

# Special Meeting Agenda October 11, 2013

## Board Members

Mr. Ed Garcia, Chair  
*Orange County Board of  
Supervisors Representative*

Mr. James Harman, Vice Chair  
*Orange County Board of  
Supervisors Representative*

Mr. Craig Green  
*City of Placentia Mayor's  
Representative*

Mr. Troy Butzlaff, ICMA-CM  
*Former Redevelopment Agency  
of the City of Placentia  
Employee's Representative*

Ms. Jayne Christakos  
*County Superintendent of  
Education Representative*

Mr. Al Shkoler  
*Placentia Library District  
Representative*

Mr. Rodrigo Garcia  
*Chancellor of the California  
Community College  
Representative*

## Staff

Ken Domer  
*Executive Director*

Tania Moreno  
*Clerk of the Board*

**City of Placentia  
C/O Oversight Board  
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## Oversight Board of the Successor Agency to the Redevelopment Agency of the City Of Placentia

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### Procedures for Addressing the Board Members

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In compliance with California Government Code § 54957.5, any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda that are not exempt from disclosure under the Public Records Act will be made available for public inspection at the Clerk of the Board's Office at City Hall, 401 East Chapman Avenue, Placentia, during normal business hours.

**OVERSIGHT BOARD  
OF THE SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA  
SPECIAL MEETING AGENDA  
October 11, 2013  
1:30 p.m. – City Council Chambers  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:**

**ROLL CALL:** Chair Ed Garcia  
Vice Chair Harman  
Board Member Butzlaff  
Board Member Rodrigo Garcia  
Board Member Green  
Board Member Shkoler  
Board Member Christakos

**PLEDGE OF ALLEGIANCE:**

**ORAL COMMUNICATIONS:**

At this time, the public may address the Oversight Board concerning any agenda item or on matters within the jurisdiction of the Oversight Board.

**1. PRESENTATIONS/ADMINISTRATIVE REPORTS**

a. Executive Director's Report

**2. CONSENT CALENDAR:** None

**3. OLD BUSINESS:** None

**4. NEW BUSINESS:**

a. **Approval of the Recognized Obligation Payment Schedule (ROPS 13-14B) for the Period Covering January 1, 2014 to June 30, 2014**

Recommended Action: It is recommended that the Oversight Board:

- 1) Adopt Resolution OB-2013-12, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving a Recognized Obligation Payment Schedule for the period covering January 1, 2014 to June 30, 2014

**5. PUBLIC HEARING:** None

**BOARD MEMBERS COMMENTS AND REQUESTS:**

Board Members may make requests or ask questions of Staff. If a Board Member would like formal action on any item, it will be placed on a future Board Agenda.

**ADJOURNMENT:**

The Oversight Board will adjourn to November 13, 2013 at 4:00 p.m.

**CERTIFICATION OF POSTING**

I, Tania Moreno, Clerk of the Board, hereby certify that the Agenda for the October 11, 2013 meeting of the Oversight Board was posted on Thursday, October 10, 2013.

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Tania Moreno, Clerk of the Board

# Oversight Board

## of the Successor Agency of the Redevelopment Agency of the City of Placentia

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### **AGENDA REPORT**

TO: BOARD MEMBERS

FROM: EXECUTIVE DIRECTOR

DATE: OCOTBER 11, 2013

SUBJECT: **APPROVAL OF THE SUCCESSOR AGENCYS' ADOPTION OF A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14B) FOR THE PERIOD COVERING JANUARY 1, 2014 TO JUNE 30, 2014**

FISCAL  
IMPACT: EXPENDITURES: RPTTF \$ 8,257,259  
ACA \$ 207,303  
OTHER \$ 866,993

#### **SUMMARY:**

Based on the dissolution of the Redevelopment Agency of the City of Placentia, the Successor Agency is to prepare a Recognized Obligation Payment Schedule (ROPS) covering each six month period of a fiscal year. This action approves the Successor Agency's September 17, 2013 adoption of a Recognized Obligation Payment Schedule covering the six-month reporting period January 1, 2014 to June 30, 2014. Due to the lack of Fund Balance information in the initial submission, based in part by the City's lack of finality in the Due Diligence Process, the Department of Finance denied the original submission. The approval of this adoption is required in order to provide for review by the State Department of Finance and for the County-Auditor-Controller to allocate property tax increment for payment of debts listed on the ROPS.

#### **RECOMMENDATION:**

It is recommended that the Board take the following action:

1. Adopt Resolution OB-2013-12, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving a Recognized Obligation Payment Schedule for the period covering January 1, 2014 to June 30, 2014.

#### **DISCUSSION:**

As part of the winding down of the former redevelopment agency, the Successor Agency shall adopt, and the Oversight Board approve of that adoption, a ROPS as part of the process to pay enforceable obligations of the former agency. According to new formats and instructions from the State Department of Finance (DOF), to include a new naming scheme for the ROPS documents, this Recognized Obligation Payment Schedule is referred to as ROPS 13-14B. ROPS 13-14B, covering the period January 1, 2014 to June 30, 2014, must be approved by the Oversight Board and submitted to the State no later than October 1, 2013. Per Health & Safety Code § 34177(l).

The Oversight Board approved this ROPS on September 25, 2013 and it was submitted to DOF. However, it did not contain the required Fund Balance amounts due to the City not having a finalized Due Diligence Review. This amount is now known – and through a separate action the City is expecting a finalized DDR letter from DOF – and so the numbers have been added to the ROPS. The inclusion of these numbers do not change the ROPS amounts for the January 1, 2014 to June 30, 2014 period as to the amount estimated to be expended. However, DOF does require the Oversight Board to re-approve each submission.

**FISCAL IMPACT:**

Proposed expenditures from the Redevelopment Property Tax Trust Fund (RPTTF) are \$8,257,259. Of this amount, \$7,115,438 relates to the balloon payment for the 2009 Notes and that amount is only included out of extreme caution if the 2009 Notes are not refunded. If they are refunded, the RPTTF expenditures are closer to \$1,141,821, which is less than the \$1,199,590 estimated RPTTF available per the Orange County Auditor-Controller. Expenditures paid from the RPTTF but through the Administrative Cost Allocation are \$207,303 and represent the remaining portion of the \$250,000 allocation the Successor Agency is allowed.

Submitted by:

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Kenneth A. Domer  
Executive Director

Attachment:

Resolution OB-2013-12  
Recognized Obligation Payment Schedule for January 1, 2014 to June 30, 2014

RESOLUTION NO. OB-2013-12

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, CALIFORNIA, APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING THE PERIOD OF JANUARY 1, 2014 TO JUNE 30, 2014.

A. Recitals.

(i) On December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (Dissolution Act) largely constitutional.

(ii) The Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency for the City of Placentia (former Agency), were dissolved on February 1, 2012; and

(iii) On January 17, 2012, the Placentia City Council adopted Resolution No. R-2012-03 accepting for the City the role of Successor Agency to the former agency (Successor Agency). Under the Dissolution Act the City in its capacity as Successor Agency must prepare a "Recognized Obligation Payment Schedule" (ROPS) that enumerates the enforceable obligations and expenses of the Successor Agency for the each six-month period as defined in law.

(iv) Pursuant to Health and Safety Code §34180, Successor Agency actions as listed within the subsections shall first be approved by the Oversight Board. Subsection (g) specifically lists that the Successor Agency action to establish the Recognized Obligation Payment Schedule shall be approved by the Oversight Board to enable the Successor Agency to continue to make payments on enforceable obligations.

(v) Assembly Bill 1484 (Chapter 26, June 27, 2012) amended § 34177 (m) to require that successor agencies shall submit an oversight board-approved Recognized Obligation Payment Schedule (ROPS) to the Department of Finance and to the county auditor-controller no fewer than 90 days before the date of property tax distribution, and the date for this ROPS is October 1, 2013.

(vi) The Recognized Obligation Payment Schedule prepared by the Successor Agency and approved by the Oversight Board is for the period covering January 1, 2014 to June 30, 2014 and enumerates the enforceable obligations and expenses of the Successor Agency per law.

(vii) All legal prerequisites to the adoption of this Resolution have occurred.

**B. Resolution.**

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Placentia hereby finds, determines and resolves as follows:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The Oversight Board hereby approves the ROPS for the period of January 1, 2014 to June 30, 2014 in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in the ROPS, and hereby determines that such agreements and obligations constitute "enforceable obligations" or "recognized obligations" for all purposes of the Dissolution Act.

3. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the ROPS on the Successor Agency website, transmit the ROPS to the Auditor-Controller of the County of Orange and to the State Controller and State Department of Finance, and to take any other actions necessary to ensure the validity of the ROPS or the validity of any enforceable obligation or other agreement approved by the Oversight Board in this Resolution.

4. The Chairperson shall sign this Resolution and the Clerk of the Board shall attest and certify to the passage and adoption thereof.

PASSED AND ADOPTED this 11<sup>th</sup> day of October, 2013.

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ED GARCIA, CHAIRPERSON

ATTEST:

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TANIA A. MORENO, CLERK OF THE BOARD

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Tania A. Moreno, Clerk of the Board of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a special meeting of the Oversight Board held on the 11<sup>th</sup> day of October, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN: None

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TANIA A. MORENO, CLERK OF THE BOARD

Attachment A:

Recognized Obligation Payment Schedule for the period covering  
January 1, 2014 to June 30, 2014

**Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary**

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Placentia  
 Name of County: Orange

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):</b>		<b>\$ 866,993</b>
A	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	866,993
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>		<b>\$ 8,464,562</b>
F	Non-Administrative Costs (ROPS Detail)	8,257,259
G	Administrative Costs (ROPS Detail)	207,303
<b>H Current Period Enforceable Obligations (A+E):</b>		<b>\$ 9,331,555</b>
<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
I	Enforceable Obligations funded with RPTTF (E):	8,464,562
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	(655,403)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>		<b>\$ 7,809,159</b>
<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
L	Enforceable Obligations funded with RPTTF (E):	8,464,562
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>		<b>8,464,562</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) 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 agency.

_____	
Name	Title
/s/ _____	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances**  
(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	I	J	K
Fund Balance Information by ROPS Period		Fund Sources								Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF		Total	
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin		
<b>ROPS III Actuals (01/01/13 - 6/30/13)</b>										
1	<b>Beginning Available Fund Balance (Actual 01/01/13)</b> Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)						30,714	-	\$ 30,714	
2	<b>Revenue/Income (Actual 06/30/13)</b> Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller						738,285	-	\$ 738,285	
3	<b>Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13)</b> Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs						1,120,553	38,796	\$ 1,159,349	
4	<b>Retention of Available Fund Balance (Actual 06/30/13)</b> Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III						-	-	\$ -	
5	<b>ROPS III RPTTF Prior Period Adjustment</b> Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	No entry required					436,817	218,586	\$ 655,403	
6	<b>Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (351,554)	\$ (38,796)	\$ (1,045,753)	
<b>ROPS 13-14A Estimate (07/01/13 - 12/31/13)</b>										
7	<b>Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,263	\$ 179,790	\$ (390,350)	
8	<b>Revenue/Income (Estimate 12/31/13)</b> Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller						1,131,136	45,752	\$ 1,176,888	
9	<b>Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)</b>						1,137,108	53,250	\$ 1,190,358	
10	<b>Retention of Available Fund Balance (Estimate 12/31/13)</b> Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A						-	-	\$ -	
11	<b>Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,291	\$ 172,292	\$ (403,820)	





**Recognized Obligation Payment Schedule 13-14B - Notes**

January 1, 2014 through June 30, 2014

<b>Item #</b>	<b>Notes/Comments</b>
1	Bonds expected to be refunded November 2013
2	Bonds expected to be refunded November 2013
3	Entire principal due on February 1, 2014 of \$6,850,000 and interest payment of \$256,000
4	Per enforceable reimbursement agreement with City. RPTTF pays for the reimbursement (see note for Item #13)
13	Payment made using lease payments from City. Reimbursement agreement with City reimburse 82.
20	All fees are paid from refunding bond proceeds.
21	All fees are paid from refunding bond proceeds.
25	All fees are paid from refunding bond proceeds.
26	All fees are paid from refunding bond proceeds.

General Note on Fund Balances. The Successor Agency is still working with the Department of Finance to finalize the exact Due Diligence Review numbers and therefore the numbers are not provided at this time but will be reconciled when finalized.