

RESOLUTION NO. OB 2016-02

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY APPROVING AND ADOPTING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16-17B) FOR THE PERIOD OF JANUARY 1, 2017 THROUGH JUNE 30, 2017 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(o) (1) (E).

WHEREAS, pursuant to Health and Safety Code Section 34173 (d), the City of La Habra ("Successor Agency") elected to become the Successor Agency to the La Habra Redevelopment Agency by Resolution No. 5508 on January 12, 2012; and

WHEREAS, Health and Safety Code Section 34177 (l) (2) and Section 34177 (m), require the Successor Agency to prepare a Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, Senate Bill 107 changed the ROPS period from six months to twelve months from July 1 to June 30 of each fiscal year. Pursuant to Health and Safety Code Section 34177 (m) (1) (A), provides that the Successor Agency shall complete the Recognized Obligation Payment Schedule (ROPS) in the manner provided for by the Department of Finance (DOF). Pursuant to Health and Safety Code Section 34177 (o) (1), the Successor Agency is required to prepare the ROPS covering the period July 1, 2016 through June 30, 2017 (ROPS 16-17); and

WHEREAS, the Successor Agency did submit ROPS 16-17 to the DOF on January 28, 2016 as required by Health and Safety Code Section 34177 (o) (1); and

WHEREAS, Health and Safety Code Section 34177 (o) (1) (E) allows a Successor Agency to amend its approved ROPS once during the ROPS period no later than October 1 if the Oversight Board finds a revision is necessary for the payment of approved enforceable obligations during the second half of the ROPS period; and

WHEREAS, the Department of Finance (DOF) had previously denied repayment of the 1998 B&C Certificate of Participation Loan Agreement; and

WHEREAS, a recent court ruling determined that the Loan Agreement is a valid enforceable obligation; therefore the Successor Agency to the La Habra Redevelopment Agency requests that ROPS 16-17 but amended to allow for such payments. Specifically, the Amendment requests that \$1,422,427 of RPTTF be reallocated as follows:

- \$61,619 to payment of 1998 Certificate of Participation B/C Loan Debt Service Interest (ROPS Line item 2). This represents current interest due and is payable due to the court's ruling.
- \$275,756 to payment of 1998 Certificate of Participation B/C Loan Debt Service Interest (ROPS Line item 4). This represents repayment of interest payments previously advanced by the City and is payable due to the court's ruling.
- \$300,758 to payment of the 1001 East Imperial Highway Purchase Loan Principal (ROPS Line item 11). The loan repayment is based on the analysis of property tax residual distribution to taxing entities.
- \$9,828 for repayment of the Supplemental Educational Revenue Augmentation Fund (SERAF) loan interest to the Low Mod Housing Fund of the Housing Authority (ROPS Line item 18). This amount was approved on the ROPS 15-16B but there was a funding shortfall.
- \$330,000 to payment of 1998 Certificate of Participation B/C Interest on Debt Service Interest (ROPS Line item 41). This represents payment of accrued interest on the advanced interest payments from the City and is payable due to the court's ruling.
- \$444,466 to payment of the Low Mod Housing SERAF loan (ROPS Line item 42). This amount was approved on the ROPS 15-16B but there was a funding shortfall.

WHEREAS, the allocation of \$667,375 of Redevelopment Property Tax Trust Funds towards the 1998 Certificate of Participation B/C loan and interest obligations represent current interest due and is payable due to the court's ruling. The DOF approved the SERAF obligations of \$757,751 on ROPS 15-16B but available tax increment received in January 2016 was only sufficient to pay \$313,285 of the obligation thereby leaving a shortfall of \$444,466. The interest of \$4,493 which is now \$9,828 to the SERAF loan was identified in ROPS 16-17 with no denial. Finally, the amount requested towards payment of the 1001 East Imperial Highway property loan is based on the analysis of property tax residual distribution to taxing entities that the City should receive for the interagency loan repayment (\$300,758). This obligation was identified in ROPS 15-16 and not denied by the DOF; and

WHEREAS, the Successor Agency found that the Amended ROPS 16-17B is necessary to adequately fund the payment of enforceable obligations during the second half of the ROPS period and approved Amended ROPS 16-17B on September 19, 2016 and directed it be forwarded to the Oversight Board for their consideration and approval; and

WHEREAS, the Oversight Board to the Successor Agency concurs with the recommendation of the Successor Agency and finds that Amended ROPS 16-17B is necessary to adequately fund the payment of enforceable obligation during the second half of the ROPS period; and,

WHEREAS, Health and Safety Code Section 34177 (o) (1) (E) requires the Oversight Board to approve the Successor Agency's Amended ROPS prior to submittal to the DOF with the action to be forwarded to the DOF by October 1, 2016.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The approval of the Amended ROPS through this Resolution does not commit the Oversight Board to the Successor Agency to any, action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act. The Oversight Board to the Successor Agency Secretary is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Orange, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Findings. The Oversight Board to the Successor Agency hereby finds and declares that the amendment to the ROPS is necessary to ensure funding at legally allowable levels of enforceable obligations. Additionally, the Oversight Board to the Successor Agency finds that due to a recent court ruling, the 1998 B&C Certificates of Participation Loan Agreement is a valid enforceable obligation for which payments of principal and interests, including accrued interest as set forth in the Loan Agreement, should be allowed.

Section 4. Approval of ROPS. The Oversight Board to the Successor Agency hereby approves and adopts the Amended ROPS 16-17B, in substantially the form attached to this Resolution as Attachment 1, as required by Health and Safety Code Section 34177.

Section 5. Transmittal of ROPS. The City Manager/Executive Director is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the Amended ROPS 16-17B, including submitting the Amended ROPS 16-17B approved by the Oversight Board to the Successor Agency to the California State Department of Finance for their approval.

Section 6. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight

Board to the Successor Agency declares that the Oversight Board to the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 7. Certification. The Oversight Board to the Successor Agency Secretary shall certify to the adoption of this Resolution.

Section 8. Effective Date. This Resolution shall be effective immediately upon approval by the Successor Agency.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Oversight Board to the Successor Agency to the La Habra Redevelopment Agency on the 28th day of September, 2016.



Jim Byerrum, Oversight Board Chair

ATTEST:



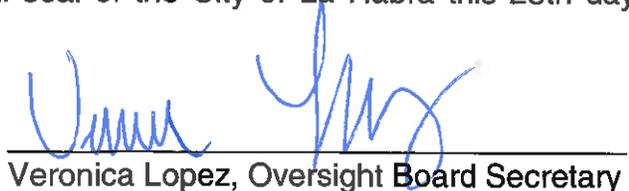
Veronica Lopez, Oversight Board Secretary

STATE OF CALIFORNIA)
CITY OF LA HABRA) ss
COUNTY OF ORANGE)

I, Veronica Lopez, Secretary for the Oversight Board to the Successor Agency to the La Habra Redevelopment Agency, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. OB 2016-02 introduced and adopted at a regular meeting of the Oversight Board to the Successor Agency to the La Habra Redevelopment Agency held on the 28th day of September, 2016.

AYES: BOARD MEMBERS: WILLIAMS, SADRO, BYERRUM, STEVES, SHEPARD
NOES: BOARD MEMBERS: NONE
ABSTAIN: BOARD MEMBERS: NONE
ABSENT: BOARD MEMBERS: PATTERSON, HANNAH

Witness my hand and the official seal of the City of La Habra this 28th day of September, 2016.



Veronica Lopez, Oversight Board Secretary

La Habra Amended Recognized Obligation Payment Schedule (ROPS 16-17B) - ROPS Detail

January 1, 2017 through June 30, 2017

(Report Amounts in Whole Dollars)

Item #	Project Name/Debt Obligation	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS					Total	Bond Proceeds
				Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
			\$ 23,393,887	\$ -	\$ -	\$ 25,750	\$ 162,458	\$ 125,000	\$ 313,208	\$ -
1	1999 COP BC Loan Debt Service Principal	City/County Loan (Prior 06/28/11) Other	\$ 7,700,000							
2	1999 COP BC Loan Debt Service Interest	City/County Loan (Prior 06/28/11) Other	\$ 119,881							
3	1999 COP BC Loan Debt Service Principal	City/County Loan (Prior 06/28/11) Other	\$ 2,458,488							
4	1999 COP BC Loan Debt Service Interest	City/County Loan (Prior 06/28/11) Other	\$ 201,388							
7	2000 Tax Allocation bond Principal	Bonds Issued On or Before 12/31/10	\$ 5,580,000						\$ -	
8	2000 Tax Allocation bond Interest	Bonds Issued On or Before 12/31/10	\$ 3,042,011				154,505		\$ 154,505	
9	Loan-Howard's Appliances Principal	OPA/DDA/Construction	\$ 582,965						\$ -	
10	Loan-Howard's Appliances Interest	OPA/DDA/Construction	\$ 83,273						\$ -	
11	1001 Imperial purch Loan Principal	City/County Loan (Prior 06/28/11), Property transaction	\$ 1,894,505						\$ -	
12	1001 Imperial purch Loan Interest	City/County Loan (Prior 06/28/11), Property transaction	\$ 530,378						\$ -	
13	Bond Fees	Fees	\$ 9,000				3,000		\$ 3,000	
14	OPA Vona/Smith's Food	OPA/DDA/Construction	\$ 10,918				4,953		\$ 4,953	
16	OPA Marketplace Property Tax	OPA/DDA/Construction	\$ 1,680,790						\$ -	
17	Employee Costs	Admin Costs	\$ 43,568						\$ -	
18	Loan-Low Mod Housing SERAF	SERAF/ERAF	\$ 4,493						\$ -	
19	McPherson Low/Mod Project	OPA/DDA/Construction	\$ -						\$ -	
20	1999 CFD Refunding bonds	Bonds Issued On or Before 12/31/10	\$ 955,000						\$ -	
21	1998 CFD Refunding bonds	Bonds Issued On or Before 12/31/10	\$ 118,650			22,050			\$ 22,050	
22	Consulting CFD Preparation	Professional Services	\$ 7,400			3,700			\$ 3,700	
23	Bond fees for 1998 CFD Refunding	Bonds Issued On or Before 12/31/10	\$ 2,500						\$ -	
24	Administrative Costs	Admin Costs	\$ 85,870						\$ -	
25	900 Block Landscape Services	Property Maintenance	\$ 6,890						\$ -	
26	Contract Audit	Professional Services	\$ 10,000						\$ -	
27	Contract Attorney	Legal	\$ 63,332						\$ -	

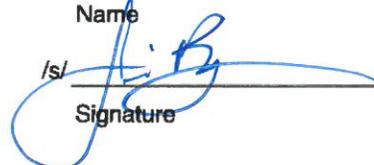
Amended Recognized Obligation Payment Schedule (ROPS 16-17B) - Summary

Filed for the January 1, 2017 through June 30, 2017 Period

Successor Agency: La Habra
County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 16-17B Authorized Amounts	ROPS 16-17B Requested Adjustments	ROPS 16-17B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 25,750	\$ -	\$ 25,750
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	25,750	-	25,750
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 287,458	\$ 1,422,427	\$ 1,709,885
F RPTTF	162,458	1,422,427	1,584,885
G Administrative RPTTF	125,000	-	125,000
H Current Period Enforceable Obligations (A+E):	\$ 313,208	\$ 1,422,427	\$ 1,735,635

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.

Jim Byerrum Chairman
Name Title
/s/  9/28/2016
Signature Date

Amended Recognized Obligation Payment Schedule (ROPS 16-17B) - Summary

Filed for the January 1, 2017 through June 30, 2017 Period

Successor Agency: La Habra
County: Orange

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