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

January 10, 2022

### <u>FROM</u>

### T. JARB THAIPEJR, City Manager, Loma Linda Successor Agency

#### SUBJECT

Resolution Approving the Successor Agency to the Redevelopment Agency of the Loma Linda's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2022-23

#### **RECOMMENDATION(S)**

Adopt a **Resolution No. 2022-07** approving the Successor Agency to the Redevelopment Agency of the Loma Linda's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2022-23.

(Presenter: Steven H. Dukett, Agency Consultant, (909) 967-8205)

#### **BACKGROUND INFORMATION**

California Health & Safety Code Section (HSC) 34177 requires the San Bernardino Countywide Oversight Board (CWOB) to approve the 2022-23 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 2022-23 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 Loma Linda's (Successor Agency) dissolution as an annual ROPS is required by DOF as part of the wind-down of the Successor Agency. There is an approximately 1.9% (or \$95,685) decrease requested in the amount required from the RPTTF from the last annual ROPS approved.

It is recommended the CWOB approve the Successor Agency's 2022-23 ROPS and administrative budget. The draft 2022-23 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 2022-23 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 2022-23 Attachment C – Administrative Budget for Fiscal Year 2022-23

#### **REVIEW BY OTHERS**

#### Resolution Approving the Successor Agency to the Redevelopment Agency of the Loma Linda's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2022-23

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on December 18, 2021 and San Bernardino Countywide Oversight Board Legal Counsel on December 17, 2021.

Resolution Approving the Successor Agency to the Redevelopment Agency of the Loma Linda's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2022-23

Record of Action of the San Bernardino Countywide Oversight Board

#### APPROVED

Moved: Acquanetta Warren Seconded: Richard DeNava Ayes: Frederick Ang, Valerie Clay, Richard DeNava, Cindy Saks, Acquanetta Warren Absent: Kenneth Miller, Lawrence Strong

Lynna Monell, SECRETARY

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DATED: January 10, 2022



cc: W/Resolution File - San Bernardino Countywide Oversight Board w/attach

KS 01/19/2022

#### **RESOLUTION NO. 2022-07**

#### RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD ADOPTING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LOMA LINDA'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2022-23

On Monday, January 10, 2022 on motion of San Bernardino Countywide Oversight Board Member Warren, duly seconded by San Bernardino Countywide Oversight Board Member DeNava 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 2022-23 to the Department of Finance is February 1, 2022.

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 Loma Linda's ROPS and administrative budget for Fiscal Year 2022-23 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: Frederick Ang, Valerie Clay, Richard DeNava, Cindy Saks, Acquanetta Warren

NOES: OVERSIGHT BOARD MEMBER:

ABSENT: OVERSIGHT BOARD MEMBER: Kenneth Miller, Lawrence Strong

\* \* \* \* \*

STATE OF CALIFORNIA

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SAN BERNARDINO COUNTY

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 10, 2022. #7 KS



# Recognized Obligation Payment Schedule (ROPS 22-23) - Summary Filed for the July 1, 2022 through June 30, 2023 Period

Successor Agency:		Loma Linda			
County:		San Bernardino			
Current I	Period Requested	22-23 A Total (July - December)			
Α	Enforceable O	bligations Funded as Follows (B+C+D):	\$ 1,218,564	\$	
В	Bond Proceed	ds			
С	Reserve Bala	nce	1,172,802		
D	Other Funds		45,762		2014 - 1917 <u>-</u> 191
Е	Redevelopm	ent Property Tax Trust Fund (RPTTF) (F+G):	\$ 2,403,770	\$	2,434,590
F	RPTTF		2,362,334		2,337,090
G	Administrative	RPTTF	41,436		97,500
н	<b>Current Period</b>	Enforceable Obligations (A+E):	\$ 3,622,334	\$	2,434,590

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.

Cindy Saks Name

inda , Sulp

January 10, 2022

Signature

Date

Vice Chair

Title

\$ 1,218,564
-
1,172,802
45,762
\$ 4,838,360
4,699,424
138,936
\$ 6,056,924
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ROPS 22-23 Total

	Loma Linda Successor Agency Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail July 1,2022 through June 30, 2023 (Report Amounts in Whole Dollars)																
A	В	С	D	E	F	G	Н	1	J	K	L M N		Q		UV	W	
								Total			22-23 A (July - December)			22-23 B (January - June)		<u> </u>	
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Outstanding Debt or	Retired	ROPS 22-23	Fund Sour	es	22-23 A	Fund Sources		22-23 B	
			Execution Date	Termination Date				Obligation		Total	Bond Proceeds Reserve Balance Other Fun	Is RPTTF Admin RPTTF	Total	Bond Proceeds Reserve Balance Other Funds	RPTTF Admin RPTTF	Total PTTF	
								\$ 34,751,295		\$ 6,056,924		762 \$ 2,362,334 \$ 41,436	\$ 3,622,334			2,434,590	
6	Professional Services	Fees	7/13/2021	6/30/2022	Development Services	Continuing Disclosure annual reports	s Merged				· · · · · · · · · · · · · · · · · · ·						
					Division of TKE Engineering, Inc.			40,000	N	\$ 5,000		2,500	\$ 2,500		2,500	\$ 2,500	
1	Contractual Services	Property Dispositions	7/1/2021	6/30/2022	N/A	Property Appraisals	Merged	-	Y	\$ -			\$ -			\$ -	
14	Contractual Services	Property Maintenance	7/1/2021	6/30/2022	N/A	Maintenance of Successor Agency LHR.	Merged		Y	s -			s -			s -	
15	Loans from the City of Loma Linda	Reentered Agreements	5/29/1979	12/31/2027	City of Loma Linda	Loans for Redevelopment Activities	Merged			•							
						(Cash Principal & Accrued Interest)		6,582,323	N	\$ 1,639,148		819,574	\$ 819,574		819,574	\$ 819,574	
27	Adminstrative Costs	Admin Costs	2/1/2012	6/30/2031	Employees, various	To fund SA administrative budget	Merged	1,560,000	N	\$ 195.000	10,302 4	762 41,436			97.500		
47	Tax Allocation Refunding Bonds,		11/10/2016	8/1/2030	consultants U.S. Bank (Trustee)	Refunding of 2003, 2005 and 2008	Merged	1,300,000	IN	\$ 195,000	10,302 43	41,430	\$ 97,500		97,500	\$ 97,500	
	Series 2016A					TA Bonds for debt service savings		2,584,000	N	\$ 591,300	217,500	300,000	\$ 517,500		73,800	\$ 73,800	
48	Tax Allocation Refunding Bonds,	Reserves	11/10/2016	8/1/2030	U.S. Bank (Trustee)	Refunding of 2003, 2005 and 2008	Merged	2,004,000		\$ 001,000	211,000	000,000	¢ 011,000		10,000	¢ 10,000	
	Series 2016A Reserve					TA Bonds for debt service savings		1,807,500	N	\$ 227,500			s -		227,500	\$ 227,500	
	Tax Allocation Refunding Bonds Serie	es in the second se	11/10/2016	8/1/2030	U.S. Bank (Trustee)	Refunding of 2003, 2005 and 2008	Merged										
49	2016B					TA Bonds for debt service savings		12,520,572	N	\$ 2,449,876	945,000	1,236,160	\$ 2,181,160		268,716	\$ 268,716	
	Tax Allocation Refunding Bonds Serie	esReserves	11/10/2016	8/1/2030	U.S. Bank (Trustee)	Refunding of 2003, 2005 and 2008	Merged										
50	2016B Reserve					TA Bonds for debt service savings		9,620,000	N	\$ 945,000			\$		945,000	\$ 945,000	
5	Contractual Agreement (Contract term ongoing)	n Fees	12/1/2016	8/1/2030	U.S. Bank (Trustee)	Bond Trustee Services - Series A and B	Merged	36,900	N	\$ 4,100		4,100	\$ 4,100			s	
5	ongoing)					and B		30,900	IN	\$ -		4,100	\$ 4,100			\$ -	
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#### Loma Linda Successor Agency Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances July 1, 2019 through June 30, 2020 (Report Amounts in Whole Dollars)

			(Report Aniou	nts in Whole Dolla	15)		
А	В	С	D	Е	F	G	н
		Bond P	roceeds	Reserve Balance	Other Funds	RPTTF	
				Prior ROPS RPTTF			
	ROPS 19-20 Cash Balances	Bonds issued on or	Bonds issued on or	and Reserve Balances retained for	Rent, Grants,	Non-Admin and	
	(07/01/19 - 06/30/20)	before 12/31/10	after 01/01/11	future period(s)	Interest, etc.	Admin	Comments
1	Beginning Available Cash Balance (Actual 07/01/19)		Γ				The amount shown in Cell C-1 is interest earned
•	RPTTF amount should exclude "A" period distribution amount						from DS payments held by the trustee bank until
							distributed to bond holders. For Cells E-1 and F- amounts are the amounts authorized to be spent
							from reserves and other funds for bond debt serv
		52		1,097,500	23,605	0	in 2020-21 ROPS.
2	Revenue/Income (Actual 06/30/20)			,,	,	-	The amount shown in Cell C-2 is interest earned
	RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller						from DS payments held by the trustee bank until distributed to bond holders. The amount shown i
							Cell F-2 is interested earned on RPTTF held by t
							Successor Agency until such funds were needed payment on an enforceable obligation. Cell G-2 i
							the actual amount of RPTTF received.
		138		0	45,762	4,963,388	
3	Expenditures for ROPS 19-20 Enforceable Obligations						From PPA for ROPS 19-20 as filed by Loma Lind 10/1/2021: Cell E-3 is the DSR from ROPS 18-19
	(Actual 06/30/20)						for use during ROPS 19-20 and Cell F-3 is the
							amount of other funds that DOF directed the
							Successor Agency to use for EO No. 47 in its letter of 3-29-2019 approving ROPS 19-20.
	Peterfore of Augilable Cook Palmon (Astur) 00/20/20			1,097,500	23,605	3,835,586	The amount shown in Cell G-4, (\$1,117,500) is t
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts						DSR for ROPS 20-21, which has been expended.
	distributed as reserve for future period(s)						
						\$ 1,117,500	
5	ROPS 19-20 RPTTF Prior Period Adjustment		1	11		÷ .,,	The \$10,302 shown in Cell G-9 is unused RPTTF
	RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC		No onto	, required		from the ROPS 18-19 PPA, which is to be used during ROPS 22-23 (see EO # 27).	
			NO entry	required			
_	Ending Actual Austichts Oceh Delance (00/00/00)					10,302	The emount shown in Call C 4 has previously be-
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)						The amount shown in Cell C-4 has previously bee applied in full to DS payments (as an offset) by the
							trustee bank. The amount shown in Cell F-6 is
							scheduled for use during ROPS 22-23 (see E) # 27).
		\$ 190	\$ 0	\$0	\$ 45,762	\$ 0	· · · · · · · · · · · · · · · · · · ·

	Loma Linda Recognized Obligation Payment Schedule (ROPS 22-23) - Notes July 1, 2022 through June 30, 2023
ltem #	Notes/Comments
6	EO # 6 is for the estimated budget for continuing disclosure requirements.
15	EO # 15 is for the City loan. The estimated past due balance on the City loan was fully retired in 2017-18B. As such, only the semi-annual payment amount of \$819,574 is due (i.e., \$1,639,148 annually). The Total Debt Outstanding for the City loan shown for Item #15 is the balance as of 6/30/2022. By way of background: The terms of the City/Agency Loan are as specified in the Settlement Agreement by and between the City, the Successor Agency, the State Department of Finance and the State Controller's Office. Copies of the Settlement Agreement were previously provided to the Department. Amounts that were shown as due in ROPS 2017-18 and prior ROPS included the amounts that are provided for in the Settlement Agreement as the Past Due Balance of \$5,759,804, plus the \$819,574 regular semi-annual payments, less the amounts that were estimated to have already been paid in prior ROPS.
27	EO # 27 is for the Successor Agency's administrative cost allocation. Per the HSC, the Successor Agency is eligible for an administrative cost allocation of \$250,000. However, the Successor Agency began reducing its administrative cost allocation request during ROPS 20-21 (reduced to \$240,000). For ROPS 21-22, the Successor Agency further reduced its administrative cost allocation by an additional \$20,000 and requested and was authorized to receive an administrative cost allocation of \$220,000. For ROPS 22-23, the Successor Agency has further reduced its administrative cost allocation request by an additional \$25,000, resulting in a ROPS 22-23 administrative cost allocation request of \$195,000.
47	EO # 47 is the debt service due on the 2016A refunding TABs. Payment dates are February 1 (interest) and August 1 (principal and interest). The Bond Documents require that an amount equal to 50% of the principal due on a given August 1 be reserved from the "B" cycle of the immediately preceding ROPS and the balance payable from the "A" cycle of the current ROPS. The Total Debt Outstanding for the 2016A TABs is the sum of the amounts shown in Cells J-47 and J-48 on the ROPS detail sheet.
48	EO # 48 is the reserve requirement per the 2016A TABs Indenture. Payment dates are February 1 (interest) and August 1 (principal and interest). The Bond Documents require that an amount equal to 50% of the principal due on a given August 1 be reserved from the "B" cycle of the immediately preceding ROPS and the balance payable from the "A" cycle of the current ROPS. The amount shown is the amount required to be reserved from ROPS 22-23B for use during ROPS 23-24A. The Total Debt Outstanding for the 2016A TABs is the sum of the amounts shown in Cells J-47 and J-48 on the ROPS detail sheet.
49	EO # 49 is the Debt service due on the 2016B refunding TABs. Payment dates are February 1 (interest) and August 1 (principal and interest). The Bond Documents require that an amount equal to 50% of the principal due on a given August 1 be reserved from the "B" cycle of the immediately preceding ROPS and the balance payable from the "A" cycle of the current ROPS. The Total Debt Outstanding for the 2016B TABs is the sum of the amounts shown in Cells J-49 and J-50 on the ROPS detail sheet.
50	EO # 50 is the reserve requirement per the 2016B TABs Indenture. Payment dates are February 1 (interest) and August 1 (principal and interest). The Bond Documents require that an amount equal to 50% of the principal due on a given August 1 be reserved from the "B" cycle of the immediately preceding ROPS and the balance payable from the "A" cycle of the current ROPS. The amount shown is the amount required to be reserved from ROPS 22-23B for use during ROPS 23-24A. The Total Debt Outstanding for the 2016B TABs is the sum of the amounts shown in Cells J-49 and J-50 on the ROPS detail sheet.
51	EO # 51 is for the trustee fees as required by the 2016A and B Refunding TABs. Amounts are generally due to the Trustee in August of each year.