



# *Agenda Report*

## *Fullerton Successor Agency*

**MEETING DATE:** JANUARY 18, 2022

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** JEFF COLLIER, ACTING CITY MANAGER

**PREPARED BY:** ELLIS CHANG, DIRECTOR OF ADMINISTRATIVE SERVICES  
RAMONA CASTAÑEDA, REVENUE MANAGER

**SUBJECT:** RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2022-23  
AND ADMINISTRATIVE BUDGET ALLOWANCE

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### SUMMARY

Request that City Council, acting as the Fullerton Successor Agency (Successor Agency), approve the proposed Recognized Obligation Payment Schedule for Fiscal Year 2022-23 (ROPS 2022-23 and administrative budget allowance for of July 1, 2022 through June 30, 2023 per Assembly Bills 1X 26 (AB 26) and 1484 (AB 1484) and Senate Bill 107 (SB107).

### RECOMMENDATION

Adopt Resolution No. SA 2022-XX.

RESOLUTION NO. SA 2022-XX – A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2022-2023 AND ADMINISTRATIVE BUDGET ALLOWANCE (PERIOD COVERING JULY 1, 2022 - JUNE 30, 2023)

### PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Fiscal and Organization Stability.

### FISCAL IMPACT

No impact to the City's General Fund. The City will make all approved payments from property tax increment revenue allocated by the Orange County Auditor-Controller to the Fullerton Successor Agency's Redevelopment Property Tax Trust Fund per the State mandated dissolution process.

## DISCUSSION

The Recognized Obligation Payment Schedule (ROPS) identifies the funds needed to carry out the dissolution process of the former Fullerton Redevelopment Agency and to set forth the payment amounts and due dates for all existing financial obligations. ROPS shall look forward and staff will prepare annually until the Agency has repaid all debt. Staff has attached the proposed ROPS 2022-23 for July 1, 2022 through June 30, 2023. Staff must submit ROPS 2022-23 to the Orange County Oversight Board and then to the State Department of Finance (DOF) by February 1, 2022 for review and approval.

The ROPS 2022-23 includes all of the enforceable obligations of the Successor Agency requiring payments during Fiscal Year 2022-23. These obligations include bond debt service payments, leases, development agreement obligations, a purchase and sale agreement, administering ongoing affordable housing and loan programs, a stipulated judgment and an administrative cost allowance. In prior years, staff continued to list previously denied items per the advice of legal counsel. This ROPS lists only two items related to affordable housing with previous denials. Relevant lawsuits and/or proposed legislation may cause the DOF to change their determination to continue to deny these items. Staff will complete all currently approved Successor Agency enforceable obligations in FY 2027-28.

Staff recommends that City Council, acting as the Fullerton Successor Agency, approve the attached draft resolution approving ROPS 2022-23 for the period of July 1, 2022 through June 30, 2023. If approved, staff will forward the ROPS 2022-23 to the County Oversight Board for its consideration. If a Successor Agency does not submit their ROPS by the February 1, 2021 deadline, the Successor Agency becomes subject to a \$10,000 per day civil penalty for every day the Agency does not submit the schedule to the DOF. Additionally, if a successor agency does not submit its ROPS within ten days of the deadline, the maximum administrative cost allowance for that period shall reduce by 25 percent.

### Attachments:

- Attachment 1 – Draft Resolution No. SA 2022-XX
- Attachment 2 – ROPS 22-23 Summary