



Agenda Report

Fullerton Successor Agency

MEETING DATE: JANUARY 21, 2020

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: RAMONA CASTAÑEDA, REVENUE MANAGER

SUBJECT: RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2020-21
AND ADMINISTRATIVE BUDGET ALLOWANCE PER
ASSEMBLY BILLS 1X 26 AND 1484, AND SENATE BILL 107

SUMMARY

The purpose of this item is to request that the City Council, acting as the Fullerton Successor Agency (Successor Agency), approve the proposed Recognized Obligation Payment Schedule for Fiscal Year 2020-21 (ROPS 2020-21) and administrative budget allowance for the time period of July 1, 2020 through June 30, 2021 per Assembly Bills 1X 26 (AB 26) and 1484 (AB 1484), and Senate Bill 107 (SB107).

RECOMMENDATION

Adopt Resolution No. SA 2020-XX.

RESOLUTION NO. SA 2020-XX – A RESOLUTION OF THE FULLERTON SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2020-21 AND ADMINISTRATIVE BUDGET ALLOWANCE (PERIOD COVERING JULY 1, 2020 - JUNE 30, 2021)

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. All approved payments are to be made 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 purpose of the Recognized Obligation Payment Schedule (ROPS) is to identify 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 be forward looking and prepared annually until all debt is repaid. Attached is the proposed ROPS 2020-21 for the time period of July 1, 2020 through June 30, 2021. ROPS 2020-21 must be submitted to the Orange County Oversight Board then to the State Department of Finance (DOF) by February 1, 2020 for their review and approval.

Included in the ROPS 2020-21 are all of the enforceable obligations of the Successor Agency requiring payments during Fiscal Year 2020-21. 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. Per our legal counsel's advice, in prior years we continued to list previously denied items. In this ROPS only two items related to affordable housing are still listed even though they have been previously denied. These two items may be impacted by relevant lawsuits and/or proposed legislation that may cause the DOF to change their determination to continue to deny these items. Please note that the DOF has changed the ROPS process from utilizing spreadsheets to an online portal. Therefore, the ROPS look different from prior ROPS. They generally contain the same information in a summarized form.

Staff recommends that the City Council, acting as the Fullerton Successor Agency, approve SA Resolution No. 2020-XX approving ROPS 2020-21 for the period of July 1, 2020 through June 30, 2021 (Attachment 1). If approved, ROPS 2020-21 (Attachment 2) will be forwarded to the County Oversight Board for its consideration. Please note that the local oversight board has transitioned to a county oversight board. If a Successor Agency does not submit their ROPS by the February 1, 2020 deadline, the Successor Agency shall be subject to a civil penalty equal to \$10,000 per day for every day the schedule is not submitted to the DOF. Additionally, if a successor agency does not submit its ROPS within 10 days of the deadline, the maximum administrative cost allowance for that period shall be reduced by 25 percent.

Attachments:

- Attachment 1 - Resolution No. 2020-XX
- Attachment 2 - Recognized Obligation Payment Schedule 2020-21