

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

January 13, 2020

FROM

SYDNIIE HARRIS, Director of Finance, Successor Agency to the Redevelopment Agency of the Town of Apple Valley

SUBJECT

Resolution Approving the Successor Agency to the Redevelopment Agency of the Town of Apple Valley's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2020-21

RECOMMENDATION

Adopt a **Resolution 20-02** approving the Successor Agency to the Redevelopment Agency of the Town of Apple Valley's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2020-21.

(Presenter: Sydnie Harris, Director of Finance, Town of Apple Valley, 760-240-7000)

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 (CAC) by February 1st 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 15th 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 15th or 15 days prior to the June 1st Redevelopment Property Tax Trust Fund (RPTTF) distribution.

The recommended action will further the Successor Agency to the Redevelopment Agency of the Town of Apple Valley'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 \$260,519 increase requested in the amount required from the RPTTF from the last annual ROPS approved. This increase is due, primarily, to the addition of a new ROPS Item. The Successor Agency added ROPS Item 44 to pay off the remaining balance of the Supplemental Education Revenue Augmentation Fund Loan (SERAF Loan).

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 CAC and the County Administrative Office as required by HSC 34177(l)(2)(B). The adopted 2020-21 ROPS will be provided to DOF and the CAC pursuant to HSC 34177(o). This will commence the DOF review period.

**Resolution Approving the Successor Agency to the Redevelopment
Agency of the Town of Apple Valley's Recognized Obligation Payment
Schedule and Administrative Budget for Fiscal Year 2020-21
January 13, 2020**

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 December 12, 2019 and San Bernardino Countywide Oversight Board Legal Counsel on December 27, 2019.

**Resolution Approving the Successor Agency to the Redevelopment Agency of the Town of Apple Valley's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2020-21
January 13, 2020**

Record of Action of the San Bernardino Countywide Oversight Board

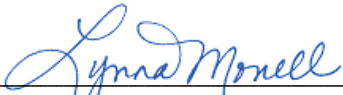
APPROVED

Moved: Lawrence Strong Seconded: Kenneth Miller

Ayes: Richard DeNava, Kenneth Miller, Cindy Saks, Lawrence Strong, Acquanetta Warren, David Wert

Absent: Mario Vasquez

Lynna Monell, SECRETARY

BY  _____
DATED: January 13, 2020



cc: File- San Bernardino Countywide Oversight Board
la 01/15/2020

RESOLUTION NO. 2020- 02

RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD ADOPTING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE TOWN OF APPLE VALLEY RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2020-21

On Monday, January 13, 2020 on motion of San Bernardino Countywide Oversight Board Member Strong, duly seconded by San Bernardino Countywide Oversight Board Member Miller and carried, the following resolution is adopted by the San Bernardino Countywide Oversight Board, State of California.

WHEREAS, the Town of Apple Valley (Town) elected to serve as the Successor Agency to the former Redevelopment Agency of the Town of Apple Valley (Successor Agency) pursuant to Assembly Bill x1 26 (ABx1 26) as codified in the California Health & Safety Code (HSC); and

WHEREAS, ABx1 26 was amended by Assembly Bill 1484 and Senate Bill 107 (collectively, the Dissolution Act); and

WHEREAS, among the duties of successor agencies under the Dissolution Act as amended is the preparation of an annual Recognized Obligation Payment Schedule (ROPS), per HSC Section 34177(l), that includes the ensuing fiscal year for consideration by a consolidated oversight board and the California Department of Finance (DOF) for purposes of administering the wind-down of financial obligations of the former redevelopment agency; and

WHEREAS, HSC Section 34177(l) further requires that the proposed ROPS be transmitted to the oversight board, after which time the oversight board may approve the ROPS and the Successor Agency's transmittal of the adopted ROPS to DOF, the County Auditor-Controller, and the State Controller's Office for their consideration; and

WHEREAS, the Successor Agency's proposed 2020-21 ROPS for Fiscal Year 2020-21, attached hereto as Attachment "B", has been prepared and is consistent with the provisions of the Dissolution Act and in the format made available by DOF; and

WHEREAS, the Successor Agency is required to prepare an annual administrative budget and submit it to an oversight board per HSC Section 34177 (j); and

WHEREAS, the Successor Agency prepared the Fiscal Year 2020-21 Administrative Budget in accordance with the Dissolution Act, attached hereto as Attachment "C"; and

WHEREAS, the San Bernardino Countywide Oversight Board (CWOB) serves as the oversight board for the Successor Agency; and

WHEREAS, HSC 34179(e) requires all action items of the CWOB be accomplished by resolution; and

WHEREAS, HSC Section (HSC) 34177 requires the CWOB to review and approve the Successor Agency's ROPS; and

WHEREAS, pursuant to HSC 34177(o), the deadline for submitting the 2020-21 ROPS to DOF is February 1, 2020.

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 Redevelopment Agency of the Town of Apple Valley ROPS and administrative budget for Fiscal Year 2020-21 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 DeNava, Kenneth 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, **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 January 13, 2020. #2LA

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: Apple Valley
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
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 294,880	\$ 779,080	\$ 1,073,960
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	294,880	779,080	1,073,960
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 1,149,170	\$ 1,715,750	\$ 2,864,920
F	RPTTF	979,170	1,715,750	2,694,920
G	Administrative RPTTF	170,000	-	170,000
H	Current Period Enforceable Obligations (A+E):	\$ 1,444,050	\$ 2,494,830	\$ 3,938,880

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 Weir, Chairman
Name Title
/s/ [Signature] 01-13-2020
Signature Date

Apple Valley Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail

July 1, 2020 through June 30, 2021

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	20-21A (July -December)					Q	20-21B (January - June)					W
											Fund Sources						Fund Sources					
											L	M	N	O	P		R	S	T	U	V	
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 20-21 Total						20-21A Total						20-21B Total
1	2005 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	5/1/2005	6/30/2035	US Bank	2005 Tax Allocation Bonds for capital projects	VVEDA	\$ 63,217,510	N	\$ 3,938,880	\$ 0	\$ 0	\$ 294,880	\$ 979,170	\$ 170,000	\$ 1,444,050	\$ 0	\$ 0	\$ 779,080	\$ 1,715,750	\$ 0	\$ 2,494,830
2	2007 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	6/1/2007	6/30/2037	US Bank	2007 Tax Allocation Bonds for capital projects	VVEDA	10,317,175	N	\$ 544,938			129,111			\$ 129,111			384,111			\$ 384,111
8	2007 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	7/1/2007	6/30/2037	US Bank	2007 Tax Allocation Bonds for capital/housing projects	Project Area 2	40,518,760	N	\$ 2,381,500				665,750		\$ 665,750				1,715,750		\$ 1,715,750
17	Admin Costs	Admin Costs	7/1/2013	6/30/2037	Town of Apple Valley	Dissolution Activities and Services	VVEDA/AVRDA Project Area 2	4,285,000	N	\$ 170,000					170,000	\$ 170,000						\$ -
41	2005 Tax Allocation Bonds Fiscal Agent Fees	Fees	5/1/2005	6/30/2035	US Bank	Annual Fiscal Agent Fees for VVEDA Project Area Bonds	VVEDA	47,250	N	\$ 5,800			5,800			\$ 5,800						\$ -
42	2005 Tax Allocation Bonds Continuing Disclosure	Professional Services	5/1/2005	6/30/2035	US Bank	Professional Service Costs relating to Annual Disclosure Requirements	VVEDA	30,000	N	\$ 10,000						\$ -			10,000			\$ 10,000
43	2007 Tax Allocation Bonds Fiscal Agent Fees	Fees	6/1/2007	6/30/2037	US Bank	Annual Fiscal Agent Fees for AVRDA Project Area Bonds	Project Area 2	45,050	N	\$ 2,650				2,650		\$ 2,650						\$ -
44	Loan to 80% for ERAF	SERAF/ERAF	4/27/2011	6/30/2021	LMIHF	Loan to pay SERAF	Project Area 2	310,770	N	\$ 310,770				310,770		\$ 310,770						\$ -

Apple Valley 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 Cash Balance Tips Sheet .									
A	B	C	D	E	F	G	H		
		Fund Sources							
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF			
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	Comments		
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount	1,060,358				0			
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller	7,865			1,071,250	2,854,401	F: "Other funds" represent revenues distributed from VVEDA for 2005 & 2007 Tax Allocation Bonds. VVEDA Distributed an additional \$8,000 from their administrative budget for AV's use.		
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)				1,069,060	2,856,441	F: "Other funds" expenditure includes \$1,060,541.27 spent on bond debt service and bond admin fees, \$2,704.51 spent on bond debt service from fiscal agent fees, and \$5,814.19 spent from the additional \$8,000 of admin provided by VVEDA. G: RPTTF expenditure does not match the amount reported on the 17-18 PPA, as it was found the SA spent an additional \$456.92 using cash from fiscal agent.		
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	1,068,223							
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC	No entry required					0	G: There is a \$0 PPA for ROPS 17-18	
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 2,190	\$ (2,040)	F: \$4.22 underspent on Bond admin fees, and \$2,185.81 underspent on admin from additional \$8,000 provided by VVEDA. G: Includes \$1,582.88 overexpenditure reported on PPA and \$456.92 paid from cash with fiscal agent.		