

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

January 28, 2019

**FROM: GARY HALLEN, Director  
County of San Bernardino**

**SUBJECT: RESOLUTION APPROVING THE SUCCESSOR AGENCY TO THE COUNTY OF  
SAN BERNARDINO REDEVELOPMENT AGENCY'S RECOGNIZED  
OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR  
FISCAL YEAR 2019-20**

## **RECOMMENDATION(S)**

Adopt **Resolution No. 2019-22** approving the Successor Agency to the County of San Bernardino Redevelopment Agency's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2019-20.

(Presenter: Gary Hallen, Director, County of San Bernardino, (909) 387-4411)

## **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 County of San Bernardino 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 decrease requested in the amount required from the RPTTF from the last annual ROPS approved due to savings from the refinancing of bonds as well as a reduction in Administrative Allowance.

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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Record of Action of the San Bernardino Countywide Oversight Board

**Action: APPROVED**

	Aye	Aye	Aye	Second	Aye	Move	Aye
MOTION:	Reck	Miller	Saks	Strong	Vasquez	Warren	Wert

BY

DATED: January 28, 2019 #8

**RESOLUTION APPROVING THE SUCCESSOR AGENCY TO THE  
COUNTY OF SAN BERNARDINO REDEVELOPMENT AGENCY'S  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND  
ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2019-20  
JANUARY 28, 2019  
PAGE 2 OF 2**

Controller and the County Administrative Office as required by HSC 34177(l)(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 January 14, 2019 and San Bernardino Countywide Oversight Board Legal Counsel on January 15, 2019

**RESOLUTION NO. 2019-22**

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

On Monday, January 28, 2019 on motion of San Bernardino Countywide Oversight Board Member Warren, duly seconded by San Bernardino Countywide Oversight Board Member Strong 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 County of San Bernardino 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:    Ken Miller, David Reck, Cindy Saks,  
   Lawrence Strong, Mario Vasquez,  
   Acquanetta Warren, David Wert

NOES:      OVERSIGHT BOARD MEMBER:    None

ABSENT:    OVERSIGHT BOARD MEMBER:    None

\* \* \* \* \*

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

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 28, 2019. #8 mb

LAURA H. WELCH  
Secretary to the San Bernardino Countywide  
Oversight Board

By  Deputy





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

Successor Agency: San Bernardino County  
County: San Bernardino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 3,918,088	\$ 2,475,752	\$ 6,393,840
B	Bond Proceeds	-	-	-
C	Reserve Balance	3,918,088	1,986,976	5,905,064
D	Other Funds	-	488,776	488,776
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 4,452,163	\$ 3,613,434	\$ 8,065,597
F	RPTTF	4,227,163	3,613,434	7,840,597
G	Administrative RPTTF	225,000	-	225,000
H	Current Period Enforceable Obligations (A+E):	\$ 8,370,251	\$ 6,089,186	\$ 14,459,437

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  
/s/ [Signature] 1/28/19  
Signature Date

San Bernardino County Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	19-20A (July - December)					19-20A Total	19-20B (January - June)					19-20B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	2010 Series A & B TABs - San	Bonds Issued On or Before	11/10/2010	9/1/2040	Bank of NY	San Sevaïne 2010 Series A & B TABs	San Sevaïne	\$ 149,079,366		\$ 14,459,437	\$ 0	\$ 3,918,088	\$ 0	\$ 4,227,163	\$ 225,000	\$ 8,370,251	\$ 0	\$ 1,986,976	\$ 488,776	\$ 3,613,434	\$ 0	\$ 6,089,186
3	2010 Series A TAB - Cedar Glen	Bonds Issued On or Before	10/21/2010	9/1/2040	Bank of NY	Cedar Glen 2010 Series A TAB	Cedar Glen	84,927,932	N	\$ 5,409,392		1,489,557		1,209,945		\$ 2,699,502		1,209,945	488,776	1,011,169		\$ 2,709,890
9	Contract for Consulting Services	Professional Services	5/3/2005	5/3/2025	HDL Coren & Cone	Financial Consulting	All	100,000	N	\$ 3,000				317,879		\$ 317,879				123,604		\$ 123,604
10	Bond Counsel	Professional Services	7/1/2013	6/30/2025	Various	Consulting Support required by Legislation	All		N	\$ -						\$ -				3,000		\$ 3,000
12	Central Services	Admin Costs	1/1/2013	6/30/2025	County of San Bernardino	County Services	All		N	\$ -						\$ -						\$ -
13	County Wide Cost Allocation	Admin Costs	1/1/2013	6/30/2025	County of San Bernardino	General County Services	All		N	\$ -						\$ -						\$ -
14	County of San Bernardino and various others	Admin Costs	1/1/2013	6/30/2025	County of San Bernardino and various others	General County Services	All	100,000	N	\$ 13,000					13,000	\$ 13,000						\$ -
15	EDA Cost Allocation Obligation	Miscellaneous	1/1/2013	6/30/2025	County of San Bernardino	General EDA Support	All		N	\$ -						\$ -						\$ -
16	Salaries & Benefits Direct	Admin Costs	1/1/2013	6/30/2025	Various Employees	Salary & Benefit Costs	All	1,000,000	N	\$ 210,000					210,000	\$ 210,000						\$ -
18	Legal Consultant	Legal	12/16/2008	6/30/2025	Goldfarb & Lipman	Outside Legal Counsel	All		N	\$ -						\$ -						\$ -
19	Contract for Consulting Services	Professional Services	11/13/2009	6/30/2025	CSG Advisors Inc	Financial Consulting	All		N	\$ -						\$ -						\$ -
20	County Counsel	Admin Costs	1/1/2013	6/30/2025	County of San Bernardino	Legal Services	All	100,000	N	\$ 2,000					2,000	\$ 2,000						\$ -
21	Audit Consulting Services	Professional Services	8/15/2012	6/30/2025	RAMS	Per Bond Documents	All	100,000	N	\$ 17,000						\$ 4,000	\$ 4,000			13,000		\$ 13,000
23	Financial - Professional Services KMA	Admin Costs	8/15/2012	6/30/2025	Keyser Marston Associates	Financial Consulting	All		N	\$ -						\$ -						\$ -
24	Office Rent	Admin Costs	1/1/2013	6/30/2025	County of San Bernardino	Office Space	All		N	\$ -						\$ -						\$ -
25	Maintenance of Properties	Property Maintenance	1/1/2013	6/30/2025	Various	Prop Management & Maintenance	All	100,000	N	\$ 4,000						\$ -						\$ -
26	Real Estate Professional Services Long Range Property Plan - RSG	Property Dispositions	8/15/2012	6/30/2025	Rosenow Spevacek Group Inc. and Real Estate Services Department	Consulting Support required by Legislation	All		N	\$ -						\$ -				2,000		\$ 2,000
52	Reestablishing Loan Agreement with County	City/County Loan (Prior 06/28/11), Other	2/25/2014	7/1/2025	County of San Bernardino	Repayment of County loan	All	4,146,523	N	\$ 1,911,083				1,911,083		\$ 1,911,083						\$ -
54	2016 Series A and B TAB - San Sevaïne (54&55)	Bonds Issued On or Before	12/13/2005	9/1/2035	Bank of NY	2016 Bonds Refinanced 2005 Series A TABs	San Sevaïne	70,404,287	N	\$ 6,439,624		2,428,531		777,031		\$ 3,205,562		777,031		2,457,031		\$ 3,234,062
56	Bank Fee's for the 2016 and 2010 Bonds	Fees	12/13/2005	9/1/2040	Bank of NY	All Bond Issues Annual Bank Fee's	All	8,855	N	\$ 8,855				5,225		\$ 5,225				3,630		\$ 3,630
57									N	\$ -						\$ -						\$ -
58									N	\$ -						\$ -						\$ -

**San Bernardino County 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 Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	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	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	Comments
1	<b>Beginning Available Cash Balance (Actual 07/01/16)</b> RPTTF amount should exclude "A" period distribution amount			101,378	1,448,832	39,887	From Prior Year ROPS Cash Balance Tab
2	<b>Revenue/Income (Actual 06/30/17)</b> RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller			26,923	251,733	9,951,342	Fram FAS Query Obj 8500 Still need to check 9970
3	<b>Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)</b>				1,325,918	9,920,564	From ROPS 16-17 PPA Submitted Aug 2018
4	<b>Retention of Available Cash Balance (Actual 06/30/17)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				242,502		
5	<b>ROPS 16-17 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required					
6	<b>Ending Actual Available Cash Balance (06/30/17)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 128,301	\$ 132,145	\$ 70,665	



**San Bernardino County Recognized Obligation Payment Schedule (ROPS 19-20) - Notes July 1, 2019 through June 30, 2020**

Item #	Notes/Comments
	<b><u>ROPS Detail Page</u></b>
1	Removed - 2005 San Sevaine Debt Service Payments were refunded in 2016 and are the 2016 San Sevaine Series A and B Bonds (see line 54).
2	2010 San Sevaine Debt Service Payments per bond indenture.
3	2010 Cedar Glen Debt Service Payments per bond indenture.
4	Removed - 2005 San Sevaine Bonds Reserves were refunded in 2016 and these bonds are now called the 2016 San Sevaine Series A and B Reserves (see line 55).
5	2010 San Sevaine Bonds Reserves per bond indenture.
6	2010 Cedar Glen Debt Service Reserve calculated per DOF instructions; half of the principal required for the Fall debt service payment.
7	<b>Removed Duplicate Line 45-48</b>
8	<b>Removed Duplicate Line 45-48</b>
9	HDL to serve as the Fiscal Consultant for the ongoing annual Sevaine Tax Allocation Bond Disclosure reports.
10	Bond Counsel services include both General Bond Counsel and Disclosure Counsel to serve as the lead counsel for the any needs we have regarding the Tax Allocation Bond refunding.
11	Retire - Litigation Professional Services required representing the Successor Agency in ongoing litigation. No longer pursuing litigation
12	Central Services is for services such as data, phone and other IT central charges. These obligations are funded with other revenue and Administrative Allowance.
13	County Wide Cost Allocation are charges calculated for internal services incurred by the Successor Agency. These obligations are funded with other revenues and not Administrative Allowance.
14	County of San Bernardino and various others charges for services and supplies for the Oversight Board and Successor Agency. These obligations are funded with other funds and not Administrative Funds.
15	Economic Development Agency (EDA) Cost Allocation Obligation for services performed on behalf of the Successor Agency. These obligations are funded with other revenues and not Administrative Allowance. The Successor Agency operations are under the purview of the Economic Development Agency functions.
16	Salaries & Benefits Direct (non-project specific related) is funded with Administrative Allowance.
17	Retire - Sales Tax Incentive Agreement with Mohawk Carpet, the County and the former RDA. The County General Fund provides a portion of the sales taxes collected as a rebate payment to the Agency who in turn reimburses Mohawk. Agreement term ended in 2016.
18	Legal Consultant with Goldfarb and Lipman provides special legal counsel for the successor agency regarding dissolution activities.
19	CSG Advisors to serve as the Financial Advisor for the all Tax Allocation Bond refunding.
20	County Counsel's legal services to implement the Dissolution Act.
21	RAMS Audit Consulting Services to complete required Financial Statements Audit per the Dissolution Act and ongoing bond disclosure requirements.
22	<b>Removed Duplicate Line 14</b>
23	Financial Professional Services with Keyser Marsten Associates for required financial analysis of the wind down of the Successor Agency Activities. Provides tax increment estimates and other financial models needed.
24	Office Rent
25	Maintenance of Properties costs incurred and required by the dissolution law. It is required that the Agency-owned property be maintained prior to the sale and disposal.
26	RSG Real Estate Professional Services to assist to implement Property Management and selling off remnant parcels.
27	<b>Removed Retired</b>
28	<b>Retire Replacement Housing Obligation.</b>
29	<b>Removed Retired</b>
30	<b>Removed Duplicate Line 16</b>
31	<b>Removed Retired</b>
32	<b>Retire Unpaid Leave Balances obligation paid in previous ROPS cycle.</b>
33	<b>Retire Unemployment Insurance obligation paid in previous ROPS cycle.</b>
34	<b>Removed Retired</b>
35	<b>Removed Retired. Transfer of Bond Proceeds Obligation has taken place. See Item 51.</b>
36	Remove Retired.
37	Remove Retired. Construction project of the I-10 Interchange at Cherry Avenue has been completed. Bond Proceeds is the source of funds on this obligation.
38	Remove Retired. Transfer of Bond Proceeds Obligation has taken place. See Item 51.



**San Bernardino County Recognized Obligation Payment Schedule (ROPS 19-20) - Notes July 1, 2019 through June 30, 2020**

Item #	Notes/Comments
39	Remove Retired. Transfer of Bond Proceeds Obligation has taken place. See Item 51.
40	Remove Retired. Transfer of Bond Proceeds Obligation has taken place. See Item 51.
41	Outside Consultants needed to assist the Agency with the required dissolution activities of financial winding down the Agency.
42	Retire - County of San Bernardino Special Districts contract to perform needed water systems improvements for Cedar Glen. This item was in litigation with DOF, but has now been decided, no further action will be taken by the County.
43	<b>Removed Duplicate Line 29</b>
44	Retire - County of San Bernardino Special Districts contract to perform additional water systems improvements for Cedar Glen. This item was in litigation with DOF, but has now been decided, no further action will be taken by the County.
45	Removed Retired. County of San Bernardino Cedar Glen Water Project Loan was reinstituted and approved in ROPS 14-15A. See Reinstatement of Loan on Item 52.
46	Removed Retired. County of San Bernardino Cedar Glen Start Up Loan was reinstituted and approved in ROPS 14-15A. See Reinstatement of Loan on Item 52.
47	Removed Retired. County of San Bernardino Cedar Glen Road Study Loan was reinstituted and approved in ROPS 14-15A. See Reinstatement of Loan on Item 52.
48	Removed Retired. County of San Bernardino Mission Blvd. Loan was reinstituted and approved in ROPS 14-15A. See Reinstatement of Loan on Item 52.
49	Removed Retired. 20% of the Loan repayment to the County can go into Housing Asset Fund based on the prior year residual trust fund distribution and calculation. The total loan repayment is approved as item 52 and the housing (20%) portion is included in that obligation.
50	Remove Retired. Prior Period shortfall of Administrative Funds. After communication from DOF, this did not meet the criteria established by DOF.
51	Removed Retired. Successor Agency obtained its Finding of Completion on December 5, 2013, and can now after meeting certain conditions expend unencumbered bond proceeds. This obligation allows for the transfer of all remaining Bond Proceeds (including interest) to the County to be spent in accordance with the bond covenants and CRL. The actual transfer of Bond Proceeds to the County was complete in ROPS 14-15A period and this items is now retired.
52	Successor Agency obtained its Finding of Completion on December 5, 2013, and can now after meeting certain conditions, reestablish its prior loan agreements. This obligation allows for the repayment of \$11.023M of the Original Loan balance plus interest accrued to be repaid to the County from the residual trust fund distribution. County recalculated the interest payments accrued because of the new provisions in SB 107 for the \$10.415M principal loan balance and the amount is now \$11.023M. A new loan recalculation can be provided.
53	AB 471 allows for housing entities to receive up to \$150,000 per year to pay for housing functions of the former RDA. The County Housing Successor will use these funds to pay for Housing Administrative Costs.
54	2016 San Sevaine Series A and B TAB Debt Service Payments. The 2016 Bonds refunded the 2005 Bonds for the San Sevaine Area (See Line 1)
55	2016 San Sevaine Series A and B TAB - Debt Service Reserve Payments. Per the Bond Documents a full year of reserve is required to be held by the Trustee at the beginning of Bond year.
56	Bank Fee's for the 2016 and 2010 Bonds - BNY serves as the Trustee for all of the Successor Agency's Bond issuances and they also process our Debt Service Payments along with providing notice on all our disclosure activities. As the Trustee for our bonds they are entitled to bank fee's in the amount of \$5,000 annually.