

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

June 14, 2021

## FROM

G. HAROLD DUFFEY, City Manager Director, City of Grand Terrace

## SUBJECT

Resolution approving Amendment Number Two to the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace's Last and Final Recognized Obligation Payment Schedule and Administrative Budget

## RECOMMENDATION(S)

Adopt a **Resolution No. 2021-28** approving the Successor Agency to the Redevelopment Agency of the City of Grand Terrace's Amendment Number Two to the Last and Final Recognized Obligation Payment Schedule and Administrative Budget.

(Presenter: G. Harold Duffey, City Manager, City of Grand Terrace, 909-824-6621)

## BACKGROUND INFORMATION

The Successor Agency prepared a Last and Final Recognized Obligation Payment Schedule ("ROPS") that was approved by the Department of Finance by letter dated August 6, 2018. Health and Safety Code ("HSC") Section 34191.6(c)(2)(A) allows successor agencies to submit two (2) amendment requests of the Last and Final ROPS. The First Amendment to the Last and Final ROPS was approved by the Department of Finance by letter dated October 3, 2019 (revised) to allow the Successor Agency to defease its 2011 bonds.

This request is for the second amendment ("Amendment No. 2") to the Last and Final ROPS and Administrative Budget. This item relates to the previous other items presented to the Countywide Oversight Board ("CWOB"). In particular, this Amendment No. 2 is being requested so the Successor Agency can repay the entire amount owed on the SERAF Loan pursuant to HSC Section 34171(d)(1)(G) and 34176(e) (the current balance is \$248,636). The SERAF Loan relates to amounts borrowed by the former redevelopment agency from its low- and moderate-income housing fund prior to its dissolution pursuant to HSC Section 33690 and 33690.5. HSC Sections 34171(d)(1)(G) and 34176(e) provide that the SERAF Loan is an enforceable obligation and require repayment thereof. In addition, pursuant to a Loan Agreement, the City of Grand Terrace ("City") currently owes the Successor Agency \$885,797, and the City desires to repay the entire amount owed. Further, the City is going to purchase the last remaining property on the Successor Agency's Long-Range Property Management Plan for the appraised value of \$144,000.

The Successor Agency presently holds approximately \$481,450.88 in funds (includes leftover funds from defeasance of the Successor Agency's 2011 bonds). The Successor Agency plans to use Successor Agency-held funds (\$481,450.88) and proceeds received from the City's repayment of the City Loan Agreement (\$885,797) to repay the Housing Successor Loan amount of \$248,636 and the Administrative Cost allowance of \$141,719. The remaining funds of approximately \$1,120,892.88 (including the \$144,000 from the purchase of the property as described above pursuant to the Long-Range Property Management Plan) will be remitted to the County Auditor-Controller/Treasurer/Tax Collector for distribution.

**Resolution approving Amendment Number Two to the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace's Last and Final Recognized Obligation Payment Schedule and Administrative Budget  
June 14, 2021**

Amendment No. 2 to the Last and Final ROPS and Administrative Budget is being submitted for review and approval of the Countywide Oversight Board ("CWOB") to show the revision to the Last and Final ROPS and Administrative Budget because of the aforementioned items in the above paragraph.

The recommended action will further the Successor Agency's dissolution as all debt will be repaid and all property disposed of.

Staff recommends that the CWOB approve the Resolution and Amendment No. 2 to the Last and Final ROPS and Administrative Budget.

**ATTACHMENTS**

Attachment A – CWOB Resolution amending the Last and Final ROPS and Administrative Budget.

Attachment B – Amendment No. 2 to the Last and Final ROPS and Administrative Budget.

Attachment C – Administrative Budget

Attachment D - Successor Agency Resolution Approving Amendment No. 2 to the Last and Final ROPS and Administrative Budget.

Exhibit A - 2<sup>nd</sup> Amendment to the Last and Final ROPS and Administrative Budget as approved by the Successor agency

Exhibit B - DOF email regarding procedure to dissolve Successor Agency

Exhibit C - Revenue Estimation Analysis Report

**REVIEW BY OTHERS**

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on June 03, 2021 and San Bernardino Countywide Oversight Board Legal Counsel on June 03, 2021.

**Resolution approving Amendment Number Two to the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace's Last and Final Recognized Obligation Payment Schedule and Administrative Budget  
June 14, 2021**

Record of Action of the San Bernardino Countywide Oversight Board

**APPROVED**

Moved: Acquanetta Warren    Seconded: Lawrence Strong  
Ayes: Frederick Ang, Richard DeNava, Kenneth Miller, Cindy Saks, Lawrence Strong, Acquanetta Warren, David Wert

Lynna Monell, SECRETARY

BY   
DATED: June 14, 2021



cc:    W/RESOLUTION  
      File- San Bernardino Countywide Oversight Board w/attach  
LA    06/14/2021

**RESOLUTION NO. 2021-28**

**RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD APPROVING THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF GRAND TERRACE'S AMENDMENT NUMBER TWO TO THE LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET**

On Monday, June 14, 2021 on motion of San Bernardino Countywide Oversight Board Member Warren, duly seconded by San Bernardino Countywide Oversight Board Member Strong and carried, the following resolution is adopted by the San Bernardino Countywide Oversight Board, State of California.

WHEREAS, pursuant to Health & Safety Code ("HSC") Section 34173(d), the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace is the successor agency (the "Successor Agency") to the former Community Redevelopment Agency of the City of Grand Terrace ("RDA"); and

WHEREAS, the RDA borrowed \$448,636 from its Low- and Moderate-Income Housing Fund to pay the Supplemental Educational Revenue Augmentation Fund ("SERAF") pursuant to the HSC Section 33690 and 33690.5 ("SERAF Loan"); and

WHEREAS, HSC Section 34171(d)(1)(G) and 34176(e) requires repayment of the SERAF Loan provided that the Successor Agency received its Finding of Completion and provided that a repayment schedule is approved by the Oversight Board; and

WHEREAS, the Successor Agency received its Finding of Completion from the Department of Finance on May 9, 2013 pursuant to HSC Section 34191.4(b); and

WHEREAS, the SERAF Loan repayment schedule was approved by the Successor Agency's original oversight board on January 18, 2017; and

WHEREAS, the Successor Agency approved Resolution No. 2021-04 which amended the SERAF Loan repayment schedule on May 11, 2021, in order to allow an option for an immediate repayment ("SERAF Loan Amendment"); and

WHEREAS, the San Bernardino Countywide Oversight Board ("CWOB") has approved, by its Resolution No. 2021-27, the SERAF Loan Amendment on June 14, 2021; and

WHEREAS, the City of Grand Terrace ("City") currently owes \$885,797 to the Successor Agency pursuant to a loan agreement, which memorializes prior loans made by the RDA to the City, dated April 12, 2021 ("City Loan Agreement"); and

WHEREAS, the City and Successor Agency approved an amendment to the City Loan Agreement on May 11, 2021, pursuant to its Resolution No. 2021-03 in order to allow for an immediate repayment ("City Loan Amendment"); and

WHEREAS, the CWOB has approved, by its Resolution No. 2021-24, the City Loan Amendment on June 14, 2021; and

WHEREAS, the Successor Agency owns a property located at 22747 Barton Road in the City of Grand Terrace (APN 0276-202-54) ("Property") and designated on its Long-Range Property Management Plan ("LRPMP") as "liquidation"; and

WHEREAS, the City desires to acquire the Property for the potential governmental use of a library or community center; and

WHEREAS, the Successor Agency has approved the change of property disposition designation of the Property on the LRPMP from "liquidation" to "governmental use" on May 11, 2021; and

WHEREAS, the CWOB has approved the change of property disposition designation of the Property on the LRPMP from "liquidation" to "governmental use" on June 14, 2021 ("LRPMP Amendment"); and

WHEREAS, based on the forgoing, the City and Successor Agency approved a Purchase and Sale Agreement for Real Property and Joint Escrow Instructions on May 11, 2021, to sell the property held by the Successor Agency and located at 22747 Barton Road in the City of Grand Terrace (APN 0276-202-54) ("Property") to the City for its estimated value in the amount of \$144,000 ("PSA"); and

WHEREAS, the CWOB has approved, by its Resolution No. 2021-26, the PSA on June 14, 2021; and

WHEREAS, the CWOB approved the Successor Agency's Last and Final Recognized Obligation Payment Schedule ("Last & Final ROPS"); and

WHEREAS, pursuant to HSC Section 34191.6, the Last & Final ROPS was approved by Department of Finance ("DOF") by letter dated August 6, 2018; and

WHEREAS, the CWOB approved a first amendment to the Last & Final ROPS, which was approved by the DOF by letter dated October 3, 2019 (revised) ("Amendment No. 1"); and

WHEREAS, upon the CWOB and DOF approval of the SERAF Loan Amendment, the City Loan Amendment, and the PSA, the Successor Agency desires to utilize the funds that would be received from the City's repayment of the City Loan Agreement and any Successor Agency-held funds to repay the SERAF Loan and costs associated with the Successor Agency's Administrative Budget with any remaining funds being transferred to the affected taxing entities; and

WHEREAS, in order to authorize the above-mentioned payments and transactions, the Successor Agency's Last & Final ROPS and Administrative Budget must be amended; and

WHEREAS, HSC Section 34191.6(c)(2)(A) allows successor agencies to submit two (2) amendment requests of the Last & Final ROPS and administrative budget ("Last & Final ROPS") to the DOF, after such request is reviewed and approved by the CWOB; and

WHEREAS, HSC Section 34177 requires the CWOB to approve the Recognized Obligation Payment Schedule ("ROPS") and administrative budget; and

WHEREAS, in order to evaluate the most efficient, practical and financially responsible expenditure of the moneys held by the Successor Agency, the Successor Agency retained certain legal and financial advisors to evaluate the potential dissolution of the Successor Agency based upon the forgoing pursuant to HSC Section 34187; and

WHEREAS, based on such evaluation and the advice of such legal and financial advisors, the CWOB has determined that it is to the benefit of the relevant affected taxing entities to (i) Approve the SERAF Loan Amendment; (ii) Approve the City Loan Amendment; (iii) Approve the PSA; (iv) Amend the Last & Final ROPS to allow the use of the funds generated from the repayment of the City Loan

and any Successor Agency-held funds to make full payment upon the SERAF Loan (with any remaining funds to be distributed to the affected taxing entities) so that the Successor Agency may dissolve pursuant to HSC Section 34187; and

WHEREAS, the approval of the Last & Final ROPS and the subsequent carrying out of the payments and transactions will allow the Successor Agency to be eligible for dissolution pursuant to HSC Section 34187; and

WHEREAS, the DOF has approved the above-mentioned process as provided in their email attached hereto as Exhibit "B"; and

WHEREAS, the Successor Agency has prepared an analysis ("Report"), which shows estimates that affected taxing entities will generally receive increased distributions of their portion of collected property tax if the Successor Agency is allowed to dissolve pursuant to HSC Section 34187, and therefore it is in the best interests of all affected taxing entities that the Successor Agency dissolve, which is attached hereto as Exhibit "C"; and

WHEREAS, the CWOB has reviewed the Amendment Number Two ("Amendment No. 2") to the Last & Final ROPS and administrative budget and other documents and reports submitted herewith and is fully briefed on the issues.

NOW, THEREFORE, the San Bernardino Countywide Oversight Board hereby resolves, determines and orders as follows:

Section 1. The foregoing recitals are true and correct and incorporated herein by this reference.

Section 2. The Amendment No. 2 to the Successor Agency's Last and Final Recognized Obligation Payment Schedule, which is attached hereto and incorporated herein by this reference as Exhibit "A", is approved.

Section 3. This resolution shall take effect from and after the date of its passage and adoption. However, this resolution shall be ineffective if any of the following occurs:

(i) DOF or the CWOB disapproves any of the following CWOB resolutions: Resolution No. 2021-24; Resolution No. 2021-27 or if such resolutions are ineffective by their own terms;

(ii) the DOF or the CWOB do not approve the resolutions referenced in Section 3(i) in a manner that will allow the Successor Agency to complete its dissolution pursuant to HSC Section 34187.

PASSED AND ADOPTED by the San Bernardino Countywide Oversight Board, State of California, by the following vote:

AYES: OVERSIGHT BOARD MEMBER: Frederick Ang, Richard DeNava, Kenneth Miller, Cindy Saks, Lawrence Strong, Acquanetta Warren, David Wert

NOES: OVERSIGHT BOARD MEMBER: None

ABSENT: OVERSIGHT BOARD MEMBER: None

\* \* \* \* \*

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 June 14, 2021. #4 LA

LYNNA MONELL  
Secretary to the San Bernardino Countywide  
Oversight Board

By \_\_\_\_\_



**Successor Agency:** Grand Terrace  
**County:** San Bernardino  
**Initial ROPS Period:** ROPS 21-22A  
**Final ROPS Period:** ROPS 21-22B

**Requested Funding for Enforceable Obligations**

**Total Outstanding Obligation**


<b>A</b>	<b>Enforceable Obligations Funded as Follows (B+C)</b>	<b>\$ 390,355</b>
B	Bond Proceeds	\$ -
C	Other Funds	\$ 390,355
<b>D</b>	<b>Redevelopment Property Tax Trust Fund (RPTTF) (E+F)</b>	<b>\$ -</b>
E	RPTTF	\$ -
F	Administrative RPTTF	\$ -
<b>G</b>	<b>Total Outstanding Obligations (A+D)</b>	<b>\$ 390,355</b>

**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  
 \_\_\_\_\_  
**Name**

Chairman  
 \_\_\_\_\_  
**Title**

  
 \_\_\_\_\_  
**/s/ Signature**

6/14/2021  
 \_\_\_\_\_  
**Date**



**Grand Terrace Last and Final Recognized Obligation Payment Schedule (ROPS)  
Summary by ROPS Period July 1, 2021 through June 30, 2022**

<b>A Period</b>					
<b>July - December</b>					
<b>ROPS Period</b>	<b>Fund Sources</b>				<b>Six-Month Total</b>
	<b>Bond Proceeds</b>	<b>Other Funds</b>	<b>RPTTF</b>	<b>Admin RPTTF</b>	
	\$ -	\$ 390,355	\$ -	\$ -	\$ 390,355
ROPS 21-22A	-	390,355	-	-	\$ 390,355

<b>B Period</b>						<b>Twelve-Month Total</b>
<b>January - June</b>						
<b>ROPS Period</b>	<b>Fund Sources</b>				<b>Six-Month Total</b>	
	<b>Bond Proceeds</b>	<b>Other Funds</b>	<b>RPTTF</b>	<b>Admin RPTTF</b>		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 390,355
ROPS 21-22B	-	-	-	-	\$ -	\$ 390,355

Grand Terrace  
 Last and Final Recognized Obligation Payment Schedule (ROPS) - ROPS Detail July 1, 2021 through June 30, 2022  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	21-22A (Jul-Dec)				21-22B (Jan-Jun)			
									Fund Sources				Fund Sources			
									Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
								\$ 390,355	\$ -	\$ 390,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	SERAF Loan LMIHF - Reserve	SERAF/ERAF	4/26/2011	1/17/2026	LMIHF	Repayment of loan for SERAF- Reserve	Redevelopment Project Area	248,636		\$ 248,636						
53	Administrative Expenses	Admin Costs	7/1/2017	6/30/2022	Various	Employee costs, administrative supplies and cost, legal services	Redevelopment Project Area	141,719		\$ 141,719						