

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

December 16, 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 2020-21

RECOMMENDATION(S)

Adopt **Resolution 2019-41** approving the Successor Agency to the County of San Bernardino Redevelopment Agency's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2020-21.

(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 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 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 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(1)(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.

ATTACHMENTS

Attachment A – Resolution

Attachment B – ROPS for Fiscal Year 2020-21

Attachment C – Administrative budget for Fiscal Year 2020-21

**Resolution Approving the Successor Agency to the County of San Bernardino Redevelopment Agency's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2020-21
December 16, 2019**

REVIEW BY OTHERS

This item has been reviewed by Community Development and Housing Agency on November 7, 2019 and San Bernardino Countywide Oversight Board Legal Counsel on November 7, 2019.

**Resolution Approving the Successor Agency to the County of San Bernardino Redevelopment Agency's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2020-21
December 16, 2019**

Record of Action of the San Bernardino Countywide Oversight Board

APPROVED

Moved: Cindy Saks Seconded: Richard DeNava
Ayes: Richard DeNava, Cindy Saks, Lawrence Strong, David Wert
Absent: Kenneth Miller, Mario Vasquez, Acquanetta Warren

Lynna Monell, SECRETARY

BY



DATED: December 16, 2019



cc: File - San Bernardino Countywide Oversight Board
dlc 12/19/2019

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 16, 2019. #2 dlc

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: San Bernardino County
 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):	\$ 3,468,200	\$ 2,435,432	\$ 5,903,632
B Bond Proceeds	-	-	-
C Reserve Balance	3,468,200	1,948,346	5,416,546
D Other Funds	-	487,086	487,086
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 4,412,950	\$ 3,631,497	\$ 8,044,447
F RPTTF	4,197,950	3,631,497	7,829,447
G Administrative RPTTF	215,000	-	215,000
H Current Period Enforceable Obligations (A+E):	\$ 7,881,150	\$ 6,066,929	\$ 13,948,079

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, Board Chairman

Name _____ Title _____
 /s/  _____ Date *12-16-19*
 Signature _____ Date _____

San Bernardino County Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

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			101,625	9,241	0	From Prior Years Cash Balance Form. The distributed ROPS amount for FY 2019-20 was reduced by \$110,866
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller			5,082,660	498,750	7,394,832	From FAS/SAP Queries
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)			5,033,347	500,939	7,236,798	From ROPS 2016-17 PPA Submitted to ATC Aug 22019
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)						
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					
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 150,938	\$ 7,052	\$ 158,034	

San Bernardino County Recognized Obligation Payment Schedule (ROPS 20-21) - Notes July 1, 2020 through June 30, 2021

Item #	Notes/Comments
	ROPS Detail Page
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	Removed Duplicate Line 45-48
8	Removed Duplicate Line 45-48
9	HDL to serve as the Fiscal Consultant for the ongoing annual Sevaine Tax Allocation Bond Disclosure reports. 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.
10	
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	Removed Duplicate Line 14
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	Removed Retired
28	Retire Replacement Housing Obligation.
29	Removed Retired
30	Removed Duplicate Line 16
31	Removed Retired
32	Retire Unpaid Leave Balances obligation paid in previous ROPS cycle.
33	Retire Unemployment Insurance obligation paid in previous ROPS cycle.
34	Removed Retired

San Bernardino County Recognized Obligation Payment Schedule (ROPS 20-21) - Notes July 1, 2020 through June 30, 2021

Item #	Notes/Comments
35	Removed Retired. Transfer of Bond Proceeds Obligation has taken place. See Item 51.
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.
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	Removed Duplicate Line 29
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 reinstated 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 reinstated 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 reinstated and approved in ROPS 14-15A. See Reinstatement of Loan on Item 52.
48	Removed Retired. County of San Bernardino Mission Blvd. Loan was reinstated 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.