Orange Countywide Oversight Board

Agenda Item No. 4a

Date: July 21, 2026

From: Successor Agency to the Fountain Valley Agency for Community Development

Subject: Resolution of the Orange Countywide Oversight Board in the Matter of Approving the Request of the Successor Agency to the Fountain Valley Agency for Community Development to Formally Dissolve and Taking Related Actions

Recommended Action:

Adopt resolution to approve the request by the Successor Agency to the Fountain Valley Agency for Community Development (the "Successor Agency") to formally dissolve and taking related actions.

The Successor Agency's Board of Directors (the "SA Board") adopted its Resolution No. 31, on July 14, 2026, to request the Countywide Oversight Board to approve the formal dissolution of the Successor Agency.

Pursuant to Health and Safety Code ("HSC") Section 34187(b), the Successor Agency must submit to the Countywide Oversight Board a request, with a copy to the Orange County Auditor-Controller (the "County Auditor-Controller"), to formally dissolve the Successor Agency within 30 days of meeting the following criteria (collectively, the "Dissolution Criteria"):

(i) all enforceable obligations have been retired or paid off,

(ii) all real property has been disposed of pursuant to HSC Section 34181 or 34191.4, and

(iii) all outstanding litigation has been resolved.

The SA Board has made a determination that the Successor Agency has met all of the Dissolution Criteria.

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

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

(1) dispose of all remaining assets and transfer any proceeds to the County Auditor-Controller for distribution to the affected taxing entities, and

(2) notify the Countywide Oversight Board that it has complied with such disposition and transfer of proceeds.

The Successor Agency reports that its remaining assets consist of $_______ of Successor Agency Administration funds from the Successor Agency's Redevelopment Property Tax Trust Fund. Pursuant to the attached Resolution, the Countywide Oversight Board will direct the Successor Agency to transfer the remaining funds to the County Auditor-Controller following the DOF's approval of the dissolution request.

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

Impact on Taxing Entities:

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

In conjunction with the retirement and pay-off of all of the Successor Agency's enforceable obligations and the dissolution of the Successor Agency, all statutory and contractual pass-through payments relating to the project areas of the former Fountain Valley Agency for Community Development will cease and no further property tax will be allocated to the Successor Agency's Redevelopment Property Tax Trust Fund.

Staff Contact(s):

Ryan Smith, City of Fountain Valley Finance Director

Attachments:

Attachment 1 -- Proposed Oversight Board Resolution (with Successor Agency Board Resolution No. 31, as Exhibit A).

RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

RESOLUTION NO. 26-012

IN THE MATTER OF APPROVING THE REQUEST OF THE SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT TO FORMALLY DISSOLVE AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011)*, the Fountain Valley Agency for Community Development (the "**Former Agency**") was dissolved as of February 1, 2012, and the Successor Agency to the Fountain Valley Agency for Community Development (the "**Successor Agency**") was constituted; and

WHEREAS, pursuant to Section 34179(j) of the California Health and Safety Code ("**HSC**"), commencing on and after July 1, 2018, the Orange Countywide Oversight Board (the "**Countywide Oversight Board**") has jurisdiction over the Successor Agency; and

WHEREAS, the Successor Agency is tasked with winding down the Former Agency's affairs; and

WHEREAS, pursuant to HSC Section 34187(b), the Successor Agency shall submit to the Countywide Oversight Board a request, with a copy to the Orange County Auditor-Controller (the "**County Auditor-Controller**"), to formally dissolve the Successor Agency within 30 days of meeting the following criteria (collectively, the "**Dissolution Criteria**"):

(i) all enforceable obligations have been retired or paid off,

(ii) all real property has been disposed of pursuant to HSC Section 34181 or 34191.4, and

(iii) all outstanding litigation has been resolved.; and

WHEREAS, the Board of Directors of the Successor Agency (the "**SA Board**") adopted its Resolution No. 31, on July 14, 2026 (the "**SA Resolution**"), and a copy of the SA Resolution is set forth in Exhibit A; and

WHEREAS, the SA Board found and determined that the Successor Agency has met the all of the Dissolution Criteria and requested the Countywide Oversight Board to approve the Successor Agency's formal dissolution; and

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

WHEREAS, pursuant to HSC Section 34187(e), after the DOF's approval of the Successor Agency's request to dissolve, the Successor Agency shall dispose of all remaining assets as directed by the Countywide Oversight Board and transfer the proceeds of such disposition to the County Auditor-Controller (the "**Final Transfer**"); and

WHEREAS, the Successor Agency has represented in the SA Resolution that the Successor Agency's remaining assets consist only of the remaining funds from the Redevelopment Property Tax Trust Fund (as defined in the SA Resolution); and

WHEREAS, the Successor Agency shall transfer the remaining funds to the County Auditor-Controller for the Final Transfer;

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

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

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

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

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

SECTION 5. The approval of this Resolution does not commit the Countywide Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*)

SECTION 6. If any provision of this Resolution or the application of any such provision to any person or circumstance is held 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 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. The Clerk of the Countywide Oversight Board shall certify to the adoption of this Resolution.

EXHIBIT A

Resolution No. 31

adopted by the Board of Directors of the Fountain Valley Successor Agency

(Attached)

CITY OF FOUNTAIN VALLEY
SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT
AGENCY ACTION REQUEST

To: Honorable Successor Agency Chair and Members of the Successor Agency

Agenda Date: July 14, 2026

Subject: Adopt a resolution requesting dissolution of the Fountain Valley Successor Agency and taking related actions.

EXECUTIVE SUMMARY

Staff is requesting the Successor Agency to the Fountain Valley Agency for Community Development ("Successor Agency") adopt a Resolution to request the Countywide Oversight Board for the County of Orange ("Oversight Board") to formally Dissolve the Successor Agency, direct the transfer of remaining assets of the Successor Agency to the Orange County Auditor-Controller, and direct the submission of the resolution and the Oversight Board resolution to the California Department of Finance ("DOF").

DISCUSSION

In 2011, the California State Legislature approved the dissolution of the state's 400+ Redevelopment Agencies ("RDA"). After a period of litigation, RDAs were officially dissolved effective February 1, 2012. All rights, assets and obligations of the Fountain Valley Agency for Community Development ("Former Agency") were transferred, by law, to its "successor agency." The Successor Agency must adhere to the California State Department of Finance ("DOF") requirements under RDA dissolution statutes, Assembly Bill ("AB")x1 26, AB 1484, AB 471, and Senate Bill ("SB") 107, and oversees the winding-down of the Successor Agency, including making payments on enforceable obligations and disposing of redevelopment assets and properties.

In addition, the Redevelopment Property Tax Trust Fund ("RPTTF") was established to fund outstanding obligations of the former RDAs. Former RDA tax increment funds, referred to as "property tax revenues," are deposited in the RPTTF, which the County Auditor-Controller distributes to the Successor Agency and taxing entities after required adjustments. The Successor Agency may only receive RPTTF payments for "enforceable obligations," as defined under the RDA dissolution statutes and approved by DOF.

There is also a Countywide Oversight Board that supervises the Successor Agency's work. The Oversight Board is comprised of representatives of the local agencies that serve their respective redevelopment project areas: the cities, county, special districts, and K-14 educational agencies.

In June, the Fountain Valley Successor Agency made the final payment for the Palm Island Development Agreement, issued by the Former Agency. The Palm Island Development agreement was the last enforceable obligation of the Successor Agency.

Pursuant to Health and Safety Code ("HSC") Section 34187(b), the Successor Agency must submit to the Oversight Board a request, with a copy to the Orange County Auditor-Controller (the "County Auditor-Controller"), to formally dissolve the Successor Agency within 30 days of meeting the following criteria (collectively, the "Dissolution Criteria"):

(i) all enforceable obligations have been retired or paid off; and,

(ii) all real property has been disposed of pursuant to HSC Section 34181 or 34191.4; and,

(iii) all outstanding litigation has been resolved.

By adopting this Resolution, the Successor Agency Board will make a determination that the dissolution criteria have been met. Pursuant to HSC Section 34187(b), the Oversight Board must take action within 30 days to approve the Successor Agency's request to dissolve and then submit the request to the DOF. The DOF will have 30 days to approve or deny the request.

Once the DOF approves the request, the Successor Agency will have to take the following steps within 100 days of the DOF's approval:

(1) Dispose of all remaining assets and transfer any proceeds to the County Auditor-Controller for distribution to the affected taxing entities.

(2) Notify the Oversight Board that it has complied with such disposition and transfer of proceeds.

The Successor Agency intends to submit the request for dissolution to the Oversight Board at its July 21, 2026 meeting.

FINANCIAL ANALYSIS:

The Successor Agency's remaining assets currently consist of $574,124.33 (pending final interest allocation and closeout) of Successor Agency Administration money from the RPTTF Fund. After the Oversight Board's adoption of the Oversight Board Resolution and the DOF's approval of the Successor Agency's request to dissolve, the Successor Agency will transfer the remaining assets to the County Auditor-Controller. The County Auditor-Controller will disburse such funds to the taxing entities, including the City of Fountain Valley.

PUBLIC NOTIFICATION:

The standard City Clerk's agenda notification process was used for this item.

ALTERNATIVES:

Alternative No. 1:

1. Approve the Successor Agency's request to formally dissolve; and,
2. Direct the transfer of remaining assets of the Successor Agency to the Orange County Auditor-Controller (the "County Auditor-Controller"); and,
3. Direct the submission of the Resolution and the Oversight Board Resolution to the California State Department of Finance (the "DOF").

Alternative No. 2:

1. Do not adopt the Resolution requesting dissolution of the Fountain Valley Successor Agency and provide alternative direction. This alternative is not recommended as it would be in violation of the State's dissolution law.

RECOMMENDATION:

That the Successor Agency to the Fountain Valley Agency for Community Development adopt a resolution to request the Countywide Oversight Board for the County of Orange to formally Dissolve the Successor Agency, direct the transfer of remaining assets of the Successor Agency to the Orange County Auditor-Controller, and direct the submission of the resolution and the OB resolution to the California Department of Finance ("DOF").

Prepared by:	Ryan Smith, Director of Finance/City Treasurer
Reviewed by:	Colin Burns, City Attorney
Approved by:	Maggie Le, City Manager

Attachments:

1. Successor Agency Resolution Approving the request for dissolution.

SUCCESSOR AGENCY RESOLUTION NO. 31

RESOLUTION OF THE SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT REQUESTING THE ORANGE COUNTYWIDE OVERSIGHT BOARD TO FORMALLY DISSOLVE THE SUCCESSOR AGENCY

WHEREAS, the Fountain Valley Agency for Community Development ("Former Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code ("HSC") 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 Fountain Valley ("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, 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 Fountain Valley 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 oversight board; and

WHEREAS, Pursuant to Section 34179(j) of the California Health and Safety Code ("HSC"), from and after July 1, 2018, the Orange County Oversight Board (the "Oversight Board") is the oversight board for the Successor Agency; and

WHEREAS, The Successor Agency is tasked with winding down the Former Agency's affairs; and

WHEREAS, Pursuant to HSC Section 34187(b), the Successor Agency shall submit to the Oversight Board a request, with a copy to the Orange County Auditor-Controller (the "County Auditor-Controller"), to formally dissolve the Successor Agency within 30 days of meeting the following criteria (collectively, the "Dissolution Criteria"):

(i) all enforceable obligations have been retired or paid off; and,

(ii) all real property has been disposed of pursuant to HSC Section 34181 or 34191.4; and,

(iii) all outstanding litigation has been resolved; and

WHEREAS, The Successor Agency is not a party to any outstanding litigation; and

WHEREAS, All of the Successor Agency's real property (transferred from the Former Agency upon dissolution) has been disposed of pursuant to HSC Section 34181.

WHEREAS, Upon the final payment for the Palm Island Development Agreement, all of the Successor Agency's enforceable obligations have been retired or paid off; and

WHEREAS, With the Successor Agency having met the Dissolution Criteria of HSC Section 34187(b), this Board of Directors (the "Board") desires to request the Oversight Board to approve the formal dissolution of the Successor Agency; and

WHEREAS, Pursuant to HSC Section 34187(b), the Oversight Board must take action within 30 days to approve the Successor Agency's request to dissolve and, after such approval, submit the request to the DOF; and

WHEREAS, Pursuant to HSC Section 34187(e), after the DOF's approval of the Successor Agency's request to dissolve, the Successor Agency shall dispose of all remaining assets as directed by the Oversight Board and the proceeds of such disposition shall be transferred to the County Auditor-Controller (the "Final Transfer") ; and

WHEREAS, The Successor Agency's remaining assets consist of remaining administration funds from prior RPTTF disbursements; and

WHEREAS, Upon the Oversight Board's and the DOF's approval of the Successor Agency's request to dissolve, the Successor Agency will transfer all remaining assets to the County Auditor-Controller for the Final Transfer.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

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

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

Section 3. The Board hereby requests the Oversight Board to adopt a resolution (the "OB Resolution") to: (i) approve the Successor Agency's request to formally dissolve, (ii) direct the transfer of the remaining assests to the County Auditor-Controller for the Final Transfer, and (iii) submit this Resolution and the Oversight Board Resolution to the DOF in accordance with HSC Section 34187(b).

Section 4. The Agency Clerk is hereby directed to cause copies of this Resolution to be submitted to: (i) the Oversight Board, and (ii) the County Auditor-Controller.

Section 5. The Board hereby finds and determines that the request to dissolve the Successor Agency set forth herein (and the dissolution of the Successor Agency pursuant to such request) shall constitute a change in the organization or reorganization of local governmental agencies that does not alter the geographic areas within which the powers are exercised for the purposes of the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq*.). Therefore, such request and dissolution shall be exempt from environmental review, pursuant to Section 15320 of Title 14 of the California Code of Regulations. In addition, it can be seen with certainty that such request and the dissolution of the Successor Agency will not have a significant effect on the environment. Therefore, such request and dissolution shall be exempt from environmental review, pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations.

Section 6. The officers and the other staff members of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things, including the execution of any instruments, which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified and confirmed.

PASSED, APPROVED and ADOPTED by the Board of Directors of the Successor Agency to the Fountain Valley Agency for Community Development at a regular meeting held on this 14th day of July 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Jim Cunneen, Chair
Successor Agency to the Fountain Valley Agency for Community Development

ATTEST:

____
Rick Miller, Secretary
Successor Agency to the Fountain Valley Agency for Community Development

APPROVED AS TO FORM:

HARPER & BURNS LLP

____
Colin Burns

Attorneys for the Successor Agency to the Fountain Valley Agency for Community Development

Fountain Valley Successor Agency

Dissolution Timeline

Actual Date	Legal Deadline	Action	Documents
May 2026		Last enforceable obligation of the Fountain Valley Successor Agency paid off	
July 14, 2026	Within 30 days (August 13, 2026)	Fountain Valley Successor Agency votes to request dissolution HSC §34187(b)	Staff Report to FVSA Resolution of FVSA
July 21, 2026	Within 30 days of July 14 (August 13, 2026)	Orange Countywide Oversight Board votes for the dissolution request and submits it to the Department of Finance HSC §34187(b)	Staff Report to Approve to OB Resolution of OB to Approve, with Reso of FVSA Attached
August 21, 2026	Within 30 days of Approved OB Resolution sent to DOF by SA (Date TBD) (Next meeting is September 29)	California Department of Finance approves or rejects dissolution request HSC §34187(d)	Staff Report re: final Reso to OB Resolution of OB to Formally Dissolve, with Reso of FVSA Attached
	Within 100 days of DOF approval	Fountain Valley Successor Agency must dispose of any remaining assets as directed by the Orange Countywide Oversight Board and then notifies the board of completion of disposal HSC §34187(e)	Formal Letter to BOE, CC Kathy T, notifying of dissolution. Fill out the BOE-400TA form and submit it to BOE. Send Copy to Kathy T upon notification from BOE. Letter to Kathy T form SA Attorney confirming no litigation. Notification of Remaining funds to Auditor Controller and Kathy T.
	No deadline specified	Orange Countywide Oversight Board verifies that all Fountain Valley obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets	

		have been disposed of HSC §34187(f)	
September 29, 2026	Within 14 days of Oversight Board verification	Orange Countywide Oversight Board adopts resolution to formally dissolve Fountain Valley Successor Agency, which will take effect immediately upon vote of the Orange Countywide Oversight Board. HSC §34187(f)	SA submits approved OB Resolution to DOF
	No deadline specified (Despite the lack of a deadline, this ought to be done promptly)	The Orange Countywide Oversight Board and the SA transmits copies of the dissolution resolution to the City of Fountain Valley (not the now-dissolved Fountain Valley Successor Agency), Orange County Auditor-Controller, California State Controller, and California Department of Finance to officially notify these entities of the dissolution. HSC §34187(f)	When DOF responds with their FINAL approval – the SA is officially DISSOLVED