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

January 10, 2022

FROM

DANIELLE GARCIA, Management Services/Finance Director, Redlands Successor Agency

SUBJECT

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

RECOMMENDATION(S)

Adopt a **Resolution No. 2022-11** approving the Successor Agency to the Redevelopment Agency of the City of Redlands' Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2022-23.

(Presenter: Danielle Garcia, Management Services/Finance Director, City of Redlands, (909) 798-7507)

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 City of Redlands' (Successor Agency) dissolution as an annual ROPS is required by DOF as part of the wind-down of the Successor Agency. There is a significant decrease of \$2,602,288 requested in the amount from RPTTF as compared to the last annual ROPS approved. The reason for this decrease is based on the debt payment schedule for the bonds held by the Agency. The Agency requests RPTTF in advance of the due dates for its debt service. The final debt service payment for all bonds outstanding is scheduled for August 2022. For this reason, the Agency has already requested RPTTF in advance for those obligations and does not require such a large amount moving forward, but instead only requests Administrative RPTTF. This represents significant progress towards dissolution.

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

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

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

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on December 20, 2021 and San Bernardino Countywide Oversight Board Legal Counsel on December 20, 2021.

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

Record of Action of the San Bernardino Countywide Oversight Board

APPROVED

Moved: Frederick Ang Seconded: Valerie Clay

Ayes: Frederick Ang, Valerie Clay, Richard DeNava, Cindy Saks, Acquanetta Warren

Absent: Kenneth Miller, Lawrence Strong

Lynna Monell, SECRETARY

DATED: January 10, 2022



cc: W/Resolution

File - San Bernardino Countywide Oversight Board w/attach

KS 01/19/2022

RESOLUTION NO. 2022-11

RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD ADOPTING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS' 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 Ang, duly seconded by San Bernardino Countywide Oversight Board Member Clay 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 Redlands' 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 |) | |
|-----------------------|---|----|
| |) | SS |
| 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. #11 KS

LYNNA MONELL

Secretary to the Sar Servator Oversight Board **Countywide**

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

| Success | sor Agency: | Redlands | | | | |
|---------|-----------------------|--|-------------------------------|-----------------------|-----|---------------|
| County: | | San Bernardino | | | | |
| Current | Period Requested F | unding for Enforceable Obligations (ROPS Detail) | 2-23 A Total y - December) | B Total ry - June) | ROP | S 22-23 Total |
| A | Enforceable Ob | ligations Funded as Follows (B+C+D): | \$ 2,556,068 | \$ - | \$ | 2,556,068 |
| В | Bond Proceeds | S | | | | |
| С | Reserve Balan | ce | 2,546,963 | | | 2,546,963 |
| D | Other Funds | | 9,105 | | | 9,105 |
| E | Redevelopme | nt Property Tax Trust Fund (RPTTF) (F+G): | \$ 5,182 | \$ 5,181 | \$ | 10,363 |
| F | RPTTF | | | <u>-</u> | | |
| G | Administrative | RPTTF | 5,182 | 5,181 | | 10,363 |
| H | Current Period | Enforceable Obligations (A+E): | \$ 2,561,249 | \$ 5,181 | \$ | 2,566,430 |

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

Vice Chair

Name

Title

January 10, 2022

Signature

Date

| Redlands Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail |
|--|
| July 1,2022 through June 30, 2023 |
| (Report Amounts in Whole Dollars) |

| | July 1,202t through June 30, 2023 (Report Amounts in Whole Dollars) | | | | | | | | | | | | | | | | | | | | | | | |
|-------|---|-----------------------------------|----------------------|--|--------------------------------------|---|----------------------------------|---------------------------|-----------------------|-----------------------|-------------------------------------|------------|--------------------|-------------|----------------------|--|----------|-------|-------------|--------------|-----------|--|--|---------|
| A | В | С | D | E | F | G | Н | | J | K | L M | N | 0 | Р | Q | R S | т | U | V | W | | | | |
| | | | | | | Total | | 22-23 A (July - December) | | | | 22-23 B (J | lanuary - June | e) | | 1 | | | | | | | | |
| Item# | Project Name/Debt Obligation | Obligation Type | Contract/Agreement | Contract/Agreement | Payee | Description/Project Scope | ption/Project Scope Project Area | Outstanding | Debt or Retired Total | | ing ROPS 22-23 | | utstanding Poticed | | Fund 5 | Sources | | | 22-23 A | Fund | d Sources | | | 22-23 B |
| | | | Execution Date | Termination Date | - | | - | Obligation | | | Bond Proceeds Reserve Balance Other | r Funds | RPTTF | Admin RPTTF | Total | Bond Proceeds Reserve Balance Oth | er Funds | RPTTF | Admin RPTTF | Total | | | | |
| | | | | | | | | \$ 2,566,431 | | \$ 2,566,430 | | 9,105 | | \$ 5,182 | \$ 2.561.240 | | - S | | \$ 5,181 | \$ 5,181 | | | | |
| 6 | Fiscal Agent Fees | Fees | 1/1/2014 | 8/1/2022 | US Bank | Annual fiscal agent fees for bond | Downtown | 5,405 | N | \$ 5,405 \$ 1,000 | \$ 2,040,000 | 5,405 | | 0,102 | \$ 5,405 \$ 1,000 | Ů Ú | | | 0,101 | \$ - | | | | |
| 10 | Contract for Continuing Disclosure | Fees | 7/18/2008 | 8/1/2022 | Applied Best Practices | Annual continuing disclosure for I | Downtown | 1,000 | N | \$ 1,000 | | 1,000 | | | \$ 1,000 | | | | | \$ - | | | | |
| | Contract for Auditing Services Administrative Costs | Professional Services Admin Costs | 5/3/2011 7/1/2022 | 8/1/2022 | Eide Bailly, LLC City of Redlands | Annual auditing services Successor Agency Administration | Downtown Downtown | 2,700 10,363 | N N | \$ 2,700 \$ 10.363 | | 2,700 | | 5.182 | \$ 2,700 \$ 5,182 | | | | 5.181 | \$ 5,181 | | | | |
| 41 | 2016A Tax Allocation Refunding | Refunding Bond Issued | 3/16/2016 | 8/1/2022 | US Bank | Bond issue to fund non-housing p | Downtown | 2.136.900 | N | \$ 2,136,900 | 2,136,900 | | | 0,100 | \$ 2,136,900 | | | | | S - | | | | |
| 42 | 2016B Tax Allocation Refunding | Refunding Bond Issued | 3/16/2016 | 8/1/2022 | US Bank | Bond issue to fund housing/non-h | Downtown | 410,063 | N | \$ 410,063 | 410,063 | | | | \$ 410,063 \$ - | | | | | S - | | | | |
| | | | | | | | | | | \$ - \$ - | | | | | \$ - | | | | | \$ - | | | | |
| | | | | | | | | | | \$ - | | | | | \$ - | | | | | \$ - | | | | |
| - | | | | | | | | | | \$ - \$ - | | | | | \$ - \$ - | | | | | \$ - | | | | |
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Redlands Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances July 1, 2019 through June 30, 2020 (Report Amounts in Whole Dollars)

| | (Report Amounts in Whole Dollars) | | | | | | | | |
|---|---|---------------------------------------|-----------------------------------|--|------------------------------------|---------------------------|--|--|--|
| Α | В | С | D | E | F | G | н | | |
| | | | | | | | | | |
| | ' | Bond Proceeds | | Reserve Balance | Other Funds | RPTTF | | | |
| | ROPS 19/20 Cash Balances (07/01/19 - 06/30/20) | 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 | | |
| | | | | T | | | | | |
| | Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount | | | 2,889,022 | 398,178 | 679,465 | Due to turnover in staff, cash balances here tie back to accounting records & CAFR balances. Unable to recreate former staff's tracking method. See Attachment #1. Also, cell F1 includes \$143 cash in fiscal agent account that was pointed out to us in an email from County ATC. Cell G1 - From ROPS 19-20 PPA Adjustment 16-17 (not really cash in hand) | | |
| | Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller | | | 0 | 47,262 | 1,009,043 | Cell G2 - see attachment #2. This amount was requested on the 19-20 ROPS submitted in January 2020. There was an error in calculation where the City overestimated how much was available from Reserve Balance by \$885,790. This error was not discovered until April 2020 (see Attachment #5). Cell F2, see Attachment #3. Based on our accounting records, we received \$41,573 in investment income, \$5,550 in cost recovery. | | |
| | Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20) | | | 3,300,781 | 50.885 | 1.688.399 | E3 - payment for ROPS 19/20 Period A from Reserve F3 - payment for FA, CD, Audit, partial Aug. 2020 set aside (can also be seen in Attachment #3) G3 - Administrative charges & Feb. 2020 debt service | | |
| | Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | | | 0 | 0 | 0 | J | | |
| | ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC | | | | | 252 | PPA provided by ATC | | |
| | Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5) | \$ 0 | \$ 0 | \$ (411,759) | \$ 394,555 | | This is actually the interest credit from the Fiscal Agent bank account and its expenditure is included in cell F3 | | |

| Redlands Recognized Obligation Payment Schedule (ROPS 22-23) - Notes July 1, 2022 through June 30, 2023 | | | | | | | |
|---|----------------|--|--|--|--|--|--|
| Item # | Notes/Comments | | | | | | |
| | | | | | | | |
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