



AGENDA STAFF REPORT

ASR Control

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MEETING DATE: 1/24/12
LEGAL ENTITY TAKING ACTION: Board of Supervisors and Orange County Development Agency
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: OC Community Resources
DEPARTMENT CONTACT PERSON(S): Steve Franks (714) 480-2788
 Julia Bidwell (714) 480-2991

SUBJECT: Dissolution of the Orange County Development Agency

CEO CONCUR

COUNTY COUNSEL REVIEW
 Resolution Approved As To Form

CLERK OF THE BOARD
 Discussion

Budgeted: Yes

Current Year Cost: \$96,657,379

Annual Cost: N/A

Staffing Impact: N/A

of Positions: N/A

Sole Source: N/A

Current Fiscal Year Revenue: \$96,657,379

Funding Source: Redevelopment Funds

Prior Board Action: 3/27/2007 #60; 8/23/2011 #46

RECOMMENDED ACTION(S)

1. Adopt the Amended Enforceable Obligation Payment Schedule.
2. Select a Housing Successor Agency:
 - a) Elect the County of Orange as the "Housing Successor Agency" and retain all functions and assets, previously performed and/or maintained by the Orange County Development Agency,
 - or
 - b) Elect the Orange County Housing Authority as the "Housing Successor Agency" and retain all functions and assets, previously performed and/or maintained by the Orange County Development Agency.
3. Adopt the attached Resolutions pursuant to California Health and Safety Code Section 33354.8.
4. Delegate OC Community Resources to act on behalf of the County in all administrative matters in the elimination of the Orange County Development Agency, and to provide necessary administrative support to the Successor Agency.

5. Provide direction to staff regarding the appointment process for the respective Oversight Boards.

SUMMARY:

Adoption of the Amended Enforceable Obligation Payment Schedule, selection of a “Housing Successor Agency”, and adoption of the attached Resolution will allow the County of Orange to be in Compliance with the requirements of AB 1X 26 (Redevelopment Elimination Bill).

BACKGROUND INFORMATION:

On December 29, 2011, the California Supreme Court (the Court) issued an opinion in *CRA v. Matosantos* on the constitutionality of AB 1X 26 & 27. In their opinion, the Court upheld the provisions of AB 1X 26, effectively eliminating redevelopment agencies statewide, but struck down AB 1X 27 the legislation that would have allowed redevelopment agencies to continue so long as they provided payments to the State. One significant aspect of this decision is its effect on the previously adopted payment schedules. In compliance with the enactment of AB 1X 26 and AB 1X 27, on August 23, 2011, your Board adopted an Enforceable Obligation Payment Schedule (EOPS) to identify known financial obligations of the Orange County Development Agency (OCDA) and authorized payment of those obligations through December 31, 2011, as required under AB 1X 26. However, there are potential financial liabilities for the County and/or any Successor Agency based on the interpretation and implementation of AB 1X 26.

The Executive Director of OCDA in accordance with his administrative authority sent a memo on January 10, 2012 to the County Auditor-Controller confirming the County’s status as the Successor Agency to OCDA in compliance with AB 1X 26. The attached Amended EOPS is being presented to your Board to memorialize those financial obligations that remain through June 30, 2012, and to authorize the use of redevelopment funds to pay them pending the establishing of the “Oversight Board.” The obligations listed on the Amended EOPS include prior Board approved projects, adjustments to include professional services, administrative and direct project costs, and several projects pertaining to the Santa Ana Heights Project Area (i.e., Utility Undergrounding, Kline Drive, and Bristol Street Sanitary District Improvement Projects), previously approved by your Board on March 27, 2007. Obligations completed prior to December 31, 2011 have not been included on the Amended EOPS.

Under Health and Safety Code section 34176, the County has the option to become the “Housing Successor Agency” whereby it will assume OCDA’s powers, liabilities, duties, and obligations as they related to affordable housing. Should your Board elect not to be the Successor Housing Agency, all housing assets and functions, including their powers and obligations respectively, will be transferred to the Orange County Housing Authority (OCHA). Based on discussions with County Counsel, OCHA’s broader powers to create affordable housing opportunities may be more conducive to achieving the County’s affordable housing objectives.

Pursuant to newly enacted Health and Safety Code section 33354.8, redevelopment agencies must declare whether or not it has forgiven, during the period of time commencing January 1, 2010 through December 31, 2011, the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed by a another public body. The deadline for adoption of this resolution is February 1, 2012. This resolution confirms that it has not forgiven any such obligations during the specified time period.

Compliance with CEQA: The subject activity is not a project as defined by CEQA pursuant to Section 15378(b)(2).

FINANCIAL IMPACT:

There are potential financial liabilities for the County and/or any Successor Agency based on the interpretation and implementation of AB 1X 26.

STAFFING IMPACT:

N/A

REVIEWING AGENCIES:

EXHIBIT(S):

ATTACHMENT(S):

Attachment A: Amended Enforceable Obligation Payment Schedule

Attachment B: Resolution of the Board of Supervisors

Attachment C: Resolution of the Board of Directors for the Orange County Development Agency

AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)
 (Debt Service - Neighborhood Development and Preservation Project)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month						Total	
					Jan	Feb	Mar	Apr	May	Jun		
2001 OCDA Tax Allocation Refunding Bonds	US Bank	Refund portion of OCDA 1992 Tax Allocation Revenue Bonds, Series A	\$ 25,401,972.00	\$ 2,160,856.28		\$ 453,654.00						\$ 453,654.00
Pass Through (FY 10-11)	Anaheim Union High School District	Per Pass Through Agreement		\$ 231,690.00								\$ -
Pass Through (FY 10-11)	Coast Community College District	Per Pass Through Agreement		\$ 184,309.61								\$ -
Pass Through (FY 10-11)	Huntington Beach High School District	Per Pass Through Agreement		\$ 186,126.90								\$ -
Pass Through (FY 10-11)	Irvine Ranch Water District	Per Pass Through Agreement		\$ 69,906.62								\$ -
Pass Through (FY 10-11)	Magdalena Elementary School District	Per Pass Through Agreement		\$ 342,683.00								\$ -
Pass Through (FY 10-11)	McClay Ctr. Sanitary District	Per Pass Through Agreement		\$ 101,280.02								\$ -
Pass Through (FY 10-11)	North OC Community College District	Per Pass Through Agreement		\$ 109,103.17								\$ -
Pass Through (FY 10-11)	OC Water District	Per Pass Through Agreement		\$ 111,849.99								\$ -
Pass Through (FY 10-11)	Orange Unified School District	Per Pass Through Agreement		\$ 391,424.02								\$ -
Pass Through (FY 10-11)	Rancho Santiago Comm College Dist.	Per Pass Through Agreement		\$ 45,530.16								\$ -
Pass Through (FY 10-11)	Saddleback Valley Unified School Dist.	Per Pass Through Agreement		\$ 139,939.92								\$ -
Pass Through (FY 10-11)	Silverado-Mocksville Recreation/Parks	Per Pass Through Agreement		\$ 36,076.64								\$ -
Pass Through (FY 10-11)	South OC Community College District	Per Pass Through Agreement		\$ 24,503.52								\$ -
Pass Through (FY 10-11)	Trapezoid Canyon Water District	Per Pass Through Agreement		\$ 45,907.29								\$ -
Pass Through (FY 10-11)	OC Flood	Per Pass Through Agreement		\$ 278,172.00		\$ 139,331.00						\$ 139,331.00
Pass Through (FY 10-11)	City of Lake Forest	Per Pass Through Agreement		\$ 4,590,217.00								\$ -
Low Mod Transfer (FY 10-11)	City of Lake Forest (Interest-estimated)	Per Redevelopment Law		\$ 3,140,015.16								\$ -
Low Mod Interest Transfer (FY 10-11)	City of Lake Forest	Per Redevelopment Law		\$ 8,989.65								\$ -
Low Mod Interest Transfer (FY 10-11)	Low Mod Income Housing Fund	Per Redevelopment Law		\$ 120,000.00								\$ -
Administrative Charges (Debt Service Only)	Low Mod Income Housing Fund	Per Redevelopment Law		\$ 120,000.00								\$ -
			\$ 25,401,972.00	\$ 12,294,137.06	\$ 20,000.00	\$ 612,985.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 712,985.00

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 * This Amended Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late January 31, 2012. It is valid through 06/30/12.
 ** Include only payments to be made after the adoption of the EOPS.

Attachment B: Resolution of the Board of Supervisors

RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA

January 24, 2012

WHEREAS, Section 33354.8 of the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.) requires the Orange County Development Agency (“Agency”) and the Agency Board of Directors (“Board”) to adopt a resolution declaring whether or not it has forgiven, during the period of time commencing January 1, 2010, through December 31, 2011, the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed by a public body to the Agency; and

WHEREAS, the Agency has not forgiven any loan, advance, or indebtedness within the time period described above and in Section 33354.8.

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

1. The Board hereby declares that the Agency has not forgiven any loan, advance, or indebtedness within the time period commencing January 1, 2010, through December 31, 2011, as found in Section 33354.8.
2. The Board hereby declares that as the Agency has not forgiven any loan, advance, or indebtedness within the time period commencing January 1, 2010, Sections 33354.8(b)(3), 33354.8(b)(4) and 33354.8(b)(5) are inapplicable.
3. The County of the Agency is hereby directed to transmit a copy of the adopted resolution to the County of Orange and the State Controller.

Attachment C: Resolution of the Board of Directors for the OCDA

RESOLUTION OF THE BOARD OF BOARD OF
DIRECTORS FOR THE ORANGE COUNTY DEVELOPMENT AGENCY

January 24, 2012

WHEREAS, Section 33354.8 of the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.) requires the Orange County Development Agency (“Agency”) and the Agency Board of Directors (“Board”) to adopt a resolution declaring whether or not it has forgiven, during the period of time commencing January 1, 2010, through December 31, 2011, the repayment, wholly or partially, of a loan, advance, or indebtedness that has been owed by a public body to the Agency; and

WHEREAS, the Agency has not forgiven any loan, advance, or indebtedness within the time period described above and in Section 33354.8.

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

1. The Board hereby declares that the Agency has not forgiven any loan, advance, or indebtedness within the time period commencing January 1, 2010, through December 31, 2011, as found in Section 33354.8.
2. The Board hereby declares that as the Agency has not forgiven any loan, advance, or indebtedness within the time period commencing January 1, 2010, Sections 33354.8(b)(3), 33354.8(b)(4) and 33354.8(b)(5) are inapplicable.
3. The County of the Agency is hereby directed to transmit a copy of the adopted resolution to the County of Orange and the State Controller.