

Orange Countywide Oversight Board

Date: 4/18/2023

Agenda Item No. 5

From: Staff of the Oversight Board

Subject: Amendments to Board Policies and Procedures

Recommended Action:

Approve resolution adopting amendments to the policies and procedures.

This resolution would adopt amendments to the policies and procedures for the Orange Countywide Oversight Board.

These amendments include:

- Addition of a “Cost Recovery, Allocation, and Reimbursement” section, specifying cost allocation within the RPTTF and setting policies for expenditures related to staff/vendor travel to Sacramento County
- Specify election of Board officers and adoption of Board schedule
- Explicitly authorize dissolution requests at January Board meetings
- Include provision for agenda item submission if July Board meeting falls close to Independence Day
- Update roster of Board members and successor agencies
- Various minor changes and corrections to cross-references, wording, grammar, capitalization, and punctuation

Attachments

1. Resolution
2. Text of Amendments

Resolution No. 23-020

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
ADOPTING AMENDMENTS TO THE POLICIES AND PROCEDURES

WHEREAS, California Health and Safety Code Section 34179(e) requires all action items of the Orange County Countywide Oversight Board be accomplished by resolution; and

WHEREAS, the Policies and Procedures further the Board's ability to perform its fiduciary duty to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other related revenues; and

WHEREAS, the Policies and Procedures were adopted at the inaugural meeting of the Board on August 7, 2018 and then amended at the Board meetings of September 26, 2019, and April 21, 2020; and

WHEREAS, amendments are necessary to codify a "Cost Recovery, Allocation, and Reimbursement" section, including setting policies and procedures regarding staff and vendor travel to Sacramento County; and

WHEREAS, amendments are necessary to make various changes throughout the document to update practices, codify existing practices, and correct minor errors; and

WHEREAS, amendments are necessary to update the roster of Board members and Successor Agencies;

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD hereby approves the amendments to the Policies and Procedures of the Orange Countywide Oversight Board in the form presented, with the addition of the "Cost Recovery, Allocation and Reimbursement" section, updates to the roster of Board members and Successor Agencies, and sundry other minor changes, effective immediately.

ORANGE COUNTYWIDE OVERSIGHT BOARD
POLICIES AND PROCEDURES

Policy No. 2018-001 (Adopted by Resolution 18-002, Amended by Resolution 20-023—)

COUNTYWIDE OVERSIGHT BOARD POLICIES AND PROCEDURES

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Exhibit A_— Roster of Members and Successor Agencies

I. Introduction

This constitutes the Policies and Procedures Manual (the “Policies and Procedures”) for the Orange Countywide Oversight Board ~~for Orange County~~ (the “COB”).

As required under Section 34179(j) of the Health and Safety Code, effective July 1, 2018, the Countywide Oversight Board was formed and succeeded all oversight boards previously created pursuant to Section 34179(a) of the Health and Safety Code, which ceased to exist by operation of law, effective July 1, 2018.

The Countywide Oversight Board shall have jurisdiction over each successor agency (each a “Successor Agency” and collectively the “Successor Agencies”) with territorial jurisdiction within incorporated or unincorporated territorial borders of the County of Orange ~~(the “County”)~~. As of July 1, 2018, the Countywide Oversight Board has jurisdiction over the twenty-five (25) successor agencies listed in the Roster of Successor Agencies, attached hereto within Exhibit A.

The COB shall be governed in accordance with the applicable provisions of Part 1.85 of Division 24 of the California Health and Safety Code (the “Dissolution Act”), as such may be amended from time to time.

The COB shall consist of the seven (7) individuals appointed to the COB in accordance with ~~Article 1 Section 2 of the Bylaws and in accordance with~~ Section 34179(j) of the Health and Safety Code, as such may be amended from time to time (each a “Member” and collectively the “Members”).

The Members shall have fiduciary responsibilities to holders of enforceable obligations (as defined in Section 34171 of the Health and Safety Code) and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Health and Safety Code.

Pursuant to Section 34179(j) of the Health and Safety Code, the COB shall be staffed by the Orange County Auditor-Controller (the “CAC”), which shall recover directly from the Redevelopment Property Tax Trust Fund all of its costs incurred related to the COB, the Successor Agencies, or any other portion of the Dissolution Act.

These Policies and Procedures are intended to provide the Successor Agencies with the rules and procedures for the administration and implementation of the duties of the COB and to guide Auditor-Controller staff in implementing those duties of the COB.

II. Meeting Schedule

A. Regular Meetings

The COB shall meet regularly at ~~the City Council Chambers at Orange City Hall Rancho Santiago Community College District~~, or at such other locations as the Countywide Oversight Board may designate by resolution or in the notice of call of any special meeting. At the regular meeting in September, the COB shall elect its Chairman and Vice Chairman and shall also adopt the schedule of regular meetings for the following calendar year.

B. Special Meetings

Special meetings for the purpose of transacting any business specified in the call and notice for the meeting may be held upon the call of the Chair, the Auditor-Controller, or ~~of~~ any three Members of the COB. Notice of the meeting shall be sent to each Member at least twenty-four (24) hours before the time specified notice for a special meeting.

C. Records

The CAC shall designate a staff person to function as Clerk of the Board (“Clerk”), who shall keep the records of the COB, and shall act as secretary at the meetings of the Oversight Board. The Clerk of the Board shall prepare minutes of meetings of the Oversight Board, shall keep a record of the meetings in a journal of proceedings of the COB, and shall attest to and/or countersign all documents of the COB, all in accordance with these Policies and Procedures, and all applicable laws. All requests for documents shall be processed by the Clerk. The Clerk may charge for a copy of records in accordance with the California Public Records Act and all other applicable laws.

III. Submission and Review of Agenda Items

A. Designated Successor Agency Contact

Each Successor Agency shall designate, in writing and deliver written notice to the Designated Official or the Clerk of the Board, an official representative (the “Successor Agency Representative”) who shall have the authority to represent the Successor Agency before the COB, the CAC, the State Controller, the California Department of Finance (the “DOF”), or any other public body. The notice to the Clerk of the Board shall include the Successor Agency Representative’s name, title, telephone number and email address.

B. COB Contact

The CAC shall designate an individual to serve, as the primary contact for communications with the CAC (“Designated Official”). The designated Successor Agency Representative, and all others lawfully authorized to represent a Successor Agency, shall direct all correspondence and inquiries to the Designated Official.

The Designated Official for the COB shall be:

Kathy Tavoularis
Office of the Orange County Auditor-Controller
1770 North Broadway
Santa Ana, CA 92706
Phone: (714) 834-2458
kathy.tavoularis@ac.ocgov.com

The CAC shall notify each Successor Agency in writing of any changes to the Designated Official.

C. Submission Requirements

Items for consideration of the COB may be submitted by a member of the COB, the Designated Official, or by the Successor Agency Representative only.

Each item that is being submitted for consideration by the COB must be submitted using the staff report template issued by the CAC and posted to the COB’s website, which can be found at <http://ocauditor.com/ob/>. The staff report must identify the subject of the action, state the recommended motion, state the date of the COB Meeting on which the Successor Agency desires for the item to be considered, a description of the impact on taxing entities, the Successor Agency staff contact(s) for the item, and must include all supporting documentation for the requested action. If the Successor Agency is requesting the item be heard at a special meeting, the Successor Agency must also specify the reason why a special meeting is needed.

A Successor Agency shall be responsible for preparing the staff reports, resolutions and all related files, spreadsheets and any additional documents reasonably necessary for the COB to make a determination for a particular action. Successor Agencies must use the template staff reports and resolutions of the COB which can be accessed at the COB’s website which can be found at

<http://ocauditor.com/ob/>. The CAC shall be responsible for noticing the COB, but each Successor Agency shall be responsible for complying with all other notices required under the Dissolution Act.

The Successor Agency must submit the applicable staff report and resolution along with the supporting documents listed below:

Requested Action/Approval	Required Documents
ROPS/Administrative Budget	<p>Template Documents:</p> <ul style="list-style-type: none"> • Staff Report re: Approval of Annual ROPS and Administrative Budget • Resolution Approving Annual ROPS and Administrative Budget <p>Supporting Documents:</p> <ul style="list-style-type: none"> • Annual ROPS • Annual Administrative Budget • Successor Agency Governing Board Resolution Approving Annual ROPS and Administrative Budget • Two Prior Years' Approved Annual ROPS and Administrative Budget • Two Prior Years' Letters from the Department of Finance
Amendment to ROPS	<p>Template Documents:</p> <ul style="list-style-type: none"> • Staff Report re: Approval of Amendment to ROPS • Resolution Approving Amendment to ROPS <p>Supporting Documents:</p> <ul style="list-style-type: none"> • Amended ROPS • Successor Agency Governing Board Resolution Approving Amended ROPS • Current Year Letter from the Department of Finance
Last and Final ROPS	<p>Template Documents:</p> <ul style="list-style-type: none"> • Staff Report re: Approval of Last and Final ROPS • Resolution Approving Last and Final ROPS with Administrative Budget <p>Supporting Documents:</p> <ul style="list-style-type: none"> • Last and Final ROPS with Administrative Budget • Successor Agency Governing Board Resolution Approving Last and Final ROPS with Administrative Budget • Two Prior Years' Letters from the Department of Finance

<p>Amendment to Enforceable Obligation</p>	<p>Template Documents:</p> <ul style="list-style-type: none"> • Staff Report re: Approval of Amendment to Enforceable Obligation • Resolution Approving Amendment to Enforceable Obligation <p>Supporting Documents:</p> <ul style="list-style-type: none"> • Copy of original<u>Original</u> Enforceable Obligation • Copy of document<u>Document</u> amending<u>Amending</u> Enforceable Obligation • Successor Agency Governing Board Resolution Approving Amendment to Enforceable Obligation
<p>Repayment Schedule for Enforceable Obligation</p>	<p>Template Documents:</p> <ul style="list-style-type: none"> • Staff Report re: Approval of Repayment Schedule for Enforceable Obligation • Resolution Approving Repayment Schedule for Enforceable Obligation <p>Supporting Documents:</p> <ul style="list-style-type: none"> • Copy of original<u>Original</u> Enforceable Obligation • Copy of Repayment Schedule for Enforceable Obligation • Successor Agency Governing Board Resolution Approving Repayment Schedule for Enforceable Obligation
<p>Property Transfer under approved Long-Range Property Management Plan</p>	<p>Template Documents:</p> <ul style="list-style-type: none"> • Staff Report re: Approval of Property Disposition pursuant to approved LRPMP • Resolution Approving Property Disposition pursuant to approved LRPMP <p>Supporting Documents:</p> <ul style="list-style-type: none"> • Copy of approved<u>Approved</u> LRPMP • Copy of Conveyance Documents • Successor Agency Governing Board Resolution Approving Conveyance • Compensation Agreement (as applicable) • Public Hearing Notice

Property Transfer under Section 34181(a) of the Health and Safety Code	<p>Template Documents:</p> <ul style="list-style-type: none"> • Staff Report re: Approval of Property Disposition pursuant to Section 34181 of the Health and Safety Code • Resolution Approving Property Disposition pursuant to Section 34181 of the Health and Safety Code <p>Supporting Documents:</p> <ul style="list-style-type: none"> • Copy of Conveyance Documents • Successor Agency Governing Board Resolution Approving Conveyance pursuant to Section 34181 of the Health and Safety Code • Compensation Agreement (as applicable) • Public Hearing Notice
Miscellaneous	<p>Template Documents:</p> <ul style="list-style-type: none"> • Template Staff Report • Template Resolution <p>Supporting Documents:</p> <ul style="list-style-type: none"> • Copy of applicable <u>Applicable documents</u>
Bond Refunding/Refinancing	The Successor Agency and the Designated Official will coordinate required documentation.

Depending on the item submitted, the Designated Official may request additional supporting documents. Please note that the “Template Staff Report” and “Template Resolution” under the Miscellaneous Action can be used for action items other than those specifically provided for in this section.

D. Submission Procedures

All items must be submitted to the Designated Official by electronic mail. Each Agenda Item Submission Request Form and all accompanying documents must be submitted in one single email addressed to the Designated Official and/or to ob@ac.ocgov.com. The resolution and staff reports submitted for any one particular item must be in Microsoft Word format, supporting documents may be submitted in PDF format.

Submission must be made no later than 5 p.m. Pacific Time, not less than eight (8) calendar days ~~from before~~ the proposed date of the Countywide Oversight Board meeting that the Successor Agency desires the item be considered. In the event that Martin Luther King, Jr. Day, Independence Day, or Labor Day falls eight (8) calendar days before a regular meeting of the Countywide Oversight Board, items may be submitted no later than 5 p.m. Pacific Time, not less than seven (7) calendar days from the date of the proposed date of the Countywide Oversight Board meeting that the Successor Agency desires the item be considered.

Notwithstanding anything to the contrary, the COB Meetings for January will be limited to consideration of actions related to the adoption of recognized obligation payment schedules

~~(ROPS), and~~ related items necessary to the adoption of a Successor Agency's ~~recognized obligation payment schedule~~ROPS, a Successor Agency's request to dissolve, and final dissolution of a Successor Agency. No other business will be considered during the January COB Meetings, except for items that might otherwise be heard in a special meeting. The submission deadline for the January meetings will be dependent on the statutory date that controls the DOF's ROPS submission deadlines.

No later than October 1 of each year, the Designated Official shall distribute to all Successor Agencies the scheduled regular meetings for the next calendar year.

The Designated Official shall set the date by which submissions for special meetings will be due before the Special Meeting will be held.

E. Review Procedures

The CAC staff and COB counsel, ~~if any,~~ shall conduct the initial review of all items requested to be placed on an agenda of the Countywide Oversight Board. During the initial review, the CAC staff may consult with Oversight Board counsel, Successor Agency Representative, Successor Agency counsel, and other parties in the review of the items.

The CAC staff or COB counsel may request additional information and documentation to the Successor Agency Representative. Should there be questions or changes in the items submitted for consideration, the Designated Official will coordinate with the Successor Agency Representative and the Successor Agency Representative must respond in writing. Failure to timely respond may result in exclusion of the item from the agenda.

After the review and approval by COB legal counsel, the Designated Official will submit the item for inclusion on the agenda for the next regularly scheduled COB meeting, or special meeting as applicable.

IV. Distribution of Agenda

A. Notice and Posting of Agenda

Agendas for regular meetings of the COB will be posted not less than 72 hours or 2 business days, whichever is longer, prior to the regularly scheduled COB Meeting.

Agendas for special meetings of the COB will be posted not less than 24 hours prior to the special meeting.

In addition to posting the agenda at the COB meeting location, the Designated Official will post the agenda on the COB's website.

In the event that a Member will not be attending a COB meeting, the Member shall be responsible for notifying the Clerk of the Board and the Designated Official of their absence.

The Successor Agency will be responsible to provide all notices required under the Dissolution Act.

B. Public Comments

Each agenda will include an opportunity for the public to address the COB. The COB may adopt reasonable regulations, including time limits, on public comments. Such regulations should be enforced fairly and without regard to speakers' viewpoints.

Written comments on Agenda items must be submitted not less than 24 hours prior to the COB meeting when the item will be considered. Any written comments received by a Successor Agency must be provided to the COB.

V. **Reporting of Actions ~~taken~~-Taken at Countywide Oversight Board Meeting**

A. Minutes

The Clerk shall act as the ex officio secretary of the COB and shall be responsible for preparing the minutes of the meetings of the COB.

Minutes will need to be ratified at the next regular or special meeting of the COB. Meeting minutes will be kept by the Clerk of the Board until the dissolution of the COB, at which point the meeting minutes shall be transferred to the Orange County Archives.

B. Processing Actions and Resolutions

The Designated Official will coordinate with Clerk to process all actions of the COB expeditiously. Executed resolutions will be made available within seven (7) business days of the meeting on which the action was approved. The Designated Official or Clerk shall transmit to the Successor Agency Representative, via email or by posting on secure website, all action items and supporting documents.

C. Inquiries by Third Parties and Meet and Confer

The Designated Official will inform the Successor Agency Representative of any requests, questions and communications by any third parties that the Designated Official receives with regard to any particular item submitted for consideration by the COB. The Successor Agency is responsible for addressing all inquiries and questions directly related to their action items. The Successor Agency shall provide copies of all responses to questions and inquiries to the Designated Official who shall be responsible for providing the same to the Members of the COB.

The Successor Agency shall submit their specific items to the DOF.

The COB will not participate in the meet and confer process associated with any particular action of the COB that a Successor Agency requests to invoke with the DOF.

VI. Cost Recovery, Allocation, and Reimbursement

A. Cost Allocation

To the extent possible, the CAC will recover costs from the portion of the Redevelopment Property Tax Trust Fund (“RPTTF”) allocated for a specific Successor Agency when the costs incurred are specifically related to that agency. When it is impractical to allocate costs to a specific agency, then the CAC shall recover costs from the RPTTF as a whole.

B. Oversight Board Expenses

The Designated Official shall submit the expenses of the COB to the CAC for recovery from the RPTTF and shall recommend whether each expense should be allocated to the whole RPTTF or the portion of the RPTTF allocated for a specific Successor Agency. The expenses related to a regular meeting of the COB shall be allocated to the whole RPTTF. The Designated Official shall recommend to the CAC whether the expenses of a special meeting of the COB should be allocated to the whole RPTTF or the portion of the RPTTF allocated for a specific Successor Agency.

C. Vendor Payments

Payments to a COB vendor should generally be made with funds from the whole RPTTF. However, in the event that a vendor focuses an unusual portion of their time on a specific Successor Agency during an invoice period, then the Designated Official shall recommend to the CAC the appropriate portion of the payment to that vendor for that particular invoice period be drawn from the RPTTF allocated for a specific Successor Agency.

D. Designated Official Expenses

The expenses incurred by the Designated Official should generally be reimbursed by the CAC with funds from the whole RPTTF. However, if an expense is incurred that is related to a specific Successor Agency/Agencies, then the Designated Official shall be reimbursed by the CAC with funds from the portion of the RPTTF allocated for that specific Successor Agency/Agencies. Expenses under this paragraph shall include mileage at the standard rate set by the Internal Revenue Service, parking fees, meeting room rental costs, meals and drinks of all meeting attendees, and any related tips and taxes for the above. Alcoholic beverages, fines, repair of vehicular damage, and repair of property damage shall not be reimbursed from any portion of the RPTTF. No reimbursement will be issued if submitted to the CAC more than six (6) months after it was incurred.

E. Travel to Sacramento County

An individual traveling to Sacramento County on COB business shall be reimbursed for flights between John Wayne Airport (“SNA”) and Sacramento International Airport (“SMF”), but no reimbursement will be provided for optional premium services, such as First Class, Business Select, or EarlyBird Check-In. An individual may elect to fly via another airport(s) or utilize another mode of transportation, but that individual shall be reimbursed not more than the lesser amount of a) their actual expenses or b) an amount equivalent to the cost of a round-trip nonstop flight between SNA and SMF on the same day(s). Non-valet parking, taxi, ridesharing services, and public transportation will be reimbursed. Car rental expenses in Sacramento County will also be reimbursed, but only one person may rent a car if multiple individuals are traveling concurrently on COB business. For lodging

in Sacramento County, the most economical and practical accommodations available, considering the purpose of travel and other relevant factors, will be reimbursed. Meals and incidental expenses in Sacramento County will be reimbursed, provided that no alcoholic beverages or entertainment may be reimbursed. Related taxes and tips for any of the above will be reimbursed. No fines will be reimbursed. Any reimbursement under this paragraph shall be drawn by the CAC from the funds of the portion of the RPTTF allocated for the specific Successor Agency/Agencies that necessitated this trip by the individual(s) on behalf of the COB. If it is impractical to allocate costs to a specific agency, then the reimbursements under this paragraph shall be drawn by the CAC from the funds of the RPTTF as a whole. No reimbursement for travel expenses will be issued if submitted to the CAC more than six (6) months after the end of the trip.

EXHIBIT A

ROSTER OF MEMBERS AND SUCCESSOR AGENCIES

Roster of Countywide Oversight Board Members

Appointing Body	Member Name
County Board of Supervisors	Steve Franks
City Selection Committee	Hon. Steve Jones
Independent District Selection Committee	Hon. Brian Probolsky
Member to Represent Schools, appointed by Superintendent of Schools	Dean West, CPA
Member to Represent Community College Districts in Orange County, appointed by Chancellor of the California Community Colleges	Hon. Phillip E. Yarbrough
Member of the Public, appointed by County Board of Supervisors	Louis McClure Anil Kukreja
Recognized Employee Organization	Charles Barfield

Roster of Successor Agencies

- County of Orange
- City of Anaheim
- City of Brea
- City of Buena Park
- City of Costa Mesa
- City of Cypress – [Dissolved 1/24/2023](#)
- City of Fountain Valley
- City of Fullerton
- City of Garden Grove
- City of Huntington Beach
- City of Irvine
- City of La Habra
- City of La Palma
- City of Lake Forest
- City of Mission Viejo
- City of Orange
- City of Placentia
- City of San Clemente
- City of San Juan Capistrano
- City of Santa Ana
- City of Seal Beach – [Dissolved 1/18/2022](#)
- City of Stanton
- City of Tustin
- City of Westminster
- City of Yorba Linda