

Adjourned Regular Meeting Agenda June 25, 2014

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

Damien Arrula
Executive Director

Brian Moncrief
Staff to the Successor Agency

Candice Martinez
Clerk of the Board

**City of Placentia
C/O Oversight Board
401 E Chapman Avenue
Placentia, CA 92870**

**Phone: (714) 993-8117
Fax: (714) 961-0283
Website: www.placentia.org**

Oversight Board of the Successor Agency to the Redevelopment Agency of the City Of Placentia

Copies of all agenda materials are available for public review in the Clerk of the Board's Office (City Clerk) and online at www.placentia.org, and at Placentia Library Reference Desk. Persons who have questions concerning any agenda item may call the Clerk of the Board's Office, (714) 993-8231, to make inquiry concerning the nature of the item described on the agenda.

Procedures for Addressing the Board Members

Any person who wishes to speak regarding an item on the agenda or on a subject within the Oversight Board's jurisdiction during the "Oral Communications" portion of the agenda should fill out a "Speaker Request Form" and give it to the Clerk of the Board BEFORE that portion of the agenda is called. Testimony for Public Hearings will only be taken at the time of the hearing. Any person who wishes to speak on a Public Hearing item should fill out a "Speaker Request Form" and give it to the Clerk of the Board BEFORE the item is called.

PLEASE SILENCE ALL PAGERS, CELL PHONES, AND OTHER ELECTRONIC EQUIPMENT WHILE BOARD MEMBERS ARE IN SESSION.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board's Office at (714) 993-8231. Notification 48 hours prior to the meeting will generally enable Staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

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
ADJOURNED REGULAR MEETING AGENDA**

June 25, 2014

**4:00 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 Directors Report

2. CONSENT CALENDAR: None

3. OLD BUSINESS: None

4. NEW BUSINESS:

a. **Approve and Adopt Long Range Property Management Plan for the Successor Agency to the Former Redevelopment Agency of the City of Placentia**

Recommended Action: It is recommended that the Oversight Board:

- 1) Adopt Resolution OB-2014-04, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving the Long Range Property Management Plan Pursuant to Health and Safety Code Section 34191.5
- 2) Direct Staff to transmit the Long Range Property Management Plan to the Department of Finance for submission and approval

b. **City Loan to Successor Agency to Fund Cash Flow Shortfall for ROPS I, II, III, 13-14A and 13-14B**

Recommended Action: It is recommended that the Oversight Board:

- 1) Adopt Resolution OB-2014-05, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving an amendment to the Loan Agreement between the City of Placentia and the Successor Agency to the Redevelopment Agency of the City of Placentia in order for the Successor Agency to pay certain obligations and administrative costs
- 2) Remit the Resolution and amended Loan Agreement between the City and Successor Agency to the Department of Finance for review and approval

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 July 9, 2014 at 4:00 p.m.

CERTIFICATION OF POSTING

I, Candice Martinez, Clerk of the Board, hereby certify that the Agenda for the June 25, 2014 meeting of the Oversight Board was posted on Thursday, June 19, 2014.

Candice Martinez, Clerk of the Board



Oversight Board

of the Successor Agency to the Redevelopment Agency of the City of Placentia

AGENDA REPORT

TO: OVERSIGHT BOARD

VIA: EXECUTIVE DIRECTOR

FROM: SUCCESSOR AGENCY STAFF

DATE: June 25, 2014

SUBJECT: **APPROVE AND ADOPT LONG RANGE PROPERTY MANAGEMENT PLAN FOR THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA**

FISCAL
IMPACT: N/A

SUMMARY:

Pursuant to Health and Safety Code ("HSC") 34191.5, the Successor Agency to the former Placentia Redevelopment Agency ("Successor Agency") is required to prepare a Long Range Property Management Plan ("PMP"). On June 17, 2014 the Successor Agency adopted Resolution No. RSA-2014-03 approving the PMP and directing submission to the Oversight Board for review and approval. This action respectfully requests the Oversight Board to review and approve the PMP and direct Staff to transmit it to the Department of Finance ("DOF") for final submission and approval.

RECOMMENDATION:

It is recommended that the Oversight Board take the following actions:

1. Adopt Resolution OB-2014-_____, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving the Long Range Property Management Plan Pursuant to Health and Safety Code Section 34191.5; and
2. Direct Staff to transmit the Long Range Property Management Plan to the Department of Finance for submission and approval

DISCUSSION:

Pursuant to Health and Safety Code § 34191.5, within six (6) months after receiving a Finding of Completion from the DOF, all successor agencies for former redevelopment agencies that owned property as of the time of redevelopment dissolution in 2011 are required to prepare a PMP. The PMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements contained in the law. The Successor Agency to the

4.a.

June 25, 2014

former Placentia Redevelopment Agency ("Successor Agency") has prepared the PMP, which provides the information required pursuant to Health and Safety Code § 34191.5(c) (part of Assembly Bill ("AB") 1484).

The PMP specifically includes pertinent data, such as the date and purpose of acquisition, parcel characteristics, estimate of the current value and any lease, rental or other revenues, histories of environmental contamination, a description of each property's potential for transit-oriented development and the advancement of the City's planning objectives, and previous development proposals. Finally, the PMP addresses the use or disposition of each property.

Permissible uses include retention for governmental use, retention for future development, sale of the property, or use of property to fulfill an enforceable obligation. The former Placentia Redevelopment Agency of the City of Placentia ("Redevelopment Agency") is currently the owner of record on title for two (2) properties, which specifically fall under the category of Governmental Use. The two properties are public parking lots that were acquired and developed prior to redevelopment dissolution for governmental purposes and to serve as a public benefit.

Subject to the review of the PMP as hereby transmitted to the Oversight Board on June 20, 2014, it is respectfully requested that the Oversight Board approve and adopt the resolution, as submitted hereto as Attachment 1, approving the PMP and authorizing the transmittal of the PMP to DOF.

FISCAL IMPACT:

The costs associated with the preparation and submittal of this document are to be paid through Redevelopment Property Tax Trust Fund dollars received by the Successor Agency for approved enforceable obligations and administrative cost allowance budget.

Prepared by:

Reviewed and approved:



Brian Moncrief
Staff to Successor Agency



Damien R. Arrula
Assistant City Administrator/Executive Director

Attachments:

1. Resolution OB-2014- _____, approving the Long Range Property Management Plan (PMP)

RESOLUTION NO. OB-2014-_____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, CALIFORNIA, APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5

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 long range property management plan ("PMP") that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local oversight board and State Department of Finance ("DOF"); and

(iv) The PMP shall be submitted to the Oversight Board and DOF within six months after receiving a Finding of Completion from DOF; and

(v) The PMP shall include an inventory of all properties in the Community Redevelopment Property Trust fund, which serves as the repository of the former Agency's real properties; and

(vi) The PMP has been prepared by the Successor Agency staff and is consistent with the provisions of the Dissolution Act, Health and Safety Code § 34191.5; and

(vii) The Oversight Board approves the Long Range Property Management Plan, as attached hereto as Attachment 1, and directs

the Successor Agency to transmit it to the DOF as required by Health and Safety Code § 34191.5.

(viii). 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 and adopts the Long Range Property Management Plan as required by HSC § 34191.5.

3. The Successor Agency is hereby authorized and directed to transmit a copy of the Long Range Property Management Plan to the State Department of Finance as well as all required County and State agencies, and post the PMP on the Successor Agency's website as required by Health and Safety Code § 34191.5.

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

PASSED, APPROVED and ADOPTED this 25th day of June, 2014.

ED GARCIA, CHAIRPERSON

ATTEST:

CANDICE N. MARTINEZ,
CLERK OF THE BOARD

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Candice N. Martinez, 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 regular meeting of the Oversight Board held on the 25th day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CANDICE N. MARTINEZ,
CLERK OF THE BOARD

Attachment 1:

Long Range Property Management Plan

LONG-RANGE PROPERTY MANAGEMENT PLAN

CITY OF PLACENTIA SUCCESSOR AGENCY



Prepared By:

DRAFT



KOSMONT COMPANIES
865 S. Figueroa Street, #3500
Los Angeles, CA 90017
Telephone: (213) 417-3300
www.kosmont.com

JUNE 2014

Table of Contents

Section	Page
1.0 Introduction	3
1.1 Background and Purpose.....	3
1.2 Legal Requirements	3
1.3 Successor Agency Property Summary.....	4
2.0 Long-Range Property Management Plan.....	5
Property #1: 234 S. Main St (Parking Lot)	5
Property #2: 234 S. Melrose St (Parking Lot)	7
3.0 Attachments	10



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

865 South Figueroa Street, 35th Floor Los Angeles California 90017 ph 213.417.3300 fax 213.417.3311

1.0 Introduction

1.1 Background & Purpose

Health and Safety Code Section 34191.5, added by Assembly Bill ("AB") 1484 (signed into law on June 27, 2012), requires each Successor Agency ("SA") to prepare and approve a Long-Range Property Management Plan ("PMP") that addresses the disposition and use of the real properties of the former redevelopment agency. Properties held by a successor agency cannot be disposed of until the State Department of Finance ("DOF") has approved the PMP. This document is the PMP for the Successor Agency to the former Placentia Redevelopment Agency ("Successor Agency").

1.2 Legal Requirements

Pursuant to Health and Safety Code section 34191.5, a successor agency that holds property owned by a former redevelopment agency is required to submit a PMP to the State Department of Finance ("DOF") for approval within six months after it receives a "Finding of Completion" from the DOF. Prior to the submittal of the PMP to the DOF, the oversight board to the successor agency must review and approve the PMP. AB 1484 requires that the PMP include the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund ("Property Trust Fund"), established to serve as the repository of the former redevelopment agency's real properties. This inventory shall include the following information:

- a. Date of acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.
- b. Purpose for which the property was acquired.
- c. Parcel data, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.
- d. Estimate of the current value of the parcel including, if available, any appraisal information.
- e. Estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.
- f. History of environmental contamination, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
- g. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

- h. Brief history of previous development proposals and activity, including the rental or lease of property.

2. Address the use or disposition of all the properties in the Property Trust Fund. Permissible uses include:

- a. Retention for governmental use pursuant to subdivision (a) of Section 34181;
- b. Retention for future development;
- c. Sale of the property; or
- d. Use of property to fulfill an enforceable obligation.

3. Separately identify and list properties in the Property Trust Fund dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following shall apply:

- a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall be transferred to the city, county, or city and county.
- b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subsection 3(a) above, the proceeds from the sale shall be distributed as property tax to the taxing agencies.
- c. Property shall not be transferred to a successor agency, city, county, or city and county, unless the PMP has been approved by the oversight board and DOF.

1.3 Successor Agency Property Summary

The former Placentia Redevelopment Agency is the owner of two (2) properties in the City of Placentia that are now retained and controlled by the Successor Agency. Details are provided in Attachment No. 1, which is the Property Inventory Data Worksheet that was provided by the DOF. The following table includes a brief summary of basic property information as well as the permissible use category that the Successor Agency has selected for each property:

#	Address/Description	APN	Permissible Use			
			Gov. Use	Future Development	Sale	Enf. Oblig.
1	Property: 234 S. Main St.	339-365-09	X			
2	Property: 234 S. Melrose St.	339-364-09	X			



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

865 South Figueroa Street, 35th Floor Los Angeles California 90017 ph 213.417.3300 fax 213.417.3311

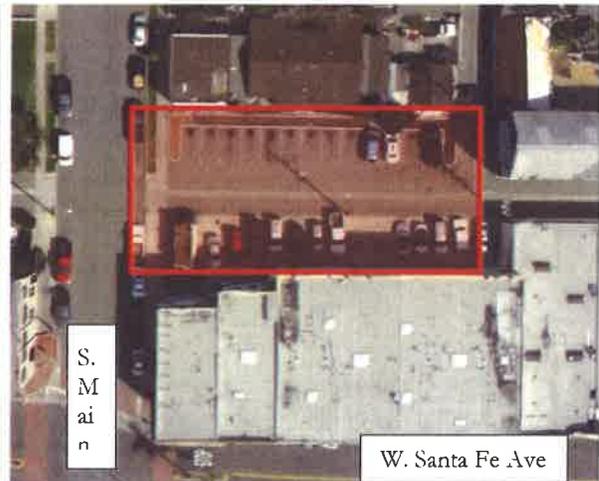
2.0 Long-Range Property Management Plan (PMP)

All properties listed below are proposed to be transferred to the City of Placentia ("City") pursuant to Health and Safety Code Section 34181 (a), which allows properties of a former redevelopment agency to be transferred to a public jurisdiction. A description of all properties, including the legally required information, aerial maps, and photographs of each property, are presented in this section.

Property #1: 234 S Main Street – Parking Lot



Photograph 1: The photograph above depicts a view of the thirteen car parking lot from S. Main Street.



Photograph 2: This photograph provides an aerial view of the property, which is indicated by the red outline.

One of the many elements critical to the revitalization of the Old Town area in the City of Placentia has been the provision of conveniently located public parking. Prior to dissolution, the former Placentia Redevelopment Agency ("Redevelopment Agency") created the off-alley thirteen space parking lot in Old Town to serve this purpose (Attachment No. 2). The property is specifically located at 234 S. Main Street, which is immediately behind downtown businesses along Santa Fe Avenue.

The Redevelopment Agency developed and has since used the subject property as a governmental purpose (providing public parking), which the Successor Agency contends is a public benefit and should continue to remain available to the public. The economic success of the downtown businesses in the Old Town area as well as the retention of existing businesses

is dependent on the City's ability to provide free parking to customers and residents in and around Downtown Placentia.

The Successor Agency proposes to transfer the subject property to the City as a governmental use to ensure that these properties are maintained for their specified public uses.

Parcel Data	
Address	234 S. Main St
APN	339-365-09
Lot Size	0.09 acres
Use	Public Parking Lot
Zoning	SF-C Santa Fe Commercial
General Plan	C - Commercial
Current Title	Placentia Redevelopment Agency
Future Title	City of Placentia

Acquisition & Valuation Information	
Acquisition Date	02/20/2002
Value at Time of Purchase	\$227,000
Funding Source	Tax Increment
Purpose	Property was specifically purchased to provide public parking to support and provide a public benefit to the businesses, customers, and residents in and around the Downtown Placentia area.
Estimate of Current Value	258,361
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	No revenue is generated. The parking is free to the public. The City currently maintains the public parking lots.

History of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	There is no known history of environmental contamination or remediation on this site.

Transit-Oriented Development & Advancement of Agency Planning Objectives

Potential for TOD	Not applicable
Agency Planning Objectives	Ensure the City's General Plan goal of: <i>Assist local merchants that wish to revitalize older retail shopping centers through various strategies that might include: assistance in providing parking and/or the establishment of business improvement districts.</i>

Recommendation for Disposition

Retain for Government Use	Property to be transferred to the City of Placentia to continue to provide public parking to support and provide a public benefit to the businesses, customers, and residents in and around the Downtown Placentia area.
----------------------------------	--

Property #2: 234 S. Melrose St.



Photograph 3: The photograph above provides a view of the property from S. Melrose St.



Photograph 4: The photograph provides an aerial view of the property as indicated by the red border.

The revitalization of the Old Town area in the City of Placentia has been, as previously stated, the provision of conveniently located public parking. Prior to dissolution, the former Placentia Redevelopment Agency ("Redevelopment Agency") acquired the subject property in 2002 (Attachment No. 2) and created the off-alley thirteen space parking lot in Old Town. The property is specifically located at 234 S. Melrose Street, which is immediately behind downtown businesses along Santa Fe Avenue.

The Redevelopment Agency developed and has since used the subject property as a governmental purpose (providing public parking) and is considered to be a public benefit, which should remain available to the public. The economic success of the downtown businesses in the Old Town area as well as the retention of existing businesses is dependent on the City's ability to provide free parking to customers and residents in and around Downtown Placentia.

The Successor Agency proposes to transfer the subject property to the City as a governmental use to ensure that these properties are maintained for their specified public uses.

Parcel Data	
Address	234 S. Melrose St.
APN	339-364-09
Lot Size	0.09 acres
Use	Public Parking Lot
Zoning	SF-C Santa Fe Commercial
General Plan	C - Commercial
Current Title	Placentia Redevelopment Agency
Future Title	City of Placentia

Acquisition & Valuation Information	
Purchase Date	08/28/2002
Purchase Price	\$223,000
Funding Source	Tax Increment
Purpose	Property was specifically purchased to provide public parking to support and provide a public benefit to the businesses, customers, and residents in and around the Downtown Placentia area.
Estimate of Current Value	248,692
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	No revenue is generated. The parking is free to the public. The City currently maintains the public parking lots.

History of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	There is no known history of environmental contamination or remediation on this site.

Transit-Oriented Development & Advancement of Agency Planning Objectives

Potential for TOD	Not applicable
Agency Planning Objectives	Ensure the City's General Plan goal of: <i>Assist local merchants that wish to revitalize older retail shopping centers through various strategies that might include: assistance in providing parking and/or the establishment of business improvement districts.</i>

Recommendation for Disposition

Retain for Government Use	Property to be transferred to the City of Placentia to continue to provide public parking to support and provide a public benefit to the businesses, customers, and residents in and around the Downtown Placentia area.
----------------------------------	--

3.0 Attachments

Attachment No. 1: Property Data Inventory Worksheet

Attachment No. 2: Placentia Redevelopment Agency Agenda Report & Resolution (9.25.2002)

Attachment No. 3: Finding of Completion (Placentia Successor Agency)

Attachment No. 4: Oversight Board Resolution Approving the PMP

Attachment No. 5: DOF Long Range Property Management Plan Checklist



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

HSC 34191.5 (a)(1)(C)		HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)			HSC 34191.5 (c)(1)(B)		HSC 34191.5 (c)(1)(C)		HSC 34191.5 (c)(1)(D)		HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)		HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)		
Address or Descrip.	APN	Property Type	Femisable Use	If Sale of Property, specify intended use of sale proceeds	Permissible Use Detail	Acq. Date	Value at Time of Acq.	Estimated Current Value	Date of Estimated Current Value	Estimated Current Value Basis	Prop. Sale Value	Prop. Sale Date	Purpose for which property was acquired	Lot Size	Current Zoning	Annual Estimate of Income/Revenue	Are there any contractual requirements for use of income/revenue?	Has there been historic environmental contamination, studies, and/or remediation, and designation as a brownfield site for the property?	Does the property have the potential as a transit oriented development?	Were there advancements to the successor agency's planning objectives?	Does the property have a history of previous development proposals and activity?
234 S Main Street	139-365-09	Parking Lot/Structure	Governmental Use	Not Applicable	Property to be transferred to the City of Placerita to continue to provide public parking to Downtown Placerita area	2/20/2002	227,000	258,361	6/30/2013	Book	Not Applicable	Not Applicable	To provide public parking to support benefit to the businesses customers, and residents in and around the Downtown Placerita area	0.09 Acres	SF-C, Santa Fe Commercial	0	No	No	No	No	Yes
234 S Main Street	139-364-09	Parking Lot/Structure	Governmental Use	Not Applicable	Property to be transferred to the City of Placerita to continue to provide public parking to support the Downtown Placerita area	8/28/2002	223,000	248,692	6/30/2013	Book	Not Applicable	Not Applicable	To provide public parking to support benefit to the businesses customers, and residents in and around the Downtown Placerita area	0.09 Acres	SF-C, Santa Fe Commercial	0	No	No	No	No	Yes



Placentia Redevelopment Agency

AGENDA REPORT

TO: EXECUTIVE DIRECTOR
 FROM: PUBLIC WORKS DEPARTMENT
 DATE: SEPTEMBER 25, 2002
 SUBJECT: REQUEST OF FUNDS FOR THE DEMOLITION AND ASBESTOS TESTING OF A RESIDENTIAL PARCEL AT 234 MELROSE STREET AND THE CONSTRUCTION OF A TWELVE-SPACE PARKING LOT FOR PUBLIC USE
 FINANCIAL IMPACT: \$44,000.00 (REDEVELOPMENT AGENCY - RESTRICTED FUNDS FOR HOUSING AND COMMUNITY INFRASTRUCTURE IMPROVEMENTS)
 FUND NO. 950, PROJECT NO: 200005

INTRODUCTION:

The Agency recently approved the acquisition of a residential parcel located at 234 Melrose Street. The Agency purchased the property with the intent to construct a twelve-space public parking lot. Approval is recommended at this time for the demolition of the single family residence currently located on the lot, the necessary asbestos testing and the construction of a twelve space parking lot.

The intent of the project is to quickly improve upon the appearance and function of the Santa Fe area.

DISCUSSION:

The Melrose Street underpass is due to begin construction this month. The Agency has identified "low hanging fruit" that would enhance the appearance and function of the Santa Fe area. Parking was a major element. This particular parcel would be utilized for a twelve-space parking lot identical to the recently completed parking lot at 234 Main Street.

The parking lot plan would include installation of landscaping, irrigation systems as well as ample lighting.

Project Budget:

Below is the estimated cost for the various project elements. Funding is available for this effort from the recently financed Redevelopment Agency bonds, which are restricted funds that must be used for housing and community infrastructure projects located inside and in proximity to the Agency boundaries. This project meets this criteria.

Item	Cost
Demolition - Melrose Street House	\$ 15,000.00
Asbestos Report & Abatement	\$ 4,000.00
Parking Lot Construction	\$ 25,000.00
TOTAL	\$44,000.00

In summary, completion of this project will add much needed parking to the Santa Fe area. Construction contract bids will be brought back for Agency consideration in the next thirty days.

ACTION:

Approved Denied
 Receive & File
 Continued to _____

RA 2002-12

VOTE: 5-0
 FILE # 916

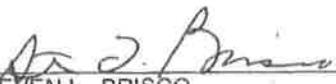
AGENDA ITEM NO.: RA2
 COUNCIL MEETING DATE: OCT 01 2002

EXECUTIVE DIRECTOR
SEPTEMBER 25, 2002
PAGE TWO

RECOMMENDATION:

It is recommended that the Agency approve the implementation of the listed improvement project and approve the attached resolution to amend the budget to fund them.

Respectfully submitted:



STEVEN L. BRISCO
Finance Director

Reviewed and Approved:



CHRISTOPHER BECKER
Director of Public Works


for _____
ROBERT D'AMATO
Executive Director

CB/kik

Attachment: As stated

PW#02-53

RESOLUTION NO. RA-2002-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA AUTHORIZING A BUDGET AMENDMENT IN FISCAL YEAR 2002/03 IN THE AGGREGATE AMOUNT OF (\$44,000) IN COMPLIANCE WITH STATE LAW REQUIRING SUFFICIENT APPROPRIATIONS FOR ACTUAL EXPENDITURES.

WHEREAS, appropriations are the legal authority for governments to spend, and they are estimated in advance of actual expenditures, and from time to time they must be adjusted when the expenditures are subsequently known.

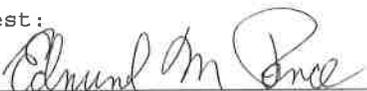
NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA DOES RESOLVE THAT THE FISCAL YEAR 2002/03 BUDGET, RESOLUTION RA-2002-07, BE AMENDED TO INCLUDE THE FOLLOWING AMENDMENTS AND INCLUDE THEM AS THOUGH THEY WERE ADOPTED AS PART OF THE INITIAL APPROPRIATIONS.

Fund	Description	Department	Object	Project	Increase (Decrease)
APPROPRIATIONS					
RDA	Demolition of existing structure, asbestos report and abatement and parking lot construction	Redevelopment	7303	200005	\$ 44,000

PASSED AND ADOPTED THIS 1ST DAY OF OCTOBER, 2002.


Chris Lowe, Chairman

Attest:

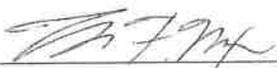

Edmund M. Ponce, Secretary

I, Edmund M. Ponce, Secretary of the Redevelopment Agency of the City of Placentia, do hereby certify that the foregoing resolution was introduced and adopted at a regular meeting of the Redevelopment Agency held on the 1st day of October, 2002 by the following vote:

AYES: AGENCY MEMBERS: BRADY, DICKINSON, ECKENRODE, UNDERHILL, LOWE
NOES: AGENCY MEMBERS: NONE
ABSENT: AGENCY MEMBERS: NONE
ABSTAIN: AGENCY MEMBERS: NONE


Edmund M. Ponce, Secretary

APPROVED AS TO FORM:


Thomas F. Nixon
Redevelopment Agency Attorney



October 18, 2013

Mr. Kenneth A. Domer, Assistant City Administrator
City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870

Dear Mr. Domer:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Placentia Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Troy Butzlaff, City Administrator, City of Placentia
Ms. Karen Ogawa, Finance Director, City of Placentia
Mr. Frank Davies, Property Tax Manager, Orange County



LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

Instructions: Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

Redevelopment_Administration@dof.ca.gov

The subject line should state “[Agency Name] Long-Range Property Management Plan”. The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

GENERAL INFORMATION:

Agency Name: **Placentia Redevelopment Agency**

Date Finding of Completion Received: October 18, 2013

Date Oversight Board Approved LRPMP:

Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

Yes No

For each property the plan includes the purpose for which the property was acquired.

Yes No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

Yes No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

Yes No

For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

Yes No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

Yes No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

Yes No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

Yes No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

Yes No

The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Yes No

ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.

Agency Contact Information

Name: Troy Butzlaff

Name: Damien R. Arrula

Title: City Administrator

Title: Assistant City Administrator

Phone: 714-993-8118

Phone: 714-993-8148

Email: tbutzlaff@placentia.org

Email: darrula@placentia.org

Date: 6.3.14

Date: 6.3.14

Department of Finance Local Government Unit Use Only

DETERMINATION ON LRPMP: APPROVED DENIED

APPROVED/DENIED BY: _____ DATE: _____

APPROVAL OR DENIAL LETTER PROVIDED: YES DATE AGENCY NOTIFIED: _____



Oversight Board

of the Successor Agency to the Redevelopment Agency of the City of Placentia

AGENDA REPORT

TO: OVERSIGHT BOARD

VIA: EXECUTIVE DIRECTOR

FROM: SUCCESSOR AGENCY STAFF

DATE: June 25, 2014

SUBJECT: CITY LOAN TO SUCCESSOR AGENCY TO FUND CASH FLOW SHORTFALL FOR ROPS I, II, III, 13-14A and 13-14B

FISCAL IMPACT: \$1,265,870 - Redevelopment Property Tax Trust Fund (RPTTF)

SUMMARY:

Since the dissolution of the Redevelopment Agency of the City of Placentia, the Successor Agency (SA) has not had sufficient Redevelopment Property Tax Trust Fund (RPTTF) funds available to fulfill its obligations approved on the Recognized Obligation Payment Schedules (ROPS) through ROPS 13-14B period ending June 30, 2014. The estimated shortfall is determined to be \$1,265,870. The City loaned the SA the total shortfall amount pursuant to an Oversight Board resolution, which was adopted on January 8, 2014. As part of the resolution, the loan will be repaid by the SA with RPTTF funds beginning with ROPS 14-15A (July 1, 2014 thru December 31, 2014) and continuing until the loan is repaid.

The SA requested RPTTF on the ROPS 14-15A for the full amount of the loan (\$1,265,870), which includes cash flow shortages suffered in the ROPS I through 13-14B periods. The California Department of Finance (DOF) subsequently approved the loan as an enforceable obligation to be repaid with RPTTF on the ROPS 14-15A but did not approve the full amount of the loan (\$1,265,870). The DOF only approved its calculation of Successor Agency shortfalls in ROPS 13-14A and 13-14B (\$642,750) and denied ROPS cash flow shortages that they believed the Successor Agency requested for future ROPS periods. The reason DOF denied the cash flow shortages was as a result of an inadvertent typo in the original loan agreement.

Per DOF's request, this action seeks approval from the Oversight Board (OB) to recognize and approve an amendment to the language of the original loan agreement, which clarifies the ROPS periods identified and provides additional information in order to further substantiate cash flow shortfalls in the ROPS I through ROPS 13-14B periods.

4.b.

June 25, 2014

RECOMMENDATION:

It is recommended that the Oversight Board take the following actions:

1. Approve Resolution OB-2014-____, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving an amendment to the loan agreement between the City of Placentia and the Successor Agency to the Redevelopment Agency of the City of Placentia in order for the Successor Agency to pay certain obligations and administrative costs; and
2. Remit the Resolution and Amended and Restated Loan Agreement between the City and Successor Agency to the Department of Finance for review and approval

DISCUSSION:

As part of the winding down of the former redevelopment agency, the SA has adopted the ROPS as part of the process to pay enforceable obligations of the former agency. The obligations on each ROPS approved by DOF have exceeded the available RPTTF, so the SA has not been able to pay all of the approved obligations. In order to fulfill its approved enforceable obligations from ROPS I through the ROPS 13-14B period ending June 30, 2014, the SA requested \$1,265,870 in the form of a loan from the City, which will be repaid using future RPTTF funds in the ROPS 14-51A periods beginning July 1, 2014.

Per Health & Safety Code § 34177(l), Successor Agencies are allowed to carry forward unfunded obligations from prior ROPS periods until sufficient RPTTF is available to fund those obligations. In order for the SA to meet its obligations in a timely manner it is necessary for the SA to borrow sufficient cash. The SA approved the loan from the City by Resolution No. RSA-2013-08 on December 17, 2013 for the entire amount (\$1,265,870). However, DOF's review of the OB action to approve the loan from the City to the SA was partially approved for a lesser amount (\$642,750), which left a remaining balance of \$623,120 unfunded.

In the DOF's determination letter to the SA, dated March 7, 2014, it states that, "The Agency has requested a loan from the City in an amount not to exceed \$1,265,870 to cover unfunded enforceable obligations and administrative costs from prior ROPS periods beginning January 1, 2012 (ROPS I) through June 30, 2016 (ROPS 15-16B)." DOF's denial letter states that because "the shortfalls for future periods is unknown, Finance denies the remaining amount \$623,120." The SA contends that the DOF misunderstood the basis for the City-Successor Agency loan and was incorrect in its interpretation that the SA was requesting RPTTF for "future periods." In this case, the SA was requesting funding to cover shortfalls in RPTTF from prior periods (ROPS I, II, III, 13-14A, and 13-14B) and not "future periods."

Further review of the loan agreement between the City and the SA by staff reveals a typo with respect to the ROPS cycles identified as the basis for the loan amount requested. The loan agreement specifically states that, "the City desires to loan a cash flow advance of \$1,265,870.00 to the Successor Agency to fulfill its obligations approved on the Recognized Obligation Payment Schedules ("ROPS") through ROPS 15-16B period ending June 30, 2014."

The amended loan agreement provided as Attachment No. 1 corrects this language to read "ROPS 13-14B period ending June 30, 2014" instead of "ROPS 15-16B."

The SA staff seeks approval of an amendment to the language of the original loan agreement, which clarifies the ROPS periods identified and provides additional information to the DOF, as requested by DOF, in order to further substantiate cash flow shortfalls in the ROPS I through ROPS 13-14B periods.

FISCAL IMPACT:

Proposed expenditures from the Redevelopment Property Tax Trust Fund (RPTTF) are \$1,265,870.

Prepared by:



Brian Moncrief
Staff to Successor Agency

Reviewed and approved:



Damien R. Arrula
Assistant City Administrator/Executive Director

Attachments:

1. Resolution OB-2014-_____
2. DOF Determination Letter (March 7, 2014)
3. Amended and Restated Loan Agreement

RESOLUTION NO. OB-2014-

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, CALIFORNIA, APPROVING AN AMENDMENT TO THE LOAN AGREEMENT BETWEEN THE CITY OF PLACENTIA AND THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN OBLIGATIONS AND ADMINISTRATIVE COSTS

A. Recitals.

(i). On December 29, 2011, the California Supreme Court rendered its decision in *California Redevelopment Association v. Matosantos*, 53 Cal.4th 231 (2011) ("*Matosantos*"), finding California Assembly Bill xl 26 ("*Dissolution Act*") largely constitutional.

(ii). Pursuant to the *Dissolution Act* and the California Supreme Court's decision in *Matosantos*, all California redevelopment agencies, including the Redevelopment Agency of the City of Placentia ("*Former Agency*"), were dissolved on February 1, 2012.

(iii). The City Council of the City of Placentia ("*City Council*") adopted a resolution accepting for the City the role of Successor Agency to the *Former Agency*. As the Successor Agency, the City administers winding down the *Former Agency* and provides that the *Former Agency's* "enforceable obligations" are paid, including debt service on outstanding bonds, other third party contracts and a limited amount of administrative costs ("*Administrative Cost Allowance*").

(iv). The *Dissolution Act* was amended when the Governor of California signed Assembly Bill 1484 ("*AB 1484*") on June 27, 2012.

(v). The *Former Agency* receives tax increment to pay enforceable obligations; however, unexpended tax increment receipts are insufficient to pay all enforceable obligations.

(vi). Pursuant to California Health and Safety Code § 34173(h), the city that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city's discretion; however, the receipt and use of such funds shall be reflected on the Recognized Obligation

Payment Schedule ("ROPS") or the administrative budget and therefore are subject to the oversight and approval of the oversight board. An enforceable obligation shall be deemed to be created for the repayment of such loans.

(vii). Pursuant to California Health and Safety Code § 34177.3(a), successor agencies lack the authority to, and shall not, create new enforceable obligations under the authority of the Dissolution Act or begin new redevelopment work, except in compliance with an enforceable obligation that existed prior to June 28, 2011.

(viii). Pursuant to California Health and Safety Code § 34177.3(b), successor agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance.

(ix). The Successor Agency has determined that, for the period January 1 through June 30, 2014, with respect to payment of its Administrative Cost Allowance and other validly incurred expenses in that there will be insufficient revenues available from the Redevelopment Property Tax Trust Fund ("RPTTF") to meet all third party contracts and to pay administrative expenses. Therefore, the City desires to loan a cash flow advance of \$1,265,870.00 to the Successor Agency to fulfill its obligations approved on the Recognized Obligation Payment Schedules ("ROPS") through ROPS 13-14B period ending June 30, 2014.

(x). To enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations and for the Successor Agency to have adequate funds for administration costs and other obligations, the City desires to loan to the Successor Agency an amount not to exceed \$1,265,870.00.

(xi). The Oversight Board approved the loan from the City to the Successor Agency on January 8, 2014 which was subsequently approved as an enforceable obligation by the Department of Finance for the ROPS 14-15A period but the total outstanding amount requested (\$1,265,870) was approved for a lesser amount (\$642,750), which left a remaining balance of \$623,120.

(xii). The Department of Finance's denial of the total outstanding debt was the result of an inadvertent typo in the language of the original loan agreement, which incorrectly

requested funding for shortfalls experienced in ROPS 1 through ROPS 15-16B.

(xiii). Pursuant to the Department of Finance's request, the Successor Agency seeks approval of an amendment to the Loan Agreement to correct the language to reflect a request for RPTTF to cover shortfalls from the ROPS 1 period through the ROPS 13-14B period ending on June 30, 2014.

(xi). The Oversight Board approves the amendment to the Loan Agreement ("Amended Loan Agreement") with the City pursuant to the authority granted by California Health and Safety Code §§ 33220, 34173(h), 34177.3 and 34180(h) and directs staff to transmit it to the Department of Finance for review and approval.

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., above.

2. The Oversight Board hereby finds and determines that the proposed Amended Loan Agreement and the Loan are necessary for the Successor Agency to meet its fiduciary responsibilities for the purpose of paying the obligations set forth in the Loan Agreement.

3. The Oversight Board hereby approves: (i) the proposed Amended Loan Agreement as an enforceable obligation under the Dissolution Act, wherein the City would provide the Loan to the Successor Agency for the purpose of paying the obligations set forth in the Loan Agreement; and (ii) the Successor Agency's repayment of the Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

4. The Successor Agency is hereby authorized and directed to transmit a copy of the Amended Loan Agreement to the State Department of Finance for its review and approval.

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

PASSED, APPROVED and ADOPTED this 25th day of June, 2014.

ED GARCIA, CHAIRPERSON

ATTEST:

CANDICE N. MARTINEZ,
CLERK OF THE BOARD

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Candice Martinez, 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 25th day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CANDICE N. MARTINEZ,
CLERK OF THE BOARD



March 7, 2014

Mr. Troy L. Butzlaff, City Administrator
City of Placentia
401 East Chapman Avenue
Placentia, CA 92870

Dear Mr. Butzlaff:

Subject: Oversight Board Action Review

The City of Placentia Successor Agency (Agency) notified the California Department of Finance (Finance) of its January 8, 2014 Oversight Board (OB) resolution on January 27, 2014. 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, the Agency's OB Resolution No. 2014-01, approving a loan agreement between the City of Placentia (City) and the Successor Agency in order for Successor Agency to pay certain obligations and administrative costs, is partially approved.

The Agency has requested a loan from the City in an amount not to exceed \$1,265,870 to cover unfunded enforceable obligations and administrative costs from prior Recognized Obligation Payment Schedule (ROPS) periods beginning January 1, 2012 (ROPS I) through June 30, 2016 (ROPS 15-16B). Based on Distribution Reports provided by the Orange County Auditor Controller, the Agency experienced a shortfall in the amount of \$642,750 for the July through December 2013 (ROPS 13-14A) and January through June 2014 (ROPS 13-14B) periods.

Therefore, Finance has approved a loan for prior period shortfalls in the amount of \$642,750; a loan agreement in this amount will satisfy the criteria outlined in HSC 34173 (h). Because the shortfall for future periods is unknown, Finance denies the remaining amount \$623,120 (\$1,265,870 - \$642,750).

In the event the OB desires to amend the portion of the resolution not approved by Finance, Finance is returning it to the board for reconsideration. However, the Agency can move forward with the portion of the resolution approved by Finance.

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

Sincerely,

JUSTYN HOWARD
Assistant Program Budget Manager

Mr. Troy L. Butzlaff
March 7, 2014
Page 2

cc: Mr. Mike Nguyen, Interim Director of Finance, City of Placentia
Mr. Christopher J. Jicha, Senior Consultant, Kosmont Companies
Mr. Frank Davies, Property Tax Manager, Orange County

**AMENDED AND RESTATED LOAN AGREEMENT
(City Advance to Successor Agency)**

This Amended and Restated Loan Agreement (“Loan Agreement”) is made and entered into as of June 25, 2014, by and between the City of Placentia, a Charter City and municipal corporation, (“City”), and the Successor Agency to the Redevelopment Agency of the City of Placentia, a public entity, duly created, validly existing and in good standing under the laws of the State of California (“Successor Agency”).

A. Recitals.

(i). On December 29, 2011, the California Supreme Court rendered its decision in *California Redevelopment Association v. Matosantos*, 53 Cal.4th 231 (2011) (“*Matosantos*”), finding California Assembly Bill xl 26 (“Dissolution Act”) largely constitutional.

(ii). Pursuant to the Dissolution Act and the California Supreme Court’s decision in *Matosantos*, all California redevelopment agencies, including the Redevelopment Agency of the City of Placentia (“Former Agency”), were dissolved on February 1, 2012.

(iii). The City Council of the City of Placentia (“City Council”) adopted a resolution accepting for the City the role of Successor Agency to the Former Agency. As the Successor Agency, the City administers winding down the Former Agency and provides that the Former Agency’s “enforceable obligations” are paid, including debt service on outstanding bonds, other third party contracts and a limited amount of administrative costs (“Administrative Cost Allowance”).

(iv). The Dissolution Act was amended when the Governor of California signed Assembly Bill 1484 (“AB 1484”) on June 27, 2012.

(v). The Former Agency receives tax increment to pay enforceable obligations; however, unexpended tax increment receipts are insufficient to pay all enforceable obligations.

(vi). Pursuant to California Health and Safety Code § 34173(h), the city that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city’s discretion; however, the receipt and use of such funds shall be reflected on the Recognized Obligation Payment Schedule (“ROPS”) or the administrative budget and therefore are subject to the oversight and approval of the oversight board. An enforceable obligation shall be deemed to be created for the repayment of such loans.

(vii). Pursuant to California Health and Safety Code § 34177.3(a), successor agencies lack the authority to, and shall not, create new enforceable obligations under the authority of the Dissolution Act or begin new redevelopment work, except in compliance with an enforceable obligation that existed prior to June 28, 2011.

(viii). Pursuant to California Health and Safety Code § 34177.3(b), successor agencies may

create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance.

(ix). The Successor Agency has determined that, for the period January 1 through June 30, 2013, with respect to payment of its Administrative Cost Allowance and other validly incurred expenses in that there will be insufficient revenues available from the Redevelopment Property Tax Trust Fund ("RPTTF") to meet all third party contracts and to pay administrative expenses. Therefore, the City desires to loan a cash flow advance of \$1,265,870.00 to the Successor Agency to fulfill its obligations approved on the Recognized Obligation Payment Schedules ("ROPS") through ROPS 13-14B period ending June 30, 2014.

(x). To enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations and for the Successor Agency to have adequate funds for administration costs and other obligations, the City desires to loan to the Successor Agency an amount not to exceed \$1,265,870.00.

(xi). An oversight board has been established for the Successor Agency ("Oversight Board") and, subject to Oversight Board approval, the Successor Agency may enter into this Loan Agreement with the City pursuant to the authority granted by California Health and Safety Code §§ 33220, 34173(h), 34177.3 and 34180(h).

(xii). The City and the Successor Agency have determined that entering into this Loan Agreement is in the best interests of the City and the Successor Agency.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein it is agreed by and between CITY and CONSULTANT as follows:

B. Agreement.

1. In all respects as set forth in the Recitals, Part A., of this Loan Agreement.
2. The City hereby agrees to lend to the Successor Agency the principal amount of One Million Two Hundred Sixty Five Thousand Eight Hundred Seventy Dollars (\$1,265,870.00) ("Loan") for the purposes set forth herein.
3. Interest on the Loan shall accrue as of the Effective Date, continuing until such time as the Loan is repaid in full, at a rate equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund, compounded annually.
4. The Successor Agency shall use the Loan for the purpose of paying the obligations and up to the amounts as set forth in Exhibit "A," attached thereto and incorporated herein by this reference.
5. The City shall have no obligation to disburse the Loan funds to the Successor Agency until the California Department of Finance approves this Loan Agreement or is otherwise deemed approved pursuant to the Dissolution Act or State law.

6. The Loan is an enforceable obligation of the Successor Agency payable in accordance with the payment schedule set forth and attached hereto as Exhibit "B" ("Payment Schedule") on June 1 and January 2 of each calendar year solely from property tax receipts attributed to the Former Agency's Redevelopment Projects and maintained in the RPTTF by the Orange County Auditor-Controller for the purpose of paying enforceable obligations of the Successor Agency. The repayment is not subject to the restrictions of § 34176(e)(6)(B) or 34191.4(b) of the California Health and Safety Code and would be paid from first available RPTTF funds not required for other enforceable obligations.

7. The Loan shall be set forth as an enforceable obligation of the Successor Agency on the Third ROPS, as amended, for the period from January 1, 2012 through June 30, 2012 and every ROPS thereafter until paid in full. Each payment described on the Payment Schedule shall be due and payable in full from the Successor Agency's Redevelopment Obligation Retirement Fund ("RORF") beginning with the June 1, 2014 payment to the RORF by the Orange County Auditor-Controller. However, should the Successor Agency receive insufficient funds from the RPTTF to pay all costs shown on the Third ROPS and each ROPS thereafter, then the amount due and payable on the Loan as set forth in the Payment Schedule shall equal the amount deposited into the RORF less all other costs shown on the Third ROPS and each ROPS thereafter, and the unpaid balance of any principal and interest for such ROPS period shall be due and payable in full on the next ROPS.

8. The procedure described above shall continue to be followed for each ROPS until the principal and interest due on the Loan are paid in full. Any remaining principal and interest due on the Loan as set forth in the Payment Schedule shall continue to be shown as an enforceable obligation on each ROPS until the Successor Agency has received sufficient funds to pay all principal and interest due on the Loan.

9. All Loan payments shall first be used to pay all accrued interest and then to reduce the principal balance.

10. The indebtedness of Successor Agency under this Loan Agreement shall be subordinate to the rights of the holder or holders of any existing bonds, notes or other instruments of indebtedness ("indebtedness") of the Successor Agency, including without limitation any pledge of tax increment revenues to pay any portion of the principal (and otherwise comply with the obligations and covenants) of any bond or bonds issued or sold by the Former Agency.

11. The Successor Agency shall have the right to prepay the unpaid principal and interest of the Loan, or portion thereof, at any time.

12. The Successor Agency will keep, or cause to be kept, proper books of record and accounts showing the use of the Loan funds, interest due on the Loan, Loan repayments, and principal and interest outstanding.

13. Failure by the Successor Agency to pay the principal or interest on the Loan when due and payable shall constitute a default (referred to herein as a "Default").

14. A waiver of any Default by the City shall not affect any subsequent Default or impair any rights or remedies on any subsequent default.

15. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

16. In entering into this Loan Agreement, the City is acting in its capacity as a Charter City, while the Successor Agency is acting in its capacity as the successor to the Former Agency; and both the City and the Successor Agency are acting pursuant to the specific authority granted by the Oversight Board and by California Health and Safety Code §§ 33220, 34173(h), 34177.3 and 34180(h) authorizing agreements between the City and the Successor Agency. In accordance therewith, the parties to this Loan Agreement are not merged.

17. Whenever in this Loan Agreement either the Successor Agency or the City is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Loan Agreement contained by or on behalf of the Successor Agency or the City shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

18. This Loan Agreement may be amended by the parties hereto but only by a written instrument signed by both parties and with the approval of the Oversight Board.

19. This Loan Agreement shall take effect upon approval by the Oversight Board and, following that approval, at the time and in the manner prescribed by California Health and Safety Code § 34179(h) ("Effective Date").

20. If any section, paragraph, sentence, clause or phrase of this Loan Agreement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Loan Agreement. The City and the Successor Agency hereby declare that they would have adopted this Loan Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the Loan irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Loan Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above:

SUCCESSOR AGENCY

Scott W. Nelson,
Chairman

Patrick J. Melia,
Secretary

Approved as to form:

Andrew V. Arczynski,
General Counsel

CITY

Scott W. Nelson,
Mayor

ATTEST:

Patrick J. Melia,
City Clerk

Approved as to form:

Andrew V. Arczynski,
City Attorney

EXHIBIT "A"

Payment Date	Amount Due
7/1/2013	\$204,700.00
1/1/2015	\$323,200.00
7/1/2015	\$183,200.00
1/1/2016	\$353,200.00
7/1/2016	\$201,570.00 plus interest