

**REPORT/RECOMMENDATION TO THE SAN BERNARDINO COUNTYWIDE  
OVERSIGHT BOARD AND RECORD OF ACTION**

**December 16, 2019**

**FROM**

**TERI LEDOUX, City Manager, City of San Bernardino Successor Agency**

**SUBJECT**

Resolution Approving the Successor Agency to the Redevelopment Agency of the City of San Bernardino's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2020-21

**RECOMMENDATION(S)**

Adopt a **Resolution 2019-44** approving the Successor Agency to the Redevelopment Agency of the City of San Bernardino's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2020-21.

(Presenter: Michael Huntley, Community and Economic Development Director 909-384-7272)

**BACKGROUND INFORMATION**

California Health & Safety Code Section (HSC) 34177 requires the San Bernardino Countywide Oversight Board (CWOB) to approve the 2020-21 Recognized Obligation Payment Schedule (ROPS) and administrative budget. The ROPS is an annual form and must be submitted to the Department of Finance (DOF) and the County Auditor-Controller by February 1<sup>st</sup> of each year. Pursuant to HSC 34179(h)(1)(B), the administrative budget is not required to be sent to DOF.

DOF will have until April 15<sup>th</sup> to review the 2020-21 ROPS and provide the successor agency a compliance determination. If the successor agency disagrees with the DOF determination, a "meet and confer" is allowed to facilitate a discussion between the successor agency and DOF. In the event of a meet and confer process, DOF must make a final compliance determination on or before May 15<sup>th</sup> or 15 days prior to the June 1<sup>st</sup> Redevelopment Property Tax Trust Fund (RPTTF) distribution.

The recommended action will further the Successor Agency to the Redevelopment Agency of the City of San Bernardino's (Successor Agency) dissolution as an annual ROPS is required by DOF as part of the wind-down of the Successor Agency. There is not an increase requested in the amount required from the RPTTF from the last annual ROPS approved. There is an approximate 5.25% or \$832,458 decrease requested in the amount required from the RPTTF from the last annual ROPS approved, which is attributable to paying off debts, reductions in costs due to the sale of real property assets and the use of reserve funds in lieu of RPTTF.

It is recommended the CWOB approve the Successor Agency's 2020-21 ROPS and administrative budget. The draft 2020-21 ROPS will be provided to DOF, the County Auditor-Controller and the County Administrative Office as required by HSC 34177(I)(2)(B). The adopted 2020-21 ROPS will be provided to DOF and the County Auditor-Controller pursuant to HSC 34177(o). This will commence the DOF review period.

**Resolution Approving the Successor Agency to the Redevelopment  
Agency of the City of San Bernardino's Recognized Obligation  
Payment Schedule and Administrative Budget for Fiscal Year 2020-21  
December 16, 2019**

**ATTACHMENTS**

Attachment A – Resolution

Attachment B – ROPS for Fiscal Year 2020-21

Attachment C – Administrative budget for Fiscal Year 2020-21

**REVIEW BY OTHERS**

This item has been reviewed by Community Development and Housing Agency on November 7, 2019 and San Bernardino Countywide Oversight Board Legal Counsel on November 22, 2019.

**Resolution Approving the Successor Agency to the Redevelopment Agency of the City of San Bernardino's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2020-21  
December 16, 2019**

Record of Action of the San Bernardino Countywide Oversight Board

**APPROVED**

Moved: Lawrence Strong    Seconded: Cindy Saks  
Ayes: Richard DeNava, Cindy Saks, Lawrence Strong, David Wert  
Absent: Kenneth Miller, Mario Vasquez, Acquanetta Warren

Lynna Monell, SECRETARY

BY   
DATED: December 16, 2019



cc:    File - San Bernardino Countywide Oversight Board  
dlc    12/19/2019



STATE OF CALIFORNIA            )  
  )  
COUNTY OF SAN BERNARDINO    )        ss.

I, **LYNNA MONELL**, Secretary to the San Bernardino Countywide Oversight Board, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Countywide Oversight Board, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of December 16, 2019. #6 dlc

LYNNA MONELL  
Secretary to the San Bernardino Countywide  
Oversight Board

By \_\_\_\_\_



**Recognized Obligation Payment Schedule (ROPS 20-21) -  
Summary Filed for the July 1, 2020 through June 30, 2021 Period**

Successor Agency: San Bernardino City  
County: San Bernardino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	\$ 1,319,659	\$ 122,450	\$ 1,442,109
B Bond Proceeds	135,078	-	135,078
C Reserve Balance	-	-	-
D Other Funds	1,184,581	122,450	1,307,031
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	\$ 13,383,972	\$ 2,062,719	\$ 15,446,691
F RPTTF	13,025,941	1,987,661	15,013,602
G Administrative RPTTF	358,031	75,058	433,089
<b>H Current Period Enforceable Obligations (A+E):</b>	\$ 14,703,631	\$ 2,185,169	\$ 16,888,800

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.

David Wert, Board Chairman  
Name Title  
[Signature] 12-16-19  
Signature Date



**San Bernardino City Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances**  
**July 1, 2017 through June 30, 2018**  
**(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see <a href="#">Cash Balance Tips Sheet</a> .							
A	B	C	D	E	F	G	H
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	<b>Comments</b>
1	<b>Beginning Available Cash Balance (Actual 07/01/17)</b> RPTTF amount should exclude "A" period distribution amount	18,227,574	3,023,841	729,292	1,176,683	0	For Cell C-1 and D-1 the beginning balance increases to \$18,227,574 and \$3,023,841 are to bring into balance the cash with the Trustee, US Bank, in accordance with the US Bank trust statements and the Successor financial statements ending June 30, 2017 and June 30, 2018, and to include interest earnings. For Cell E-1, the \$2,995 increase in the \$729,292 beginning balance is attributable to accounting for interest earnings. For Cell F-1, the \$721,961 increase in the \$1,176,683 beginning number is to bring into balance with the financial statements, which had already expensed the DDR Installment payment as part of cash. For Cell G-1, the \$74,654 shown is the ROPS16-17 Prior Period Adjustment, subtracted from the RPTTF in ROPS19-20.
2	<b>Revenue/Income (Actual 06/30/18)</b> RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller		24,207	2,964	695,824	18,555,669	Cell D-2 represents interest earnings on the 201 CB bonds. Cell E-2 represents interest earnings on investments with Citizen Bank, which were used as collateral, but now released. Cell F-2 equals \$342,816 of interest and other revenue and \$353,008 of third party revenues used for debt service payments for ROPS 17-18. The amount shown in Cell G-2 equals the actual funds received for ROPS 17-18.
3	<b>Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)</b>	1,467,746			353,008	18,336,679	Cell C-3 represents the amount of Bond Proceeds transferred to the City and spent in ROPS 17-18 per the DOF approved 3-21-16 Bond Expenditure Agreement. Cell F-3 represents the expenditures from other funds in ROPS 17-18 for bond debt service. Cell G-3 represents the expenditures from RPTTF for ROPS 17-18.
4	<b>Retention of Available Cash Balance (Actual 06/30/18)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	16,759,828	3,048,048	732,256	1,519,499	0	Cells C-4 and D-4 are the remaining balances for the DSRFs and bond proceeds held by the bond Trustee, US Bank. Cell E-4 equals the balance of the compensating/collateral balance deposit with CBB related to EO # 41, of which the amount of \$726,297 is programmed for ROPS 19-20 debt services. Cell F-4 includes \$454,722 of rental and interest income programmed for ROPS 19-20, leaving a balance of \$1,070,736 to be programmed in ROPS 20-21. Cell G-4 would represent the sum of any unused RPTTF from prior periods.
5	<b>ROPS 17-18 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC			No entry required		218,990	Cell G-5 represents the Prior Period Adjustment for ROPS 17-18 of \$218,990. In FY 19-20, the Prior Period Adjustment for ROPS 16-17 reduced the RPTTF by \$74,654.
6	<b>Ending Actual Available Cash Balance (06/30/18)</b> C to F = 11 + 2 - 3 - 41. G = 11 + 2 - 3 - 4 - 51	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	





**San Bernardino City Recognized Obligation Payment Schedule (ROPS 20-21)- Notes July 1, 2020 through June 30, 2021**

Item#	Notes/Comments
<b>ROPS DETAIL</b>	
3	Last payment July 1, 2020, budgeted in ROPS 19-20.
8	None.
9	None.
10	For the 201 0A bonds, the contribution from the federal government to offset interest costs is subject to being reduced by sequestration. The amounts shown in Cell and T-10 assumes full reimbursement and no sequestration.
11	None.
12	For the 1995H Bonds, the owner's contribution is equal to the estimated amount applicable during the current ROPS cycle. The owner's contribution tends to vary by payment period. The amounts shown in Cell Nos. N-12 and T-12 are estimates based on actual amounts paid during ROPS 18-18 and ROPS 18-19.
13	For the 1995R Bonds, the owner's contribution is equal to the estimated amount applicable during the current ROPS cycle. The owner's contribution tends to vary by payment period. The amounts shown in Cell Nos. N-13 and T-13 are estimates based on actual amounts paid during ROPS 17-18 and ROPS 18-19.
17	The payment due for ROPS 18-19 A was the final payment for this enforceable obligation.
18	The Arden-Guthrie Section 108 (CDBG) Loan has an RDA stand-by guaranty that may only be called upon if the CDBG funds during any year are insufficient to make service. Since CDBG revenue is projected to be sufficient during ROPS 20-21 A and B, no current payment is needed from RPTTF.
24	The payments for this tax sharing agreement are conditioned upon the recipient meeting certain prerequisites with respect to the payment of current property taxes. To the extent that such preconditions are projected to be accomplished during a ROPS cycle, a current payment allocation will be requested. If it is projected that the necessary prerequisites will not be accomplished during a ROPS cycle, then payments pursuant to the obligating agreement will be deferred to a future ROPS cycle. Final payment is anticipated to be in FY 20-21.
30	Pursuant to Cal PERS per letter invoice dated August 2017 Cal PERS is now billing annually for unfunded pension obligations. The amount is in accordance with the CALPERS actuarial valuation June 30, 2018.
31	None.
32	The amount of this EO is equal to 3% of the sum of the amounts indicated in columns "O" and "U" for the previous ROPS.
38	The Successor Agency projects that the all of its real property assets will be liquidated by the end of calendar year 2021.
41	The obligation has been paid on the Auto Plaza Reader Board, so the collateral has been released.
84	None.
96	None.
115	EO # 115 represents a budget for attorney fees in pending third-party litigation in Los Angeles Superior Court Case Nos. BC465755 and BC468955 involving Placo San Bernardino, LLC, the Successor Agency, and related parties. The budget estimate was created by the Special Counsel representing the Successor Agency. EO # 133 relates to the same litigation and represents amounts that could be required in satisfaction of a judgment or settlement of the litigation.
120	EO # 120 is for continuing disclosure services, which is paid during the "B" ROPS cycle.
125	None.
126	None.
130	This EO is for costs for LRPMP Implementation that cannot be paid from land sales proceed. Costs may include selected vendors for appraisals, economists, legal, costs, fees, etc.
132	Capital improvements to be selected consistent with the applicable bond documents to be managed by City for 201 CB TABs. Any balance on the 2010B TABs to be transferred requires a Last and Final ROPS. Resolution of the Placo lawsuit (see EO # 115) is the prerequisite.
133	EO 133 would fund any payment as may be due in satisfaction of a judgment or settlement of Los Angeles Superior Court Case Nos. BC465755 and BC468955 involving Placo San Bernardino, LLC, the Successor Agency and related parties. EO # 115 relates to attorney fees for the same litigation but does not include amounts to be paid in satisfaction of a judgment or settlement. At this time EO # 133 is a placeholder. To the extent that an obligation for payment is established by or through the Superior Court, such payment will be specified on a future ROPS or amended ROPS. Further, the date noted in Cell D-133 as the agreement or contract date is the date that the action against the Agency was filed; it is not an obligation date. Also, 100% of the matter in dispute arises from pre-dissolution events and transactions.
<b>CASH BALANCES FORM</b>	
Cell H-1	For Cell C-1 and D-1 the beginning balance increases to \$18,227,574 and \$3,023,841 are to bring into balance the cash with the Trustee, US Bank, in accordance with the US Bank trust statements ending June 30, 2017 and June 30, 2018, and to include interest earnings, and to correct for expenditures shown on the ROPS16-17 PPA. For Cell E-1, the \$2,995 increase in the \$729,292 beginning balance is attributable to accounting for interest earnings. For Cell F-1, the \$721,961 increase in the \$1,176,683 beginning number is to bring into balance with the financial statements, which had already expensed the DDR Installment payment as part of cash. For Cell G-1, the \$74,654 shown is the ROPS16-17 Prior Period Adjustment, subtracted from the RPTTF in ROPS19-20.