

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

January 12, 2023

## FROM

MARLENE GALVAN, Accounting Manager, City of Fontana

## SUBJECT

Resolution Approving the Successor Agency to the Redevelopment Agency of the City of Fontana's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2023-24.

## RECOMMENDATION(S)

Adopt a **Resolution No. 2023-05** approving the Successor Agency to the Redevelopment Agency of the City of Fontana's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2023-24.

(Presenter: Genivive Schwarzkopf, Supervising Accountant, City of Fontana, (909) 350-7631)

## BACKGROUND INFORMATION

California Health & Safety Code (HSC) section 34177 requires the San Bernardino Countywide Oversight Board (CWOB) to approve the 2023-24 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 section 34179(h)(1)(B), the administrative budget is not required to be sent to DOF.

DOF will have until April 15 to review the 2023-24 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 Fontana's (Successor Agency) dissolution as an annual ROPS is required by DOF as part of the wind-down of the Successor Agency. There is a slight increase requested in the amount of \$135,997 required from the RPTTF from the last annual ROPS approved primarily due to the increase in the Owner Participation Agreement payment due to the developer.

It is recommended the CWOB approve the Successor Agency's 2023-24 ROPS and administrative budget. The draft 2023-24 ROPS will be provided to DOF, the County Auditor-Controller and the County Administrative Office as required by HSC section 34177(I)(2)(B). The adopted 2023-24 ROPS will be provided to DOF and the County Auditor-Controller pursuant to HSC section 34177(o). This will commence the DOF review period.

**Resolution Approving the Successor Agency to the Redevelopment  
Agency of the City of Fontana's Recognized Obligation Payment  
Schedule and Administrative Budget for Fiscal Year 2023-24.  
January 12, 2023**

**ATTACHMENTS**

Attachment A – Resolution

Attachment B – ROPS for Fiscal Year 2023-24

Attachment C – Administrative Budget for Fiscal Year 2023-24

**REVIEW BY OTHERS**

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on December 27, 2022 and San Bernardino Countywide Oversight Board Legal Counsel on December 21, 2022.

**Resolution Approving the Successor Agency to the Redevelopment Agency of the City of Fontana's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2023-24.  
January 12, 2023**

Record of Action of the San Bernardino Countywide Oversight Board

**APPROVED**

Moved: Richard DeNava Seconded: Cindy Saks

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

Lynna Monell, SECRETARY

BY

  
\_\_\_\_\_

DATED: January 12, 2023



cc: w/Resolution  
File - San Bernardino Countywide Oversight Board w/attach  
CCM 01/18/2023

**RESOLUTION NO. 2023- 05**

**RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD APPROVING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FONTANA'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2023-24**

On Thursday, January 12, 2023 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, California Health and Safety Code (HSC) section 34179(e) requires all action items of the San Bernardino Countywide Oversight Board be accomplished by resolution; and

WHEREAS, HSC section 34177 requires the San Bernardino Countywide Oversight Board to approve the Recognized Obligation Payment Schedule (ROPS) and administrative budget; and

WHEREAS, pursuant to HSC section 34177(o), the deadline for submitting the ROPS for Fiscal Year 2023-24 to the Department of Finance is February 1, 2023.

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 Fontana's ROPS and administrative budget for Fiscal Year 2023-24 in the form presented in Attachment "B", attached hereto and incorporated herein by this reference, together with such changes thereto as may be approved by the San Bernardino Countywide Oversight Board, are hereby approved.

Section 3. The ROPS for Fiscal Year 2023-24 in the form presented in Attachment "B" shall be transmitted to the Department of Finance, with a copy submitted concurrently to the San Bernardino Countywide Oversight Board.

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, Richard DeNava, Kenneth Miller, Cindy Saks, Lawrence Strong, Acquanetta Warren, David Wert

NOES: OVERSIGHT BOARD MEMBER: None

ABSENT: OVERSIGHT BOARD MEMBER: None

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STATE OF CALIFORNIA            )  
                                                          )  
SAN BERNARDINO COUNTY        )        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 January 12, 2023. #5 CCM

LYNNA MONELL  
Secretary to the San Bernardino Countywide  
Oversight Board

By \_\_\_\_\_




**Recognized Obligation Payment Schedule (ROPS 23-24) - Summary**  
**Filed for the July 1, 2023 through June 30, 2024 Period**

Successor Agency: City of Fontana  
 County: San Bernardino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	23-24 A Total (July - December)	23-24 B Total (January - June)	ROPS 23-24 Total
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ 9,845,875</b>	<b>\$ 158,780</b>	<b>\$ 10,004,655</b>
B Bond Proceeds	-	-	-
C Reserve Balance	9,845,875	-	9,845,875
D Other Funds	-	158,780	158,780
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 15,543,587</b>	<b>\$ 19,630,684</b>	<b>\$ 35,174,271</b>
F RPTTF	15,418,587	19,505,684	34,924,271
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 25,389,462</b>	<b>\$ 19,789,464</b>	<b>\$ 45,178,926</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 Chairman  
 \_\_\_\_\_  
 Name Title

 January 12, 2023  
 \_\_\_\_\_  
 Signature Date

**City of Fontana Recognized Obligation Payment Schedule (ROPS 23-24) - ROPS Detail**  
**July 1, 2023 through June 30, 2024**  
**(Report Amounts in Whole Dollars)**

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K ROPS 23-24 Total	L 23-24 A (July - December)					Q 23-24 A Total	R 23-24 B (January - June)					W 23-24 B Total		
											M Fund Sources						N Fund Sources							
											L Bond Proceeds	M Reserve Balance	N Other Funds	O RPTTF	P Admin RPTTF		R Bond Proceeds	S Reserve Balance	T Other Funds	U RPTTF	V Admin RPTTF			
25	1991 Jr. Lien Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1991	6/10/2032	US Bank (Trustee)	Non-housing projects	North Fontana	\$ 367,544,155		\$ 45,178,926		\$ -	\$ 9,845,875	\$ -	\$ 15,418,587	\$ 125,000	\$ 25,389,462	\$ -	\$ -	\$ 158,780	\$ 19,505,684	\$ 125,000	\$ 19,789,464	
51	Owner Participation Agreement	OP/ADD/Construction	1/1/1983	6/30/2033	Ten Ninety Ltd	Public improvement costs	Jurupa Hills	38,531,830	N	\$ 4,281,314							\$ -			158,780	4,122,534		\$ 4,281,314	
53	Lease Agreement	Miscellaneous	9/6/1994	9/6/2032	Earl Buchanan	Tamirind Basin lease agreement	Jurupa Hills	84,000	N	\$ 7,336,762				5,881,756			\$ 5,881,756				1,455,006		\$ 1,455,006	
68	Administrative Costs	Admin Costs	7/1/2023	6/30/2024	City of Fontana	Administrative costs	All	250,000	N	\$ 250,000				6,000			\$ 6,000						\$ -	
88	2017A Tax Allocation Refunding Bonds	Refunding Bonds	12/6/2017	10/1/2036	US Bank (Trustee)	Debt service for refunding bonds - non-housing projects	Downtown, North Fontana, Sierra Corridor, SWIP	186,656,250	N	\$ 23,526,075		5,472,500		9,043,600			\$ 14,516,100						125,000	\$ 125,000
89	2017B Tax Allocation Refunding Bonds	Refunding Bonds	12/6/2017	10/1/2036	US Bank (Trustee)	Debt service for refunding bonds - non-housing projects	Downtown, North Fontana, Sierra Corridor, SWIP	4,687,444	N	\$ 1,361,150		412,500		473,231			\$ 885,731					475,419		\$ 475,419
90	2017A&B Tax Allocation Refunding Bonds	Fees	12/6/2017	10/1/2036	US Bank (Trustee)	Trustee Fees	Downtown, North Fontana, Sierra Corridor, SWIP	246,028	N	\$ 7,000				7,000			\$ 7,000							\$ -
91	2018A Tax Allocation Refunding Bonds	Refunding Bonds	7/18/2018	10/1/2027	US Bank (Trustee)	Debt service for refunding bonds - non-housing projects	Jurupa Hills	21,733,125	N	\$ 8,403,625		3,960,875					\$ 3,960,875					4,442,750		\$ 4,442,750
92	2018A Tax Allocation Refunding Bonds	Fees	7/18/2018	10/1/2027	US Bank (Trustee)	Trustee Fees	Jurupa Hills	55,750	N	\$ 7,000				7,000			\$ 7,000							\$ -
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**City of Fontana Recognized Obligation Payment Schedule (ROPS 23-24) - Report of Cash Balances**  
**July 1, 2020 through June 30, 2021**  
**(Report Amounts in Whole Dollars)**

A	B	C	D	E	F	G	H
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)</b>	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	<b>Comments</b>
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/20)</b> RPTTF amount should exclude "A" period distribution amount			9,755,739	347,446	207,776	
<b>2</b>	<b>Revenue/Income (Actual 06/30/21)</b> RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller				158,780	36,107,235	
<b>3</b>	<b>Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)</b>			9,755,739		26,847,498	
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/21)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					9,452,750	
<b>5</b>	ROPS 20-21 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 20-21 PPA form submitted to the CAC	No entry required					14,763
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/21)</b> <b>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</b>	\$ 0	\$ 0	\$ 0	\$ 506,226	\$ 0	



**City of Fontana Recognized Obligation Payment Schedule (ROPS 23-24) - Notes July 1, 2023 through June 30, 2024**

Item #	Notes/Comments
25	Funding source for the \$158,780 (Other Funds) are interest income and collection of receivables
51	The amount includes the balance underpaid for FY2021-22 of \$285,678 and the estimated amount due for FY2023-24 of \$7,051,084 for a total of \$7,336,762.
53	
88	Debt service is split between ROPS A and B per bond indenture. Funding source for the \$5,472,500 (Reserve) is the RPTTF funds to be received in December 2022 or January 2023 for ROPS 22-23B
89	Debt service is split between ROPS A and B per bond indenture. Funding source for the \$412,500 (Reserve) is the RPTTF funds to be received in December 2022 or January 2023 for ROPS 22-23B
90	Fees are estimated.
91	Debt service must be available beginning of calendar year per bond indenture. Funding source for the \$3,960,875 (Reserve) is the RPTTF funds to be received in December 2022 or January 2023 for ROPS 22-23B
92	Fees are estimated.