



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
January 18, 2022

TOPIC: Recognized Obligation Payment Schedule 2022-2023

AGENDA TITLE:

Recognized Obligation Payment Schedule for the Period of July 1, 2022 through June 30, 2023

RECOMMENDED ACTION

Adopt a resolution approving the Recognized Obligation Payment Schedule for the period of July 1, 2022 through June 30, 2023 pursuant to Part 1.85 of Division 24 of the California Health & Safety Code.

DISCUSSION

The City of Santa Ana adopted an ordinance in 1973 to create a Redevelopment Agency. Throughout the years, the Redevelopment Agency completed numerous projects to eliminate blight, spur economic growth, funded construction of affordable housing projects, and provided infrastructure and community facility improvements within the defined project areas.

Pursuant to Part 1.85 of Division 24 of the California Health & Safety Code ("Dissolution Act"), the City Council on January 9, 2012, elected for the City to act as the "Successor Agency" to the dissolved Community Redevelopment Agency ("Agency"). On February 1, 2012, in accordance with the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, Case No. S194861, the Agency was dissolved and the City began to serve as the "Successor Agency." The City Council serves as the governing body of the Successor Agency under the Dissolution Act as amended by AB 1484, AB 471, and SB 107, to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs.

Effective July 1, 2018, the local Oversight Board to the Successor Agency was dissolved and the new Orange Countywide Oversight Board (OCOB) was established. The OCOB now has oversight with respect to the Dissolution process, including review and approval of the Recognized Obligation Payment Schedule (ROPS).

The ROPS includes the administrative cost allowance as required under Health and Safety Code Section 34177 (j) through (k), and is presented in the format designed by the Department of Finance (DOF).

Upon Successor Agency approval, the ROPS will be submitted to the Orange Countywide Oversight Board for approval at its January 25, 2022 meeting. Upon OCOB approval, the ROPS will be submitted to the DOF, County, and other appropriate entities as required by the Dissolution Act by the February 1, 2022 deadline. The ROPS will also be posted on the Successor Agency's website.

FISCAL IMPACT

The Successor Agency is limited to making only payments listed on the approved ROPS for each annual period. Administrative expenses are capped at three percent of the actual property tax distributed for the ROPS in the preceding fiscal year or the minimum of \$250,000 per year. However, the OCOB has been requesting that successor agencies reduce and minimize the administrative allowance necessary to oversee the remaining obligations on the ROPS. Therefore, the Successor Agency estimates the administrative cost allowance for FY 2022-23 will be \$130,000.

Funds will be budgeted for FY 22/23 in the Redevelopment Obligation Retirement Funds (account no. 67118021-various, 67018843-various) upon approval of the ROPS by DOF.

EXHIBIT(S)

1. Resolution
 - A. Recognized Obligation Payment Schedule 22-23

Submitted By: Steven Mendoza, Assistant City Manager

Approved By: Kristine Ridge, City Manager