

Orange Countywide Oversight Board

Agenda Item No. 4d

Date: 1/23/2024

From: Successor Agency to the County of Orange Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget

Recommended Action:

Approve resolution approving FY 2024-25 ROPS and Administrative Budget for the County of Orange Successor Agency

The County of Orange Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2024-25.

The attached Annual Recognized Obligation Payment Schedule (ROPS) is being presented to the Countywide Oversight Board for their approval in regard to those financial obligations, which remain through June 30, 2025, of the former Orange County Development Agency, pending final approval by the State Department of Finance and State Controller's Office. The financial obligations listed on the ROPS are consistent with the January 24, 2023 Oversight Board approved ROPS.

The Administrative Budget functions of the County's Successor Agency consists of 13 staff located within two (2) departments. Administrative support for daily operations is provided by OC Community Resources (OCCR) and includes a Program Manager who oversees Successor Agency operations, an Accounting Manager I, who reviews/approves calculations for the ROPS and Prior Period Adjustment, a Senior Accountant who is responsible for preparing financial statements, ROPS and PPA documentation as well as coordinates with external auditors, and an Accountant II and Accounting Technician who provide additional support as needed.

The County's Successor Agency also utilizes staff from the CEO's Public Finance division for items pertaining to its debt service. Positions within this group include a Public Finance Manager I and II who are responsible for monitoring compliance with the bond covenants, invoice review and the continuing disclosures and an Accounting Manager I and II, a Senior Accountant and an Accountant who are responsible for monthly trustee activity, preparation of the ROPS, PPA and cash report, debt service payments, financial statements and other debt-related items.

During FY 2022-23 the NDAPP Tax Allocation Bonds (debt service) were retired. As a result, staff have begun the dissolution process.

As you may recall, a conflict between Health and Safety Code Section 34182.1(HSC 34182.1) and agency dissolution was previously identified. As written, HSC 34182.1 required the County's Successor Agency to pass on Property Tax Increment that is attributed to the former El Toro sub area to the city of Lake Forest. In the event that the County's Successor Agency dissolve, funding for the City of Lake Forest would be in jeopardy. To address this issue and allow for the dissolution of the County's Successor Agency, Assembly Bill 1270 (AB 1270) was presented to the Legislature and eventually adopted by the Governor. While staff prepare for dissolution, the FY 2024-25 ROPS is being brought forward to ensure no disruption to the City of Lake Forest's funding. Staff anticipates returning to the Oversight Board in early 2024 with a resolution to dissolve the County's Successor Agency.

Based on the above, the County's Successor Agency is requesting \$25,000 (savings of \$17,000 from prior

year) in administrative costs for FY 2024-25.

On January 09, 2024, the County Board of Supervisors (Board) reviewed and approved the Annual Recognized Obligation Payment Schedule (ROPS) and its associated Administrative Budget. A copy of the relevant Board Resolution/minutes will be provided to the Countywide Oversight Board upon receipt from the County Clerk's office.

Impact on Taxing Entities

None.

Staff Contact(s)

Jeff Kirkpatrick, OC Community Resources
(714-480-2849)

Jeff.Kirkpatrick@occr.ocgov.com

Attachments

- Annual ROPS 2023-24
- Administrative Budget For FY 2024-25
- Resolution of the Countywide Oversight Board
- Resolution of the Orange County Board of Supervisors (Placeholder)
- Annual ROPS 2022-23
- Annual ROPS 2021-22
- DOF Approval Letter re: Annual ROPS 2022-23
- DOF Approval Letter re: Annual ROPS 2021-22

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 24-011**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE COUNTY OF ORANGE *APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS] 2024-25 A-B* FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025, INCLUDING THE FY 2024-25 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE [DOF] PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

WHEREAS, the Orange County Development Agency (“Former Agency”) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the Orange County Board of Supervisors (“County”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Successor Agency to the Orange County Development Agency (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

WHEREAS, pursuant to Health and Safety Code Section 34179(j) on July 1, 2018 the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency and all other successor agencies in Orange County; and

WHEREAS, every oversight board, both the prior local oversight board and the current Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

WHEREAS, Section 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, review and approved by the Successor Agency and then reviewed and approved by the Orange Countywide Oversight Board final review and approval by the State Department of Finance (“DOF”); and

WHEREAS, Section 34177(l) and 34177(o) of the Dissolution Law requires that the annual ROPS for the 2021-22 A-B fiscal period of July 1, 2022 to June 30, 2023 (“ROPS 2022-23 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Orange Countywide Oversight Board, no later than February 1, 2024; and

WHEREAS, the ROPS 2024-25, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2024-25 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s ROPS 2024-25 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 2024-25 A-B to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (“SCO”) as required under the Dissolution Law;

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

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

SECTION 2. The Orange Countywide Oversight Board hereby approves ROPS 2024-25 A-B submitted therewith and incorporated by this reference, including the FY 2024-25 administrative budget included herewith.

SECTION 3. The Orange Countywide Oversight Board authorizes transmittal of the ROPS 2024-25 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

SECTION 4. The Director of OC Community Resources’ or authorized designee is directed to post this Resolution, including the ROPS 2024-25 A-B, on the Successor Agency website pursuant to the Dissolution Law.

SECTION 5. Under Section 34179(h), written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The Orange Countywide Oversight Board’s action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

SECTION 6. The Clerk of the Board shall certify to the adoption of this Resolution.

ORANGE COUNTY BOARD OF SUPERVISORS
Acting as the Successor Agency to the Orange County Development Agency
MINUTE ORDER
January 09, 2024

Submitting Agency/Department: OC COMMUNITY RESOURCES

Adopt resolution approving Recognized Obligation Payment Schedule, 7/1/24 - 6/30/25; directing submission to Department of Finance; authorizing ministerial changes under certain conditions; and making related findings; and direct submission to Countywide Oversight Board and to notify the Board of any changes - All Districts

The following is action taken by the Board of Supervisors:

APPROVED AS RECOMMENDED OTHER

Unanimous (1) DO: **Y** (2) SARMIENTO: **Y** (3) WAGNER: **Y** (4) CHAFFEE: **Y** (5) FOLEY: **Y**

Vote Key: Y=Yes; N=No; A=Abstain; X=Excused; B.O.=Board Order

Documents accompanying this matter:

- Resolution(s) 24-001
- Ordinances(s)
- Contract(s)

Item No. 4

Special Notes:

Copies sent to:

OCCR – Jaimie Wu
OCCR – Jeff Kirkpatrick

1/11/24



I certify that the foregoing is a true and correct copy of the Minute Order adopted by the Board of Supervisors, Acting as the Successor Agency to the Orange County Development Agency, Orange County, State of California.
Robin Stieler, Clerk of the Board

By: _____

Deputy



AGENDA STAFF REPORT

ASR Control 23-001094

31A2

MEETING DATE: 01/09/24

LEGAL ENTITY TAKING ACTION: Successor Agency to the Orange County Development Agency

BOARD OF SUPERVISORS DISTRICT(S): All Districts

SUBMITTING AGENCY/DEPARTMENT: OC Community Resources (Approved)

DEPARTMENT CONTACT PERSON(S): Dylan Wright (714) 480-2788
Joanne Veedor (714) 480-2875

SUBJECT: Review and Approve the County's Annual Recognized Obligation Payment Schedule

CEO CONCUR Concur	COUNTY COUNSEL REVIEW Approved Resolution to Form	CLERK OF THE BOARD Consent Calendar 3 Votes Board Majority
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Budgeted: N/A **Current Year Cost:** N/A **Annual Cost:** See
Financial Impact Section

Staffing Impact: No **# of Positions:** **Sole Source:** N/A

Current Fiscal Year Revenue: N/A

Funding Source: Other: 100% (Successor Agency Funds) **County Audit in last 3 years:** No

Levine Act Review Completed: N/A

Prior Board Action: 1/10/2023 #4

RECOMMENDED ACTION(S):

1. Approve the Recognized Obligation Payment Schedule for the period of July 1, 2024, through June 30, 2025.
2. Adopt a Resolution approving the Recognized Obligation Payment Schedule for the period of July 1, 2024, through June 30, 2025.
3. Direct staff to submit the Recognized Obligation Payment Schedule to the Countywide Oversight Board.
4. Direct staff to notify the Board of Supervisors of any changes made to the Recognized Obligation Payment Schedule by the County Auditor-Controller, Countywide Oversight Board, the California Department of Finance and/or the California State Controller's Office.

SUMMARY:

Approval of the Recognized Obligation Payment Schedule related to the financial obligations of the former Orange County Development Agency and adoption of the Resolution will allow for review by the

Countywide Oversight Board and submittal of the Schedule to the California Department of Finance and the California State Controller's Office by February 1, 2024, in compliance with statutory requirements.

BACKGROUND INFORMATION:

State law requires successor agencies to prepare and submit a Recognized Obligation Payment Schedule (ROPS) that identifies the known financial obligations of the former redevelopment agency prior to the distribution of property taxes. The attached ROPS is being presented to the Board of Supervisors (Board) for approval in regard to those financial obligations of the former Orange County Development Agency (which remain through June 30, 2025), pending final approval by the California Department of Finance and California State Controller's Office. The financial obligations listed on the ROPS (Attachment A) are consistent with the ROPS approved by the Board on January 10, 2023.

Pursuant to Health and Safety Code Section 34177.7(o)(1), successor agencies are required to submit their draft ROPS for review and approval by their respective oversight board, prior to submission to the California Department of Finance. The Countywide Oversight Board is scheduled to review the attached ROPS on January 23, 2024, following Board approval. If approved, staff will submit the document to the California Department of Finance and the California State Controller's Office on or before February 1, 2024, in conformance with state law.

Compliance with CEQA: This action is not a project within the meaning of CEQA Guidelines Section 15378 and is therefore not subject to CEQA, since it does not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The approval of this agenda item does not commit the County to a definite course of action in regard to a project since it involves the adoption and submittal of financial documents required per state law. This proposed activity is therefore not subject to CEQA. Any future action connected to this approval that constitutes a project will be reviewed for compliance with CEQA.

FINANCIAL IMPACT:

The annual cost is to be determined by the Countywide Oversight Board, the California Department of Finance and the California State Controller's Office. All costs will be included in the County's FY 2024-25 budget process.

As in past years, there are potential adjustments to financial liabilities for the County and/or Successor Agency based on the interpretation and implementation of Assembly Bill 1X 26 by the California Department of Finance and the California State Controller's Office. OC Community Resources will notify the Board of any changes made to the ROPS by the County Auditor-Controller, Countywide Oversight Board, the California Department of Finance and/or the California State Controller's Office.

Additionally, should the County fail to submit the ROPS by the state mandated deadline of February 1, 2024, it would be subject to a civil penalty equal to \$10,000 per day for every day the ROPS is late.

STAFFING IMPACT:

N/A

**ATTACHMENT(S):**

Attachment A - Recognized Obligation Payment Schedule
Attachment B - Resolution of the Board of Supervisors
Attachment C - Assembly Bill 1X 26
Attachment D - Health and Safety Code Section 34177

A RESOLUTION OF THE ORANGE COUNTY BOARD OF SUPERVISORS
ACTING AS THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO
THE ORANGE COUNTY DEVELOPMENT AGENCY
APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD OF JULY 1, 2024 THROUGH JUNE 30, 2025

January 9, 2024

WHEREAS, pursuant to California Health and Safety Code section 34177 (o)(1), the County of Orange, as Successor Agency to the Orange County Development Agency (“Successor Agency”) must submit a ROPS to the Department of Finance (the “Department”) and the Orange County Auditor-Controller no later than February 1, 2024; and

WHEREAS, the Successor Agency has submitted the ROPS attached hereto as Exhibit A, for this Board’s review; and

WHEREAS, this Board has reviewed the ROPS as submitted by the Successor Agency for the period of July 1, 2024 through June 30, 2025.

NOW, THEREFORE, BE IT RESOLVED that this Board of Directors does hereby:

1. Find that the attached Recognized Obligation Payment Schedule contains no deficiencies or errors and correctly reflects the lawful obligations of the Successor Agency to the Orange County Redevelopment Agency for its 2024-2025 fiscal year.
2. Approve the attached Recognized Obligation Payment Schedule for the period of July 1, 2024 through June 30, 2025, as submitted by the Successor Agency to the Orange County Redevelopment Agency.
3. Direct the Successor Agency to the Orange County Redevelopment Agency to submit the attached Recognized Obligation Payment Schedule to the Department of Finance before February 1, 2024.

4. Authorize the Successor Agency to the Orange County Redevelopment Agency to make minor ministerial changes to the attached Recognized Obligation Payment Schedule upon further direction from the Department of Finance.

The foregoing was passed and adopted by the following vote of the Orange County Board of Supervisors, Acting as the Successor Agency to the Orange County Development Agency on January 09, 2024, to wit:

AYES: Supervisors: VICENTE SARMIENTO, ANDREW DO, DOUG CHAFFEE
KATRINA FOLEY, DONALD P. WAGNER
NOES: Supervisor(s):
EXCUSED: Supervisor(s):
ABSTAINED: Supervisor(s):



CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Board of Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange County Board of Supervisors, Acting as the Successor Agency to the Orange County Development Agency

IN WITNESS WHEREOF, I have hereto set my hand and seal.



ROBIN STIELER
Clerk of the Board
County of Orange, State of California

Resolution No: 24-001
Agenda Date: 01/09/2024
Item No: 4



I certify that the foregoing is a true and correct copy of the Resolution adopted by the Board of Supervisors, Acting as the Successor Agency to the Orange County Development Agency, Orange County, State of California

Robin Stieler, Clerk of the Board of Supervisors

By: _____
Deputy

Recognized Obligation Payment Schedule (ROPS 22-23) - Summary
 Filed for the July 1, 2022 through June 30, 2023 Period

Successor Agency: Orange County
 County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	22-23A Total (July - December)	22-23B Total (January - June)	ROPS 22-23 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	\$ 1,353,000	\$ 1,353,000
C Reserve Balance	-	-	-
D Other Funds	\$ 22,840	\$ 1,374,110	\$ 1,396,950
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$8,362,327	\$65,115	\$8,427,442
F RPTTF	\$8,298,377	\$1,165	\$8,299,542
G Administrative RPTTF	\$63,950	\$63,950	\$127,900
H Current Period Enforceable Obligations (A+E)	\$ 8,385,167	\$ 2,792,225	\$ 11,177,392

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Certification of Oversight Board Chairman:

Name _____ Title _____

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.

/s/ _____ Date _____

Orange County																							
Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail July 1, 2022 through June 30, 2023																							
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)				22-23A Total	ROPS 22-23B (Jan - Jun)					22-23B Total		
											Fund Sources					Fund Sources							
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF	
								\$3,167,970		\$11,177,392			\$ 22,840	\$ 8,298,377	\$ 63,950	\$8,385,167	\$ 1,353,000	\$-	\$ 1,374,110	\$ 1,165	\$ 63,950	\$ 2,792,225	
2	Agency Administration	Admin Costs	01/01/2014	06/30/2025	County of Orange	Staff Salaries, Benefits, etc.	SAH/ NDAPP	100,000	N	\$ 100,000					\$ 50,000	\$ 50,000					\$ 50,000	\$ 50,000	
3	Annexation Agreement	Miscellaneous	07/06/1999	12/31/2099	City of Lake Forest	Property Tax Allocation	NDAPP		N	\$ 8,009,422				\$ 8,009,422		\$ 8,009,422							\$ -
19	Treasury Investment Fees	Fees	03/01/2002	09/01/2023	County of Orange Treasurer/ Tax Collector	Treasury Investment Charge	SAH/ NDAPP	575	N	\$ 575			\$ 150	\$ 100		\$ 250			\$ 195	\$ 130			\$ 325
21	Arbitrage Fees	Fees	08/01/2014	07/31/2024	BLX	Arbitrage Calculation and Reporting	SAH/ NDAPP	1,955	N	\$ 1,955			\$ 690	\$ 1,265		\$ 1,955				\$ -			\$ -
22	Bank Trustee Service Fees	Fees	03/01/2002	09/01/2023	US Bank	Bank Trustee Service	SAH/ NDAPP	6,670	N	\$ 6,670				\$ 2,990		\$ 2,990			\$ 3,680				\$ 3,680
23	Bond Counsel Fees	Fees	04/23/2013	04/22/2022	Stradling, Yocca, Carlson, Rauth	Bond Counsel	SAH/ NDAPP	16,100	N	\$ 16,100			\$ 8,050	\$ 8,050		\$ 16,100				\$ -			\$ -
25	Bond Administration	Admin Costs	03/01/2002	06/30/2025	County of Orange	Staff Salaries and Benefits	SAH/ NDAPP	55,800	N	\$ 55,800			\$ 13,950		\$ 13,950	\$ 27,900			\$ 13,950		\$ 13,950	\$ 27,900	
41	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	01/09/2014	09/01/2023	U.S. Bank	Principal and Interest Debt service for 2014 Santa Ana Heights Tax Allocation Bonds.	SAH	2,708,250	N	\$ 2,708,250						\$ -	\$ 1,353,000		\$ 1,355,250				\$ 2,708,250
42	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	09/20/2014	09/01/2022	U.S. Bank	Principal and Interest Debt service for 2014 NDAPP Tax Allocation Bonds	NDAPP		N	\$ -						\$ -							\$ -
43	Continuing Disclosure Fees	Fees	12/01/2020	11/30/2023	DTA	Bond Continuing Disclosure Service	SAH/ NDAPP	2,070	N	\$ 2,070				\$ -		\$ -			\$ 1,035	\$ 1,035			\$ 2,070
44	Annexation Agreement True Up	Miscellaneous	07/01/1996	12/31/2099	City of Lake Forest	Property Tax True Up	NDAPP	276,550	N	\$ 276,550				\$ 276,550		\$ 276,550							0

Item #	Notes/Comments
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Transmitted via e-mail

April 8, 2021

Jeffrey Kirkpatrick, Administrative Manager
Orange County
601 North Ross Street
Santa Ana, CA 92701

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Orange County Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022 (ROPS 21-22) to the California Department of Finance (Finance) on January 27, 2021. Finance has completed its review of the ROPS 21-22.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- On the ROPS 21-22 form, the Agency reported cash balances and activity for the period July 1, 2018 through June 30, 2019 (ROPS 18-19). According to our review, the Agency has approximately \$1,056,820 from Other Funds and \$10,190 from Reserve Balances, totaling \$1,067,010, available to fund enforceable obligations on the ROPS 21-22. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF) funding. Therefore, with the Agency's concurrence, the funding source for the following items have been reclassified in the amounts specified below:

Item No.	Item Name	Total Funding Approved	RPTTF Approved	Reserve Balances Approved	Other Funds Approved
41	2014 Tax Allocation Refunding Bonds	\$2,714,250	\$2,175,608	\$4,801	\$533,841
42	2014 Tax Allocation Refunding Bonds	\$1,612,588	\$1,084,220	\$5,389	\$522,979
Total		\$4,326,838	\$3,259,828	\$10,190	\$1,056,820

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 18-19 period. The ROPS 18-19 prior period adjustment (PPA) will offset the ROPS 21-22 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$10,229,681, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance does not object to the remaining items listed on the ROPS 21-22. If the Agency disagrees with our determination with respect to any items on the ROPS 21-22, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 21-22. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 21-22 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 21-22 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

Jeffrey Kirkpatrick
April 8, 2021
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The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Anna Kyumba, Supervisor, or Rachel Lynch, Staff, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Bill Malohn, Accounting Manager, Orange County
Wendy Tsui, Administrative Manager I, Property Tax Unit, Orange County

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 7,063,002	\$ 4,333,053	\$ 11,396,055
Administrative RPTTF Requested	85,250	94,750	180,000
Total RPTTF Requested	7,148,252	4,427,803	11,576,055
RPTTF Requested	7,063,002	4,333,053	11,396,055
<u>Adjustment(s)</u>			
Item No. 41	0	(538,642)	(538,642)
Item No. 42	0	(528,368)	(528,368)
	0	(1,067,010)	(1,067,010)
RPTTF Authorized	7,063,002	3,266,043	10,329,045
Administrative RPTTF Authorized	85,250	94,750	180,000
ROPS 18-19 prior period adjustment (PPA)	(279,364)	0	(279,364)
Total RPTTF Approved for Distribution	\$ 6,868,888	\$ 3,360,793	\$ 10,229,681



Transmitted via e-mail

April 13, 2022

Jeffrey Kirkpatrick, Administrative Manager
Orange County
601 North Ross Street
Santa Ana, CA 92701

2022-23 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Orange County Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on January 28, 2022. Finance has completed its review of the ROPS 22-23.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- On the ROPS 22-23 form, the Agency reported cash balances and activity for the period July 1, 2019 through June 30, 2020 (ROPS 19-20). According to our review, the Agency has approximately \$114,971 from Other Funds available to fund enforceable obligations on the ROPS 22-23. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF) funding. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 3 – Annexation Agreement in the amount of \$8,009,422 is partially reclassified. Finance is approving RPTTF in the amount of \$7,894,451 and the use of Other Funds in the amount of \$114,971, totaling \$8,009,422.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 19-20 period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$8,043,698, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted item, Finance approves the remaining items listed on the ROPS 22-23 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 22-23, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 22-23. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 22-23 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 22-23 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

Jeffrey Kirkpatrick
April 13, 2022
Page 3

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Joshua Mortimer, Supervisor, or Jeremy Bunting, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Bill Malohn, Accounting Manager, Orange County
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County

Approved RPTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTF Requested	\$ 8,298,377	\$ 1,165	\$ 8,299,542
Administrative RPTF Requested	63,950	63,950	127,900
Total RPTF Requested	8,362,327	65,115	8,427,442
RPTF Requested	8,298,377	1,165	8,299,542
<u>Adjustment(s)</u>			
Item No. 3	(114,971)	0	(114,971)
RPTF Authorized	8,183,406	1,165	8,184,571
Administrative RPTF Authorized	63,950	63,950	127,900
ROPS 19-20 prior period adjustment (PPA)	(268,773)	0	(268,773)
Total RPTF Approved for Distribution	\$ 7,978,583	\$ 65,115	\$ 8,043,698

Recognized Obligation Payment Schedule (ROPS 21-22) - Summary
Filed for the July 1, 2021 through June 30, 2022 Period

Successor Agency: Orange County
County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	21-22A Total (July - December)	21-22B Total (January - June)	ROPS 21-22 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$7,183,252 -	\$4,462,803 -	\$11,646,055
F RPTTF	\$7,063,002 -	\$4,333,053 -	\$11,396,055
G Administrative RPTTF	\$120,250 -	\$129,750 -	\$250,000
H Current Period Enforceable Obligations (A+E)	\$ 7,183,252 -	\$ 4,462,803 -	\$ 11,646,055

Certification of Oversight Board Chairman: Brian Probolsky Chair
Name Title

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.

/s/ _____ Date
Signature

Orange County Recognized Obligation Payment Schedule (ROPS 21-22) - ROPS Detail July 1, 2021 through June 30, 2022																							
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
								\$14,354,305		\$11,646,055	\$-	\$-	\$-	\$ 7,063,002	\$120,250	\$7,183,252	\$-	\$-	\$-	\$4,333,053	\$129,750	\$ 4,462,803	
2	Agency Administration	Admin Costs	01/01/2014	06/30/2025	County of Orange	Staff Salaries, Benefits, etc.	SAH/NDAPP	\$ 192,700	N	\$ 192,700					\$ 96,350	\$ 96,350					\$ 96,350	\$ 96,350	
3	Annexation Agreement	Miscellaneous	07/06/1999	12/31/2099	City of Lake Forest	Property Tax Allocation	NDAPP	\$ 6,885,117	N	\$ 6,885,117				\$ 6,885,117		\$ 6,885,117						\$ -	\$ -
19	Treasury Investment Fees	Fees	03/01/2002	09/01/2023	County of Orange Treasurer/ Tax Collector	Treasury Investment Charge	SAH/NDAPP	\$ 805	N	\$ 805				\$ 340		\$ 340					465		\$ 465
21	Arbitrage Fees	Fees	08/01/2014	07/31/2024	BLX	Arbitrage Calculation and Reporting	SAH/NDAPP	\$ 1,380	N	\$ 1,380				\$ 1,380		\$ 1,380					0		\$ -
22	Bank Trustee Service Fees	Fees	03/01/2002	09/01/2023	US Bank	Bank Trustee Service	SAH/NDAPP	\$ 6,670	N	\$ 6,670				\$ 2,990		\$ 2,990					3680		\$ 3,680
23	Bond Counsel Fees	Fees	04/23/2013	04/22/2021	Stradling, Yocca, Carlson, Rauth	Bond Counsel	SAH/NDAPP	\$ 11,500	N	\$ 11,500				\$ 11,500		\$ 11,500					0		\$ -
25	Bond Administration	Admin Costs	03/01/2002	06/30/2025	County of Orange	Staff Salaries and Benefits	SAH/NDAPP	\$ 57,300	N	\$ 57,300					\$ 23,900.00	\$ 23,900						\$ 33,400.00	33400
41	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	01/09/2014	09/01/2023	U.S. Bank	Principal and Interest Debt service for 2014 Santa Ana Heights Tax Allocation Bonds.	SAH	\$ 5,422,500	N	\$ 2,714,250						\$ -					\$ 2,714,250		\$ 2,714,250
42	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	09/20/2014	09/01/2022	U.S. Bank	Principal and Interest Debt service for 2014 NDAPP Tax Allocation Bonds	NDAPP	\$ 1,612,588	N	\$ 1,612,588						\$ -					\$ 1,612,588		\$ 1,612,588
43	Continuing Disclosure Fees	Fees	12/01/2020	11/30/2023	DTA	Bond Continuing Disclosure Service	SAH/NDAPP	\$ 2,070	N	\$ 2,070				\$ -		\$ -					\$ 2,070		\$ 2,070
44	Annexation Agreement True Up	Miscellaneous	07/01/1996	12/31/2099	City of Lake Forest	Property Tax True Up	NDAPP	\$ 161,675	N	\$ 161,675				\$ 161,675		\$ 161,675							0

Item #	Notes/Comments
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Recognized Obligation Payment Schedule (ROPS 24-25) - Summary
Filed for the July 1, 2024 through June 30, 2025 Period

Successor Agency: Orange County
 County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	24-25A Total (July - December)	24-25B Total (January - June)	ROPS 24-25 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	\$ 13,001	\$ -	\$ 13,001
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$8,493,076	\$25,555	\$8,518,631
F RPTTF	\$8,456,077	\$555	\$8,456,632
G Administrative RPTTF	\$36,999	\$25,000	\$61,999
H Current Period Enforceable Obligations (A+E)	\$ 8,506,077	\$ 25,555	\$ 8,531,632

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Certification of Oversight Board Chairman:

Name _____ Title _____

Pursuant to Section 34177 (c) 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.

/s/ _____
 Signature

Date

Orange County
Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail July 1, 2024 through June 30, 2025

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
								\$8,531,632		\$ 8,531,632	\$-	\$-	\$ 13,001	\$ 8,456,077	\$ 36,999	\$8,506,077	\$-	\$-	\$-	\$ 555	\$ 25,000	\$ 25,555	
2	Agency Administration	Admin Costs	01/01/2014	06/30/2025	County of Orange	Staff Salaries, Benefits, etc.	SAH/ NDAPP	25,000	N	\$ 25,000					\$ 12,500	\$ 12,500					\$ 12,500	\$ 12,500	
3	Annexation Agreement	Miscellaneous	07/06/1999	12/31/2099	City of Lake Forest	Property Tax Allocation	NDAPP	8,439,422	N	\$ 8,439,422				\$ 8,439,422		\$ 8,439,422							\$ -
19	Treasury Investment Fees	Fees	03/01/2002	6/30/2023	County of Orange Treasurer/ Tax Collector	Treasury Investment Charge	SAH/ NDAPP	1,110	N	\$ 1,110				\$ 555		\$ 555				\$ 555			\$ 555
21	Arbitrage Fees	Fees	08/01/2014	07/31/2024	BLX	Arbitrage Calculation and Reporting	SAH/ NDAPP	-	Y	\$ -						\$ -							\$ -
22	Bank Trustee Service Fees	Fees	03/01/2002	09/01/2023	US Bank	Bank Trustee Service	SAH/ NDAPP	-	Y	\$ -						\$ -							\$ -
23	Bond Counsel Fees	Fees	04/23/2018	04/22/2023	Stradling, Yocca, Carlson, Rauth	Bond Counsel	SAH/ NDAPP	16,100	N	\$ 16,100				\$ 16,100		\$ 16,100							\$ -
25	Bond Administration	Admin Costs	03/01/2002	06/30/2025	County of Orange	Staff Salaries and Benefits	SAH/ NDAPP	50,000	N	\$ 50,000			\$ 13,001		\$ 24,499	\$ 37,500						\$ 12,500	\$ 12,500
41	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	01/09/2014	09/01/2023	U.S. Bank	Principal and Interest Debt service for 2014 Santa Ana Heights Tax Allocation Bonds.	SAH	-	Y	\$ -						\$ -	\$ -						\$ -
42	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	09/20/2014	09/01/2022	U.S. Bank	Principal and Interest Debt service for 2014 NDAPP Tax Allocation Bonds	NDAPP	-	Y	\$ -						\$ -							\$ -
43	Continuing Disclosure Fees	Fees	12/01/2020	11/30/2023	DTA	Bond Continuing Disclosure Service	SAH/ NDAPP	-	Y	\$ -						\$ -							\$ -
44	Annexation Agreement True Up	Miscellaneous	07/01/1996	12/31/2099	City of Lake Forest	Property Tax True Up	NDAPP	-	N	\$ -						\$ -							\$ -

Item #	Notes/Comments
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41	SAH matured Sept 1, 2023.
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