second revision to the LRPMP (Exhibit A) for forwarding to the DOF; and

WHEREAS, on April 6, 2023 the California Department of Housing and Community Development approved the conveyance of the land as exempt surplus land pursuant to Government Code Section 54221(f)(1)(G); and

WHEREAS, on July 25, 2023 the Oversight Board approved Resolution No. 23-021 directing the Successor Agency to proceed with the implementation of the LRPMP with respect to the disposition of Property as expeditiously as possible; and

WHEREAS, on September 18, 2023 the Successor Agency engaged a broker and the broker enlisted and received three best and final offers for the Property; and

WHEREAS, on November 20, 2023 Successor Agency requested staff to contact the City of La Habra (City) regarding potentially purchasing the property; and

WHEREAS, on December 4, 2023 the Successor Agency received an offer to transfer title to the City of La Habra for \$57,500 and cover all fees associated with the transfer of title; and

WHEREAS, the Successor Agency desires to convey the Property to the City, and the City desires to accept such conveyance of the Property for the City's use.

WHEREAS, the City intends to continue the community benefit of the Property by continuing the use as a surface level parking lot that is occasionally used for community events.

WHEREAS, the City will incur all transactional cost related to the conveyance, and the quitclaim deed transferring the Property will not be executed until the Successor Agency receives the payment from the City in full.

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 offer to purchase 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 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. Transfer of Property to the City. The Successor Agency hereby approves a quitclaim deed conveying the Property to the City for the purchase amount of \$57,500, substantially in the form attached hereto as Exhibit B. The quitclaim deed shall not be executed or recorded until the Successor Agency receives the payment amount from the City in full.

Section 4. Consistent with LRPMP. The Successor Agency hereby finds that the disposition of the Property is consistent with and is for the purpose of implementing the LRPMP previously approved by DOF, which authorizes the disposition of the Property for distribution of the proceeds to the taxing entities. The purchase price represents almost double the appraised value of the Property and therefore maximizes the return to the taxing entities. The appraisal is attached hereto as Exhibit C.

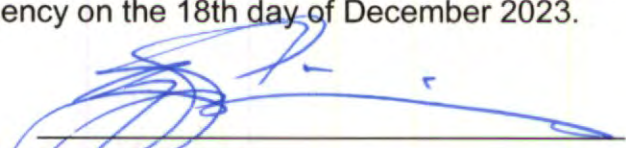
Section 5. Transmittal of Offer to Purchase and All Other Offers Received. The Successor Agency staff is hereby authorized and directed to take any action necessary to carry out the purpose of this Resolution and comply with applicable laws regarding the Long-Range Property Management Plan, including submitting the approved offer, along with all other offers to purchase received by the Successor Agency as well as the April 24, 2023 Appraisal Report to the Countywide Oversight Board for their approval and forward funds to the Orange County Auditor-Controller Redevelopment Property Tax Trust Fund.

Section 6. 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 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 7. Certification. The Successor Agency Secretary shall certify to the adoption of this Resolution.

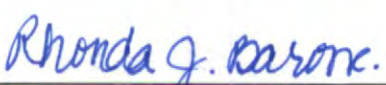
Section 8. Effective Date. The Resolution shall be effective immediate upon approval by the Successor Agency.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Successor Agency to the La Habra Redevelopment Agency on the 18th day of December 2023.



Steve Simonian
Chair

ATTEST:



Rhonda J. Barone, CMC,
Secretary

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

I, Rhonda J. Barone, CMC, Secretary for the Successor Agency to the La Habra Redevelopment Agency, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2023-04 introduced and adopted at a regular meeting of the Successor Agency to the La Habra Redevelopment Agency held on the 18th day of December 2023.

AYES:	DIRECTORS:	Simonian, Gomez, Espinoza, Medrano, Nigsarian
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
ABSENT:	DIRECTORS:	None

Witness my hand and the official seal of the City of La Habra this 18th day of December, 2023.

Rhonda J. Barone.
Rhonda J. Barone, CMC
Secretary

EXHIBIT A
LONG RANGE PROPERTY MANAGEMENT PLAN
(SEE ATTACHED)

RESOLUTION NO. 2015-3

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY APPROVING AND ADOPTING THE SECOND REVISION TO THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5 FOR FORWARDING TO THE OVERSIGHT BOARD AND SUBMITTAL TO THE STATE DEPARTMENT OF FINANCE

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of La Habra became the Successor Agency to the former La Habra Redevelopment Agency ("Successor Agency"); and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), the Successor Agency is a separate legal entity from the City; and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a Long Range Property Management Plan (LRPMP) addressing the future disposition and use of all real property of the former La Habra Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34191.5(b) also requires the Successor Agency to submit the LRPMP to the Oversight Board and the State of California Department of Finance (DOF) for review and approval no later than six months following the issuance to the Successor Agency of a Finding of Completion pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, the Oversight Board, on August 1, 2013, approved submittal of a draft Long Range Property Management Plan to the State Department of Finance containing all the information required by Health and Safety Code Section 34191.5; and

WHEREAS, on October 20, 2014, the Successor Agency to the La Habra Redevelopment Agency considered first revised Long Range Property Management Plan (LRPMP) to reflect only those property assets that are government purpose properties, properties retained for future development, and properties which must be sold; and all the information required by Health and Safety Code Section 34191.5 and approved its transmittal to the Oversight Board for approval and submission to the California State Department of Finance (DOF); and

WHEREAS, on October 30, 2014, the Oversight Board concurred with the Successor Agency and approved the first revision to the Long Range Property Management Plan to reflect only those property assets that are government purpose properties, properties retained for future development, and properties which must be sold; and all the information required by Health and Safety Code Section 34191.5 for forwarding to the State Department of Finance; and

WHEREAS, over the past several months the State Department of Finance, through a collaborative process with City staff, has directed that the revised Long Range Property Management Plan be revised in the following sections: Estimated Current Value of the Assets/Parcels; Value at Time of Purchase; Date of Estimated Current Value; Annual Estimated Income/Revenue from Current Assets; Proposed Sale Date; Proposed Sale Value; and clarification on the Intended Use of the Properties held for Future Development that will now be sold (for sale); and

WHEREAS, in accordance with Health and Safety Code Section 34191.5 (c) (2) (b), the proceeds from sale of properties not determined to be for governmental purpose will be distributed to the Affected Taxing Entities (ATE's), or used to pay enforceable obligations; and

WHEREAS, the City will comply with Health and Safety Code Section 34180 (f) (1), with a good faith effort to negotiate a compensation agreement with the Affected Taxing Entities (ATE's) to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained; and

WHEREAS, the Second Revised Long Range Property Management Plan has been modified per the direction of the DOF, staff now seeks direction from the Successor Agency to submit the Second Revised Long Range Property Management Plan to the Oversight Board and the Department of Finance for approval.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY DOES HEREBY FIND AND 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 Second Revised Long Range Property Management Plan 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 ("CEQA"). The Successor Agency Secretary is authorized and directed to file a Notice of Exemption in accordance with CEQA 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 Second Revised Long Range Property Management Plan. The Successor Agency hereby approves the Second Revised Long Range Property Management Plan, in substantially the form attached to this Resolution as "Attachment 1".

Section 4. Transmittal of Second Revised Long Range Property Management Plan. The Successor Agency staff is hereby authorized and directed to

take any action necessary to carry out the purposes of this Resolution and comply with all applicable laws regarding the Long Range Property Management Plan, including submitting the Second Revised Long Range Property Management Plan to the Oversight Board for their approval and submittal to the State of California Department of Finance for review and approval and posting the Second Revised Long Range Property Management Plan on the Successor Agency's website.

Section 5. Effectiveness. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Successor Agency to the La Habra Redevelopment Agency on the 20th day of July, 2015.

Michael A. Blazey
Michael Blazey, Successor Agency Chair

ATTEST:

Tamara D. Mason
Tamara D. Mason, MMC, Secretary

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

I, Tamara Mason, Secretary of the Successor Agency to the La Habra Redevelopment Agency, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2015-3 introduced and adopted at a meeting of the Successor Agency to the La Habra Redevelopment Agency held on the 20th day of July, 2015, by the following roll call vote:

AYES: DIRECTOR: GOMEZ, BEAMISH, ESPINOZA, SHAW, BLAZEY
NOES: DIRECTOR: NONE
ABSTAIN: DIRECTOR: NONE
ABSENT: DIRECTOR: NONE

Witness my hand and the official seal of the City of La Habra this 20th day of July, 2015.

Tamara D. Mason
Tamara D. Mason, MMC, Secretary

ATTACHMENT 1

LONG-RANGE PROPERTY MANAGEMENT PLAN

[Attached behind this cover page]

Successor Agency: City of La Habra
 County: Orange

ATTACHMENT #1

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

HSC 24191.5 (012)		HSC 24191.5 (011A)		DATE OF PROPERTY		HSC 24191.5 (011B)						
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Proposed Sale Date	Propose for which property was acquired
1	Parking Lot/Building	Governmental Use	Gov't use parking for civic center	9/20/2002	\$ 325,000	\$0	Market	9/20/02	\$0.00	transferred to city	9/20/02	Police Department Civic Center Parking
2	Parking Lot/Building	Governmental Use	Gov't use parking for civic center	9/20/2002	Included in 8/10/08 judge included in above price	\$0	Market	9/20/02	\$0.00	transferred to city	9/20/02	Police Department Civic Center Parking
3	Parking Lot/Building	Governmental Use	Gov't use parking for civic center	9/20/2002	\$0	\$0	Market	9/20/02	\$0.00	transferred to city	9/20/02	Police Department Civic Center Parking
4	Public Building	Governmental Use	Gov't use by City for Child Dev. Center facility	4/7/2008	\$ 922,500	\$2,500,000	Market	Apr-08	\$0.00	transferred to city	Summer 2015	Child Development, Ch. Redevelopment project area
5	Commercial	Sale of Property	Approved RDA Plan	7/23/2010	\$ 1,450,000	\$2,720,000	Appraised	Sep-14	\$2,720,000	Summer 2015	Summer 2015	Redevelopment project area
6	Commercial	Sale of Property	Approved RDA Plan	9/11/2007	\$ 8,000,000	Included in value above	Appraised	Sep-14	Included in the parcel value above	Summer 2015	Summer 2015	Redevelopment project area
7	Parking Lot/Building	Sale of Property	Approved RDA Plan	9/09/2009	\$ 2,800,000	\$2,500,000	Market-Price Over Obligation	Feb-90	\$2,500,000	Unknown	Unknown	La Habra Marketplace Parking

Successor Agency: City of La Habra
 County: Orange

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY

No.	Property Type	Permissible Use	Address	APN #	Lot Size	Current Zoning	Estimate of Current Parcel Value	Estimate of Incremental Value	Contextual requirements for use of Incremental Value	History of environmental certification, studies, and/or investigation, and designation as a brownfield site	Description of property's potential for trash-oriented development	Advancement of planning objectives of the successor agency
1	Parking Lot/Building	Governmental Use	121 E. La Habra Blvd	022-075-27	0.18 Acres	SP-1	\$0	none	none	none	none	none
2	Parking Lot/Building	Governmental Use	111 E. La Habra Blvd	022-075-16	0.08 Acres	SP-1	\$0	none	none	none	none	none
3	Parking Lot/Building	Governmental Use	127 E. La Habra Blvd	022-075-08	0.07 Acres	SP-1	\$0	none	none	none	none	none
4	Public Building	Governmental Use	215 N. Escal St.	022-082-27	0.31 Acres	R-2	\$2,500,000	none	none	none	none	none
5	Commercial	Sale of Property	621 E. Imperial Highway	015-111-80	0.94 Acres	C-2 PUO	\$2,720,000	\$57,600	none	none	none	none
6	Commercial	Sale of Property	3001 E. Imperial Highway	015-111-60	1.10 Acres	C-2 PUO	Included in the parcel value above	Included in value above	none	none	none	none
7	Parking Lot/Building	Sale of Property	etc	015-381-44	2.94 Acres	C-2a	\$2,200,000	none	none	none	none	none

Successor Agency: City of La Habra
 County: Orange

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY

	HSC 24181.1 (G) (2)	HSC 24181.1 (G) (3)
No.	Property Type	Permissible Use
1	Parking Lot/Building	Governmental Use parking lot
2	Parking Lot/Building	Governmental Use parking lot
3	Parking Lot/Building	Governmental Use parking lot
4	Public building	Governmental Use public building
5	Commercial	Sale of Property commercial building
6	Commercial	Sale of Property commercial building
7	Parking Lot/Building	Sale of Property Required parking lot for a commercial shopping center, per City municipal code

**EXHIBIT B
QUITCLAIM DEED
(SEE ATTACHED)**

RECORDING REQUESTED BY
City of La Habra

AND WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENT TO:

NAME Cit of La Habra, Attention: City Clerk

STREET ADDRESS 110 East La Habra Blvd.

CITY, STATE & La Habra, CA
ZIP CODE 90631

TITLE ORDER NO. N/A
ESCROW NO. N/A

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

QUITCLAIM DEED

TRA: _____

APN: 018-381-64

The undersigned grantor(s) declare(s)

DOCUMENTARY TRANSFER TAX \$ 0

- computed on full value of property conveyed, or
- computed on full value less liens and encumbrances remaining at time of sale.
- Unincorporated Area City of _____

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, I (Successor Agency to the
La Habra Redevelopment Agency

(NAME OF GRANTOR(S))

hereby remise, release and quitclaim to City of La Habra

(NAME OF GRANTEE(S))

the following described real property in the City of La Habra, County of Orange
State of California

(Insert Legal Description)
(SEE ATTACHED LEGAL DESCRIPTION

DATED: _____

Name Jim Sadro, Executive Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Name _____

STATE OF CALIFORNIA
COUNTY OF _____

On _____ before me, _____, personally appeared
(here insert name and title of the officer)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (SEAL)

MAIL TAX STATEMENT AS DIRECTED ABOVE

LEGAL DESCRIPTION

Real property in the City of La Habra, County of Orange, State of California, described as follows:

LOT 3 OF TRACT NO. 13828, AS SHOWN BY MAP ON FILE IN BOOK 700, PAGES 1 THRU 6, OF MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL OIL, GAS, ASPHALTUM, AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR THAT MAY BE PRODUCED FROM SAID PROPERTY, AND THE SOLE AND EXCLUSIVE RIGHT TO DRILL SLANTED WELLS FROM ADJACENT LANDS INTO AND THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS IN AND THROUGH THE SUBSURFACE OF SAID PROPERTY FOR THE PURPOSE OF RECOVERING SAID MINERALS, OR ANY OF THEM FROM SAID PROPERTY OR OTHER PROPERTY, OR BOTH, AND THE RIGHT TO USE THAT PORTION OF THE SUBSURFACE OF SAID PROPERTY LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID PROPERTY FOR ALL PURPOSES PERTAINING TO OR INCIDENT TO THE PRODUCTION OF, THE STORAGE OF, CONSERVATION OF, OR EXPLORING FOR OIL, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE SPECIFIED OR NOT, OR ANY OF SAID SUBSTANCES, BY MEANS OF ANY METHOD NOW KNOWN OR UNKNOWN, BUT NOT INCLUDING WITHIN THIS EXCEPTION ANY RIGHT TO USE THE SURFACE ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE FOR THE AFORESAID PURPOSES, AS RESERVED IN THE DEEDS FROM HAROLD M. STERN AND OTHERS, RECORDED SEPTEMBER 14, 1961 IN BOOK 5846, PAGES 813 AND 816 OF OFFICIAL RECORDS.

APN: 018-381-64

**EXHIBIT C
APPRAISAL
(SEE ATTACHED)**

APPRAISAL REPORT

**2.80 ACRE COMMERCIAL SITE
NORTH SIDE 1600 BLOCK
WEST IMPERIAL HIGHWAY
LA HABRA, CA 90631**

CLIENT

Elizabeth Wagner Hull, Partner
Best Best & Krieger LLP
18101 Von Karman Avenue, Suite 1000
Irvine, California 92612

DATE OF VALUATION

February 6, 2023

DATE OF REPORT

April 24, 2023

APPRAISED BY

Anderson & Brabant, Inc.
420 South Broadway, Suite 202
Escondido, California 92025

File No. 23-017

ANDERSON & BRABANT, INC.

REAL ESTATE APPRAISERS AND CONSULTANTS

420 SOUTH BROADWAY, SUITE 202

ESCONDIDO, CALIFORNIA 92025

TELEPHONE (760) 519-1400

April 24, 2023

Elizabeth Wagner Hull, Partner
Best Best & Krieger LLP
18101 Von Karman Avenue, Suite 1000
Irvine, California 92612

**RE: Appraisal of 2.80 acre commercial site
North side of the 1600 Block of West Imperial Highway
La Habra, California 90631
Assessor Parcel Number 018-381-64**

Dear Ms. Hull:

As requested, we have appraised the above-referenced, 2.80 acre property located in the City of La Habra, California on the north side of the 1600 block of West Imperial Highway. The parcel is held in fee title by the Redevelopment Agency of the City of La Habra, yet it is an integral part of an existing retail center known as La Habra Marketplace. Per an effective deed restriction, the site is limited to a surface parking lot use for the benefit of the retail complex. The intent of this appraisal is to estimate the market value of the parcel to the underlying fee owner based on a valuation date of February 6, 2023 for potential disposition purposes.

The following is recognized as an Appraisal Report under the Uniform Standards of Professional Appraisal Practice (USPAP). As such, our report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the USPAP and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

In accordance with our analysis of applicable market data, we have arrived at the following opinion of market value for the fee interest in the subject parcel, as of the indicated valuation date.

THIRTY THOUSAND DOLLARS

(\$30,000)

The opinion of value expressed herein is subject to certain assumptions and limiting conditions as set forth in the attached report (please refer to comments on pages 2 through 4 of this appraisal).

Respectfully submitted,

ANDERSON & BRABANT, INC.

David C. Ottley, MAI
State Certification No. AG002149

William B. Anderson, MAI, SRA
State Certification No. AG002315

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 Aerial Photographs – Market Data

 Preliminary Title Report

 Qualifications of the Appraisers

EXECUTIVE SUMMARY

Subject Property Location: North side of the 1600 block of West Imperial Highway
La Habra, California 90631

Legal Description: Lot 3 of Tract No. 13828, as shown by Map on file in Book
700, Pages 1 through 6, of Maps, Records of Orange
County, California.

Owner of Record: Redevelopment Agency of the City of La Habra

Assessor Parcel No.: 018-381-64

Land Area: 2.80 acres

Zoning: C-2sH, Planned Unified Shopping Center
City of La Habra

General Plan: Community Shopping Center 2
City of La Habra

Flood Zone: According to FEMA Flood Insurance Rate Map (FIRM)
No. 06059C0037J, dated December 3, 2009, the subject is
within Zone X, a 500-year floodplain.

Earthquake Fault Zone: No

Toxic Hazards: None noted

Interest Appraised: Fee, subject to easements of record

Highest and Best Use: Retail shopping center parking lot (see text)

Date of Valuation: February 6, 2023

Date of Report: April 24, 2023

**Estimated Deed Restricted
Market Value:** \$30,000

Special Assumptions: (see page 3)

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following special assumptions and limiting conditions:

1. This Appraisal Report is intended to comply with the reporting standards set forth by the Uniform Standards of Professional Appraisal Practice (USPAP). It presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinions of fair market value. In some instances, supporting documentation concerning data, reasoning, and analyses has been retained in the appraisers' file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for the unauthorized use of this report.
2. It is assumed that the existence of significant cultural resources, if any, discovered within the subject parcel will not create any abnormal hardship nor measurably impact market value in conjunction with our determination of highest and best use.
3. In this appraisal, it is assumed that there are no hidden or unapparent hazardous or other toxic subsoil conditions that would render the site more or less valuable. No responsibility is assumed for such conditions or for engineering that might be required to discover such factors and we have assumed that the sites could be developed to their highest and best use.
4. We were provided with a preliminary title report relating to the subject property that was prepared by First American Title Insurance Company. The report is dated January 12, 2023, and it can be identified by reference to Order No. NCS-1162921-ONT1. Three easements for utility easements were noted, but no plat was provided that clearly illustrates the locations of the encumbrances. For purposes of this appraisal, the assumption is made that these easements are typical of a property such as the subject and do not negatively impact its use or value in accordance with the estimated highest and best land use.
5. The subject site is used as a parking lot within a greater retail center property that was initially developed in 1990. A representative of the City of La Habra informed us that the parcel was sold by the developer to the City in June 1990 to provide public assistance to said developer in generating sufficient revenues to fund required infrastructure to aid in the success of the proposed project. Within the grant deed is a restriction (stated as a covenant) that limits the use of the subject property "solely for a surface level public parking lot and no other use shall be allowed thereon." The restriction further states that the area cannot be used as a "Park and Ride" location or for long term parking or vehicle storage and that the "covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor" (which consists of the balance of the greater retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex. We discussed the preceding with a representative of the City of La Habra to ascertain what uses the City retains per the deed restriction. According to the City representative, the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as an annual 5K race staging area). Our estimate of value is based on the extraordinary assumptions that 1) the

parcel, in fact, is limited solely to a parking lot use for the benefit of the adjacent shopping center, 2) that it will continue to serve as a parking lot, at least over the foreseeable future, 3) the only allowed remaining uses to the underlying fee land owner are restricted to brief annual events lasting an accumulation of no more than one to three days similar to how the site has reportedly been used in the past, and 4) that the appraised site could not be sold to a third party for any use other than what is allowed by the parking use covenant. Should it later be determined that the allowed uses specifically available to the fee land owner vary from that which is described in this appraisal, we reserve the right to alter our analysis and final conclusion of value.

This appraisal is subject to the following general assumptions and limiting conditions:

1. It is assumed that information furnished to us by our client, including maps, and legal descriptions, is substantially correct.
2. No responsibility is assumed for matters legal in character, nor do we render an opinion as to title, which is assumed to be held in full fee interest, subject to all easements and encumbrances of record, as of the date of valuation unless otherwise specified.
3. It is assumed that the property is readily marketable, free of all liens and encumbrances except any specifically discussed herein, and under responsible ownership and management.
4. Exhibits furnished in this report and prepared by the appraiser or a third party are to assist the reader in visualizing the property. No surveys of the property have been made and no responsibility has been assumed in this matter.
5. It is assumed that there are no legitimate environmental or ecological reasons that would prevent the continued use of the property or orderly development of the land as though vacant to its highest and best use under economically feasible conditions.
6. We are not qualified to detect hazardous waste and/or toxic materials. Any comment by us that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property.

Our value estimates are predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. Our descriptions and resulting comments are the result of the routine observations made during the appraisal process.

7. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may be used for any purpose or by any person other than the party to whom it is addressed without the written consent of Anderson and Brabant, Inc., and in any event, only with proper written qualification and only in its entirety.
8. Disclosure of the contents of this appraisal report is governed by the by-laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially reference to the Appraisal Institute or the MAI designation) shall be disseminated to the

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval of Anderson and Brabant, Inc.

9. The submission of this report constitutes completion of the services authorized. It is submitted on the condition that the client will provide the appraiser customary compensation relating to any subsequent required depositions, conferences, additional preparation or testimony.
10. The valuation estimate is of surface rights only and the mineral rights, if any, have been disregarded.
11. No warranty is made as to the seismic stability of the subject property.
12. It is assumed that all required licenses, or other legislative or administrative permits from any local, state, or national governmental or private entity or organization can be obtained for any use on which the value estimate contained in this report is based.

APPRAISER'S SIGNED CERTIFICATION

I do hereby certify that, to the best of my knowledge and belief ...

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective future interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three (3) year period immediately preceding acceptance of this assignment.
5. I have no bias with respect with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this appraisal report.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of April 24, 2023, the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

David C. Ottley, MAI
Certified General Real Estate Appraiser
BREA Appraiser No. AG002149

APPRAISER'S SIGNED CERTIFICATION

I do hereby certify that, to the best of my knowledge and belief ...

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective future interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three (3) year period immediately preceding acceptance of this assignment.
5. I have no bias with respect with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I did not make a personal inspection of the property that is the subject of this report during the course of the current appraisal.
10. No one provided significant real property appraisal assistance to the persons signing this appraisal report.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of April 24, 2023, the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

William B. Anderson, MAI, SRA
Certified General Real Estate Appraiser
BREA Appraiser No. AG002315

INTRODUCTION

IDENTIFICATION OF THE SUBJECT PARCEL

The subject is comprised of a 2.80 acre parcel of commercially zoned land utilized as a parking lot for an existing retail center known as La Habra Marketplace located on the north side of the 1600 block of West Imperial Highway, La Habra, California.

Legal Description

The subject property is legally described as *Lot 3 of Tract No. 13828, as shown by Map on file in Book 700, Pages 1 through 6, of Maps, Records of Orange County, California*. The legal description is also shown in a preliminary title report that is included in the addenda to this report. Additionally, the subject parcel can be identified by reference to Assessor Parcel Number 018-381-64.

Ownership

As of the date of value, legal title to the subject property is held as follows:
REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA.

PURPOSE OF THE ASSIGNMENT

The purpose of this appraisal is to provide an opinion of market value for the subject property. Market value is a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraisers as applicable in an appraisal. As used in this report, Market Value is defined as:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming the neither is under undue duress.¹

The appraised market value reflects a reasonable exposure time for the subject property estimated at six to 12 months. According to the Uniform Standards of Professional Appraisal Practice, Exposure Time reflects the appraisers' opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

EFFECTIVE DATE OF VALUE OPINION

The effective date of the value opinion expressed herein is February 6, 2023.

DATE OF REPORT

This date of the appraisal report is April 24, 2023.

¹ *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020), p. 48

INTENDED USE AND USERS

The intended use of this report is to provide a basis for the client, the City of La Habra, to determine the value of the subject for potential disposition purposes. Any other party who may receive this report other than the client and their legal representatives (Best Best & Krieger LLP) is not an intended user, and we are not responsible for unauthorized use of this report.

PROPERTY RIGHTS APPRAISED

We have estimated the market value of the fee interest in the herein described subject parcel, subject to any easements and encumbrances of record.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraisers' opinions or conclusions. As discussed in length in this appraisal, there is a restriction in place that restricts the subject parcel to a parking lot use in conjunction with an adjoining retail center. Our estimate of value is based on the extraordinary assumptions that 1) the parcel, in fact, is limited solely to a parking lot use for the benefit of the adjacent shopping center, 2) that it will continue to serve as a parking lot, at least over the foreseeable future, 3) the only allowed remaining uses to the underlying fee land owner are restricted to brief annual events lasting an accumulation of no more than one to three days similar to how the site has reportedly been used in the past, and 4) that the appraised site could not be sold to a third party for any use other than what is allowed by the parking use covenant. Should it later be determined that the allowed uses specifically available to the fee land owner vary from that which is described in this appraisal, we reserve the right to alter our analysis and final conclusion of value. No other extraordinary assumptions were considered in this analysis; nevertheless, this appraisal is subject to certain special and general assumptions as outlined on pages 2 through 4 of this report.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. No hypothetical conditions were considered in our analysis.

SCOPE OF WORK

Critical elements to this appraisal assignment are the identification of the client, intended use and user, type and definition of value, the effective date of the appraisal, and assignment conditions. These were addressed previously in this report. Another important element is to include relevant characteristics pertaining to the subject property, which are outlined in detail in a later section of the appraisal.

In preparing this appraisal, the following steps were taken.

- Legal aspects of the subject were investigated regarding potential uses of the property within the context of the surrounding area. As such, we reviewed portions of the City of La Habra land use summaries and requirements.
- We reviewed a preliminary title report and other documents provided by the client, including a deed that describes restrictions as to allowed uses of the land (see text).
- David C. Ottley, MAI of Anderson and Brabant, Inc. conducted an onsite inspection of the subject property on February 6, 2023.
- The three traditional approaches to value include the Cost, Sales Comparison, and Income Approaches. Of these three, only the Sales Comparison Approach was considered to have specific applicability in the valuation of the subject property. Upon determination of highest and best use, available and pertinent market data were analyzed on the basis of their overall degree of comparability to the appraised property.
- The final step entailed the organization and drafting of the Appraisal Report.

REPORT OPTION

This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). It presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value.

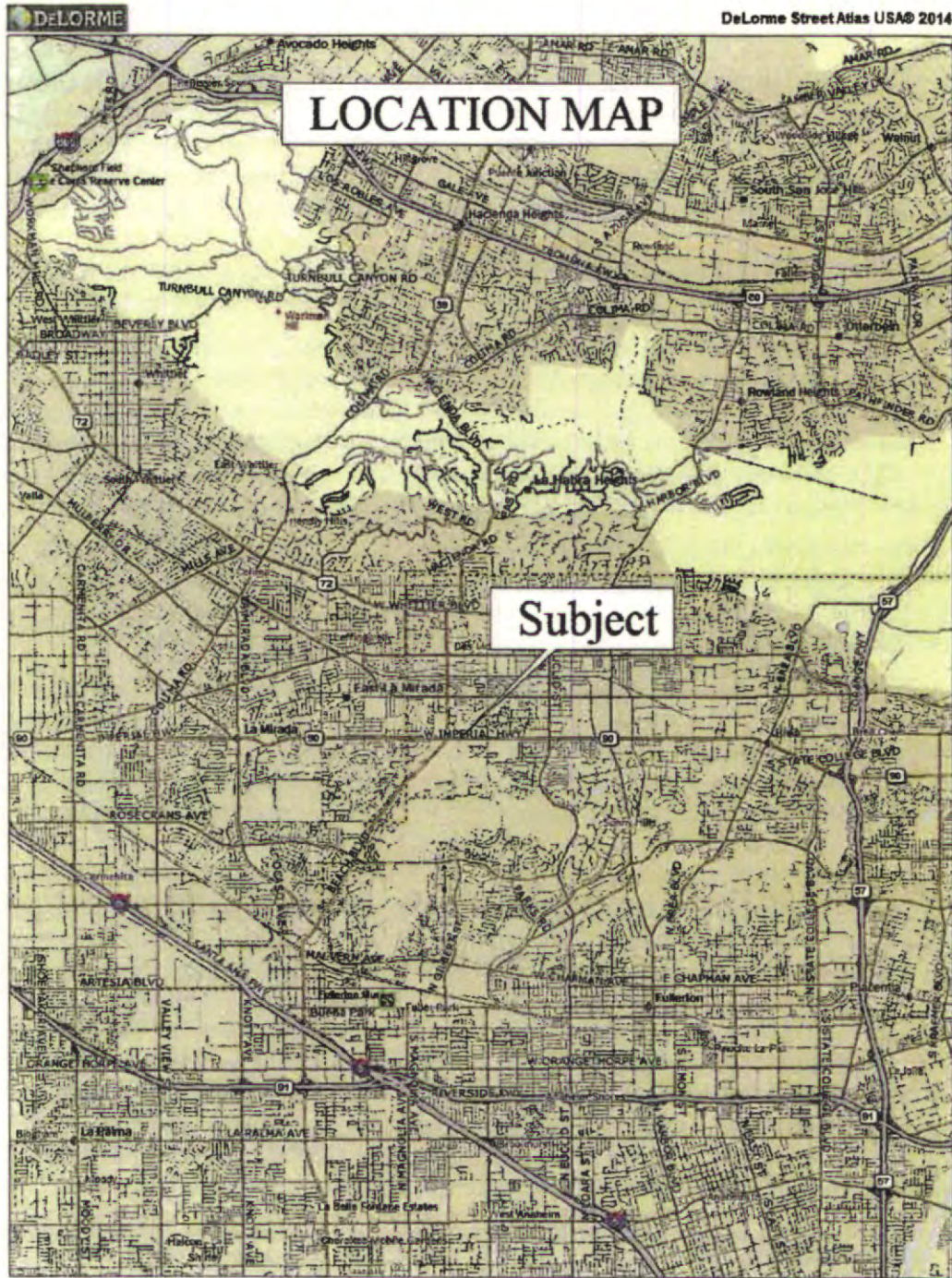
SALES HISTORY OF THE SUBJECT PROPERTY

According to public records, the subject property has been held in title by the current owner for more than 30 years. The site is not currently offered for sale.

PRIOR APPRAISAL SERVICES

We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three (3) year period immediately preceding the agreement to perform this assignment.

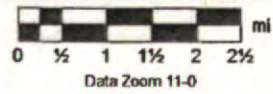
2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA



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www.delorme.com



LOCATION DESCRIPTION

Region

The subject property is located in the City of La Habra, toward the northwest corner of Orange County in Southern California. Orange County is located along the Pacific Ocean, south of Los Angeles County, southwest of San Bernardino County, west of Riverside County, and north of San Diego County. It consists of 798.3 square miles and has 34 incorporated cities. Major north-south traffic arteries include Interstates 405 and 5, and State Highways 55 and 73 (Toll Road), while east-west arteries include State Highways 22 and 91. However, traffic congestion continues to be a problem for the County, especially during commuting hours. Air transportation is available at John Wayne Airport near Interstate 405 and State Route 55.

Orange County was established in 1889. Since that time, the County was mostly seen as a collection of bedroom communities with people commuting northward to work in Los Angeles. However, that picture has changed dramatically, and the County is now a major national market with a diversified economy in its own right. Employment opportunities abound in Orange County, and approximately three-quarters of the residents are employed within the County which also attracts workers from Los Angeles, Riverside, and San Bernardino counties.

Orange County is the third most populous county in the State, behind Los Angeles and San Diego Counties. According to the California State Department of Finance, the population of Orange County, as of January 1, 2022, was estimated at 3,162,245. This is a slight decrease of approximately 0.2 percent below the January 2021 population estimate of 3,169,542.

An important factor needs to be addressed that has impacted national, state, and local economic conditions, at least over the short-term. The outbreak of the coronavirus in China in December 2019 and January 2020 spread as a worldwide pandemic and severely impacted the United States, including the State of California. The term "social distancing" became familiar to everyone, and the wearing of face covering masks became common. As a result of the pandemic, many industries were hit hard with some severely impacted including, among others, entertainment, travel, lodging, restaurants, and other types of retail businesses. Millions of employees in the country lost their jobs, much of which can be attributed to businesses being forced to close to comply with social distancing restrictions. The Federal Reserve stepped up in an attempt to offset the economic impact of the virus that began with an emergency half-percentage-point rate cut in early March 2020, and the government later approved stimulus bills into law aimed at relieving workers and businesses hurt by the pandemic. It is clear that the short-term impact of the virus on the economy has been very significant, yet there is little data on how it will be impacted over time. It should be noted that the unemployment rate appears to be steadily improving over the past 12+ month period. As for real estate, there is limited empirical evidence of an immediate impact on the local market for vacant parcels with the subject characteristics, and it remains to be seen what the long-term impacts might be for that market.

More recently, there have been several other factors that have come into play that, although they may not have had an immediate impact, could affect the market in the future. These include a volatile stock market, high inflation rates, supply chain shortages, and a reduction in the labor market. Although incomes, in general, have increased over the past year or so, the increase has not kept pace with rising prices of real estate, fuel, and general goods and

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

services. In an effort to curb inflation, which has been the highest in nearly 40 years, the Federal Reserve has raised interest rates multiple times since the beginning of 2022, with additional increases potentially anticipated. The readers of this appraisal are cautioned and reminded that the value conclusions presented herein apply only as of the effective valuation date. The appraisers make no representation as to any impacts on the subject property that could result due to any unforeseen events subsequent to the date of value.

City and Neighborhood

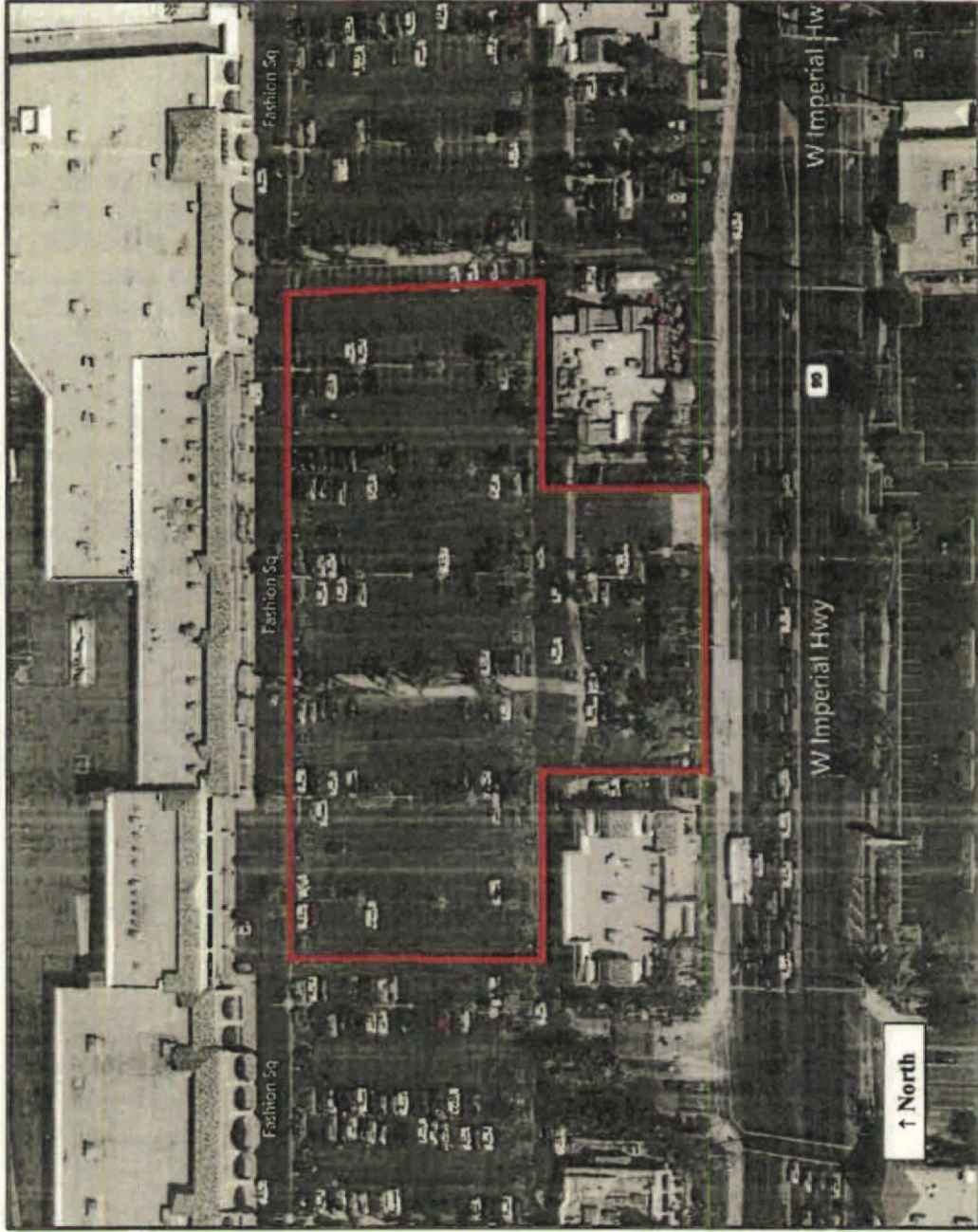
The City of La Habra is bordered by La Habra Heights on its north side, Brea on the east, Fullerton on the south and southeast, La Mirada on the west and southwest, East Whittier on the west, Whittier on the northwest, and a small section of unincorporated Los Angeles County on the northeast. There are no freeways within the La Habra corporate limits, but three California State Highways extend through the City. These include SR 39 (which covers Whittier and Beach Boulevards), SR 90 (Imperial Highway along which the subject is located), and SR 72 (Whittier Boulevard).

La Habra became incorporated in 1925, and it covers 7.4 square miles. According to the California State Department of Finance, the population of La Habra, as of January 1, 2022, was estimated at 61,792. This is a decrease of approximately 0.8 percent below the January 2021 population estimate of 62,317.

The subject is a parking lot within the existing La Habra Marketplace on the north side of the 1600 block of West Imperial Highway. The center has over 375,000 square feet of gross leasable area with 44 tenant spaces. The current tenants include Smart and Final, Ross Dress for Less, LA Fitness, Sprouts Farmers Market, Hobby Lobby, Petco, Red Robin, IHOP, Denny's, and Regal Cinemas. Just to the south, on the south side of West Imperial Highway, is found additional commercial development including a Walmart Supercenter, Target, Staples, T. J. Max, and Amazon Fresh. To the south of that commercially developed land is the Westridge Golf Club surrounded by residential housing. To the north and south of the subject are residential neighborhoods, and a middle school is a short distance to the east with frontage on West Imperial Highway.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

AERIAL PHOTOGRAPH OF THE SUBJECT PROPERTY



Anderson & Brabant, Inc.

SUBJECT PROPERTY PHOTOGRAPHS

(Taken By David C. Ottley, MAI on February 6, 2023)



View to the north toward the westernmost segment of the subject parcel.



Looking easterly across the approximate center of the subject parcel.

SUBJECT PROPERTY PHOTOGRAPHS

(Taken By David C. Ottley, MAI on February 6, 2023)



Viewing westerly over the southernmost portion of the subject site.



Looking northerly over the approximate center of the subject property.

Qualifications of the Appraiser

William B. Anderson, MAI

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Title Companies

Chicago Title Co.
First American Title Co.
Safeco Title Co.
St. Paul Title Co.
Title Insurance & Trust

Government Agencies and Municipalities

United States Justice Department
CA Department of Transportation -Caltrans
City of Encinitas
City of Chula Vista
City of National City
City of Escondido
City of Oceanside
City of San Diego
City of San Marcos
City of Vista
County of San Diego
Escondido Union School District
Encina Wastewater Authority
North County Transit District
San Diego Port District
Federal Deposit Insurance Corp.
Olivenhain Municipal Water District
Poway Municipal Water District
Ramona Unified School District
Small Business Administration
Vallecitos Water District
Valley Center Municipal Water District

Law Firms

Daley & Heft
Higgs Fletcher & Mack
Law Offices of Wesley W. Peltzer
Winet, Patrick & Weaver
Endeman, Lincoln, Turek & Heater
Best Best & Krieger
Gray, Cary, Ware & Freidenrich
Jones, Hatfield & Penfield
Nugent & Newnham
Skripek & Miller
Paul, Hastings, Janofsky & Walker
Post, Kirby, Noonan & Sweat
Rutan & Tucker
Jeffrey Scott
Sternberg, Eggers, Kidder & Fox
Sullivan, Delafield, McGrath & McDonald
Wingert, Grebing, Anello & Chapin

Laws Firms (Continued)

White & Bright
Detisch & Christensen

Others

County Counsel
Stone & Youngberg
Trust for Public Land
The Willett Company
Koll Real Estate
Hollandia Dairy
Pardee Construction
Sutro Mortgage Company
Wessell Construction Company
Palomar College
Granite Construction
Homer Heller Ford
The Kissell Company
Los Alamitos Race Course
MCI
Pacific Telephone
AT&T

Qualifications of the Appraiser

William B. Anderson, MAI

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Standards of Professional Appraisal Practice, 12/97
Damages, Diminution and Mitigation, 8/98
31st Annual Litigation Seminar, 11/98
Land Development, 3/99
Gramm-Leach Privacy Act, 10/01
34th Annual Litigation Seminar, 11/01
Real Estate Disclosure, 1/02
Applying Economic Forecast, 2/02
Partial Interest Valuation – Divided, 3/02
Price Indexing Real Estate Markets, 7/02
Statistical Analysis Using the Database, 7/02
Eminent Domain Case Study Update, 10/02
35th Annual Litigation Seminar, 11/02
Standards of Professional Practice, Part C, 12/02
National USPAP Update Course, 4/04
Applying Economic Forecast – SD Regional Analysis, 2/05
Uniform Appraisal Standards for Federal Land Acquisitions, 1/07
San Diego Economic Forecast, 2/07
Business Practices and Ethics, 6/07
IRWA’s Eminent Domain Case Update Seminar; 10/07
40th Annual Litigation Seminar; 9/08

VI. Types of Appraisals:

Residential Property:	Single-Family Residence, Condominiums, Apartments, Subdivisions, Mobile Home Parks, Existing and Proposed
Commercial Property:	Automobile Dealerships, Office Buildings, Shopping Centers, Office Condominiums, Etc., Existing and proposed
Industrial Property:	Single/Multi-Tenant, Business Parks, Etc., Existing and proposed
Vacant Land:	Industrial, Commercial, Residential, and Rural
Agricultural:	Ranches, Avocado and Citrus Groves, Nurseries, Etc.
Special Purpose Appraisals:	Partial Takings for Road Rights of Way, Easements, Leasehold Estates, Possessory Interest, Historical Appraisals, Etc.
Special Purpose Properties:	Hangers, Golf Courses, Churches, Yacht Club & Marina, Etc.
Special Projects:	Fire Damaged Property, Encinitas Ranch, Pomerado Business Park, Parkway Business Park, San Marcos County Landfill and Keller Canyon Landfill

VII. Partial List of Appraisal Clients:

Lenders

Fallbrook National Bank
Downey Savings
Bank of America
North County Bank
Grossmont Bank
Pomona First Federal
GE Capital

Great Western Bank
Imperial Bank
Pacific Coast Savings & Loan
Palomar Savings & Loan
Rancho Santa Fe National Bank
Union Bank
Wells Fargo Bank

QUALIFICATIONS OF THE APPRAISER

William B. Anderson, MAI, SRA

Anderson & Brabant, Inc.
420 S. Broadway, Suite 202
Escondido, CA 92025
(760) 705-1591 (Direct)
wbamai123@gmail.com

I. Resident of San Diego County since 1970

II. **Professional Affiliations:**

- A. Member, Appraisal Institute, MAI, RM (Not Active)
- B. Member, International Right of Way Association
- C. 1988 President, AIREA, San Diego Chapter No. 42
- D. Certified General Real Estate Appraiser (AG002315)
Office of Real Estate Appraisers, State of California

III. **Appraisal Experience:**

Co-owner — Anderson & Brabant, Inc., 1979 to present
Co-Owner — Robert M. Dodd & Associates, Inc., 1977 to 1979
Staff Appraiser, Vice President and Appraisal Manager — Financial Appraisals, Inc.,
1968 to 1977
Staff Appraiser — Financial Savings and Loan Association, Culver City, California,
1964 to 1966

IV. **Expert Witness:**

Superior Court, San Diego County
Municipal Court, San Diego County
Federal Bankruptcy Court, San Diego County, San Bernardino County
Assessment Appeals Board, San Diego County
Various Arbitration Hearings as Witness and Arbitrator

V. **Educational Background:**

- A. Graduated from El Segundo High School — 1963
- B. Attended El Camino Junior College, Palomar Junior College, and U.C.L.A.
- C. Professional Education Completed:
 - 1. Appraisal Institute
 - a. Real Estate Appraisal I — Principle Methods and Techniques
 - b. Real Estate Appraisal II — Urban Properties
 - c. Real Estate Appraisal VI — Investment Analysis
 - d. Real Estate Appraisal VIII
 - e. Standards of Professional Practice
 - f. Litigation Valuation
 - 2. Society of Real Estate Appraisers:
 - a. Course 101 — Real Property Valuation
 - b. Course 201 — Income Property Valuation
 - 3. Partial List of Seminars:
 - Condemnation Valuation, 11/94
 - Court Preparation in Litigation Cases, 11/95
 - California Laws & Regulations, 3/96
 - Litigation Valuation, 11/96

Partial List of Appraisal Clients

Government Agencies and Municipalities, and Environmental Groups

California Rangeland Trust	Otay Water District
CALTRANS	Palomar Community College
Center for Natural Lands Management	Pala Band of Mission Indians
City of Carlsbad	Poway Municipal Water District
City of Chula Vista	Poway Unified School District
City of Coronado	Ramona Municipal Water District
City of Del Mar	Rincon Del Diablo Municipal Water District
City of Escondido	San Diego Community College District
City of Menifee	San Diego County Water Authority
City of National City	San Diego Gas and Electric Company
City of Oceanside	Southwest Resource Management Association
City of Palm Springs	The Conservation Fund
City of Poway	The Escondido Creek Conservancy
City of San Diego	The Nature Conservancy
City of San Marcos	The Trust for Public Lands
City of Santee	Vallecitos Water District
City of Vista	Vista Fire Protection District
Civic San Diego	Vista Irrigation District
County of Riverside	Vista Unified School District
County of San Diego	U S Department of the Interior
Endangered Habitats Conservancy	U S Fish and Wildlife
Fallbrook Union Elementary School District	U S Postal Service
Grossmont-Cuyamaca College District	U S Marshal Service
Metropolitan Transit System	University of California
North County Transit District	Wildlife Conservation Board
Olivenhain Municipal Water District	

Financial Institutions

Bank of America	First Republic Bank
Bank of the West	Torrey Pines Bank
California Bank & Trust	Umpqua Bank
City National Bank	Union Bank
First Interstate Bank	Wells Fargo Bank

Attorneys

Ablon, Lewis, Bass & Gale, LLP	Galyean, Talley & Wood
Asaro Keagy Freeland & McKinley	Loeb & Loeb LLP
Best Best & Krieger	Kenneth H. Miller
Boss Law Firm	Parks and Oberhansley
Daley & Heft	Wes Peltzer
Deutsch & Associates	Steven C. Sayler
Duckor Spradling Metzger & Wynn	Jeffrey G. Scott
Feist, Vetter, Knauf & Loy	Samuels, Green & Steel, LLP
Foley & Lardner	White & Bright

Others

Bender Rosenthal, Inc.	Lennar
Clark Land Resources	Meritage Homes
Commonwealth Land Title	PSOMAS
Chicago Title	Stewart Title
Fidelity National Title	T-Mobile
First American Title	Wiggans Group, Inc.
Lavine, Lofgren, Morris & Engelberg, LLP	

QUALIFICATIONS OF THE APPRAISER

David C. Ottley, MAI

Anderson & Brabant, Inc.

420 South Broadway, Escondido, CA 92025

760.519.1400

Resident of San Diego County since 1954

Educational Background

Brigham Young University, Provo, Utah - School of Accountancy (1982-83)

Palomar College, San Marcos, CA - Real Estate emphasis (1976-77; 1980-81)

Professional Education Completed:

Appraisal Institute:

- Case Studies in Real Estate Valuation (1988)
- Valuation Analysis and Report Writing (1988)
- Real Estate Appraisal Principles; and Basic Valuation Procedures (1988)
- Capitalization Theory and Techniques, Parts A & B (1986)
- Real Property Valuation (1977)

Partial List of Recent Seminars and Webinars:

- Appraisal Review (2022)
- Eminent Domain and Condemnation (2005, 2011, 2021)
- Uniform Appraisal Standards for Federal Land Acquisitions (2015, 2017)
- San Diego Real Estate Market Symposium, Economic Forecast (1998-2002; 2004-2012; 2017; 2021, 2022)
- Business Practices and Ethics (2010, 2015, 2017, 2022)
- Federal and State Laws and Regulations (2014, 2016, 2018, 2022)
- Mold, Pollution, and the Appraiser (2014)
- Uniform Standards of Appraisal Practice Update (2004, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020, 2022)
- Loss Prevention Seminar (2011 and 2013)
- Liability Issues for Appraisers Performing Litigation Work (2013)
- Complex Litigation Appraisal Case Studies (2013)
- Appraising in a Post-HVCC World (2011)
- San Diego Housing and Apartment Seminar (2004, 2007, 2009)
- The Appraiser as an Expert Witness (2006)

Professional Affiliations

MAI Member, Appraisal Institute

Certified General Real Estate Appraiser (AG002149), Bureau of Real Estate Appraisers, State of California

Professional Real Estate Experience

Appraiser/Consultant, Anderson & Brabant, Inc., Escondido, CA - 01/85 to 03/98; 06/01 to 02/05; 02/06 on

V.P. of Acquisitions, Maisel Presley, Inc., San Diego, CA - 02/05 to 02/06

Director of Finance & Acquisitions, Pacifica Companies, San Diego, CA - 04/98 to 06/01

Appraiser/Analyst, Dodd-Graves & Associates, Escondido, CA - 06/76 to 04/77; & 11/79 to 12/84

Staff Appraiser, Financial Appraisals, Inc., Escondido, CA - 04/77 to 08/77

Expert Witness

Superior Court, Counties of San Diego, Riverside, and Los Angeles

U.S. Bankruptcy Court, San Diego County

Types of Appraisals

Vacant Land: Environmentally Sensitive Properties, Rural, Residential, Subdivision, Industrial, and Commercial

Agricultural: Avocado and Citrus Groves, Dairies, and Ranches

Commercial: Single- and Multi-Tenant Commercial and Office Properties, Medical Offices, Self-Storage Facilities (Existing and Proposed)

Industrial: Single- and Multi-Tenant Industrial Buildings and Parks, (Existing and Proposed)

Residential: Residential Subdivisions, Apartments, Single-family, Condominium and PUD Units, (Existing and Proposed)

Other: Mixed-Use Properties, Leasehold and Leased Fee Interests, Partial Acquisitions, and Easements

LEGAL DESCRIPTION

Real property in the City of La Habra, County of Orange, State of California, described as follows:

LOT 3 OF TRACT NO. 13828, AS SHOWN BY MAP ON FILE IN BOOK 700, PAGES 1 THRU 6, OF MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL OIL, GAS, ASPHALTUM, AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR THAT MAY BE PRODUCED FROM SAID PROPERTY, AND THE SOLE AND EXCLUSIVE RIGHT TO DRILL SLANTED WELLS FROM ADJACENT LANDS INTO AND THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS IN AND THROUGH THE SUBSURFACE OF SAID PROPERTY FOR THE PURPOSE OF RECOVERING SAID MINERALS, OR ANY OF THEM FROM SAID PROPERTY OR OTHER PROPERTY, OR BOTH, AND THE RIGHT TO USE THAT PORTION OF THE SUBSURFACE OF SAID PROPERTY LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID PROPERTY FOR ALL PURPOSES PERTAINING TO OR INCIDENT TO THE PRODUCTION OF, THE STORAGE OF, CONSERVATION OF, OR EXPLORING FOR OIL, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE SPECIFIED OR NOT, OR ANY OF SAID SUBSTANCES, BY MEANS OF ANY METHOD NOW KNOWN OR UNKNOWN, BUT NOT INCLUDING WITHIN THIS EXCEPTION ANY RIGHT TO USE THE SURFACE ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE FOR THE AFORESAID PURPOSES, AS RESERVED IN THE DEEDS FROM HAROLD M. STERN AND OTHERS, RECORDED SEPTEMBER 14, 1961 IN BOOK 5846, PAGES 813 AND 816 OF OFFICIAL RECORDS.

APN: 018-381-64

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. The property covered by this report is vacant land.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
4. Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABx1 26 by the State of California.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

7. An easement for underground lines and incidental purposes in the document recorded August 9, 1967 as Book 8336, Page 484 of Official Records.
8. An easement for underground lines and incidental purposes in the document recorded as Book 8565, Page 838 of Official Records.
9. An easement for water line and incidental purposes in the document recorded May 9, 1968 as Book 8597, Page 250 of Official Records.
10. The fact that the land lies within the boundaries of the Delta One Redevelopment Project Area, as disclosed by the document recorded July 11, 1988 as Instrument No. 88-330813 of Official Records.
11. The terms and provisions contained in the document entitled "Development Agreement" recorded February 7, 1990 as Instrument No. 90-070091 of Official Records.
12. The terms and provisions contained in the document entitled "Restatement of Easement, Restriction and Operating Agreement" recorded April 27, 1990 as Instrument No. 90-224781 of Official Records.
13. Covenants, conditions, restrictions and easements in the document recorded June 27, 1990 as Instrument No. 90-340988 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
14. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.
15. Rights of parties in possession.

Prior to the issuance of any policy of title insurance, the Company will require:

16. Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABx1 26 by the State of California.

Dated as of January 12, 2023 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Standard Owner's Policy with Western Regional Exceptions and ALTA Loan Policy

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Redevelopment Agency of the City of La Habra, a public body, corporate and politic

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2023-2024, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2022-2023 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 018-381-64.
3. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 1990-1, as disclosed by Notice of Special Tax Lien recorded December 27, 1989 as Instrument No. 89-698572 of Official Records.
4. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 1990-1, as disclosed by Notice of Special Tax Lien recorded February 13, 1990 as Instrument No. 90-77779 of Official Records.
5. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
6. The use and control of cienegas and natural streams of water, if any, naturally open, flowing across, into or by said described tract, and the right of way for and to construct irrigation or drainage ditches through said tract to irrigate or drain the adjacent land, as reserved in the deed recorded February 13, 1895 in Book 87, Page 199 of Deeds.



First American Title Insurance Company

California Department of Insurance License No. 151

Title Officer: Diane Nesbit
Phone: (909)510-6230
Fax No.:
E-Mail: dnesbit@firstam.com

E-Mail Loan Documents to: Lenders please contact the Escrow Officer for email address for sending loan documents.

Owner: City of La Habra
Property: Vacant Land/APN 018-381-64
La Habra, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

Please be advised that any provision contained in this document, or in a document that is attached, linked or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 5

4404 West 1st Street, Santa Ana

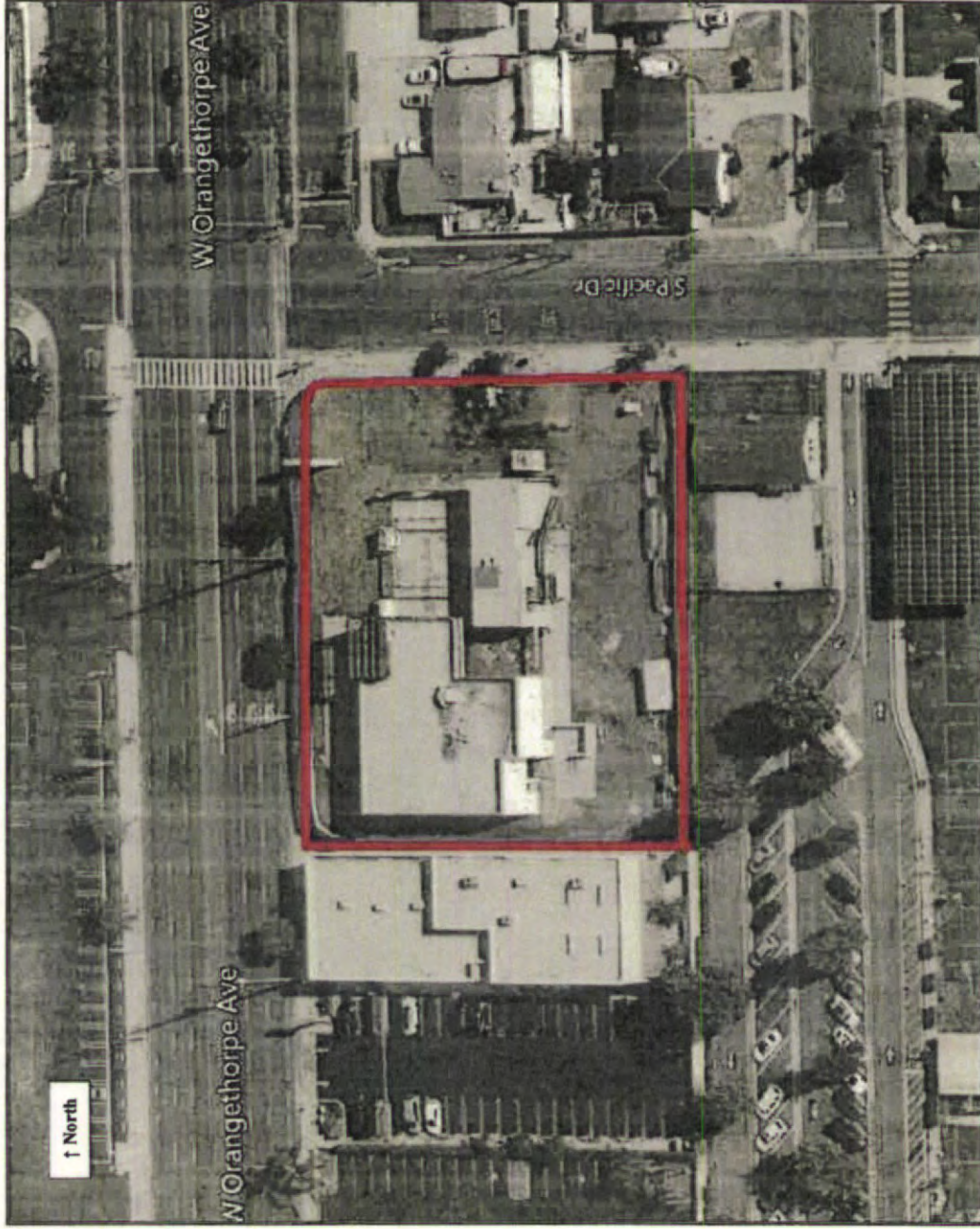


Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 4

1700 West Orangethorpe Avenue, Fullerton



Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 3

11701 South Street, Artesia



Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 2

18809 to 18811 Colima Road, Rowland Heights

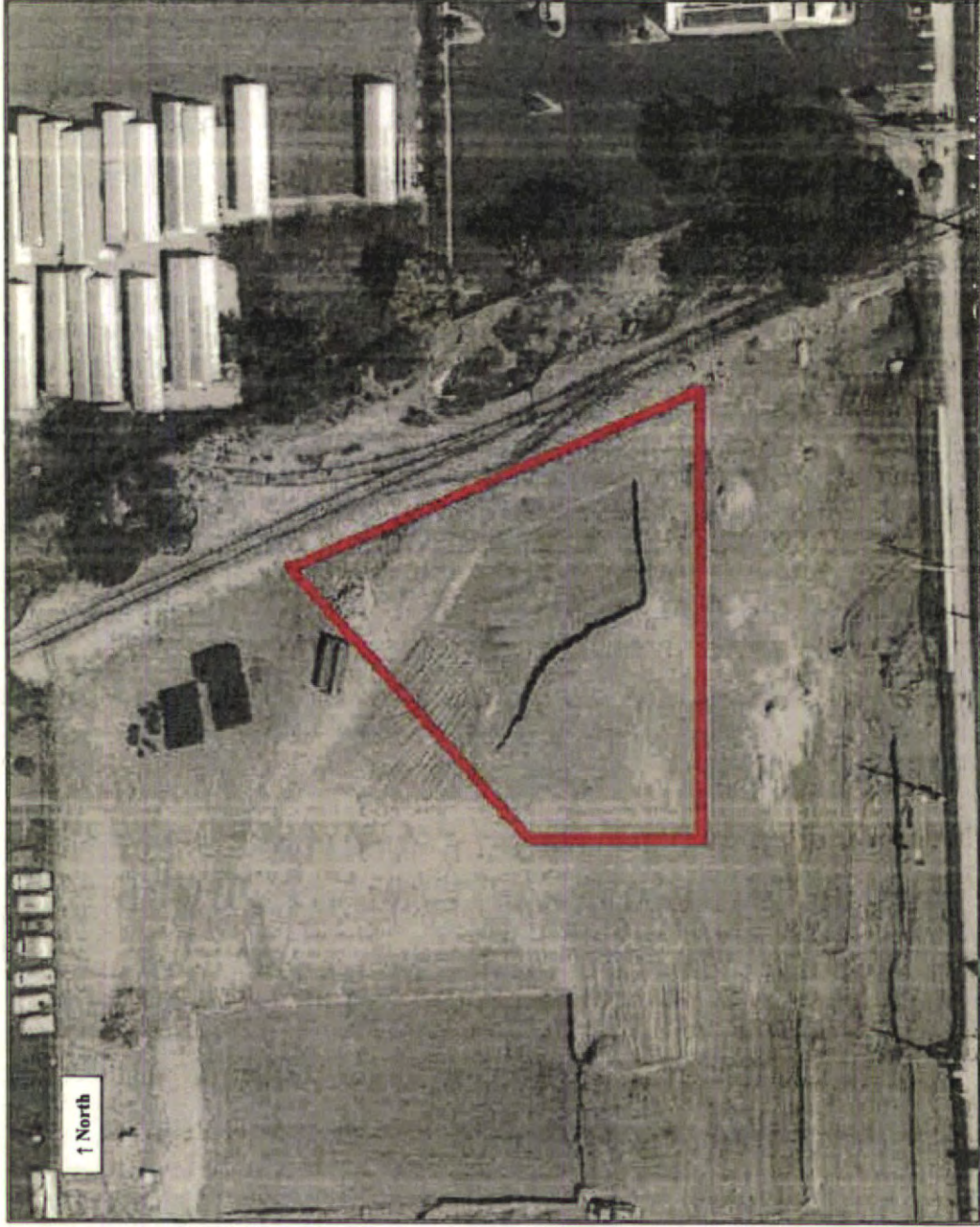


Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 1

751 East Imperial Highway, La Habra



Anderson & Brabant, Inc.

Addenda

Aerial Photographs – Market Data
Preliminary Title Report
Qualifications of the Appraisers

value range is applied to the total site area, the result is a total market value for the site, without considering the described deed restriction, of **\$11,300,000** (121,968 square feet x \$92.00 to \$93.00 per square foot = \$11,221,056 to \$11,343,024, correlated at \$11,300,000).

DEED RESTRICTED LAND VALUE

As discussed in this appraisal, within the 1990 grant deed of the subject 2.80 acre parcel by the owner of the adjoining retail complex to the current titleholder (City of La Habra) is a restriction stated as a covenant that limits the use of the property "solely for a surface level public parking lot and no other use shall be allowed thereon." It then states that the area cannot be used as a "Park and Ride" location or for long term parking or vehicle storage and that the "covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor" (which consists of the balance of an adjoining retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex.

We discussed the preceding with a representative of the City of La Habra to ascertain the effective implications of the deed restriction, specifically with regard to the City's allowed uses of the parcel. According to the City representative, the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as a one day, annual 5K race staging area) and that the complex ownership is in favor of such events as they tend to draw patrons to its retail businesses. Based on the preceding, and as best as we can determine, the actual legal use of the land by the City is extremely limited to what would be considered as no greater than a use shared with the retail complex for approximately one to three days annually. With this in mind, we have estimated the market value of the land owner's fee interest in the subject property to be equal to about 50 percent of the full fee interest in the property for one to days per year. This is computed as follows: (Full fee value of \$11,300,000 ÷ 365 days) x (1 to 3 days x 50%) = \$15,479 to \$46,438, correlated at **\$30,000**. The final opinion of value is subject to certain assumptions and limiting conditions as set forth in this appraisal (please refer to comments on pages 2 through 4 of this report).

THIRTY THOUSAND DOLLARS
(\$30,000)

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

Land Data Comparison Grid	Comp No	1	2	3	4	5
	Sale Price/Square Foot	\$72.29	\$104.73	\$111.27	\$72.91	\$80.89
	Property Rights	0.0%	0.0%	0.0%	0.0%	0.0%
	Financing	0.0%	0.0%	0.0%	0.0%	0.0%
	Conditions of Sale	0.0%	0.0%	0.0%	0.0%	0.0%
	Market Conditions	0.0%	0.0%	0.0%	0.0%	0.0%
	Net Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
	Adjusted Price/Square Foot	\$72.29	\$104.73	\$111.27	\$72.91	\$80.89
	Location/Exp/Access	Inferior	Similar	Superior	Inferior	Inferior
	Config/Topo/Cond	Similar	Similar	Similar	Inferior	Similar
Land Use	Similar	Similar	Similar	Similar	Similar	
Parcel Size	Superior	Superior	Superior	Superior	Similar	
Utilities	Similar	Similar	Similar	Similar	Similar	
Overall Comparison	Inferior	Superior	Superior	Inferior	Inferior	
Indicated Value Per Square Foot	Above \$72.29	Below \$104.73	Below \$111.27	Above \$72.91	Above \$80.89	

No adjustments were necessary for property rights conveyed or conditions of sale. Acquisition financing was not a factor for any of the sales considered in this analysis as the sellers were cashed out in all transactions. We found insufficient data to suggest any movement in price over the approximate eight month period preceding the date of value, during which time all of the comparable sales occurred. Accordingly, no adjustments were applied to the data for changes in market conditions.

Regarding parcel size, smaller sites tend to attract a greater per square foot price than larger parcels that are otherwise similar. This is due, in part, to the greater number of potential buyers of those properties that have a lower overall cost. This factor was noted in the analysis of each of Sales 1 through 4 that are smaller than the subject, and the size differences between the subject as a 2.80 acre site and Comparable No. 5 that is 2.49 acres in size is insufficient to warrant a rating difference.

The market data reflected sold prices ranging from \$72.91 to \$111.27 per square foot. As can be seen, Comparable Nos. 1, 4, and 5 are judged to be inferior to the appraised property on an overall basis and suggest a value for the subject above \$80.89 per square foot. Sales 2 and 3 are deemed to be superior to the appraised site and support a value below \$104.73 per square foot.

Based on our analysis of the data and considering the overall legal and physical attributes of the appraised property, it is our opinion that the market value of the 2.80 acre (121,968 square foot) subject parcel, as of February 6, 2023, is equal to \$92.00 and \$93.00 per square foot of land area. This range is at the approximate midpoint between the price of \$104.73 per square foot paid for Sale 2, which is considered to be superior to the subject, and the price paid of \$80.89 per square foot for Comparable No. 5, a site judged to be inferior to the appraised parcel. When the stated

Discussion of the Data

Comparable No. 1 relates to the purchase of a level, irregularly shaped parcel of vacant, commercially zoned land situated within one and one-half miles to the east of the subject in La Habra at 751 East Imperial Highway. The site is situated off the north side of the roadway and is 20,749 square feet (0.48 acre) in size. The property sold in June 2022 for \$1,500,000 or \$72.29 per square foot, all cash to the seller. By comparison with the appraised property, Sale No. 1 is a smaller parcel that is considered to be inferior for location and commercial exposure.

Comparable No. 2 is the November 2022 sale of a level, formerly developed commercially zoned site located a little over six miles to the northeast of the appraised property in the Rowland Heights community at 18809 to 18811 Colima Road. This is a corner parcel at a signalized intersection and it is 46,786 square feet (1.07 acres) in size. The property sold for \$4,900,000 all cash to the seller, which equates to \$104.73 per square foot. Sale 2 is a smaller site when compared with the subject, and it offers similarities as to location quality.

Comparable No. 3 is located about eight miles to the southwest of the subject in the City of Artesia at the northeast corner of the signalized intersection of South Street and Albutis Avenue. The parcel address is 11701 South Street. This is a level, commercially zoned, rectangular shaped, formerly developed site near major commercial development. This property is 44,038 (1.01 acres) in size. The site conveyed in June 2022 for \$4,900,000 or \$111.27 per square foot, all cash to the seller. When compared with the subject, Comparable No. 3 is a smaller property that is considered to be superior for access and commercial exposure.

Comparable No. 4 involves a level, rectangular shaped, commercially zoned corner parcel located just over four miles to the south of the subject in the City of Fullerton at 1700 West Orangethorpe Avenue. There are remnants of an old building on the site that are to be removed prior to new site development. The parcel is 37,719 square feet (0.87 acre) in size, and it was purchased in December 2022 for \$2,750,000 or \$72.91 per square foot of land area, all cash to the seller. By comparison with the subject, Sale 4 is a smaller parcel that is considered to be inferior for location and projected demolition costs to remove the existing improvements.

Comparable No. 5 relates to the purchase of a long and narrow, rectangular shaped, level, commercially zoned parcel situated approximately 14 miles to the south of the subject in the City of Santa Ana, at the southwest corner of West 1st Street and South Mountain View Street. The site address is 4404 West 1st Street, and the parcel is 108,300 square feet (2.19 acres) in size. The property sold in January 2023 for \$8,760,000 or \$80.89 per square foot, all cash to the seller. By comparison with the appraised property, Sale No. 5 is considered to be inferior for general location.

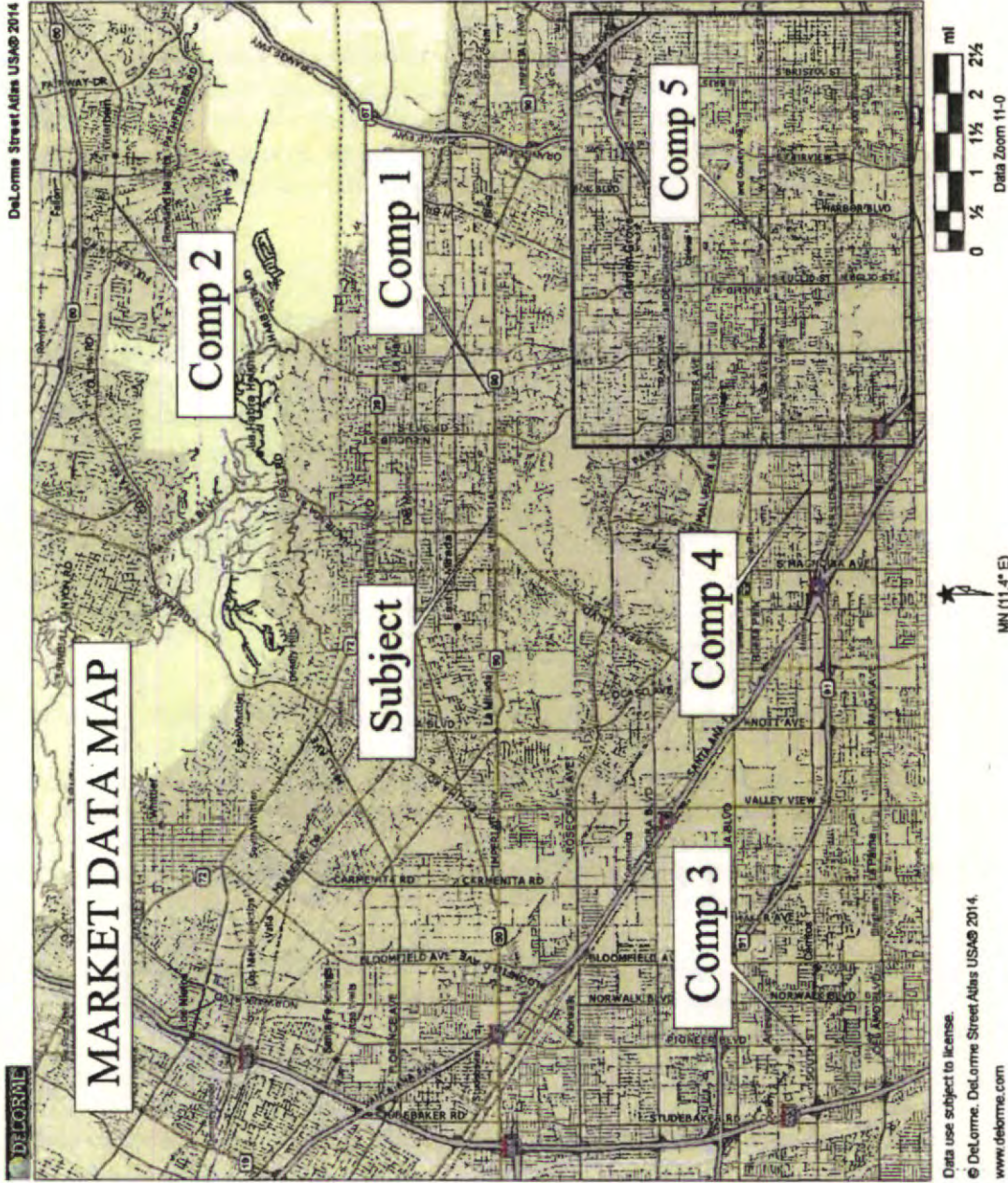
Analysis of the Data and Conclusion of Value

The discussed market data have been analyzed based on our conclusion of highest and best use for the subject land. The elements of comparison that were considered in the Sales Comparison Analysis include property rights conveyed, financing terms, conditions of sale, market conditions, location, commercial exposure, access, site configuration and condition, permitted land uses, parcel size, and availability of public utilities. At the top of the following page is a grid that summarizes observed differences between the subject and the market data based on qualitative ratings.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

SUMMARY OF MARKET DATA											
Comp No	Location/APN	Sale Date	Doc No	Sale Price	Zoning/ General Plan	Buyer		Land Area (SF)	Price/SF	Site Cond	Comments
						Buyer	Seller				
1	751 E Imperial Hwy La Habra 019-111-90	Jun-22	227777	\$1,500,000	PUD/ Commercial Industrial City of La Habra	Ares Development LLC / Jones Trust		20,749	\$72.29	Level	Set back from street by other pads in same project.
2	18809-11 Colima Rd Rowland Heights 8761-012-015	Nov-22	1075890	\$4,900,000	C-2-BE/ Commercial County of Los Angeles	Baronian / Cordova		46,786	\$104.73	Level	At signalized intersection.
3	11701 South St Artesia 7039-014-011 & 018	Jun-22	599023	\$4,900,000	Commercial General/ General Commercial City of Artesia	Dong AH Dev USA Inc / Val Alburts Properties LLC		44,038	\$111.27	Level	At signalized intersection. Near major commercial development.
4	1700 W Orangethorpe Ave Fullerton 072-271-29	Dec-22	420530	\$2,750,000	G-C/ Commercial City of Fullerton	Gospel First Korean Baptist Church / Islamic Center of Fullerton		37,719	\$72.91	Level	At signalized intersection. Remnants of old building on site of no value. Adjacent to residential and commercial neighborhoods.
5	4404 W 1st St Santa Ana 188-021-08	Jan-23	2700	\$8,760,000	C2 & M1/ GC City of Santa Ana	City of Santa Ana / RIF40 LLC		108,300	\$80.89	Level	Long and narrow corner parcel.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA



development. In general, any proposed use that supports a positive land value is considered financially feasible. We have observed good and reasonably consistent demand for parcels that can accommodate commercial use in the general region over the past three to five+ year period.

Conclusion: In accordance with the observed characteristics of the subject, it is our opinion that the highest and best use of the land is its continued use as a parking lot for the existing retail center. It should be noted that the parking lot use is imposed by the mentioned deed restriction and is not impacted by the property ownership. Thus, the current owner does not have the right to alter the stated deed restricted use. In essence, the only party that can benefit economically from the acquisition of the subject is the owner of the adjacent shopping center property. However, that owner, by virtue of the covenant, already has the right to use the subject site for the shopping center parking.

VALUATION METHODOLOGY

Since we are tasked with determining the value of the subject parcel to the underlying fee owner with the herein described deed restriction in place, we first sought a value for the fee interest in the site, assuming there is no such restriction. The results was then used as the basis for deriving a value for the land giving consideration to the deed restriction. Of the three common valuation techniques, only the Sales Comparison Approach was considered to be pertinent in the analysis of the defined subject parcel. Neither the Cost Approach nor Income Approach was considered applicable or useful in the valuation process. The Sales Comparison Approach relies on the concept that a prudent purchaser would pay no more to buy a property than it would cost to acquire a comparable substitute. Sales of similar properties are analyzed based on direct comparison with the subject to arrive at an indication of market value.

SALES COMPARISON APPROACH – FEE LAND VALUE

We conducted an investigation of the marketplace for sales of parcels designated for commercial development that are limited to parking lot use similar to the subject. We discovered that buyers of commercial land commonly consider onsite space for parking as critical in the overall development plans and do not allocate separate values to those areas of the property to be structurally improved versus the segments to be used for parking. In the case of the subject, the parcel is on the street side of the retail complex adjacent to existing occupied buildings within the center and, thus, is considered to be a vital component to the ongoing commercial operations of the project. With the preceding in mind, the limitations on the use of the subject for parking only does not appear to have an impact on the value of the site to any quantifiable degree. Accordingly, our search for market data was expanded to include sales of parcels in the market area that can support similar commercial development.

After carefully investigating the marketplace, we selected five items of market data for purposes of analysis. The sales occurred between June 2022 and January 2023, and these are considered to be the best available data to properly analyze the value of the subject property by the Sales Comparison Approach. The sales are summarized in a grid on page 24, and a data location map is on page 23. The summary of market data is followed by a discussion of the comparables and a grid that illustrates observed differences between those properties and the subject. The unit of comparison is the price per square foot of land area. Aerial photographs of the comparables are included in the addenda to this report.

VALUATION

HIGHEST AND BEST USE

Highest and Best Use is an important concept in real estate valuation as it represents the premise upon which value is based. Highest and Best Use is defined in 15th edition of *The Appraisal of Real Estate* as:

“The reasonably probable use of property that results in the highest value.”²

The concept of highest and best use addresses the question of legally permissible, physically possible, and financially feasible uses that reflect the degree of profitability. Uses that meet the three criteria of reasonably probable uses are tested for economic productivity, and the reasonably probable use with the highest value is the highest and best use.

Legally Permissible: The subject is comprised of a 2.80 acre parcel that is utilized as part of an asphalt paved parking lot within an existing retail center known as La Habra Marketplace. The property is zoned and designated for shopping center use by the City of La Habra. As mentioned under ‘Easements and Deed Restriction’ on page 19 of this appraisal, the subject site is used as a parking lot within a greater retail center property that was initially developed in 1990. We were informed that the parcel was sold by the developer to the City of La Habra in June 1990 to provide public assistance to said developer in generating sufficient revenues to fund required infrastructure to aid in the success of the proposed project. Within the grant deed is a restriction (stated as a covenant) that limits the use of the subject property “solely for a surface level public parking lot and no other use shall be allowed thereon.” The restriction further states that the area cannot be used as a “Park and Ride” location or for long term parking or vehicle storage and that the “covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor” (which consists of the balance of the greater retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex.

According to a representative of the property ownership (City of La Habra), the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as an annual 5K race staging area) and that the complex ownership is in favor as it draws in patrons of its retail businesses. To summarize, with the preceding in mind, the subject is limited to a parking lot use for the benefit of the greater retail center of which it is effectively a part.

Physically Possible: The subject parcel is comprised of a level parcel that is slightly irregular in configuration. All public utilities are immediately available, and it has frontage on an improved, well-travelled public roadway. The continued use of the site as a parking lot is not limited by its physical features.

Financially Feasible: The issue of economic viability primarily focuses on supply and demand characteristics of the local marketplace as it relates to land suitable for commercial

² *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020), p. 305

Earthquake Zone

The subject property is not within an Earthquake Fault Zone as designated by the California State Division of Mines and Geology. However, the property is located in an area that is prone to seismic events, a condition that it shares with other properties located in the general Southern California area.

Easements and Deed Restriction

We were provided with a preliminary title report relating to the subject property that was prepared by First American Title Insurance Company. The report is dated January 12, 2023, and it can be identified by reference to Order No. NCS-1162921-ONT1. Three encumbrances for utility easements were noted, but no plat was provided that clearly illustrates the locations of the encumbrances. For purposes of this appraisal, the assumption is made that these easements are typical of a property such as the subject and do not negatively impact its use or value in accordance with the estimated highest and best land use.

The subject site is used as a parking lot within a greater retail center property that was initially developed in 1990. We were informed that the parcel was sold by the developer to the City of La Habra in June, 1990 to provide public assistance to said developer in generating sufficient revenues to fund required infrastructure to aid in the success of the proposed project. Within the grant deed is a restriction (stated as a covenant) that limits the use of the subject property "solely for a surface level public parking lot and no other use shall be allowed thereon." The restriction further states that the area cannot be used as a "Park and Ride" location or for long term parking or vehicle storage and that the "covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor" (which consists of the balance of the greater retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex.

The preceding was discussed with a representative of the City of La Habra to ascertain what uses the City retains per the deed restriction. According to the City representative, the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as an annual 5K race staging area) and that the complex ownership is in favor as it draws in patrons to its retail businesses.

DESCRIPTION OF THE IMPROVEMENTS

The subject is a segment of an asphalt paved parking lot that serves an existing retail shopping center known as La Habra Marketplace. There are no structural improvements on the parcel.

ASSESSMENT DATA

The subject property is identified by reference to Assessor Parcel Number 018-381-64. It is owned by a public agency at this time and is tax exempt. The site is within Tax Rate Area 06068 that is subject to a base tax rate of 1.08123 percent plus some bonded indebtedness for the year 2022/2023.

DESCRIPTION OF THE SUBJECT PROPERTY

LAND DESCRIPTION

Land Area/Shape

The subject parcel is 2.80 acres (121,968 square feet) in size, according to County of Orange Assessor records. As can be seen on the plat on page 18, the site is slightly irregular in configuration.

Topography/Drainage

The subject parcel is a level, finish graded site. We did not detect any evidence of site drainage concerns.

Soils/Environmental Conditions

We were not furnished with any recently prepared studies relating to subsurface soil conditions associated with the subject property. As part of this appraisal analysis, we have assumed that soil conditions are adequate to allow legally permitted uses of the property in accordance with its estimated highest and best use.

Utilities

All public utilities are available to the subject parcel. These include water, sewer, electrical power, natural gas, and cable.

Frontage and Access

The subject is situated on the north side of West Imperial Highway, a fully improved public street with three traffic lanes in each direction and a center median. There is an engineered curb cut at this location.

Land Use

The subject property is zoned C-2sH, Planned Unified Shopping Center, by the City of La Habra. The zoning conforms with the General Plan designation of Community Shopping Center 2. Per the City Municipal Code, the C-2sH zone is "intended to serve as a planned unified shopping center".

As mentioned under 'Easements and Deed Restriction' on page 19 of this appraisal, a provided title report indicates that there is a deed restriction in place that limits the use of the subject property "solely for a surface level public parking lot and no other use shall be allowed thereon." The restriction further states that the subject cannot be utilized as a "Park and Ride" location or for long term parking or vehicle storage. Please refer to the 'Easements and Deed Restriction' discussion to best visualize the implications of the deed restriction.

Flood Zone

According to FEMA Flood Insurance Rate Map (FIRM) No. 06059C0037J, dated December 3, 2009, the subject is within Zone X, a 500-year floodplain.

SUBJECT PROPERTY PHOTOGRAPHS

(Taken By David C. Ottley, MAI on February 6, 2023)



This photo was taken from near the northwest corner of the subject property, looking southerly over the westernmost portion of the parcel.



Looking easterly along West Imperial Highway from the location of the subject property, which is visible at the left.

SUBJECT PROPERTY PHOTOGRAPHS

(Taken By David C. Ottley, MAI on February 6, 2023)



View to the north over easterly and central portions of the subject site.

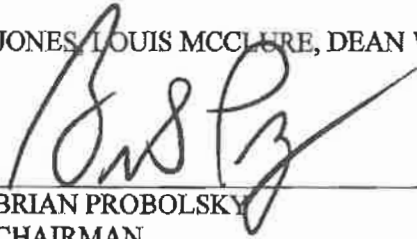


Looking westerly over the greater portion of the subject property.

Attachment 5

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JULY 25, 2023

YES: CHARLES BARFIELD, STEVE FRANKS, BRIAN
PROBOLSKY, PHILLIP E. YARBROUGH
NOES:
EXCUSED: STEVE JONES, LOUIS MCCLURE, DEAN WEST
ABSTAINED:




BRIAN PROBOLSKY
CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, KATHY TAVOULARIS, Clerk of the Orange Countywide Oversight Board, Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange Countywide Oversight Board.

IN WITNESS WHEREOF, I have hereto set my hand.



KATHY TAVOULARIS
Clerk
Orange Countywide Oversight Board

Resolution No: 23-021
Agenda Date: Tuesday, July 25, 2023
Item No: 4

RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

RESOLUTION NO. 23-021

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD TO AMEND AND SUPPLEMENT RESOLUTION NO. 22-026, PERTAINING TO THE SALE OF THE LA HABRA MARKETPLACE PARKING PROPERTY PURSUANT TO THE LONG-RANGE PROPERTY MANAGEMENT PLAN OF THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY AND TAKING RELATED ACTIONS

WHEREAS, by the laws of the State of California (“**State**”), the La Habra Redevelopment Agency (“**Former Agency**”) and all other redevelopment agencies within the State were dissolved as of February 1, 2012, and successor agencies were established as successor entities to wind down the former redevelopment agencies’ affairs; and

WHEREAS, pursuant to Health and Safety Code (“**HSC**”) Section 34173(d), the City Council of the City of La Habra (the “**City**”) adopted Resolution No. 5508 on January 12, 2012, and elected for the City to become the Successor Agency to the La Habra Redevelopment Agency (“**Successor Agency**”); and

WHEREAS, the Successor Agency is the successor entity to the Former Agency; and

WHEREAS, pursuant to HSC Section 34179, each successor agency is under the jurisdiction of an oversight board; and

WHEREAS, pursuant to HSC Section 34179(p), on matters within the purview of an oversight board, decisions made by the oversight board supersede those made by the successor agency or the staff of the successor agency; and

WHEREAS, pursuant to HSC Section 34179(j), beginning July 1, 2018, the Orange Countywide Oversight Board (“**Oversight Board**”) is the oversight board of, and has assumed jurisdiction over, the Successor Agency; and

WHEREAS, the Oversight Board adopted Resolution No. 22-026 on June 2, 2022 (“**OB Resolution No. 22-026**”) (and capitalized terms used but not defined herein have the meanings ascribed to them in OB Resolution No. 22-026); and

WHEREAS, the Successor Agency owns a parcel (APN 018-381-64) (the “**Property**”), which is a portion of the parking lot for the La Habra Marketplace, a shopping center; and

WHEREAS, pursuant to the Successor Agency’s LRPMP, the Successor Agency should proceed with the sale of the Property, but more than seven years have elapsed since the DOF’s June 2015 approval of the LRPMP without any such disposition; and

WHEREAS, the Oversight Board adopted OB Resolution No. 22-026 and directed the Successor Agency to take actions to implement the LRPMP with respect to the sale of the Property; and

WHEREAS, pursuant to amendments adopted in 2019 to the Surplus Land Act ("SLA"), a property listed for sale on a successor agency's long-range property management plan (e.g., the Property) is "surplus land" for the purpose of the SLA and the sale of it must comply with certain SLA requirements, unless the property falls within the definition of "exempt surplus land" and a declaration is made to such effect; and

WHEREAS, per OB Resolution No. 22-026, the Successor Agency should make a determination regarding the declaration of the Property pursuant to the SLA and if the Successor Agency determined to not declare the Property "exempt surplus land," then by no later than October 18, 2022, the Successor Agency should have commenced the process required by the SLA for the sale of the Property in accordance with the procedures set forth in the SLA and the HCD's Surplus Land Act Guidelines ("**HCD Guidelines**"); and

WHEREAS, on or about October 11, 2022, Successor Agency staff, by email, requested guidance from the HCD on whether, because of the Parking Restrictive Covenant, the Property might qualify as "exempt surplus land" under Government Code Section 54221(f)(1)(G) ("**Legal Restrictions Exemption**") (which provides that "exempt surplus land" includes land subject to valid legal restrictions that are not imposed by the local agency and that would make housing prohibited, unless there is a feasible method to satisfactorily mitigate or avoid the prohibition on the site); and

WHEREAS, at the Oversight Board's October 19, 2022 meeting, Successor Agency staff reported that the Successor Agency had not made a determination regarding the declaration of the Property as exempt surplus land, because the Successor Agency was awaiting the HCD's response, and the Successor Agency was planning to proceed based on HCD's guidance; and

WHEREAS, on November 8, 2022, the HCD informed the Successor Agency that, in HCD's view, the Property did not qualify for SLA's Legal Restrictions Exemption; and

WHEREAS, on or about January 9, 2023, the Successor Agency informed Oversight Board staff that it had made a request to the HCD for reconsideration; and

WHEREAS, in a letter dated April 6, 2023, HCD reversed its earlier finding and determined that the Property qualifies as "exempt surplus land" under the Legal Restrictions Exemption; and

WHEREAS, the Oversight Board expresses no view regarding HCD's finding; and

WHEREAS, the Oversight Board fulfills its duty by directing the Successor Agency to proceed with the implementation of the LRPMP with respect to the disposition of the Property as expeditiously as possible; and

WHEREAS, on June 5, 2023, the City Council of the City, acting as the Successor Agency, adopted its Resolution No. 2023-02, declaring the Property “exempt surplus land” for the purposes of SLA (“**Resolution of Declaration**”); and

WHEREAS, under Section 400(e) of the HCD Guidelines, a copy of the Resolution of Declaration must be provided to the HCD at least 30 days before disposition and Successor Agency staff has represented to the Oversight Board that a copy of the Resolution of Declaration was sent to the HCD on June 20, 2023; and

WHEREAS, embodied in Section 2 of OB Resolution No. 22-026 are certain deadlines, which are now outdated; and

WHEREAS, the Oversight Board is adopting this Resolution to supplement and amend OB Resolution No. 22-026 – to provide additional directions regarding milestones and modify the deadlines set forth in Section 2 of OB Resolution No. 22-026 – in furtherance of the purpose of OB Resolution No. 22-026 (*i.e.*, to direct the expeditious disposition of the Property pursuant to the LRPMP);

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

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

SECTION 2. The Successor Agency shall proceed diligently and expeditiously to implement the LRPMP with respect to the disposition of the Property. To that end, the Successor Agency shall comply with the requirements (including monthly updates and action items) set forth in Exhibit A. Exhibit A is made a part of this Resolution and incorporated herein. The directions for specific actions and deadlines set forth in Section 2 of OB Resolution No. 22-026 are hereby amended and superseded by Exhibit A.

SECTION 3. The Chair of the Oversight Board, acting solely or through the Manager of the Oversight Board (“**OB Manager**”) or the OB Counsel, may request additional reports from Successor Agency staff regarding the status the implementation of the provisions of this Resolution and proceedings relating to the disposition of the Property. Upon receipt of such request, the Successor Agency staff shall promptly furnish the additional reports in writing.

SECTION 4. If the Successor Agency does not comply with any provision of this Resolution, the OB Counsel is hereby authorized to take such actions on the Board’s behalf with the appropriate State superior court for the issuance of a writ of mandate to compel the Successor Agency’s compliance. Members of the Oversight Board and members of Oversight Board staff and consultants, collectively and individually, are hereby authorized and directed to assist with such court proceedings.

SECTION 5. The Chair and other members of the Oversight Board, the staff members of Oversight Board, and counsel and consultants to the Oversight Board, collectively and individually, are hereby authorized and directed to do such things as they deem necessary and

advisable to effectuate this Resolution and OB Resolution No. 22-026 (as amended hereby) and any such action previously taken is hereby ratified and confirmed.

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

SECTION 7. This Resolution shall become effective immediately upon adoption.

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

EXHIBIT A

(Resolution No. 23-021)

Monthly Updates

The Successor Agency staff (the City Manager of the City of La Habra (the “City”), the Director of Community and Economic Development of the City or another person designated by the City Manager) shall provide monthly updates (the “**Monthly Updates**”), reporting on the progress of the implementation of the action items set forth below. The Monthly Updates shall be sent, by email, to the OB Manager (*i.e.*, Kathy Tavoularis or her successor) no later than the 15th of each month. The OB Manager shall promptly transmit copies of the Monthly Updates to the Chair of the Oversight Board and OB Counsel. The Monthly Updates shall be in addition to the submittals and presentations required by the Actions Timeline below.

Actions Timeline

The Successor Agency shall take the following actions for the disposition of the Property.

The Successor Agency is responsible for complying with all applicable legal requirements for the disposition of the Property, whether or not it is stated below. The Successor Agency shall take all necessary and appropriate steps to disclose to potential buyers that the purchase of the Property will be subject to the Parking Restrictive Covenant.

Item # (for reference)	Action/Event	Deadline
1	<p>The Successor Agency shall conduct a process, in good faith, to solicit proposals from all interested parties regarding the sale of the Property.</p> <p>For the Oversight Board’s evaluation of whether the solicitation was conducted in good faith, the following will be considered:</p> <ul style="list-style-type: none">• Use of a reputable and properly licensed commercial property broker to help with the solicitation• Listing of the sale on at least one of three platforms customarily used for commercial property (such as Loopnet, CoStar, or MLS)• Continuous listing for a commercially	<p>As soon as practicable, but in any event in time to provide a report to the Oversight Board as indicated in Item #2 below.</p>

	reasonable length of time (at least 2 weeks to one month)	
2	The Successor Agency shall provide the Oversight Board a report on the result of the solicitation, including the terms proposed by each interested buyer and the proposed winner. The final determination of the winning proposal shall be subject to the Oversight Board's approval.	The report shall be presented at an Oversight Board meeting in mid-October (or if the meeting is not held for any reason, the immediately next meeting).
3	Based on the result of the solicitation, the Successor Agency shall conduct a good faith negotiation to finalize the sale agreement. The sale agreement shall be presented to the Oversight Board before the sale agreement becomes effective.	The proposed sale agreement shall be presented at: (i) the first Oversight Board meeting held 30 days after the Oversight Board's approval of the identity of the winning bidder; or (ii) at a later meeting, if approved in writing by the Chair of the Oversight Board.

Attachment 6

November 16, 2023

VIA ELECTRONIC MAIL

Tyler Portman
Vice President
GM Properties

Re: Purchase of 2.8 Acre Imperial Highway, La Habra land

Dear Tyler,

This letter ("**Offer Letter**") shall constitute an offer by Goldenwheat Properties, LLC or its affiliates ("**Buyer**"), to buy from The City of La Habra., or its affiliates ("**Seller**"), the leasehold and fee simple, as applicable, interests and improvements (collectively, the "**Property**") described in Section 1 below upon the terms set forth below in this Offer Letter.

1. **The Property.** The property consists of (i) approximately 2.8 Acres of land, which includes various improvements to be defined, and located at 1631 W Imperial Hwy, La Habra, CA 90631. The Property includes all rights, privileges, easements, improvements, fixtures and all personal property, currently held by Seller.

2. **Purchase of the Property.** Buyer shall purchase the Property on the date ("**Closing Date**") when all customary closing documents have been executed and exchanged by the Parties (defined below), and all Buyer and Seller conditions precedent under the Purchase and Sale Agreement (defined below) have been satisfied or waived by the applicable Party.

3. **Purchase Price & Deposit.**

3.1 **Purchase Price for the Property.** Buyer shall pay for the Property a purchase price equal to Fifty-Six Thousand and Five-Hundred Dollars (\$56,500.00) ("**Purchase Price**"), plus or minus customary prorations and credits.

3.2 **Deposit.** In connection with the full execution and delivery of a purchase and sale agreement ("**Purchase and Sale Agreement**") for the Property reflecting the terms of this Offer Letter, Buyer shall deliver to Seller in cash in the amount of Fifteen Thousand and Five Hundred Dollars (\$15,000.00) ("**Deposit**"). The Deposit shall remain fully refundable until Buyer has waived all of its contingencies at the end of the Contingency Period (defined below).

3.3 **No Financing Contingency.** Buyer requires no new external financing of any kind to consummate the transaction contemplated by this Offer Letter and the Purchase and Sale Agreement shall not include any financing contingencies.

3.4 **Buyer Approvals.** Subject to satisfactory completion of due diligence and negotiation of legal documentation, the transaction contemplated by this Offer Letter is not subject to any further approvals.

4. **Contingency & Inspection.**

4.1 **Contingency Period.** Buyer shall have until 5:00 p.m., Pacific Time, on the date thirty (30) days following the mutual execution of this Offer Letter (the "**Contingency Period**") to review and approve or disapprove all matters relating to the Property. Prior to expiration of the Contingency Period, Seller shall facilitate meetings and discussions as needed with local stakeholders, namely the operator and owner of the La Habra Marketplace located directly adjacent the Property.

4.2 **Inspection Rights.** Buyer's obligation to consummate the purchase of the Property contemplated herein is subject to the approval by Buyer on or before the expiration of the Contingency Period of all documents relating to, and conditions of, the Property, including but not limited to: (i) the results of all inspections, investigations and studies as Buyer may elect to make or obtain with respect to the Property and the proposed use thereof by Buyer, including but not limited to, investigations concerning zoning and compliance with governmental restrictions, regulations, laws and conditions affecting the Property, and the condition of the Property, including but not limited to, the condition of the soil, the improvements on the Property, the presence of hazardous materials, the completion and location of offsite improvements, and the availability of utilities and similar matters, (ii) the plans and specifications relating to the improvements constructed on the Property, and (iii) the architectural, contractor and other design, construction and entitlement contracts. Buyer shall be solely responsible for the cost of any such inspections, investigations and studies.

4.3 **Entry by Buyer.** Subject to and pursuant to a separate mutually agreed customary access agreement to be entered into immediately following execution of this Offer Letter and subject to the rights of tenants under tenant leases, if any, Seller shall grant to Buyer and Buyer's agents and representatives, during the Contingency Period, a right of entry onto the Property for the purpose of conducting inspections, investigations and studies. Buyer shall indemnify Seller from and against any and all liabilities arising out of such entry by Buyer or its agents or representatives onto the Property.

4.4 **Approval.** If Buyer does not timely deliver its written approval (or waiver) of any or all of such matters to Seller and Escrow Holder on or before the expiration of the Contingency Period, then Buyer shall be conclusively deemed to have disapproved such results and to have elected to not consummate the transaction contemplated by the Purchase and Sale Agreement and Escrow Holder shall return the Deposit to Buyer.

5. **Closing Date.** Buyer and Seller shall cause the closing date ("**Closing Date**") of Escrow for the Property to occur as quickly as possible but in no event any later than the date that is thirty (30) days after the expiration of the Contingency Period.

6. **Escrow.** Buyer at its sole discretion will determine the title insurance company and escrow company ("**Escrow Holder**").

7. **Costs and Expenses.** The cost and expense of the title policy prepared by the title insurer to be issued in favor of Buyer shall be paid by Seller unless Buyer requests ALTA coverage,

in which event, all additional costs for such title endorsements and ALTA coverage over and above the premium for CLTA coverage shall be borne by Buyer. Buyer shall pay for the cost of any new or updated survey. Escrow Holder's escrow fees shall be borne one-half (1/2) by Seller and one-half (1/2) by Buyer. Seller shall pay all applicable city, state and county transfer taxes payable in connection with the recordation of any applicable grant deed and assignment of the ground lease interest. Buyer and Seller shall pay, respectively, the Escrow Holder's customary charges to Buyer and Seller for document drafting, recording and miscellaneous charges.

8. **Seller's Representations and Warranties.** Seller shall make customary and appropriate representations and warranties to Buyer.

9. **Default.** In the event of any default by Buyer as to the purchase of the Property, Seller shall be entitled to retain the Deposit as liquidated damages. In the event of any default by Seller, Buyer shall be entitled to receive a refund of the applicable Deposit and to recover its actual, out-of-pocket expenses or seek specific performance by Seller.

10. **Closing.** Buyer and Seller shall each deliver customary closing documents to Escrow at least one (1) business day prior to the Closing Date, which customary closing documents shall include, without limitation, the following: (i) grant deed; (ii) assignment and assumption agreement with regard to, intangible property, warranties and entitlements; (iii) bill of sale; and any other required documents to facilitate a transfer of ownership of the Property.

11. **Preparation of Purchase and Sale Agreement.** Promptly following Seller's acceptance of this offer, Seller shall cause its legal counsel to prepare a definitive, legally enforceable Purchase and Sale Agreement pursuant to which Buyer shall purchase the Property from Seller in accordance with the terms and conditions set forth in this Offer Letter. Buyer and Seller acknowledge that the foregoing terms and conditions are not exhaustive but shall serve as the basis for the preparation of the Purchase and Sale Agreement, which shall contain such further customary and market terms and conditions as agreed between the Parties.

12. **Exclusive Negotiation.** During the period commencing upon the full execution of this Offer Letter and expiring Sixty (60) days thereafter (the "**Exclusive Negotiation Period**"), Seller (i) shall take the Property off the market, (ii) shall not, with regard to the sale of all or any portion of the Property, execute or negotiate the terms of a letter of intent or purchase and sale agreement with any other potential buyer of the Property, and (iii) shall not, with regard to the sale of all or any portion of the Property, respond to any request for proposal or otherwise correspond, either orally or in writing, with any other potential buyer of the Property.

13. **Expiration.** The terms of this Letter of Intent will expire at 5:00 p.m. (Pacific time) on December 31, 2023, unless Buyer shall have received on or prior to such a time a copy of this Offer Letter duly executed by Seller.

14. **Governing Law.** This Offer Letter will be governed by the laws of the State of California. No amendment to this Offer Letter shall be effective unless in writing executed by each of Buyer and Seller.

15. **Non-Binding Nature of Offer Letter.** ***THIS OFFER LETTER DOES NOT CONSTITUTE A BINDING AGREEMENT BY ANY PARTY, BUT IS INTENDED TO SPECIFY SOME OF THE PROPOSED TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION. NEITHER PARTY MAY CLAIM ANY LEGAL RIGHTS, NEITHER AGAINST THE OTHER BY REASON OF THE SIGNING OF THIS OFFER LETTER NOR***

BY TAKING ANY ACTION IN RELIANCE THEREON. EACH PARTY UNDERSTANDS THAT NO PARTY SHALL HAVE ANY LEGAL OBLIGATIONS TO THE OTHER, UNLESS AND UNTIL ALL OF THE TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION HAVE BEEN NEGOTIATED AND AGREED BY ALL PARTIES IN AN EXECUTED PURCHASE AND SALE AGREEMENT. IN CONNECTION WITH THE FOREGOING, EACH OF BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT (I) THIS OFFER LETTER SHALL NOT CONSTITUTE AN AGREEMENT TO NEGOTIATE, (II) THIS OFFER LETTER CONSTITUTES SOLELY AN OUTLINE OF THE TERMS OF NEGOTIATION, (III) THEY ARE PROCEEDING WITH NEGOTIATIONS RELATED TO THE PROPOSED TRANSACTION AT THEIR SOLE COST AND EXPENSE (WHICH MAY INVOLVE SUBSTANTIAL TRANSACTION COSTS), AND (IV) EITHER PARTY MAY TERMINATE NEGOTIATIONS FOR ANY REASON, AT ANY TIME (SUBJECT TO THE BINDING PROVISIONS EXPRESSLY SET FORTH IN THIS SECTION 17), WITHOUT ANY LIABILITY OR OBLIGATION WHATSOEVER.

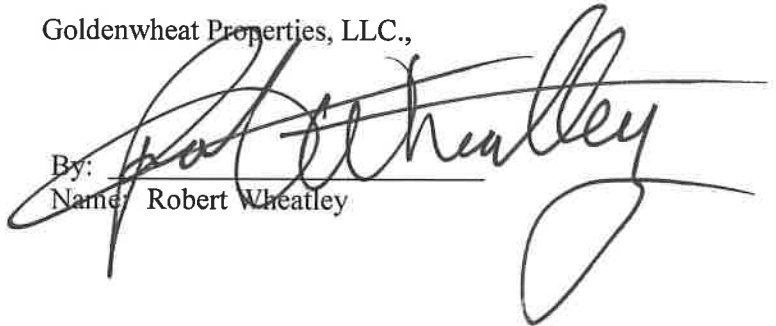
[Signature Page Follows]

We very much appreciate the opportunity to consider this investment and look forward to working towards the conclusion of a successful transaction.

Very truly yours,

"BUYER"

By: Goldenwheat Properties, LLC.,

By: 
Name: Robert Wheatley

AGREED AND ACCEPTED:

This ___ day of _____, 2023

"SELLER"

a _____

By: _____
Its: _____

Attachment 7

LH BORROWER, LLC

November 15, 2023

City of La Habra
c/o GM Properties
13305 Penn Street, Suite 200
Whittier, CA 90602
Attn: Tyler Portman, Ben Greer and Jason Jamison

Re: Proposal for Purchase of Approximately 2.8 Acre Parcel from City of La Habra

Gentlemen:

Per your request, we hereby submit a “Best and Final” offer from LH Borrower, LLC, as “Buyer”, to purchase the “Property” described below from the City of La Habra, as “Seller, on the following terms and conditions:

Property: An approximately 2.8 acre parcel located in the City of La Habra, County of Orange, State of California, APN 018-381-64.

Purchase Price: \$27,500.00, payable in immediately available funds at Closing.

Closing: 30 days from execution of binding purchase and sale agreement (the “PSA”) between Buyer and Seller, subject to Buyer’s right to extend the Closing for up to an additional 30 days upon written notice to Seller.

Brokers: Seller responsible for any fees payable to GM Properties as Seller’s broker.

Closing Costs: Closing costs to be allocated per custom for Orange County real estate.



1730 Kansas Street
Redwood City, CA 94061
650-400-9416

This offer shall expire if not accepted on November 22, 2023. If the above is acceptable to Seller, please have the Seller countersign this proposal in the space provided below and return the countersigned proposal to me.

Sincerely,

LH BORROWER, LLC

By: Eric Sahn
Eric Sahn, President

APPROVED BY SELLER:
CITY OF LA HABRA

By: _____

(Print Name and Title)

Southwest Group Properties

Commercial Real Estate Investment

Amir Houriani
Director
Mobile: 310-903-2606
Aihouriani@Gmail.com
714 S. Plymouth Blvd,
Los Angeles, CA 90005

Re: Letter of Interest to Purchase:
Commercial Land
La Habra, CA 92630

I have been authorized to submit to you the following Letter of Interest to Purchase.

Buyer would agree to the following terms:

1. **Buyer:** Southwest Group Properties, LLC
2. **Property:** Commercial surface-grade parking lot identified as approximately 2.80 acres (APN: 018-381-64).
3. **Purchase Price:** \$25,000
4. **Deposit:** \$5,000 (the "Earnest Money")
5. **Opening of Escrow:** Opening of Escrow will be the day upon which the Escrow Company notifies the parties that it has received executed copies or counterpart copies of the Purchase and Sale Agreement and joint escrow instructions.
6. **Escrow, Title and Closing Costs:** Escrow shall be Wilshire Escrow and Title Company shall be handled by First American Title Company. Seller shall be responsible, at its sole cost and expense, to provide Buyer a Standard Coverage Preliminary Title Report Policy for the property. Buyer would be responsible for the costs associated with an ALTA extended coverage and all endorsements should it choose to obtain one. All other fees shall be split equally between the Buyer and Seller.
7. **Close of Escrow:** Escrow shall close within **10 days** following the expiration of the Due Diligence Contingency Period.
8. **Due Diligence Contingency Period:** Buyer shall have a total of **30 days** from Opening of Escrow to conduct its due diligence on the Property and satisfy itself, in its sole discretion, to proceed with the acquisition of the Property (the "Due Diligence Contingency Period"). Seller shall provide all reasonable and readily accessible property related documentation in Seller's possession, but Buyer shall be responsible for its own due diligence.

In the event the above contingency is not satisfied or waived by Buyer within the time limit specified, Buyer may, at its sole discretion, terminate the Escrow. If Buyer elects to terminate Escrow the Earnest Money deposit shall be returned promptly to Buyer with accrued interest, if any.
9. **Environmental:** Buyer to perform Phase 1 study.

10. Seller's Data: Seller will provide Buyer with all such reasonable and readily accessible property related documentation in Seller's possession ("Seller Data")

11. Buyer's Broker: Vanessa Brown from Newmark

12. Non-Binding Offer: This Letter of Interest to Purchase is non-binding and only a fully executed Purchase and Sale Agreement shall constitute a binding agreement between the parties.

Thank you and we look forward to your reply.

Sincerely,
Amir Houriani
Director

Agreed and Accepted:

BUYER: Southwest Group Properties, LLC

Signature: *Amir Houriani*

Print Name: Amir Houriani

Title: Director

Date: 11/7/2023

SELLER:

Signature: _____

Print Name: _____

Title: _____

Date: _____



City of La Habra

COMMUNITY DEVELOPMENT

"A Caring Community"

110 E. La Habra Boulevard
Post Office Box 337
La Habra, CA 90633-0785
Office: (562) 383-4100
Fax: (562) 383-4476

Attachment 9

December 4, 2023

Jim Sadro
Executive Director
Successor Agency to the La Habra
Redevelopment Agency
110 E. La Habra Blvd.
La Habra, CA 90631

Re: Letter of Intent to Purchase the 2.8 Acre Parcel in La Habra (a portion of the La Habra Marketplace Parking Lot, APN 018-381-64)

To whom it may concern,

The City of La Habra (City) provides this Letter of Intent to purchase a 2.8-acre parcel in La Habra (commonly known as a portion of La Habra Marketplace Parking Lot, APN 018-381-64). The City is offering to purchase the property for \$57,500 and cover the expenses associated with the close of escrow currently estimated to be \$2,875 in broker's fees. Should the Successor Agency to the La Habra Redevelopment Agency (Successor Agency) accept the City's offer and should the Orange Countywide Oversight Board approve the purchase, in lieu of opening an escrow, the City is proposing to transfer title through the execution and recordation of a quitclaim deed. The City will transfer funds to the Successor Agency prior to the execution and recordation of the quitclaim deed. The estimated time to complete the transaction should take no longer than two weeks.

Sincerely,


Jim Sadro,
City Manager

Orange Countywide Oversight Board

Agenda Item No. 6a

Date: 1/16/2024

From: Successor Agency to the Garden Grove 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 2024-25 ROPS and Administrative Budget for the Garden Grove Successor Agency

The Garden Grove Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2024-25.

The attached Annual Recognized Obligation Payment Schedule (ROPS) is being presented to the Countywide Oversight Board for their approval in regards to the enforceable obligations of the former Garden Grove Redevelopment Agency, pending final approval by the State Department of Finance and State Controller's Office.

The ROPS 2024-25 A-B contains many of the same enforceable obligations listed on the ROPS 2023-24 A-B. There are no new line items on the ROPS 2024-25 A-B.

Enforceable obligations are explained in further details as follows:

- Line Item No. 6 – Anticipated payment due to Katella Cottages Developer when net tax increment exceeds debt service amount pursuant to Promissory Note.
- Line Items No. 7, 39, and 56 – Constitute all bond and/or loan debt service payment obligations per debt service schedules.
- Line Item No. 16 - Required remediation for soil/groundwater monitoring of Sycamore Walk Residential Project per DDA.
- Line Item No. 18 – Sixth repayment of outstanding ERAF/SERAF Housing Deficit Fund Obligations per Final Determination Letter from the DOF Dated June 12, 2018 (*See Attachment No. 3*).
- Line Item No. 19 - Request is for TOT differential per section 408, paragraph two, of the First Amended and Restated Disposition and Development Agreement for the Waterpark Hotel. This has a Final and Conclusive Determination Letter approved on February 6, 2013 by the DOF (*See Attachment No. 4*).
- Line Items No. 24 – Labor cost for continued project coordination of Site B2 (Line No. 20).
- Line Item No. 27 – Cost associated with maintenance of properties pending development or disposition.
- Line Items No. 52, 53, and 54 account for trustee and dissemination fees associated to bond and/or loan payments.
- Line Item No. 55 – Attorney's fees per Judgment Court Ruling. (*See Attachment No. 5*)

The Successor Agency administrative budget of \$250,000 listed as Line Item No. 31 consists of personnel cost, direct costs, and indirect costs.

- Personnel costs include 13 staff members contributing to the Successor Agency activities in some capacity.
- Direct costs include legal fees and consultants.

The Garden Grove Successor Agency is anticipated to approve the ROPS 2024-25 A-B and attached Resolution at its regularly scheduled meeting on Tuesday, January 9, 2023. Successor Agency approval is subject to submittal to and approval by the Countywide Oversight Board and by the State Department and Finance (DOF). The Successor Agency also requests authorization to post the approved Resolution and ROPS 2024-2025 A-B to the City's website and to transmit the ROPS 2024-2025 A-B to the DOF. Further, the City of Garden Grove's City Manager and her designees, in consultation with legal counsel, shall be authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

Impact on Taxing Entities

No fiscal impact until approved by DOF. If the DOF approves the ROPS as submitted, the Garden Grove Successor Agency will receive \$12,022,224 which includes \$250,000 for the administrative budget, for the period of July 1, 2024 through June 30, 2025 to pay the Successor Agency's enforceable obligations.

Staff Contact(s)

Grace Kim, Project Manager

Economic Development and Housing Department
City of Garden Grove
Phone: 714-741-5130 | gracel@ggcity.org

Ursula Luna-Reynosa, Director

Economic Development and Housing Department
City of Garden Grove
Phone: 714-741-5141 | uruslal@ggcity.org

Attachments

- **Attachment No. 1** - Oversight Board Resolution Approving Annual Recognized Obligation Payment Schedule 24-25 A-B and Administrative Budget
 - **Exhibit A** - Recognized Obligation Payment Schedule 24-25 A-B
 - **Exhibit B** - ROPS 24-25 A-B Administrative Budget
- **Attachment No. 2** – Placeholder for Approved Garden Grove Successor Agency Resolution No. _____ for Recognized Obligation Payment Schedule 24-25 A-B
- **Attachment No. 3** - DOF Final Determination Letter Regarding Line Item No. 18, Dated June 12, 2018
- **Attachment No. 4** - DOF Final and Conclusive Determination Enforceable Obligation Regarding Line Item No. 19, Dated February 6, 2013
- **Attachment No. 5** - Court Judgment for Limon Legal for Line Item No. 55
- **Attachment No. 6** - Recognized Obligation Payment Schedule 23-24 A-B
- **Attachment No. 7** - ROPS 23-24 DOF Determination Letter
- **Attachment No. 8** - Recognized Obligation Payment Schedule 22-23 A-B
- **Attachment No. 9** - ROPS 22-23 DOF Determination Letter
- **Attachment No. 10** - Amended ROPS 22-23 DOF Determination Letter

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 24-003**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT APPROVING THE RECOGNIZED OBLIGATION
PAYMENT SCHEDULE (ROPS) 24-25 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY
1, 2024 TO JUNE 30, 2025, INCLUDING THE FY 24-25 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 Garden Grove Agency for Community Development (“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 Garden Grove (“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 politic the Successor Agency to Garden Grove Agency for Community Development (“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 subject to 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 24-25 A-B fiscal period of July 1, 2024 to June 30, 2025 (“ROPS 24-25 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, 2024; and

WHEREAS, the ROPS 24-25 A-B, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) July 1, 2024 through June 30, 2025 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated herein by this reference; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s ROPS 24-25 A-B and desires to approve it , and to authorize the Successor Agency, to cause posting of ROPS 24-25 A-B on the City of Garden Grove’s website: <http://ggcity.org> and to direct transmittal of such ROPS 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 24-25 A-B submitted therewith and incorporated by this reference, including the FY July 1, 2024 through June 30, 2025 Administrative Budget included herewith.

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 24-25 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The City of Garden Grove’s City Manager or his/her authorized designee is directed to post this Resolution, including the ROPS 24-25 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 A TO
ORANGE COUNTYWIDE OVERSIGHT BOARD RESOLUTION NO. ____**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE 24-25 A-B
FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025**

(attached)

**EXHIBIT B TO
ORANGE COUNTYWIDE OVERSIGHT BOARD RESOLUTION NO. ____
ADMINISTRATIVE BUDGET FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2024
TO JUNE 30, 2025**

(attached)

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary
Filed for the July 1, 2024 through June 30, 2025 Period**

Successor Agency: Garden Grove

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	24-25A Total (July - December)	24-25B Total (January - June)	ROPS 24-25 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 249,162	\$ -	\$ 249,162
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	249,162	-	249,162
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 11,226,257	\$ 3,546,005	\$ 14,772,262
F RPTTF	8,101,257	3,421,805	11,523,062
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 11,475,419	\$ 3,546,005	\$ 15,021,424

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 above named successor agency.

Name Title

/s/ _____
Signature Date

Garden Grove
Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail
July 1, 2024 through June 30, 2025

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$54,615,766		\$12,022,224	\$-	\$-	\$249,162	\$8,101,257	\$125,000	\$8,475,419	\$-	\$-	\$-	\$3,421,805	\$125,000	\$3,546,805
6	Matella Cottages OPA	OPA/DDA/Construction	06/10/2008	10/01/2027	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	C.P.A.	116,029	N	\$50,000	-	-	-	50,000	-	\$50,000	-	-	-	-	-	\$-
7	Matella Cottages Note	Bonds Issued On or Before 12/31/10	06/10/2008	10/01/2027	S. Ban	Land Acquisition and Project Improvements	C.P.A.	237,250	N	\$178,150	-	-	-	163,750	-	\$163,750	-	-	-	14,400	-	\$14,400
16	Sycamore Wal DDA	Remediation	11/12/1996	06/30/2023	Olson Urban Housing	Quarterly Soil/Ground Water Monitoring Events	C.P.A.	21,244	N	\$21,244	-	-	-	21,244	-	\$21,244	-	-	-	-	-	\$-
18	Housing Fund Deficit	SERAF/ERAF	02/01/2012	12/31/2020	Garden Grove Hsng Auth.	Repayment of Housing Fund from SERAF/ERAF	n/a	3,044,260	N	\$3,000,000	-	-	-	1,500,000	-	\$1,500,000	-	-	-	1,500,000	-	\$1,500,000
19	Waterpar Hotel DDA	Business Incentive Agreements	05/12/2009	12/31/2031	Garden Grove M & Various	Site Assembly/Project Assistance	C.P.A.	5,710,045	N	\$1,026,854	-	-	-	-	-	\$-	-	-	-	1,026,854	-	\$1,026,854
20	Site B2 DDA	Business Incentive Agreements	06/26/2001	06/26/2025	Sam Sang Inc.	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
22	Brookhurst Triangle DDA	OPA/DDA/Construction	11/23/2010	12/31/2022	New Age Brookhurst, LLC & Various	Site Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
24	Project Management for Item 20 - Site B2	Project Management Costs	06/26/2001	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	61,068	N	\$61,068	-	-	-	30,534	-	\$30,534	-	-	-	30,534	-	\$30,534
27	Agency Property Maint/Management	Property Maintenance	02/01/2012	12/31/2025	Various	Management and Maintenance of Successor Agency Owned Property Awaiting	C.P.A.	59,582	N	\$24,783	-	-	-	12,391	-	\$12,391	-	-	-	12,392	-	\$12,392

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
						Development or Disposal																	
31	Administrative Allowance	Admin Costs	01/01/2014	06/30/2019	City of Garden Grove	Administrative Allowance per AB 1484	n.a.	2,994,458	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	-	125,000	\$125,000
33	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	Wang	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
34	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	City of Garden Grove	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
37	Project Management for Item 22 - Brookhurst	Project Management Costs	11/23/2010	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/26/2014	10/01/2029	U.S. Bank National Association	Refunding of 2003 Tax Allocation Bonds	C.P.A.	9,746,525	N	\$3,849,750	-	-	249,162	3,382,338	-	\$3,631,500	-	-	-	218,250	-	\$218,250	
40	Limón Law Suit Settlement	Litigation	09/20/2013	06/30/2015	Various	Settlement of Former Agency Lawsuit Associated with Item 19	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
47	Appraisals(s)	Admin Costs	07/01/2015	12/31/2018	TBD	Appraisals for Properties on the Long Range Property Management Plan	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
49	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Public Counsel	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
50	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Various	Replacement Housing Obligation per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
52	Item 39 Trustee Fee (2014 TARB)	Fees	06/26/2014	10/01/2029	U.S. Bank National Association	Fees associated with Bond payment	C.P.A.	128,920	N	\$6,600	-	-	-	3,300	-	\$3,300	-	-	-	3,300	-	\$3,300	
53	Item 19 Trustee Fee (Waterpar	Fees	05/12/2009	12/31/2026	U.S. Bank National Association	Fees associated with Bond	C.P.A.	222,820	N	\$6,600	-	-	-	3,300	-	\$3,300	-	-	-	3,300	-	\$3,300	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Bond)					payment																
54	Item 7 Trustee Fee (Matella Cottages Note)	Fees	06/10/2008	10/01/2027	U.S. Bank National Association	Fees associated with Note	C.P.A.	8,440	N	\$2,300	-	-	-	1,150	-	\$1,150	-	-	-	1,150	-	\$1,150
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	06/05/2015	06/30/2021	SYCR and WSS Firms	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	50,000	N	\$50,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	10/01/2016	10/01/2033	U.S. Bank	Refunding Bonds issued associated with project item 19	C.P.A.	32,215,125	N	\$3,494,875	-	-	-	2,908,250	-	\$2,908,250	-	-	-	586,625	-	\$586,625

Garden Grove
Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances
July 1, 2021 through June 30, 2022
(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.								
A	B	C	D	E	F	G	H	
		Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	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 07/01/21) RPTTF amount should exclude "A" period distribution amount.	175,569	3,914,387	18,014,507	745,650	1,933,740	E1 \$9,622,474 19-20 PPA □ 8,392,033 20-21 PPA □ \$18,014,507; G1 \$301,992 ROPS 21-22 line 39 □ 43,613 ROPS 22-23 line 39 □ 400,045 ROPS 23-24 line 39 □ \$745,650; G1 \$1,933,740 ROPS 18-19 PPA	
2	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller	46	208		259,354	7,697,961	G2 □ ROPS 21-22 RPTTF	
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)	22	11		312,184	9,347,272		
4	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	175,593	3,914,584	18,014,507	692,820	-	F4 \$43,613 ROPS 22-23 line 39 □ 400,045 ROPS 23-24 line 39 □ 249,162 ROPS 24-25 line 39 □ \$692,820;	
5	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry required				284,429	ROPS 21-22 PPA for ROPS 24-25
6	Ending Actual Available Cash Balance (06/30/22) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$-		

Garden Grove
Recognized Obligation Payment Schedule (ROPS 24-25) - Notes
July 1, 2024 through June 30, 2025

Item #	Notes/Comments
6	
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Fund 811 Labor Allocation

Labor % FY25 frate calc.

PCN Desc (Budget Position)	FY 24 Salary	FY24 Fringe	FY24 Total Cost	Fully Burdened		SA Labor Cost	SA Fund	FY 25 Salary	FY 25 Fringe Est.	FY25 Total Cost Estimated	Fully Burdened Rate	SA LABOR COST FOR FY 24-		rep	SA Fund	estimated
				Rate	SA Labor Cost							25	25			
DEPUTY DIR	144,720.37	99,467.86	244,188.23	117.40	9,767.53			0.04	158,615.88	114,470.14	273,086.02	131.29	10,923.44	M	0.04	0.7217
SR PROJECT PLANNER	123,342.08	98,266.49	221,608.57	106.54	6,648.26			0.03	132,960.64	111,224.45	244,185.09	117.40	7,325.55	M	0.03	0.8365
SR PROJECT PLANNER	144,392.71	108,544.71	252,937.42	121.60	7,588.12			0.03	148,727.88	117,391.69	266,119.57	127.94	7,983.59	M	0.03	0.7893
ACCOUNTING TECH	70,120.04	48,088.83	118,208.87	56.83	2,364.18			0.02	75,750.32	54,546.71	130,297.03	62.64	2,605.94	E	0.02	0.7201
PRIN ACCT SPEC	56,472.00	40,665.49	97,137.49	46.70	1,942.75			0.02	59,134.36	42,582.65	101,717.01	48.90	2,034.34	E	0.02	0.7201
CITY MGR	302,292.00	245,673.39	547,965.39	263.44	10,959.31			0.02	311,360.76	285,934.83	597,295.59	287.16	11,945.91	C	0.02	0.9183
PROJECT PLANNER	120,552.49	89,955.40	210,507.89	101.21	4,210.58			0.20	130,781.16	102,467.29	233,248.45	112.14	46,649.69	M	0.2	0.7835
REVENUE MANAGER	113,136.00	88,859.42	201,995.42	97.11	10,099.77			0.05	127,971.32	105,536.96	233,508.28	112.26	11,675.41	M	0.05	0.8247
CITY CLERK	144,532.81	110,173.00	254,705.81	122.45	12,735.29			0.05	156,440.52	125,212.41	281,652.93	135.41	14,082.65	M	0.05	0.8004
ACCOUNTING MANAGER	101,362.21	72,965.70	174,327.91	83.81	6,973.12			0.04	116,530.08	88,075.45	204,605.53	98.37	8,184.22	M	0.04	0.7558
FINANCE DIR	242,156.92	207,709.58	449,866.50	216.28	17,994.66			0.04	249,424.80	224,640.07	474,064.87	227.92	18,962.59	C	0.04	0.9006
PRIN ADMIN ANALYST	109,243.06	82,646.09	191,889.15	92.25	3,837.78			0.02	118,272.84	93,951.25	212,224.09	102.03	4,244.48	M	0.02	0.7944
ASST. CITY MGR									275,541.48	248,152.66	523,694.14	251.78	TBD	C	0	
EDHD DIRECTOR	242,156.92	220,670.84	462,827.76	222.51	4,628.28			0.01	249,424.80	198,133.15	447,557.95	215.17	4,475.58	C	0.01	0.7944
				Total	137,640.62							Total	\$	151,093.40		
				Admin Cap	250,000.00							Legal	\$	90,000.00		
				Diff	112,359.38							Consultants	\$	8,906.60		

EDHD DIRECTOR FY 24-25 = 70% GF, 10% HOUSING, 10% CDBG, 10% ROPS
 CAP = \$250,000 Admin Budget
 FY 23-24 = ACM vacant position was set to charge 5%, which is why there is a difference

Admin Cap \$ 250,000.00

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO. 75-24

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 24-25 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD AND THE STATE DEPARTMENT OF FINANCE UNDER CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AND, AUTHORIZING THE POSTING AND TRANSMITTAL OF THE ROPS

WHEREAS, the Garden Grove Agency for Community Development ("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 Sections 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Garden Grove ("City");

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, and most recently by Senate Bill 107 (together, the "Dissolution Law");

WHEREAS, as of February 1, 2012, the Former Agency was dissolved pursuant to the Dissolution Law, and, as a separate public entity, corporate and politic, the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") administers the enforceable obligations of the former Agency and otherwise unwinds the Former Agency's affairs, all subject to the review and approval by a seven-member Orange Countywide Oversight Board ("Oversight Board");

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law;

WHEREAS, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed, and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State Department of Finance ("DOF");

WHEREAS, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 24-25 A-B fiscal period of July 1, 2024, to June 30, 2025 ("ROPS 24-25 A-B") shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2024;

WHEREAS, pursuant to Sections 34179.6 and 34177(l)(2)(B), the Successor Agency is required to submit the ROPS to the DOF with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office at the same time that the Successor Agency submits the ROPS to the Oversight Board for review;

WHEREAS, the Successor Agency has reviewed the draft ROPS 24-25 A-B, and desires to approve the ROPS 24-25 A-B and to authorize the Successor Agency staff to transmit the ROPS to the Oversight Board; and

WHEREAS, the Successor Agency staff is directed to post the ROPS 24-25 A-B on the City/Successor Agency website: <http://ggcity.org/econdev>.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. Pursuant to the Dissolution Law, the Successor Agency approves the ROPS 24-25 A-B, which schedule is incorporated herein by this reference; provided however, that the ROPS 24-25 A-B is approved subject to transmittal of the ROPS to the Oversight Board for review and approval with copies of the ROPS to be sent concurrently to the DOF, the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office. Further, the Community and Economic Development Director, or his/her designee, in consultation with legal counsel, is hereby authorized to request and complete meet and confer session(s) with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency and the Oversight Board.

Section 3. After approval by the Oversight Board, the Successor Agency authorizes transmittal of the approved ROPS 24-25 A-B to the DOF, the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

Section 4. The Community and Economic Development Director, or his/her designee, is directed to post this Resolution, including the ROPS 24-25 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

Section 5. The Secretary of the Successor Agency shall certify to the adoption of this Resolution.

ATTACHMENT 1
to Successor Agency Resolution No. 75-24
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 24-25 A-B
FOR THE ANNUAL FISCAL PERIOD JULY 1, 2024 TO JUNE 30, 2025

(attached)

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary
 Filed for the July 1, 2024 through June 30, 2025 Period**

Successor Agency: Garden Grove

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	24-25A Total (July - December)	24-25B Total (January - June)	ROPS 24-25 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 249,162	\$ -	\$ 249,162
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	249,162	-	249,162
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 11,226,257	\$ 3,546,005	\$ 14,772,262
F RPTTF	8,101,257	3,421,805	11,523,062
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 11,475,419	\$ 3,546,005	\$ 15,021,424

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 above named successor agency.

 Name Title

/s/ _____
 Signature Date

Garden Grove
Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail
July 1, 2024 through June 30, 2025

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
								\$54,615,766		\$12,022,224	\$-	\$-	\$249,162	\$8,101,257	\$125,000	\$8,475,419	\$-	\$-	\$-	\$3,421,805	\$125,000	\$3,546,805	
6	Matella Cottages OPA	OPA/DDA/ Construction	06/10/2008	10/01/2027	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	C.P.A.	116,029	N	\$50,000	-	-	-	50,000	-	\$50,000	-	-	-	-	-	-	\$-
7	Matella Cottages Note	Bonds Issued On or Before 12/31/10	06/10/2008	10/01/2027	S. Ban	Land Acquisition and Project Improvements	C.P.A.	237,250	N	\$178,150	-	-	-	163,750	-	\$163,750	-	-	-	14,400	-	\$14,400	
16	Sycamore Walnut DDA	Remediation	11/12/1996	06/30/2023	Olson Urban Housing	Quarterly Soil/Ground Water Monitoring Events	C.P.A.	21,244	N	\$21,244	-	-	-	21,244	-	\$21,244	-	-	-	-	-	-	\$-
18	Housing Fund Deficit	SERAF/ ERAF	02/01/2012	12/31/2020	Garden Grove Hsng Auth.	Repayment of Housing Fund from SERAF/ ERAF	n/a	3,044,260	N	\$3,000,000	-	-	-	1,500,000	-	\$1,500,000	-	-	-	1,500,000	-	\$1,500,000	
19	Waterpark Hotel DDA	Business Incentive Agreements	05/12/2009	12/31/2031	Garden Grove M&D & Various	Site Assembly/ Project Assistance	C.P.A.	5,710,045	N	\$1,026,854	-	-	-	-	-	\$-	-	-	-	1,026,854	-	\$1,026,854	
20	Site B2 DDA	Business Incentive Agreements	06/26/2001	06/26/2025	Sam Sang Inc.	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
22	Brookhurst Triangle DDA	OPA/DDA/ Construction	11/23/2010	12/31/2022	New Age Brookhurst, LLC & Various	Site Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
24	Project Management for Item 20 - Site B2	Project Management Costs	06/26/2001	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	61,068	N	\$61,068	-	-	-	30,534	-	\$30,534	-	-	-	30,534	-	\$30,534	
27	Agency Property Maint/ Management	Property Maintenance	02/01/2012	12/31/2025	Various	Management and Maintenance of Successor Agency Owned Property Awaiting	C.P.A.	59,582	N	\$24,783	-	-	-	12,391	-	\$12,391	-	-	-	12,392	-	\$12,392	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
						Development or Disposal																	
31	Administrative Allowance	Admin Costs	01/01/2014	06/30/2019	City of Garden Grove	Administrative Allowance per AB 1484	n.a.	2,994,458	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	-	125,000	\$125,000
33	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	Wang	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
34	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	City of Garden Grove	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
37	Project Management for Item 22 - Brookhurst	Project Management Costs	11/23/2010	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/26/2014	10/01/2029	U.S. Bank National Association	Refunding of 2003 Tax Allocation Bonds	C.P.A.	9,746,525	N	\$3,849,750	-	-	249,162	3,382,338	-	\$3,631,500	-	-	-	218,250	-	\$218,250	
40	Limón Law Suit Settlement	Litigation	09/20/2013	06/30/2015	Various	Settlement of Former Agency Lawsuit Associated with Item 19	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
47	Appraisals(s)	Admin Costs	07/01/2015	12/31/2018	TBD	Appraisals for Properties on the Long Range Property Management Plan	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
49	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Public Counsel	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
50	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Various	Replacement Housing Obligation per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
52	Item 39 Trustee Fee (2014 TARB)	Fees	06/26/2014	10/01/2029	U.S. Bank National Association	Fees associated with Bond payment	C.P.A.	128,920	N	\$6,600	-	-	-	3,300	-	\$3,300	-	-	-	3,300	-	\$3,300	
53	Item 19 Trustee Fee (Waterpar	Fees	05/12/2009	12/31/2026	U.S. Bank National Association	Fees associated with Bond	C.P.A.	222,820	N	\$6,600	-	-	-	3,300	-	\$3,300	-	-	-	3,300	-	\$3,300	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Bond)					payment																
54	Item 7 Trustee Fee (Matella Cottages Note)	Fees	06/10/2008	10/01/2027	U.S. Bank National Association	Fees associated with Note	C.P.A.	8,440	N	\$2,300	-	-	-	1,150	-	\$1,150	-	-	-	1,150	-	\$1,150
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	06/05/2015	06/30/2021	SYCR and WSS Firms	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	50,000	N	\$50,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	10/01/2016	10/01/2033	U.S. Bank	Refunding Bonds issued associated with project item 19	C.P.A.	32,215,125	N	\$3,494,875	-	-	-	2,908,250	-	\$2,908,250	-	-	-	586,625	-	\$586,625

Garden Grove
Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances
July 1, 2021 through June 30, 2022
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), 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.								
A	B	C	D	E	F	G	H	
		Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	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 07/01/21) RPTTF amount should exclude "A" period distribution amount.	175,569	3,914,387	18,014,507	745,650	1,933,740	E1 \$9,622,474 19-20 PPA □ 8,392,033 20-21 PPA □ \$18,014,507; G1 \$301,992 ROPS 21-22 line 39 □ 43,613 ROPS 22-23 line 39 □ 400,045 ROPS 23-24 line 39 □ \$745,650; G1 \$1,933,740 ROPS 18-19 PPA	
2	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller	46	208		259,354	7,697,961	G2 □ ROPS 21-22 RPTTF	
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)	22	11		312,184	9,347,272		
4	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	175,593	3,914,584	18,014,507	692,820	-	F4 \$43,613 ROPS 22-23 line 39 □ 400,045 ROPS 23-24 line 39 □ 249,162 ROPS 24-25 line 39 □ \$692,820;	
5	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry required				284,429	ROPS 21-22 PPA for ROPS 24-25
6	Ending Actual Available Cash Balance (06/30/22) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$-		

**Garden Grove
Recognized Obligation Payment Schedule (ROPS 24-25) - Notes
July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
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June 12, 2018

Ms. Monica L. Covarrubias, Project Manager
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840

Dear Ms. Covarrubias:

Subject: Approval of Oversight Board Action

The City of Garden Grove Successor Agency (Agency) notified the California Department of Finance (Finance) of its April 25, 2018 Oversight Board (OB) resolution on April 27, 2018. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution No. 58-18, establishing a schedule to repay the Low and Moderate Income Housing Fund (LMIHF) for funds advanced for Educational Revenue Augmentation Fund (ERAF) payments and Supplemental Educational Revenue Augmentation Fund (SERAF) payments pursuant to HSC section 34176 (e) (6) (B), is approved.

This Resolution approves five separate loans from the LMIHF, principal loan amounts totaling \$13,254,260. Of the five loans, three were used to make ERAF payments for fiscal years 2003-04, 2004-05, and 2005-06; principal amounts totaling \$3,721,376. The two remaining loans were used to make the SERAF payments for fiscal years 2009-10 and 2010-11; principal amounts totaling \$9,532,884.

The Agency may now request funding for this item on a subsequent Recognized Obligation Payment Schedule; subject to Finance's review and approval.

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

Please direct inquiries to Nichelle Jackson, Supervisor, or Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,

ERIKA LI
Program Budget Manager

cc: Ms. Lisa Kim, Community and Economic Development Director, City of Garden Grove
Mr. Israel Guevara, Property Tax Manager, Orange County



February 6, 2013

Mr. Jim DellaLonga, Senior Project Manager
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92842

Dear Mr. DellaLonga:

Subject: Approval of Final and Conclusive Enforceable Obligation

On November 20, 2012, the City of Garden Grove Successor Agency (Agency) submitted a petition to the California Department of Finance (Finance) requesting written confirmation that Item No. 19 – Waterpark Hotel Disposition and Development Agreement (DDA) as approved in the Recognized Obligation Payment Schedule for the period of January through June 2013 (ROPS III), is final and conclusive, based on the following criteria set forth in Health and Safety Code (HSC) section 34177.5 (i):

- The enforceable obligation submitted for review provides for an irrevocable commitment of property tax revenue.
- The allocation of the property tax revenue is expected to occur over time.
- The enforceable obligation was approved on a previous ROPS.

Finance has completed its review of your request, which included obtaining clarification and additional supporting documentation. Pursuant to the criteria outlined in HSC section 34177.5 (i), we are pleased to inform you that Item No. 19 – Waterpark Hotel DDA as listed on the approved ROPS III, is final and conclusive. Finance's review of the Waterpark Hotel DDA in future ROPS will be limited to confirming the scheduled payments as required by the obligation.

Finance's review of the property tax revenue is limited to the January through June 2012 ROPS, July through December 2012 ROPS, and ROPS III periods. Consequently, this final and conclusive determination does not guarantee a certain level of funding, nor is it approval for an irrevocable assurance of Redevelopment Property Tax Trust Fund (RPTTF) necessary to satisfy the obligation. The amount available from the RPTTF is not and never was an unlimited funding source. Therefore, the ability to fund any item approved as final and conclusive, as well as other items approved on a ROPS with property tax, is limited to the amount of funding available to the Agency in the RPTTF.

Please be further advised that there may be activities included in the enforceable obligation described in this letter that are permissive that the Agency may no longer have the statutory authority to carry out. This final and conclusive determination neither grants additional authority to the Agency nor does it authorize acts contrary to law. Additionally, any amendments to the above item are not subject to this final and conclusive determination; this final and conclusive determination is only valid for the Waterpark Hotel DDA.

Mr. Jim DellaLonga
February 6, 2013
Page 2

Please direct inquiries to Nichelle Thomas, Supervisor or Alex Watt, Lead Analyst at
(916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Matthew Fertal, City Manager, City of Garden Grove
Mr. Kingsley Okereke, Director of Finance, City of Garden Grove
Mr. Frank Davies, Property Tax Manager, County of Orange
California State Controller's Office

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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CIVIL COMPLEX LITIGATION CENTER

JUN 10 2014

ALAN CARLSON, Clerk of the Court
Alan Carlson
BY B. ZUANICH

ELECTRONICALLY RECEIVED
Superior Court of California,
County of Orange
06/09/2014 at 10:06:50 AM
Clerk of the Superior Court
By Olga Lopez, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE

MARINA LIMON, *et al.*,

Plaintiffs and Petitioners,

v.

GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT, a municipal
entity, *et al.*,

Defendants and Respondents.

GARDEN GROVE MXD, LLC, and
MCWHINNEY REAL ESTATE SERVICES,
and DOES 21 through 40,

Real Parties in Interest.

) Case No. 30-2009-00291597

) **JUDGMENT**

) Complaint Filed: August 10, 2009
) Dept.: CX-102
) Judge: Robert J. Moss

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IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

Judgment is entered in favor of Plaintiff Maria Malta and against Defendants pursuant to the terms stated below.

1. As used herein, the term "Low Income Households" shall have the meaning set forth in Health and Safety Code section 50079.5.

2. As used herein, the term "Very Low Income Households" shall have the meaning set forth in Health and Safety Code section 50105.

3. As used herein, the term "Low Income Rent" shall be rent affordable to lower income households as set forth in Health and Safety Code section 50053(b)(3).

4. As used herein, the term "Very Low Income Rent" shall be rent affordable to very low income households as set forth in Health and Safety Code section 50053(b)(2).

5. Within the timeframe described in Paragraph 9, below, the Successor Agency or, at its discretion, the Housing Successor (hereinafter "Successors"), shall develop replacement housing. Pursuant to this paragraph funds held in the Low and Moderate Income Housing Asset Fund, as defined in Health and Safety Code section 34176, shall be available for development of the replacement housing pursuant to this Judgment. The Successors shall develop or cause to be developed twenty five (25) additional new construction dwelling units as replacement housing for the Travel Country Recreational Vehicle Park ("Park") to address Plaintiff Malta's claims for development of replacement housing pursuant to Health and Safety Code section 33413. No less than twelve (12) of the units developed pursuant to this paragraph shall be covenanted to be leased at Very Low Income Rent and restricted to occupancy by Very Low Income Households; the balance of thirteen (13) units shall be covenanted to be leased at Low Income Rent and restricted to occupancy by Low Income Households.

6. In addition to the dwelling units described in Paragraph 6, within the timeframe described in Paragraph 9, below Successors shall develop or cause to be developed thirteen (13) additional dwelling units, either as new construction or Substantial Rehabilitation (as defined below), as replacement housing for the Park to address Plaintiff Malta's claims for development

1 of replacement housing pursuant to Health and Safety Code section 33413. No less
2 than seven (7) of the units developed pursuant to this paragraph shall be covenanted to be leased
3 at Very Low Income Rent and restricted to occupancy by Very Low Income Households; the
4 balance of six (6) units shall be covenanted to be leased at Low Income Rent and restricted to
5 occupancy by Low Income Households.

6 7. The Successors may reduce the number of dwelling units required to be developed
7 pursuant to Paragraph 7 (but not Paragraph 6) by one dwelling unit for each dwelling unit offered
8 to a household listed on Exhibit A hereto that is rejected by such household provided that a
9 household's rejection of a unit under this section will not disqualify that household from
10 eligibility under Paragraph 11. In order to reduce the unit count, (1) a displaced household must
11 receive an offer of affordable replacement housing after a determination (provided to the
12 displaced household in writing) by the operator of that housing that the displaced household
13 is eligible for occupancy of the replacement housing with respect to all of its qualifications and
14 restrictions, including but not limited to income, family size, rental history and credit score, (2)
15 the offer of affordable housing must be either hand delivered to the displaced household as
16 evidenced by a proof of personal service, or through regular and certified U.S. mail, and (3) the
17 displaced household must be allowed ten (10) business days after receipt of the offer to accept or
18 reject the offer.

19 8. The Successors shall develop, rehabilitate, construct or cause the development,
20 rehabilitation or construction (as applicable) of the dwelling units described in Paragraphs 6 and
21 7 ("Replacement Units") within four years from entry of judgment in this case.

22 9. "Substantial Rehabilitation" shall have the same meaning as contained in Health
23 and Safety Code section 33413.

24 10. In accordance with Health and Safety Code section 33411.3, all residents displaced
25 by the Redevelopment Agency shall have priority in occupancy of the Replacement Units
26 developed pursuant to this Judgment. Successors shall provide for such priority in any agreement
27

1 for development or administration of the Replacement Units, and shall maintain a list of eligible
2 persons and families displaced by the Redevelopment Agency.

3 11. Pursuant to action of the California Legislature in Stats. 2012, Ch. 5 (Assembly
4 Bill No. 26, 2011-2012 1st Ex. Sess.) (the "Dissolution Act"), effective June 29, 2011,
5 redevelopment agencies throughout California began a dissolution process. The Dissolution Act
6 provides that the city "that authorized the creation of each redevelopment agency" became the
7 "successor agency" to that redevelopment agency, by operation of law, unless the designated
8 successor entity elected not to serve as the successor agency. California Health and Safety Code
9 sections 34173(a), (d). The Garden Grove City Council adopted resolutions electing to serve as
10 the Successor Agency to the dissolved Redevelopment Agency pursuant to Health and Safety
11 Code section 34173, and designating the Garden Grove Housing Authority as the Housing
12 Successor pursuant to Health and Safety Code section 34176. City of Garden Grove Resolution
13 Nos. 9072-11 (July 12, 2011) and 9089-12 (Jan 17, 2012). As prescribed by the Dissolution Act,
14 the amounts the Successor Agency is obligated to pay pursuant to the terms of this Judgment shall
15 be included as an enforceable obligation of the Successor Agency on each applicable Recognized
16 Obligation Payment Schedule ("ROPS"), as defined in California Health and Safety Code section
17 34171(h) and in accordance with Health and Safety Code section 34177(l), (m), and as set forth
18 below.

19 12. The Successor Agency shall include in the ROPS due to be completed and
20 approved by the oversight board of the Successor Agency no later than October 3, 2015 (ROPS
21 2015-16B), amounts for Replacement Units that will be expended during the January 1, 2016
22 through June 30, 2016 period. The amounts to be expended during this ROPS 2015-16B period
23 shall be appropriate to complete development of the Replacement Units for occupancy within
24 four years from entry of the Judgment.

25 13. The Successor Agency shall pay \$9,000 in attorneys' fees to counsel for Plaintiff
26 Malta. The entire amount of attorneys' fees shall be placed on the ROPS due to be completed by
27 the oversight board of the Successor Agency no later than October 3, 2014 (ROPS 2014-15B).

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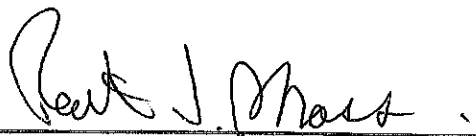
14. The obligations contained herein are obligations of the Garden Grove Agency for Community Development ("Redevelopment Agency"), now dissolved, prior to enactment of the Dissolution Act. The obligations set forth herein are not and under no circumstances shall they be construed as obligations of the City or Garden Grove Housing Authority other than in their roles as Successor Agency and Housing Successor, respectively. Consistent with Health and Safety Code § 34173(e), Successor Agency's liability for amounts owing pursuant to this Judgment shall be limited to the extent of the total sum of property tax revenues the Successor Agency and the Housing Successor receive pursuant to the ROPS process and the value of the assets received by the Successor Agency and the Housing Successor. The Successor Agency shall continue to list the obligations of this Judgment on each ROPS until all obligations required by the Judgment are satisfied.

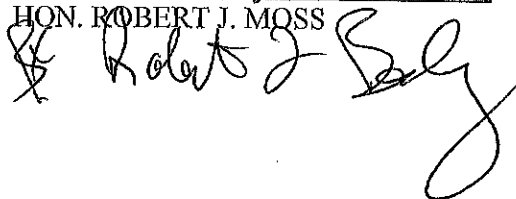
15. The Court shall have continuing jurisdiction to enforce the terms of this settlement and Judgment pursuant to California Code of Civil Procedure section 664.6.

16. This Judgment represents the sole obligation among the parties hereto and all other causes of action and/or claims arising out of this action are dismissed with prejudice and forever waived.

IT IS SO ORDERED.

DATED: 6/10/15



HON. ROBERT J. MOSS


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

Successor Agency: Garden Grove

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
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)	\$ 6,788,341	\$ 2,356,067	\$ 9,144,408
F RPTTF	6,788,341	2,356,067	9,144,408
G Administrative RPTTF	-	-	-
H Current Period Enforceable Obligations (A+E)	\$ 6,788,341	\$ 2,356,067	\$ 9,144,408

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 above named successor agency.

Name Title

/s/ _____
Signature Date

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

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)					23-24A Total	ROPS 23-24B (Jan - Jun)					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	
								\$67,865,770		\$9,144,408	\$-	\$-	\$-	\$6,788,341	\$-	\$6,788,341	\$-	\$-	\$-	\$2,356,067	\$-	\$2,356,067
6	Matella Cottages OPA	OPA/DDA/ Construction	06/10/2008	10/01/2027	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	C.P.A.	171,029	N	\$45,000	-	-	-	45,000	-	\$45,000	-	-	-	-	-	\$-
7	Matella Cottages Note	Bonds Issued On or Before 12/31/10	06/10/2008	10/01/2027	S. Ban	Land Acquisition and Project Improvements	C.P.A.	415,400	N	\$176,550	-	-	-	88,275	-	\$88,275	-	-	-	88,275	-	\$88,275
16	Sycamore Walnut DDA	Remediation	11/12/1996	06/30/2023	Olson Urban Housing	Quarterly Soil/Ground Water Monitoring Events	C.P.A.	24,699	N	\$19,971	-	-	-	19,971	-	\$19,971	-	-	-	-	-	\$-
18	Housing Fund Deficit	SERAF/ ERAF	02/01/2012	12/31/2020	Garden Grove Hsng Auth.	Repayment of Housing Fund from SERAF/ ERAF	n/a	5,044,260	N	\$10,000	-	-	-	-	-	\$-	-	-	-	10,000	-	\$10,000
19	Waterpark Hotel DDA	Business Incentive Agreements	05/12/2009	12/31/2031	Garden Grove M&D & Various	Site Assembly/ Project Assistance	C.P.A.	6,736,898	N	\$1,036,186	-	-	-	-	-	\$-	-	-	-	1,036,186	-	\$1,036,186
20	Site B2 DDA	Business Incentive Agreements	06/26/2001	06/26/2025	Sam Sang Inc.	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	2,507,379	N	\$49,761	-	-	-	-	-	\$-	-	-	-	49,761	-	\$49,761
22	Brookhurst Triangle DDA	OPA/DDA/ Construction	11/23/2010	12/31/2022	New Age Brookhurst, LLC & Various	Site Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
24	Project Management for Item 20 - Site B2	Project Management Costs	06/26/2001	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	71,113	N	\$51,556	-	-	-	25,778	-	\$25,778	-	-	-	25,778	-	\$25,778
27	Agency Property Maint/ Management	Property Maintenance	02/01/2012	12/31/2025	Various	Management and Maintenance of Successor Agency Owned	C.P.A.	84,311	N	\$29,486	-	-	-	14,743	-	\$14,743	-	-	-	14,743	-	\$14,743

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)					23-24A Total	ROPS 23-24B (Jan - Jun)					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		
					Property Awaiting Development or Disposal																		
31	Administrative Allowance	Admin Costs	01/01/2014	06/30/2019	City of Garden Grove	Administrative Allowance per AB 1484	n.a.	2,994,458	N	\$250,000	-	-	-	125,000	-	\$125,000	-	-	-	125,000	-	\$125,000	
33	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	Wang	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
34	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	City of Garden Grove	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
37	Project Management for Item 22 - Brookhurst	Project Management Costs	11/23/2010	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	85,668	N	\$59,288	-	-	-	29,644	-	\$29,644	-	-	-	29,644	-	\$29,644	
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/26/2014	10/01/2029	U.S. Bancorp National Association	Refunding of 2003 Tax Allocation Bonds	C.P.A.	13,596,275	N	\$3,852,250	-	-	-	3,550,750	-	\$3,550,750	-	-	-	301,500	-	\$301,500	
40	Limón Law Suit Settlement	Litigation	09/20/2013	06/30/2015	Various	Settlement of Former Agency Lawsuit Associated with Item 19	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
47	Appraisals(s)	Admin Costs	07/01/2015	12/31/2018	TBD	Appraisals for Properties on the Long Range Property Management Plan	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
49	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Public Counsel	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
50	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Various	Replacement Housing Obligation per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
52	Item 39 Trustee Fee (2014 TARB)	Fees	06/26/2014	10/01/2029	U.S. Bancorp National Association	Fees associated with Bond	C.P.A.	135,520	N	\$6,600	-	-	-	3,300	-	\$3,300	-	-	-	3,300	-	\$3,300	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)					23-24A Total	ROPS 23-24B (Jan - Jun)					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	
						payment																
53	Item 19 Trustee Fee (Waterpark Bond)	Fees	05/12/2009	12/31/2026	S. Ban National Association	Fees associated with Bond payment	C.P.A.	228,020	N	\$5,200	-	-	-	2,600	-	\$2,600	-	-	-	2,600	-	\$2,600
54	Item 7 Trustee Fee (Matella Cottages Note)	Fees	06/10/2008	10/01/2027	S. Ban National Association	Fees associated with Note	C.P.A.	10,740	N	\$2,060	-	-	-	1,030	-	\$1,030	-	-	-	1,030	-	\$1,030
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	06/05/2015	06/30/2021	SYCR and WSS Firms	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	50,000	N	\$50,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	10/01/2016	10/01/2033	S. Ban	Refunding Bonds issued associated with project item 19	C.P.A.	35,710,000	N	\$3,500,500	-	-	-	2,857,250	-	\$2,857,250	-	-	-	643,250	-	\$643,250

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

Item #	Notes/Comments
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Transmitted via e-mail

March 30, 2023

Grace E. Kim, Project Manager
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840

2023-24 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Garden Grove Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 26, 2023. Finance has completed its review of the ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 31 – Administrative Cost Allowance. Payments for these types of services totaling \$250,000 is considered a general administrative cost and have been reclassified to the Administrative Redevelopment Property Tax Trust Fund.
- On the ROPS 23-24 form, the Agency reported cash balances and activity for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. According to our review, the Agency has approximately \$400,045 from Other Funds available to fund enforceable obligations on the ROPS 23-24. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF) funding. The item below does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source has been reclassified in the amount specified below:
 - Item No. 39 – 2014 Tax Allocation Refunding Bonds in the amount of \$3,852,250 is partially reclassified. Finance is approving RPTTF in the amount of \$3,452,205 and the use of Other Funds in the amount of \$400,045, totaling \$3,852,250.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 20-21 period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$352,330, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 23-24. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 23-24 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 23-24 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Grace E. Kim
March 30, 2023
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Please direct inquiries to Kylie Oltmann, Supervisor, or Garrett Fujitani, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Lisa Kim, Assistant City Manager/Community and Economic Development
Department Director, City of Garden Grove
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County
Kathy Tavoularis, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 6,788,341	\$ 2,356,067	\$ 9,144,408
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	6,788,341	2,356,067	9,144,408
RPTTF Requested	6,788,341	2,356,067	9,144,408
<u>Adjustment(s)</u>			
Item No. 31	(125,000)	(125,000)	(250,000)
Item No. 39	(400,045)	0	(400,045)
	(525,045)	(125,000)	(650,045)
RPTTF Authorized	6,263,296	2,231,067	8,494,363
Administrative RPTTF Requested	0	0	0
<u>Adjustment(s)</u>			
Item No. 31	125,000	125,000	250,000
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 20-21 Prior Period Adjustment (PPA)	(6,388,296)	(2,003,737)	(8,392,033)
Total RPTTF Approved for Distribution	\$ 0	\$ 352,330	\$ 352,330

Recognized Obligation Payment Schedule (ROPS 22-23) - Summary
Filed for the July 1, 2022 through June 30, 2023 Period

Successor Agency: Garden Grove

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	22-23A Total (July - December)	22-23B Total (January - June)	ROPS 22-23 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 3,211,942	\$ -	\$ 3,211,942
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	3,281,942	-	3,281,942
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 13,161,792	\$ 3,643,145	\$ 16,112,637
F RPTTF	13,029,983	3,505,036	16,535,019
G Administrative RPTTF	138,809	138,809	277,618
H Current Period Enforceable Obligations (A+E)	\$ 16,450,734	\$ 3,643,145	\$ 20,094,579

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 above named successor agency.

Name Title

/s/ _____
Signature Date

Garden Grove
Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail
July 1, 2022 through June 30, 2023

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					22-23A Total	ROPS 22-23B (Jan - Jun)					22-23B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$87,362,860		\$20,094,579	\$-	\$-	\$3,281,942	\$13,029,983	\$138,809	\$16,450,734	\$-	\$-	\$-	\$3,505,036	\$138,809	\$3,643,845
6	Katella Cottages OPA	OPA/DDA/ Construction	06/10/ 2008	10/01/2027	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	C.P.A.	216,029	N	\$45,000	-	-	-	45,000	-	\$45,000	-	-	-	-	-	\$-
7	Katella Cottages Note	Bonds Issued On or Before 12/ 31/10	06/10/ 2008	10/01/2027	U.S. Bank	Land Acquisition and Project Improvements	C.P.A.	591,950	N	\$179,500	-	-	-	156,700	-	\$156,700	-	-	-	22,800	-	\$22,800
16	Sycamore Walk DDA	Remediation	11/12/ 1996	06/30/2023	Olson Urban Housing	Quarterly Soil/ Ground Water Monitoring Events	C.P.A.	24,699	N	\$20,301	-	-	-	20,301	-	\$20,301	-	-	-	-	-	\$-
18	Housing Fund Deficit	SERAF/ ERAF	02/01/ 2012	12/31/2020	Garden Grove Hsng Auth.	Repayment of Housing Fund from SERAF/ ERAF	n/a	5,054,260	N	\$1,000,000	-	-	-	-	-	\$-	-	-	-	1,000,000	-	\$1,000,000
19	Waterpark Hotel DDA	Business Incentive Agreements	05/12/ 2009	12/31/2031	Garden Grove MXD & Various	Site Assembly/ Project Assistance	C.P.A.	7,773,084	N	\$1,194,979	-	-	-	-	-	\$-	-	-	-	1,194,979	-	\$1,194,979
20	Site B2 DDA	Business Incentive Agreements	06/26/ 2001	06/26/2025	Kam Sang Inc.	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	2,557,140	N	\$56,000	-	-	-	-	-	\$-	-	-	-	56,000	-	\$56,000
22	Brookhurst Triangle DDA	OPA/DDA/ Construction	11/23/ 2010	12/31/2022	New Age Brookhurst, LLC & Various	Site Preparation Costs	C.P.A.	7,200,000	N	\$6,404,640	-	-	-	6,404,640	-	\$6,404,640	-	-	-	-	-	\$-
24	Project Management for Item 20 - Site B2	Project Management Costs	06/26/ 2001	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	122,668	N	\$66,182	-	-	-	33,091	-	\$33,091	-	-	-	33,091	-	\$33,091
27	Agency Property Maint/ Management	Property Maintenance	02/01/ 2012	12/31/2025	Various	Management and Maintenance of Successor Agency Owned Property	C.P.A.	113,797	N	\$86,725	-	-	-	30,000	-	\$30,000	-	-	-	56,725	-	\$56,725

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					22-23A Total	ROPS 22-23B (Jan - Jun)					22-23B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
					Awaiting Development or Disposal																		
31	Administrative Allowance	Admin Costs	01/01/2014	06/30/2019	City of Garden Grove	Administrative Allowance per AB 1484	n.a.	3,244,458	N	\$277,618	-	-	-	-	138,809	\$138,809	-	-	-	-	-	138,809	\$138,809
33	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	Wang	See Notes.	C.P.A.	1,790,971	N	\$1,790,971	-	-	1,790,971	-	-	\$1,790,971	-	-	-	-	-	-	\$-
34	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	City of Garden Grove	See Notes.	C.P.A.	1,490,971	N	\$1,490,971	-	-	1,490,971	-	-	\$1,490,971	-	-	-	-	-	-	\$-
37	Project Management for Item 22 - Brookhurst	Project Management Costs	11/23/2010	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	85,668	N	\$66,182	-	-	-	33,091	-	\$33,091	-	-	-	33,091	-	\$33,091	
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/26/2014	10/01/2029	U.S. Bank National Association	Refunding of 2003 Tax Allocation Bonds	C.P.A.	17,448,525	N	\$3,851,875	-	-	-	3,471,125	-	\$3,471,125	-	-	-	380,750	-	\$380,750	
40	Limón Law Suit Settlement	Litigation	09/20/2013	06/30/2015	Various	Settlement of Former Agency Lawsuit Associated with Item 19	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
47	Appraisals(s)	Admin Costs	07/01/2015	12/31/2018	TBD	Appraisals for Properties on the Long Range Property Management Plan	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
49	Limón Law Suit Settlement/ Judgement	Litigation	06/05/2015	06/05/2020	Public Counsel	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
50	Limón Law Suit Settlement/ Judgement	Litigation	06/05/2015	06/05/2020	Various	Replacement Housing Obligation per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
51	Housing Successor Administration	Admin Costs	01/01/2016	06/30/2016	Garden Grove Housing Authority	Administration of the Housing Successor		-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
52	Item 39	Fees	06/26/	10/01/2029	U.S. Bank	Fees	C.P.A.	142,120	N	\$6,600	-	-	-	3,300	-	\$3,300	-	-	-	3,300	-	\$3,300	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					22-23A Total	ROPS 22-23B (Jan - Jun)					22-23B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
	Trustee Fee (2014 TARB)		2014		National Association	associated with Bond payment																	
53	Item 19 Trustee Fee (Waterpark Bond)	Fees	05/12/2009	12/31/2026	U.S. Bank National Association	Fees associated with Bond payment	C.P.A.	233,220	N	\$4,100	-	-	-	2,050	-	\$2,050	-	-	-	2,050	-	\$2,050	
54	Item 7 Trustee Fee (Katella Cottages Note)	Fees	06/10/2008	10/01/2027	U.S. Bank National Association	Fees associated with Note	C.P.A.	12,800	N	\$2,060	-	-	-	2,060	-	\$2,060	-	-	-	-	-	\$-	
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	06/05/2015	06/30/2021	SYCR and WSS Firms	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	50,000	N	\$50,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000	
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	10/01/2016	10/01/2033	U.S. Bank	Refunding Bonds issued associated with project item 19	C.P.A.	39,210,500	N	\$3,500,875	-	-	-	2,803,625	-	\$2,803,625	-	-	-	697,250	-	\$697,250	
58	Item 14 Dissemination Fees	Fees	05/01/2008	06/01/2020	Union Bank of California	Fees associated with loan	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	

Garden Grove
Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances
July 1, 2019 through June 30, 2020
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), 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.							
A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	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 07/01/19) RPTTF amount should exclude "A" period distribution amount.	178,908	3,908,503	4,680,696	499,509	1,659,447	E1: \$2,747,247 17-18 PPA + \$1,933,449 18-19 PPA = \$4,680,696; F1: \$301,992 18-19 End Bal + \$197,517 retain fr Other Fds = \$499,509; G1: \$1,659,447 16-17 PPA to be spent in ROPS 19-20
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller				349,524	18,235,562	G2: 19-20 RPTTF
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)				305,911	10,275,557	
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	178,908	3,908,503	4,680,696	499,509	6,404,640	F4: Retain \$144,018 (item 7 ROPS 20-21) +\$53,499 (item 27 ROPS 30-21) + \$301,992 (item 39 ROPS 21-22) = \$499,509; G4: Retain \$6,404,640 (transferred from ROPS 19-20 RPTTF to reserve for item 22 ROPS 21-22).

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.

A	B	C	D	E	F	G	H
	<p align="center">ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)</p>	Fund Sources				Comments	
Bond Proceeds		Reserve Balance	Other Funds	RPTTF			
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		
5	<p>ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC</p>		No entry required			3,214,812	19-20 PPA
6	<p>Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</p>	\$-	\$-	\$-	\$43,613	\$-	

Garden Grove
Recognized Obligation Payment Schedule (ROPS 22-23) - Notes
July 1, 2022 through June 30, 2023

Item #	Notes/Comments
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19	This item has a Final and Conclusive Determination approved on February 6, 2013 by the DOF. Request is for TOT differential per Section 408, paragraph two, of the First Amended and Restated Disposition and Development Agreement.
20	Anticipated work for current ROPS delayed due to COVID-19. Will not be completed until ROPS 2022-23. Asking amount previously approved for ROPS 2020-21 be approved for ROPS 2022-23 in order to complete the work.
22	Dry utility planning anticipated in ROPS 2019-20 will continue through ROPS 2022-23. Requesting previously approved ROPS 2019-20 funds to be approved for ROPS 2022-23 to complete the work. DDA requires Successor Agency pay Developer \$6,400,000 at closing of Phase II Property from Housing Set Aside Fund if developer increases number of affordable rental units from 60 to 120 per Section 510 of the DDA. Developer has committed to increase # of affordable units and is requesting Successor Agency pay them \$6,400,000 at closing of Phase II. All cash balances in the Housing Set Aside Fund were distributed to the affected taxing entities upon dissolution of the former Agency. The Successor Agency is requesting the \$6,400,000 payment due to Developer required by Section 510 be paid from ROPS 2022-23 because of unforeseen delays in ROPS 21-22 that included a delayed response in utility companies, continued negotiations with developer, changes in the economy, and COVID-19.
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33	This property was acquired in 2002 as part of the Brookhurst Triangle Project. Section 30 of the Purchase and Sale Agreement indicates that any future sales proceeds over the amount initially paid by the Agency to the original seller are to be split 50/50 between the original seller and the City of Garden Grove. Per the DOF Final Determination Letter dated May 17, 2017, the funding source for these items should be "Other Funds". Due to delays related to COVID-19, the sale and transfer of the property previously scheduled in ROPS 2020-21 will now take place in ROPS 2022-23.
34	This property was acquired in 2002 as part of the Brookhurst Triangle Project. Section 30 of the Purchase and Sale Agreement indicates that any future sales proceeds over the amount initially paid by the Agency to the original seller are to be split 50/50 between the original seller and the City of Garden Grove. Per the DOF Final Determination Letter dated May 17, 2017, the funding source for these items should be "Other Funds". Due to delays related to COVID-19, the sale and transfer of the property previously scheduled in ROPS 2020-21 will now take place in ROPS 2022-23.
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Garden Grove
Recognized Obligation Payment Schedule (ROPS 22-23) - Notes
July 1, 2022 through June 30, 2023

Item #	Notes/Comments
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53	Requesting \$2,050 which includes an overage of \$160 from ROPS FY19-20
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Transmitted via e-mail

March 25, 2022

Grace E. Lee, Sr. Economic Development Specialist
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840

2022-23 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Garden Grove Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on January 25, 2022. Finance has completed its review of the ROPS 22-23.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 22 – Brookhurst Triangle Disposition and Development Agreement in the requested amount of \$6,404,640 is not allowed for funding from the Redevelopment Property Tax Trust Fund (RPTTF). The County Auditor-Controller (CAC) reports the Agency received an RPTTF distribution equal to the amounts Finance approved for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. Therefore, the Agency was provided sufficient funding and \$6,404,640 has been reclassified from RPTTF to Reserve Balances.
- On the ROPS 22-23 form, the Agency reported cash balances and activity for the period July 1, 2019 through June 30, 2020 (ROPS 19-20). According to our review, the Agency has approximately \$43,613 from Other Funds available to fund enforceable obligations on the ROPS 22-23. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. The item below does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source has been reclassified in the amount specified below:
 - Item No. 39 – 2014 Tax Allocation Refunding Bonds in the amount of \$3,851,875 is partially reclassified. Finance is approving RPTTF in the amount of \$3,808,262 and the use of Other Funds in the amount of \$43,613, totaling \$3,851,875.

- The claimed administrative costs exceed the allowance by \$27,618. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$250,000 for fiscal year 2022-23.

Although \$277,618 is claimed for ACA, only \$250,000 is available pursuant to the cap. Therefore, as noted in the table below, \$27,618 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2021-22	\$7,697,961
Less distributed Administrative RPTTF	(188,886)
RPTTF distributed for 2021-22 after adjustments	\$7,509,075
ACA Cap for 2022-23 per HSC section 34171 (b)	\$250,000
Total ACA	\$ 277,618
ACA in Excess of the Cap	(\$ 27,618)

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2019 through June 30, 2020 (ROPS 19-20) period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the CAC's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$714,292, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 22-23 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 22-23, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 22-23. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 22-23 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 22-23 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Garrett Fujitani, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Lisa Kim, Assistant City Manager, City of Garden Grove
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 13,029,983	\$ 3,505,036	\$ 16,535,019
Administrative RPTTF Requested	138,809	138,809	277,618
Total RPTTF Requested	13,168,792	3,643,845	16,812,637
RPTTF Requested	13,029,983	3,505,036	16,535,019
<u>Adjustment(s)</u>			
Item No. 22	(6,404,640)	0	(6,404,640)
Item No. 39	(43,613)	0	(43,613)
	(6,448,253)	0	(6,448,253)
RPTTF Authorized	6,581,730	3,505,036	10,086,766
Administrative RPTTF Requested	138,809	138,809	277,618
Excess Administrative Costs	(0)	(27,618)	(27,618)
Administrative RPTTF Authorized	138,809	111,191	250,000
ROPS 19-20 prior period adjustment (PPA)	(6,720,539)	(2,901,935)	(9,622,474)
Total RPTTF Approved for Distribution	\$ 0	\$ 714,292	\$ 714,292



Transmitted via e-mail

November 9, 2022

Grace E. Kim, Project Manager
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840

Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Garden Grove Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2023 through June 30, 2023 (Amended ROPS 22-23B) to the California Department of Finance (Finance) on September 21, 2022. Finance has completed its review of the Amended ROPS 22-23B.

Based on our review and application of the law, Finance makes the following determination:

- Item No. 20 – Site B2 Disposition and Development Agreement (DDA) for the requested adjustment of \$4,167 in Redevelopment Property Tax Trust Fund (RPTTF) funding is not allowed. It is our understanding the Agency is requesting funds to pay escrow costs for the sale of 12311 Thackery Drive pursuant to the DDA. However, this property is not an eligible Site B2 DDA property. Therefore, with concurrence from the Agency, this item is not approved for an additional \$4,167 in RPTTF funding.

Except for the adjustments denied in whole or in part, Finance does not object to the remaining adjustments listed on your Amended ROPS 22-23B.

The Agency's amended maximum approved RPTTF distribution for the Amended ROPS 22-23B period is \$1,126,186, as summarized in the Approved RPTTF Distribution table (See Attachment).

Please refer to the Amended ROPS 22-23B schedule used to calculate the total RPTTF approved for distribution:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 22-23B. Please note there is not a Meet and Confer option for the Amended ROPS process; therefore, Finance's determination is final. This determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be denied, even if it was not denied on this Amended ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (j). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

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

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Lisa Kim, Assistant City Manager/Community and Economic Development
Department Director, City of Garden Grove
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County

Approved RPTTF Distribution January 2023 through June 2023	
Authorized RPTTF on ROPS 22-23B	\$ 3,505,036
Authorized Administrative RPTTF on ROPS 22-23B	111,191
Total Authorized RPTTF on ROPS 22-23B	3,616,227
Total Requested 22-23B RPTTF Adjustments	416,061
Finance RPTTF Adjustments	
Item No. 20	(4,167)
Total Finance Authorized 22-23B RPTTF Adjustments	411,894
ROPS 19-20 prior period adjustment (PPA)	(2,901,935)
Total Amended ROPS 22-23B RPTTF approved for distribution	\$ 1,126,186

Orange Countywide Oversight Board

Agenda Item No. 6b

Date: 1/16/2024

From: Successor Agency to the Irvine 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 2024-2025 ROPS and Administrative Budget for the Irvine Successor Agency

The Irvine Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2024-2025. Attachment 1 is the proposed Orange County Oversight Board Resolution for Irvine's 2024-2025 ROPS.

Enforceable obligations of the Successor Agency include payments to the County of Orange for Implementation Agreement No. 1 (Attachment 2) for property tax revenues related to the City's annexation of the former military base, Implementation Agreement No. 2 (Attachment 3) for repairs to County-owned property in the project area, and the Stipulated Judgment (Attachment 4) negotiated with the State for \$292 million. The Department of Finance has previously approved all of the requested items.

The ROPS for July 1, 2024 through June 30, 2025 (Attachment 5) requests payment for the balance of the Stipulated Judgment, funding necessary to meet the Successor Agency's obligation related to County Implementation Agreements No. 1 and No. 2, and administrative costs for ongoing Successor Agency operations. The total amount requested for these three enforceable obligations, covering both "A" and "B" periods, is \$42,711,253 million.

The Administrative Budget for the Successor Agency is \$80,000 and includes personnel costs for City employees, audit, consulting and legal fees. (Attachment 6).

Implementation Agreement No. 1 (Attachment 2)

On March 8, 2005, the City of Irvine and the County of Orange entered into County Implementation Agreement No. 1 to satisfy section 2.2.8 of the 2003 Agreement. Section 2.2.8(ii) of the 2003 Agreement provided that the City and the County enter into an agreement for the (then) Irvine Redevelopment Agency to annually pay to the County an amount equal to 100 percent of the County's share of property taxes generated by property in the Redevelopment Project Area that the County would have received but for the adoption of the Redevelopment Plan. The Implementation Agreement No. 1 obligation due to the County of Orange in July 2024 is estimated to be \$6,500,000 and is included as item #4 on the FY 2024-2025 ROPS.

Stipulated Judgment (Attachment 4)

The City and Successor Agency filed three lawsuits in Sacramento Superior Court seeking to have the following former redevelopment agency contracts upheld as enforceable obligations: the Purchase Sale and Financing Agreement, the Amended and Restated Development Agreement and the Redevelopment Affordable Housing Funds Grant Agreement. The third action was filed jointly with the Irvine Community Land Trust.

On July 9, 2014, the parties to the lawsuits entered into a Settlement Agreement and Release of Claims. The Sacramento Superior Court approved the Stipulated Judgment totaling \$292 million. The terms of the settlement agreement call for the affected taxing entities to receive \$4.38 million in residual property taxes

each fiscal year, before the Successor Agency receives payment towards the Stipulated Judgment. The Irvine Successor Agency is requesting payment for the balance of the Stipulated Judgment for \$35,481,253 million and is included as item #18 on the FY 2023-2024 ROPS.

The City Council of the City of Irvine – serving as the Successor Agency’s governing body – approved the FY 2024-2025 ROPS and Administrative Budget at its meeting on November 28, 2023. (Attachment 7)

Additional attachments include:

- Attachment 8 – Orange County Oversight Board Resolution 22-006 for Irvine (ROPS July 2022 – June 2023)
- Attachment 9 – Orange County Oversight Board Resolution 23-005 for Irvine (ROPS July 2023 – June 2024)
- Attachments 10 and 11 – Department of Finance Review Letters for Irvine for FY 2022-23 and 2023-24, respectively

Attachments 12 and 13 – Irvine’s Two Prior Year’s Approved ROPS Payments for FY 2022-23 and 2023-24, respectively

Impact on Taxing Entities

The terms of the settlement agreement call for the affected taxing entities to receive \$4.38 million in residual property taxes each fiscal year, before the Successor Agency receives payment towards the Stipulated Judgment. This amount is in addition to the payment made pursuant to Implementation Agreement No. 1. The County will receive payment related to Implementation Agreement No. 1 in July 2024.

In accordance with City of Irvine City Council action, the Irvine Community Land Trust (ICLT) receives 10 percent of the Settlement Agreement amount of \$292 million, or \$29.2 million. The Successor Agency to date has received \$256,518,747 million, leaving an outstanding balance of \$35,481,253 million to be paid towards the Settlement Agreement.

Staff Contact(s)

Angie Burgh, Senior Management Analyst, Email – aburgh@cityofirvine.org, Phone – 949-724-6036

Attachments

1. Proposed Oversight Board Resolution No. 24-____
2. Implementation Agreement No. 1 between the Irvine Redevelopment Agency and the County of Orange dated March 18, 2005
3. Implementation Agreement No. 2 between the Irvine Redevelopment Agency and the County of Orange dated August 17, 2010
4. Executed Settlement Agreement and Release of Claims (Stipulated Judgment) between the City of Irvine, the Successor Agency, the Irvine Community Land Trust and the California Department of Finance dated July 9, 2014
5. Irvine 2024-25 ROPS Schedule
6. Irvine 2024-25 Admin Budget
7. Irvine Successor Agency ROPS Meeting Minutes November 28, 2023
8. Orange County Oversight Board Resolution 22-006 for Irvine (ROPS July 2022 – June 2023)
9. Orange County Oversight Board Resolution 23-005 for Irvine (ROPS July 2023 – June 2024)
10. Department of Finance Review Letter for Irvine ROPS 22-23
11. Department of Finance Review Letter for Irvine ROPS 23-24
12. Irvine Approved ROPS for 22-23 A and B
13. Irvine Approved ROPS for 23-24 A and B

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 24-004**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE
REDEVELOPMENT AGENCY OF THE CITY OF IRVINE, CALIFORNIA *APPROVING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS] 2024-25 A-B* FOR THE
ANNUAL FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025, INCLUDING THE FY
2024-25 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 Irvine 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 Irvine (“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 Dissolved Irvine Redevelopment Agency Dissolved Irvine Redevelopment Agency Dissolved Irvine Redevelopment Agency (“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 2024-25 A-B fiscal period of July 1, 2024 to June 30, 2025 (“ROPS 2024-25 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, 2024; and

WHEREAS, the ROPS 2024-25, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2024-25 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 2024-25 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 2024-25 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 2024-25 A-B submitted therewith and incorporated by this reference, including the FY 2024-25 administrative budget included herewith.

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 2024-25 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The City of Irvine’s Finance Director or authorized designee is directed to post this Resolution, including the ROPS 2024-25 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.

**CONTRACTS
SCAN SHEET**

CONTRACT NUMBER:	4972
AMENDMENT:	
CONTRACT TYPE:	IMPLEMENTATION
CONTRACT NAME:	IRVINE REDEVELOPMENT AGENCY; CITY OF IRVINE
CONTRACT DATE:	03-08-05
EXPIRATION DATE:	
ENTRY DATE:	
CONTRACT SUBJECT:	IMPLEMENTATION AGREEMENT & ACKNOWLEDGEMENT AND WAIVER
ITEM NUMBER:	CC 3.2; RDA 2.1
CONTRACT AMOUNT:	
MEETING DATE:	03-08-05
COUNCIL ACTION:	APPROVED

IMPLEMENTATION AGREEMENT NO. 1

THIS IMPLEMENTATION AGREEMENT NO. 1 ("Implementation Agreement") is made and entered into as of the 8th day of March, 2005, by and between the IRVINE REDEVELOPMENT AGENCY (the "Agency") and the COUNTY OF ORANGE (the "County"). Agency and County may sometimes individually be referred to herein as a "party" and collectively as the "parties."

RECITALS:

A. Agency, County, and the City of Irvine ("City") entered into that certain Property Tax Transfer and Pre-Annexation Agreement, dated March 4, 2003 (the "2003 Agreement"), regarding the annexation and reuse of the former Marine Corp Air Station El Toro (the "Base").

B. Section 2.2.8(ii) of the 2003 Agreement provides that prior to the City and Agency placing the Base or any part thereof into a redevelopment project area the Agency and County shall enter into an agreement reasonably satisfactory to the County providing for the Agency to annually pay to the County an amount equal to one hundred percent (100%) of the County's share of tax increment paid to the Agency from the Base or portion thereof included within a redevelopment project area for use by the County for legally allowable County infrastructure, facilities, and development needs on or related to the Base, including certain uses identified in Section 2.2.3 of the 2003 Agreement, as determined by the County. The foregoing described agreement is also to include a payment structure for such tax increment that would permit the County to issue bonds that are secured by and paid from such Agency payments of tax increment to the County.

C. Agency and City have initiated proceedings which may lead to adoption of an ordinance approving and adopting a Redevelopment Plan ("Plan") for the Orange County Great Park Redevelopment Project Area ("Project Area"). If such ordinance is adopted, the Project Area would include all of the Base now located within the territorial boundaries of the City, with the exception, due to the existing pattern of assessor parcels, of a portion of the area known as the Habitat Reserve Area.

D. The Parties desire to enter into this Implementation Agreement as the agreement between the Agency and County as described in Section 2.2.8(ii) of the 2003 Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants and promises hereinafter contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals Incorporated The foregoing Recitals are incorporated herein and made a part hereof.

2. Definitions. In addition to terms defined elsewhere in this Implementation Agreement, the following definitions shall apply:

2.1 "Auditor-Controller" means the office of the Auditor-Controller of the County.

2.2 "Agency" means the Irvine Redevelopment Agency, a public body, corporate and politic, organized and existing under the CRL.

2.3 "Agency Payments" shall have the meaning ascribed in Section 3.

2.4 "City" means the City of Irvine, a charter city organized and existing under the Constitution of the State of California. City is not a party to this Implementation Agreement and shall have no obligation hereunder.

2.5 "County" means the County of Orange, California, which for purposes of this Implementation Agreement is defined, collectively as the following, each of which levies property taxes on property in the Project Area: (a) County General Fund; (b) County Library; and (c) County Harbors, Beaches, and Parks.

2.6 "County Account" shall mean an account established with the Orange County Treasurer into which the Agency Payments shall be deposited. The County shall establish the County Account prior to the first Agency Payment.

2.7 "County Parcels" shall mean the parcels defined in Section 2.2.3 of the 2003 Agreement.

2.8 "County Tax Increment Portion" means the percentage of the property taxes generated by property in the Project Area that the County would have received but for the adoption of the Plan which are paid to the Agency as Property Tax Increment, as computed by the County Auditor-Controller (subject to the right of Agency to challenge such computation) in accordance with the applicable provisions of the Revenue and Taxation Code. In calculating the County Tax Increment Portion, the percentage shall be the same as the percentage of the property taxes generated by property in the Project Area that the County General Fund, the County Library, and the County Harbor, Beaches and Parks would have received but for the adoption of the Plan.

2.9 "County Share" means the County Tax Increment Portion of the Property Tax Increment less the Statutory Pass-Through Payment.

2.10 "CRL" means the Community Redevelopment Law of the State of California, Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code.

2.11 "Fiscal Year" means the period from July 1 to, and including, the following June 30.

2.12 "Plan" means the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area, adopted or which may be adopted by ordinance of the City.

2.13 "Project Area" means the Orange County Great Park Redevelopment Project Area which is defined in the Plan.

2.14 "Property Tax Increment" means the full amount of property tax revenues generated from within the Project Area that are allocated to and paid to the Agency pursuant to Health and Safety Code Section 33670(b), which amounts are attributable to increases in assessed valuation of property in the Project Area above the valuation shown on the last equalized assessment roll prior to the effective date of the ordinance adopting the Plan. Property Tax Increment refers to those taxes collected as a result of the 1% levy allowed under Article XIII A of the California Constitution and shall not include those taxes levied in excess of the 1% general levy.

2.15 "Statutory Pass-Through Payment" means the payment from Property Tax Increment required to be paid by the Agency to the County (i.e., the County General Fund, County Library, and County Harbors, Beaches and Parks) pursuant to Health and Safety Code Section 33607.5.

3. Agency Payment.

3.1 The Agency Payment for each Fiscal Year shall consist of two components: (a) the County Share and (b) the Statutory Pass-Through Payment.

3.2 Agency, within thirty (30) days after the end of each Fiscal Year, shall calculate and deposit into the County Account or pay to the County, in accordance with this Section 3.2, the following amounts with respect to that Fiscal Year's Property Tax Increment payments to the Agency by the Auditor-Controller: (i) the County Share with respect to that Fiscal Year's Property Tax Increment payment to the Agency by the Auditor-Controller, and (ii) the Statutory Pass-Through Payment with respect to that Fiscal Year's Property Tax Increment payment to the Agency by the Auditor-Controller (the foregoing two components are collectively defined herein as the "Agency Payment"). The County Share portion of the Agency Payment shall be deposited into the County Account. The Statutory Pass-Through Payment portion of the Agency Payment shall be paid to the County, unless the County notifies the Agency in writing that the Statutory Pass-Through Payment portion of the Agency Payment should be deposited into the County Account. At least five (5) days prior to making a deposit to the County Account, the Agency shall notify the County in writing of the amount of the deposit and the expected date of the deposit. The Agency shall, within ten (10) days after it makes the annual deposit into the County Account, notify the County in writing of the deposit to the County Account and provide the County with a detailed written explanation of the calculation of the Agency Payment and the components thereof; provided, however, that Agency's failure to provide such notice or explanation without having received a written request therefor from County shall not be a default of Agency hereunder. The parties acknowledge that, from time to time, lesser or greater Agency Payments may need to be made to reconcile any inadvertent underpayments or overpayments. The parties shall cooperate on periodic audits or reconciliations of the Agency Payments.

3.3 Notwithstanding anything in this Implementation Agreement to the contrary, if the Agency and the County agree to Agency funding, directly or indirectly, from Agency's own Property Tax Increment (which shall not include Agency Payments or funds on deposit in the County Account), pursuant to Health and Safety Code Section 33445, 33445.5, 33445.6, 33446, or any other provision of law other than Health and Safety Code Section 33607.5, for or in connection with the cost of a public facility owned or leased by the County, then the agreement between the Agency and County for that funding may provide that the Agency shall be permitted to withdraw from the County Account, and to deduct from subsequent Agency Payments if the amount withdrawn from the County Account is insufficient to cover all such amounts paid by the Agency.

3.4 The Orange County Treasurer is authorized to invest the funds in the County Account in the same manner that other similar funds established with the Orange County Treasurer are invested. Any interest earned on funds in the County Account shall accrue to the benefit of, and be deposited in, the County Account. Any loss incurred in the County Account incurred as a result of such investment shall not be the responsibility of Agency. If the Treasurer is authorized by law to charge, assess, or levy any fees or other charges for administering the County Account, including but not limited to in connection with the receipt, deposit, custody, investment, payment, or disbursement of funds to or from the County Account, performing any accounting, or issuing any statements or reports, those fees or charges shall be paid from the County Account or by the County. The Agency shall not be responsible for paying such fees and charges.

3.5 The parties acknowledge and agree that (a)(i) all funds payable to the County by application of Health and Safety Code Section 33670(a), and (ii) any funds payable to the County which may result in the future by virtue of the application of Health and Safety Code Section 33607.7, are not subject to this Implementation Agreement, and (b) this Implementation Agreement is not an "agreement" referred to in Health and Safety Code Section 33607.7(b)(1).

3.6 The parties agree that if there is any court or other legal determination that requires the Statutory Pass-Through Payment component of the Agency Payment to be reduced by the amount of the County Share component of the Agency Payment, then this Implementation Agreement shall be deemed amended as follows:

(i) The County, at the County's sole option, may notify the Agency in writing that the Agency shall not be required to make the Statutory Pass-Through Payment with respect to any or all of the County General Fund, County Library, County Harbors, Beaches and Parks. If the County so notifies the Agency, then (1) Agency shall not make, and shall be entitled to retain as its own funds, the Statutory Pass-Through Payment component of the Agency Payment with respect to the County fund specified in the notice and (2) the County Share component of the Agency Payment shall be increased by a corresponding amount.

(ii) Should the court or other legal determination that causes the County to issue the written notice specified in clause (i) of this Section 3.6 not permit the parties to calculate the County Share in the manner specified in clause (i) of this

Section 3.6, the Agency and the County shall meet and confer in good faith in an attempt to resolve the issue in a manner that implements the intent of the parties that the Agency Payment for a Fiscal Year be the sum of the County Share plus the Statutory Pass-Through Payment.

4. Use of County Account.

4.1 After County's written notification to the Agency as required by Section 4.2, the County shall withdraw funds from the County Account to pay for the cost of County infrastructure, facilities, and development needs within the Project Area, or outside the Project Area but serving the Project Area, as determined by the County. As used herein, the term "infrastructure, facilities, and development needs" includes, but is not limited to, buildings, structures, utilities, roadways, sewer lines, and other types of infrastructure needs that are necessary to service one or more of the County Parcels and the uses described in Section 2.2.4 of the 2003 Agreement. At the request of the Agency, the County shall provide to the Agency or cause the Treasurer to provide to the Agency an accounting of the amount in and the withdrawals from the County Account.

4.2 The written notification from the County to the Agency regarding withdrawal of funds from the County Account shall be given at least ten (10) days prior to the expected date of withdrawal and shall specify the amount of funds to be withdrawn and precise payment to be made with such withdrawn funds. Such withdrawn funds from the County Account shall then promptly be paid as specified in the written notification given to the Agency to the contractor or other person as County has directed.

4.3 County acknowledges that prior to making any payments from the County Account, Agency, City, and County may each be required to comply with Health and Safety Code Sections 33445 and 33679 or other provisions of the CRL to the extent applicable. County and Agency agree, and Agency agrees to cooperate in causing City, to act diligently to hold any hearings or take any actions required to comply with Health and Safety Code Sections 33445 and 33679 or other provisions of the CRL to the extent applicable, including, if necessary amendment of the Agency's implementation plan adopted pursuant to Health and Safety Code Section 33490.

4.4 County shall protect, defend, indemnify, and hold harmless Agency and the City and their respective officers, officials, members, employees, agents, and representatives, and each of them, jointly and severally, against and from any and all claims, demands, causes of action, damages, costs, expenses, losses and liabilities, at law or in equity, of every kind or nature whatsoever, and including but not limited to attorneys' fees and expert witness fees, arising out of or in any manner directly or indirectly connected with the disbursement or payment from the County Account as directed by the County.

5. County Bonds. Agency acknowledges that County may wish to pledge the Agency Payments or a portion thereof as security for repayment on bonds to be issued by the County, including for the purposes set forth in Section 2.2.5 of the 2003 Agreement. Agency shall reasonably cooperate with the County in the County's issuance of such bonds, provided: (i) the proceeds of any bonds issued by or on behalf of the County, the repayment of which or the

security for the payment of which shall come from Agency Payments or portion thereof, shall be used for the same purposes that the County Account may be used under this Implementation Agreement; and (ii) if bonds issued by or on behalf of the County are to be repaid from sources in addition to the Agency Payments or portion thereof, or the security for repayment is from sources in addition to the Agency Payments, the proceeds of such bonds to be devoted to the same purposes for which the County Account may be used under this Implementation Agreement shall not be less than the proportional amount the Agency Payments or portion thereof providing repayment or security for the bonds is to the total of all sources of repayment or security for the bonds.

6. Agency Bonds & Other Indebtedness. Nothing in this Implementation Agreement shall be construed to give the County the right to approve any Agency bonded or other indebtedness. Notwithstanding the foregoing, Agency shall not pledge as repayment, or as security for repayment, for any Agency bonded or other indebtedness any Agency Payment or any unused or unencumbered amount in the County Account unless otherwise authorized in writing by the County.

7. Subordination Under Health & Safety Code Section 33607.5(e). Nothing in this Implementation Agreement shall supersede the right of the Agency to request the County subordinate the Statutory Pass-Through Payment portion of the Agency Payment, pursuant to Health and Safety Code Section 33607.5(e).

8. Agreement Is Agency Indebtedness; Tax Increment Limit. Unless otherwise required by law: (a) Agency's obligations under this Implementation Agreement constitute an indebtedness of Agency within the meaning of Health and Safety Code Section 33670(b); and (b) amounts paid by Agency to County under this Implementation Agreement shall not count against the limit on the total number of dollars to be allocated as Property Tax Increment to the Agency under the Plan. The Agency shall claim its obligations under this Implementation Agreement as a debt of the Agency on its statements filed pursuant to Health and Safety Code Section 33675.

9. Covenant Not to Sue.

9.1 County, on behalf of itself and all County-controlled entities, hereby expressly waives any and all causes of action, claims, demands, counts, actions, losses, breaches of equitable duty, claims for equitable relief, and/or complaints, known or unknown, suspected or unsuspected, fixed or contingent, related to, and agrees not to challenge, (i) the validity of the Plan, or (ii) the ordinance(s) adopting the Plan including but not limited to the findings set forth therein, or (iii) the validity of bonds to finance or refinance, in whole or in part, the Plan on the grounds of the invalidity of the Plan, including without limiting the generality of the foregoing clauses (i), (ii) or (iii), the legality and validity of all proceedings taken or in any way connected with the designation of the survey area, the Project Area, findings under Health and Safety Code Section 33492.18, the formulation of the Preliminary Plan, the adoption of the Plan, and the future preparation and certification of the environmental impact report for the redevelopment of the Base pursuant to Health and Safety Code Section 33492.18 and the California Environmental Quality Act. County further agrees not to promote, fund, or assist any other person in any claim or challenge related to any of the foregoing.

9.2 County acknowledges that it is familiar with Civil Code Section 1542 which provides:

“A general release does not extend to claims a creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.”

County expressly WAIVES any rights it may have under Civil Code Section 1542 with respect to the matters specified in Section 9.1 above. By initialing below, County acknowledges that it has read the above waiver and understands its effect and has been advised by County Counsel regarding its effect, and agrees to it with advice of counsel.

County's Initials _____

Bull Campbell SN

10. City and Agency Obligations. City shall have no financial or other liabilities or obligations by virtue of this Implementation Agreement. Agency shall have no financial or other liabilities by virtue of this Implementation Agreement other than the obligations set forth in this Implementation Agreement.

11. Defaults. Subject to the extensions of time set forth in Section 16, failure or delay by either party to perform any term or provision of this Implementation Agreement constitutes a default under this Implementation Agreement. A party claiming a default shall give written notice of default to the other party, specifying the default complained of and the actions required to correct such default. The claimant shall not institute proceedings against the other party if the other party, within thirty (30) days from receipt of such notice, immediately and with due diligence commences to cure, correct or remedy such failure or delay and completes such cure, correction or remedy as soon as reasonably practicable after receipt of such notice. If the default is not cured or commenced to be cured by the defaulting party within said thirty (30) day period, the defaulting party shall be entitled to pursue whatever remedies at law or in equity to which such party may be entitled.

12. Notices. All notices required to be delivered under this Implementation Agreement or under applicable law shall be personally delivered, or delivered by United States mail, prepaid, certified, return receipt requested, or by reputable document delivery service that provides a receipt showing date and time of delivery. Notices personally delivered or delivered by a document delivery service shall be effective upon receipt. Notices delivered by mail shall be effective as of the earlier of (i) actual receipt, or (ii) Noon on the third business day following dispatch. Notices shall be delivered to the following addresses:

If to Agency: Irvine Redevelopment Agency
Attn: Executive Director
Irvine City Hall
One Civic Center Plaza
Irvine, CA 92623

With copy to: Joel D. Kuperberg
Rutan & Tucker
611 Anton Blvd., Suite 1400
Costa Mesa, CA 92626

If to County: County of Orange
Attn: County Executive Officer
10 Civic Center Plaza
Santa Ana, CA 92701

With copy to: Office of County Counsel
Attn: Benjamin de Mayo, County Counsel
10 Civic Center Plaza
Santa Ana, CA 92701

Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section.

13. Non-liability of Public Officers and Employees.

13.1 No officer, official, member, employee, agent, or representative of Agency shall be personally liable to County, or any successor or assign of same, in the event of any default or breach by Agency, or for any amount which may become due to County, or any successor or assign of same, or for breach of any obligation of the terms of this Implementation Agreement.

13.2 No officer, official, member, employee, agent, or representative of County shall be personally liable to Agency, or any successor or assign of same, in the event of any default or breach by County, or for any amount which may become due to Agency, or any successor or assign of same, or for breach of any obligation of the terms of this Implementation Agreement.

14. Binding Effect; Assignment Prohibited Without Prior Consent of Other Party. This Implementation Agreement, and all covenants and releases set forth herein, shall be binding upon and shall inure to the benefit of the respective parties and their respective legal representatives, successors and assigns. Neither party to this Implementation Agreement may assign its rights or obligations under this Implementation Agreement without the prior written approval of the other party hereto.

15. Satisfaction of Section 2.2.8 of 2003 Agreement. This Implementation Agreement satisfies in full the requirements set forth in Section 2.2.8 of the 2003 Agreement concerning an agreement to be entered into between the Agency and County with respect to the portion of the Base (as defined in the 2003 Agreement) included in the Project Area. County, on behalf of itself and County-controlled entities, and Agency on behalf of itself and Agency-controlled entities, hereby knowingly, voluntarily, and expressly waive any right to challenge the validity of the 2003 Agreement or this Implementation Agreement. County and Agency, on behalf of themselves and their respective controlled entities, further agree (i) to include in any agreements pertaining to use or development of the Project Area a similar provision whereby the parties to the agreement waive any right to challenge the validity of the 2003 Agreement or this Implementation Agreement, and (ii) not to promote, fund, or assist any other person in any claim or challenge related to any of the foregoing.

16. Enforced Delay. In addition to specific provisions of this Implementation Agreement, performance by either party hereunder shall not be deemed to be in default, and all performance under this Implementation Agreement shall be extended, where delays or defaults are due to war; terrorism; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor; subcontractor or supplier; acts or omissions of the other party; acts or failures to act of any other public or governmental agency or entity other than the Agency or County; or any other causes beyond the control or without the fault of the party claiming an extension of time to perform.

17. Interpretation; Governing Law. This Implementation Agreement shall be construed according to its fair meaning and as if prepared by all of the parties hereto. This Implementation Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Implementation Agreement.

18. Rights and Remedies Are Cumulative; Inaction Not Waiver of Default. Except as may otherwise be expressly stated in this Implementation Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party. Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

19. Further Assurances. Each party hereto agrees, without further consideration, to execute such other and further documents, and to perform such other and further acts, as may be necessary or proper, in order to consummate the transactions set forth in and contemplated by this Implementation Agreement.

20. Representations and Warranties by Parties. Each party represents and warrants to the other that:

20.1 such party has the power and capacity to enter into this Implementation Agreement;

20.2 such party lacks actual knowledge of any agreement that would be violated by such party's entry into this Implementation Agreement;

20.3 such party lacks actual knowledge of any agreement, obligation, pending litigation, or asserted claim that would materially affect such party's obligation to enter into this Implementation Agreement or to perform its obligations hereunder;

20.4 such party has been represented by legal counsel in the preparation and execution of this Implementation Agreement; and

20.5 such party acknowledges and agrees that it enters into this Implementation Agreement based upon its own investigation, knowledge, and voluntary assumption of all of the risks associated with the transactions contemplated hereby, and that such party has read and understands this Implementation Agreement and has been advised by its legal counsel as to its effects.

21. Representations and Warranties by Signatories. Each signatory of a party to this Implementation Agreement represents and warrants to the other party hereto that:

21.1 the signatory has actual authority to execute this Agreement on behalf of the party for which the signatory has signed; and

21.2 the signatory is duly authorized to execute and deliver this Implementation Agreement on behalf of said party for whom the signatory has signed.

22. Conditions to Effectiveness, Effect of Litigation. This Implementation Agreement, even if signed by all the parties hereto, shall not be effective unless and until all of the following have occurred:

(i) The City has adopted an ordinance approving and adopting the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area, and such ordinance has become effective in accordance with applicable law.

(ii) Approval of this Implementation Agreement by the parties and its execution by the parties, and the initialing of Section 9.2 by the County.

(iii) Approval and execution of the attached Acknowledgment and Waiver by the City of Irvine.

If litigation challenging the approval and adoption of the Plan or of the ordinance adopting the Plan is filed, the parties' obligations under this Implementation Agreement shall remain in full force and effect until a final judgment or settlement agreement. If, during the

pendency of such litigation, the Agency receives Property Tax Increment, the terms of this Implementation Agreement shall be implemented but the County shall not withdraw or pledge any funds from the County Account or direct Agency to make any payments from the County Account until the litigation has been resolved or the parties otherwise agree, each in their sole discretion, to the withdrawal. If such litigation results in validation of the Plan, this Implementation Agreement shall remain in full force and effect. If such litigation results in invalidation of the Plan, this Implementation Agreement shall be void *ab initio*, and in such case the parties shall cooperate in good faith to implement Section 2.2.8 of the 2003 Agreement if the City thereafter proposes to adopt a new redevelopment plan, the adoption of which would be subject to the 2003 Agreement.

23. Cooperation in Event of Challenge to Agreement. In the event any third party files any claim or litigation challenging the approval and adoption of this Implementation Agreement, or its validity, the parties hereto agree to cooperate in the defense of such challenge.

24. Inadmissibility of Agreement. In the event this Implementation Agreement fails to become effective, or ceases to be effective, for any reason, then, notwithstanding anything to the contrary in Evidence Code Sections 1152 and 1600, neither this Implementation Agreement nor any prior drafts or negotiations with respect to this Implementation Agreement shall be admissible as evidence in any proceeding or litigation for any purpose, except to prove the terms of this Implementation Agreement.

25. Fees Incurred. Each party shall be responsible for its own costs and fees incurred with the negotiation and preparation of this Implementation Agreement, including but not limited to attorneys fees.

26. Section Headings. The section headings in this Implementation Agreement are included for convenience and reference only. They do not form a part hereof, and do not in any way codify, interpret, or reflect the intent of the parties. Said headings shall not be used to construe or interpret any provision of this Agreement.

27. Entire Agreement. This Implementation Agreement and the 2003 Agreement reflect the entire agreement between the parties with respect to the subject matter hereof, and integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

28. Severability. If any section or portion of this Implementation Agreement shall be held, found, or determined by a court of competent jurisdiction to be unenforceable or invalid for any reason, the parties declare that they would have approved this Implementation Agreement without such unenforceable or invalid section or portion and the parties hereto, in such event, agree to take such further actions as may be reasonably necessary, proper, and available to them to effectuate the intent of the parties as to all provisions set forth in this Implementation Agreement.


29. Amendments. This Implementation Agreement may be amended by the parties by written instrument approved and signed by the parties.

30. Counterparts. This Implementation Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same agreement.

31. Effective Date. The Effective Date of this Implementation Agreement shall be the latest of the dates set next to the signatures of the parties hereto after both parties hereto have signed this Implementation Agreement. That latest date shall be inserted into the preamble of this Implementation Agreement.

[end—signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Implementation Agreement as of the Effective Date.

	IRVINE REDEVELOPMENT AGENCY
DATED: <u>3/18/05</u>	By: <u>[Signature]</u> Chairperson
ATTEST: By: <u>[Signature]</u> Jeri Stately, Agency Secretary	
APPROVED AS TO FORM: RUTAN & TUCKER, LLP By: <u>[Signature]</u> Joel D. Kuperberg Agency General Counsel	 <p>SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD</p> <p>ATTEST: <u>[Signature]</u> DARLENE J. BLOOM CLERK OF THE BOARD OF SUPERVISORS ORANGE COUNTY, CALIFORNIA</p>
	COUNTY OF ORANGE
DATED: _____	By: <u>[Signature]</u> Chairman of the Board of Supervisors
ATTEST: By: _____ Clerk of the Board of Supervisors	
APPROVED AS TO FORM: By: <u>[Signature]</u> Benjamin de Mayo 2/24/05 County Counsel	

ACKNOWLEDGMENT AND WAIVER BY CITY OF IRVINE

The defined terms used hereinbelow shall have the same meaning as set forth in the foregoing Implementation Agreement No. 1 to which this Acknowledgment and Waiver is attached. By action of the City Council of the City of Irvine, taken on March 8, 2005, (i) the City hereby acknowledges the foregoing Implementation Agreement by and between the Agency and the County; (ii) the City, on behalf of itself and its respective controlled entities, knowingly, voluntarily, and expressly waives any right to challenge the validity of the 2003 Agreement or the Implementation Agreement; (iii) the City, on behalf of itself and its respective controlled entities, agrees to include in any agreements pertaining to use or development of the Project Area a similar provision whereby the parties to the agreement waive any right to challenge the validity of the 2003 Agreement or the Implementation Agreement; (iv) the City, on behalf of itself and its respective controlled entities, agrees not to promote, fund, or assist any other person in any claim or challenge related to any of the foregoing; and (v) the City agrees to act diligently to hold any hearings or take any actions required to comply with Health and Safety Code Sections 33445 and 33679 or other provisions of the CRL in connection with any payments or funding from the County Account.

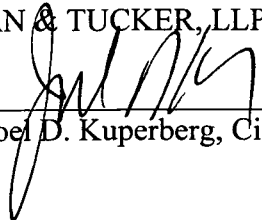
Dated: 3/18, 2005

CITY OF IRVINE
By: 
MAYOR OF THE CITY OF IRVINE

ATTEST:

By: 
Jeri Stately, City Clerk

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP

By: 
Joel D. Kuperberg, City Attorney

Dan Slater

Direct Dial: (714) 641-3437

E-mail: dslater@rutan.com

April 7, 2005

VIA OVERNITE EXPRESS

Ann Fletcher
Senior Deputy County Counsel
County of Orange
County Counsel's Office
10 Civic Center Plaza
Santa Ana, CA 92702

RECEIVED
CITY OF IRVINE
CITY CLERK'S OFFICE
2005 APR 11 AM 11:22

Re: Executed Originals of County-Irvine Implementation Agreement No. 1

Dear Ann:

Enclosed please find the three (3) fully executed originals of Implementation Agreement No. 1, dated as of March 8, 2005, by and between the County of Orange and Irvine Redevelopment Agency, with the signed Acknowledgment and Waiver by the City of Irvine attached to each.

The three originals enclosed are marked in the upper right hand corner of page 1 with, respectively, "Original--Clerk of the Board Orange County," "Duplicate Original--Attorney," and "Duplicate Original--CEO."

Please contact me with any questions or concerns. Thanks again for your assistance and cooperation.

Very truly yours,

RUTAN & TUCKER, LLP



Dan Slater

Encl.

cc: Jeri Stately, City Clerk, City of Irvine (w/o encl)
Tina Christiansen, Executive Director, Irvine Redevelopment Agency (w/o encl)
Joel D. Kuperberg, Esq., City Attorney, City of Irvine (w/o encl)

CONTRACTS SCAN SHEET

CONTRACT NUMBER: 6804

CONTRACT TYPE: AGREEMENT

DEPARTMENT: PUBLIC WORKS
Department initiating contract

CONTRACT DATE: 8/17/2010
As stated in Terms section of Contract

EXPIRATION DATE:
As stated in Terms section of Contract

MEETING DATE: 8/10/2010
Date of meeting where contract was approved

ITEM NUMBER: 3.7
Item number of meeting where contract was approved

CONTRACT AMOUNT:
As stated in Budget section of Contract

CONTRACT NAME: IRVINE REDEVELOPMENT AGENCY;
As stated in 1st paragraph of contract COUNTY OF ORANGE

CONTRACT SUBJECT: IMPLEMENTATION AGREEMENT NO.
As stated in Description of Services section of contract 2 BETWEEN CITY OF IRVINE, IRVINE
REDEVELOPMENT AGENCY AND
COUNTY OF ORANGE

3.6 DEFINED BENEFIT AND DEFINED CONTRIBUTION PENSION PLAN AUDITS FOR THE YEAR ENDED DECEMBER 31, 2009

ACTION:

Received and file the Defined Benefit Pension Plan and the Defined Contribution Pension Plan audits for the year ended December 31, 2009.

3.7 SUBLEASE AGREEMENT WITH THE COUNTY OF ORANGE FOR 100 ACRE PARCEL IN PLANNING AREA 51

ACTION:

- 1) Adopted RESOLUTION NO. 10-90 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE APPROVING THE POTENTIAL PAYMENT BY THE IRVINE REDEVELOPMENT AGENCY OF CERTAIN COSTS FOR THE POTENTIAL FUTURE RECONSTRUCTION OR REPLACEMENT OF CERTAIN FLOOD CONTROL FACILITIES LOCATED ON CERTAIN REAL PROPERTY LOCATED WITHIN THE REDEVELOPMENT PROJECT AREA, AND MAKING FINDINGS UNDER HEALTH AND SAFETY CODE SECTION 33445 FOR THE EXPENDITURE OF AGENCY FUNDS THEREFOR as amended to include revisions for Exhibit D-1 to include a proposed sewer and reclaimed water easement along the westerly edge of the property and Exhibit D-2 to depict an existing reclaimed water line across the property.
- 2) Authorized the Mayor to execute a Sublease Agreement and Implementation Agreement No. 2 with the County of Orange to provide the County with a 100 acre parcel in accordance with the 2003 Property Tax Transfer and Pre-Annexation Agreement as amended to include revisions for Exhibit D-1 to include a proposed sewer and reclaimed water easement along the westerly edge of the property and Exhibit D-2 to depict an existing reclaimed water line across the property.
- 3) Authorized the Mayor to execute a Reciprocal License Agreement with the County of Orange and Heritage Fields as amended to include revisions for Exhibit D-1 to include a proposed sewer and reclaimed water easement along the westerly edge of the property and Exhibit D-2 to depict an existing reclaimed water line across the property.

3.8 DESIGNATION OF CITY CONSULTANT AS AUTHORIZED CITY REPRESENTATIVE TO EXAMINE SALES AND USE TAX RECORDS

ACTION:

Adopted RESOLUTION NO. 10-91 - A RESOLUTION OF THE CITY

**IMPLEMENTATION AGREEMENT NO. 2
BETWEEN CITY OF IRVINE, IRVINE REDEVELOPMENT AGENCY AND COUNTY
OF ORANGE**

This IMPLEMENTATION AGREEMENT NO. 2 BETWEEN CITY OF IRVINE, IRVINE REDEVELOPMENT AGENCY AND COUNTY OF ORANGE ("Implementation Agreement No. 2") is entered into as of August 17, 2010 (the "Effective Date"), by and between the **City of Irvine**, a California charter city ("City"), the **Irvine Redevelopment Agency** ("Agency") and the **County of Orange**, a political subdivision of the State of California ("County").

RECITALS

A. The City, Agency and County entered into a written "Property Tax Transfer and Pre-Annexation Agreement Regarding the Annexation and Re-Use of Former MCAS El Toro" ("Pre-Annexation Agreement"), dated March 4, 2003, and that agreement titled "Implementation Agreement No.1", ("Implementation Agreement No.1"), dated March 8, 2005, regarding the former United States Marine Corps Air Station El Toro ("El Toro"), which was then located immediately adjacent to but outside the jurisdictional boundaries of the City. A copy of the Pre-Annexation Agreement is attached hereto as **Exhibit "A,"** and a copy of the Implementation Agreement No.1 is attached hereto as **Exhibit "B."** Section 2.2.3 of the Pre-Annexation Agreement provides, among other things, that the City will provide the County with a one hundred (100) acre parcel of property located in the southwesterly corner of El Toro for County's use (the "Premises").

B. In accordance with the Pre-Annexation Agreement, the County and City have entered into a Sublease Agreement, of even date herewith ("Sublease"), attached hereto as **Exhibit "C,"** by which the City has subleased a portion of the Premises (the "Subleased Property") to the County as a precursor to transfer of fee title to the Premises, all as set forth in the Sublease.

C. The County, Agency and City now desire to enter into this Implementation Agreement No. 2 to set forth the agreements among the parties with respect to the long-term development and use of the Premises by the County.

AGREEMENT

NOW, THEREFORE, based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, Agency and the County hereby agree as follows:

1. Use and Improvements on Premises

1.1 The terms of the Sublease set forth the terms of the County's use and possession of the Subleased Property during the term of the Sublease, as well as the circumstances of the eventual transfer of the Premises to the County in fee.

1.1.1 The City and County acknowledge and agree that modifications to the precise boundaries of the Subleased Property/Premises may be necessary to accommodate the ultimate alignment of the roadway that ultimately will be used as the primary access road to the Subleased Property/Premises. The current alignment of the roadway is shown on City of Irvine Master Subdivision Map 17008 (as amended) (as amended, the "MSM") and is referred to as Marine Way on said MSM, and is currently designed as a "Primary" four-lane arterial highway ("Primary Access Road"). The parties further acknowledge that the roadway could, and likely will, ultimately undergo a name change, realignment and/or redesign from what is depicted on the MSM. The parties agree that if the roadway is realigned or redesigned from that shown on the MSM, the Subleased Property/Premises shall continue to have access to and abut a roadway along the entire frontage of the Subleased Property/Premises which frontage (and abutment to the Primary Access Road) is conceptually depicted on the attached **Exhibit "D"**. The parties acknowledge that in the event that significant realignment takes place to the Primary Access Road, such that a minor exchange or re-conveyance of property, as set forth more completely in this paragraph, is not feasible, the County may be provided access to portions of the Subleased Property/Premises by a secondary access road ("Secondary Access Road"), such that 100% of the Subleased Property/Premises frontage shall be abutted and have access to either the Primary Access Road or the Secondary Access Road (provided that, at a minimum, no less than approximately 90% of the linear frontage of the Subleased Property/Premises shall abut the Primary Access Road). Said abutment shall be continuous such that no non-County landowners or other non-County land interests (including but not limited to easements, licenses, etc.), other than those reflected on **Exhibit "D"** (as they may be modified or amended to correspond with any realignment or redesign of the Primary Access Road), shall exist between the Subleased Property/Premises and either the Primary Access Road or the Secondary Access Road as the case may be. Should a realignment or redesign of the Primary Access Road occur at any time after conveyance of the Subleased Property/Premises to the County, the parties intend to adjust the boundaries of the Subleased Property/Premises in accordance with the provisions set forth in this paragraph. In doing so, the parties agree to cooperate in good faith to implement the redesign and/or realignment, including an exchange or re-conveyance of property as necessary to effectuate such redesign and/or realignment, provided that the County shall be left with no less, and not materially more, than a 100 acre parcel. The parties agree that no additional consideration shall be required of either party to the other as a result of said boundary line adjustment. The parties further agree that the cost for the design and construction of the Secondary Access Road, should it be required, shall be done at no additional cost to the County other than County's agreed "Fair Share" contribution as is set forth herein and in **Exhibit "E,"** attached hereto.

1.2 . The parties acknowledge that City, through Heritage Fields El Toro LLC, a Delaware limited liability company ("HF" or "Heritage Fields"), intends to construct, or cause to be constructed, certain infrastructure adjacent to or within portions of the Subleased Property and/or the Premises, including Marine Way (including the roadway, parkway, sidewalks, sewer lines, water lines, storm drains, electrical lines, and other utility lines) and the Bee Canyon Channel, as well as certain additional sewer and reclaimed water improvements. The final sewer and final reclaimed water improvements, and Bee Canyon Channel (storm drain) are intended to be constructed beneath the Premises within the "easement areas" generally described on

Exhibit "D" (the parties recognize and acknowledge that interim infrastructure improvements may be constructed partially above ground but shall be relocated or removed at no cost to County if necessary for County use of the Premises as deemed necessary by County in its sole discretion), provided that the City, Agency, and County agree and acknowledge that modifications to the precise boundaries of the easement areas may be necessary to accommodate the technical, logistic and/or design requirements of the applicable infrastructure component and/or the applicable utility provider and easement holder and each such party agrees to reasonably cooperate in effectuating the necessary adjustments to the boundaries of the easement areas as required by such utility providers and easement holders. The Marine Way improvements (i.e., the roadway, parkway, sidewalks, sewer lines, water lines, electrical lines, and other utility lines) will be constructed outside the Premises. The portion of Bee Canyon Channel which crosses the Premises ("County Channel Portion") shall be improved as a reinforced concrete box ("RCB") at no cost to the County (as indicated in that certain Master Plan for Drainage prepared by City and HF and approved by the County pursuant to County's approval letter dated November 25, 2008) capable of withstanding a vehicular parking lot on the surface of the ground, and shall be included within the Premises. Such RCB shall be designed and constructed to Orange County Flood Control District's standards. The cost to construct the RCB on the Premises shall be at HF's cost, with no additional deposit required by the Orange County Flood Control District ("OC Flood") for future repairs or replacement (as part of the backbone infrastructure work described in the Amended MIA, as defined below). The future cost to reconstruct, repair, or replace the RCB shall be paid by the Agency up to a maximum of six hundred and fifty thousand dollars (\$650,000) or its successor, provided the County is still the owner of the Premises at the time, and if not, then the current owner of the Premises at that time according to OC Flood's policy then in effect. When the County Channel Portion is improved as a RCB and the sewer and reclaimed water improvements are made, regardless of who causes and pays for said improvements, County shall be granted the sole and exclusive right to use the surface area over the said County Channel Portion and any easement areas that fall within the boundaries of the Subleased Property/Premises, subject to such rights of access as are required by The Irvine Ranch Water District ("IRWD") and/or the OC Flood for maintenance, repair and other activities for which IRWD and/or OC Flood typically retain access rights. To the extent reasonably possible, and subject to the requirements of the applicable utility providers and easement holders, the City, Agency, and County agree to work together so as to mitigate the size of any required easements on the Premises, provided that the parties agree and acknowledge that modifications to the precise boundaries of the easement areas may be necessary to accommodate the requirements of the applicable utility provider and easement holder and each such party agrees to reasonably cooperate in effectuating the necessary adjustments to the boundaries of the easement areas as required by such utility providers and easement holders. Once the easement areas have been approved by the applicable utility provider and easement holder, then the easements may be recorded, with prior County approval as to the form of such easement documents, which approval shall not be unreasonably withheld, conditioned, or delayed, in the official records so long as the easement areas substantially conform to the areas shown on **Exhibit "D."** Concurrently herewith, the City, County, and Heritage Fields each shall enter into a non-exclusive license for reciprocal access purposes ("Reciprocal License Agreement") for the County, the City, and Heritage Fields, and their respective employees, officials, contractors, representatives, tenants, purchasers, invitees, successors and assigns, and to the non-profit organizations utilizing the "Home 1" and "Home 5" parcels that are adjacent to the

Subleased Property, over the alignment reflected on **Exhibit "1"** to the Reciprocal License Agreement, which is attached hereto as **Exhibit "G."**

1.3 [RESERVED]

1.4 The County hereby grants to the City, HF and/their respective contractors, subcontractors, and agents temporary construction access rights and licenses over portions of the Premises in order to construct Marine Way, Bee Canyon Channel improvements, and the remaining sewer and reclaimed water and other utility improvements, as well as appropriate access rights to allow for the access necessary to install and/or maintain the utility lines in the existing easement areas on the Subleased Property and/or the Premises. As necessary, upon or after conveyance of a deed to the Premises from the City to the County, the County shall convey appropriate utility easements to HF and their respective applicable utility providers in compliance with **Exhibit "D,"** to the extent that such easements have not been granted and recorded prior to such conveyance in accordance with the Section 1.2, above.

1.5 The County acknowledges and agrees that, to the extent that it does, the County shall connect to the roadways, utilities, and other Infrastructure (as that term is defined in Paragraph 2.1) not located on the Subleased Property and/ or the Premises, as well as any utilities, and Infrastructure that crosses the Premises, in a manner that complies with standard City requirements and standards. City shall permit such connection at no additional charge by the City to the County (i.e., no charge beyond that described as the County's fair share contribution in Section 2, below) provided that County shall be solely responsible for any connection fees of any utility provider, and provided further that County shall be responsible for any alterations to the alignment of Infrastructure necessary to accommodate County's site plan(s) for use of the Subleased Property.

1.6 An approved water quality management plan ("WQMP") has been completed that includes the Subleased Property and Premises, and County may use such plan, at no cost to the City, to the extent permitted by applicable regulatory authorities, for development of the Subleased Property and Premises. The City makes no representation, warranty or guaranty that any entity other than the City may use the WQMP, nor does the City make any representation, warranty and/or guaranty concerning whether the County's use of the WQMP will be opposed by any other regulatory or private party or body.

1.7 The County acknowledges that the Premises are adjacent to an entrance to the proposed "Orange County Great Park" to be developed by or on behalf of the City, and that the maintenance of the Subleased Property and the Premises may influence the perception of the "Orange County Great Park" by the public. It is the intention of the parties hereto that the County's future development or use of the Premises (not including interim use of existing facilities or any buildings or improvements that exist on the Premises as of the date of this Implementation Agreement No. 2) will not materially visually detract from the properties that are immediately adjacent to the Premises. To that end, the County has every intention of being a "good neighbor" to the City and the Orange County Great Park. Therefore, in the event City determines that it has a legitimate concern that the County's development or proposed development visually detracts from properties that are immediately adjacent to the County's roadway frontage along the Premises (viewed from Marine Way along said roadway frontage,

and no other elevation), County agrees to meet with the City and discuss City's concerns and take those steps that County deems to be reasonable and necessary to address City's concerns. In addressing City's concerns, County agrees to employ similar types of screening techniques used by properties adjacent to the County's roadway frontage along the Premises. For the purposes of this Section 1.7 only, "City" shall refer to the City Manager or the City Council and no other City staff.

1.8 The County and City mutually acknowledge that the Program EIR (State Clearinghouse No. 2002101020) prepared and certified by the City in connection with the City's annexation of El Toro and the City's approval of a general plan amendment, zone change and adoption of the "Great Park Development Agreement" for the reuse of the Base Property (the "Great Park EIR") analyzes the proposed development of the Base Property by HF and the City at a general plan and zoning level, but does not analyze any specific development plan or project for the Subleased Property and/or the Premises. The County understands and agrees both that it is solely responsible for all compliance with the California Environmental Quality Act, Public Resources Code Section 21000, et seq. ("CEQA") that is necessary in connection with any future uses or improvements within the Subleased Property and/or the Premises. The County and the City shall confer with one another concerning CEQA compliance activities and throughout the CEQA process for uses of County parcels and the Orange County Great Park parcels, and the County's CEQA compliance will be conducted as though the Subleased Property and/or the Premises remained unincorporated. The County acknowledges that it is responsible for any impacts it may cause as a result of the intensification or alteration of uses on the Subleased Property and/or the Premises beyond those studied in the Great Park EIR, and shall mitigate any such impacts in accordance with CEQA. The City reserves its rights to comment on the environmental analysis of such proposed land uses, including but not limited to the impacts of such proposed uses, the thresholds of significance and impact analysis methodology utilized, the execution of the impact analysis methodology utilized, and the sufficiency of the mitigation proposed to address identified impacts. In the event either party intends to prepare and circulate an EIR or amendment to an existing EIR (including addendums or supplements to an existing EIR), that would increase the current average daily trip ("ADT") generation (based on a total of 30,000 ADTs for Marine Way under the City's existing Great Park EIR), said party will give the other party 30 days notice prior to circulating said document(s).

2. Fair Share Formula.

2.1 The County, in accordance with the Fair Share Formula set forth in **Exhibit "E"** of this Implementation Agreement No. 2, shall pay its fair share of the costs ("Fair Share") for developing and installing the infrastructure improvements directly related to servicing the Premises more particularly described in **Exhibit "E-1"** ("Infrastructure"). The parties understand and acknowledge that to the extent additional or expanded infrastructure above and beyond that described in **Exhibit "E-1"** is required to serve the level of development of the Premises described in the Great Park EIR, any additional contribution required by the City of the County toward the costs of that additional and expanded infrastructure shall, as set forth in Section 2.2.5 of the Pre-Annexation Agreement, be limited to costs associated with those utilities, roadways, sewer lines and other types of infrastructure needs that are necessary to service the Premises, if any. The Infrastructure shall be designed and constructed in accordance with applicable City and OC Flood standards. City shall be the lead agency for the development

and installation of the Infrastructure and may provide for the installation of the Infrastructure in the manner set forth in that certain Amended and Restated Master Implementation Agreement by and between the City and HF (“Amended MIA”). County shall not be a member of, nor shall the Premises be subject, while under County ownership, to any assessment through any Community Facility Districts (“CFD”), assessment districts, landowners associations, or similar infrastructure financing or construction programs, and shall not be required to pay dues or assessments for the City’s/Great Park’s or Base maintenance costs other than as specified in this Implementation Agreement No. 2 and the exhibits attached hereto.

2.2 The parties hereto may enter into subsequent agreements on timing, design, costs, construction, and other Infrastructure issues affecting the Premises, and these agreements may include the City, the County, the Orange County Transportation Authority, the OC Flood and HF, as necessary. If the County decides that it is necessary to accelerate the construction of the portion of Marine Way that would access the Premises (“Marine Way Portion”) and/or the County Channel Portion, (*i.e.*, to provide for the installation of the Marine Way Portion and/or the County Channel Portion sooner than it would otherwise be constructed by the City and/or HF) the County may propose an agreement with the City and/or HF, as necessary, designating the County as the lead agency for the construction of such infrastructure and the City shall cooperate with the County to approve such agreement and shall cooperate with the County in attempting to secure the approval of HF, if necessary, as well as the relocation or termination of the temporary road across the Premises (as more fully described in the Reciprocal Access License), as necessary. In the event that the City or HF decides to perform such infrastructure construction on County’s accelerated time-table, County shall agree to the extent that it does not delay the County’s use of the Premises. In the event that the County constructs the Marine Way Portion and/or the County Channel Portion, the City shall credit any amounts spent by the County to construct said infrastructure toward the County’s Fair Share of the County’s Infrastructure costs (such amounts may include County actual administrative costs, including but not limited to actual County charges and overhead, in an amount not to exceed twenty percent (20%) of the costs for any design and construction). In the event the County’s cost to construct the Marine Way Portion and/or the County Channel Portion exceeds County’s Fair Share of the Infrastructure costs, the City and County, prior to commencement of work, will meet and enter into a funding and phased reimbursement plan that will reimburse the County for said excess cost by remitting to the County, with interest, funds that would otherwise have been paid to a third party for Marine Way Portion and/or County Channel Portion construction.

2.3 County’s Fair Share of Infrastructure costs shall be paid from funds deposited in the County Account established pursuant to Implementation Agreement No. 1, a copy of which is attached hereto marked **Exhibit “B,”** unless the County, in its reasonable discretion, chooses to pay such costs with other available funds, and County pursuant to Implementation Agreement No. 1 may, among other things, use the amounts in the County Account to issue bonds or authorize payment by the Agency from said County Account for each invoice submitted by the City within thirty (30) days of receipt of the invoice. In the event there are insufficient funds in the County Account to pay, in full, any invoice when due, then said unpaid invoice(s) or portion thereof, shall – together with interest on the unpaid portion at a rate equal to what the County Treasurer received on its pooled investment for the period said amount(s) remained unpaid, or at the rate of interest City is required to pay on the unpaid amount(s), whichever amount is greater – be deducted from the next available funds deposited

into the County Account, and, in the event the next available funds deposited into the County Account are insufficient to pay said invoice(s), said unpaid amounts with interest shall continue to be deducted in like manner until such time as the full Fair Share amount owing has been recouped by the City, unless the County chooses to pay such outstanding invoices with other County funds. Notwithstanding the foregoing, County agrees, to the degree that sufficient funds are deposited annually into the County Account, to maintain an amount in the County Account sufficient to pay an annual debt service payment on a bond issue of no more than Fifteen Million Six Hundred Thousand Dollars (\$15,600,000) once the construction of Marine Way (as it may be renamed, realigned or redesigned) commences, and until the County's Infrastructure "Fair Share" contribution is paid in full.

2.4 The County's Fair Share responsibility for the maintenance of the existing alignment of Marine Way (also known as "Perimeter Road") shall be as set forth in Reciprocal License Agreement.

3. Indemnification and Release

3.1 County shall indemnify, defend and hold harmless the City, the Orange County Great Park Corporation and the Agency, and each of their respective officers, officials, employees, agents, representatives, contractors, successors and assigns (collectively, the "City-Related Parties") from and against any and all claims, demands, causes of action, obligations, setoffs, liabilities, losses, injuries and damages of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, liquidated or unliquidated (collectively, "Claims") that may be asserted or claimed by any person or entity arising in any way out of the County's activities under this Implementation Agreement No. 2, whether or not there is concurrent passive negligence on the part of the City or any City-Related Party, but excluding such Claims or Liabilities to the extent they arise from the active negligence or willful misconduct of the City or City-Related Party or the acts of independent third parties on the Premises.

3.2 City and the Agency shall indemnify, defend and hold harmless the County and each and its officers, officials, employees, agents, representatives, contractors, successors and assigns ("County-Related Parties") from and against any and all Claims of any kind that may be asserted or claimed by any person or entity arising in any way out of the City's or Agency's activities under this Implementation Agreement No. 2, including liability arising out of any condition, maintenance or repair of the Perimeter Road, whether or not there is concurrent passive negligence on the part of the County or any County-Related Party, but excluding such Claims or Liabilities to the extent they arise from the active negligence or willful misconduct of the County or County-Related Party or the acts of independent third parties on the Premises.

4. Miscellaneous

4.1 Notices. All notices, transmittals of documentation and other writings required or permitted to be delivered or transmitted to either of the parties under this Implementation Agreement No. 2 shall be personally served or deposited in a United States mail depository, first class postage prepaid, and addressed as follows:

If to the City: City of Irvine
One Civic Center Plaza
P.O. Box 19575
Irvine, CA 92623
Attention: City Manager

with copy to: Orange County Great Park Corporation
One Civic Center Plaza
P.O. Box 19575
Irvine, CA 92623
Attention: Chief Executive Officer

If to the County: County of Orange
10 Civic Center Plaza
P.O. Box 1379
Santa Ana, CA 92702
Attention: County Executive Officer

or such other addresses any party may direct to the other party in writing. All such notices and communications shall be deemed to have been duly given when delivered by hand, if personally delivered. Except where service is by registered or certified mail, return receipt requested, service of any instrument or writing shall be deemed completed forty-eight (48) hours after deposit in the United States mail depository.

4.2 Assignment. During the term of this Implementation Agreement No. 2, the County's rights and obligations may be assigned, transferred or otherwise conveyed to any third party upon notice to the City and consistent with and subject to the terms of the Sublease, on condition that such assignee or transferee agrees in writing to assume all of the obligations and requirements of the County as Sub-lessee under this Implementation Agreement No. 2.

4.3 No Third Party Beneficiaries. Nothing expressed or mentioned in this Implementation Agreement No. 2 is intended or shall be construed to give any person, other than the parties hereto and their respective authorized successors and assigns, any legal or equitable right, remedy or claim under or in respect to this Implementation Agreement No. 2 or any of the provisions contained herein. This Implementation Agreement No. 2 and each and every condition and provision hereof are intended to be for the sole and exclusive benefit of the City, Agency and the County, and their respective authorized successors and assigns, and for the benefit of no other person or entity.

4.4 Governing Law. This Implementation Agreement No. 2 shall be governed by and construed in accordance with the laws of the State of California applicable to subleases made and to be performed within the State.

4.5 Waiver; Remedies. No failure on the part of either party hereto to insist upon or demand the strict performance by the other party of any covenant, term, condition or promise of this Implementation Agreement No. 2, or to exercise any right or remedy as a result of any breach of the Implementation Agreement No. 2, shall constitute a continuing waiver of any such

breach or of any such covenant, term, condition, promise, right or remedy. No waiver of any breach shall in any way affect, alter or modify this Implementation Agreement No. 2, but each and every covenant, term, condition and promise of this Implementation Agreement No. 2 shall continue in full force and effect. No single or partial exercise of any right, remedy, power or privilege under this Implementation Agreement No. 2 shall preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege under this Implementation Agreement No. 2.

4.6 Status of the Parties. Nothing in this Implementation Agreement No. 2 shall be construed to make the parties joint venturers or partners, or to create any relationship of principal and agent, and the parties specifically disavow such relationships.

4.7 Interpretation. This Implementation Agreement No. 2 has been negotiated at arms' length between persons sophisticated and knowledgeable in the matters addressed herein, and both parties have had the opportunity to consult with legal counsel of such party's choosing regarding this Sublease. Accordingly, any rule of law (including California Civil Code § 1654) or legal decision that would require interpretation of this Implementation Agreement No. 2 against the drafter hereof is not applicable and is waived.

4.8 Entire Agreement. This Implementation Agreement No. 2, in conjunction with the Pre-Annexation Agreement and Implementation Agreement No. 1, and the Sublease is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect to the subject matter contained herein. It is not the intention of the parties that this Implementation Agreement No. 2 shall supersede any prior agreement, including the Pre-Annexation Agreement and Implementation Agreement No. 1. There are no restrictions, promises, warranties or undertakings relating to the subject matter of this Implementation Agreement No. 2, other than those set forth or referred to herein and in the Pre-Annexation Agreement. To the extent that there are inconsistencies between the terms of this Implementation Agreement No. 2 and the Pre-Annexation Agreement, this Implementation Agreement No. 2 supersedes the Pre-Annexation Agreement with respect to those inconsistencies, except with respect to: (i) Section 2.2.4 of the Pre-Annexation Agreement; (ii) the portions of Section 2.2.3 of the Pre-Annexation Agreement related to the conveyance of property other than the Premises, the City's statement that it "will also provide for land use designations that will allow for the intended uses indicted on the attached Exhibit [to the Pre-Annexation Agreement]," and Section 2.2.3.1, and (iii) those portions of Section 2.2.5 that limit the County's Fair Share obligation for the Premises to infrastructure (other than the Infrastructure specifically addressed in this Agreement) that is directly related to servicing the Premises. It is the intention of the parties hereto that this Implementation Agreement No. 2 not alter or vary the terms of Implementation Agreement No. 1.

4.9 Warranty of Authority. Each officer of the City and the County affixing his or her signature below thereby warrants and represents that he or she has the full legal authority to bind his or her respective party to all of the terms, conditions and provisions of this Implementation Agreement No. 2; that his or her respective party has the full legal right, power, capacity and authority to enter into this Sublease and perform all the obligations herein; and that no other approvals or consents are necessary in connection therewith.

4.10 Modifications. Neither this Implementation Agreement No. 2 nor any provision hereof may be changed, waived, discharged or terminated orally or in writing, except that any provision of this Implementation Agreement No. 2 may be amended by a writing signed by the parties, in the observance of any provision of the Implementation Agreement No. 2 may be waived (either generally or in a particular instance in either retroactively or prospectively) by a writing signed by the party against whom such waiver is to be asserted.

4.11 Headings. The headings in this Implementation Agreement No. 2 are for convenience of reference only, and shall not limit or otherwise affect the meaning of this Implementation Agreement No. 2.

4.12 Successors and Assigns. Subject to Section 4.2 above, this Implementation Agreement No. 2 shall inure to the benefit of, and be binding upon, the City, the County, and their respective successors and assigns.


4.13 Exhibits. This Implementation Agreement No. 2 contains exhibits, attached hereto and made a part hereof by this reference. Said exhibits are identified as follows:


- A Pre-Annexation Agreement
- B Implementation Agreement No. 1
- C Sublease
- D Encumbrances on Premises
- D-1 Depiction of Proposed Future Encumbrances
- D-2 Depiction of Existing Encumbrances
- E Fair Share Formula
- F [RESERVED]
- G Reciprocal Access License

IN WITNESS WHEREOF, the parties hereto have entered into this Implementation Agreement No. 2 as of the date first written above.

CITY OF IRVINE, a charter municipal corporation


By:  _____
Mayor

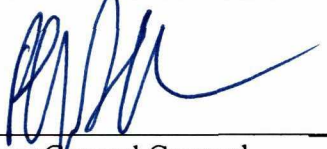
ATTEST:
 _____
City Clerk

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP
 _____
City Attorney, City of Irvine

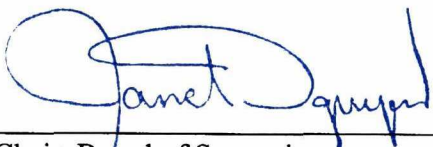
IRVINE REDEVELOPMENT AGENCY

By:  _____
Chair

ATTEST:
 _____
Agency Secretary

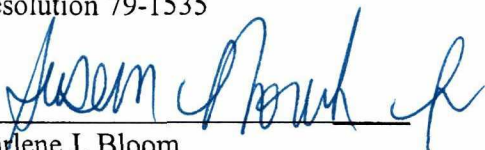
APPROVED AS TO FORM:
 _____
Agency General Counsel

COUNTY OF ORANGE, a political subdivision of
the State of California

By: 
Chair, Board of Supervisors

Signed and certified that a copy of this
document has been delivered to the
Chair of the Board per G.C. Sec. 25103,
Resolution 79-1535




Darlene J. Bloom
Clerk of the Board of Supervisors
Orange County, California

APPROVED AS TO FORM:
COUNTY COUNSEL, COUNTY OF ORANGE


Deputy

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
THIS AGREEMENT TO:**

City of Irvine
One Civic Center Plaza
P.O. Box 19575
Irvine, CA 92623
Attention: City Manager

Recorded in Official Records, Orange County
Tom Daly, Clerk-Recorder

 NO FEE

2011000036334 2:31 pm 01/20/11

105 415 A12 10

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(Space Above for Recorder's Use)

RECIPROCAL LICENSE AGREEMENT

This RECIPROCAL LICENSE AGREEMENT (the "Agreement") is made as of this 17th day of AUGUST, 2010, by, between, and among the City of Irvine ("City"), the County of Orange, a political subdivision of the State of California ("County"), and Heritage Fields, El Toro, LLC, a Delaware limited liability company ("Heritage Fields"). The parties to this Reciprocal License Agreement are hereinafter jointly referred to as "the Parties."

RECITALS

A. City, County, and Heritage Fields each hold certain possessory interests, including fee interests, leasehold interests, and sub-leasehold interests, in certain land located in City of Irvine Planning Area No. 51 which is on and/or adjacent to the former Marine Corps Air Station, El Toro, and which is improved with that certain roadway that is currently referred to as "Perimeter Road" and/or "Old Marine Way" (hereinafter, "Parties' Property"). The current alignment of said roadway is depicted on Exhibit "1" hereto, and is hereinafter referred to as "Perimeter Road."

B. Concurrent with the execution of this Agreement, the City and the County have entered into (i) a "Sublease Between City of Irvine and County of Orange For Institutional Parcel Within El Toro LIFOC Parcel 3," ("Sublease") and (ii) an "Implementation Agreement No. 2 Between City of Irvine, Irvine Redevelopment Agency and County of Orange" ("Implementation Agreement No. 2"). The Sublease and Implementation Agreement No. 2 provide, *inter alia*, for the immediate transfer of a sub-leasehold interest in 100 acres of property to the County ("Subleased County

Property”), followed by the later transfer of fee title to at least 100 acres of property to the County (“**County Property**”).

C. The Sublease and Implementation Agreement No. 2 also contemplate the construction of a primary access road (“**Primary Access Road**”), and potentially a secondary access road (as applicable, the “**Potential Secondary Access Road**”), that will provide vehicular access to, among other properties, the Parties’ Property and the properties currently utilized by the non-profit organizations operating at the “Home 1” and “Home 5” parcels depicted on **Exhibit “1”** (the “**Non-Profits**”).

D. The timing and phasing of the construction of the Primary Access Road and Potential Secondary Access Road is uncertain, and the Parties therefore each recognize the need to preserve the ability to maintain reciprocal rights to access to the properties in which they hold possessory interests from and over the existing Perimeter Road alignment until such time as the Primary Access Road and Potential Secondary Access Road are constructed.

E. The provision of reciprocal access rights over the existing alignment of Perimeter Road is not intended by the parties to be permanent, and is not intended to delay the design, construction, and operation of the Primary Access Road and the Potential Secondary Access Road, subject to the provisions set forth below.

F. Each of the Parties desires to grant to the other Parties, their respective employees, officials, contractors, representatives, tenants, purchasers, invitees, successors and assigns, (collectively “**successors**”), and the Non-Profits a license on and over that portion of Perimeter Road depicted on **Exhibit "1"** attached hereto that is located on each such Parties’ Property for the purpose of accessing, maintaining, and traveling upon such portion of Perimeter Road.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and subject to all of the terms and conditions which follow, the Parties hereto agree as follows:

1. Grant of License. Each of the Parties hereby grants to each of the other Parties, their respective Successors, and the Non-Profits a temporary, non-exclusive, uninterrupted license (the "**License**") upon, over, and along that portion of Perimeter Road depicted on **Exhibit "1"** attached hereto that is located on each such Parties’

Property, as may be required for the purpose of accessing, maintaining, and traveling upon such portion of Perimeter Road. No Party shall install any fence or other barrier that prevents the full access to and use of such portion of Perimeter Road during the term of this License. The reciprocal access rights provided herein do not include the ability to upgrade the existing Perimeter Road, except as may be necessary to facilitate continued access during construction activities related to the new alignment of the Primary Access Road and the Potential Secondary Access Road. The Parties shall not use the reciprocal access rights provided herein as a basis to delay the development of the Primary Access Road and (if applicable) the Potential Secondary Access Road. The Parties acknowledge and agree that nothing contained herein shall require the construction of the Primary Access Road and (if applicable) the Potential Secondary Access Road on any particular time period, given that the timing of the construction of such road shall continue to be governed by the contractual arrangement between the City and Heritage Fields for the construction of backbone infrastructure. The Parties further acknowledge and agree that they may, in their sole and absolute respective discretion and at their sole cost, relocate portions of Perimeter Road located on their respective properties, so long as Perimeter Road continues to connect uninterrupted with those portions of Perimeter Road located on each other Party's property.

2. Maintenance of Perimeter Road. During the term of this License, each Party shall be responsible for maintaining that portion of Perimeter Road that crosses the portion of the Parties' Property in which such Party holds a possessory interest; provided, however, that the County shall not be responsible for maintaining Perimeter Road so long as (i) it does not hold fee interest in the County Property, and (ii) the County Subleased Property is neither physically occupied by County personnel on a regular basis (not including routine inspections and provision of security) or its Successors nor undergoing actual physical development by the County or its Successors (the term "physical development" as used herein does not include routine maintenance of weeds or landscaping, pest control, trash removal or improvements made as a result of infrastructure installation not related to the County's development of the County Property). Nothing in this Agreement shall be construed as a modification to any agreement existing between the Parties, or any of them, concerning maintenance responsibilities for Perimeter Road or any other facilities on the Parties' Property. Nor shall anything in this Agreement prohibit the Parties, or any of them, from subcontracting the maintenance responsibilities set forth herein to another person or entity.

3. Termination. This Agreement, and the license provided herein, shall terminate upon the earlier of (i) parties mutual agreement, or (ii) the opening for public access of the Primary Access Road and (as necessary) the Potential Secondary Access Road.

4. Indemnification. In the event that any Party and/or its Successors use any portion of Perimeter Road located on the other Party's property (an "Access Road User") said

Access Road User shall and does hereby agree to indemnify, defend and hold the other Parties and their respective Successors harmless from all costs, expenses, attorneys' fees and court costs, liens, losses, damages, liabilities, claims and demands for property damage or bodily injury or death of any person (collectively, "Loss") arising from such Access Road User's use of Perimeter Road; provided, however, this indemnity shall not apply or extend to any Loss arising with respect to or as a result of another Party's negligence or willful misconduct.

5. Survival of Obligations. The Parties obligations pursuant to Sections 4 shall survive the termination of this Agreement.

6. Notices. No notice, request, demand, instruction or other document to be given hereunder to any party shall be effective for any purpose unless (i) personally delivered to the person at the address set forth below in which event such notice shall be deemed effective only upon delivery, or (ii) delivered by registered or certified mail at the address set forth below, return receipt requested, or (iii) sent by facsimile at the facsimile number set forth below on a business day, during business hours and provided that the original notice shall be sent by overnight courier for arrival the next business day at the address set forth below:

If to the City:

City of Irvine
One Civic Center Plaza
P.O. Box 19575
Irvine, CA 92623
Attention: City Manager

with copy to:

Orange County Great Park Corporation
One Civic Center Plaza
P.O. Box 19575
Irvine, CA 92623
Attention: Chief Executive Officer

If to the County:

County of Orange
10 Civic Center Plaza
P.O. Box 1379
Santa Ana, CA 92702
Attention: County Executive Officer

If to Heritage Fields:

Heritage Fields El Toro LLC
25 Enterprise, Fourth Floor
Aliso Viejo, CA 92656
Attention: Lynn Jochim

With a copy to:

Allen Matkins Leck Gamble Mallory & Natsis LLP
1900 Main Street, Fifth Floor
Irvine, CA 92614-7321
Attention: Michael Alvarado, Esq.

Notices so mailed shall be deemed to have been given seventy-two (72) hours after deposit in the United States Post Office, postage prepaid, and properly addressed, or, if sent by telefacsimile, upon completion of the transmission. The addresses and addressees for the purposes of this section may be changed by giving notice of such change in the manner herein provided for giving notice.

7. Assignment. During the term of this Agreement, the license provided herein shall remain a binding obligation upon, and inure to the benefit of, each of the Parties respective Successors.

8. No Third Party Beneficiaries. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, other than the parties hereto and their respective authorized Successors, any legal or equitable right, remedy or claim under or in respect to this Agreement or any of the provisions contained herein. This Agreement and each and every condition and provision hereof are intended to be for the sole and exclusive benefit of the Parties, and their respective Successors and for the benefit of no other person or entity.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

10. Waiver; Remedies. No failure on the part of any Party hereto to insist upon or demand the strict performance by the other party of any covenant, term, condition or promise of this Agreement, or to exercise any right or remedy as a result of any breach of the Agreement, shall constitute a continuing waiver of any such breach or of any such covenant, term, condition, promise, right or remedy. No waiver of any breach shall in any

way affect, alter or modify this Agreement, but each and every covenant, term, condition and promise of this Agreement shall continue in full force and effect. No single or partial exercise of any right, remedy, power or privilege under this Agreement shall preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege under this Agreement.

11. Status of the Parties. Nothing in this Agreement shall be construed to make the parties joint venturers or partners, or to create any relationship of principal and agent, and the parties specifically disavow such relationships.

12. Interpretation. This Agreement has been negotiated at arms' length between persons sophisticated and knowledgeable in the matters addressed herein, and both parties have had the opportunity to consult with legal counsel of such party's choosing regarding this Sublease. Accordingly, any rule of law (including California Civil Code § 1654) or legal decision that would require interpretation of this Agreement against the drafter hereof is not applicable and is waived.

13. Entire Agreement. As between the City and County, this Agreement, in conjunction with the Sublease and Implementation Agreement No. 2, is intended as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of these two Parties hereto in respect to the subject matter contained herein. As among the City, the County and Heritage Fields, this Agreement is intended as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the three Parties hereto in respect to the subject matter contained herein. It is not the intention of the Parties that this Agreement shall supersede any prior agreement. There are no restrictions, promises, warranties or undertakings relating to the subject matter of this Agreement, other than those set forth or referred to herein.

14. Warranty of Authority. Each Party represents and warrants that each officer or representative of the Parties affixing his or her signature below has the full legal authority to bind his or her respective party to all of the terms, conditions and provisions of this Agreement; that his or her respective party has the full legal right, power, capacity and authority to enter into this Agreement and perform all the obligations herein; and that no other approvals or consents are necessary in connection therewith.

15. Modifications. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally or in writing, except that any provision of this Agreement may be amended by a writing signed by the Parties, in the observance of any provision of the Agreement may be waived (either generally or in a particular instance in either retroactively or prospectively) by a writing signed by the party against whom such

waiver is to be asserted.

16. Headings. The headings in this Agreement are for convenience of reference only, and shall not limit or otherwise affect the meaning of this Agreement.

17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

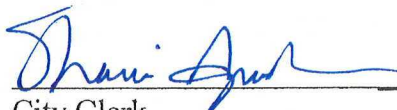
IN WITNESS WHEREOF, the parties hereto have entered into this Implementation Agreement No. 2 as of the date first written above.

**CITY OF IRVINE, a charter municipal
corporation**

By: _____
Mayor

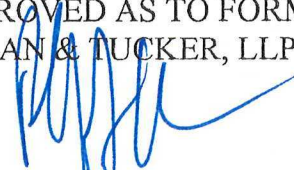


ATTEST:



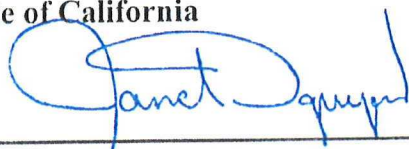
City Clerk

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP



City Attorney, City of Irvine

**COUNTY OF ORANGE, a political subdivision of
the State of California**

By: 
Chair, Board of Supervisors

Signed and certified that a copy of this
document has been delivered to the
Chair of the Board per G.C. Sec. 25103,
Resolution 79-1535

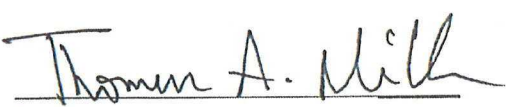

Darlene J. Bloom

Clerk of the Board of Supervisors
Orange County, California

APPROVED AS TO FORM:

County Counsel, COUNTY of Orange




Deputy

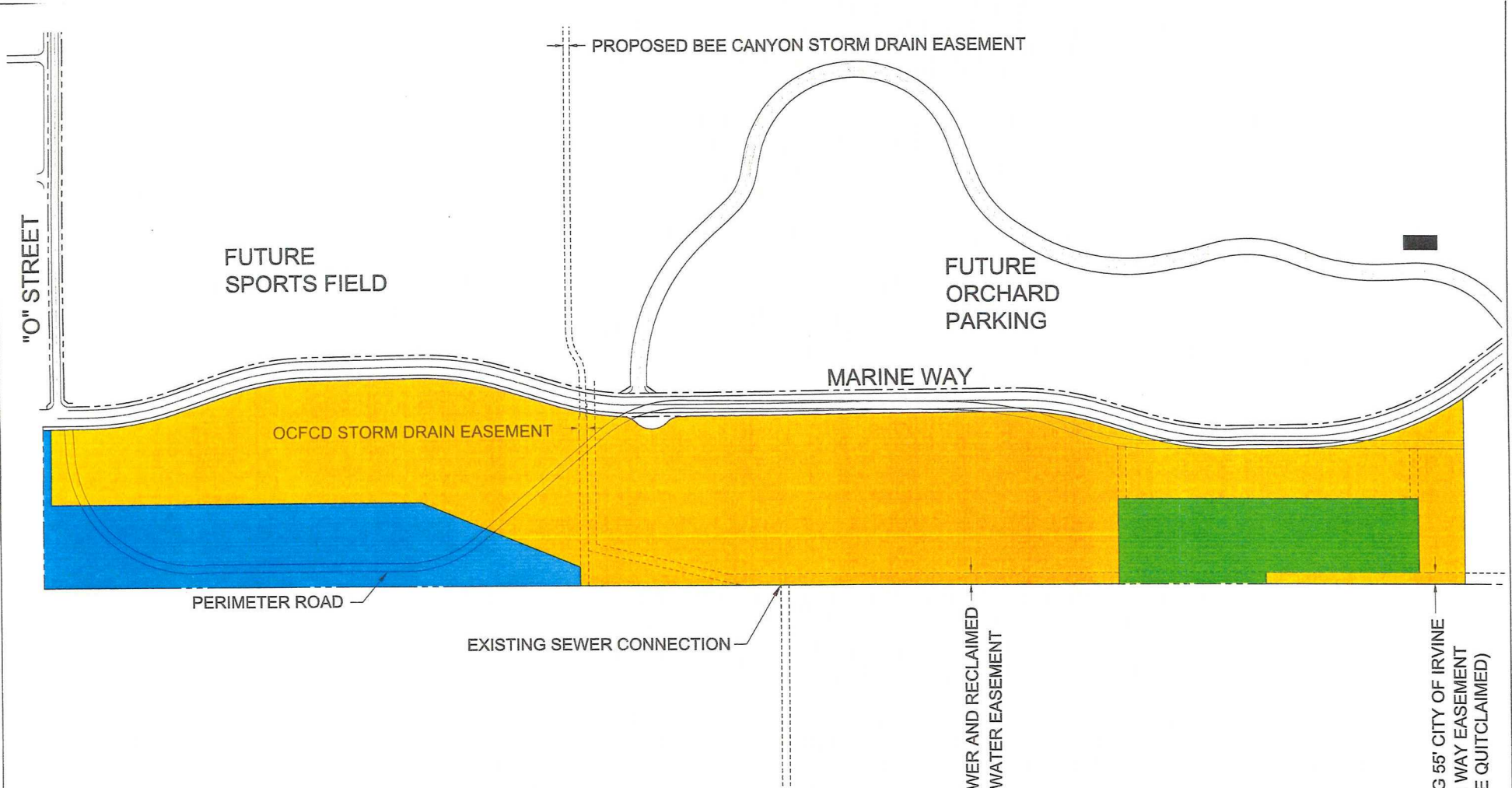
**HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company**

**By: Heritage Fields, LLC, a Delaware
limited liability company
Its: Sole Member**

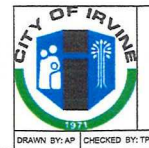
**By: Lennar-LNR Heritage Fields, LLC, a
Delaware limited liability company
Its: Administrative Member**

**By: Lennar Homes of California, Inc., a
California corporation
Its: Managing Member**

By: _____
Name: _____
Title: _____



- LEGEND**
- ORANGE COUNTY PARCEL (100.0 AC)
 - CITY PARCEL
 - HOME 1 AND 5
 - EASEMENT LINE
 - BOUNDARY LINE



**COUNTY PARCEL
EXHIBIT 1**

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and Release of Claims (“**Agreement**”) is made and entered into by and between Petitioners and Plaintiffs City Of Irvine (“**City**”), the Successor Agency to the Dissolved Irvine Redevelopment Agency (“**Successor Agency**”), and the Irvine Community Land Trust (“**Land Trust**”) (collectively, “**Petitioners**”), on the one hand, and, on the other hand Respondents and Defendants California Department Of Finance (“**DOF**”) and Michael Cohen in his official capacity as the Director of the California Department of Finance (collectively, “**Respondents**”). Petitioners and Respondents are sometimes collectively referred to as the “**Parties**.”

RECITALS

A. City, and Successor Agency have filed the following two Sacramento Superior Court actions, both of which remain pending, against Respondents, (1) *City of Irvine v. Cohen*, case no. 34-2013-80001682 (“*Irvine v. Cohen Case*”), (2) *City of Irvine v. Matosantos*, case no. 34-2012-80001161 (“*Irvine v. Matosantos Case*”); in addition, Land Trust, City, and Successor Agency have filed a petition, which remains pending, against Respondents in *Irvine Community Land Trust v. Matosantos*, case no. 34-2013-80001535 (“*Land Trust Case*”) (the *Irvine v. Cohen Case*, the *Irvine v. Matosantos Case*, and the *Land Trust Case* are collectively referred to as the “**Sacramento Actions**”).

B. The Sacramento Actions relate to the wind down of the Irvine Redevelopment Agency (“**RDA**”) pursuant to Assembly Bill 26 of the 2011-12 First Extraordinary Session of the California Legislature (“**AB x1 26**”) in conjunction with the decision of the California Supreme Court in *Community Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231 (“*CRA v. Matosantos*”), and as amended by Assembly Bill 1484 of the 2011-12 Regular Session of the California Legislature (“**AB 1484**”) (AB x1 26 and AB 1484, collectively the “**Dissolution Act**”).

C. Under AB x1 26, as interpreted by *CRA v. Matosantos*, the RDA was dissolved on February 1, 2012. Following the dissolution of the RDA, the Successor Agency submitted a series of Recognized Obligation Payment Schedules (“**ROPS**”) to Petitioners in accordance with the Dissolution Act. In those ROPS, Petitioners claimed that three separate agreements are enforceable obligations under the Dissolution Act. Respondents’ disapprovals of those three agreements as enforceable obligations under the Dissolution Act are the subjects of the Sacramento Actions.

D. The three separate ROPS items at issue in the Sacramento Actions are: (1) The Purchase and Sale and Financing Agreement (“**PSFA**”), originally dated August 14, 2007 and allegedly reentered on June 12, 2012, by and between the RDA and the City, with an alleged value of approximately Eight Hundred Twelve Million Dollars (\$812,000,000); (2) the Amended and Restated Development Agreement (“**ARDA**”), dated December 27, 2010, which is an alleged obligation of the former RDA to construct the Orange County Great Park with an alleged value of approximately One Billion Four Hundred Million Dollars (\$1,400,000,000); and (3) the Redevelopment Affordable Housing Funds Grant Agreement (“**Land Trust Agreement**”), dated

February 8, 2011, between the RDA and the Land Trust with an alleged value of approximately Seven Hundred Thirty One Million Dollars (\$731,000,000).

E. The City and the Successor Agency allegedly re-entered into the PSFA on June 12, 2012. That action was approved by the Oversight Board to the Successor Agency to the Dissolved Irvine Redevelopment Agency by Resolution 2012-11 on June 14, 2012. DOF claims that as a valid post-finding of completion enforceable obligation pursuant to Health & Safety Code section 34191.4, the One Hundred Thirty Four Million Dollar (\$134,000,000) principal amount on the PSFA loan is entitled to repayment at an interest rate of thirty two one hundredths of one percent (0.32%) per year. Petitioners claim that the PSFA loan should be treated as a valid reentered agreement pursuant to Health & Safety Code section 34178 and should bear interest at nine percent (9%) per year.

F. The Parties have concluded that it would be in their mutual best interests, and in the public interest, to settle all disputes raised in the Sacramento Actions between Petitioners and Respondents according to the terms described in this Agreement, which shall be incorporated fully by reference into a stipulated judgment to be approved by the Court pursuant to Code of Civil Procedure section 664.6. By this Agreement, the Parties intend to fully and completely resolve any and all remaining disputes between the Parties pertaining to, or in any way relating to, the Sacramento Actions.

TERMS OF AGREEMENT

Accordingly, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. City, Successor Agency, and Respondents (the “**Cohen Case Parties**”) will jointly submit a stipulated judgment to the Court for approval in *Irvine v. Cohen Case* (“**Stipulated Judgment**”). This Agreement will be attached to the Stipulated Judgment as Exhibit A, and incorporated fully therein by reference. It is the intent of the Cohen Case Parties, and therefore the Cohen Case Parties shall jointly request to the Court in the *Irvine v. Cohen Case*, that the court retain jurisdiction over the Cohen Case Parties until performance in full of the terms of this settlement (as memorialized in this Agreement and the Stipulated Judgment).

2. The Cohen Case Parties agree to expeditiously jointly submit a motion to the Court for the approval of the Stipulated Judgment in the *Irvine v. Cohen* action, and the Cohen Case Parties shall remain bound to proactively seek (or, in the case of the Land Trust, not oppose) court approval of the Stipulated Judgment *even if* a change in law (by legislation, by promulgation of administrative rules, or by appellate or supreme court precedent) or the dissemination of persuasive authority (by administrative interpretation, release of superior court tentative or final decisions, or release of unpublished appellate decisions, or other statements or comments from superior or appellate court judges) occurs after the execution of this Agreement but prior to Court action on the request for approval of the Stipulated Judgment.

3. If the Court does not enter a Stipulated Judgment pursuant to the terms of this Agreement, this Agreement shall be null and void *ab initio*, without further action of any Party.

Petitioners may then elect not to dismiss the Sacramento Actions and, instead, proceed to prosecute them.

4. If the Court approves the Stipulated Judgment, Respondents shall recognize the Stipulated Judgment as an enforceable obligation with a value of Two Hundred Ninety Two Million Dollars (\$292,000,000), which shall be paid from Redevelopment Property Tax Trust Fund (“RPTTF”) moneys to the Successor Agency. Such funds shall be paid from the Successor Agency to the City in satisfaction of the PSFA loan (the “**Stipulated Judgment Enforceable Obligation**”). DOF shall continue to abide by the Stipulated Judgment Enforceable Obligation, by approving payment by the Orange County auditor-controller of the full amount of RPTTF over to the Successor Agency, less the withholding of Four Million Three Hundred Eighty Thousand Dollars (\$4,380,000) per year described in paragraph 8 below, until such time as the Two Hundred Ninety Two Million Dollars (\$292,000,000) in RPTTF is fully paid over to the Successor Agency for payment to the City on the PSFA loan. No interest shall be paid on this sum. The total amount paid shall be Two Hundred Ninety Two Million Dollars (\$292,000,000) regardless of the time it takes to receive the payments.

5. Petitioners shall never again claim on any future ROPS or otherwise that the PSFA loan is an enforceable obligation of the former RDA; instead, the Stipulated Judgment shall be the item claimed, and recognized by Respondents, on future ROPS. Petitioners shall also never again claim on any future ROPS that the ARDA or Land Trust Agreement is an enforceable obligation of the former RDA.

6. Respondents shall never claim, in response to any future ROPS submission or otherwise, that the Stipulated Judgment is not an enforceable obligation under the Dissolution Act.

7. Petitioners shall request the dismissal with prejudice of the *City of Irvine v. Matosantos Case* in its entirety, and *Land Trust Case* in its entirety, within five (5) business days of the Court signing and entering the Stipulated Judgment in the *City of Irvine v. Cohen Case*.

8. Unless the Successor Agency directs otherwise, all RPTTF shall be applied to the Stipulated Judgment line item on the ROPS until the Stipulated Judgment is fully paid; provided, however, that Four Million Three Hundred Eighty Thousand Dollars (\$4,380,000) of RPTTF funds will be paid over to the taxing entities each fiscal year pursuant to Health & Safety Code section 34183(a)(4) until the Stipulated Judgment Enforceable Obligation is satisfied. Once the Stipulated Judgment Enforceable Obligation is satisfied, the limitation on residual payments to taxing entities will be lifted. The Four Million Three Hundred Eighty Thousand Dollars (\$4,380,000) per year will be sent to the taxing entities from the first RPTTF distribution that occurs each fiscal year (as specified in Paragraph 4, above); if there are insufficient funds in the first RPTTF distribution to send the full Four Million Three Hundred Eighty Thousand Dollars (\$4,380,000) per year from RPTTF to the taxing entities, the necessary remaining funds shall come from the second RPTTF distribution. If in a given year there is less than Four Million Three Hundred Eighty Thousand Dollars (\$4,380,000) available for this distribution of RPTTF payments to the taxing entities, the taxing entities shall receive whatever funds are available, and

the Successor Agency shall not receive any funds toward the satisfaction of the Stipulated Judgment during that year.

9. Upon receipt of RPTTF monies for payment of approved enforceable obligations in each ROPS period, the Successor Agency shall prioritize, pursuant to direction of the City as to any city-RDA loans, repayment of the Two Hundred Ninety Two Million Dollars (\$292,000,000) so that it is paid prior to, following, or concurrent with the other enforceable obligations payable under Health and Safety Code section 34183(a)(2)(C), including those qualifying as enforceable obligations pursuant to section 34191.4.

10. The Successor Agency and City agree that they will not challenge the determination of State Controller's Office in its April 28, 2014 audit with regard to the Five Million Five Hundred Thousand Dollar (\$5,500,000) interest payment made by the RDA to the City in March 2011. The City will return the Five Million Five Hundred Thousand Dollars (\$5,500,000) to the Successor Agency which will then submit it to the county auditor-controller, both of which shall occur within five (5) business days of the Court signing and entering the Stipulated Judgment. The county auditor-controller will thereafter distribute said funds to the taxing entities. Except as stated elsewhere in this paragraph, this Agreement and Stipulated Judgment does not resolve any other possible disputes between Petitioners and the State Controller's Office with respect to the April 28, 2014 audit.

11. The Parties shall each bear their respective attorney fees and costs incurred in the litigation, provided, however, that nothing in this agreement abridges the Successor Agency's rights (if any) to recover its legal fees under the Dissolution Act.

12. The Agreement and Stipulated Judgment do not constitute, nor shall they be construed as, an admission or concession by any of the Parties for any purpose. This Agreement is a compromise settlement of the Sacramento Actions, and by executing this Agreement, none of the Parties admits wrongdoing, liability, or fault in connection with either the Sacramento Actions or the allegations asserted in the Sacramento Actions. Respondents do not admit that Petitioners are entitled to any recovery. This Agreement does not reflect in any way on the merits of the claims asserted by Petitioners or the defenses asserted by the Respondents in the Sacramento Actions.

13. The Parties hereby specifically and mutually release and forever discharge each other, including their respective officers, directors, commission members, trustees, agents, employees, representatives, attorneys, insurers, departments, divisions, sections, successors and assigns, and each of them, from all obligations, damages, costs, expenses, liens, attorney fees of any nature whatsoever, whether known or unknown, suspected or not suspected to exist, claimed or not claimed, disputed or undisputed, pertaining to the Sacramento Actions.

14. The Parties each represent and warrant that they fully understand that if the facts pertaining in any way to the Sacramento Actions are later found to be different from the facts now believed to be true by any Party, each of them expressly accepts and assumes the risk of such possible differences in facts and agrees that this Agreement and Stipulated Judgment shall remain effective notwithstanding such differences in facts.

15. This Agreement and Stipulated Judgment shall be binding upon the Parties' respective officers, directors, commission members, trustees, agents, employees, representatives, attorneys, departments, divisions, sections, successors and assigns, and each of them.

16. The Parties each represent that they know and understand the contents of the Agreement and Stipulated Judgment and that this Agreement and Stipulated Judgment have been executed voluntarily. The Parties each further represent that they have had an opportunity to consult with an attorney of their choosing and that they have been fully advised by the attorney with respect to their rights and obligations and with respect to the execution of this Agreement and the Stipulated Judgment.

17. Except as indicated in the following sentence, no promise, inducement, understanding, or agreement not herein expressed has been made by or on behalf of the Parties, and this Agreement and the Stipulated Judgment contain the entire agreement between the Parties related to the Sacramento Actions. Notwithstanding the foregoing, the Parties acknowledge that the City, Successor Agency, and the Land Trust have entered into, and will abide by, a *Dismissal Agreement In Connection with State of California Department of Finance Settlement Negotiations* ("Dismissal Agreement"), which sets forth certain obligations with regard to the disposition of the funds paid to the Successor Agency pursuant to the Stipulated Judgment; provided, however, that nothing in the Dismissal Agreement is binding upon the Respondents. Additionally, the City, Successor Agency, and Land Trust's obligations under this Agreement and the Stipulated Judgment are separate and distinct from their obligations under the Dismissal Agreement.

18. Each Party represents and warrants that it has not assigned, transferred, or purported to assign or transfer to any person or entity any matter released herein. Petitioners also agree to indemnify and hold harmless Respondents and their successors and assigns against any claims, demands, causes of action, damages, debts, liabilities, costs or expenses, including, but not necessarily limited to, attorney fees, arising out of or in connection with any such transfer, assignment, or purported transfer or assignment.

19. It is expressly understood and agreed that this Agreement and the Stipulated Judgment may not be altered, amended, modified, or otherwise changed in any respect whatsoever except by a writing duly executed by the Parties or by authorized representatives of the Parties. The Parties agree that they will make no claim at any time or place that this Agreement and the Stipulated Judgment have been orally altered or modified or otherwise changed by oral communication of any kind or character.

20. This Agreement and the Stipulated Judgment shall be governed by the laws of the State of California. If any Party to this Agreement or the Stipulated Judgment brings a lawsuit to enforce or interpret this Agreement or the Stipulated Judgment, the lawsuit shall be filed in the Superior Court for the County of Sacramento, California.

21. Each Party represents that they have the authority to enter into and perform the obligations necessary to provide the consideration described in this Agreement and the Stipulated Judgment.

22. Each person signing this Agreement represents and warrants that they have the authority to sign on behalf of the Party for which they sign.

23. The Parties recognize and acknowledge that terminology, the number of ROPS cycles per year, and/or other mechanical aspects of the wind-down of redevelopment pursuant to the Dissolution Act (as it may be amended from time to time), may change during the term of this Agreement. To address those changes, the Parties agree that their intent under this Agreement and the Stipulated Judgment is that the City receive, on an annual basis, all of the available RPTTF (or its functional equivalent), less Four Million Three Hundred Eighty Thousand Dollars (\$4,380,000) per year, until such time as the full Two Hundred Ninety Two Million Dollars (\$292,000,000) has been paid over to the Successor Agency for distribution by the Successor Agency to the City in satisfaction of the PSFA.

24. The Parties agree to take such further actions as are necessary to accomplish the delivery of the consideration provided for under this Agreement. In furtherance of the foregoing, upon the submittal to DOF of a resolution of the Oversight Board to the Successor Agency to the Dissolved Irvine Redevelopment Agency approving this Agreement, DOF shall within five (5) business days approve such resolution. Further, if such resolution has been submitted to DOF prior to the Court's entry of the Stipulated Judgment, the Court's entry of the Stipulated Judgment shall constitute DOF's approval of such resolution. If the Oversight Board does not approve this Agreement within ninety (90) days of the date this Agreement is last signed by any Party, this Agreement shall be null and void *ab initio*, without further action of any Party. Petitioners may then elect not to dismiss the Sacramento Actions and, instead, proceed to prosecute them.

25. If any Party to this Agreement or Stipulated Judgment files a lawsuit to enforce or interpret this Agreement or Stipulated Judgment, the prevailing Party in any such suit shall be entitled to reimbursement for reasonable attorney fees for which the Party was invoiced and that the Party paid.

26. This Agreement may be executed in two or more counterparts, each of which will be an original and all of which shall constitute a part of this Agreement.

This Agreement consists of Recital Paragraphs A - F and Paragraphs 1 – 26.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

CITY OF IRVINE

DATED: July 9, 2014



By: Dr. Steven Choi
Mayor

SUCCESSOR AGENCY TO THE DISSOLVED IRVINE
REDEVELOPMENT AGENCY

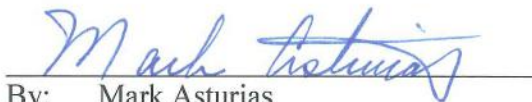
DATED: July 9, 2014



By: Dr. Steven Choi
Director

IRVINE COMMUNITY LAND TRUST

DATED: July 9, 2014



By: Mark Asturias
Executive Director

DEPARTMENT OF FINANCE AND MICHAEL COHEN,
AS DIRECTOR OF THE DEPARTMENT OF FINANCE

DATED: _____

By: _____
Kari Krogseng
Assistant Chief Counsel

Approved as to form:

RUTAN & TUCKER, LLP



Jeffrey T. Melching
Attorneys for Petitioners City of Irvine and Successor Agency

[SIGNATURES CONTINUE, AND CONCLUDE, ON FOLLOWING PAGE]

CITY OF IRVINE

DATED: _____

By: Dr. Steven Choi
Mayor

SUCCESSOR AGENCY TO THE DISSOLVED IRVINE
REDEVELOPMENT AGENCY

DATED: _____

By: Dr. Steven Choi
Director

IRVINE COMMUNITY LAND TRUST

DATED: _____

By: Mark Asturias
Executive Director

DEPARTMENT OF FINANCE AND MICHAEL COHEN,
AS DIRECTOR OF THE DEPARTMENT OF FINANCE

DATED: July 9, 2014

By: Kari Krogseng
Assistant Chief Counsel

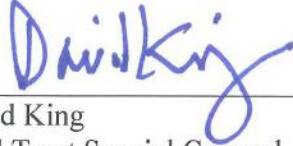
Approved as to form:

RUTAN & TUCKER, LLP

Jeffrey T. Melching
Attorneys for Petitioners City of Irvine and Successor Agency

[SIGNATURES CONTINUE, AND CONCLUDE, ON FOLLOWING PAGE]

HENSLEY LAW GROUP



David King
Land Trust Special Counsel


CALIFORNIA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

Seth E. Goldstein
Deputy Attorney General
Attorneys for Respondents

HENSLEY LAW GROUP

David King
Land Trust Special Counsel

CALIFORNIA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL



Seth E. Goldstein
Deputy Attorney General
Attorneys for Respondents

Recognized Obligation Payment Schedule (ROPS 24-25) - Summary

Filed for the July 1, 2024 through June 30, 2025 Period

Successor Agency:	Irvine
County:	Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	24-25A Total (July - December)	24-25B Total (January - June)	ROPS 24-25 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):	\$ 24,930,627	\$ 17,780,627	\$ 42,711,253
F RPTTF	24,890,627	17,740,627	42,631,253
G Administrative RPTTF	40,000	40,000	80,000
H Current Period Enforceable Obligations (A+E):	\$ 24,930,627	\$ 17,780,627	\$ 42,711,253

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 above named successor agency.

Name	Title
/s/	Date
Signature	Date

Irvine Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail
July 1, 2024 through June 30, 2025
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	24-25A (July - December)					Q	24-25B (January - June)					W	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
											ROPS 24-25 Total						24-25A Total						24-25B Total
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Total Outstanding Debt or Obligation	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Outstanding Debt or Obligation	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Outstanding Debt or Obligation	
4	Implementation Agreement No. 1	Miscellaneous	3/8/2005	6/30/2052	Orange County	County facility payment	OCGP	\$ 42,711,253	N	\$ 42,711,253	\$ -	\$ -	\$ -	\$ 24,890,627	\$ 40,000	\$ 24,930,627	\$ -	\$ -	\$ -	\$ 17,740,627	\$ 40,000	\$ 17,780,627	
5	Implementation Agreement No. 2	Miscellaneous	8/17/2010	6/30/2052	Orange County	Reconstruct or replace flood control facilities	OCGP	\$ 6,500,000	N	\$ 6,500,000				\$ 6,500,000		\$ 6,500,000							\$ -
12	Cooperation agreement	Admin Costs	3/27/2012	6/30/2014	City of Irvine	Financial, personnel and other support	OCGP	\$ 80,000	N	\$ 80,000				\$ 40,000		\$ 40,000					\$ 40,000	\$ 40,000	
18	Stipulated Judgment Enforceable Obligation	Miscellaneous	7/9/2014	6/30/2050	City of Irvine	Settlement Agreement and Release of Claims dated July 9, 2014 pending court approval of Stipulated Judgment.	OCGP	\$ 35,481,253	N	\$ 35,481,253				\$ 17,740,627		\$ 17,740,627				\$ 17,740,627		\$ 17,740,627	
23									N	\$ -						\$ -						\$ -	
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92									N	\$ -						\$ -						\$ -	
93									N	\$ -						\$ -						\$ -	
94									N	\$ -						\$ -						\$ -	
95									N	\$ -						\$ -						\$ -	
96									N	\$ -						\$ -						\$ -	

Irvine
Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances
July 1, 2021 through June 30, 2022
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), 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.

A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other	RPTTF	
	ROPS 20-21 Cash Balances (07/01/21 - 06/30/22)	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 07/01/21) RPTTF amount should exclude "A" period distribution amount.				128,903	191,931	21-22 PPA amount - DOF letter
2	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller				112,586	46,819,472	21-22A Payment - \$13,950,199 21-22B Payment - \$32,869,273 Total 21-22A&B Payments = \$46,819,472 (includes \$100,000 for Admin Budget)
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)					46,739,058	Enforceable obligation - \$40,400,450 Implementation payment - \$6,317,970.92 Admin Cost - \$20,637.13 Total Expenditures = \$46,739,058.05
4	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s).						Include all prior PPAs not yet applied to obligation
5	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC				No entry required		272,345
6	Ending Actual Available Cash Balance (06/30/22) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ 241,489	\$ -	

CITY OF IRVINE, AS SUCCESSOR AGENCY
TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

Proposed Administrative Budget
July 1, 2024 – June 30, 2025

Estimated Administrative Costs:

Administrative Expenses – staff personnel costs for City employees carrying out the dissolution functions, legal expenses, and audit fees	\$65,000
Administrative overhead, duplicating, materials, and supplies	\$15,000
<u>Total Proposed Administrative Budget</u>	<u>\$80,000</u>

Proposed Source(s) of Payment:

Administrative cost allowance	\$80,000
<u>Total Proposed Sources of Payment</u>	<u>\$80,000</u>

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Dissolution costs will be recorded within the General Fund, but separately from other City functions. Pursuant to Health and Safety Code Section 34171(b), the Successor Agency is entitled to receive an administrative cost allowance of up to 3% of the money from the Redevelopment Obligation Retirement Fund that is allocated to the Successor Agency for each fiscal year, but in no event less than \$250,000 per fiscal year.

**City of Irvine Successor Agency
Proposed ROPS 24-25 Administrative Budget**

Administrative Budget	Description	Estimated Cost
Attorney Fees	Counsel for Successor Agency	\$25,000
Consultant Fees	Annual audits for financial statement	\$25,000
Administrative Overhead	Share of Civic Center operating costs (e.g., IT technology, utilities, maintenance)	\$10,000
Materials and Supplies	Duplicating, postage, printing, office supplies	\$5,000
SUBTOTAL:		\$65,000

Position	Duties	Salaries and Benefits Estimated Cost
Senior Management Analyst	Develops annual ROPS and administrative budget for submission to County Oversight Board and Dept. of Finance; prepares staff reports for Successor Agency meetings; manages distribution of RPTTF funding per agreements; processes invoices for Successor Agency	\$13,239
Executive Assistant III	Prepares Successor Agency agenda items	\$856
Administrative Secretary III	Assists with preparation of Successor Agency documents	\$904
SUBTOTAL:		\$14,998
TOTAL:		\$80,000



**CITY OF IRVINE
CITY CLERK'S OFFICE
MINUTE ORDER OF CITY COUNCIL ACTION**

The City Council of the City of Irvine, at a regular meeting held on November 28, 2023, took the following action:

4.2 ADOPTION OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE OF THE FORMER IRVINE REDEVELOPMENT AGENCY AND THE ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY, FOR JULY 1, 2024 THROUGH JUNE 30, 2025

ACTION:

- 1) Adopted the Recognized Obligation Payment Schedule of the former Irvine Redevelopment Agency for July 1, 2024 through June 30, 2025, and authorize revisions to the reporting format, if needed, to comply with potential form changes by the State of California Department of Finance.
- 2) Adopted the Administrative Budget for the Successor Agency for July 1, 2024 through June 30, 2025.

The motion carried by the following vote:

AYES:	5	COUNCILMEMBERS:	Agran, Carroll, Kim, Treseder, and Khan
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None

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

I, CARL PETERSEN, City Clerk of the City of Irvine, DO HEREBY CERTIFY that the foregoing is the true and correct action taken at a regular meeting of the Irvine City Council held on the 28th day of November 2023.

Carl Petersen, MPA, CMC
City Clerk

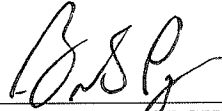
DATE: December 1, 2023

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JANUARY 18, 2022

YES: STEVE FRANKS, STEVE JONES, ANIL KUKREJA, BRIAN PROBOLSKY, DEAN WEST

NOES:
EXCUSED: CHARLES BARFIELD, PHILLIP E. YARBROUGH

ABSTAINED:

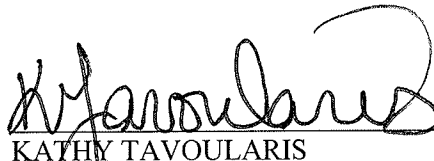


BRIAN PROBOLSKY
CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, KATHY TAVOULARIS, Clerk of the Orange Countywide Oversight Board, Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange Countywide Oversight Board.

IN WITNESS WHEREOF, I have hereto set my hand.



KATHY TAVOULARIS
Clerk
Orange Countywide Oversight Board

Resolution No: 22-006

Agenda Date: Tuesday, January 18, 2022

Item No: 5e

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 22-006**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE
REDEVELOPMENT AGENCY OF THE CITY OF IRVINE, CALIFORNIA, *APPROVING
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS] 2022-23 A-B* FOR THE
ANNUAL FISCAL PERIOD OF JULY 1, 2022 TO JUNE 30, 2023, INCLUDING THE FY
2022-23 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 Irvine 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 Irvine (“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 Dissolved Irvine Redevelopment Agency (“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 2022-23 A-B fiscal period of July 1, 2022 to June 30, 2023 (“ROPS 2022-23 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, 2022; and

WHEREAS, the ROPS 2022-23, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2022-23 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 2022-23 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 2022-23 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 2022-23 A-B submitted therewith and incorporated by this reference, including the FY 2022-23 administrative budget included herewith.

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 2022-23 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The City of Irvine’s Finance Director or authorized designee is directed to post this Resolution, including the ROPS 2022-23 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.


Recognized Obligation Payment Schedule (ROPS 22-23) - Summary

Filed for the July 1, 2022 through June 30, 2023 Period

Successor Agency: Irvine
 County: Orange

	22-23A Total (July - December)	22-23B Total (January - June)	ROPS 22-23 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):	\$ 72,357,471	\$ 66,357,471	\$ 138,714,942
F RPTTF	72,317,471	66,317,471	138,634,942
G Administrative RPTTF	40,000	40,000	80,000
H Current Period Enforceable Obligations (A+E):	\$ 72,357,471	\$ 66,357,471	\$ 138,714,942

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 above named successor
 agency.

Name Brian Probolsky, Chairman Title _____
 Signature  Date 1-18-22

Irvine Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances
July 1, 2019 through June 30, 2020
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), 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	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information for ROPS 19-20 Actuals (07/01/19 - 06/30/20)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
1	Beginning Available Cash Balance (Actual 07/01/19) - SHOULD INCLUDE PRIOR PERIOD ADJUSTMENT, IF ANY, THAT REDUCED RPTTF DISTRIBUTIONS FOR THE CURRENT REPORTING PERIOD (DO NOT INCLUDE ROPS A PERIOD DISTRIBUTION)					76,934	1,192,907	Beginning cash balance - \$1,269,840.69 Less the interest for 17-18 (\$47,616) and 18-19 (\$29,318) = \$1,192,907	
2	Revenue/Income (Actual 06/30/20) RPTTF amounts should tie to the ROPS 19-20 total distribution from the County Auditor-Controller.					83,353	42,290,564	19-20A Payment - \$12,066,877 19-20B Payment - \$30,223,687 Total 19-20A&B Payments = \$42,290,564 (includes \$250,000 for Admin Budget)	
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)						40,341,194	Enforceable obligation - \$37,707,089 Implementation payment - \$2,612,088 Admin Cost - \$22,017 Total Expenditures = \$40,341,194	
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 19-20 RPTTF Balances Remaining - RPTTF amount should tie to the Agency's PPA form submitted to the CAC for the current period.	No entry required						1,949,370	
6	Ending Actual Available Cash Balance (06/30/20) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 160,287	\$ 1,192,907		

CITY OF IRVINE, AS SUCCESSOR AGENCY
TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

Proposed Administrative Budget
July 1, 2022 – June 30, 2023

Estimated Administrative Costs:

Administrative Expenses – staff personnel costs for City employees carrying out the dissolution functions, legal expenses, and audit fees	\$66,180
Administrative overhead, duplicating, materials, and supplies	\$13,820
<u>Total Proposed Administrative Budget</u>	<u>\$80,000</u>

Proposed Source(s) of Payment:

Administrative cost allowance	\$80,000
<u>Total Proposed Sources of Payment</u>	<u>\$80,000</u>

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Dissolution costs will be recorded within the General Fund, but separately from other City functions. Pursuant to Health and Safety Code Section 34171(b), the Successor Agency is entitled to receive an administrative cost allowance of up to 3% of the money from the Redevelopment Obligation Retirement Fund that is allocated to the Successor Agency for each fiscal year, but in no event less than \$250,000 per fiscal year.

**City of Irvine Successor Agency
Administrative Budget
ROPS 22-23**

Administrative Budget	Description	Estimated Cost
Attorney Fees	Counsel for Successor Agency	\$15,000
Consultant Fees	Annual audits for financial statement	\$15,000
Administrative Overhead	Share of Civic Center operating costs (e.g., IT technology, utilities, maintenance)	\$10,000
Materials and Supplies	Duplicating, postage, printing, office supplies	\$3,820
SUBTOTAL:		\$43,820

Position	Duties	Salaries and Benefits Estimated Cost
Director of Financial Management and Strategic Planning	Oversees Successor Agency administration	\$3,397
Finance Officer	Oversees RPTTF funding distribution per agreements	\$5,463
Senior Management Analyst	Develops annual ROPS and administrative budget for submission to County Oversight Board and Dept. of Finance; prepares staff reports for Successor Agency meetings; manages distribution of RPTTF funding per agreements; processes invoices for Successor Agency	\$22,942
Finance Administrator	Tracks RPTTF funding received	\$1,766
Management Analyst I	Prepares Successor Agency agenda items	\$1,407
Administrative Secretary	Assists with preparation of Successor Agency documents	\$1,204
SUBTOTAL:		\$36,180
TOTAL:		\$80,000

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JANUARY 17, 2023

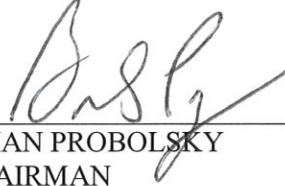
YES: CHARLES BARFIELD, STEVE JONES, ANIL KUKREJA,
DEAN WEST, PHILLIP E. YARBROUGH

NOES:

EXCUSED:

STEVE FRANKS, BRIAN PROBOLSKY

ABSTAINED:

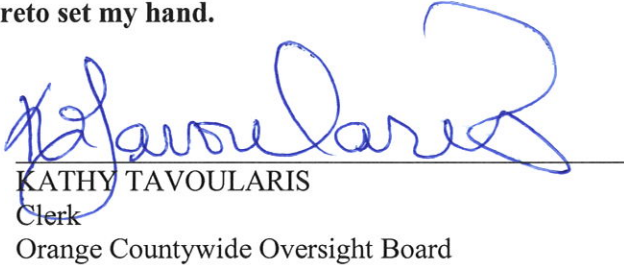


BRIAN PROBOLSKY
CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, KATHY TAVOULARIS, Clerk of the Orange Countywide Oversight Board, Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange Countywide Oversight Board.

IN WITNESS WHEREOF, I have hereto set my hand.



KATHY TAVOULARIS
Clerk
Orange Countywide Oversight Board

Resolution No: 23-005

Agenda Date: Tuesday, January 17, 2023

Item No: 5d

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 23-005**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE
REDEVELOPMENT AGENCY OF THE CITY OF IRVINE, CALIFORNIA *APPROVING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS] 2023-24 A-B FOR THE
ANNUAL FISCAL PERIOD OF JULY 1, 2023 TO JUNE 30, 2024, INCLUDING THE FY
2023-24 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 Irvine 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 Irvine (“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 Dissolved Irvine Redevelopment Agency (“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 2023-24 A-B fiscal period of July 1, 2023 to June 30, 2024 (“ROPS 2023-24 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 2023-24, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2023-24 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 2023-24 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 2023-24 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 2023-24 A-B submitted therewith and incorporated by this reference, including the FY 2023-24 administrative budget included herewith.

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 2023-24 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The City of Irvine’s Finance Director or authorized designee is directed to post this Resolution, including the ROPS 2023-24 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.

Recognized Obligation Payment Schedule (ROPS 23-24) - Summary


Filed for the July 1, 2023 through June 30, 2024 Period

Successor Agency: Irvine
 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
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):			
F RPTTF	\$ 50,847,678	\$ 43,847,678	\$ 94,695,356
G Administrative RPTTF	50,807,678	43,807,678	94,615,356
H Current Period Enforceable Obligations (A+E):	40,000	40,000	80,000
	\$ 50,847,678	\$ 43,847,678	\$ 94,695,356

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 above named successor
 agency.

Brian Probolsky, Chairman
 Name Title
 /s/  Signature Date

CITY OF IRVINE, AS SUCCESSOR AGENCY
TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

Proposed Administrative Budget
July 1, 2023 – June 30, 2024

Estimated Administrative Costs:

Administrative Expenses – staff personnel costs for City employees carrying out the dissolution functions, legal expenses, and audit fees	\$66,300
Administrative overhead, duplicating, materials, and supplies	\$13,700
<u>Total Proposed Administrative Budget</u>	<u>\$80,000</u>

Proposed Source(s) of Payment:

Administrative cost allowance	\$80,000
<u>Total Proposed Sources of Payment</u>	<u>\$80,000</u>

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Dissolution costs will be recorded within the General Fund, but separately from other City functions. Pursuant to Health and Safety Code Section 34171(b), the Successor Agency is entitled to receive an administrative cost allowance of up to 3% of the money from the Redevelopment Obligation Retirement Fund that is allocated to the Successor Agency for each fiscal year, but in no event less than \$250,000 per fiscal year.

**City of Irvine Successor Agency
Proposed ROPS 23-24 Administrative Budget**

Administrative Budget	Description	Estimated Cost
Attorney Fees	Counsel for Successor Agency	\$15,000
Consultant Fees	Annual audits for financial statement	\$19,500
Administrative Overhead	Share of Civic Center operating costs (e.g., IT technology, utilities, maintenance)	\$10,000
Materials and Supplies	Duplicating, postage, printing, office supplies	\$3,700
SUBTOTAL:		\$48,200

Position	Duties	Salaries and Benefits Estimated Cost
Director of Financial Management and Strategic Planning	Oversees Successor Agency administration	\$3,498
Finance Officer	Oversees RPTTF funding distribution per agreements	\$5,567
Finance Administrator	Tracks RPTTF funding received	\$844
Senior Management Analyst	Develops annual ROPS and administrative budget for submission to County Oversight Board and Dept. of Finance; prepares staff reports for Successor Agency meetings; manages distribution of RPTTF funding per agreements; processes invoices for Successor Agency	\$18,694
Management Analyst I	Prepares Successor Agency agenda items	\$1,663
Administrative Secretary	Assists with preparation of Successor Agency documents	\$1,533
SUBTOTAL:		\$31,798
TOTAL:		\$80,000



Transmitted via e-mail

April 13, 2022

Angie Burgh, Senior Management Analyst
City of Irvine
1 Civic Center Plaza
Irvine, CA 92623

2022-23 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Irvine Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on January 24, 2022. Finance has completed its review of the ROPS 22-23.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 18 – Stipulated Judgment in the total outstanding amount of \$132,634,942 is partially approved. It is our understanding the reported total outstanding obligation amount of \$132,634,942 did not account for the payment of \$32,819,273 received in the ROPS 21-22B period. As such, the total outstanding obligation is overstated by \$32,819,273. Therefore, to accurately reflect the total outstanding obligation, Finance decreased the total outstanding obligation by \$32,819,273 to \$99,815,669. In addition, the requested amount of \$132,634,942 was decreased by \$32,819,273, approving a total of \$99,815,669 from Redevelopment Property Tax Trust Fund (RPTTF) funding.
- On the ROPS 22-23 form, the Agency reported cash balances and activity for the period July 1, 2019 through June 30, 2020 (ROPS 19-20). According to our review, the Agency has approximately \$83,353 from Other Funds available to fund enforceable obligations on the ROPS 22-23. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. The item below does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source has been reclassified in the amount specified below:
 - Item No. 18 – Stipulated Judgment in the amount of \$99,815,669 is partially reclassified. Finance is approving RPTTF in the amount of \$99,732,316 and the use of Other Funds in the amount of \$83,353, totaling \$99,815,669. Total adjustments to Item No. 18 equals \$32,902,626 (\$32,819,273 + \$83,353).

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 19-20 period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$102,564,653, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 22-23 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 22-23, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 22-23. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 22-23 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 22-23 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

Angie Burgh
April 13, 2022
Page 3

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Garrett Fujitani, Staff, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Teri Washle, Finance Officer, City of Irvine
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 72,317,471	\$ 66,317,471	\$ 138,634,942
Administrative RPTTF Requested	40,000	40,000	80,000
Total RPTTF Requested	72,357,471	66,357,471	138,714,942
RPTTF Requested	72,317,471	66,317,471	138,634,942
<u>Adjustment(s)</u>			
Item No. 18	(16,492,990)	(16,409,636)	(32,902,626)
RPTTF Authorized	55,824,481	49,907,835	105,732,316
Administrative RPTTF Authorized	40,000	40,000	80,000
ROPS 19-20 prior period adjustment (PPA)	(3,247,663)	0	(3,247,663)
Total RPTTF Approved for Distribution	\$ 52,616,818	\$ 49,947,835	\$ 102,564,653



Transmitted via e-mail

April 14, 2023

Angie Burgh, Senior Management Analyst
City of Irvine
1 Civic Center Plaza
Irvine, CA 92623

2023-24 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Irvine Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 26, 2023. Finance has completed its review of the ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 18 – Stipulated Judgment in the total outstanding amount of \$87,615,356 is partially approved. It is our understanding the reported outstanding obligation amount of \$87,615,356 did not account for all of the Redevelopment Property Tax Trust Fund (RPTTF) received during the July 1, 2022 through June 30, 2023 (ROPS 22-23) period. The Agency provided documentation that supports an outstanding balance of \$46,923,862. As such, the outstanding obligation on ROPS 23-24 is overstated by \$40,691,494 (\$87,615,356 - \$46,923,862). Therefore, Finance decreased the requested RPTTF amount by \$40,691,494.
- On the ROPS 23-24 form, the Agency reported cash balances and activity for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. According to our review, the Agency has approximately \$128,903 from Other Funds available to fund enforceable obligations on the ROPS 23-24. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. The item below does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following items have been reclassified in the amounts specified below:
 - Item No. 18 - Stipulated Judgment in the adjusted amount of \$46,923,862 is partially reclassified. Finance is approving RPTTF in the amount of \$46,794,959 and the use of Other Funds in the amount of \$128,903, totaling \$46,923,862.

Total adjustments in RPTTF funding to Item No. 18 equals \$40,820,397 (\$40,691,494 + \$128,903).

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 20-21 period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$49,172,845, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 23-24. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 23-24 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 23-24 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Angie Burgh
April 14, 2023
Page 3

Please direct inquiries to Todd Vermillion, Supervisor, or Garrett Fujitani, Staff, at (916) 322-2985.

Sincerely,


for JENNIFER WHITAKER
Program Budget Manager

cc: Teri Washle, Finance Officer, City of Irvine
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County
Kathy Tavoularis, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 50,807,678	\$ 43,807,678	\$ 94,615,356
Administrative RPTTF Requested	40,000	40,000	80,000
Total RPTTF Requested	50,847,678	43,847,678	94,695,356
RPTTF Requested	50,807,678	43,807,678	94,615,356
<u>Adjustment(s)</u>			
Item No. 18	(20,474,650)	(20,345,747)	(40,820,397)
RPTTF Authorized	30,333,028	23,461,931	53,794,959
Administrative RPTTF Authorized	40,000	40,000	80,000
ROPS 20-21 Prior Period Adjustment (PPA)	(4,702,114)	0	(4,702,114)
Total RPTTF Approved for Distribution	\$ 25,670,914	\$ 23,501,931	\$ 49,172,845

Recognized Obligation Payment Schedule (ROPS 22-23) - Summary

Filed for the July 1, 2022 through June 30, 2023 Period

Successor Agency: Irvine
 County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	22-23A Total (July - December)	22-23B Total (January - June)	ROPS 22-23 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):	\$ 72,357,471	\$ 66,357,471	\$ 138,714,942
F RPTTF	72,317,471	66,317,471	138,634,942
G Administrative RPTTF	40,000	40,000	80,000
H Current Period Enforceable Obligations (A+E):	\$ 72,357,471	\$ 66,357,471	\$ 138,714,942

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 above named successor agency.

Brian Probolsky, chairman
 Name _____ Title _____
 /s/ *[Signature]* _____ Date *1-18-22*

ATTACHMENT 1

ATTACHMENT 12

Irvine Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail

July 1, 2022 through June 30, 2023

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	22-23A (July - December)					Q	22-23B (January - June)					W													
											Fund Sources						Fund Sources																		
											Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date		Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired		ROPS 22-23 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	22-23A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	22-23B Total
4	Implementation Agreement No. 1	Miscellaneous	3/8/2005	6/30/2052	Orange County	County facility payment	OCCGP	\$ 30,000,000	N	\$ 6,000,000						\$ 40,000							\$ -												
5	Implementation Agreement No. 2	Miscellaneous	8/17/2010	6/30/2052	Orange County	Reconstruct or replace flood control facilities	OCCGP	\$ 650,000	N	\$ -				\$ 6,000,000		\$ 6,000,000								\$ -											
12	Cooperation agreement	Admin Costs	3/27/2012	6/30/2014	City of Irvine	Financial, personnel and other support	OCCGP	\$ 80,000	N	\$ 80,000						\$ 40,000							\$ 40,000												
15	Re-entered 2007 Purchase and Sale and Financing Agreement	City/County Loans After 6/27/11	6/12/2012	6/30/2052	City of Irvine	Re-entered loan approved by the Successor Agency and Oversight Board pursuant to Health and Safety Code Sections 34178(a) and 34180(h) added to California Redevelopment Law by ABx1 26.			N	\$ -						\$ -							\$ -												
16	Re-entered 2006 Financing Agreement	City/County Loans After 6/27/11	6/12/2012	6/30/2025	City of Irvine	Re-entered loan approved by the Successor Agency and Oversight Board pursuant to Health and Safety Code Sections 34178(a) and 34180(h) added to California Redevelopment Law by ABx1 26.			N	\$ -						\$ -							\$ -												
17	Re-entered 2005 Financing Agreement	City/County Loans After 6/27/11	6/12/2012	6/30/2025	City of Irvine	Re-entered loan approved by the Successor Agency and Oversight Board pursuant to Health and Safety Code Sections 34178(a) and 34180(h) added to California Redevelopment Law by ABx1 26.			N	\$ -						\$ -							\$ -												
18	Stipulated Judgment Enforceable Obligation	Miscellaneous	7/9/2014	6/30/2050	City of Irvine	Settlement Agreement and Release of Claims dated July 9, 2014 pending court approval of Stipulated Judgment.	OCCGP	\$ 132,634,942	N	\$ 132,634,942				66,317,471		\$ 66,317,471					66,317,471		\$ 66,317,471												
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Irvine Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances
July 1, 2019 through June 30, 2020
(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	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information for ROPS 19-20 Actuals (07/01/19 - 06/30/20)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
1	Beginning Available Cash Balance (Actual 07/01/19) - SHOULD INCLUDE PRIOR PERIOD ADJUSTMENT, IF ANY, THAT REDUCED RPTTF DISTRIBUTIONS FOR THE CURRENT REPORTING PERIOD (DO NOT INCLUDE ROPS A PERIOD DISTRIBUTION)					76,934	1,192,907	Beginning cash balance - \$1,269,840.69 Less the interest for 17-18 (\$47,616) and 18-19 (\$29,318) = \$1,192,907	
2	Revenue/Income (Actual 06/30/20) RPTTF amounts should tie to the ROPS 19-20 total distribution from the County Auditor-Controller.					83,353	42,290,564	19-20A Payment - \$12,066,877 19-20B Payment - \$30,223,687 Total 19-20A&B Payments = \$42,290,564 (includes \$250,000 for Admin Budget)	
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)						40,341,194	Enforceable obligation - \$37,707,089 Implementation payment - \$2,612,088 Admin Cost - \$22,017 Total Expenditures = \$40,341,194	
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 19-20 RPTTF Balances Remaining - RPTTF amount should tie to the Agency's PPA form submitted to the CAC for the current period.	No entry required						1,949,370	
6	Ending Actual Available Cash Balance (06/30/20) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 160,287	\$ 1,192,907		

CITY OF IRVINE, AS SUCCESSOR AGENCY
TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

Proposed Administrative Budget
July 1, 2022 – June 30, 2023

Estimated Administrative Costs:

Administrative Expenses – staff personnel costs for City employees carrying out the dissolution functions, legal expenses, and audit fees	\$66,180
Administrative overhead, duplicating, materials, and supplies	\$13,820
<u>Total Proposed Administrative Budget</u>	<u>\$80,000</u>

Proposed Source(s) of Payment:

Administrative cost allowance	\$80,000
<u>Total Proposed Sources of Payment</u>	<u>\$80,000</u>

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Dissolution costs will be recorded within the General Fund, but separately from other City functions. Pursuant to Health and Safety Code Section 34171(b), the Successor Agency is entitled to receive an administrative cost allowance of up to 3% of the money from the Redevelopment Obligation Retirement Fund that is allocated to the Successor Agency for each fiscal year, but in no event less than \$250,000 per fiscal year.

**City of Irvine Successor Agency
Administrative Budget
ROPS 22-23**

Administrative Budget	Description	Estimated Cost
Attorney Fees	Counsel for Successor Agency	\$15,000
Consultant Fees	Annual audits for financial statement	\$15,000
Administrative Overhead	Share of Civic Center operating costs (e.g., IT technology, utilities, maintenance)	\$10,000
Materials and Supplies	Duplicating, postage, printing, office supplies	\$3,820
SUBTOTAL:		\$43,820

Position	Duties	Salaries and Benefits Estimated Cost
Director of Financial Management and Strategic Planning	Oversees Successor Agency administration	\$3,397
Finance Officer	Oversees RPTTF funding distribution per agreements	\$5,463
Senior Management Analyst	Develops annual ROPS and administrative budget for submission to County Oversight Board and Dept. of Finance; prepares staff reports for Successor Agency meetings; manages distribution of RPTTF funding per agreements; processes invoices for Successor Agency	\$22,942
Finance Administrator	Tracks RPTTF funding received	\$1,766
Management Analyst I	Prepares Successor Agency agenda items	\$1,407
Administrative Secretary	Assists with preparation of Successor Agency documents	\$1,204
SUBTOTAL:		\$36,180
TOTAL:		\$80,000

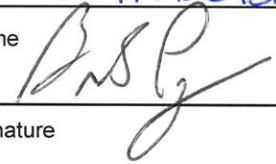
Recognized Obligation Payment Schedule (ROPS 23-24) - Summary

Filed for the July 1, 2023 through June 30, 2024 Period

Successor Agency: Irvine
 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
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):	\$ 50,847,678	\$ 43,847,678	\$ 94,695,356
F RPTTF	50,807,678	43,807,678	94,615,356
G Administrative RPTTF	40,000	40,000	80,000
H Current Period Enforceable Obligations (A+E):	\$ 50,847,678	\$ 43,847,678	\$ 94,695,356

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 above named successor agency.

Brian Probolsky, Chairman
 Name Title
 /s/  Date
 Signature Date

ATTACHMENT I

ATTACHMENT 13

Irvine 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	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information for ROPS 20-21 Actuals (07/01/20 - 06/30/21)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
1	Beginning Available Cash Balance (Actual 07/01/20)					83,353	3,219,211	Beginning cash balance \$3,302,564, less interest of \$83,353 equals \$3,219,211	
2	Revenue/Income (Actual 06/30/21)					128,903	45,685,571	20-21A Payment - \$14,262,085 20-21B Payment - \$31,423,486 Total 20-21A&B Payments = \$45,685,571 (includes \$150,000 for Admin Budget)	
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)						42,157,049	Enforceable obligation - \$38,882,497 Implementation payment - \$3,255,476.69 Admin Cost - \$19,074.97 Total Expenditures = \$42,157,048.66	
4	Retention of Available Cash Balance (Actual 06/30/21)							Include all prior PPAs not yet applied to obligation	
5	ROPS 20-21 RPTTF Balances Remaining	No entry required						3,528,522	
6	Ending Actual Available Cash Balance (06/30/21) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 212,256	\$ 3,219,211		

CITY OF IRVINE, AS SUCCESSOR AGENCY
TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

Proposed Administrative Budget
July 1, 2023 – June 30, 2024

Estimated Administrative Costs:

Administrative Expenses – staff personnel costs for City employees carrying out the dissolution functions, legal expenses, and audit fees	\$66,300
Administrative overhead, duplicating, materials, and supplies	\$13,700
<u>Total Proposed Administrative Budget</u>	<u>\$80,000</u>

Proposed Source(s) of Payment:

Administrative cost allowance	\$80,000
<u>Total Proposed Sources of Payment</u>	<u>\$80,000</u>

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Dissolution costs will be recorded within the General Fund, but separately from other City functions. Pursuant to Health and Safety Code Section 34171(b), the Successor Agency is entitled to receive an administrative cost allowance of up to 3% of the money from the Redevelopment Obligation Retirement Fund that is allocated to the Successor Agency for each fiscal year, but in no event less than \$250,000 per fiscal year.

**City of Irvine Successor Agency
Proposed ROPS 23-24 Administrative Budget**

Administrative Budget	Description	Estimated Cost
Attorney Fees	Counsel for Successor Agency	\$15,000
Consultant Fees	Annual audits for financial statement	\$19,500
Administrative Overhead	Share of Civic Center operating costs (e.g., IT technology, utilities, maintenance)	\$10,000
Materials and Supplies	Duplicating, postage, printing, office supplies	\$3,700
SUBTOTAL:		\$48,200

Position	Duties	Salaries and Benefits Estimated Cost
Director of Financial Management and Strategic Planning	Oversees Successor Agency administration	\$3,498
Finance Officer	Oversees RPTTF funding distribution per agreements	\$5,567
Finance Administrator	Tracks RPTTF funding received	\$844
Senior Management Analyst	Develops annual ROPS and administrative budget for submission to County Oversight Board and Dept. of Finance; prepares staff reports for Successor Agency meetings; manages distribution of RPTTF funding per agreements; processes invoices for Successor Agency	\$18,694
Management Analyst I	Prepares Successor Agency agenda items	\$1,663
Administrative Secretary	Assists with preparation of Successor Agency documents	\$1,533
SUBTOTAL:		\$31,798
TOTAL:		\$80,000

Orange Countywide Oversight Board

Agenda Item No. 6c

Date: 1/16/2024

From: Successor Agency to the Mission Viejo 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 2024-25 ROPS and Administrative Budget for the Mission Viejo Successor Agency

The Mission Viejo Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2024-25.

The Successor Agency to the Community Development Agency of the City of Mission Viejo (Successor Agency) is performing its functions under the Dissolution Law, Division 24, Parts 1.8 and 1.85 of the Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, as amended, the “Dissolution Law”), to administer the enforceable obligations and otherwise unwind the former Agency's affairs, all subject to the review and approval by the seven-member Oversight Board. Under Section 34171(h) of Part 1.85, as amended, the ROPS is “the document setting forth the minimum payment amounts required by enforceable obligations for each fiscal year as provided in subdivision (o) of Section 34177.” Under the dates in the Dissolution Law, the Successor Agency and Oversight Board are required to consider and adopt the ROPS for the 24-25 fiscal period of July 1, 2024 to June 30, 2025, and submit such approved FY 24-25 ROPS to the Department of Finance (DOF) on or before February 1, 2024.

The FY 24-25 ROPS included with this agenda report sets forth comparable listings of the Enforceable Obligations listed in prior ROPS and include:

Line item no. 1 – Mall Bond debt service payment pledge under the Pledge Agreement between the former redevelopment agency and the Mission Viejo Community Development Financing Authority. The amount requested of \$1,721,035 is equal to the debt service payment required during FY 24-25.

Line item no. 4 – Payments for services of \$16,500 to calculate net tax increment revenue obligated under the Pledge Agreement for debt service payment to the Mall Bond trustee under line item no. 1. This calculation is performed 3 times a year and the calculations are shared with the Orange County Auditor-Controller's office.

Line item no. 58 – Estimated payments of \$7,500 to Mall Bond trustee for annual trustee fees.

Also included as part of the ROPS is the FY 24-25 administrative budget of \$185,000 on line item no. 27, an amount allowed under dissolution law. Attached is a line item budget justifying administrative costs. Direct personnel costs are based on time projected to be spent by staff working directly on Successor Agency matters on a regular basis during fiscal year 2024-25. Other direct costs are estimates of costs anticipated during FY 24-25. These will include legal costs, annual audit fees and other miscellaneous expenses. Indirect costs are based on the approved FY 24-25 budget and the City's Cost Allocation Plan and other areas of operation that have a relationship to Successor Agency matters. As an example, in order to conduct Successor Agency business, staff must utilize a wide range of software programs that run on the Information Technology (IT) network, including accounting software, Outlook, Microsoft Office, PDF, agenda preparation software, document imaging software, etc. Therefore, it is necessary to allocate a percentage of cost of the IT program to the Successor Agency. Additionally, there have been a few

agreements executed by the former redevelopment agency that DOF would not approve as separate enforceable obligations and DOF directed Mission Viejo to allocate any costs associated with management and enforcement of these agreements to administrative allowance. The most relevant of these agreements are separate owner participation agreements (OPA) with the Kaleidoscope Center and Simon Properties, owners of the Shops at Mission Viejo (Mall). The City spends both staff time and third-party consultant time related to these matters. For FY 24-25, the City anticipates the need to enforce the covenants of the Mall OPA related to on-site improvements, tenant issues for potential fifth pad and misuse of the parking structure by the Mall owners.

The attached ROPS for 24-25 (attachment 2) and administrative budget (attachment 3) will be presented for approval by the Mission Viejo Successor Agency on January 9, 2024. The draft resolution that will be presented to the Successor Agency Board for approval is attachment number 4.

The Mission Viejo Successor Agency requests that the Orange Countywide Oversight Board adopt the attached Resolution approving the FY 24-25 ROPS and Administrative Budget for the Mission Viejo Successor Agency.

Also attached to this agenda are prior year ROPS for 23-24 and 22-23 for easy reference by the Board as to the types of enforceable obligations approved in the two most recent fiscal years and the respective DOF determination letters demonstrating DOF's approval of those ROPS and to demonstrate that DOF had no substantive issues regarding our enforceable obligations. As for the administrative budget, DOF did note in both ROPS 23-24 and 22-23 determination letter (attachments 5 and 6) their opinion that the approved administrative allowance amount appeared to be excessive. In response to the comment for ROPS 22-23, the City did reduce its administrative budget by \$64,000 for ROPS 2023-24. We also believe that DOF is only taking into consideration enforceable obligation line items 1, 4, 37 and 58 when making this comment and disregarding the agreements DOF would not approve as separate enforceable obligations as noted above. These other agreements are legal binding agreements between the former redevelopment agency and private parties and do require time and effort for enforcement.

Impact on Taxing Entities

Amounts approved for distribution from Mission Viejo's Redevelopment Property Tax Trust Fund (RPTTF) for the 2024-25 period in the amount of \$1,930,035 are funds that will not be available for distribution to all other taxing entities. Mission Viejo's taxing entities include: County of Orange, County of Orange Flood Control District, County of Orange Harbors, Beaches & Parks County Service Area #26, Orange County Fire Authority, Orange County Superintendent of Schools, Saddleback Community College District; Capistrano Unified School District, Saddleback Valley Unified School District and the Mission Viejo Library.

Staff Contact(s)

Cheryl Dyas, Director of Administrative Services

cdyas@cityofmissionviejo.org

949-470-3082

Attachments

1. Orange Countywide Oversight Board Resolution
2. Mission Viejo ROPS 24-25
3. Mission Viejo Administrative Budget 24-25
4. Mission Viejo Successor Agency Resolution 23-xx
5. DOF Determination Letter 23-24
6. DOF Determination Letter 22-23
7. Mission Viejo ROPS 23-24
8. Mission Viejo ROPS 22-23

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 24-005**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE MISSION VIEJO
REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION
PAYMENT SCHEDULE 24-25 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2024
TO JUNE 30, 2025, INCLUDING THE FY 24-25 ADMINISTRATIVE BUDGET, SUBJECT
TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE
PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING AND
TRANSMITTAL THEREOF

WHEREAS, the former Community Development Agency of the City of Mission Viejo (“Former Agency”) was established as a community redevelopment agency that was 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 Mission Viejo (“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 Former Agency was dissolved under the Dissolution Law, and, as a separate public entity, corporate and politic, the Successor Agency to the Community Development Agency of the City of Mission Viejo (“Successor Agency”) administers the enforceable 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 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, Sections 34177(m), 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule (“ROPS”) is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State of California, Department of Finance (“DOF”); and

WHEREAS, Section 34177(l) and Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 24-25 A-B fiscal period of July 1, 2024 to June 30, 2025 (“ROPS 24-25

A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2024; and

WHEREAS, the ROPS 24-25 A-B, in the form required by DOF, is attached as Exhibit 1 and the Fiscal Year 24-25 Administrative Budget is attached as Exhibit 2, and both attachments are fully incorporated by this reference; and

WHEREAS, the Oversight Board has reviewed and considered the Successor Agency’s ROPS 24-25 A-B and desires to approve the ROPS 24-25 A-B, including the FY 24-25 Administrative Budget and to authorize the Successor Agency, to cause posting of ROPS 24-25 A-B on the City’s website: (www.cityofmissionviejo.org) and to transmit the ROPS 24-25 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 THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

SECTION 1. The foregoing recitals are hereby incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The Oversight Board hereby approves the ROPS 24-25 A-B submitted therewith and incorporated by this reference, including the FY 24-25 administrative budget included herewith as Exhibits 1 and 2.

SECTION 3. The Oversight Board authorizes transmittal of the ROPS 24-25 A-B to the DOF, with copies to the CEO, CAC and the SCO.

SECTION 4. The City of Mission Viejo’s Director of Administrative Services/City Treasurer, or her authorized designee(s), is directed to post this Resolution, including the ROPS 24-25 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 Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The 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 Oversight Board shall certify to the adoption of this Resolution.

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary
Filed for the July 1, 2024 through June 30, 2025 Period**

Successor Agency: Mission Viejo

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	24-25A Total (July - December)	24-25B Total (January - June)	ROPS 24-25 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)	\$ 954,905	\$ 975,130	\$ 1,930,035
F RPTTF	862,405	882,630	1,745,035
G Administrative RPTTF	92,500	92,500	185,000
H Current Period Enforceable Obligations (A+E)	\$ 954,905	\$ 975,130	\$ 1,930,035

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 above named successor agency.

Name	Title
/s/ _____	
Signature	Date

**Mission Viejo
Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail
July 1, 2024 through June 30, 2025**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$8,051,916		\$1,930,035	\$-	\$-	\$-	\$862,405	\$92,500	\$954,905	\$-	\$-	\$-	\$882,630	\$92,500	\$975,130
1	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Bonds Issued On or Before 12/31/10	05/01/1999	09/01/2028	BNY Mellon Corporate Trust	Bond Pledge	1	7,743,966	N	\$1,721,035	-	-	-	854,155	-	\$854,155	-	-	-	866,880	-	\$866,880
2	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	OPA/DDA/ Construction	02/20/2012	09/01/2028	Stradling Yocca Carlson Rauth	OPA-Bond/ Covenant Compliance	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
4	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Fees	07/01/2010	09/01/2028	HdL Coren & Cone	Net Tax Increment Calculations per Pledge Agreement	1	82,500	N	\$16,500	-	-	-	8,250	-	\$8,250	-	-	-	8,250	-	\$8,250
7	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	02/20/2012	06/30/2033	Stradling Yocca Carlson Rauth	Project Development	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
8	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	09/04/2002	06/30/2033	Davis Company	Economic Planning	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
27	Administration	Admin Costs	02/01/2012	06/30/2033	City of Mission Viejo	Administration	1	185,000	N	\$185,000	-	-	-	-	92,500	\$92,500	-	-	-	-	92,500	\$92,500
33	Camino Capistrano Bridge Improvements	Improvement/ Infrastructure	01/27/1993	06/30/2033	Contractor	Construction of Improvements	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
37	1999 Variable	Bonds Issued	07/01/	06/30/2028	Arbitrage	Arbitrage	1	2,950	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	On or Before 12/31/10	2014		Compliance Specialists, Inc.	rebate calculation																
58	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Bonds Issued On or Before 12/31/10	05/01/1999	09/01/2028	BNY Mellon Trust	Bond Trustee fees	1	37,500	N	\$7,500	-	-	-	-	-	\$-	-	-	-	7,500	-	\$7,500

Mission Viejo
Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances
July 1, 2021 through June 30, 2022
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), 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.							
A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	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 07/01/21) RPTTF amount should exclude "A" period distribution amount.	-	-	223,562	-	372,334	Column G equal to ROPS 18-19 RPTTF PPA of \$372,334 authorized to use in ROPS 21-22 period.
2	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller	-	-	-	-	1,640,817	
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)	-	-	-	-	1,949,538	
4	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	-	-	223,562	-	-	ROPS 19-20 RPTTF PPA of \$222,358 for use in ROPS 22-23 period; and ROPS 20-21 RPTTF PPA of \$1,204 for use in ROPS 23-24 period
5	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC			No entry required		63,613	
6	Ending Actual Available Cash Balance (06/30/22) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$-	

**Mission Viejo
 Recognized Obligation Payment Schedule (ROPS 24-25) - Notes
 July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
1	
2	
4	
7	
8	
27	
33	
37	
58	

**City of Mission Viejo
FY 24/25
Administrative Allowance Estimated Expenditures**

		<u>Fiscal Year</u> <u>2024/2025</u>		<u>Successor</u>	<u>SA</u>	<u>% of Est.</u> <u>Time Spent</u> <u>on SA</u> <u>Issues</u>
<i>Direct Personnel Costs</i>	<i>Department</i>	<u>Est. Costs</u>	<u>Hourly Rate</u>	<u>Agency Hours</u>	<u>Administration</u>	
City Manager	City Manager	\$ 429,254	\$ 206.37	12	\$ 2,476	0.58%
Assistant City Manager/Director of Public Services	City Manager	374,982	180.28	6	1,082	0.29%
Executive Administrator	City Manager	74,562	47.80	3	143	0.14%
City Council	City Council	124,772	59.42	2	119	0.10%
City Clerk	City Clerk	196,478	94.46	2	189	0.10%
Director of Administrative Services	Administrative Services	293,980	141.34	61	8,586	2.92%
AS Manager-Treasury	Administrative Services	196,884	94.66	3	308	0.16%
Treasury Analyst	Administrative Services	147,608	70.97	73	5,163	3.50%
Administrative Assistant	Administrative Services	96,063	46.18	6	277	0.29%
Total Direct Personnel Costs				168	<u>18,343</u>	
 <i>Other Direct Costs</i>						
Attorneys						
Stradling Yocca Carlson & Rauth	SA Attorney				35,000	
Audit Fees					2,400	
Bank Fees/Delivery/Postage/Office Supplies/Meeting costs					200	
Total Other Direct Cost					<u>37,600</u>	
 <i>Indirect Costs (applied at rate for each central service per cost study)</i>						
Central Service Departments (per 6/2019 cost study)						
Interdepartmental		2,110,658	2.01%		42,426	
City Council Administration (non-payroll)		77,710	3.56%		2,766	
Commissions		102,938	0.36%		371	
City Manager Administration (non-payroll)		382,051	2.01%		7,679	
City Clerk Administration (non-payroll)		16,071	3.56%		572	
Council Support (non-payroll)		2,150	3.56%		77	
Elections (non-payroll)		250	3.56%		9	
Community Relations Admin		136,716	3.56%		4,867	
Community Relations Public Info		347,706	3.56%		12,378	
Community Relations Records Mgmt		71,368	1.40%		999	
Administrative Services Admin (non-payroll)		12,312	3.56%		438	
Accounting and Payroll		692,681	0.39%		2,701	
Financial Planning and Budget		178,725	3.56%		6,363	
Purchasing		201,399	0.13%		262	
Treasury (non-payroll)		76,875	3.56%		2,737	
Risk Management		294,989	0.45%		1,327	
Human Resources		568,289	0.46%		2,614	
Information Technology		4,201,615	0.29%		12,185	
Fleet Maintenance		176,976	0.02%		35	
Facilities Maintenance		949,244	0.71%		6,740	
Cable Television		209,832	3.56%		7,469	
Community Development Admin		294,265	2.50%		7,356	
Community Development-Code Enforcement		267,470	2.50%		6,686	
Total Indirect Cost					<u>129,057</u>	
 Total Estimated Admin Allowance					 <u>\$ 185,000</u>	

**City of Mission Viejo
 FY 24/25
 Administrative Allowance
 Personnel Justification**

<i>Position</i>	<i>Department</i>	<i>Summary of Job Duties Pertaining to Successor Agency</i>	<i>Hours</i>	<i>Frequency</i>	<i>Total</i>
City Manager	City Manager	Oversees the entire dissolution process. Attend 2 SA meetings. Review all SA related documentes including agenda reports for both SA and OB meetings, and resolutions. Oversees contract with the City Attorney in relation to SA matters, including processing invoices and contract amendments. Oversees the activity at the Mall. Meets with the Mall manager regularly to discuss compliance with Mall Bond covenants, including uses of parking structure, tenancy and maintenance issues. Meets monthly with the Director of Community Development for updates on Mall issues.	1	12	<u>12</u>
Total City Manager					12
Assistant City Manager	City Manager	Provides support to the CM on oversight of entire dissolution process. Attend 2 SA meetings. Review SA related documentes including agenda reports and resolutions. Oversees the activity at the Mall. Meets with the Mall manager regularly to discuss compliance with Mall Bond covenants, including uses of parking structure, tenancy and maintenance issues. Review and approve plans related to the NCA development located on the Mall Bond site property.	0.5	12	<u>6</u>
Total Assistant City Manager					6
Executive Administrator	City Manager	Direct assistant to the City Manager and Asst City Manager in SA and OB related meetings, transaction processing (i.e. meet and confer related travel requests) and document prep. Estimate is equal to .25 hours per month.	0.25	12	<u>3</u>
Total Executive Administrator					3
City Council	City Council	Attendance at Successor Agency Meetings for 5 members	0.25	5	1.25
		Attendance at Successor Agency agenda planning mtgs for 2 members	0.25	2	0.5
		Execution of SA resolutions by Mayor	0.25	1	<u>0.25</u>
Total City Council					2

**City of Mission Viejo
 FY 24/25
 Administrative Allowance
 Personnel Justification**

<i>Position</i>	<i>Department</i>	<i>Summary of Job Duties Pertaining to Successor Agency</i>	<i>Hours</i>	<i>Frequency</i>	<i>Total</i>
City Clerk	City Clerk	Preparation of Successor Agency Board meetings, including review of agenda	0.25	1	0.25
		Preparation of Successor Agency Board agendas	0.25	1	0.25
		Attendance at Successor Agency Board meetings	0.25	1	0.25
		Attendance at Successor Agency agenda planning meetings	0.25	1	0.25
		Preparation of minutes of Successor Agency Board meetings	0.25	1	0.25
		Review and execution of SA resolutions	0.25	1	0.25
		Filing and posting of SA resolutions in City document system	0.5	1	<u>0.5</u>
Total City Clerk					2
Director of Administrative Services	Administrative Services	Direct hours reported on timesheet for ROPS preparation, Mall Bond issues, preparation of SA and OB staff reports, attendance at meetings, etc. Based on 22-23 actuals hours.	60.75	1	<u>60.75</u>
Total Director of Admin Services					60.75
AS Manager-Treasury	Administrative Services	Direct hours reported on timesheet for ROPS preparation, Mall Bond issues, preparation of SA and OB staff reports, attendance at meetings, etc. Based on 22-23 actual hours.	3.25	1	<u>3.25</u>
Total Treasury Manager					3.25
Treasury Analyst	Administrative Services	Direct hours reported on timesheet for daily cash review, preparation of monthly bank reconciliation and Treasurer's Reports, processing invoices, update Mall Bond spreadsheets, preparation of wire transfers, etc. Based on 22-23 actuals hours.	72.75	1	<u>72.75</u>
Total Treasury Analyst					72.75
Administrative Assistant	Administrative Services	Direct assistant to the Director of Administrative Services for both SA and OB related meetings, transaction processing (i.e. meet and confer related travel requests) and document prep. Estimate is equal to .5 hours per month.	0.5	12	<u>6</u>
Total Administrative Assistant					6
					<u>167.8</u>

SUCCESSOR AGENCY RESOLUTION 24-XX

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MISSION VIEJO APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 24-25 A-B ENFORCEABLE OBLIGATIONS FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD AND BY THE DEPARTMENT OF FINANCE UNDER THE DIVISION 24, PART 1.85 OF THE CALIFORNIA HEALTH AND SAFETY CODE, AND AUTHORIZING THE POSTING AND TRANSMITTAL THEREOF

WHEREAS, the former Community Development Agency of the City of Mission Viejo (“former Agency”) was established as a community redevelopment agency that was 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 by action of the City Council of the City of Mission Viejo (“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, and most recently by Senate Bill 107 (together, as amended, the “Dissolution Law”); and

WHEREAS, as of February 1, 2012 the former Agency was dissolved under the Dissolution Law, and, as a separate public entity, corporate and politic, the Successor Agency to the Community Development Agency of the City of Mission Viejo (“Successor Agency”) administers the enforceable 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 (“Oversight Board”); and

WHEREAS, prior to July 1, 2018 under Dissolution Law, in particular Sections 34179 and 34180, all Mission Viejo Successor Agency actions were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Mission Viejo Successor Agency activities during the period from dissolution until June 30, 2018; and

WHEREAS, as of, on and after July 1, 2018 under Dissolution Law, in particular Sections 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 here; and

WHEREAS, every oversight board, both the prior local oversight board and the Orange Countywide Oversight Board, has fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues under Dissolution Law, in particular Sections 34188; and

WHEREAS, Sections 34177(m), 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule (“ROPS”) is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State of California, Department of Finance (“DOF”); and

WHEREAS, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 24-25 A-B annual fiscal period of July 1, 2024 to June 30, 2025 (“ROPS 24-25 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2024; and to submit a copy of the ROPS 24-25 A-B to the County Auditor-Controller (“CAC”), the State Controller’s Office (“SCO”) and the DOF at the same time that the Successor Agency submits such ROPS to the Oversight Board for review; and

WHEREAS, the Successor Agency has reviewed the ROPS 24-25 A-B Enforceable Obligations, including the FY 24-25 administrative allowance budget, and desires to approve the ROPS 24-25 A-B Enforceable Obligations and to authorize the Successor Agency staff to transmit the ROPS to the Oversight Board; and

WHEREAS, the Successor Agency staff is directed to post ROPS 24-25 A-B on the Successor Agency website (www.cityofmissionviejo.org).

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MISSION VIEJO DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are hereby incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The Successor Agency hereby approves the following ROPS 24-25 A-B Enforceable Obligations.

Item #	Project Name	Payee	Description	ROPS 23-24 Total	A Period July-Dec	B Period Jan-June
1	1999 Variable Rate Demand Bonds (MV Mall Improvement Project)	BNY Mellon Corporate Trust	Bond Pledge (Debt Service Payments)	\$1,721,035	\$854,155	\$866,880
4	1999 Variable Rate Demand Bonds (MV Mall Improvement Project)	HdL Coren & Cone	Net Tax Increment Calculations per Pledge Agreement	\$16,500	\$8,250	\$8,250
27	Administration	City of Mission Viejo/SA	Administration	\$185,000	\$92,500	\$92,500
58	1999 Variable Rate Demand Bonds (MV Mall Improvement Project)	BNY Mellon Corporate Trust	Bond Trustee fees	\$7,500	\$0	\$7,500
Totals				\$1,930,035	\$954,905	\$975,130

SECTION 3. The Successor Agency directs staff to incorporate the Enforceable Obligations referenced in Section 2 into the ROPS format prescribed by DOF under the requirements of the Dissolution Law, transmit the ROPS 24-25 A-B to the Oversight Board for review and approval and a copy of the ROPS is sent concurrently to the CAC, SCO, and DOF. Further, the Director of Administrative Services or her designee(s), in consultation with

legal counsel, is hereby authorized to request and complete meet and confer session(s), if any, with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency.

SECTION 4. After approval by the Oversight Board, the Successor Agency authorizes transmittal of the approved ROPS 24-25 A-B again to the CAC, SCO and DOF.

SECTION 5. The Director of Administrative Services of the Successor Agency, or her authorized designee(s), is directed to post this Resolution, including the ROPS 24-25 A-B, on the Successor Agency website (www.cityofmissionviejo.org) under the Dissolution Law.

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

APPROVED AND ADOPTED this 9th day of January 2024.

Trish Kelley, Chair
Successor Agency to the Community
Development Agency of the City of Mission Viejo

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

I, Kimberly Schmitt, Secretary of the Successor Agency to the Community Development Agency of the City of Mission Viejo, hereby certify that the foregoing resolution was duly adopted by the Successor Agency at a regular meeting held on the 9th day of January 2024, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:

Kimberly Schmitt, Secretary
Successor Agency to the Community
Development Agency of the City of Mission Viejo



Transmitted via e-mail

March 10, 2023

Cheryl Dyas, Director of Administrative Services
City of Mission Viejo
200 Civic Center
Mission Viejo, CA 92691

2023-24 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Mission Viejo Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 30, 2023. Finance has completed its review of the ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance approves all of the items listed on the ROPS 23-24 at this time. However, Finance notes the following:

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 Redevelopment Property Tax Trust Fund (RPTTF) distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,936,545, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 23-24. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 23-24 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 23-24 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Garrett Fujitani, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Sherry Merrifield, Administrative Assistant, City of Mission Viejo
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County
Kathy Tavoularis, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 866,620	\$ 885,129	\$ 1,751,749
Administrative RPTTF Requested	93,000	93,000	186,000
Total RPTTF Requested	959,620	978,129	1,937,749
RPTTF Authorized	866,620	885,129	1,751,749
Administrative RPTTF Authorized	93,000	93,000	186,000
ROPS 20-21 Prior Period Adjustment (PPA)	(1,204)	0	(1,204)
Total RPTTF Approved for Distribution	\$ 958,416	\$ 978,129	\$ 1,936,545



Transmitted via e-mail

March 11, 2022

Cheryl Dyas, Director of Administrative Services
City of Mission Viejo
200 Civic Center
Mission Viejo, CA 92691

2022-23 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Mission Viejo Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on January 20, 2022. Finance has completed its review of the ROPS 22-23.

Based on a sample of line items reviewed and application of the law, Finance approves all of the items listed on the ROPS 22-23 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2019 through June 30, 2020 (ROPS 19-20) period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 Redevelopment Property Tax Trust Fund (RPTTF) distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,773,618, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 22-23. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 22-23 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 22-23 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Garrett Fujitani, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Sherry Merrifield, Administrative Assistant, City of Mission Viejo
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 865,000	\$ 880,976	\$ 1,745,976
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	990,000	1,005,976	1,995,976
RPTTF Authorized	865,000	880,976	1,745,976
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 19-20 prior period adjustment (PPA)	(222,358)	0	(222,358)
Total RPTTF Approved for Distribution	\$ 767,642	\$ 1,005,976	\$ 1,773,618

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

Successor Agency: Mission Viejo

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
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)	\$ 959,620	\$ 978,129	\$ 1,937,749
F RPTTF	866,620	885,129	1,751,749
G Administrative RPTTF	93,000	93,000	186,000
H Current Period Enforceable Obligations (A+E)	\$ 959,620	\$ 978,129	\$ 1,937,749

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 above named successor agency.

Name Title

/s/ _____
Signature Date

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

A	B	C	D	E	F	G	H	I	J	K	ROPS 23-24 (Jul - Dec)				ROPS 23-24B (Jan - Jun)				W							
											Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total		Fund Sources			Fund Sources			23-24B Total
																				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	
1	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Bonds Issued On or Before 12/31/10	05/01/1999	09/01/2028	BNY Mellon Corporate Trust	Bond Pledge	1	\$9,801,842	N	\$1,937,749	\$1,724,799	\$-	\$-	\$866,620	\$93,000	\$-	\$-	\$885,129	\$93,000	\$978,129	\$-	\$866,429				
2	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	OPA/DDA/ Construction	02/20/2012	09/01/2028	Stradling Yocca Carlson Rauth	OPA-Bond/ Covenant Compliance	1	-	N	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-				
4	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Fees	07/01/2010	09/01/2028	HdL Coren & Cone	Net Tax Increment Calculations per Pledge Agreement	1	99,000	N	\$16,500	\$-	\$-	8,250	\$-	\$-	\$-	\$-	8,250	\$-	\$-	\$-	\$-	\$8,250			
7	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	02/20/2012	06/30/2033	Stradling Yocca Carlson Rauth	Project Development	1	-	N	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-			
8	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	09/04/2002	06/30/2033	Davis Company	Economic Planning	1	-	N	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-			
27	Administration	Admin Costs	02/01/2012	06/30/2033	City of Mission Viejo	Administration	1	186,000	N	\$186,000	\$-	\$-	\$-	93,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	93,000	\$93,000		
33	Camino Capistrano Bridge Improvements	Improvement/ Infrastructure	01/27/1993	06/30/2033	Contractor	Construction of Improvements	1	-	N	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-		
37	1999 Variable	Bonds Issued	07/01/	06/30/2028	Arbitrage	Arbitrage	1	5,900	N	\$2,950	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	2,950	\$2,950		

Mission Viejo
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 (l), 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.											
A	B	C	D	E	F	G	H	Fund Sources			
								Bond Proceeds	Reserve Balance	Other Funds	RPTTF
								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.
	ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)										
1	Beginning Available Cash Balance (Actual 07/01/20) RPTTF amount should exclude "A" period distribution amount.	-	-	851,768	-	-	-				
2	Revenue/Income (Actual 06/30/21) RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller	-	-	-	-	1,732,413					
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)			273,576	-	1,731,209			Amount in column E equals amount allowed per DOF ROPS 20-21 approval letter dated April 10, 2020		
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)	-	-	578,192	-	-			Column E equals \$372,334 from ROPS period 18-19 distributed to ROPS period 21-22 by DOF; \$222,358 from ROPS period 19-20 distributed to ROPS period 22-23 by DOF; netted with \$16,500 which represents amount paid in 17-18 for line item 4 and disputed by MV until resolved with approval of ROPS 21-22.		
5	ROPS 20-21 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 20-21 PPA			No entry required		1,204					

Pursuant to Health and Safety Code section 34177 (l), 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.							
A	B	C	D	E	F	G	H
	ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)	Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		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
		\$-	\$-	\$-	\$-	\$-	
	form submitted to the CAC						
6	Ending Actual Available Cash Balance (06/30/21) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$-	

**Mission Viejo
Recognized Obligation Payment Schedule (ROPS 23-24) - Notes
July 1, 2023 through June 30, 2024**

Item #	Notes/Comments
1	
2	
4	
7	
8	
27	
33	
37	
58	

Orange Countywide Oversight Board

Agenda Item No. 7a

Date: 1/16/2024

From: Staff to the Oversight Board

Subject: A Resolution of the Orange Countywide Oversight Board Recognizing the Re-Establishment of a Loan Between the City of Huntington Beach and the Former Huntington Beach Redevelopment Agency as Successor Agency Enforceable Obligation and Requesting Direction from the State Department of Finance Regarding Application of Health and Safety Code Section 34179.4(b)(3)

Recommended Action: Adopt Resolution No. 24-006 to: (i) recognize a loan owed to the City of Huntington Beach as the enforceable obligation of the Successor Agency to the Huntington Beach Redevelopment Agency, and (ii) request direction from the State Department of Finance regarding the calculation of the outstanding loan amount under Health and Safety Code Section 34179.4(b)(3)

Background

At the Oversight Board's September 19, 2023 meeting, the Successor Agency to the Huntington Beach Redevelopment Agency ("**Successor Agency**") requested approval for an amendment to its Recognized Obligation Payment Schedule ("**ROPS**") for fiscal year 2023-24 ("**ROPS 23-24**"), to add a \$10 million payment for a loan ("**Waterfront Loan**") owing to the City of Huntington Beach ("**City**"). Successor Agency staff was unable to provide information in response to the Oversight Board's questions about the basis of the calculation for the requested amount. Consequently, the Oversight Board did not approve the request at that meeting.

To successfully amend ROPS 23-24, the Successor Agency needed to submit an Oversight Board-approved amendment to the DOF by October 1, 2023 and obtain the DOF's subsequent concurrence. The Successor Agency could not meet the deadline to submit the amendment to the DOF.

The Successor Agency has now submitted its ROPS for fiscal year 2024-25 ("**ROPS 24-25**"). The Oversight Board will consider approval of ROPS 24-25 under a separate resolution ("**ROPS 24-25 Resolution**"). One of the line items on ROPS 24-25 is the repayment for the Waterfront Loan.

Since September 19, 2023, the Successor Agency has submitted additional information to the Oversight Board. The Oversight Board's staff has also reviewed the writs issued by the Superior Court in Sacramento County in *City of Huntington Beach v State of California* (Case No. 34-2018-8002876) ("**Lawsuit**"). At the conclusion of the Lawsuit, the Court has, among other things, directed the DOF to recognize the Waterfront Loan as an enforceable obligation. However, the Court's direction does not speak to the outstanding amount of the Waterfront Loan.

Discussion

The Waterfront Loan was incurred by the former Huntington Beach Redevelopment Agency (“**Former Agency**”) in 1988. The Court found that the Waterfront Loan is an enforceable obligation of the Successor Agency under Health and Safety Code (“**HSC**”) Section 34191.4(b). Thus, the Successor Agency can include repayment for the Waterfront Loan on its ROPS.

After the Oversight Board’s September 19, 2023 meeting, the Successor Agency provided a schedule (“**Schedule**”), showing the Successor Agency’s calculation of the outstanding Waterfront Loan amount. A copy of the Schedule is attached in **Exhibit A**. The Schedule shows that the original loan amount was \$22.4 million. Between 1990 and 2011, the Former Agency made repayments to the City each year, ranging from \$6,672 to \$2,844,731, totaling \$14,783,998.

According to the Schedule (and the Successor Agency’s staff report related to the prior request to amend ROPS 2023-24), the Successor Agency is calculating the outstanding Waterfront Loan amount by allocating all past repayments to the interest portion. Pursuant to such calculation, the Successor Agency maintains that the principal amount of the Waterfront Loan remained at \$22.4 million. It claims that, as of June 20, 2023, the unpaid interest totaled approximately \$8 million, bringing the total owed to the City to approximately \$30.4 million.

HSC Section 34191.4(b)(3) states, in part:

“If the oversight board finds that the loan is an enforceable obligation, any interest on the remaining principal amount of the loan that was previously unpaid after the original effective date of the loan shall be recalculated from the date of origination of the loan as approved by the redevelopment agency on a quarterly basis, at a simple interest rate of 3 percent...*Moneys repaid shall be applied first to the principal, and second to the interest.*” (Italics added).

In response to Oversight Board staff’s inquiry, the Successor Agency staff explained that, per the Successor Agency’s understanding of HSC Section 34191.4(b)(3), only future Successor Agency repayments for the Waterfront Loan (and not past Former Agency repayments) should be applied to principal first before interest.

Successor Agency staff has asserted that this interpretation of HSC Section 34191.4(b)(3) is consistent with past DOF practice. With deference to the DOF as the State administrative agency for the Redevelopment Dissolution Act, and the records that DOF presumably has gathered during the multi-year Lawsuit, the attached Resolution serves as a request to the DOF for guidance. The Oversight Board will ask the DOF for direction on the calculation of the outstanding amount of the Waterfront Loan, and whether the DOF concurs with the Successor Agency’s reading of HSC Section 34191.4(b)(3). The ROPS 24-25 Resolution proposed by Oversight Board staff includes a caveat that the Oversight Board’s approval of Successor Agency’s ROPS 24-25 is subject to any direction that the DOF will give pursuant to this Resolution No. 24-006.

Changes Proposed by Huntington Beach City Attorney

Oversight Board counsel has shared a draft of the resolution with Mr. Michael Gates, Huntington Beach City Attorney (who is also the Successor Agency's General Counsel). Mr. Michael Gates has proposed certain changes to the resolution. Attached in Exhibit B is Mr. Gate's email. The Oversight Board has the discretion to decide whether to accept Mr. Gates's proposed changes.

Impact on Taxing Entities

Semi-annually, the County Auditor-Controller disburses moneys from the Redevelopment Property Tax Trust Fund ("RPTTF") for purposes required by the Dissolution Act, including to the Successor Agency for enforceable obligations approved on a ROPS. Residuals after such disbursements are distributed to the taxing entities. The inclusion of the Waterfront Loan repayment on an approved ROPS will lower the amount of the RPTTF residuals. The amount of Waterfront Loan repayment each fiscal year is subject to a cap pursuant to a formula under HSC Section 34191.4(b)(3)(A). The RPTTF residual for any semester will not be reduced to zero on the account of the inclusion of the Waterfront Loan repayment.

Attachment:

Exhibit A: Schedule from Huntington Beach Successor Agency showing its calculation of the outstanding amount of the Waterfront Loan

Exhibit B: Email from Huntington Beach City Attorney about proposed changes to resolution

Proposed Resolution No. 24-006

EXHIBIT A
Schedule Showing Huntington Beach's
Calculation of Waterfront Loan Outstanding Amount
(provided by Successor Agency on 10/5/2023)

Waterfront Loan Repayment

	Principal	Principal Payments	Principal Balance	Annual Interest (3%)	Cumulative Interest	Interest Payments	Interest Balance	Outstanding Balance
1989	22,400,000		22,400,000					
1990	22,400,000		22,400,000	672,000	672,000	(6,672)	665,328	23,065,328
1991	22,400,000		22,400,000	672,000	1,337,328	(11,407)	1,325,921	23,725,921
1992	22,400,000		22,400,000	672,000	1,997,921	(1,997,921)	0	22,400,000
1993	22,400,000		22,400,000	672,000	672,000	(181,678)	490,322	22,890,322
1994	22,400,000		22,400,000	672,000	1,162,322	(608,831)	553,491	22,953,491
1995	22,400,000		22,400,000	672,000	1,225,491	(257,412)	968,078	23,368,078
1996	22,400,000		22,400,000	672,000	1,640,078	(1,640,078)	0	22,400,000
1997	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
1998	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
1999	22,400,000		22,400,000	672,000	672,000	(73,282)	598,718	22,998,718
2000	22,400,000		22,400,000	672,000	1,270,718	(100,212)	1,170,505	23,570,505
2001	22,400,000		22,400,000	672,000	1,842,505	(93,562)	1,748,943	24,148,943
2002	22,400,000		22,400,000	672,000	2,420,943	(248,212)	2,172,731	24,572,731
2003	22,400,000		22,400,000	672,000	2,844,731	(2,844,731)	0	22,400,000
2004	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
2005	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
2006	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
2007	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
2008	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
2009	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
2010	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
2011	22,400,000		22,400,000	672,000	672,000	(672,000)	0	22,400,000
2012	22,400,000		22,400,000	672,000	672,000		672,000	23,072,000
2013	22,400,000		22,400,000	672,000	1,344,000		1,344,000	23,744,000
2014	22,400,000		22,400,000	672,000	2,016,000		2,016,000	24,416,000
2015	22,400,000		22,400,000	672,000	2,688,000		2,688,000	25,088,000
2016	22,400,000		22,400,000	672,000	3,360,000		3,360,000	25,760,000
2017	22,400,000		22,400,000	672,000	4,032,000		4,032,000	26,432,000
2018	22,400,000		22,400,000	672,000	4,704,000		4,704,000	27,104,000
2019	22,400,000		22,400,000	672,000	5,376,000		5,376,000	27,776,000
2020	22,400,000		22,400,000	672,000	6,048,000		6,048,000	28,448,000
2021	22,400,000		22,400,000	672,000	6,720,000		6,720,000	29,120,000
2022	22,400,000		22,400,000	672,000	7,392,000		7,392,000	29,792,000
2023	22,400,000		22,400,000	672,000	8,064,000		8,064,000	30,464,000
					Cumulative Interest Payments	(14,784,000)		

EXHIBIT B

Email from Huntington Beach City Attorney About Proposed Changes to Resolution

From: Gates, Michael
Sent: Thursday, January 4, 2024 1:58 PM
To: Kit Bobko <pbobko@ringbenderlaw.com>
Subject: RE: Countywide Oversight Board - Huntington Beach ROPS

For instance, here is current Reso:

SECTION 2. The Oversight Board hereby recognizes the re-establishment of the Waterfront Loan as the Successor Agency's enforceable obligation.

SECTION 3. The Oversight Board hereby requests direction from the DOF on the calculation of the outstanding amount of the Waterfront Loan, and whether the DOF concurs with the Successor Agency's reading of HSC Section 34191.4(b)(3) that the currently outstanding principal amount of the Waterfront Loan is \$22,400,000 and the total amount owing as of June 30, 2023 is \$30,464,000.

Whereas, in order for Section 3 to be CONSISTENT with what is declared in Section 2, I would think it should say:

SECTION 2. The Oversight Board hereby recognizes the re-establishment of the Waterfront Loan as the Successor Agency's enforceable obligation.

SECTION 3. The Oversight Board hereby confirms the calculation of the outstanding amount of the Waterfront Loan pursuant to HSC Section 34191.4(b)(3) that the currently outstanding principal amount of the Waterfront Loan is \$22,400,000 and the total amount owing as of December 31, 2023 is \$34,000,000.

Here is the Staff Report, and this paragraph it seems by law (according to Oversight needing to perform this function rather than DOF), should be stricken:

Successor Agency staff has asserted that this interpretation of HSC Section 34191.4(b)(3) is consistent with past DOF practice. With deference to the DOF as the State administrative agency for the Redevelopment Dissolution Act, and the records that DOF presumably has gathered during the multi year Lawsuit, the attached Resolution serves as a request to the DOF for guidance. The Oversight Board will ask the DOF for direction on the calculation of the outstanding amount of the Waterfront Loan, and whether the DOF concurs with the Successor Agency's reading of HSC Section 34191.4(b)(3). The ROPS 24-25 Resolution includes a caveat that the Oversight Board's approval of Successor Agency's ROPS 24-25 is subject to any direction that the DOF will give pursuant to this Resolution No. 24-XXX.



Michael E. Gates
CITY ATTORNEY
OFFICE OF THE CITY ATTORNEY
CITY OF HUNTINGTON BEACH
2000 Main St., Fourth Floor
Huntington Beach, CA 92648
Ph: (714) 536-5538

RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

RESOLUTION NO. 24-006

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RECOGNIZING THE RE-ESTABLISHMENT OF A LOAN BETWEEN THE CITY OF
HUNTINGTON BEACH AND THE FORMER HUNTINGTON BEACH REDEVELOPMENT
AGENCY AS SUCCESSOR AGENCY ENFORCEABLE OBLIGATION AND REQUESTING
DIRECTION FROM THE STATE DEPARTMENT OF FINANCE REGARDING
APPLICATION OF HEALTH AND SAFETY CODE SECTION 34179.4(b)(3)

WHEREAS, by the laws of the State of California (“**State**”), the Huntington Beach Redevelopment Agency (“**Former Agency**”) and all other redevelopment agencies within the State were dissolved as of February 1, 2012, and successor agencies were established as successor entities to wind down the former redevelopment agencies’ affairs; and

WHEREAS, pursuant to Health and Safety Code (“**HSC**”) Section 34173(d), the City Council of the City of Huntington Beach (the “**City**”) adopted a resolution on January 9, 2012, and elected for the City to become the Successor Agency to the Huntington Beach Redevelopment Agency (“**Successor Agency**”); and

WHEREAS, the Successor Agency is the successor entity to the Former Agency and is tasked with winding down the Former Agency’s affairs in accordance with the provisions of Part 1.85 of Division 24 of the HSC (“**Dissolution Act**”); and

WHEREAS, pursuant to HSC Section 34179, each successor agency is under the jurisdiction of an oversight board; and

WHEREAS, pursuant to HSC Section 34179(j), beginning July 1, 2018, the individual oversight board for each successor agency was dissolved and replaced by a countywide oversight board and, thus, the Orange Countywide Oversight Board (“**Oversight Board**”) was established and has assumed jurisdiction over all successor agencies in the County of Orange, including the Successor Agency; and

WHEREAS, the Successor Agency has informed the Oversight Board about the Sacramento County Superior Court’s judgment in *City of Huntington Beach v State of California* (Case No. 34-2018-8002876) (“**Lawsuit**”); and

WHEREAS, in connection with the Lawsuit, the Court has issued a writ of mandate dated March 15, 2022, and an amended writ of mandate dated February 17, 2023 (together, “**Writ**”); and

WHEREAS, the Lawsuit pertains to multiple loans that the Former Agency owed to the City; and

WHEREAS, under HSC Sections 34171(d)(1) and 34178(a) and other provisions of the Dissolution Act, agreements (including loan agreements) between the City and the Former Agency

are no longer invalid or binding on the Successor Agency, and are not “enforceable obligations” of the Successor Agency, except in limited cases permitted by the Dissolution Act; and

WHEREAS, with respect to an invalidated City loan agreement, the Successor Agency may seek to re-establish the loan as an enforceable obligation, if certain qualifications set forth in HSC Section 34191.4(b) have been met; and

WHEREAS, according to the Writ, in 2017, the then oversight board of the Successor Agency (“**Prior Oversight Board**”) adopted resolutions to re-establish 12 City loans as enforceable obligations under HSC Section 34191.4(b) and, around the same time, the Successor Agency included these loans on its Recognized Obligation Payment Schedule (“**ROPS**”) to request money for the repayment of these loans; and

WHEREAS, the Prior Oversight Board resolutions and the ROPS requests were subject to review by the State Department of Finance (“**DOF**”); and

WHEREAS, DOF disapproved of those Prior Oversight Board resolutions and loan repayment requests on the ROPS, finding that none of the 12 loans satisfied the requirements of HSC Section 34191.4(b) and, subsequently, the City initiated the Lawsuit; and

WHEREAS, ultimately, the Court found in favor of the DOF with respect to most of the loans, but ruled that that two of the loans – one of which is referred to as the “**Waterfront Loan**” – met the requirements under HSC Section 34191.4(b) to be re-established; and

WHEREAS, the Court directed the DOF to treat the Waterfront Loan as an enforceable obligation, though the Court did not specify the outstanding amount of the enforceable obligation; and

WHEREAS, at the Oversight Board’s September 19, 2023 meeting, the Successor Agency requested approval for an amendment to its ROPS for fiscal year 2023-24 (“**ROPS 23-24**”), to add \$10,000,000 as repayment to the City for the Waterfront Loan; and

WHEREAS, because the Successor Agency staff was unable to provide information in response to the Oversight Board’s questions about the basis of the calculation for the requested amount, the Oversight Board declined to give approval at the September 19, 2023 meeting; and

WHEREAS, for any proposed amendment to ROPS 23-24 to become effective, the Successor Agency was required to submit an Oversight Board-approved amendment to the DOF by October 1, 2023 and obtain the DOF’s subsequent concurrence; and

WHEREAS, the Successor Agency was unable to meet the October 1, 2023 deadline to submit the ROPS 2023-24 amendment to the DOF; and

WHEREAS, since September 19, 2023, the Oversight Board has received additional information provided by the Successor Agency and has further reviewed the Writ; and

WHEREAS, in the Writ, the Court described the background of the Waterfront Loan:

“The Waterfront Loan is memorialized in a written agreement between the City and the Former RDA...This document, executed in 1988, describes the City's sale of real property to the Former RDA for a price of \$22,400,000. The property is located within the ‘Main-Pier Project Area,’ and the transfer was made to facilitate development within this area...The City deeded the property to the Former RDA in 1989....

...[T]he written agreement designates an annual interest rate of 10 percent.

...Financial records that the Successor Agency submitted to the DOF...indicate that between 1990 and 2011, the Former RDA made annual payments on various loan obligations, and that a \$14.78 million ‘pro rata share’ of these payments may be allocated to the Waterfront Loan....”; and

WHEREAS, the Successor Agency has provided a schedule (“**Schedule**”) showing past payments made by the Former Agency, confirming that the Former Agency made repayments to the City, ranging from \$6,672 to \$2,844,731 (totaling \$14,783,998), between 1990 and 2011; and

WHEREAS, in a staff report (“**HB Staff Report**”) relating to the Successor Agency’s prior request to amend ROPS 23-24, the Successor Agency wrote: “The total amount of the loan as of June 30, 2023 is \$30,464,000, comprised of \$22,400,000 in principal amount and \$8,064,000”; and

WHEREAS, according to the HB Staff Report and the Schedule, the Successor Agency is calculating the outstanding amount of the Waterfront Loan by allocating all past repayments to the interest portion and, as such, the principal amount of the Waterfront Loan has remained at \$22,400,000 since fiscal year 1988-89; and

WHEREAS, HSC Section 34191.4(b)(3) states, in part:

“If the oversight board finds that the loan is an enforceable obligation, any interest on the remaining principal amount of the loan that was previously unpaid after the original effective date of the loan shall be recalculated from the date of origination of the loan as approved by the redevelopment agency on a quarterly basis, at a simple interest rate of 3 percent....*Moneys repaid shall be applied first to the principal, and second to the interest*” (italics added); and

WHEREAS, in response to Oversight Board staff’s inquiry, the Successor Agency staff indicated that, per the Successor Agency’s understanding of HSC Section 34191.4(b)(3), only future Successor Agency repayments for the Waterfront Loan (and not past Former Agency repayments) should be applied to principal first and then interest; and

WHEREAS, on the Successor Agency’s proposed ROPS for fiscal year 2024-25, one of the line items is the repayment for the Waterfront Loan – including information about the amount to be repaid during fiscal year 2024-25, as well as the total outstanding amount; and

WHEREAS, the DOF is the State administrative agency with respect to the Dissolution Act and also has records relating to the Waterfront Loan from the Lawsuit; and

WHEREAS, the Oversight Board seeks guidance from the DOF on whether the DOF concurs with the Successor Agency's application of HSC Section 34191.4(b)(3) in its calculation that the currently outstanding principal amount of the Waterfront Loan is \$22,400,000 and the total amount owing as of June 30, 2023 is \$30,464,000;

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

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

SECTION 2. The Oversight Board hereby recognizes the re-establishment of the Waterfront Loan as the Successor Agency's enforceable obligation.

SECTION 3. The Oversight Board hereby requests direction from the DOF on the calculation of the outstanding amount of the Waterfront Loan, and whether the DOF concurs with the Successor Agency's reading of HSC Section 34191.4(b)(3) that the currently outstanding principal amount of the Waterfront Loan is \$22,400,000 and the total amount owing as of June 30, 2023 is \$30,464,000.

SECTION 4. 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 declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 5. The Clerk of the Oversight Board shall certify to the adoption of this Resolution and is directed to transmit this Resolution to the DOF.

Orange Countywide Oversight Board

Agenda Item No. 8a

Date: 1/16/2024

From: Staff to the Oversight Board

Subject: Resolution Approving FY 2024-25 Recognized Obligation Payment Schedule (“**ROPS 24-25**”) for Huntington Beach Successor Agency (“**HBSA**”)

Recommended Action: Adopt Resolution No. 2024-007 approving HBSA’s ROPS 24-25, with proviso referencing Resolution No. 2024-007

Background

By a separate agenda report, Oversight Board staff has presented proposed Resolution No. 2024-006, for the request to the State Department of Finance (“**DOF**”) for directions regarding the outstanding amount of the “Waterfront Loan” – which is an item on the HBSA’s proposed ROPS 24-25.

Attached in **Exhibit A** is the staff report submitted by HBSA, requesting the Oversight Board to approve its proposed ROPS 24-25. The form of resolution, as proposed by HBSA, is included in such staff report.

Discussion

If the Oversight Board decides to adopt Resolution No. 2024-006, the Oversight Board should consider the inclusion of a reference to Resolution No. 2024-006 in its resolution approving HBSA’s ROPS 24-25. In the attached Resolution No. 24-007, the language has been added to Section 2 for that purpose.

Attachment:

Exhibit A: HBSA Staff Report

Exhibit B: Resolution No. 24-007, as proposed by Oversight Board staff (see underlined language in Section 2, showing the modification from the HBSA’s proposed form)

EXHIBIT A

Huntington Beach Staff Report

For ROPS 2024-25

(see attached)

Orange Countywide Oversight Board

Agenda Item No. 8a

Date: 1/16/2024

From: Successor Agency to the Huntington Beach 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 2024-25 ROPS and Administrative Budget for the Huntington Beach Successor Agency

The Huntington Beach Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2024-25.

The Successor Agency to the Redevelopment Agency of the City of Huntington Beach (Successor Agency) is performing its functions under the Dissolution Law, Division 24, Parts 1.8 and 1.85 of the Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, as amended, the “Dissolution Law”), to administer the enforceable obligations and otherwise unwind the former Agency’s affairs, all subject to the review and approval by the seven-member Oversight Board. Under the mandatory dates in the Dissolution Law, the Successor Agency must submit a copy of ROPS 2024-25 after approval from the Orange Countywide Oversight Board (“Oversight Board”), and transmittal to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), State Controller’s Office (“SCO”), and DOF on or before February 1, 2024. The FY 2023-24 ROPS attached to the Oversight Board resolution included with this agenda report sets forth comparable listings of the Enforceable Obligations listed in prior ROPS. Included in the ROPS 2024-25 are all of the enforceable obligations of the Huntington Beach Successor Agency requiring payment during FY 2024-25. These obligations include the following annual bond debt service payments and cooperation agreements:

- Debt Service Payments (lines 3 and 4) for the 2002 and 1999 Tax Allocation Refunding Bonds in the merged project area.
- Development Disposition Agreements and Owner Participation Agreements for Bella Terra, Waterfront, and the Strand Developments (lines 2, 14, 15, 29, and 30)

Of note, the ROPS also includes a request for funds in the amount of \$9,828,541 to repay a portion of monies owed to the City from the former Redevelopment Agency for the purchase of real property (the “Waterfront Loan”) in Fiscal Year 1988-89 in the amount of \$22.4M, which was loaned to the Agency at a 10-percent interest rate. Between 1989 and 2011, the former Redevelopment Agency made payments on various City-Agency loans, with \$14.8M of these payments being applied to the Waterfront loan. This loan had been listed on previous ROPs and denied by the DOF until it was ultimately approved as an enforceable obligation by the California Superior Court on February 17, 2023. The Department of Finance concurred with the Court’s ruling in their letter dated May 19, 2023 stating the following:

“Waterfront Commercial Master Site Plan. Finance no longer denies this item. In compliance with the Judgement, the Agreement for the Purchase and Sale of Property (Waterfront Loan) dated September 19, 1988 between the City and the former Redevelopment Agency of the City of Huntington Beach is considered an enforceable obligation, and future requests for funding of supported outstanding amounts will be allowable.”

The total amount of the loan as of June 30, 2023 is \$30,464,000, comprised of \$22,400,000 in principal and \$8,064,000 in accrued interest calculated in accordance with Health and Safety Code Section 34191.4(b)(3)

“If the oversight board finds that the loan is an enforceable obligation, any interest on the remaining principal amount of the loan that was previously unpaid after the original effective date of the loan shall be recalculated from the date of origination of the loan as approved by the redevelopment agency on a quarterly basis, at a simple interest rate of 3 percent. The recalculated loan shall be repaid to the city, county, or city and county in accordance with a defined schedule over a reasonable term of years. Moneys repaid shall be applied first to the principal, and second to the interest.”

The \$9,828,541 repayment amount requested in the FY 2024-25 ROPS was calculated using the Department of Finance’s Sponsoring Entity Loan Repayment Calculator based on the provisions outlined in Health and Safety Code Section 34191.3(b)(3)(A), which calculated the maximum repayment amount authorized per fiscal year. This amount will be recalculated each fiscal year based on the estimated tax revenue available for repayment of the loan.

Also included as part of the ROPS is the FY 2024-25 administrative budget of \$250,000 on line item no. 50, an amount allowed under dissolution law. This amount is consistent with the amount requested and approved by all prior Oversight Boards and the Department of Finance (DOF) in each year of redevelopment dissolution. Attached is a line item budget justifying administrative costs. The current Successor Agency administrative budget includes both direct and indirect personnel costs of \$250,000 related to the management of the Successor Agency. The percentage used to estimate indirect costs for FY 2024-25 is 0.5%. Since the dissolution of the former Redevelopment Agency, staff have dedicated a significant number of hours managing and providing information for the ROPS, Housing Asset Transfer review, Long-Range Property Management Plan, and other projects associated with the wind down of the Successor Agency. The total cost associated with administering Successor Agency activities far exceeds the \$250,000 minimum annual administrative allowance provided to the Agency.

The attached ROPS for 2024-25 and administrative budget and related resolutions (Attachments 2 and 3) were presented for approval by the Huntington Beach Successor Agency on December 19, 2023. The Huntington Beach Successor Agency requests that the Orange Countywide Oversight Board adopt the attached Resolution approving the FY 2024-25 ROPS and Administrative Budget for the Huntington Beach Successor Agency.

Impact on Taxing Entities

Amounts requested for distribution from Huntington Beach’s Redevelopment Property Tax Trust Fund (RPTTF) for the 2024-25 period will reduce the RPTTF distribution to all other taxing entities by \$8,035,180 in the 2024-25A period and by \$7,163,948 in the 2024-25B period.

Staff Contact(s)

Sunny Han, Chief Financial Officer, sunny.han@surfcity-hb.org

Attachments

1. Orange Countywide Oversight Board Resolution
2. Huntington Beach Resolution 2023-04
3. Huntington Beach Resolution 2023-05
4. DOF Determination Letter 2023-24 and Huntington Beach ROPS 2023-24
5. Superior Court of California Ruling dated February 17, 2023

6. Department of Finance Recognized Obligation Payment Schedule Letter dated May 19, 2023
7. Department of Finance Section 34191.3(b)(3)(A) Sponsoring Entity Loan Repayment Calculator
8. Recalculated Waterfront Loan per Health and Safety Code Section 34191.4(b)(3)

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 24-007**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE HUNTINGTON BEACH
REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION
PAYMENT SCHEDULE [ROPS] 2024-25 A-B FOR THE ANNUAL FISCAL PERIOD OF
JULY 1, 2024 TO JUNE 30, 2025, INCLUDING THE FY 2024-25 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 Redevelopment Agency of the City of Huntington Beach (“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 Huntington Beach (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 25 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 former Redevelopment Agency of the City of Huntington Beach (“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 2024-25 A-B fiscal period of July 1, 2024 to June 30, 2025 (“ROPS 2024-

25 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, 2024; and

WHEREAS, the ROPS 2024-25, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2024-25 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 2024-25 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 2024-25 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 2024-25 A-B submitted therewith and incorporated by this reference, including the FY 2024-25 administrative budget included herewith.

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 2024-25 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The City of Huntington Beach’s Chief Financial Officer, or authorized designee is directed to post this Resolution, including the ROPS 2024-25 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. 2023-04

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2024 THROUGH JUNE 30, 2025

WHEREAS, California Health and Safety Code section 34177(j) requires that the Successor Agency to the Redevelopment Agency of the City of Huntington Beach (“Successor Agency”) prepare an administrative budget for each annual fiscal period; and

A draft administrative budget for the fiscal period of July 1, 2024 through June 30, 2025 (“Administrative Budget”) is attached hereto as Exhibit A; and


California Health and Safety Code section 34177(k) requires the Successor Agency to provide to the County Auditor-Controller administrative cost estimates for expenses from the administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund for each annual fiscal period; and

All of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, the Successor Agency to the Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

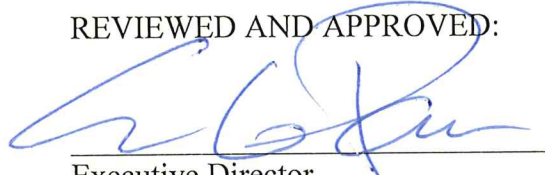
1. The Successor Agency hereby finds and determines that the foregoing recitals are true and correct.
2. The Administrative Budget attached hereto as Exhibit A is hereby approved.
3. The Successor Agency staff is directed to: (i) provide the required cost estimates for expenses to the County Auditor-Controller; and (ii) to do any and all things and to execute and deliver any and all documents which may be necessary or advisable in order to effectuate the purposes of this Resolution.
4. The Successor Agency does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Successor Agency and the City of Huntington Beach under law and/or in equity.

PASSED AND ADOPTED by the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a regular meeting thereof held on the 19th day of December, 2023.



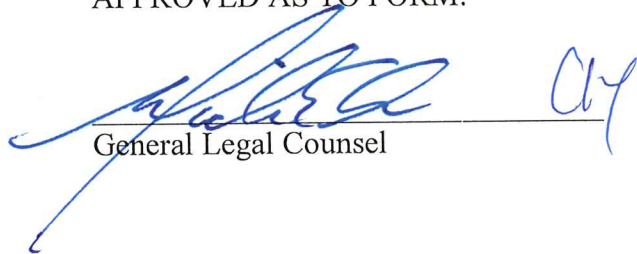
Chairperson

REVIEWED AND APPROVED:



Executive Director

APPROVED AS TO FORM:



General Legal Counsel

EXHIBIT A

ADMINISTRATIVE BUDGET FOR THE PERIOD
JULY 1, 2024 THROUGH JUNE 30, 2025

[behind this page]

**Successor Agency
Administrative Budget
Department Budget Summary
Other Funds by Object Account**

OTHER FUNDS

Expenditure Object Account	ROPS 24-25 Budget
RORF Administration (350)	
PERSONNEL SERVICES	
Salaries/Benefits - Permanent	250,000
PERSONNEL SERVICES	250,000
Total	250,000
Revenue Summary	
ROPS 24-25 Budget	
Administrative Allowance	250,000
Total	250,000

Significant Changes

Pursuant to AB x126 and AB 1484, the Successor Agency receives RPTTF funding from the County Auditor-Controller to pay Enforceable Obligations. The Successor Agency also receives a 3% of actual distributed RPTTF in the preceding fiscal year, or a minimum of \$250,000 for administration of the winding down of the former Redevelopment Agency per fiscal year. Administrative costs associated with the "wind down" and dissolution of the Redevelopment Agency that exceed the administrative cost allowance will be funded by Other Funds, pursuant to State rules. Administrative expenses include: personnel costs, legal, and other professional services expenses associated with the dissolution and administration of the Successor Agency.

**Successor Agency
Res. No. 2023-04**

**STATE OF CALIFORNIA
COUNTY OF ORANGE) ss:
CITY OF HUNTINGTON BEACH)**

I, ROBIN ESTANISLAU the Clerk of the Successor Agency to the former City of Huntington Beach Redevelopment Agency, Huntington Beach, California, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by The Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a **special** meeting held on **December 19, 2023** and that is was so adopted by the following vote:

AYES: Board Members: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, Kalmick
NOES: Board Members: None
ABSENT: Board Members: None
ABSTAIN: Board Members: None



Clerk of The Successor Agency to
the Redevelopment Agency of the
City of Huntington Beach, California

Huntington Beach

ROPS 2024-25 Annual

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

Requested Funding for Obligations		24-25A Total	24-25B Total	ROPS Total
A	Obligations Funded as Follows (B+C+D)	0	76,969	76,969
B	Bond Proceeds	0	0	0
C	Reserve Balance	0	0	0
D	Other Funds	0	76,969	76,969
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	8,035,180	7,163,948	15,199,128
F	RPTTF	7,910,180	7,038,948	14,949,128
G	Administrative RPTTF	125,000	125,000	250,000
H	Current Period Obligations (A+E)	8,035,180	7,240,917	15,276,097

Huntington Beach




ROPS 2024-25 Annual




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





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Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
 3	2002 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	06/19/2002	08/01/2024	Bank of New York Trust Co.	Tax Allocation Bonds Debt Service Payments	799,500	799,500	
 4	1999 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	01/12/1999	08/01/2024	Bank of New York Trust Co.	Tax Allocation Bonds Debt Service Payments	369,000	369,000	
 5	2002 Tax Allocation Refunding Bonds	Fees	11/17/2010	06/30/2024	Arbitrage Compliance Specialist	Tax Allocation Bonds arbitrage rebate calculation - Federal IRS Compliance	500	500	
 6	1999 Tax Allocation Refunding Bonds	Fees	11/17/2010	06/30/2024	Arbitrage Compliance Specialist	Tax Allocation Bonds arbitrage rebate calculation - Federal IRS Compliance	500	500	
 8	2002 Tax Allocation Refunding Bonds	Fees	06/19/2002	08/01/2024	Bank of New York Mellon	Tax Allocation Bonds - Payment to Fiscal Agent	1,600	1,600	
 9	1999 Tax Allocation Refunding Bonds	Fees	01/12/1999	08/01/2024	Bank of New York Mellon	Tax Allocation Bonds - Payment to Fiscal Agent	1,600	1,600	
 12	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds	Bonds Issued On or Before 12/31/10	05/13/2010	09/01/2021	US Bank	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds Debt Service Payments	-	-	

	Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
	14	Strand Hotel and Mixed-Use Project, Parking & Infrastructure	OPA/DDA/Construction	06/01/1999	09/30/2033	CIM Group, LLC and Kane Ballmer and Berkman	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) for development of hotel, retail, restaurant, and public parking structure. The Implementation of the DDA and the Sixth Implementation Agreement were entered into from June 1999 to November 2008.	5,862,789	677,904	
	15	Strand Project Additional Parking	OPA/DDA/Construction	01/20/2009	09/30/2033	CIM Group, LLC	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) and Sixth Implementation Agreement for the Strand projects parking structure authorized on January 20, 2009.	543,529	49,576	
	17	Pacific City - Very Low Income Units	OPA/DDA/Construction	10/16/2006	11/26/2024	Makar Properties	15% affordable housing requirement pursuant to Attachment 5 of the Owner Participation Agreement approved on October 16, 2006. Of the 15% required housing obligation, 5% very-low income housing is to be developed by the Housing Authority. The Developer is required to provide the remaining 10% on site.	-	-	

	Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
	21	Abdelmudi Owner Participation Agreement/Rent Differential Agreement	OPA/DDA/Construction	05/28/1991	12/31/2017	Abdelmudi Development Company	Owner Participation Agreement/Rent Differential Agreement approved on May 28, 1991 for the development of the three story building at the Oceanview Promenade. The Third Implementation Amendment took effect on November 21, 1994.	-	-	
	29	Bella Terra Parking Infrastructure Property Tax Sharing Agreement	OPA/DDA/Construction	10/02/2000	09/30/2025	Bella Terra Associates LLC	Property Tax Sharing Agreement required under the terms of the Owner Participation Agreement (dated 10/2/2000) and Second Implementation Agreement (dated 9/17/2007) for the development of the Huntington Center (Bella Terra). Includes legal requirements to enforce obligation.	1,874,824	1,874,824	
	30	Bella Terra Phase II Property Tax Sharing Agreement	OPA/DDA/Construction	10/04/2010	07/01/2036	Bella Terra Villas, LLC and Kane Ballmer Berkman	Agreement approved on October 4, 2010 for construction of a 467 mixed-use unit project. Construction is complete and financed by property tax allocations. Includes legal requirements to implement obligation.	11,329,189	1,412,552	

	Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
	50	Enforcement of Successor Agency dissolution compliance and monitoring per AB 1X26 and AB1484	Admin Costs	02/01/2012	11/26/2040	Successor Agency, Kane Ballmer, Keyser Marston, and Davis Farr P et al	Successor Agency administrative obligations relating to maintaining payments on enforceable obligations and other activities as required by AB 1X26	250,000	250,000	
	64	Successor Agency Financial Statement Audit	Dissolution Audits	11/04/2013	08/01/2024	Davis Farr LLP	Statutorily required annual financial statement audit of Successor Agency.	10,000	10,000	
	79	Land Sale Emerald Cove	City/County Loan (Prior 06/28/11), Property transaction	05/18/2009	10/01/2030	City of Huntington Beach	Legally Binding Operative Agreement Principal Amount - \$1,740,834, Interest Rates 3%, Debt Incurred on May 18, 2009	-	-	
	119	Waterfront Commercial Master Site Plan	City/County Loan (Prior 06/28/11), Property transaction	09/19/1988	06/30/2040	City of Huntington Beach	Acquisition of the Waterfront property related to the Waterfront Commercial Master Site Plan	31,136,000	9,828,541	

Huntington Beach

ROPS 2024-25 Annual

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

Pursuant to Health and Safety Code section 34177 (l), 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](#).

[Export to Excel](#)

Note: Cash Balances data is auto-saved.

July 1, 2021 through June 30, 2022

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	
Fund Sources								
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)		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 07/01/21) RPTTF amount should exclude "A" period distribution amount			169,574			//	
2	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller				76,969	7,022,930	//	
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)			169,574		6,062,956	//	
4	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						//	
5	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC	No entry required					959,974	//

6	Ending Actual Available Cash Balance (06/30/22) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 76,969	\$ 0	
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**Successor Agency
Administrative Budget
Department Budget Summary
Other Funds by Object Account**

OTHER FUNDS

Expenditure Object Account	ROPS 24-25 Budget
RORF Administration (350)	
PERSONNEL SERVICES	
Salaries/Benefits - Permanent	250,000
PERSONNEL SERVICES	250,000
Total	250,000
Revenue Summary	
ROPS 24-25 Budget	
Administrative Allowance	250,000
Total	250,000

Significant Changes

Pursuant to AB x126 and AB 1484, the Successor Agency receives RPTTF funding from the County Auditor-Controller to pay Enforceable Obligations. The Successor Agency also receives a 3% of actual distributed RPTTF in the preceding fiscal year, or a minimum of \$250,000 for administration of the winding down of the former Redevelopment Agency per fiscal year. Administrative costs associated with the "wind down" and dissolution of the Redevelopment Agency that exceed the administrative cost allowance will be funded by Other Funds, pursuant to State rules. Administrative expenses include: personnel costs, legal, and other professional services expenses associated with the dissolution and administration of the Successor Agency.

**City of Huntington Beach
FY 2024/25
Administrative Allowance Budget**

		<u>Fiscal Year</u> <u>2024/2025</u>		<u>Successor</u>	<u>SA</u>	<u>% of Time</u>
		<u>Costs</u>	<u>Hourly Rate</u>	<u>Agency Hours</u>	<u>Administration</u>	<u>Spent on SA</u> <u>Issues</u>
Direct Personnel Costs	Department					
City Manager/Executive Director	City Manager	\$ 375,460	\$ 180.51	21	\$ 3,755	1.00%
Assistant City Manager	City Manager	330,517	158.90	21	3,305	1.00%
City Council/Successor Agency Board Members	City Council	94,786	45.57	4	190	0.20%
City Clerk/Board Clerk	City Clerk	224,863	108.11	4	450	0.20%
Deputy City Clerk	City Clerk	135,742	65.26	4	271	0.20%
City Attorney	City Attorney	365,449	175.70	20	3,514	0.96%
Chief Assistant City Attorney	City Attorney	283,222	136.16	20	2,723	0.96%
City Treasurer	Finance	111,790	53.75	104	5,590	5.00%
Chief Financial Officer	Finance	312,146	150.07	104	15,607	5.00%
Assistant Chief Financial Officer	Finance	234,770	112.87	320	36,118	15.38%
Finance Manager Treasury	Finance	218,030	104.82	104	10,902	5.00%
Finance Manager Accounting	Finance	212,805	102.31	180	18,416	8.65%
Principal Finance Analyst	Finance	192,379	92.49	208	19,238	10.00%
Senior Accountant	Finance	158,725	76.31	192	14,652	9.23%
Accounting Technician II	Finance	112,611	54.14	21	1,126	1.00%
Senior Payroll Technician	Finance	116,251	55.89	120	6,707	5.77%
Community Development Director	Community Development	249,791	120.09	180	21,617	8.65%
Deputy Director of Community Development	Community Development	232,170	111.62	240	26,789	11.54%
Economic Development Project Manager	Economic Development	184,995	88.94	180	16,009	8.65%
Total Direct Personnel Costs					206,977	
Indirect Costs (applied at .5% of total cost)						
General Liability Insurance		4,887,622			24,438	
Workers Compensation Insurance		7,153,578			35,768	
Facilities Maintenance and Utilities		7,339,576			36,698	
Computer Maintenance		1,786,368			8,932	
General and Office Supplies		2,288,503			11,443	
Legal - City Attorney		2,921,219			14,606	
Human Resources		1,746,599			8,733	
Information Services		7,627,351			23,005	
Total Indirect Cost					163,622	
Total Successor Agency Admin Allowance Cost					\$ 370,599	
Total Successor Agency FY 2024/25 Proposed Admin Budget					\$ 250,000	

RESOLUTION NO. 2023-05

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2024 – JUNE 30, 2025 (“ROPS 24-25”)

WHEREAS, pursuant to AB x1 26 (as amended by AB 1484, the “Dissolution Act”), the separate legal entity known as Successor Agency to the Redevelopment Agency of the City of Huntington Beach (“Successor Agency”) must prepare “Recognized Obligation Payment Schedules” (“ROPS”) that enumerate the enforceable obligations and expenses of the Successor Agency for each successive annual fiscal period until the wind down and disposition of assets of the former Redevelopment Agency of the City of Huntington Beach; and

The Successor Agency staff has prepared a ROPS for the annual fiscal period commencing on July 1, 2024 and continuing through June 30, 2025 (“ROPS 24-25”) which is attached hereto as Exhibit A; and

After reviewing ROPS 24-25, presented to and recommended for approval by Successor Agency staff, and after reviewing any written and oral comments from the public relating thereto, the Successor Agency Board desires to approve the ROPS 24-25; and

All of the prerequisites with respect to the approval of this Resolution have been met.

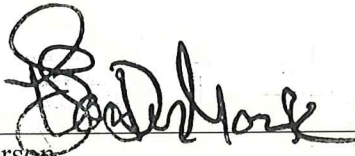
NOW, THEREFORE, the Successor Agency to the Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

1. The Successor Agency hereby finds and determines that the foregoing recitals are true and correct.
2. The Successor Agency hereby approves ROPS 24-25 in the form presented to the Successor Agency and attached hereto as Exhibit A, and hereby determines that such agreements and obligations constitute “enforceable obligations” and “recognized obligations” for all purposes under the Dissolution Act.
3. The Successor Agency authorizes and directs the Successor Agency staff to: (i) take all actions necessary under the Dissolution Act to post ROPS 24-25 on the Successor Agency website once approved by the Oversight Board to the Successor Agency; (ii) transmit ROPS 24-25 to the Auditor-Controller and the County Administrator of the County of Orange and to the State Controller and the State Department of Finance (“DOF”); and (iii) to do any and all things and to execute and deliver any and all documents which may be necessary or advisable in order to effectuate the purposes of this Resolution. In addition, the Successor Agency authorizes and directs the Successor Agency staff to make such non-substantive revisions to ROPS 24-25 as may be necessary to submit ROPS 24-25 in any modified form required by DOF, and ROPS 24-25 as so modified shall thereupon constitute ROPS 24-25 as approved by the Successor Agency pursuant to this Resolution.

4. The Successor Agency authorizes the Executive Director, or designee, to make such non-substantive changes and amendments to ROPS 24-25 as may be approved by the Executive Director of the Successor Agency and its legal counsel, ROPS 24-25 as so modified shall thereupon constitute ROPS 24-25 as approved by the Successor Agency pursuant to this Resolution.

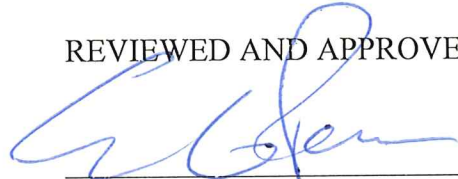
5. The Successor Agency does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Successor Agency and the City of Huntington Beach under law and/or in equity.

PASSED AND ADOPTED by the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a regular meeting thereof held on the 19th day of December, 2023.



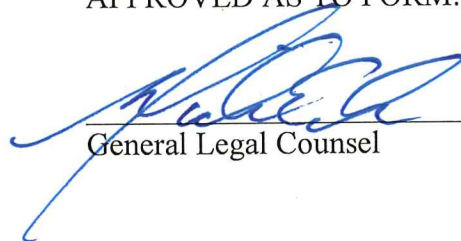
Chairperson

REVIEWED AND APPROVED:



Executive Director

APPROVED AS TO FORM:



General Legal Counsel

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD JULY 1, 2024 THROUGH JUNE 30, 2025
("ROPS 24-25")

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Huntington Beach
ROPS 2024-25 Annual

Summary Detail Cash Balances Submission

Requested Funding for Obligations		24-25A Total	24-25B Total	ROPS Total
A	Obligations Funded as Follows (B+C+D)	0	76,969	76,969
B	Bond Proceeds	0	0	0
C	Reserve Balance	0	0	0
D	Other Funds	0	76,969	76,969
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	8,035,180	7,163,948	15,199,128
F	RPTTF	7,910,180	7,038,948	14,949,128
G	Administrative RPTTF	125,000	125,000	250,000
H	Current Period Obligations (A+E)	8,035,180	7,240,917	15,276,097

Huntington Beach
 ROPS 2024-25 Annual

Summary Detail Cash Balances Submission

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Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
3	2002 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	06/19/2002	08/01/2024	Bank of New York Trust Co.	Tax Allocation Bonds Debt Service Payments	799,500	799,500	
4	1999 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	01/12/1999	08/01/2024	Bank of New York Trust Co.	Tax Allocation Bonds Debt Service Payments	369,000	369,000	
5	2002 Tax Allocation Refunding Bonds	Fees	11/17/2010	06/30/2024	Arbitrage Compliance Specialist	Tax Allocation Bonds arbitrage rebate calculation - Federal IRS Compliance	500	500	
6	1999 Tax Allocation Refunding Bonds	Fees	11/17/2010	06/30/2024	Arbitrage Compliance Specialist	Tax Allocation Bonds arbitrage rebate calculation - Federal IRS Compliance	500	500	
8	2002 Tax Allocation Refunding Bonds	Fees	06/19/2002	08/01/2024	Bank of New York Mellon	Tax Allocation Bonds - Payment to Fiscal Agent	1,600	1,600	
9	1999 Tax Allocation Refunding Bonds	Fees	01/12/1999	08/01/2024	Bank of New York Mellon	Tax Allocation Bonds - Payment to Fiscal Agent	1,600	1,600	
12	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds	Bonds Issued On or Before 12/31/10	05/13/2010	09/01/2021	US Bank	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds Debt Service Payments	-	-	

Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
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15	Strand Project Additional Parking	OPA/DDA/Construction	01/20/2009	09/30/2033	CIM Group, LLC	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) and Sixth Implementation Agreement for the Strand projects parking structure authorized on January 20, 2009.	543,529	49,576	
17	Pacific City - Very Low Income Units	OPA/DDA/Construction	10/16/2006	11/26/2024	Makar Properties	15% affordable housing requirement pursuant to Attachment 5 of the Owner Participation Agreement approved on October 16, 2006. Of the 15% required housing obligation, 5% very-low income housing is to be developed by the Housing Authority. The Developer is required to provide the remaining 10% on site.	-	-	

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50	Enforcement of Successor Agency dissolution compliance and monitoring per AB 1X26 and AB1484	Admin Costs	02/01/2012	11/26/2040	Successor Agency, Kane Ballmer, Keyser Marston, and Davis Farr P et al	Successor Agency administrative obligations relating to maintaining payments on enforceable obligations and other activities as required by AB 1X26	250,000	250,000	
64	Successor Agency Financial Statement Audit	Dissolution Audits	11/04/2013	08/01/2024	Davis Farr LLP	Statutorily required annual financial statement audit of Successor Agency.	10,000	10,000	
79	Land Sale Emerald Cove	City/County Loan (Prior 06/28/11), Property transaction	05/18/2009	10/01/2030	City of Huntington Beach	Legally Binding Operative Agreement Principal Amount - \$1,740,834, Interest Rates 3%, Debt Incurred on May 18, 2009	-	-	
119	Waterfront Commercial Master Site Plan	City/County Loan (Prior 06/28/11), Property transaction	09/19/1988	06/30/2040	City of Huntington Beach	Acquisition of the Waterfront property related to the Waterfront Commercial Master Site Plan	31,136,000	9,828,541	

Huntington Beach
 ROPS 2024-25 Annual

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

Pursuant to Health and Safety Code section 34177 (l), 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](#).

Export to Excel **Note: Cash Balances data is auto-saved.**

July 1, 2021 through June 30, 2022
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H
		Bond Proceeds		Fund Sources	Other Funds	RPTTF	
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Reserve Balance 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 07/01/21) RPTTF amount should exclude 'A' period distribution amount			169,574			
2	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor- Controller				76,969	7,022,930	
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)			169,574		6,062,956	
4	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC			No entry required		959,974	

**Successor Agency
Res. No. 2023-05**

**STATE OF CALIFORNIA
COUNTY OF ORANGE) ss:
CITY OF HUNTINGTON BEACH)**

I, ROBIN ESTANISLAU the Clerk of the Successor Agency to the former City of Huntington Beach Redevelopment Agency, Huntington Beach, California, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by The Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a **special** meeting held on **December 19, 2023** and that is was so adopted by the following vote:

AYES: **Board Members:** Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, Kalmick
NOES: **Board Members:** None
ABSENT: **Board Members:** None
ABSTAIN: **Board Members:** None



Clerk of The Successor Agency to
the Redevelopment Agency of the
City of Huntington Beach, California



Transmitted via e-mail

April 14, 2023

Sunny Rief, Assistant Chief Financial Officer
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

2023-24 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Huntington Beach Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 29, 2023. Finance has completed its review of the ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 12 – Emerald Cove 2010 Series A Lease Revenue Refunding Bonds in the total outstanding amount of \$6,837,845 was requested in error. Item No. 12 was denied in Finance's determination letter dated December 18, 2012. The Agency inadvertently requested Redevelopment Property Tax Trust Fund (RPTTF) under Item No. 12 instead of Item No. 79 – Land Sale Emerald Cove. Finance is approving funding for Item No. 79 pursuant to the judgment in the matter of *City of Huntington Beach et al. v. State of California et al.* (Case No. 34-2018-80002876). Therefore, with the Agency's concurrence, Finance made the following adjustments:

Item No.	Requested RPPTF	Adjusted RPTTF	Authorized RPTTF
12	\$6,837,845	(\$6,837,845)	\$0
79	0	6,837,845	6,837,845
Total	\$6,837,845	\$0	\$6,837,845

- Item No. 29 – Bella Terra Parking Infrastructure Property Tax Sharing Agreement. The Agency requested \$2,347,103 in error. According to the debt service schedule, the amount needed for the January 1, 2024 through June 30, 2024 (ROPS 23-24B) period should be \$1,939,365. Therefore, with the Agency's concurrence, Finance made an adjustment of \$407,738.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 RPTTF distribution. The amount of RPTTF authorized includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$12,164,145, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted item, Finance approves the remaining items listed on the ROPS 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 23-24. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 23-24 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 23-24 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Dylan Newton, Staff, at (916) 322-2985.

Sincerely,


for JENNIFER WHITAKER
Program Budget Manager

cc: Ursula Luna-Reynosa, Director of Community Development,
City of Huntington Beach
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County
Kathy Tavoularis, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 8,844,592	\$ 3,803,238	\$ 12,647,830
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	8,969,592	3,928,238	12,897,830
RPTTF Requested	8,844,592	3,803,238	12,647,830
<u>Adjustment(s)</u>			
Item No. 12	(6,837,845)	0	(6,837,845)
Item No. 29	0	(407,738)	(407,738)
Item No. 79	6,837,845	0	6,837,845
	0	(407,738)	(407,738)
RPTTF Authorized	8,844,592	3,395,500	12,240,092
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 20-21 Prior Period Adjustment (PPA)	(325,947)	0	(325,947)
Total RPTTF Approved for Distribution	\$ 8,643,645	\$ 3,520,500	\$ 12,164,145

Huntington Beach

ROPS 2023-24 Annual









<u>Summary</u>	<u>Detail</u>	<u>Cash Balances</u>	<u>Submission</u>	
Requested Funding for Obligations		23-24A Total	23-24B Total	ROPS Total
A	Obligations Funded as Follows (B+C+D)	132,058	0	132,058
B	Bond Proceeds	0	0	0
C	Reserve Balance	132,058	0	132,058
D	Other Funds	0	0	0
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	8,969,592	3,928,238	12,897,830
F	RPTTF	8,844,592	3,803,238	12,647,830
G	Administrative RPTTF	125,000	125,000	250,000
H	Current Period Obligations (A+E)	9,101,650	3,928,238	13,029,888




Huntington Beach

ROPS 2023-24 Annual

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

Filter								Export to Excel		
+	Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
	2	Hyatt Regency Huntington Beach Project	OPA/DDA/Construction	09/14/1998	09/30/2023	PCH Beach Resorts LLC	Disposition and Development Agreement approved on September 14, 1998 for the Waterfront Development	-	-	
	3	2002 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	06/19/2002	08/01/2024	Bank of New York Trust Co.	Tax Allocation Bonds Debt Service Payments	2,575,000	982,000	
	4	1999 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	01/12/1999	08/01/2024	Bank of New York Trust Co.	Tax Allocation Bonds Debt Service Payments	1,190,000	453,625	
	5	2002 Tax Allocation Refunding Bonds	Fees	11/17/2010	06/30/2024	Arbitrage Compliance Specialist	Tax Allocation Bonds arbitrage rebate calculation - Federal IRS Compliance	500	500	
	6	1999 Tax Allocation Refunding Bonds	Fees	11/17/2010	06/30/2024	Arbitrage Compliance Specialist	Tax Allocation Bonds arbitrage rebate calculation - Federal IRS Compliance	500	500	
	8	2002 Tax Allocation Refunding Bonds	Fees	06/19/2002	08/01/2024	Bank of New York Mellon	Tax Allocation Bonds - Payment to Fiscal Agent	1,600	1,600	
	9	1999 Tax Allocation Refunding Bonds	Fees	01/12/1999	08/01/2024	Bank of New York Mellon	Tax Allocation Bonds - Payment to Fiscal Agent	1,600	1,600	
	12	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds	Bonds Issued On or Before 12/31/10	05/13/2010	09/01/2021	US Bank	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds Debt Service Payments	6,837,845	6,837,845	
	14	Strand Hotel and Mixed-Use Project, Parking & Infrastructure	OPA/DDA/Construction	06/01/1999	09/30/2033	CIM Group, LLC and Kane Ballmer and Berkman	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) for development of hotel, retail, restaurant, and public parking structure. The Implementation of the DDA and the Sixth Implementation Agreement were entered into from June 1999 to November 2008.	4,970,141	677,904	
	15	Strand Project Additional Parking	OPA/DDA/Construction	01/20/2009	09/30/2033	CIM Group, LLC	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) and Sixth Implementation Agreement for the Strand projects parking structure authorized on January 20, 2009.	337,219	49,576	

	Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Exhibit A Total Requested Funding	Notes
	17	Pacific City - Very Low Income Units	OPA/DDA/Construction	10/16/2006	11/26/2024	Makar Properties	15% affordable housing requirement pursuant to Attachment 5 of the Owner Participation Agreement approved on October 16, 2006. Of the 15% required housing obligation, 5% very-low income housing is to be developed by the Housing Authority. The Developer is required to provide the remaining 10% on site.	-	-	
	21	Abdelmudi Owner Participation Agreement/Rent Differential Agreement	OPA/DDA/Construction	05/28/1991	12/31/2017	Abdelmudi Development Company	Owner Participation Agreement/Rent Differential Agreement approved on May 28, 1991 for the development of the three story building at the Oceanview Promenade. The Third Implementation Amendment took effect on November 21, 1994.	-	-	
	29	Bella Terra Parking Infrastructure Property Tax Sharing Agreement	OPA/DDA/Construction	10/02/2000	09/30/2025	Bella Terra Associates LLC	Property Tax Sharing Agreement required under the terms of the Owner Participation Agreement (dated 10/2/2000) and Second Implementation Agreement (dated 9/17/2007) for the development of the Huntington Center (Bella Terra). Includes legal requirements to enforce obligation.	3,487,056	2,347,103	
	30	Bella Terra Phase II Property Tax Sharing Agreement	OPA/DDA/Construction	10/04/2010	07/01/2036	Bella Terra Villas, LLC and Kane Ballmer Berkman	Agreement approved on October 4, 2010 for construction of a 467 mixed-use unit project. Construction is complete and financed by property tax allocations. Includes legal requirements to implement obligation.	12,130,583	1,417,635	
	50	Enforcement of Successor Agency dissolution compliance and monitoring per AB 1X26 and AB1484	Admin Costs	02/01/2012	11/26/2040	Successor Agency, Kane Ballmer, Keyser Marston, and Davis Farr P et al	Successor Agency administrative obligations relating to maintaining payments on enforceable obligations and other activities as required by AB 1X26	250,000	250,000	
	64	Successor Agency Financial Statement Audit	Dissolution Audits	11/04/2013	08/01/2024	Davis Farr LLP	Statutorily required annual financial statement audit of Successor Agency.	10,000	10,000	
	76	Waterfront Hyatt Regency Hotel (Parcel 5), Waterfront Hilton Hotel/Parcel C (Parcel 6 and 7)	Project Management Costs	12/01/2015	09/30/2016	HB Staffing	Project Management Costs for Consultant to draft documents for the disposition of Successor Agency property under the LRPMP and prepare draft documents	-	-	
	77	Waterfront Hyatt Regency Hotel (Parcel 5), Waterfront Hilton Hotel/Parcel C (Parcel 6 and 7)	Project Management Costs	07/08/2012	07/08/2016	Kane Ballmer & Berkman	Legal Costs for outside counsel to negotiate terms for the disposition of Successor Agency property under the LRPMP and draft various documents including Purchase and Sale Agreement	-	-	

	Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Exhibit A Total Requested Funding	Notes
	78	Waterfront Hyatt Regency Hotel (Parcel 5), Waterfront Hilton Hotel/Parcel C (Parcel 6 and 7)	Project Management Costs	06/15/2010	09/30/2017	Keyser Marston	Economic Analysis services to prepare financial analysis to negotiate terms for the disposition of Successor Agency property under the LRPMP	-	-	
	90	Unfunded CalPERS Pension Liabilities	Unfunded Liabilities	06/30/2011	11/26/2026	CalPERS	Unfunded CalPERS pension obligation as per CalPERS actuarial valuation as of June 30, 2016	-	-	
	91	Unfunded Supplemental Retirement Liabilities	Unfunded Liabilities	09/30/2011	11/26/2026	US Bank	Unfunded actuarial accrued liability as of September 30, 2013 as per actuarial valuation by Bartel Associates, LLC.	-	-	
	92	Unfunded OPEB Liabilities	Unfunded Liabilities	06/30/2011	11/26/2024	CalPERS/CERBT	Unfunded actuarial accrued liability as of June 30, 2013 as per Bartel Associates, LLC.	-	-	
	93	Land Sale Emerald Cove	City/County Loan (Prior 06/28/11), Property transaction	05/18/2009	10/01/2030	COHB Park A&D Fund	Legally Binding Operative Agreement Principal Amount - \$1,740,834, Interest Rates 3%, Debt Incurred on May 18, 2009	-	-	
	95	Huntington Center Redevelopment Plan development	City/County Loan (Prior 06/28/11), Property transaction	06/09/2005	10/01/2030	City of Huntington Beach	Land and Right-of-way acquisition costs connected with the Gothard-Hoover Extension project and development of a public storage facility	-	-	
	96	Main-Pier Redevelopment Project Phase II	City/County Loan (Prior 06/28/11), Property transaction	09/10/2005	10/01/2030	City of Huntington Beach	Costs incurred to acquire land within the Main-Pier project area for Phase II development projects	-	-	
	97	Development of Downtown Main-Pier project area	City/County Loan (Prior 06/28/11), Property transaction	06/04/1990	10/01/2030	City of Huntington Beach	Costs incurred to acquire land within the Main-Pier project area to implement the construction of parking facilities within the Downtown Main-Pier area	-	-	
	98	Third Block West commercial/residential project	City/County Loan (Prior 06/28/11), Property transaction	06/18/2005	10/01/2030	City of Huntington Beach	Relocation, property acquisition, and other project costs associated with the Third Block West Condominium/Retail/Office project in the Main-Pier Redevelopment project area	-	-	
	99	Second Block Alley and Street Improvement Project	City/County Loan (Prior 06/28/11), Property transaction	06/10/2005	10/01/2030	City of Huntington Beach	Property acquisition cost associated with the Second Block alley and street improvement project	-	-	
	100	Strand Project	City/County Loan (Prior 06/28/11), Property transaction	06/18/2005	10/01/2030	City of Huntington Beach	Relocation costs paid to Wind and Sea Surf Shop	-	-	
	101	Pierside Hotel/Retail/Parking Structure Project	City/County Loan (Prior 06/28/11), Property transaction	05/15/1992	10/01/2030	City of Huntington Beach	Relocation costs paid to Terry's Coffee Shop and First Interstate Bank	-	-	
	102	Waterfront Commercial Master Site Plan	City/County Loan (Prior 06/28/11), Property transaction	03/01/1989	10/01/2030	City of Huntington Beach	Costs related to the relocation, buyout, and demolition of Driftwood and Pacific Mobile Home Parks related to the Waterfront Commercial Master Site Plan	-	-	
	103	Strand Project	City/County Loan (Prior 06/28/11), Property transaction	10/19/1992	10/01/2030	City of Huntington Beach	Property acquisition costs associated with the Strand Project	-	-	

	Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Exhibit A Total Requested Funding	Notes
	104	Operative Agreement for the Huntington Beach Redevelopment Project	City/County Loan (Prior 06/28/11), Other	06/17/2002	10/01/2030	City of Huntington Beach	Loan repayment for advance made on capital projects in FY 2004/05	-	-	

Huntington Beach

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

Pursuant to Health and Safety Code section 34177 (l), 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](#).

[Export to Excel](#)

Note: Cash Balances data is auto-saved.

July 1, 2020 through June 30, 2021
(Report Amounts in Whole Dollars)

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			17,006	74,212	1,602,447	//	
2	Revenue/Income (Actual 06/30/21) RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller					5,152,462	//	
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)			17,006	74,212	6,296,904	//	
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)						//	
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					325,947	//

6	Ending Actual Available Cash Balance (06/30/21) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 132,058	Exhibit A
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**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO**

HRG DATE / TIME	February 17, 2023 / 2:00 P.M.	DEPT. NO.	32
JUDGE	James P. Arguelles	CLERK	Ward
City of Huntington Beach, a California charter city, et al., Petitioners/Plaintiffs, v. Edmund G. Brown, Jr., individually and in his official capacity as Governor of the State of California, et al., Respondents/Defendants.		Case No.: 34-2018-80002876	
Nature of Proceedings:		Amended Petition for Writ of Mandamus; Motion to Strike – Combined Final Ruling	

The petition after remand is GRANTED, and a writ of mandate shall issue directing Respondent Department of Finance (DOF) to treat the Waterfront Loan on Petitioner City of Huntington Beach as Successor Agency's (Successor Agency) Recognized Obligation Payment Schedule (ROPS) for the period July 2017 through July 2018 as an enforceable obligation.

The motion to strike is GRANTED.

Petitioners' request for judicial notice is unopposed and GRANTED.

The documentation attached by exhibit to Petitioners' reply brief is stricken as Respondent has not had the opportunity to respond.

Introduction

On May 25, 2022, the Court entered a judgment in this case granting in part and denying in part the First Amended Petition and Complaint (Petition) of petitioners City of Huntington Beach (City), the Successor Agency to the Dissolved Huntington Beach Redevelopment Agency (Former RDA), and the City of Huntington Beach Housing Authority (collectively "Petitioners"). Pursuant to the judgment, the Court issued a writ of mandate commanding DOF, among other

things, to reconsider whether the so-called Waterfront Loan Agreement (“Waterfront Loan” or “Agreement”) between the City and the Former RDA constituted an “enforceable obligation” pursuant to the Dissolution Law in the Health and Safety Code.¹ DOF had determined that the Waterfront Loan was not an enforceable obligation, but the Court rejected DOF’s rationale. The Court remanded for DOF to decide whether the Waterfront Loan contained a genuine obligation “to pay,” which is required for it to qualify as an enforceable loan agreement.

On remand, Petitioners tendered new documentation in an attempt demonstrate that the Waterfront Loan was an enforceable loan agreement. DOF once again determined that the Waterfront Loan was not enforceable.

Petitioners now ask the Court to issue a further writ of mandate directing DOF to treat the Waterfront Loan as an enforceable obligation supporting the allocation of tax revenues. DOF opposes. In addition, DOF moves for an order striking from the administrative record on remand certain financial records that Petitioners have provided to the Court but failed to provide to DOF below.

Factual and Procedural Background

As previously detailed in the Court’s April 21, 2022 final merits ruling, the Waterfront Loan is memorialized in a written agreement between the City and the Former RDA. This document, executed in 1988, describes the City’s sale of real property to the Former RDA for a price of \$22.4 million. The property is located within the “Main-Pier Project Area,” and the transfer was made to facilitate development within this area. The City deeded the property to the Former RDA in 1989. Subject to the City granting an extension, the Former RDA was required to repay the loan in 1988. The written agreement provides:

This Agreement constitutes an indebtedness of the [Former RDA] incurred in carrying out the Project and a pledging of the tax allocations from the project to repay such indebtedness ... provided, however, that such pledge of tax allocations shall always be subordinate and subject to the right of the [Former RDA] to pledge or commit tax allocations from the Project to repay bonds or other indebtedness incurred by the [Former RDA] in carrying out the Project.

In 1988, the City granted the Former RDA an extension of undefined duration, and the extension triggered a 10-percent interest rate.

Under the Dissolution Law, the Successor Agency received a finding of completion in May 2014. In 2017, the Successor Agency’s oversight board issued resolutions finding that the Waterfront

¹ In its final merits ruling dated April 21, 2022, the Court examined the Dissolution Law in some detail. For the sake of brevity, the Court does not reprint that examination here and instead incorporates its April 21, 2022 final merits ruling by reference.

Loan had been made for legitimate redevelopment purposes, and that the loan was an enforceable obligation. The Successor Agency then tendered its ROPS 17-18. The Successor Agency provided DOF with financial records showing that between 1989 and 2011, the Former RDA made payments on various City loans, and that \$14.78 million of these payments were the Waterfront Loan's pro rata share. DOF objected to the Waterfront Loan. After meeting and conferring with the City, DOF formally disapproved the Waterfront Loan.

Petitioners then filed this action and sought, among other things, a writ of mandate directing DOF to treat the Waterfront Loan as an enforceable obligation. As noted above, the Court remanded for DOF to decide whether the Waterfront Loan contained a genuine obligation to pay. (See Health & Safety Code § 34191.4, subd. (b)(2)(B) [enforceable loan agreements include transfers of real property interests from a sponsor entity to a redevelopment agency provided that redevelopment agency was "obligated to pay ... for the real property interest"].)²

On May 25, 2022, the City provided DOF with additional documentation in an attempt to demonstrate that the Waterfront Loan had to be repaid by a date certain. On August 24, 2022, DOF determined once again that the Waterfront Loan was not an enforceable obligation. DOF proffered three grounds for the determination: 1) the Agreement is unenforceable because it allows the Former RDA to make payments in perpetuity, if at all, and thus does not create an actual obligation to pay; 2) the City's additional documentation does not contain the sort of evidence that the Court indicated was relevant; and 3) although legislation post-dating the Waterfront Loan imposed deadlines for redevelopment agencies to pay on debt and make final payments, the legislation does not affect the Former RDA's contractual right to limit or avoid repayment. (See Exh. A to DOF's Return to Writ of Mandate, p. 2.)

This proceeding for a further writ of mandate followed.

Standards of Review

The Court reviews DOF's treatment of items on a ROPS pursuant to Code of Civil Procedure Section 1085. "A traditional writ of mandate under Code of Civil Procedure section 1085 is a method for compelling a public entity to perform a legal and usually ministerial duty." (*Vallejo Police Officers Assn. v. City of Vallejo* (2017) 15 Cal.App.5th 601, 611.)

Ordinary mandate is used to review an adjudicatory decision when an agency is not required to hold an evidentiary hearing. [Citation.] The scope of review is limited, out of deference to the agency's authority and presumed expertise: "The court may not reweigh the evidence or substitute its judgment for that of the agency. [Citation.] . . . 'A court will uphold the agency action unless the action is arbitrary, capricious, or lacking in evidentiary support.'"

² Undesignated statutory references shall be to the Health and Safety Code.

(*Stone v. Regents of Univ. of Calif.* (1999) 77 Cal.App.4th 736, 745.) While the court accords “weak deference” to an agency’s statutory interpretation of its governing statutes “where its expertise gives it superior qualifications to do so,” the issue is ultimately subject to de novo review. (*City of Brentwood v. Campbell* (2015) 237 Cal.App.4th 488, 500.)

Discussion

The Motion to Strike

The supplemental administrative record that Petitioner lodged in this proceeding after remand includes the Former RDA’s financial statements for 1988 and 1989. (Supp. AR 62-84; 89-116.) Petitioners did not tender these documents for DOF’s consideration before DOF issued its August 24, 2022 decision. (See Exh. B to Ferrari Decl., ¶ 4.) Accordingly, DOF moves the Court to strike these statements from the supplemental administrative record.

In their reply brief on the merits, Petitioners argue, not that they provided DOF with the disputed documents, but that the documents simply convey information that Petitioners had previously submitted to DOF, i.e., before the Court remanded for further proceedings on the Waterfront Loan. The administrative record before the Court when it issued its April 21, 2022 merits ruling, which presumably includes the documents that Petitioners submitted to DOF originally, is no longer in the Court’s possession.

The Court declines to consider extra-record evidence that was not presented to DOF. (See *Golden Drugs Co., Inc. v. Maxwell-Jolly* (2009) 179 Cal.4th 1455, 1468-70.) DOF’s motion to strike Exhibits 3 and 5 from the supplemental administrative record is granted.

In any event, and consistent with the analysis below, even if the Court were to consider the financial statements in question, it would not alter the outcome. Petitioners tender the financial statements to establish that the Former RDA lacked sufficient tax revenue to pay the \$22.4 million debt in 1988, and that the City effectively granted the Former RDA an extension to repay the loan. The Court, however, determined in its April 21, 2022 ruling that the Former RDA had received an extension. Therefore, neither the extension nor the need for it are currently at issue.

The Enforceability of Waterfront Loan

The principal question before the Court is whether, notwithstanding that the Agreement contains no repayment deadline and subordinates the Former RDA’s pledge of Main-Pier Project tax revenues to repayment of other debts supporting the Main-Pier Project, the Agreement nonetheless obligated the Former RDA “to pay” pursuant to Section 34191.4, subdivision (b)(2)(B). In its April 21, 2022 merits ruling, the Court expressed the view that the existence of a genuine obligation to pay turned in part on whether the Agreement allowed for payments into perpetuity. In turn, the Court indicated that whether the Agreement allowed for perpetual payments depended on the ratio between Main-Pier Project tax allocations and other

Main-Pier Project indebtedness. The Court tendered this ratio on the theory that, even though the Agreement does not express a repayment deadline, perhaps if the parties understood how much tax increment revenue would remain available to the Former RDA periodically after it paid its other project debts, they could have reached a tacit understanding about the likely deadline on repayment. The Court agrees with DOF that the documents submitted for DOF's consideration on remand do not provide any insight into this ratio. Nor do the documents establish that the Agreement requires the Former RDA to repay the loan in any amount at any time.

Based on its further review of the express terms of the Dissolution Law, however, the Court concludes that the Legislature intended for the Agreement to qualify as an enforceable loan for the transfer of real property.

“The fundamental objective of statutory interpretation is to determine the Legislature's intent.” (*City of Oakland v. Department of Finance* (2022) Cal.App.5th 79 431, 443-444.) The Court begins with the statutory text, which is the best indicator of legislative intent. (See *San Diegans for Open Gov't v. Public Facilities Financing Auth. of City of San Diego* (2019) 8 Cal.5th 733, 740.) The Court considers a provision of a statute within the context of the statute and the statutory scheme of which it is a part. (See *City of Petaluma v. Cohen* (2015) 238 Cal.App.4th 1430, 1440.) If the text is clear, then there is nothing to construe, and the Court's inquiry ends. (See *Lopez v. Sony Electronics, Inc.* (2018) 5 Cal.5th 627, 634.) If the text is ambiguous, then the Court consults a variety of extrinsic aids, including “the ostensible objects to be achieved, the evils to be remedied, the legislative history, [and] public policy[.]” (*Bitner v. Department of Corrections & Rehab.* (2023) 87 Cal.App.5th 1048, 1058.)

Section 34191.4, subdivision (b)(2)(B) predicates an enforceable loan for real property upon the redevelopment agency's obligation to pay. Because the Dissolution Law does not define the terms “obligate” or “to pay,” the Court applies commonly understood meanings. The word “obligate” means “[t]o bind by legal or moral duty.” (See *Black's Law Dict.* (7th ed. 1999) p. 1101, col. 2.) The verb “to pay” means to give in return for goods or services, or to discharge a debt. (See *Webster's 3d New Internat. Dict.* (1986) p. 1659.)

The Agreement contains terms consistent with these definitions. It identifies \$22.4 million as the price for the real property, as well as a 10-percent annual interest rate if not paid in 1988. In addition, the Agreement contains the Former RDA's pledge of project tax allocations to repay the loan. The Redevelopment Law contemplated pledges of this kind. (See § 33671 [authorizing redevelopment agencies to pledge of tax increment funds to repay loans]; see also § 33671.5 [“Whenever any redevelopment agency is authorized to, and does, expressly pledge taxes allocated ... to secure, directly or indirectly, the obligations of the agency ... then that pledge ... shall have priority over any other claim to those taxes not secured by a prior express pledge of those taxes”].)

Both DOF and the Court have expressed concern about the subordination provisions attached to the Former RDA's pledge in the Agreement. The pledge was made “always ... subordinate

and subject to the right of the [Former RDA] to pledge or commit tax allocations from the Project to repay bonds or other indebtedness incurred by the [Former RDA] in carrying out the Project.” Coupled with the lack of any schedule requiring payment of specific sums at specific points in time, this qualifying language raises the prospect that the Former RDA could simply pay *de minimis* amounts, or pay nothing at all, into perpetuity. Several things temper concerns that the Agreement contains an insufficient payment obligation.

First, as the Court pointed out in its April 21, 2022 merits ruling, the implied covenant of good faith and fair dealing prevented the Former RDA from incurring additional debt on the Main-Pier Project solely to avoid paying down the Waterfront Loan. Hence, the Former RDA did not have unbridled discretion to ignore its payment obligation and associated pledge of tax increment under the Agreement.

Second, section 34191.4, subdivision (b) accounts for loans with large amounts of accumulated interest as well as loans lacking reasonable repayment deadlines. Subdivision (b)(3) reads, in relevant part:

If the oversight board finds that the loan is an enforceable obligation, any interest on the remaining principal amount of the loan that was previously unpaid after the original effective date of the loan shall be recalculated from the date of origination of the loan as approved by the redevelopment agency on a quarterly basis, at a simple interest rate of 3 percent. The recalculated loan shall be repaid to the city ... in accordance with a defined schedule over a reasonable term of years. Moneys repaid shall be applied first to the principal, and second to the interest.

If the Legislature had meant to exclude as unenforceable loans lopsided by unpaid interest, or loans without reasonable payment deadlines, then it would not have provided for the recalculation of interest or the imposition of a reasonable deadline.

Third, the obligation to pay in section 34191.4, subdivision (b)(2)(B) stands in contrast with requirements for other enforceable obligations under the Dissolution Law. Subdivision (b)(2)(A) of the same section defines loan agreements not involving transfers of interests in real property. These loans must include an obligation to pay “pursuant to a required repayment schedule.” Although the statute does not define the term “repayment schedule” as used in this subdivision, it clearly denotes specified sums owed at specified points in time. (Cf. § 34171, subd. (h) [“Recognized Obligation Payment Schedule” means a documents setting forth minimum payments and corresponding due dates].) The omission of the term “repayment schedule” in subdivision (b)(2)(B) reflects a legislative decision to treat loans for interests in real property differently than other loans. And it specifically reflects an intent not to require payments of particular amounts at particular times as necessary to establish an enforceable loan for real property.

The definition of enforceable “loans for money” under section 34171, subdivision (d)(1)(B) also sheds some light. This subdivision is part of the definition of “enforceable obligation” whether

or not the successor agency has obtained a finding of completion. Subdivision (d)(1)(B) extends enforceable obligations to “[l]oans for money borrowed by the redevelopment agency for a lawful purpose, to the extent they are legally required to be repaid pursuant to a required repayment schedule *or other mandatory loan terms.*” (Emphasis added.)³ The Legislature was aware of this language when it subsequently enacted section 34191.4. (See *Fermino v. Fedco, Inc.* (1994) 7 Cal.4th 701, 720.) Mandatory loan terms include the terms of repayment. (See *City of Grass Valley v. Cohen* (2017) 17 Cal.App.5th 567, 583.) Yet, when the Legislature enacted section 34191.4, subdivision (b)(2)(B), it did not require a repayment deadline. “Ordinarily, where the Legislature uses a different word or phrase in one part of a statute than it does in other sections or in a similar statute concerning a related subject, it must be presumed that the Legislature intended a different meaning.” (*Campbell v. Zolin* (1995) 33 Cal.App.4th 489, 497.)

Instead, section 34191.4, subdivision (b)(2)(B) requires the former redevelopment agency to possess an obligation “to pay.” The Agreement contains the Former RDA’s pledge of project tax increment to pay the \$22.4 million purchase price. Although this pledge was made subject to other project indebtedness, it secured the Former RDA’s obligation “to pay.” The Court does not believe that more was required to establish an obligation within the purview of section 34191.4, subdivision (b)(2)(B). As a result, the Agreement contains an obligation to pay, and DOF should have treated it as an enforceable obligation when the Successor Agency submitted its ROPS 17-18.

Disposition

The petition after remand is granted, and a writ of mandate shall issue directing DOF to treat the Waterfront Loan on the Successor Agency’s ROPS 17-18 as an enforceable obligation. DOF shall file a return no later than 60 days after the writ issues.

The motion to strike is granted.

Pursuant to C.R.C. 3.1312, counsel for Petitioners shall **serve and then lodge** (1) for the Court’s signature an amended judgment to which this ruling is attached as Exhibit A and the April 21,

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³ These provisions do not apply to loans that a sponsor entity made to its redevelopment agency. (See § 34171, subd. (d)(2).)


2022 ruling is attached as Exhibit B, and (2) for the clerk's signature a writ of mandate.

Unless otherwise ordered, any administrative record, exhibit, deposition, or other original document offered in evidence or otherwise presented at trial, will be returned at the conclusion of the matter to the custody of the offering party. The custodial party must maintain the administrative record and all exhibits and other materials in the same condition as received from the clerk until 60 days after a final judgment or dismissal of the entire case is entered.

SO ORDERED.

Dated: February 27, 2023




Hon. James P. Arguelles
California Superior Court Judge
County of Sacramento

Sponsoring Entity Loan Repayment Calculator

Base Year:	ROPS II July thru December 2012	ROPS III January thru June 2013	Total For Base Year
Total Residual Balance	740,249	853,341	1,593,590

Comparison Year:	ROPS 23-24A July thru December 2023	ROPS 23-24B January thru June 2024	Total For Comparison Year
Total Residual Balance	4,154,498	17,096,173	21,250,671

A Total Residual Balance for Comparison Year	21,250,671
B Total Residual Balance for Base Year	1,593,590
A-B Difference of Residual Balance	19,657,081
Divide Difference by two	÷2
Maximum Repayment Amount Authorized Per Fiscal Year	9,828,541

**Orange County
Auditor-Controller**

July 2012 to December 2012 - ROPS II

	Successor Agency for Garden Grove	Successor Agency for Huntington Beach	Successor Agency for Irvine	Successor Agency for La Habra	Successor Agency for La Palma	Successor Agency for Lake Forest	Successor Agency for Mission Viejo
RPTTF Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits:							
Secured Property Tax Increment	9,999,853	6,164,806	3,194,193	1,210,869	1,216,384		2,914,554
Public Utility Property Tax Increment	-	-	-	-	-		-
Supplemental Property Tax Increment	-	-	-	-	-		-
Unsecured Property Tax Increment	-	-	-	-	-		-
Miscellaneous Revenues (Bond Debt Increment & Interest)	-	-	-	-	-		-
Deposit totals	9,999,853	6,164,806	3,194,193	1,210,869	1,216,384	-	2,914,554
RPTTF Available Balance	9,999,853	6,164,806	3,194,193	1,210,869	1,216,384	-	2,914,554
H&S Code 34183 Distributions							
Total County Admin Fees	256,920	179,239	66,600	33,917	33,547	-	77,110
Total Pass-Through	3,396,468	1,816,732	638,839	210,506	217,654	-	1,666,258
RPTTF Available for ROPS	6,346,465	4,168,835	2,488,754	966,446	965,183	-	1,171,186
ROPS Enforceable Obligations Payable from Property Taxes	11,567,900	5,580,531	898,596	1,153,265	337,193	701,234	2,126,338
Successor Agency Administrative Cost Allowance (ACA)	347,037	167,416	258,036	175,133	233,735		155,000
Less: Carryover Property Tax Revenue From 7/1/11 - 1/31/12 after 4/15/12 ROPS	11,911,555	1,369,715	835,055		533,120		1,454,805
Total ROPS and ACA (If negative, then 0)	3,382	4,378,232	321,577	1,328,398	37,808	701,234	826,533
Total Maximum ROPS Distribution	3,382	3,428,586	321,577	966,446	37,808	-	826,533
SCO Invoices for Audit and Oversight							
H&S Code 34183 Dist Totals	3,656,770	5,424,557	1,027,016	1,210,869	289,009	-	2,569,901
Residual Balance	6,343,083	740,249	2,167,177	-	927,375	-	344,653
	Residual		Residual		Residual		Residual

AB1484 True Up of ROPS I

Calculation:							
RPTTF Available for 7/1/12 to 12/31/12 ROPS	6,346,465	4,168,835	2,488,754		965,183		1,171,186
Less: 7/1/12 to 12/31/12 ROPS Enforceable Obligations Payable from Property Taxes	(11,567,900)	(5,580,531)	(898,596)		(337,193)		(2,126,338)
Less: Successor Agency Administrative Cost Allowance (ACA)	(347,037)	(167,416)	(258,036)		(233,735)		(155,000)
Residual Balance from 7/1/12 to 12/31/12 Period	(5,568,472)	(1,579,112)	1,332,122		394,255		(1,110,152)
Tax Increment Allocated to RDAs from 7/1/11 to 1/31/12	16,272,451	8,889,565	3,312,374	1,683,817	1,632,358	-	4,104,769
Less: ROPS Approved for 1/1/12 to 6/30/12	4,360,896	7,519,850	2,356,439	1,896,840	940,363	1,026,377	1,113,221
Residual Balance from 1/1/12 to 6/30/12 Period	11,911,555	1,369,715	955,935	(213,023)	691,995	(1,026,377)	2,991,548
Residual Balance from 7/1/12 to 12/31/12 Period	(5,568,472)	(1,579,112)	1,332,122		394,255		(1,110,152)
Residual Balance from 1/1/12 to 6/30/12 Period	11,911,555	1,369,715	955,935		691,995		2,991,548
Less: Residual Distributed to Affected Taxing Entities in June 2012	(6,343,083)	(740,249)	(2,167,177)		(927,375)		(344,653)
Residual Balance Remaining to be Paid to Affected Taxing Entities	5,568,472	629,466	120,880	-	158,875	-	2,646,895

Recognized Obl
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Allocation Period: January 2013 - June 2013
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County : 30 - Orange County

Title of Former Redevelopment Agency (RDA):	Countywide Totals	ANAHEIM RDA	BREA RDA	BUENA PARK RDA	COSTA MESA RDA	CYPRESS RDA	FOUNTAIN VALLEY RDA	FULLERTON RDA	GARDEN GROVE RDA	HUNTINGTON BEACH RDA	IRVINE RDA
RPTTF Deposits (Note that entering the deposits by source is optional):											
Secured & Unsecured Property Tax Increment (TI)	242,159,564	29,157,700	18,724,456	14,999,664	2,354,615	3,671,432	5,425,008	10,221,992	14,561,949	9,079,553	3,332,039
Supplemental & Unitary Property TI	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings/Other	-	-	-	-	-	-	-	-	-	-	-
Penalty Assessments	-	-	-	-	-	-	-	-	-	-	-
Total Deposits	242,159,564	29,157,700	18,724,456	14,999,664	2,354,615	3,671,432	5,425,008	10,221,992	14,561,949	9,079,553	3,332,039

RPTTF Distributions (Include all payments made pursuant to Health and Safety Code (H&S) Section 34183. Note that the following distributions are not necessary listed in the priority order required by H&S 34183):

Administrative Distributions-											
Administrative Fees to County Auditor-Controller	398,739	36,291	24,447	27,752	12,461	9,439	12,390	15,939	18,068	13,609	9,596
SB 2557 Administration Fees	-	-	-	-	-	-	-	-	-	-	-
SCO Invoices for Audit and Oversight	-	-	-	-	-	-	-	-	-	-	-
Total Administrative Distributions	398,739	36,291	24,447	27,752	12,461	9,439	12,390	15,939	18,068	13,609	9,596
Passthrough Distributions-											
City Passthrough Payments	2,195,007	173,133	23,360	222,084	-	10,552	62,731	106,335	126,428	165,956	10,343
County Passthrough Payments	5,040,420	312,676	345,435	238,521	-	161,472	40,230	41,252	118,861	139,512	51,471
Special District Passthrough Payments	7,975,502	517,829	155,454	376,758	-	380,461	43,221	53,852	229,152	113,117	135,673
K-12 School Passthrough Payments - Tax Portion	3,298,962	414,406	-	472,234	-	4,993	147,013	173,911	18,968	207,584	155,839
K-12 School Passthrough Payments - Facilities Portion	18,322,074	1,561,336	1,358,527	956,167	-	434,247	192,509	227,732	1,027,821	418,675	204,067
Community College Passthrough Payments - Tax Portion	707,954	72,146	5,671	78,880	-	1,553	30,117	28,461	27,008	46,512	31,674
Community College Passthrough Payments - Facilities Portion	3,494,112	236,860	6,288	134,920	-	28,089	33,288	31,456	40,291	88,414	35,008
County Office of Education - Tax Portion	80,442	8,777	1,330	15,799	-	330	2,093	2,380	2,235	2,066	8,043
County Office of Education - Facilities Portion	723,052	77,156	5,671	108,636	-	15,404	8,922	10,147	29,148	18,375	34,290
Education Revenue Augmentation Fund (ERAF)	-	-	-	-	-	-	-	-	-	-	-
Total Passthrough Distributions	41,837,526	3,374,319	1,901,716	2,603,999	-	1,037,101	560,124	675,526	1,619,912	1,200,211	666,404
Total Administrative and Passthrough Distributions	42,236,265	3,410,610	1,926,163	2,631,751	12,461	1,046,540	572,514	691,465	1,637,980	1,213,820	676,004
Total RPTTF Balance Available to Fund Enforceable Obligations (EOs)	199,923,299	25,747,090	16,798,293	12,367,913	2,342,154	2,624,892	4,852,494	9,530,527	12,923,969	7,865,733	2,656,035

EO Distributions (Includes approved EOs, Successor Agency's (SAs) administrative cost allowance (ACA), and prior period adjustments, and excludes the above passthrough and non-SA administrative distributions)-

Non-ACA ROPS RPTTF Funding Requested by SA	249,939,547	29,368,046	18,130,944	11,843,728	458,338	2,512,997	1,049,489	14,387,035	14,814,862	11,915,468	18,701,464
ACA Funding Requested by SA	6,572,542	1,069,623	329,586	138,650	125,000	70,279	165,956	175,000	380,364	304,106	224,500
Less Items Denied/Reclassified by Department of Finance	(109,003,736)	(8,860,028)	(60,000)	(3,165,862)	(67,000)	(2,092,176)	(196,981)	(9,450,468)	(475,119)	(5,207,182)	(18,431,464)
Less Prior Period Adjustments Per H&S Section 34186 (a)	(22,949,729)	(7,084,581)	-	(3,519,251)	-	-	-	(4,947,162)	-	-	-
Maximum Authorized Distributions (Total ROPS III RPTTF amount approved by the Department of Finance for Non-ACA and ACA EOs)	124,558,624	14,493,060	18,400,530	5,297,265	516,338	491,100	1,018,464	164,405	14,720,107	7,012,392	494,500
Actual Distributions (Lesser of the total ROPS III RPTTF amount approved by the Department of Finance or the actual amount distributed for Non-ACA and ACA EOs)	119,092,597	14,493,060	16,798,293	5,297,265	516,338	491,100	1,018,464	164,405	12,923,969	7,012,392	494,500
Total Distributions	161,328,861	17,903,670	18,724,456	7,929,016	528,799	1,537,640	1,590,978	855,870	14,561,949	8,226,212	1,170,504

Residual Balance (Total Deposits - Total Distributions)	80,830,703	11,254,030	-	7,070,648	1,825,816	2,133,792	3,834,030	9,366,122	-	853,341	2,161,535
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Residual Distributions Pursuant to H&S Section 34183(a)(4) (Figures should include the effect of "haircutting" pursuant to H&S Section 34188):

Cities	10,239,034	1,219,456.60	-	818,721.34	276,590.40	196,779.87	518,909.16	1,467,671.48	-	127,258.60	33,545.89
Counties	5,426,041	769,618.69	-	418,022.57	156,494.87	121,484.37	266,111.90	569,383.59	-	48,539.86	166,945.02
Special Districts	8,514,883	1,004,029.43	-	780,877.49	131,201.43	467,452.13	287,207.69	757,287.20	-	83,762.26	440,138.07
K-12 Schools	35,202,078	5,404,646.46	-	3,181,219.85	691,035.32	873,738.08	1,776,460.30	4,353,057.84	-	373,198.12	947,456.55
Community Colleges	6,494,480	871,128.80	-	473,461.46	192,629.26	108,894.23	327,460.11	644,699.75	-	75,893.43	216,278.47
County Office of Education	1,642,375	229,507.83	-	248,701.70	27,816.91	57,799.51	55,952.92	132,305.58	-	10,842.55	39,641.49
Total ERAF (Please break out the ERAF amounts into the following categories if this information is readily available):	13,221,813	1,755,642.19	-	1,149,643.59	350,047.81	307,643.81	601,927.93	1,441,716.56	-	133,846.17	317,529.50
ERAF - K-12	-	-	-	-	-	-	-	-	-	-	-
ERAF - Community Colleges	-	-	-	-	-	-	-	-	-	-	-
ERAF - County Offices of Education	-	-	-	-	-	-	-	-	-	-	-
Total Residual Distributions (Total Residual Distributions Must Equal the Total Residual Balance)	80,740,704	11,254,030	-	7,070,648	1,825,816	2,133,792	3,834,030	9,366,122	-	853,341	2,161,535
Total Residual Distributions to K-14 Schools:	56,560,746	8,260,925	-	5,053,027	1,261,529	1,348,076	2,761,801	6,571,780	-	593,780	1,520,906
Percentage of Residual Distributions to K-14 Schools	70.1%	73.4%	#DIV/0!	71.5%	69.1%	63.2%	72.0%	70.2%	#DIV/0!	69.6%	70.4%

Recognized Obligation Payment Schedule (ROPS) Redevelopment Property Tax Trust Fund (RPTTF) Distributions (to be completed by County Auditor-Controllers (CACs) All values must be reported in whole dollars.														
Report Type:		Actual												
Allocation Period:		Jul 1 - Dec 31												
ROPS Allocation Cycle:		2023-24A - 24												
County:		Orange												
Successor Agency to Former Redevelopment Agency														
Line #	Description	Countywide Totals	Anaheim - 07	Brea - 37	Buena Park - 41	Costa Mesa - 76	Cypress - 83	Fountain Valley - 114	Fullerton - 119	Garden Grove - 121	Huntington Beach - 145	Irvine - 155	La Habra - 162	La Palma - 165
1	RPTTF Deposits - Entering the deposits by source is optional.	387,459,713	38,560,031	29,919,585	28,327,384	2,847,170	0	6,940,456	16,926,302	21,200,201	18,121,805	35,333,215	2,731,571	1,936,675
2	Secured & Unsecured Property Tax Increment (TI)	0												
3	Supplemental & Unitary Property TI	0												
4	Penalty Assessment Revenue	0												
5	Other - RPTTF Cumulative Interest Earnings	243,075					182,420							
6	Other - Orange County Transfer to Lake Forest	8,295,646												
7	Total RPTTF Deposits (sum of lines 1:6)	395,998,434	38,560,031	29,919,585	28,327,384	2,847,170	182,420	6,940,456	16,926,302	21,200,201	18,121,805	35,333,215	2,731,571	1,936,675
8	Total RPTTF Available to Fund CAC Administrative Costs and Passthroughs	395,998,434	38,560,031	29,919,585	28,327,384	2,847,170	182,420	6,940,456	16,926,302	21,200,201	18,121,805	35,333,215	2,731,571	1,936,675
9	RPTTF Distributions - Include all payments made pursuant to Health and Safety Code (HSC) Section 34183. Note the following distributions are not necessary listed in the priority order required by HSC 34183.													
10	Administrative Distributions:													
11	Administrative Fees to CAC	285,031	25,580	19,366	18,893	2,122	1,900	6,684	13,896	17,751	12,584	23,985	4,152	1,254
12	SB 2557 Administrative Fees	4,321,410	435,202	307,744	276,626	36,470	0	78,551	178,923	210,009	198,338	430,101	21,265	20,733
13	SCO invoices for Audit and Oversight - Funding should only be allocated for this purpose when there is sufficient RPTTF to fully fund the approved enforceable obligations as shown on line 39.	0												
14	Other	0												
15	Total Administrative Distributions (sum of lines 11:14)	4,606,441	460,782	327,110	295,519	38,592	1,900	85,235	192,819	227,760	210,922	454,086	25,417	21,987
16	Passthrough Distributions:													
17	City	8,741,936	1,060,237	1,614,578	625,351	0	0	150,739	374,477	445,843	465,599	103,897	73,352	24,151
18	County	9,310,611	809,723	725,202	591,584	0	0	101,752	226,517	250,973	431,509	724,764	41,626	54,416
19	City &/or County - Other	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Special Districts	17,698,610	1,247,474	1,037,815	1,045,732	0	0	154,440	279,972	565,448	409,727	2,508,872	79,439	163,023
21	K-12 School - Tax Portion	18,445,471	1,647,613	3,023,404	1,861,121	0	0	482,037	964,804	37,656	1,224,326	3,166,709	170,262	66,761
22	K-12 School - Facilities Portion	42,790,000	4,439,094	3,959,053	2,918,770	0	0	631,213	1,263,381	3,256,721	1,647,298	4,146,707	222,953	87,422
23	K-12 School - Other	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Community College - Tax Portion	3,701,419	291,711	550,279	319,130	0	0	97,109	157,102	147,011	275,180	599,959	27,062	11,458
25	Community College - Facilities Portion	7,575,189	630,034	608,203	419,750	0	0	107,331	173,639	178,321	326,991	663,112	29,911	12,664
26	Community College - Other	0	0	0	0	0	0	0	0	0	0	0	0	0
27	County Office of Education - Tax Portion	341,977	26,273	90,906	46,153	0	0	5,139	10,060	8,978	9,574	43,967	3,927	1,756
28	County Office of Education - Facilities Portion	1,911,393	187,009	387,545	256,568	0	0	21,910	42,886	74,697	54,726	187,436	16,741	7,487
29	County Office of Education - Other	0												
30	Education Revenue Augmentation Fund (ERAF)	0												
31	Other	0												
32	Total Passthrough Distributions (sum of lines 17:31)	110,516,606	10,339,168	11,996,985	8,084,159	0	0	1,751,670	3,492,838	4,965,648	4,844,930	12,145,423	665,273	429,138
33	Total Administrative and Passthrough Distributions (line 15 plus 32)	115,123,047	10,799,950	12,324,095	8,379,678	38,592	1,900	1,836,905	3,685,657	5,193,408	5,055,852	12,599,509	690,690	451,125
34	Total RPTTF Available to Fund Successor Agency (SA) Enforceable Obligations (EOs) (line 8 minus 33)	280,875,387	27,760,081	17,595,490	19,947,706	2,808,578	180,520	5,103,551	13,240,645	16,006,793	13,065,953	22,733,706	2,040,881	1,485,550
35	Finance Approved RPTTF for Distribution to SA:													
36	Non-Admin EOs	98,119,722	11,848,758	22,500	4,852,100	1,710,056	0	100,000	4,484,698	6,263,296	8,844,592	30,333,028	549,359	555,597
37	Admin Allowance	1,236,623	235,000	7,750	76,987	0	0	0	130,406	125,000	125,000	40,000	32,560	5,000
38	Less Prior Period Adjustments (PPA) (Enter as a negative number)	(17,244,693)	(5,161,856)	(472)	(472)				(26,910)	(6,388,296)	(325,947)	(4,702,114)	(3,005)	
39	Total Finance Approved RPTTF for Distribution (sum of lines 36:38)	82,111,652	6,921,902	30,250	4,928,615	1,710,056	0	100,000	4,588,194	0	8,643,645	25,670,914	578,914	560,597
40	CAC Distributed ROPS RPTTF													
41	Non-Admin EOs	74,466,520	6,921,902	22,500	4,852,100	1,710,056	0	100,000	4,484,698	0	8,643,645	18,353,706	549,359	555,597
42	Admin Allowance	425,961	0	7,750	76,515	0	0	0	103,496	0	0	0	29,555	5,000
43	Insufficient RPTTF (line 39 minus 44) If there is insufficient RPTTF in "A" period, shortfall will be funded in "B" period, if possible.	7,219,171	0	0	0	0	0	0	0	0	0	7,317,208	0	0
44	Total CAC Distributed RPTTF for SA EOs (line 41 plus 42)	74,892,481	6,921,902	30,250	4,928,615	1,710,056	0	100,000	4,588,194	0	8,643,645	18,353,706	578,914	560,597
45	Pension Override/State Water Project Override Revenues pursuant to HSC 34183 (a) (1) (B)	267,810									267,810			
46	Other	0												
47	Other	0												
48	Total ROPS Only RPTTF Balance Available for Distribution to ATEs (line 34 minus 44:47)	205,715,096	20,838,179	17,565,240	15,019,091	1,098,522	180,520	5,003,551	8,652,451	16,006,793	4,154,498	4,380,000	1,461,967	924,953
49	RPTTF Distributions to ATEs:													
50	Cities	26,275,263	2,265,037	2,906,073	1,751,829	167,428	16,753	675,710	1,364,587	2,920,187	690,342	64,397	249,171	115,791
51	Counties	12,049,294	1,429,299	987,051	894,872	74,315	8,082	272,757	529,397	834,263	239,900	259,741	78,126	49,361
52	Special Districts	22,025,040	1,698,499	1,413,763	1,580,889	95,548	41,268	416,993	657,135	1,544,589	293,014	899,097	111,933	162,284
53	K-12 Schools	91,118,954	10,137,657	7,437,349	6,785,231	416,942	73,952	2,354,292	4,036,193	6,705,912	1,840,685	1,961,153	664,358	361,440
54	Community Colleges	16,412,955	1,617,974	1,139,853	1,013,480	116,225	9,375	426,410	599,417	1,170,324	375,081	452,685	88,448	55,894
55	County Office of Education	4,221,624	424,915	609,934	532,206	16,784	4,976	71,192	123,948	237,279	53,629	82,935	39,030	29,277
56	Total ERAF - Please break out the ERAF amounts into the following categories, if possible (sum of lines 57:59)	33,611,966	3,264,798	3,071,217	2,460,584	211,280	26,114	786,197	1,341,774	2,594,239	661,847	659,992	230,901	150,906
57	ERAF - K-12	0												
58	ERAF - Community Colleges	0												
59	ERAF - County Offices of Education	0												
60	Total RPTTF Distributions to ATEs (sum of lines 50:56) - Total residual distributions must equal total residual balance as shown on line 48.	205,715,096	20,838,179	17,565,240	15,019,091	1,098,522	180,520	5,003,551	8,652,451	16,006,793	4,154,498	4,380,000	1,461,967	924,953
61	Total Residual Distributions to K-14 Schools (sum of lines 53:56)	145,365,499	15,445,344	12,258,353	10,791,501	761,231	114,417	3,638,091	6,101,332	10,707,754	2,931,242	3,156,765	1,022,737	597,517
62	Percentage of K-14 Schools to Residual Distributions (line 61/60)	71%	74%	70%	72%	69%	63%	73%	71%	67%	71%	72%	70%	65%
63	Comments:							Formally dissolved on 01/24/2023 per Countywide Oversight Board Resolution No. 23-009				Due to Settlement Agmt, the \$4.38M residual should be funded before the judgement amount in the EOs.		

Recognized Obligation Payment Schedule (ROPS) Redevelopment Property Tax Trust Fund (RPTTF) Distributions (to be completed by County Auditor-Controllers (CACs) All values must be reported in whole dollars.														
Report Type: Estimate														
Allocation Period: Jan 1 - Jun 30														
ROPS Allocation Cycle: 2023-24B - 25														
County: Orange														
Successor Agency to Former Redevelopment Agency														
Line #	Description	Countywide Totals	Anaheim - 07	Brea - 37	Buena Park - 41	Costa Mesa - 76	Cypress - 83	Fountain Valley - 114	Fullerton - 119	Garden Grove - 121	Huntington Beach - 145	Irvine - 155	La Habra - 162	La Palma - 165
1	RPTTF Deposits - Entering the deposits by source is optional.	525,940,392	52,587,076	38,538,073	34,456,967	4,157,378	0	8,986,075	22,297,383	25,712,380	22,316,814	59,098,182	3,249,938	2,093,401
2	Secured & Unsecured Property Tax Increment (TI)	0												
3	Supplemental & Unitary Property TI	0												
4	Penalty Assessment Revenue	0												
5	Other	0												
6	Other	0												
7	Total RPTTF Deposits (sum of lines 1:6)	525,940,392	52,587,076	38,538,073	34,456,967	4,157,378	0	8,986,075	22,297,383	25,712,380	22,316,814	59,098,182	3,249,938	2,093,401
8	Total RPTTF Available to Fund CAC Administrative Costs and Passthroughs	525,940,392	52,587,076	38,538,073	34,456,967	4,157,378	0	8,986,075	22,297,383	25,712,380	22,316,814	59,098,182	3,249,938	2,093,401
9	RPTTF Distributions - Include all payments made pursuant to Health and Safety Code (HSC) Section 34183. Note the following distributions are not necessary listed in the priority order required by HSC 34183.													
10	Administrative Distributions:													
11	Administrative Fees to CAC	489,860	48,701	35,536	34,869	4,641	0	8,188	20,952	26,485	21,686	46,722	10,485	2,218
12	SB 2557 Administrative Fees	0												
13	SCO invoices for Audit and Oversight - Funding should only be allocated for this purpose when there is sufficient RPTTF to fully fund the approved enforceable obligations as shown on line 39.	0												
14	Other	0												
15	Total Administrative Distributions (sum of lines 11:14)	489,860	48,701	35,536	34,869	4,641	0	8,188	20,952	26,485	21,686	46,722	10,485	2,218
16	Passthrough Distributions:													
17	City	7,954,974	599,526	821,797	679,405	0	0	161,336	425,006	485,233	485,005	174,077	86,796	25,470
18	County	11,827,149	944,274	841,499	661,974	0	0	108,905	258,086	296,332	464,751	1,038,981	41,944	58,160
19	City &/or County - Other	0												
20	Special Districts	22,151,905	1,464,758	927,839	1,175,789	0	0	165,297	319,004	688,323	435,606	3,596,715	90,076	173,727
21	K-12 School - Tax Portion	20,335,624	1,856,551	1,436,609	2,177,615	0	0	515,924	1,100,468	53,341	1,272,946	4,541,456	194,627	70,406
22	K-12 School - Facilities Portion	53,344,585	4,843,574	4,020,194	3,396,544	0	0	675,587	1,441,029	2,642,530	1,806,182	5,946,896	312,474	92,195
23	K-12 School - Other	0												
24	Community College - Tax Portion	4,108,281	326,949	289,948	372,174	0	0	103,936	179,091	159,027	286,128	859,984	30,784	12,084
25	Community College - Facilities Portion	9,714,794	746,286	320,468	493,576	0	0	114,876	197,944	189,990	372,118	950,509	34,025	13,355
26	Community College - Other	0												
27	County Office of Education - Tax Portion	347,950	29,865	45,781	54,171	0	0	5,500	11,069	9,729	9,963	63,023	4,451	1,852
28	County Office of Education - Facilities Portion	2,127,811	222,676	195,173	277,370	0	0	23,450	47,191	111,218	66,256	268,680	18,977	7,896
29	County Office of Education - Other	0												
30	Education Revenue Augmentation Fund (ERAF)	0												
31	Other	0												
32	Total Passthrough Distributions (sum of lines 17:31)	131,913,073	11,034,459	8,899,308	9,288,618	0	0	1,874,811	3,978,888	4,635,723	5,198,955	17,440,321	814,154	455,145
33	Total Administrative and Passthrough Distributions (line 15 plus 32)	132,402,933	11,083,160	8,934,844	9,323,487	4,641	0	1,882,999	3,999,840	4,662,208	5,220,641	17,487,043	824,639	457,363
34	Total RPTTF Available to Fund Successor Agency (SA) Enforceable Obligations (EOs) (line 8 minus 33)	393,537,459	41,503,916	29,603,229	25,133,480	4,152,737	0	7,103,076	18,297,543	21,050,172	17,096,173	41,611,139	2,425,299	1,636,038
35	Finance Approved RPTTF for Distribution to SA:													
36	Non-Admin EOs	0												
37	Admin Allowance	0												
38	Less Prior Period Adjustments (PPA) (Enter as a negative number)	0												
39	Total Finance Approved RPTTF for Distribution (sum of lines 36:38)	0	0	0	0	0	0	0	0	0	0	0	0	0
40	CAC Distributed ROPS RPTTF													
41	Non-Admin EOs	0												
42	Admin Allowance	0												
43	Insufficient RPTTF (See line 43 in "A" ROPS) Insufficient RPTTF in "A" Period for Finance Approved RPTTF to be Funded in "B" Period	0												
44	Total CAC Distributed RPTTF for SA EOs (sum of lines 41:43)	0	0	0	0	0	0	0	0	0	0	0	0	0
45	Pension Override/State Water Project Override Revenues pursuant to HSC 34183 (a) (1) (B)	0												
46	Other	0												
47	Other	0												
48	Total ROPS Only RPTTF Balance Available for Distribution to ATEs (line 34 minus 44:47)	393,537,459	41,503,916	29,603,229	25,133,480	4,152,737	0	7,103,076	18,297,543	21,050,172	17,096,173	41,611,139	2,425,299	1,636,038
49	RPTTF Distributions to ATEs:													
50	Cities	0												
51	Counties	0												
52	Special Districts	0												
53	K-12 Schools	0												
54	Community Colleges	0												
55	County Office of Education	0												
56	Total ERAF - Please break out the ERAF amounts into the following categories, if possible (sum of lines 57:59)	0	0	0	0	0	0	0	0	0	0	0	0	0
57	ERAF - K-12	0												
58	ERAF - Community Colleges	0												
59	ERAF - County Offices of Education	0												
60	Total RPTTF Distributions to ATEs (sum of lines 50:56) - Total residual distributions must equal total residual balance as shown on line 48.	0	0	0	0	0	0	0	0	0	0	0	0	0
61	Total Residual Distributions to K-14 Schools (sum of lines 53:56)	0	0	0	0	0	0	0	0	0	0	0	0	0
62	Percentage of K-14 Schools to Residual Distributions (line 61/60)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
63	Comments:			Annual TI limit removed per HSC 34189(a)					Formally dissolved on 01/24/2023 per Countywide Oversight Board Resolution No. 23-009					



Transmitted via e-mail
REVISED

May 19, 2023

Sunny Rief, Assistant Chief Financial Officer
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

Subject: 2017-18 Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) April 10, 2017, May 17, 2017, November 14, 2017, and August 24, 2022 Recognized Obligation Payment Schedule (ROPS) determination letters for the period of July 1, 2017 through June 30, 2018 (ROPS 17-18), with respect to Item Number 88 only.

A revision to the City of Huntington Beach Successor Agency's (Agency) ROPS 17-18 determination letters is necessary to comply with the judgment in the matter of *City of Huntington Beach et al. v. State of California et al.* (Case No. 34-2018-80002876) (Judgment). Pursuant to the February 17, 2023 Judgment, Finance makes the following determination:

- Item No. 88 – Waterfront Commercial Master Site Plan. Finance no longer denies this item. In compliance with the Judgment, the Agreement for the Purchase and Sale of Property (Waterfront Loan) dated September 19, 1988 between the City and the former Redevelopment Agency of the City of Huntington Beach is considered an enforceable obligation, and future requests for funding of supported outstanding amounts will be allowable.

All other previous determinations made in Finance's April 10, 2017, May 17, 2017, November 14, 2017, and August 24, 2022 ROPS 17-18 determination letters stand.

Sunny Rief
May 19, 2023
Page 2

Please direct inquiries to Chikako Takagi-Galamba, Manager at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Ursula Luna-Reynosa, Director of Community Development, City of Huntington
Beach
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County
Kathy Tavoularis, Countywide Oversight Board Representative

Waterfront Loan Recalculated per Health and Safety Code Section 34191.4(b)(3)

FYE June 30,	Principal	Principal Payments	Principal Balance	Accrued Interest	Cumulative Interest	Interest Payments	Interest Balance	Outstanding Loan Balance
1989	22,400,000		22,400,000					22,400,000
1990	22,400,000		22,400,000	672,000	672,000	(6,672)	665,328	23,065,328
1991	22,400,000		22,400,000	672,000	1,337,328	(11,407)	1,325,921	23,725,921
1992	22,400,000		22,400,000	672,000	1,997,921	(1,997,921)	-	22,400,000
1993	22,400,000		22,400,000	672,000	672,000	(181,678)	490,322	22,890,322
1994	22,400,000		22,400,000	672,000	1,162,322	(608,831)	553,491	22,953,491
1995	22,400,000		22,400,000	672,000	1,225,491	(257,412)	968,078	23,368,078
1996	22,400,000		22,400,000	672,000	1,640,078	(1,640,078)	-	22,400,000
1997	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
1998	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
1999	22,400,000		22,400,000	672,000	672,000	(73,282)	598,718	22,998,718
2000	22,400,000		22,400,000	672,000	1,270,718	(100,212)	1,170,505	23,570,505
2001	22,400,000		22,400,000	672,000	1,842,505	(93,562)	1,748,943	24,148,943
2002	22,400,000		22,400,000	672,000	2,420,943	(248,212)	2,172,731	24,572,731
2003	22,400,000		22,400,000	672,000	2,844,731	(2,844,731)	-	22,400,000
2004	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
2005	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
2006	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
2007	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
2008	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
2009	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
2010	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
2011	22,400,000		22,400,000	672,000	672,000	(672,000)	-	22,400,000
2012	22,400,000		22,400,000	672,000	672,000		672,000	23,072,000
2013	22,400,000		22,400,000	672,000	1,344,000		1,344,000	23,744,000
2014	22,400,000		22,400,000	672,000	2,016,000		2,016,000	24,416,000
2015	22,400,000		22,400,000	672,000	2,688,000		2,688,000	25,088,000
2016	22,400,000		22,400,000	672,000	3,360,000		3,360,000	25,760,000
2017	22,400,000		22,400,000	672,000	4,032,000		4,032,000	26,432,000
2018	22,400,000		22,400,000	672,000	4,704,000		4,704,000	27,104,000
2019	22,400,000		22,400,000	672,000	5,376,000		5,376,000	27,776,000
2020	22,400,000		22,400,000	672,000	6,048,000		6,048,000	28,448,000
2021	22,400,000		22,400,000	672,000	6,720,000		6,720,000	29,120,000
2022	22,400,000		22,400,000	672,000	7,392,000		7,392,000	29,792,000
2023	22,400,000		22,400,000	672,000	8,064,000		8,064,000	30,464,000
2024	22,400,000		22,400,000	672,000	8,736,000		8,736,000	31,136,000

EXHIBIT B

Resolution No. 2024-007

**As proposed by Oversight Board staff
(see underlined language in Section 2, showing the modification from the
HBSA's proposed form)**

(see attached)

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 24-007**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE HUNTINGTON BEACH
REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION
PAYMENT SCHEDULE [ROPS] 2024-25 A-B FOR THE ANNUAL FISCAL PERIOD OF
JULY 1, 2024 TO JUNE 30, 2025, INCLUDING THE FY 2024-25 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 Redevelopment Agency of the City of Huntington Beach (“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 Huntington Beach (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 25 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 former Redevelopment Agency of the City of Huntington Beach (“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 2024-25 A-B fiscal period of July 1, 2024 to June 30, 2025 (“ROPS 2024-

25 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, 2024; and

WHEREAS, the ROPS 2024-25, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2024-25 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 2024-25 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 2024-25 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 2024-25 A-B submitted therewith and incorporated by this reference, including the FY 2024-25 administrative budget included herewith; *provided that this approval shall be automatically modified by any DOF’s direction pursuant to Oversight Board Resolution No. 24-006.*

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 2024-25 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The City of Huntington Beach’s Chief Financial Officer, or authorized designee is directed to post this Resolution, including the ROPS 2024-25 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.