

Board Members:

Teresa E. Smith, Chair
Mayor's Representative

Patricia "Pat" Buttress, Vice Chair
*Orange County Board of
Supervisors Representatives*

Michael L. Christensen
*County Superintendent of
Education Representative*

Douglass S. Davert
Orange County Sanitation District

Gary Remland
*Orange County Board of
Supervisors Representatives*

Aaron Schulze
*Former Orange Redevelopment
Agency Employee Representative*

Vacant
*Chancellor of the California
Community Colleges
Representative*

Successor Agency Staff:

Rick Otto
Executive Director

William M. Kolbow
Finance Director

Wayne Winthers
Successor Agency General Counsel

Debbie Gabler
Recording Secretary

**OVERSIGHT BOARD
OF THE
SUCCESSOR AGENCY
TO THE
ORANGE REDEVELOPMENT AGENCY**

REGULAR MEETING

THURSDAY, JANUARY 11, 2018

~ 4:00 PM ~

Weimer Conference Room

Orange City Hall
300 E. Chapman Avenue
Orange, CA 92866

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Please contact the Successor Agency Clerk either in person at 300 E. Chapman Avenue, Orange, California or by calling (714) 744-5500 no later than 10:00AM on the City business day preceding the scheduled meeting.

OVERSIGHT BOARD MEETING AGENDA

THURSDAY, JANUARY 11, 2018
~ 4:00 PM ~

1. OPENING

1.1. CALL TO ORDER

1.2. PLEDGE OF ALLEGIANCE TO THE FLAG

Board Member Aaron Schulze

1.3. ROLL CALL

PRESENT –

ABSENT –

2. PUBLIC COMMENTS

At this time, members of the public may address the Oversight Board on any off-agenda items within the subject matter jurisdiction of the Oversight Board provided that NO action may be taken on off-agenda items unless authorized by law. Comments are limited to **three minutes per person**.

3. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine by the Oversight Board and will be enacted by one motion. There will be no separate discussion of said items unless members of the Oversight Board, staff or the public request specific items removed from the Consent Calendar for separate action.

3.1. Oversight Board Minutes, Regular Meeting of January 18, 2017.

Recommended Action: Approve.

3.2. Resolution No. OB-0074 – A Resolution of the Oversight Board of the Successor Agency authorizing the write-off of two Small Business Assistance Loans that are in default.

Recommended Action:

1. Approve Resolution No. OB-0074;

3.3. Resolution No. OB-0075 – A Resolution of the Oversight Board of the Successor Agency to the Orange Redevelopment Agency approving a Recognized Obligation Payment Schedule for the fiscal period from July 1, 2018 through June 30, 2019, pursuant to Health and Safety Code Section 34177 and taking certain related actions.

Recommended Action:

2. Approve Resolution No. OB-0075; and
3. Authorize the Executive Director to transmit a copy of the approved ROPS 18-19 to the State Department of Finance, State Controller's Office and the County Auditor-Controller.

OVERSIGHT BOARD MEETING AGENDA

THURSDAY, JANUARY 11, 2018

~ 4:00 PM ~

4. ADMINISTRATIVE REPORTS

5. FUTURE AGENDA ITEMS

5.1. Discussion of future meetings.

6. CLOSED SESSION

7. ADJOURNMENT

Adjourn to next scheduled meeting at a date uncertain to be scheduled by the Successor Agency staff liaison.

Declaration of Successor Agency Clerk, Robert Zornado, or his designee declaring posting of the Oversight Board of the Successor Agency to the Orange Redevelopment Agency agenda of a regular meeting of January 27, 2016 at Orange Civic Center Kiosk, Police facility at 1107 North Batavia, and Main Public Library at 407 E. Chapman; all of said located being in the City of Orange and freely accessible to members of the public at least 72 hours before commencement of said regular meeting; and available at the Civic Center City Clerk's Office.

DRAFT MINUTES OF THE OVERSIGHT BOARD
January 18, 2017

1. Opening

1.1. Call to Order

The meeting of the Oversight Board was called to order at 4:00 p.m.

1.2. PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Board Member Aaron Schulze

1.3. ROLL CALL

PRESENT – Buttress, Schulze, Remland, Davert, Christensen, Smith
ABSENT – None

2. PUBLIC COMMENTS

No Public Comments

3. CONSENT CALENDAR

3.1. Oversight Board Minutes, Regular Meeting of August 9, 2016.

Recommended Action: Approve the Consent Calendar

- 3.2. Resolution No. OB-0072** – A Resolution of the Oversight Board of the Successor Agency to the Orange Redevelopment Agency approving a Recognized Obligation Payment Schedule for the fiscal period from July 1, 2017 through June 30, 2018, pursuant to Health and Safety Code Section 34177 and taking certain related actions.

Resolution No. OB-0073 – A Resolution of the Oversight Board of the Successor Agency to the Orange Redevelopment Agency approving proposed Administrative Budgets for the six-month fiscal periods from July 1, 2017 through December 31, 2017, and from January 1, 2018 through June 30, 2018, and taking certain related actions.

Recommended Action:

1. Approve Resolution No. OB-0072;
2. Approve Resolution No. OB-0073, and;
3. Authorize the Executive Director to transmit a copy of the approved ROPS 17-18 to the State Department of Finance, State Controller’s Office and the County Auditor-Controller.

Recommended Action: Approve the Consent Calendar

MOTION: Buttress
SECOND: Christensen
AYES: Buttress, Schulze, Remland, Davert, Christensen, Smith
NOES: None
ABSENT: None

ACTION: Moved to approve the Consent Calendar with abstentions previously recorded by Board member Schulze.

DRAFT MINUTES OF THE OVERSIGHT BOARD
January 18, 2017

4. ADMINISTRATIVE REPORTS

None

5. FUTURE AGENDA ITEMS

None

6. CLOSED SESSION

None

7. ADJOURNMENT

The meeting adjourned at 4:04 p.m. to the next scheduled meeting at a date uncertain to be scheduled by the Successor Agency staff liaison.

MOTION: Buttress

SECOND: Davert

AYES: Buttress, Schulze, Remland, Davert, Christensen, Smith

NOES: None

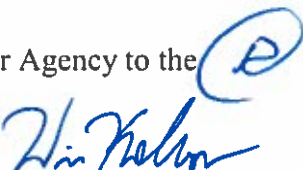
ABSENT: None

**OVERSIGHT BOARD
OF THE
SUCCESSOR AGENCY
TO THE
ORANGE REDEVELOPMENT AGENCY**

**AGENDA ITEM: 3.2
MEETING DATE: THURSDAY, JANUARY 11, 2018**

TO: Members of the Oversight Board

THRU: Rick Otto, Executive Director of the Successor Agency to the Orange Redevelopment Agency

FROM: William M. Kolbow, Successor Agency Staff 

1. SUBJECT

Resolution No. OB-0074 – A Resolution of the Oversight Board of the Successor Agency (Oversight Board) authorizing the write-off of two Small Business Assistance loans that are in default.

2. SUMMARY

The Oversight Board is requested to approve the write-off of defaulted Small Business Assistance loans to Auld Irisher, LLC and Lincoln Coast Enterprises, Inc.

3. RECOMMENDED ACTION(S)

Approve Resolution No. OB-0074

4. DISCUSSION

Background

The Orange Redevelopment Agency (ORA) operated a Small Business Assistance program that provided loans to businesses to complete property improvements that provided benefits to the community. In 2007, the ORA loaned \$26,254.50 to Auld Irisher Orange, LLC to install grease trap equipment at its location at 1547 W. Katella Avenue. In 2009, the ORA loaned \$60,000 to Lincoln Coast Enterprises, Inc. to upgrade the electrical service and construct restrooms that meet the requirements of the Americans with Disabilities Act at its location at 117 N. Glassell Street. All of the property improvements were completed however, both entities subsequently went out of business before fulfilling the terms of their loan agreements. ORA efforts to collect the outstanding loans were unsuccessful, and Successor Agency and Oversight Board action is required to recognize the default and write off the loans. The Successor Agency approved Resolution Number SAORA-27 on September 12, 2017 authorizing the write-off of these two loans.

Discussion

It is recommended that the Oversight Board approve Resolution No. OB-0074 authorizing the write-off of two Small Business Assistance loans that are in default.

5. ATTACHMENT

- Resolution No. OB-0074

RESOLUTION NO. OB-0074

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY AUTHORIZING THE WRITE-OFF OF SMALL BUSINESS ASSISTANCE LOANS TO AULD IRISHER, LLC AND LINCOLN COAST ENTERPRISES, INC.

WHEREAS, Assembly Bill x1 26 (“AB 26”) and AB x1 27 were passed by the State Legislature on June 15, 2011 and signed by the Governor on June 28, 2011; and

WHEREAS, among other things, AB 26 amended Sections 33500, 33501, 33607.5 and 33607.7 of the California Health and Safety Code and added Part 1.8 and Part 1.85 of Division 24 to the California Health and Safety Code; and

WHEREAS, by enactment of Part 1.85 of Division 24 of the California Health and Safety Code, subject to all reservations herein stated, the Orange Redevelopment Agency (the “Agency”) was dissolved as of February 1, 2012; and

WHEREAS, Assembly Bill 1484 (“AB 1484”) was passed by the State Legislature on June 27, 2012 and signed by the Governor on June 27, 2012 which adds and amends certain provisions contained in AB 26, including the process for adopting Recognized Obligation Payment Schedules; and

WHEREAS, California Health and Safety Code Section 34173(a) designates successor agencies as successor entities to former redevelopment agencies; and

WHEREAS, on January 10, 2012, by Resolution No. 10625, the City of Orange declared itself as the successor agency (the “Successor Agency”) upon the dissolution of the Agency, subject to all reservations stated in such resolution; and

WHEREAS, pursuant to Section 34181 of the California Health and Safety Code (“HSC”), the Oversight Board is required to direct the Successor Agency to take certain actions in connection with the wind down of the affairs of the Former Agency; and

WHEREAS, the Successor Agency wishes to write off the Small Business Assistance loans to Auld Irisher Orange, LLC and Lincoln Coast Enterprises, Inc. that are in default.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Orange Redevelopment Agency does hereby find, determine, resolve, and order as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby authorizes the Successor Agency to write-off the Small Business Assistance loans to Auld Irisher Orange, LLC and Lincoln Coast Enterprises, Inc.

Section 3. The Staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

Section 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end, the provisions of this Resolution are severable. The Oversight Board hereby declares that it would have adopted this Resolution regardless that one or more portion may be determined to be invalid.

PASSED AND ADOPTED this ___ day of January, 2018.

Teresa E. Smith
Chairperson of the Oversight Board to the
Successor Agency of the Orange Redevelopment Agency

ATTEST:

Robert Zornado
Clerk of the Oversight Board

I hereby certify that the foregoing Resolution was duly and regularly adopted by Oversight Board of the Successor Agency to the Orange Redevelopment Agency at a regular meeting thereof held on the ___ day of January __, 2018, by the following vote:

AYES: BOARD MEMBERS: Buttress, Schulze, Remland, Davert, Christensen, Smith
NOES: BOARD MEMBERS: None
ABSENT: BOARD MEMBERS: None
ABSTAIN: BOARD MEMBERS: None

Robert Zornado
Clerk of the Oversight Board

**OVERSIGHT BOARD
OF THE
SUCCESSOR AGENCY
TO THE
ORANGE REDEVELOPMENT AGENCY**

**AGENDA ITEM: 3.3
MEETING DATE: THURSDAY, JANUARY 11, 2018**

TO: Members of the Oversight Board

THRU: Rick Otto, Executive Director of the Successor Agency to the Orange Redevelopment Agency

FROM: William M. Kolbow, Successor Agency Staff 

1. SUBJECT

Resolution No. OB-0075 – A Resolution of the Oversight Board of the Successor Agency to the Orange Redevelopment Agency approving a Recognized Obligation Payment Schedule for the fiscal period from July 1, 2018 through June 30, 2019 (ROPS 18-19), pursuant to Health and Safety Code Section 34177, and taking certain related actions.

2. SUMMARY

Approve the ROPS 18-19 for the period covering July 1, 2018 through June 30, 2019, and authorize the transmittal of ROPS 18-19 to the State Department of Finance, State Controller's Office and County Auditor-Controller.

3. RECOMMENDED ACTION(S)

1. Approve Resolution No. OB-0075; and
2. Authorize the Executive Director to transmit a copy of the approved ROPS 18-19 to the State Department of Finance, State Controller's Office and the County Auditor-Controller.

4. DISCUSSION and BACKGROUND

Background

Assembly Bill 113 (AB 113) provided additional amendments to obligations and deadlines for redevelopment wind-down activities, including specific language in Health and Safety Code Section 34177(o)(1) with regard to preparation and approval of the Annual Recognized Obligation Payment Schedule (Annual ROPS) covering the period of July 1 to June 30. The Annual ROPS lists all legally binding and enforceable agreements or contracts of the former

Orange Redevelopment Agency for each fiscal-year period, including those necessary for the continued administration of the Successor Agency to wind down the former Agency.

Discussion

The State Department of Finance (DOF) requires submission of the ROPS through the web-based application called the Redevelopment Agency Dissolution Web Application (RAD), first established in 2013. This Annual ROPS covers the period July 1, 2018 to June 30, 2019 (ROPS 18-19). It is comprised of the following four forms:

- *Summary Form:* This form summarizes funding totals carried forward from the ROPS Detail Form by funding source and reports the Current Period Funding for Enforceable Obligations of ROPS 18-19A and 18-19B in separate columns;
- *ROPS Detail Form:* This form lists the Agency outstanding obligations, debts and payments due for ROPS A and B separately by fund source;
- *Report of Cash Balances Form:* This form requires the Successor Agency to report all cash balances and actual expenditures for ROPS 15-16 (07/01/15 – 06/30/16), and;
- *Notes Form:* The completion of this form is optional and available to Successor Agency to provide additional information associated with the ROPS Detail Form.

The new Prior Period Adjustments (PPA) Form is separate and distinct from the ROPS template. Agencies are to report actual expenditure on a fiscal year basis, combining A and B periods and are required to submit the PPA form to the County Auditor-Controller (CAC) for review by Oct 1, beginning in ROPS 19-20. The new PPA reporting form does not require an Oversight Board approval prior to submission to the CAC and the participation is voluntary for ROPS 18-19.

Overview of ROPS 18-19

Following the RAD process for ROPS 18-19, the estimated Redevelopment Property Tax Trust Fund (RPTTF) to be disbursed is \$7,356,086 subject to approval of the Oversight Board and DOF.

Proposed ROPS 18-19	Amount Requested	Administrative Budgets	Estimated RPTTF Disbursement Amount
RPTTF	\$7,106,086	\$250,000	\$7,356,086

Deadline to submit ROPS 18-19

To comply with AB 113 and the upcoming February 1, 2018 deadline, it is recommended the Successor Agency approve ROPS 18-19 and transmit these documents to the Oversight Board for approval. DOF has indicated late ROPS submission will be subject to penalties set forth in Health and Safety Code 34177(o)(1), charged to the City in an amount equal to \$10,000 per day for every day the ROPS is not submitted to DOF.

5. ATTACHMENTS

- Resolution No. OB-0075 and ROPS 18-19

RESOLUTION NO. OB -0075

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2018 THROUGH JUNE 30, 2019, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code Section 34177(o), the Successor Agency to the Orange Redevelopment Agency (the Successor Agency) must prepare a Recognized Obligation Payment Schedule listing the anticipated payments for enforceable obligations to be made by the Successor Agency during the fiscal period from July 1, 2018 through June 30, 2019 (ROPS 18-19) and submit ROPS 18-19 to the oversight board of the Successor Agency (the Oversight Board) for approval; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2)(C) and Section 34177(o)(1), the Successor Agency must: (i) submit the Oversight Board-approved ROPS 18-19 to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than February 1, 2018, and (ii) post a copy of the Oversight Board-approved ROPS 18-19 on the Successor Agency's website;

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Orange Redevelopment Agency does hereby find, determine, resolve, and order as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves ROPS 18-19, substantially in the form attached hereto as **Exhibit A**. Staff of the Successor Agency is hereby authorized and directed to: (i) submit a copy of Oversight Board-approved ROPS 18-19 to the DOF, the Office of the State Controller, and the County Auditor-Controller and (ii) post a copy of the Oversight Board-approved ROPS 18-19 on the Successor Agency's Internet website (being a page on the Internet website of the City of Orange).

Section 3. The Staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including but not limited to requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and making adjustments to ROPS 18-19 pursuant to the DOF's instructions, and any such actions previously taken are hereby ratified and confirmed.

PASSED AND ADOPTED this __ day of January, 2018.

Teresa E. Smith
Chairperson of the Oversight Board to the
Successor Agency of the Orange Redevelopment Agency

ATTEST:

Robert Zornado
Clerk of the Oversight Board

I hereby certify that the foregoing Resolution was duly and regularly adopted by Oversight Board of the Successor Agency to the Orange Redevelopment Agency at a regular meeting thereof held on the __ day of January __, 2018, by the following vote:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:
ABSTAIN: BOARD MEMBERS:

Robert Zornado
Clerk of the Oversight Board

EXHIBIT A

**SUCCESSOR AGENCY TO THE ORANGE REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2018 – June 30, 2019)**

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: Orange City
 County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 452,365	\$ -	\$ 452,365
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	452,365	-	452,365
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 5,360,145	\$ 1,995,941	\$ 7,356,086
F RPTTF	5,235,145	1,870,941	7,106,086
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 5,812,510	\$ 1,995,941	\$ 7,808,451

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

Orange City Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances
July 1, 2015 through June 30, 2016
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I							
									Fund Sources						
									Bond Proceeds		Reserve Balance		Other		RPTTF
Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments									
1	Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)														
1	Beginning Available Cash Balance (Actual 07/01/15)	2,632,571	1	341,717	116,405	1,100,244	3,563,594	H1:ROPS 14-15A PPA for 15-16A: \$1,593,262; ROPS 14-15B PPA for 15-16B: \$1,970,332; Total \$3,563,594							
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16 total distribution from the County Auditor-Controller during June 2015 and January 2016.	37,479	21,424			690,209	4,943,429	G2:15-16A \$274,909; 15-16B \$415,300; Total Revenue \$690,209 H2:15-16A \$4,902,581; 15-16B \$40,848; Total RPTTF \$4,943,429							
3	Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)							E3:15-16A \$193,076; 15-16B \$148,641; Total Exp \$341,717; F3:15-16B \$116,405; G3:15-16A \$106,561; 15-16B \$589,949; Total exp \$695,510; H3:15-16A \$5,770,118; 15-16B \$1,426,500; Total Exp \$7,196,618							
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	5	21,424	341,717	116,405	695,510	7,196,618								
5	ROPS 15-16 RPTTF Balances Remaining	No entry required													
6	Ending Actual Available Cash Balance (06/30/16) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 2,670,045	\$	\$	\$	\$	\$ 736,595	\$							
			1				1,310,405	H5:15-16A \$725,725; 15-16B \$584,680; Total 15-16 PPA \$1,310,405							
								G6: 16-17A Other funds							

