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

**January 13, 2020** 

#### **FROM**

**KEITH METZLER, Executive Director, Victor Valley Economic Development Agency Successor Agency** 

#### **SUBJECT**

Resolution Approving the Successor Agency to the Victor Valley Economic Development Agency's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2020-21

#### **RECOMMENDATION**

Adopt a **Resolution 20-18** approving the Successor Agency to the Victor Valley Economic Development Agency's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2020-21.

(Presenter: Tara Matthews, Consultant, RSG Inc. (714) 316-2111)

#### **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 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 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 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 Victor Valley Economic Development 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 no increase requested in the amount required from the RPTTF from the last annual ROPS approved. The total outstanding obligation amount on Items 24 and 25, SERAF and LMIHF Loans, increased to account for interest accrued at the annual rate permitted by Health and Safety Code Section 34191.4(b)(3), however no payment is requested on the ROPS 20-21.

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 Victor Valley Economic Development Agency'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 17, 2019 and San Bernardino Countywide Oversight Board Legal Counsel on December 27, 2019.

Resolution Approving the Successor Agency to the Victor Valley Economic Development Agency'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: Richard DeNava Seconded: Cindy Saks

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

**David Wert** 

Absent: Mario Vasquez

Lynna Monell, SECRETARY

DATED: January 13, 2020

RDINO COUNTY BY SERVICE OF THE PROPERTY OF THE

cc: File- San Bernardino Countywide Oversight Board

la 01/16/2020

#### **RESOLUTION NO. 2020- 18**

# RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD ADOPTING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY 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 DeNava, duly seconded by San Bernardino Countywide Oversight Board Member Saks and carried, the following resolution is adopted by the San Bernardino Countywide Oversight Board, State of California.

- WHEREAS, the Victor Valley Economic Development Authority ("VVEDA") elected to serve as the Successor Agency to the former VVEDA Redevelopment Agency ("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(I), 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(I) 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 ROPS 20-21 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 ROPS 20-21 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 Victor Valley Economic Development Authority 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. #18LA



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

Successor Agency:

Victor Valley Economic Development Authority (VVEDA) Successor Agency

County:

San Bernardino

Current	Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total ly - December)	0-21B Total nuary - June)	ROPS 20-21 Total		
Α	Enforceable Obligations Funded as Follows (B+C+D):	\$ 55,243	\$	\$	55,243	
В	Bond Proceeds	\$ 	\$	\$	-	
С	Reserve Balance	\$	\$	\$	100	
D	Other Funds	\$ 55,243	\$ 	\$	55,243	
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 14,206,591	\$ 8,635,446	\$	22,842,037	
F	RPTTF	\$ 14,111,834	\$ 8,477,446	\$	22,589,280	
G	Administrative RPTTF	\$ 94,757	\$ 158,000	\$	252,757	
Н	Current Period Enforceable Obligations (A+E):	\$ 14,261,834	\$ 8,635,446	\$	22,897,280	

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.

#### VVEDA Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail July 1,2020 through June 30, 2021 (Report Amounts in Whole Dollars)

#### VVEDA Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail July 1,2020 through June 39, 2021 (Report Amounts in Whole Dollars)

(Report Amounts in Whole Dollars)									(Report Amounts in Whole Dollars)													
	В	С	D	E	F	G	н		J	к		м	N	0	Р	Q	R	s	т	U	v	w
												20-	21A (July - Decemi	ber)				20	-21B (January - Jun	ie)		
													Fund Sources					-111-	Fund Sources			1
n#	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			Reserve Balance		RPTTF	Admin RPTTF	20-21A Total		Reserve Balance	Other Funds	RPTTF \$ 8,477,446	Admin RPTTF	20-21B Total \$ 8,635
	oint Powers Authority Agreement CLAA Bonds 1-9)	Bonds Issued On or Before 12/31/10	5/23/2000	6/23/2052	City of Victorville/SCLAA	Bonds issued to fund projects	VVEDA Project Area	\$ 880,713,316 637,722,045		\$ 22,897,280 \$ 21,470,720	\$ -	* -	\$ 55,243	\$ 14,111,834 13,770,954	\$ 94,757	\$ 14,261,834 \$ 13,770,954		3	3	7,699,766		\$ 7,699,
3 Joi	int Powers Authority Agreement lesperia portion per JPA)		5/23/2000	6/23/2052	City of Hesperia	Obligation pursuant to Joint Powers Authority Agreement	VVEDA Project Area	71,197,016	N	s -		<b>"</b>   =		4		s -	100			= =====		\$
	int Powers Authority Agreement ounty portion per JPA)	Miscellaneous	5/23/2000	6/23/2052	County of San Bernardino	Obligation pursuant to Joint Powers Authority Agreement	VVEDA Project Area	66,249,815	N	5 .						s -						s
(A)	int Powers Authority Agreement pple Valley Bonds 2005 and 07)	Bonds Issued On or Before 12/31/10	5/23/2000	6/23/2052	Town of Apple Valley	y Bonds issued to fund projects	VVEDA Project Area	17,980,680	N	\$ 1,058,160				289,080		\$ 289,080				769,080	-	\$ 769,0
	int Powers Authority Agreement delanto portion per JPA)	Miscellaneous	5/23/2000	6/23/2052	City of Adelanto	Obligation pursuant to Joint Powers Authority Agreement	VVEDA Project Area	30,196,541	N	\$ -					1.	s -				<b>****</b>		S
7 Ad	dministrative Costs	Admin Costs	5/29/2000	6/23/2052	Successor Agency	Agency administrative costs	VVEDA Project Area	5,544,000	N	\$ 308,000			55.243		94,757	\$ 150,000				- 1	158,000	\$ 158,
	int Powers Authority Agreement CLAA operational shortfalls)	Miscellaneous	5/23/2000		City of Victorville	SCILAA operational shortfalls as provided for in Sections 3, 4(in)(c)(k)(in) and 8 of the JPA	VVEDA Project Area	13,999,789	N	\$ -			1			\$ -						S
	int Powers Authority Agreement CLAA capital expend lures (	improvement/Infrastru cture	5/23/2000	6/30/2052	City of Victorville	SCLAA capital expenditures as provide for in Sections 3, 4(III/c)(k)(III) and 8 of the JPA	VVEDA Project Area	21,120,815	N	\$ -						s -		(TIBE 15)		TIE I		S
	int Powers Authority Agreement delanto start up costs)	Miscellaneous	5/23/2000	6/30/2052	VVEDA	Pursuant to Section 34 of the JPA, Adelanto owes this amount to VVEDA for start-up costs	VVEDA Project Area	673,067	N	s -	THE R					5			THE S			S
	elanto-Victorville Cooperative reement for Street Improvements	Improvement/Infrastry cture	4/23/2003	6/23/2052	City of Victorville	4/23/03 Cooperative Agreement related to street improvements at Adelanto Road and Air Expressway, in which Adelanto agreed to pay Victorville for such improvements from its portion of VVEDA tax increment	WEDA Project Area	1,555,298	N	\$						\$ -					11	S
24 SE	RAF Loan FY 2009-10	SERAF/ERAF	5/4/2010		Victorville Housing Successor Agency	Loan from housing to non-housing funds for the FY 09-10 SERAF payment	VVEDA Project Area	6,687,500	N	\$ -		S				\$ -						S
25 LM	IIHF Loan	LMIHF Loans	3/16/2010	6/30/2052	Victorville Housing Successor Agency	Loan from housing to non-housing funds for general RDA activities	VVEDA Project Area	5,043,750	N	\$ -						s -						\$
26 SC	LAA Bonds Trustee Fees	Bonds Issued On or Before 12/31/10	6/2/2005	12/31/2050	Bank of New York- Mellon	Trustee fees for SCLAA bonds	VVEDA Project Area	1,781,000	N	\$ 23,000				23,000		\$ 23,000						s
27 SC		Bonds Issued On or Before 12/31/10	6/2/2005	12/31/2050	BLX Group	Arbitrage fees for SCLAA bonds	VVEDA Project Area	204,600	N	\$ 6,600						\$ -				6,600		\$ 6,6
Cos	sts	Bonds Issued On or Before 12/31/10	6/2/2005	12/31/2050		Professional services to fulfill annual requirement of SCLAA bonds	VVEDA Project Area	617.000	N	\$ 23,000				23,000		\$ 23,000						s -
29 App	ple Valley Bonds Fiscal Agent	Bonds Issued On or Before 12/31/10	5/25/2005	6/30/2037	US Bank	Trustee fees for Apple Valley bonds	VVEDA Project Area	104.400	N	\$ 5.800				5.800		\$ 5,800						s
	ple Valley Continuing Disclosure	Bonds Issued On or	5/25/2005			, Professional services to fulfill annual	VVEDA Project Area		- "					5,000		3,300						
31 Res	sts serve for SCLAA Bonds Shortfall	Before 12/31/10 Bonds Issued On or Before 12/31/10	5/23/2000	6/23/2052	RSG, Inc. City of Victorville/SCLAA	requirement of Apple Valley bonds Reserve to cover anticipated pledged revenues shortfall in the following period	VVEDA Project Area	36,000	N	\$ 2,000						3				2,000	•	\$ 2,0

## VVEDA 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 (I), 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.

Sne A	В	С	D	E	F	G	н
	-	Fund Sources					
		Bond P	roceeds	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
	Beginning Available Cash Balance (Actual 07/01/17)						
	RPTTF amount should exclude "A" period distribution amount			5,614,093	149,134		E: \$1,928,030 in Reserve Balance committed to 18- 19 expenditures + \$3,686,063 PPA 16-17 retained for ROPS 19-20. F: \$114,043 of Other Funds are committed for expenditure in 18-19. \$35,091 of Other Funds committed for expenditure in 19-20.
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller				55,243	34,145,583	E: \$55,243 in Interest Income. F: RPTTF for ROPS
	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)					29 473 026	G: RPTTF spent matches PPA 17-18
	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			5,614,093	204,377		E: \$1,928,030 in Reserve Balance committed to 18-19 expenditures + \$3,686,063 PPA 16-17 retained for ROPS 19-20. F: \$114,043 of Other Funds are committed for expenditure in 18-19. \$35,091 of Other Funds are committed for expenditure in 19-20. \$55,243 of Other Funds will be requested for ROPS 20-21 expenditures.
	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			Rrepresents the 17-18 PPA as of 12-12-19 with changes resulting from CAC review and is committed for expenditure in 20-21. Adjusted by -1 for rounding.
	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ o	\$ 0	\$ 0 3	0	\$ 0	