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

# January 14, 2019

# FROM: T. JARB THAIPEJR, City Manager Loma Linda Successor Agency

# SUBJECT: RESOLUTION APPROVING THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2019-20

## RECOMMENDATION(S)

Adopt **Resolution No. 2019-0007** approving the Successor Agency to the Loma Linda Redevelopment Agency's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2019-20.

(Presenter: Diane Hadland, Agency Consultant, (562) 426-1150)

## BACKGROUND INFORMATION

California Health & Safety Code Section (HSC) 34177 requires the San Bernardino Countywide Oversight Board (CWOB) to approve the 2019-20 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 2019-20 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 Loma Linda Redevelopment Agency's (Successor Agency) dissolution as an annual ROPS is required by DOF as part of the wind-down of the Successor Agency. There is a slight increase requested in the amount required from the RPTTF from the last annual ROPS approved primarily because of a decrease in the amount of other revenues available to fund the planned expenses and also because the amount needed for bond debt service increased slightly.

It is recommended the CWOB approve the Successor Agency's 2019-20 ROPS and administrative budget. The draft 2019-20 ROPS will be provided to DOF, the County Auditor-

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## RESOLUTION APPROVING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LOMA LINDA'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2019-20 JANUARY 14, 2019 PAGE 2 OF 2

Controller and the County Administrative Office as required by HSC 34177(I)(2)(B). The adopted 2019-20 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 2019-20 Attachment C – Administrative Budget for Fiscal Year 2019-20

#### **REVIEW BY OTHERS**

This item has been reviewed by Community Development and Housing Agency on December 19, 2018 and San Bernardino Countywide Oversight Board Legal Counsel on December 23, 2018.

01/14/19 #6

#### **RESOLUTION NO. 2019-0007**

#### RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD ADOPTING THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2019-20

On Monday, January 14, 2019 on motion of San Bernardino Countywide Oversight Board Member De Nava, duly seconded by San Bernardino Countywide Oversight Board Member Warren and carried, the following resolution is adopted by the San Bernardino Countywide Oversight Board, State of California.

WHEREAS, California Health and Safety Code Section (HSC) 34179(e) requires all action items of the San Bernardino Countywide Oversight Board be accomplished by resolution; and

WHEREAS, HSC 34177 requires the San Bernardino Countywide Oversight Board to approve the Recognized Obligation Payment Schedule (ROPS) and administrative budget; and

WHEREAS, pursuant to HSC 34177(o), the deadline for submitting the ROPS for Fiscal Year 2019-20 to the Department of Finance is February 1, 2019.

NOW, THEREFORE, the San Bernardino Countywide Oversight Board hereby resolves, determines and orders as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Successor Agency to the Loma Linda Redevelopment Agency's ROPS and administrative budget for Fiscal Year 2019-20 in the form presented, together with such changes thereto as may be approved by the San Bernardino Countywide Oversight Board, are hereby approved.

Section 3. This resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the San Bernardino Countywide Oversight Board, State of California, by the following vote:

AYES:	OVERSIGHT BOARD MEMBER:	Richard De Nava, Ken Miller, Cindy Saks,
		Lawrence Strong, Acquanetta Warren,
		David Wert

NOES: OVERSIGHT BOARD MEMBER: None

ABSENT: OVERSIGHT BOARD MEMBER: Mario Vasquez

\* \* \* \* \*

STATE OF CALIFORNIA

SS.

)

COUNTY OF SAN BERNARDINO )

I, LAURA H. WELCH, 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 January 14, 2019. #6 mb

LAURA H. WELCH Secretary to the San Bernardino Countywide Oversight Board By ( Depu ARDING AS OVERSIG .....

# Recognized Obligation Payment Schedule (ROPS 19-20) - Summary Filed for the July 1, 2019 through June 30, 2020 Period

	nda
County: San Ber	nardino

Currer	nt Period Requested Funding for Enforceable Obligations (ROPS Detail)	9-20A Total / - December)	19-20B Total nuary - June)	ROPS 19-20 Total
Α	Enforceable Obligations Funded as Follows (B+C+D):	\$ 1,097,500	\$ - \$	5 1,097,500
В	Bond Proceeds	-	 i	
С	Reserve Balance	1,097,500	· _	1,097,500
D	Other Funds	-	<u> </u>	-
Е	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 2,492,606	\$ 2,494,387 \$	4,986,993
F	RPTTF	2,367,606	2,369,387	4,736,993
G	Administrative RPTTF	 125,000	125,000	250,000
Н	Current Period Enforceable Obligations (A+E):	\$ 3,590,106	\$ 2,494,387 \$	

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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.

PAND CHAIRMAN WERT Title Name 1-14-2019

Signature

Date

#### Loma Linda Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail

1.0

							Loma Linda	Recognized Obl	igation F	Payment Schee	ule (ROPS 19-20	0) - ROPS Detai	I									
								July	1, 2019	through June :	30, 2020											
										unts in Whole												
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													Fund Sources			ł						
			Contract/Agreement	Contract/Agreement	×			Total Outstanding		ROPS 19-20		1	I una oburces	, 					Fund Sources	5		
nem #	Project Name/Debt Obligation	Obligation Type	Execution Date	Termination Date	Payee	Description/Project Scope	Project Area	Debt or Obligation	Retired			Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20A Total	Rond Drasada	Reserve Balance	011-15-14			19-20B
6	Professional Services	Fees	7/1/2017	6/30/2020	Stradling Vorce Cadron B	Captioning Diselegues and an at-		\$ 47,127,238		\$ 6,084,4	93 \$ 0	\$ 1,097,500			\$ 125,000		s 0	s 0		RPTTF \$ 2,369,387	Admin RPTTF \$ 125,000	Total \$ 2,494,34
7	Contractual Services	Property Dispositions	7/1/2017	6/30/2020 6/30/2020 6/30/2020	Benefiel Appraisal Service	Property Appraisals	Merged	5,000			000			1,500		\$ 1,500			ý	3,500	120,000	
14	Contractual Services	Property Maintenance	2/1/1989	6/30/2020	JJ Ramirez Citrus Mgmt	Continuing Disclosure annual reports Property Appraisals Weed Abatement and Maintenance of	Merged	7,000			00			1,000 3,500		\$ 1,000 \$ 3,500				3,500 5,500 3,500		\$ 3,5 \$ 5,5 \$ 3,5
						Successor Agency land held for resale		£						0,000		\$ 3,500				3,500		\$ 3,5
15	Loans from the City of Loma Linda	Reentered Agreements	5/29/1979	6/1/2027	City of Loma Linda	Loans for Redevelopment Activities	Merged	11,069,373	N	\$ 1,639,1	48			010 571								
27	Adminstrative Costs	Admin Costs	7/1/2017	6/20/2020		(Cash Principal & Accrued Interest)				• 1,000,1	-10			819,574		\$ 819,574				819,574		\$ 819,57
		Admin Costs	//1/2017	6/30/2020	Employees, various consultants	To fund SA administrative budget as approved by the Oversight Board	Merged	250,000	N	\$ 250,0	00				125,000	\$ 125,000					125,000	\$ 125,00
	Tax Allocation Refunding Bonds,	Bonds Issued On or Before	11/10/2016	8/2/2026	U.S. Bank (Trustee)	Refunding of 2003, 2005 and 2008	Merged	6,071,490	N	\$ 595,0	<b>5</b> 1	202,500				3					125,000	4 125,00
	Series 2016A Tax Allocation Refunding Bonds,	12/31/10 Reserves	111100010			TA Bonds for debt service savings	24	0,011,430	N	3 333,0	51	202,500		300,563	1	\$ 503,063				91,988		\$ 91,98
	Series 2016A Reserve	Reserves	11/10/2016	8/2/2026	U.S. Bank (Trustee)	Refunding of 2003, 2005 and 2008 TA Bonds for debt service savings	Merged	207,500	N	\$ 207,5	00					s -				207,500		\$ 207,50
49	Tax Allocation Refunding Bonds	Bonds Issued On or Before	11/10/2016	8/2/2026	U.S. Bank (Trustee)	Refunding of 2003 2005 and 2008	Merged	28,596,275	N	\$ 2,460,1	94	895,000		1 007 000								
		12/31/10 Reserves	11/10/2016	8/2/2026		TA Bonds for debt service savings						090,000		1,237,369		\$ 2,132,369				327,825		\$ 327,82
	Series 2016B Reserve		102010	8/2/2026	U.S. Bank (Trustee)	Refunding of 2003, 2005 and 2008 TA Bonds for debt service savings	Merged	910,000	N	\$ 910,0	00					s -				910,000		\$ 910,00
51	Contractual Agreement (Contract	Fees	12/1/2016	6/30/2020	U.S. Bank (Trustee)	Bond Trustee Services - Series A and	Merged	4,100	N	\$ 4,1	00			4,100						5.0,000		
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# Loma Linda Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances July 1, 2016 through June 30, 2017 (Report Amounts in Whole Dollars)

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 Ba

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A	В	С	D	E	F	G	Τ
				Fund Sources			T
		Bond F	Proceeds	Reserve Balance	Other Funds	RPTTF	
				Prior ROPS RPTTF			
	ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	and Reserve Balances retained	Rent, Grants,	Non-Admin and	
			alter 01/01/11	for future period(s)	Interest, etc.	Admin	
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount						Co as Co
		890,003			2,259	94,190	
	<b>Revenue/Income (Actual 06/30/17)</b> RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller	4,525					Co pro plu tha
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)	890,003			23,605	7,479,529	Co Fis an Co
4	Retention of Available Cash Balance (Actual 06/30/17)	890,003			501	7,479,529	Fu
	RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				4.750		Arr
	ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC		No entry r	required	1,758	94,190	as
	Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)						
		\$ 4,525	\$ 0 \$	s o :	\$ 23,605		Col 20

Balances Form, see Cash Balance Tips
Н
Comments
Column F and G are ending balances for 2015-16 as corrected by DOF plus an additional \$501 in Column F for the "Other Funding" amount ncluded in the ROPS for 2016-17A.
Column G equals interest earnings on non-bond proceeds. Column C is unused bond proceeds, plus interest earnings from the bond refunding that were transferred from costs of issuance to the interest account.
Column C equals bond proceeds held by the iscal Agent as a debt service reserve which mount was applied to the bond refunding. Column G equals expenditures in the "Other unding" column as included in ROPS 16-17A
mounts in Column F and G have been included s available funding for ROPS 2018-19.
olumn F is available as funding for ROPS 2019- )

ltem #	Notes/Comments
6	The estimated cost for continuing disclosure requirements
7	The estimated cost for property appraisals.
14	Estimated costs for standard property maintenance.
15	The estimated past due balance on the City loan was fully retired in 2017-18B. As such, only the semi-annual payment amount of \$819, outstanding is the balance of the loan as of 6/1/2018.
15 (cont)	
j.	<b>BACKGROUND ON THE CITY LOAN:</b> Approved through the settlement of litigation. See Settlement Agreement by and between the C State Department of Finance and the State Controller's Office. As of June 1, 2012, the unpaid principal balance plus accrued interest ow \$21,175,072. The 6/30/2016 balance included in Column "I" is the June 30, 2016 balance. The City and RDA entered into their original C 29, 1979. The original Cooperative Agreement was subsequently amended on or about November 1, 2005, and March 8, 2011, and was at least 17 loan advances that occurred and the loan amounts for which were carefully memorialized between approximately August 8, 19 loan was re-authorized by the Loma Linda Oversight Board on May 8, 2012, pursuant to Health & Safety Code Sections 34178(a) and 34 effect prior to the enactment of AB 1484, which was not effective until June 27, 2012), subject to extension of the repayment term (from 1 years), reduction of the interest rate on a prospective basis (from 12% per annum to the LAIF rate in effect from time to time), and fixed s \$819,574.00 (which were based on a presumed full amortization of the loan over 15 years at a 2%/annum average interest rate).
15 (cont)	Amount that was shown as due in ROPS 2017-18 and prior ROPS included the amount included in the Settlement Agreement, plus a \$87 less the amount that is estimated to be paid in the prior ROPS period. The Settlement Agreement amount equals payments DOF previou defined in the Settlement Agreement as the Past Due Balance of \$5,759,804, plus the \$819,574 regular semi-annual payments that beca Agreement, starting with ROPS 2015-16B.
	Minimum administrative cost allowance
	This item is retired
-	Debt service due on the 2016A and 2016B refunding bonds. Payment dates are February 1 (interest) and August 1 (principal and interes require that an amount equal to 50% of the principal due on a given August 1 be reserved from the January RPTTF and the balance paya This is a different payment schedule than the prior bonds which were due on July 1 and January 1. The balance outstanding equals the a February 1st debt service payments are made, less the amounts shown as outstanding as reserves.
51	Trustee fees as required by the 2016A and B Refunding Bonds. Amounts are generally due to the Trustee in August of each year.

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# ine 30, 2020

9,574 is due. The amount

City, the Successor Agency, the owing by the RDA to the City was I Cooperative Agreement on May as implemented by and through 1995, and June 14, 2011. This 34180(a) (as the same were in 10 years to not to exceed 15 semi-annual payments of

819,475 semi-annual payment, ously denied for the obligation, came due after the Settlement

est). The Bond documents yable from the June payment. amount outstanding after the