

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

December 14, 2020

FROM

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 2021-22

RECOMMENDATION

Adopt a **Resolution No. 2020-42** approving the Successor Agency to the Redevelopment Agency of the City of Needles' Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2021-22.

(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 2021-22 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 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 to review the 2021-22 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 or 15 days prior to the June 1 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. The Successor Agency requested \$161,703 for the last ROPS period, which was funded exclusively from its reserve balance (i.e., no RPTTF was received). For ROPS 2021-22, the Successor Agency is requesting \$161,578 (\$111,498 from reserves and \$50,080 from RPTTF), not including funding for its administrative cost allowance. Because the Successor Agency did not receive any RPTTF during the last ROPS period, the Successor Agency is not entitled to any RPTTF during ROPS 2021-22 for administrative purposes. Eligibility for an administrative cost allowance may be reinstated during ROPS 2022-23. Therefore, the Successor Agency has a zero-dollar administrative cost allowance budget for ROPS 2021-22.

It is recommended the CWOB approve the Successor Agency's 2021-22 ROPS and administrative budget. The draft 2021-22 ROPS will be provided to DOF, the County Auditor-Controller and the County Administrative Office as required by HSC 34177(l)(2)(B). The

**Resolution Approving the Successor Agency to the Redevelopment
Agency of the City of Needles' Recognized Obligation Payment
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adopted 2021-22 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 2021-22

Attachment C – Zero dollar Administrative Budget for Fiscal Year 2021-22

REVIEW BY OTHERS

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on December 3, 2020 and San Bernardino Countywide Oversight Board Legal Counsel on December 2, 2020.

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Record of Action of the San Bernardino Countywide Oversight Board

APPROVED

Moved: Cindy Saks Seconded: Frederick Ang

Ayes: Frederick Ang, Richard DeNava, Kenneth Miller, Cindy Saks, Acquanetta Warren, David Wert

Absent: Lawrence Strong

Lynna Monell, SECRETARY

BY *Lynna Monell*
DATED: December 14, 2020



cc: W/RESOLUTION
File- San Bernardino Countywide Oversight Board w/attach
LA 12/18/2020

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 14, 2020. #2 LA

LYNNA MONELL
Secretary to the San Bernardino Countywide
Oversight Board

By _____



Needles Recognized Obligation Payment Schedule (ROPS 21-22) - Report of Cash Balances
July 1, 2018 through June 30, 2019
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	
		Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	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 07/01/18) RPTTF amount should exclude "A" period distribution amount	165,500		269,123		0	Cell C-1 is the DSRF held by the Trustee. Cell E-1 is the remainder of the retained DDR balance for use during ROPS 20-21 and 21-22.	
2	Revenue/Income (Actual 06/30/19) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller					246,045	Cell G-2 is the actual amount received from the CAC for ROPS 18-19.	
3	Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)					241,967	Cell G-3 equals the amount actually used during ROPS 18-19.	
4	Retention of Available Cash Balance (Actual 06/30/19) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	165,500		269,123		4,078	The DSRF shown in Cell C-4 is held by the Trustee bank. Regarding the amount in Cell E-4, per DOF's 4-14-2020 letter, \$161,703 of this amount shall be used for ROPS 20-21 and \$107,420 shall be used for ROPS 21-22, thus zeroing out the reserve. The amount in Cell G-4 will also be used for ROPS 21-22	
5	ROPS 18-19 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC	No entry required					0	
6	Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		

Needles Recognized Obligation Payment Schedule (ROPS 21-22) - Notes July 1, 2021 through June 30, 2022

Item #	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	Per HSC § 34171 (b) (4), the amount requested for EO # 6 for ROPS 21-22 is equal to 50% of the total non-administration-related and non-City loan repayment-related RPTTF actually received during FY 2020-21. The Successor Agency's Administrative Budget covers ROPS and LRPMP implementation. Since no RPTTF was received during ROPS 20-21 (the Successor Agency used only reserve funds for the ROPS 20-21), the Successor Agency is not eligible for an administrative cost allowance during ROPS 21-22. However, the Successor Agency will be eligible for an administrative cost allocation during ROPS 22-23.
8	EO # 8 is the principal reduction portion of the 1992 TABs debt service, which is payable during the "A" ROPS cycle.
9	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. Therefore, this EO is reserved.