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

January 13, 2020

<u>FROM</u>

RICK DANIELS, City Manager, City of Needles

SUBJECT

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

RECOMMENDATION

Adopt a **Resolution No. 20-10** approving the Successor Agency to the Redevelopment Agency of the City of Needles' Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2020-21.

(Presenter: Steven H. Dukett, Consultant to the City of Needles, (909) 967-8205)

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 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 City of Needles' (Successor Agency) dissolution as an annual ROPS is required by DOF as part of the wind-down of the Successor Agency. There is no increase requested in the amount required from the RPTTF from the last annual ROPS approved. There is no administrative allowance claimed during this ROPS period as RPTTF collections for this period are not projecting to reach the amount to cover the administrative costs.

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 Needles' 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 – Zero-dollar administrative cost allowance budget for ROPS 2020-21

REVIEW BY OTHERS

This item has been reviewed by Community Development and Housing Agency on December 19, 2019 and San Bernardino Countywide Oversight Board Legal Counsel on December 26, 2019.

Resolution Approving the Successor Agency to the Redevelopment Agency of the City of Needles' 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: Richard DeNava Seconded: Acquanetta Warren

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

David Wert

Absent: Mario Vasquez

Lynna Monell, SECRETARY

DATED: January 13, 2020

RDINO COLATA

cc: File- San Bernardino Countywide Oversight Board

la 01/16/2020

RESOLUTION NO. 2020- 10

RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD ADOPTING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF CITY OF NEEDLES'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2020-21

On 13th, January, 2020 on motion of San Bernardino Countywide Oversight Board Member DeNava, 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, 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 City of Needle's 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

OVERSIGHT BOARD MEMBER: Mario Vasquez

* * * * *

ABSENT:

| STATE OF CALIFORNIA |) | |
|--------------------------|---|-----|
| |) | SS. |
| COUNTY OF SAN BERNARDINO | Ì | |

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. #10LA



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

| Successor Agency: | Needles |
|-------------------|----------------|
| County: | San Bernardino |

| Currer | nt Period Requested Funding for Enforceable Obligations (ROPS Detail) | 21A Total - December) | 20-21B Total (January - June) | ROPS 20-21 Total | |
|--------|---|--------------------------|----------------------------------|------------------|---------|
| Α | Enforceable Obligations Funded as Follows (B+C+D): | \$ - \$ | | \$ | |
| В | Bond Proceeds | - | - | | - |
| С | Reserve Balance | -1 | - | | - |
| D | Other Funds | - | - | | _ |
| E | Redevelopment Property Tax Trust Fund (RPTTF) (F+G): | \$ 145,750 | 15,953 | \$ | 161,703 |
| F | RPTTF | 145,750 | 15,953 | | 161,703 |
| G | Administrative RPTTF | | | | |
| Н | Current Period Enforceable Obligations (A+E): | \$ 145,750 \$ | 15,953 | \$ | 161,703 |

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 West, Chairman

Name

Tit

Signature

Date

Needles Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail

July 1, 2020 through June 30, 2021

(Report Amounts in Whole Dollars)

| 39 | (Report Amounts in Whole Dollars) | | | | | | | | | | | | | | | | | | | | | | |
|------|-----------------------------------|---------------------------------------|--------------------------------------|--|-------------------|--|-------------------|--------------------------------------|---------|---------|-------------|--------------|-----------------|----------------|---------|-------------|-----------------|---------------|------------------|--|--------------------|-------------|----------------------|
| Α | В | С | D | E | F | G | н | | J | к | | L | м | N | 0 | P | Q | R | s | т | U | v | w |
| | | | | | | | | | | | | | 20.21 | A (July - Dece | mhar) | | | | 20.5 | 4D (| | | |
| | | | 1 | | | | | | | | - | | | | | | | | 20-2 | 1B (January - | | | |
| | ľ | 1 | | | | | | | | | _ | | | Fund Sources | | | | | | Fund Source | S | | |
| tem# | 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 | Patired | POPS 20 | 21 Total Pa | and Droppeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | 20-21A Total | David Browned | D | 0 | | | 20-21B |
| | | | | Tommadon Bato | Tayou | Description// Toject despe | 1 Toject Area | \$ 725,229 | Retired | \$ | 161,703 \$ | ond Proceeds | | | | | | | S Reserve Balanc | e Other Funds | RPTTF \$ 15,953 | Admin RPTTF | Total |
| 1 | 1992 Series A Tax Bonds | Bonds Issued On or Before | 8/16/1992 | 8/15/2022 | U. S. Bank | Interest Only Portion of 1992 TABs | Needles Town Ctr. | 48.750 | | | 26.625 | • | • | • 0 | 15.750 | | \$ 15,750 | | 1.0 | 0 | 10.875 | \$ 0 | \$ 15.95 \$ 10.87 |
| | Successor Agency Administration | Admin Costs | 2/1/2012 | 11/26/2035 | City of Needles | Successor Agency Administration | Needles Town Ctr. | 242,079 | N | \$ | - | - | | | 10.100 | | \$ | - | | | 10,673 | | \$ 10.8. |
| 8 | 1992 Series A Tax Bonds | Bonds Issued On or Before 12/31/10 | 8/16/1992 | 8/15/2022 | U. S. Bank | Principal Reduction Portion of the 1992 TABs Debt Service | Needles Town Ctr. | 420,000 | N | \$ | 130,000 | | | | 130,000 | | \$ 130,000 | 0 | | | | | \$ |
| 9 | Securities Servicing | Fees | 8/16/1992 | 8/15/2022 | U. S. Bank | Securities Servicing for 1992 TABs (Paid During "B" ROPS Cycle) | Needles Town Ctr. | 14,400 | N | \$ | 5,078 | | | | | | \$ | | | | 5,078 | | \$ 5,07 |
| 10 | Third -Party Related Litigation | Litigation | 2/1/2012 | 11/26/2035 | SBE Law & BBK Law | Third-Party Litigation: On-Going and | | 0 | N | \$ | - | | | | | | \$ | | | | | | \$ |
| _ | | | | | , | Anticipated (This EO is Reserved - See Notes) | | | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | N | S | | | | | | | \$. | | | | | | S |
| 12 | | | | | | | | | N | | | | | | | | \$ | | 1 | | | | \$ |
| 13 | | | | | | | | | N | | | | | | | | \$ | | | | | | \$ |
| 14 | | | | | | | | | N | | - | | | | | | \$. | | | | | | \$ |
| 15 | | | | | | | | | N | | - | | | | | | \$. | | | | | | • |
| 16 | | | | | | | | | N | | | 7 | | | | | \$ - | | | 1 | | | 9 |
| 17 | | | | | | | | | N | \$ | | - 1 | | | | | \$. | | | | | | • |
| 18 | | | | | | | | | N | | - | | | | | | \$. | | | | | | • |
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| 29 | | | | | | | | | N | \$ | - | | | | | | \$ - | | | | | | S |
| 30 | | | | | | | | | N | \$ | | | | | | | \$ - | | | | | | s |
| 31 | | | | | | | | | N | \$ | | | | | | | \$ - | | | | | | \$ |
| 32 | | | | | | | | | N | \$ | | | | | | | \$1 | | | | | | \$ |
| 33 | | | | | | | | | N | \$ | - | | | | | | \$ - | | | | | | S |
| 34 | | | | | | | | | N . | | | | | | | | \$ - | | | | | | S |
| 35 | | | | | | | | | N | | - | | | | | | \$ - | | | | | | S |
| 36 | | | | | | | | | N | | - | | | | | | \$ - | | | | | | \$ |
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| 41 | | | | | | | | | N | | | | | | | | \$ - | | | | | | \$ |
| 42 | | | | | | | | | N | | - | | | | | | \$ - | | | | | | \$ |
| 43 | | | | | | | | | N | | - | | | | | | \$ - | | | | | | \$ |
| 44 | | | | | | | | | N | | | | | | | | \$ - | | | | | | \$ |
| 45 | | | | | | | | | N | | - | | | | | | \$ - | | | | | | \$ |
| 46 | | | | | | | | | N . | | | | | | | | \$ - | | | | | | \$ |
| 47 | | | | | | | | | N | | | | | | | | \$ - | | | | | | \$ |
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| 49 | | | | | | | | | N | | | | | | | | \$ - | | | | | | S |
| 50 | | | | | | | | | N | S | | | | | | | \$ - | | | | | | · |

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Needles Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances July 1, 2017 through June 30, 2018 (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

| She | et. | · | | r | | | |
|-----|---|------------------------------------|-----------------------------------|--|---------------------------|--------------|--|
| Α | В | С | D | E | F | G | н |
| | | | | | | | |
| | | Bond P | Bond Proceeds F | | Other Funds | RPTTF | |
| | DODG 47 40 Oct Delever | | | Prior ROPS RPTTF and Reserve | Rent, | Non-Admin | |
| | 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 | Balances retained for future period(s) | Grants, Interest, etc. | and Admin | Comments |
| 1 | Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount | | | | | | Cell C-1 is the DSRF held by the Trustee. Cell 1 is the retained DDR balance for use ROPS du to the structural cash-flow insolvency of the |
| | | 165,500 | | 191,173 | | | Successor Agency. |
| 2 | Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller | | | | | 245,638 | Cell H-2 is the actual amount received from the CAC for ROPS 16-17 combined. |
| 3 | Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18) | | | 163,826 | | 245,268 | The sum of Cells E-3 and H-3 equals the amour approved by DOF for ROPS 16-17A-B. Both sources are used to fund the ROPS. |
| 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) | 165,500 | | 27,347 | | 370 | The DSRF shown in Cell C-4 is held by the Trustee bank. Due to Successor Agency's structural cash-flow insolvency, the amount shown in Cell E-4 is needed to cover projected long-term RPTTF shortfalls. |
| | 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 | | | | |
| | Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |

| | Needles Recognized Obligation Payment Schedule (ROPS) - Notes July 1, 2020 through June 30, 2021 | | | | | | | | | |
|-----|--|--|--|--|--|--|--|--|--|--|
| em# | Notes/Comments | | | | | | | | | |
| | ROPS DETAIL FORM | | | | | | | | | |
| 1 | EO # 1 is the interest only portion of the 1992 TABs debt service, which is payable during the "A" and "B" ROPS cycles. | | | | | | | | | |
| 6 | The Successor Agency's Estimated Administrative Budget covers ROPS and LRPMP implementation. DOF approved the Successor Agency's ROPS 19-20 as submitted with the priviso that all of the costs were to be paid from Reserve Balance or Other Funds (i.e., no RPTTF was authorized or has been used). Per HSC 34171 (b) (4), the Successor Agency's Administrative Cost Allocation for ROPS 20-21 cannot exceed 50% of the total non-administration-related and non-City loan repayment-related RPTTF actually received during FY 2019-20. Since the Successor Agency did not receive any RPTTF for ROPS 19-20, the Successor Agency is not eligible for RPTTF-funded Administrative Cost Allowance during ROPS 20-21. | | | | | | | | | |
| | EO # 8 is the principal reduction portion of the 1992 TABs debt service, which is payable during the "A" ROPS cycle. | | | | | | | | | |
| | EO # 9 is for securities servicing fees charged by U. S. Bank. These fees only occur on the "B" ROPS cycle. | | | | | | | | | |
| 10 | EO # 10 is for costs of third-party litigation for potential litigation. The Successor Agency does not have any litigation at this time; however, the Successor Agency continues to own real property it wishes to sell. Therefore, this EO is reserved. | | | | | | | | | |
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