



April 12, 2019

Ms. Andrea M. Miller, City Manager
City of San Bernardino
290 North D Street, 3rd Floor
San Bernardino, CA 92401

Dear Ms. Miller:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the San Bernardino City Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 31, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 3—Tax Allocation Refunding Bonds, Series 1998A in the requested amount of \$1,454,063 has been partially reclassified from the Redevelopment Property Tax Trust Fund (RPTTF) and Reserve Balances to Bond Proceeds. It is our understanding the Agency has cash in its bond fiscal agent fund in the amount of \$1,473,442, which must be used to satisfy the final debt service payment. In addition, the Agency inadvertently requested \$63,683 in Reserve Balances instead of Bond Proceeds. Therefore, with the Agency's concurrence, Finance approves the entire requested amount, \$1,454,063, from Bond Proceeds, and the requests for funding from Reserve Balances in the amount of \$63,683, and RPTTF in the amount of \$1,390,380, have been adjusted to zero.
- Item No. 8—Tax Allocation Refunding Bonds, Series 2005A in the requested amount of \$4,980,576 has been partially reclassified from RPTTF to Other Funds. Based on the adjustments noted above, the Agency has an additional \$19,379 remaining from the bond fiscal agent fund (\$1,473,442 - \$1,454,063), now considered Other Funds, available to make a portion of the debt service payment for this item. Therefore, with the Agency's concurrence, Finance approves \$4,961,197 from RPTTF and \$19,379 from Other Funds, totaling \$4,980,576.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$14,837,030 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:


<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Michael Barr, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Lisa Connor, Project Manager, City of San Bernardino
Ms. Linda Santillano, Property Tax Manager, San Bernardino County

Attachment

Approved RPTTF Distribution			
For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 13,304,606	\$ 2,541,454	\$ 15,846,060
Administrative RPTTF Requested	399,139	76,244	475,383
Total RPTTF Requested	13,703,745	2,617,698	16,321,443
RPTTF Requested	13,304,606	2,541,454	15,846,060
<u>Adjustments</u>			
Item No. 3	(1,350,849)	(39,531)	(1,390,380)
Item No. 8	(19,379)	0	(19,379)
	(1,370,228)	(39,531)	(1,409,759)
RPTTF Authorized	11,934,378	2,501,923	14,436,301
Administrative RPTTF Authorized	399,139	76,244	475,383
Total RPTTF Authorized for Obligations	12,333,517	2,578,167	14,911,684
Prior Period Adjustment	(74,654)	0	(74,654)
Total RPTTF Approved for Distribution	\$ 12,258,863	\$ 2,578,167	\$ 14,837,030