

Regular Meeting Agenda August 29, 2012

Board Members

Mr. Ed Garcia, 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. Joan Velasco
*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
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

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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
REGULAR MEETING AGENDA
August 29, 2012
4:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER:

ROLL CALL: Chair Ed Garcia
Vacant
Board Member Butzlaff
Board Member Rodrigo Garcia
Board Member Green
Board Member Shkoler
Board Member Velasco

PLEDGE OF ALLEGIANCE: Board Member Velasco

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:

a. Minutes for August 8, 2012

Recommended Action: It is recommended that the Oversight Board:

1) Approve the minutes of the August 8, 2012 Oversight Board Meeting

3. OLD BUSINESS:

a. Approval of the Recognized Obligation Payment Schedule (ROPS III) for the Period Covering January 1, 2013 to June 30, 2013

Recommended Action: It is recommended that the Oversight Board:

1) Adopt Resolution OB-2012-09, 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, 2013 to June 30, 2013

4. NEW BUSINESS: 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 Wednesday, October 10, 2012 at 4:00 p.m.

CERTIFICATION OF POSTING

I, Tania Moreno, Clerk of the Board, hereby certify that the Agenda for the August 29, 2012 meeting of the Oversight Board was posted on August 23, 2012.

**OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA
REGULAR MEETING MINUTES
August 8, 2012
4:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER: Chair Ed Garcia called the meeting to order at 4:03 p.m.

ROLL CALL:

PRESENT: Board Member Ed Garcia, Rodrigo Garcia, Green, Shkoler, Velasco
ABSENT: Heaton, Butzlaff

PLEDGE OF ALLEGIANCE: Board Member Shkoler

ORAL COMMUNICATIONS: None

1. PRESENTATIONS/ADMINISTRATIVE REPORTS

- a. Executive Director's Report
 - 1. Update on July "True-Up" Payments to OC Auditor-Controller
 - 2. Implementation of Assembly Bill 1484
 - 3. Housing Asset List Submitted to Department of Finance
 - 4. Audit per Health and Safety Code § 34179.5

Executive Director Domer noted that the OC Auditor-Controller reviewed payments by the Successor Agency to other taxing authorities against what had been remitted by the County to the Successor Agency and reported that the Successor Agency (City) did not owe any funds to the County. He noted the Health and Safety codes will be updated and brought back to the board within two (2) weeks. He noted the Housing Asset List was submitted to the State for their review.

A motion was made by Chair Ed Garcia, seconded by Board Member Green, and carried (5 - 0 - 2) to receive and file the reports.

2. CONSENT CALENDAR:

a. Minutes for June 13, 2012

Recommended Action: It is recommended that the Oversight Board:

- 1) Approve the minutes of the June 13, 2012 Oversight Board Meeting

A motion was made by Chair Ed Garcia, seconded by Board Member Shkoler, and carried (5 - 0 - 2) to approve the minutes of the June 13, 2012 Oversight Board Meeting.

3. OLD BUSINESS: None

4. NEW BUSINESS:

a. Approval of the Recognized Obligation Payment Schedule (ROPS III) for the Period Covering January 1, 2013 to June 30, 2013

Recommended Action: It is recommended that the Oversight Board:

- 1) Adopt Resolution OB-2012-09, 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, 2013 to June 30, 2013

Executive Director Domer recommended to continue the item to the next meeting.

A motion was made by Board Member Shkoler seconded by Board Member Rod Garcia, and carried (5 - 0 - 2) to continue the item to the next Oversight Board Meeting.

b. Approval of a Process in which to Conduct the Due Diligence Review Required by California Health and Safety Code § 34179.5

Recommended Action: It is recommended that the Oversight Board:

- 1) Adopt Resolution OB-2012-10, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving a process using Orange County Auditor-Controller approved professional accounting firms to complete the due diligence review in compliance with HSC § 34179.5

Executive Director Domer noted the estimate cost to conduct the due diligence review would be around \$5,000 to \$8,000.

Discussion ensued among Board Members and Staff.

A motion was made by Board Member Shkoler seconded by Board Member Green, and carried (5 - 0 - 2) to adopt Resolution OB-2012-10, a resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving a process using Orange County Auditor-Controller approved professional accounting firms to complete the due diligence review in compliance with HSC § 34179.5.

c. Approval of a Process and Contracts for Financial Advisory Services in which to Preliminarily Review the Refinancing of the 2009 Subordinate Tax Allocation Notes

Recommended Action: It is recommended that the Oversight Board:

- 1) Adopt Resolution OB-2012-11, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving a process to begin the preliminary review of refinancing the 2009 Subordinate Tax Allocation Notes
- 2) Approve the Successor Agency actions to hire Harrell & Company, Financial Advisors, LLC and Jones Hall, bond counsel, for preliminary Financial Advisory Services related to the 2009 Subordinate Tax Allocation Notes

Executive Director Domer noted the estimate cost to conduct a preliminary review of the 2009 Subordinate Tax Allocation Notes would be \$15,000.

Discussion ensued among Board Members and Staff.

Chair Ed Garcia inquired when is the deadline for the \$6,850,000 amount.

Executive Director Domer responded that the balloon payment is due February 1, 2014.

Chair Ed Garcia inquired about the interest rate.

Executive Director Domer responded the interest rate is 7.75%.

A motion was made by Chair Ed Garcia seconded by Board Member Shkoler, and carried (5 - 0 - 2) to adopt Resolution OB-2012-11, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving a process to begin the preliminary review of refinancing the 2009 Subordinate Tax Allocation Notes and approve the Successor Agency actions to hire Harrell & Company, Financial Advisors, LLC and Jones Hall, bond counsel, for preliminary Financial Advisory Services related to the 2009 Subordinate Tax Allocation Notes

BOARD MEMBERS COMMENTS AND REQUESTS: None

Executive Director Domer recommended to adjourn the meeting to a date prior to September 1, 2012 with a possible date of Wednesday, August 22, 2012 at 4:00 p.m.

A motion was made by Board Member Green, seconded by Chair Ed Garcia, and carried (5 – 0 – 2) to adjourn the meeting of August 8, 2012 to the meeting of Wednesday, August 22, 2012.

ADJOURNMENT:

The Board of Directors adjourned at 4:36 p.m.

ED GARCIA, AGENCY CHAIRPERSON

ATTEST:

TANIA A. MORENO, CLERK OF THE BOARD

Oversight Board
of the Successor Agency of the
Redevelopment Agency of the City of Placentia
AGENDA REPORT

TO: BOARD MEMBERS
FROM: EXECUTIVE DIRECTOR
DATE: AUGUST 29, 2012
SUBJECT: **APPROVAL OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) FOR THE PERIOD COVERING JANUARY 1, 2013 TO JUNE 30, 2013**
FISCAL
IMPACT: NONE

SUMMARY:

Based on the dissolution of the Redevelopment Agency of the City of Placentia, and as amended by Assembly Bill 1484 (Chapter 26, June 27, 2012) the Successor Agency is to prepare a Recognized Obligation Payment Schedule (ROPS III) covering the period of January 1, 2013 to June 30, 2013. This action approves the adoption by the Successor Agency of a ROPS covering the six-month reporting period January 1, 2013 to June 30, 2013 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-2012-09, 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, 2013 to June 30, 2013.

DISCUSSION:

Based on actions related to the Supreme Court ruling regarding Assembly Bill x1 26 (AB x1 26) which effectively dissolved Redevelopment Agencies as of February 1, 2012, the Successor Agency is to submit to the Oversight Board a Recognized Payment Obligation Schedule for the Period Covering January 1, 2013 to June 30, 2013. This Recognized Obligation Payment Schedule for this period of time is referred to as ROPS III.

The ROPS III must be approved by the Oversight Board no later than September 1, 2012. Per Health & Safety Code § 34177(l), successor agencies have to prepare a ROPS before the six-month fiscal period covered by the ROPS. Based on the enactment of AB 1484, and a subsequent guidance letter from the California Department of Finance (DOF), DOF will have 45 days to review the ROPS and to object to any items that do not meet the definition of an Enforceable Obligation.

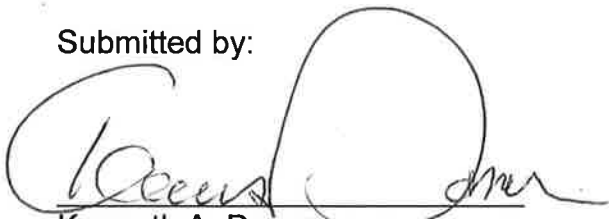
As with the previous ROPS, the ROPS III is in a new format created by the DOF and posted on their website on August 1st. This cause an initial delay due to additional information required from previous years in the form. Additionally, staff has learned that a subsequent format change may be posted to the DOF website – however, staff is working with the second version and will review the third versions when it is available. All pass-through agreements have been paid and will no longer be listed on any ROPS. The 2003 Reimbursement Agreement was found to be an enforceable obligation and is listed as such on the ROPS III. Additionally, since the City collects its administrative service fee in the end of the fiscal year, the ROPS III will see the remainder of the Administrative Cost Allowance utilized and reported.

New with the enactment of AB 1484 are draconian penalties for not submitting the ROPS according to the schedule set forth by the DOF. Failure to submit the ROPS will result in a fine of \$10,000 per day, among other actions based on the determination of DOF in its review of the ROPS.

FISCAL IMPACT:

The ROPS lists the enforceable payment obligations of the former agency and Successor Agency and therefore is legally required in order to make payments. The action of the Oversight Board is reviewable by the DOF. The item will be transmitted to the DOF and Orange County Auditor-Controller within three (3) days of adoption and posted on the Successor Agency's website.

Submitted by:

A handwritten signature in black ink, appearing to read 'Kenneth A. Domer', written over a horizontal line.

Kenneth A. Domer
Executive Director

Attachment:

Resolution OB-2012-09
Recognized Obligation Payment Schedule for January 1, 2013 to June 30, 2013
(Under separate cover)

RESOLUTION NO. OB-2012-09

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, CALIFORNIA, APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING THE PERIOD OF JANUARY 1, 2013 TO JUNE 30, 2013.

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 Recognized Obligation Payment Schedule for January 1, 2013 to June 30, 2013 shall be submitted, after approval by the Oversight Board, no later than September 1, 2012.

(vi) The Recognized Obligation Payment Schedule prepared by the Successor Agency and approved by the Oversight

Board is for the period covering January 1, 2013 to June 30, 2013 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, 2013 to June 30, 2013 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 29th day of August, 2012.

ED GARCIA, CHAIRPERSON

ATTEST:

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 regular meeting of the Oversight Board held on the 29th day of August, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

TANIA A. MORENO, CLERK OF THE BOARD

Attachment A:

Recognized Obligation Payment Schedule for the period covering
January 1, 2013 to June 30, 2013

RESOLUTION NO. OB-2012-09