

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

December 14, 2020

FROM

MICHAEL HUNTLEY, Director, Community and Economic Development

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 2021-22

RECOMMENDATION(S)

Adopt a **Resolution No. 2020-43** 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 2021-22.

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

BACKGROUND INFORMATION

California Health & Safety Code Section (HSC) 34177 requires the San Bernardino Countywide Oversight Board (CWOB) to approve the 2021-22 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 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 to review the 2021-22 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 or 15 days prior to the June 1 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 an approximate 24% or \$3,776,688 decrease in the amount required from the RPTTF from the last annual ROPS approved.

It is recommended the CWOB approve the Successor Agency's 2021-22 ROPS and administrative budget. The draft 2021-22 ROPS will be provided to DOF, the County Auditor-Controller and the County Administrative Office as required by HSC 34177(1)(2)(B). The adopted 2021-22 ROPS will be provided to DOF and the County Auditor-Controller pursuant to HSC 34177(o). This will commence the DOF review period.

ATTACHMENTS

Attachment A – Resolution

Attachment B – ROPS for Fiscal Year 2021-22

Attachment C – Administrative Budget for Fiscal Year 2021-22

**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 2021-22
December 14, 2020**

REVIEW BY OTHERS

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on December 07, 2020 and San Bernardino Countywide Oversight Board Legal Counsel on December 06, 2020.

**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 2021-22
December 14, 2020**

Record of Action of the San Bernardino Countywide Oversight Board


APPROVED

Moved: Kenneth Miller Seconded: Frederick Ang

Ayes: Frederick Ang, Richard DeNava, Kenneth Miller, Cindy Saks, Acquanetta Warren, David Wert

Absent: Lawrence Strong

Lynna Monell, SECRETARY

BY 
DATED: December 14, 2020



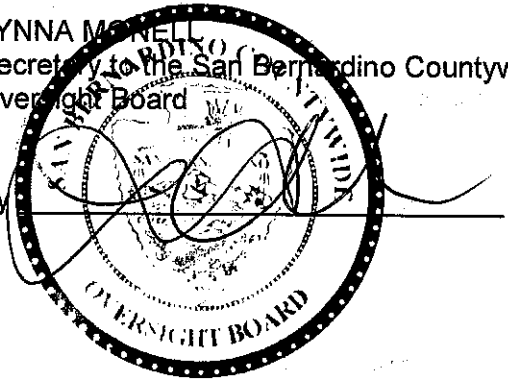
cc: W/RESOLUTION
File- San Bernardino Countywide Oversight Board w/attach
LA 12/18/2020

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 14, 2020. #3 LA

LYNNA MONELL
Secretary to the San Bernardino Countywide
Oversight Board

By:

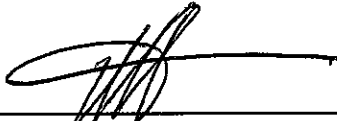


Recognized Obligation Payment Schedule (ROPS 21-22) - Summary
Filed for the July 1, 2021 through June 30, 2022 Period

Successor Agency: San Bernardino City
 County: San Bernardino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		21-22 A Total (July - December)	21-22 B Total (January - June)	ROPS 21-22 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 1,241,053	\$ 110,931	\$ 1,351,984
B	Bond Proceeds	135,078	-	135,078
C	Reserve Balance	5,959	-	5,959
D	Other Funds	1,100,016	110,931	1,210,947
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 10,434,776	\$ 1,734,653	\$ 12,169,429
F	RPTTF	10,116,128	1,687,039	11,803,167
G	Administrative RPTTF	318,648	47,614	366,262
H	Current Period Enforceable Obligations (A+E):	\$ 11,675,829	\$ 1,845,584	\$ 13,521,413

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	Chairman
_____ Name	_____ Title
	12/14/2020
_____ Signature	_____ Date

San Bernardino City Recognized Obligation Payment Schedule (ROPS 21-22) - Report of Cash Balances
July 1, 2018 through June 30, 2019
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	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	Comments
1	Beginning Available Cash Balance (Actual 07/01/18) RPTTF amount should exclude "A" period distribution amount	15,351,484	4,379,132	732,256	1,519,499	0	For Cell C-1, D-1, E-1 and F-1 the beginning amounts are in balance with the cash held by the Trustee, US Bank, in accordance with the US Bank Trust statements and with the Successor financial statements ending June 30, 2018, and bring the ending balances on line 4 for June 30, 2019 into balance with UB Bank and the Successor financial statements. For Cell G-1, the zero shown is less Prior Period Adjustments to be withheld (PPA for FY-16-17-\$74,654 to be withheld FY 19-20, and PPA FY17-18-\$219,026 to be withheld FY20-21, the estimated PPA for FY18-19, to be withheld FY21-22, in the amount of \$781,024 is shown on line 5).
2	Revenue/Income (Actual 06/30/19) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller		109,665		255,066	18,106,011	Cell D-2 represents interest earnings on the 2010B bonds. Cell F-2 equals \$255,066 of interest and other revenue for ROPS period 18-19. The amount shown in Cell G-2 equals the actual funds received for ROPS 18-19
3	Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)						Cell C-3 represents the amount of Bond Proceeds transferred to the City and spent in ROPS 18-19 per the DOF approved 3-21-16 Bond Expenditure Agreement. Cell D-3 represents the Bond Proceeds used to offset bond debt service for the 2016 Refunding TABs, which resulted in a Prior Period Adjustment for this period. Cell F-3 represents the expenditures from other funds in ROPS 18-19 for bond debt service. Cell G-3 represents the expenditures from RPTTF for ROPS 18-19
4	Retention of Available Cash Balance (Actual 06/30/19) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	68,191	574,390		301,864	17,317,766	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, with the balance of \$5,959 reprogrammed in ROPS 21-22. Cell F-4 includes \$454,722 of rental and interest income programmed for ROPS 19-20, \$1,070,000 reprogrammed in ROPS 20-21, leaving a balance of \$1,000,000 to be programmed in ROPS 21-22. Cell G-4 would represent the sum of any unused RPTTF from prior periods
5	ROPS 18-19 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC	15,283,293	3,914,407	732,256	1,472,701	0	Cell G-5 represents the Prior Period Adjustment for ROPS 18-19 of \$781,024. In FY19-20, the Prior Period Adjustment for ROPS 16-17 reduced the RPTTF by \$74,654, and in FY 20-21 the Prior Period Adjustment for ROPS 17-18 in the amount of \$219,026 will reduce the RPTTF.
6	Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 788,245	

San Bernardino City Recognized Obligation Payment Schedule (ROPS 21-22) - Notes July 1, 2021 through June 30, 2022

Item #	Notes/Comments
3	Last payment July 1, 2020, budgeted in ROPS 19-20
8	None
9	None
10	For the 2010A Bonds, the contribution from the federal government to offset interest costs is subject to being reduced by sequestration. The amounts shown in Cell numbers N-10 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 amount show in cell numbers N-12 and T-12 are estimates based on actual amounts paid during ROPS 18-19 and ROPS 19-20
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 amount shown in Cell numbers N-13 and T-13 are estimates based on actual amounts paid during ROPS 18-19 and ROPS 19-20
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 debt service. Since CDBG revenue is projected to be sufficient during ROPS 21-22 A and B, no current payment is needed from RPTTF.
24	Final payment occurred in FY19-20
30	Pursuant to CalPERS per letter invoice dated August 2017 CalPERS is now billing annually for unfunded pension obligations. The amount is in accordance with the CalPERS actuarial valuation June 30, 2019.
31	None
32	The amount of this EO is equal, or less, to 3% of the sum of the amounts indicated in columns "O" and "U" for the pervious ROPS.
38	The Successor Agency projects that all its real property assets will be liquidated by the end of calendar year 2021.
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#133relates to the same litigation and represents amounts that could be required in satisfaction of a judgment or settlement of the litigation. Completion is anticipated in FY 20-21
120	EO#120 is for bond continuing disclosure services, which is paid during the ROPS "B" cycle.
125	None
126	None
130	The Successor Agency projects that all its real property assets will be liquidated by the end of calendar year 2021.
132	Capital improvements to be selected consistent with the applicable bond documents to be managed by City for 2010B 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.

San Bernardino City Recognized Obligation Payment Schedule (ROPS 21-22) - Notes July 1, 2021 through June 30, 2022

Item #	Notes/Comments
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. Settlement and completion is anticipated now in FY 20-21.
CASH BALANCES FORM	
Cell H-1	For Cell C-1, D-1, E-1 and F-1 the beginning amounts are in balance with the cash held by the Trustee, US Bank, in accordance with the US Bank trust statements, and with the Successor financial statements ending June 30, 2018, and bring the ending balances on line 4 for June 30, 2019 in balance with US Bank and the Successor financial statements. For Cell G-1, the zero shown is less Prior Period Adjustments to be withheld (PPA for FY16-17 - \$74,654 to be withheld FY19-20, and PPA FY17-18 \$219,026 to be withheld FY20-21, the estimated PPA for FY18-19, to be withheld FY 21-22, in the amount of \$781,024 is shown on line 5).
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Cell H-3	Cell C-3 represents the amount of Bond Proceeds transferred to the City and spent in ROPS 18-19 per the DOF approved 3-21-16 Bond Expenditure Agreement. Cell D-3 represents the Bond Proceeds used to offset bond debt service for the 2016 Refunding Tabs, which resulted in a Prior Period Adjustment for this period. Cell F-3 represents the expenditures from other funds in ROPS 18-19 for bond debt service. Cell G-3 represents the expenditures from RPTTF for ROPS 18-19
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Cell H-5	0