

Special Meeting Agenda January 27, 2016

Board Members

Vacant
*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. David Giordano
*County Superintendent of
Education Representative*

Mr. Al Shkoler
*Placentia Library District
Representative*

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

Mr. Michael Nguyen
*Former Redevelopment Agency
of the City of Placentia
Employee's 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**

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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
SPECIAL MEETING AGENDA
January 27, 2016
4:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER:

ROLL CALL:

Vice Chair Harman
Board Member Garcia
Board Member Giordano
Board Member Green
Board Member Nguyen
Board Member Shkoler

PLEDGE OF ALLEGIANCE:

SELECTION OF OVERSIGHT BOARD OFFICERS:

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:** None

2. **CONSENT CALENDAR:** None

3. **OLD BUSINESS:** None

4. **NEW BUSINESS:**

a. **Recognized Obligation Payment Schedule (ROPS 16-17) for July 1, 2016 through June 30, 2017**

Fiscal Impact: RPTTF \$1,899,537.00; ACA \$250,000.00

Recommended Action: It is recommended that the Oversight Board:

- 1) Approve Resolution OB-2016-01, A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Placentia, California, Approving and Adopting the Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17).

b. **Amendment to the Indenture for the 2013 Tax Allocation Bonds**

Fiscal Impact: None

Recommended Action: It is recommended that the Oversight Board:

- 1) Approve Resolution OB-2016-02, A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Placentia, California, Approving Amendment to Indenture of Trust Relating to the Issuance and Sale of 2013 Tax Allocation Refunding Bonds.

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:

CERTIFICATION OF POSTING

I, Candice Martinez, Clerk of the Board, hereby certify that the Agenda for the January 27, 2016 meeting of the Oversight Board was posted on Tuesday, January 26, 2016.



Oversight Board

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

AGENDA REPORT

TO: OVERSIGHT BOARD

FROM: EXECUTIVE DIRECTOR

DATE: JANUARY 27, 2016

SUBJECT: **AMENDMENT TO THE INDENTURE FOR THE 2013 TAX ALLOCATION BONDS**

FISCAL
IMPACT: NONE

SUMMARY:

In 2013, the Successor Agency to the Redevelopment Agency of the City of Placentia (Successor Agency) issued Tax Allocation Refunding Bonds to refinance its outstanding debt. The Redevelopment Property Tax Trust Fund (RPTTF) is pledged first to the 2013 Bonds and then surplus in each Recognized Obligation Payment Schedule (ROPS) period is available to pay other enforceable obligations of the Successor Agency. The Bond Insurer of the 2013 Bonds has requested that the RPTTF be remitted by the County directly to the Trustee, and then the Trustee will remit the surplus to the Successor Agency for enforceable obligations.

RECOMMENDATION:

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

1. Approve Resolution OB-2016-____, A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Placentia, California, Approving Amendment to Indenture of Trust Relating to the Issuance and Sale of 2013 Tax Allocation Refunding Bonds.

DISCUSSION:

The Successor Agency's 2013 Tax Allocation Refunding Bonds are secured by a first lien on certain amounts of the RPTTF in each ROPS period. The RPTTF is currently remitted by the County to the Successor Agency, which in turn remits a certain fixed amount to the Trustee for the 2013 Bonds. Once the amount required is paid to the Trustee, the remaining RPTTF in each period is free of the lien of the Bonds and available for the Successor Agency's other enforceable obligations.

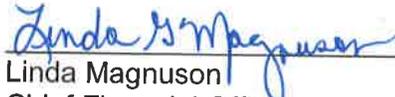
The Bond Insurer of the 2013 Bonds has requested that the RPTTF funds be sent by the County to the Trustee, and the Trustee will then set aside the amount that the Successor Agency would otherwise have been required to remit during such ROPS period. The Trustee would have 5 days to send the balance of the RPTTF funds to the Successor Agency.

An amendment to the original Indenture of Trust for the 2013 Bonds is required to accomplish this change in the flow of funds. The Successor Agency approved the amendment at its November 17, 2015 meeting.

FISCAL IMPACT:

None. The Successor Agency will have the same amount of RPTTF available to pay its enforceable obligations.

Prepared by:



Linda Magnuson
Chief Financial Officer

Reviewed and approved:



Damien R. Arrula,
Interim City Administrator/Executive Director

Attachment:

1. Resolution

RESOLUTION NO. OB-2016-XX

A RESOLUTION OF THE OVERSIGHT OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA APPROVING AMENDMENT TO INDENTURE OF TRUST RELATING TO THE ISSUANCE AND SALE OF 2013 TAX ALLOCATION REFUNDING BONDS

A. Recitals.

(i). Pursuant to § 34172(a) of the California Health and Safety Code, the Redevelopment Agency of the City of Placentia (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to § 34173 of the Code, the City Council of the City of Placentia has elected to serve as the successor entity to the Former Agency (the "Successor Agency").

(ii). The Successor Agency has previously issued its Successor Agency To The Redevelopment Agency of the City of Placentia, Placentia Redevelopment Project 2013 Tax Allocation Refunding Bonds in the aggregate principal amount of \$13,120,000 (the "Bonds") for the purpose of refunding outstanding obligations of the Former Agency.

(iii). The Bonds have been issued under an Indenture of Trust dated as of dated as of December 1, 2013 (the "Bond Indenture"), between the Successor Agency and the U.S. Bank National Association as trustee (the "Trustee"), and are insured by Build America Mutual Assurance Company (the "Bond Insurer") which has issued its municipal bond insurance policy and its debt service reserve insurance policy for the Bonds.

(iv). The Bond Insurer has requested the Successor Agency to amend the Bond Indenture for the purpose of providing that all tax increment revenues which are allocated and paid to the Successor Agency are paid directly to the Trustee, to be released on a semiannual basis as certain payments of principal of and interest on the Bonds are maintained on deposit with the Trustee.

(v). Such amendments do not materially adversely affect the interests of the Owners of the Bonds, in the opinion of Bond Counsel to be filed with the Successor Agency and the Trustee, and are permitted to be made without the consent of any of the owners of the Bonds in accordance with the provisions of the Bond Indenture.

B. Resolution.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

Section 1. Approval of Amendment. The Oversight Board of the Successor Agency hereby approves the Amendment to Indenture of Trust between the Successor Agency and the Trustee, in the form on file with the Secretary of the Successor Agency. The Chair or the Executive Director of the Oversight Board of the Successor Agency is hereby authorized and directed to execute and deliver, and the Clerk of the Oversight Board to the Successor Agency is hereby authorized and directed to attest to, the Amendment to Indenture of Trust for and in the name and on behalf of the Successor Agency. The Oversight Board of the Successor Agency hereby authorizes the delivery and performance of the Amendment to Indenture of Trust.

Section 2. 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 AND APPROVED this 27th day of January, 2016.

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 special meeting of the Oversight Board held on the 27TH day of January, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CANDICE N. 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

FROM: EXECUTIVE DIRECTOR

DATE: JANUARY 27, 2016

SUBJECT: **RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16-17) FOR JULY 1, 2016 THROUGH JUNE 30, 2017**

FISCAL
IMPACT: EXPENDITURES: RPTTF \$ 1,899,537.00
ACA \$ 250,000.00

SUMMARY:

Pursuant to Health and Safety Code ("HSC") 34177 (l), successor agencies are required to prepare and submit a Recognized Obligation Payment Schedule ("ROPS") detailing each enforceable obligation that requires property tax revenue to satisfy debt of the former Redevelopment Agency for a twelve-month reporting period. This action respectfully requests the Oversight Board's review and approval of the ROPS 16-17, which covers the twelve-month reporting period of July 1, 2016 through June 30, 2017.

RECOMMENDATION:

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

1. Approve Resolution OB-2016-____, A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Placentia, California, Approving and Adopting the Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17).

DISCUSSION:

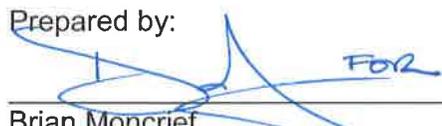
Pursuant to HSC 34177 (l), the Successor Agency is required to prepare a ROPS that identifies the enforceable obligations of the former Redevelopment Agency and the sources of funds for the repayments. ROPS 16-17, covering the period of July 1, 2016 through June 30, 2017, must be approved and adopted by the Oversight Board and submitted to the State Department of Finance ("DOF") no later than February 1, 2016. Pursuant to Health and Safety Code 34177(m), the DOF has 45 days from submission after Oversight Board approval to review the ROPS and object to any enforceable obligations. If the ROPS is not submitted by the deadline, the City is subject to a \$10,000 fine for every day the ROPS is late and the administrative cost allowance for the Successor Agency is reduced by 25% after 10 days.

At this time, Staff has prepared the ROPS 16-17 for the Oversight Board's review and approval.

FISCAL IMPACT:

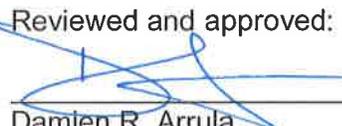
Proposed expenditures from the Redevelopment Property Tax Trust Fund (RPTTF) are \$1,899,537.00. Expenditures paid from the RPTTF but through the Administrative Cost Allocation (ACA) are \$250,000 and represent the entire portion of the \$250,000 allocation the Successor Agency is allowed.

Prepared by:



Brian Moncrief,
Staff to Successor Agency

Reviewed and approved:



Damien R. Arrula,
Interim City Administrator/Executive Director

Attachments:

1. Oversight Board Resolution OB-2016- xx
2. Recognized Obligation Payment Schedule for July 1, 2016 to June 30, 2017 (ROPS 16-17)

RESOLUTION NO. OB-2016-XX

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, CALIFORNIA, APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017 (ROPS 16-17)

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.

(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 Redevelopment Agency ("Successor Agency"). Under the Dissolution Act, the City in its capacity as the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") that enumerates the enforceable obligations and expenses of the Successor Agency for each six-month period as defined in the Law.

(iv) Pursuant to California 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 ROPS 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 ROPS to the Department of Finance ("DOF") 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 February 1, 2016.

(vi) The ROPS prepared by the Successor Agency and submitted to the Oversight Board for review and approval is for the twelve-month reporting period covering July 1, 2016 through June 30, 2017 ("ROPS 16-17") and enumerates the enforceable obligations and expenses of the Successor Agency in accordance with Health and Safety Code 34177.

(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, DOES HEREBY FIND, DETERMINE AND RESOLVE 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 16-17 for the period of July 1, 2016 through June 30, 2017, in substantially the form presented to the Oversight Board and attached hereto as Exhibit "A", including the agreements and obligations described in the ROPS 16-17, 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 16-17 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 16-17 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, APPROVED and ADOPTED this 27TH day of January, 2016.

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 special meeting of the Oversight Board held on the 27TH day of January, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CANDICE N. MARTINEZ,
CLERK OF THE BOARD

Exhibit A:

Recognized Obligation Payment Schedule for July 1, 2016 through June 30, 2017 (ROPS 16-17)

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency:

Placentia

County:

Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)

	16-17A Total	16-17B Total	ROPS 16-17 Total
A Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds Funding	-	-	-
C Reserve Balance Funding	-	-	-
D Other Funding	-	-	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 912,966	\$ 986,571	\$ 1,899,537
F Non-Administrative Costs	787,966	861,571	1,649,537
G Administrative Costs	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 912,966	\$ 986,571	\$ 1,899,537

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/_____
Signature Date

Placentia Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I								
									Fund Sources							
									Bond Proceeds		Reserve Balance		Other		RPTTF	Comments
Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin											
Cash Balance Information by ROPS Period																
ROPS 15-16A Actuals (07/01/15 - 12/31/15)																
1	Beginning Available Cash Balance (Actual 07/01/15)															
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015							846,658								
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)							846,658								
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							846,658								
5	ROPS 15-16A RPTTF Balances Remaining															
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								
ROPS 15-16B Estimate (01/01/16 - 06/30/16)																
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016							1,340,165								
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)							1,340,165								
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)															
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see CASH BALANCE TIPS SHEET.