

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

January 12, 2023

FROM

SONIA FABELA, Finance Director, City of Loma Linda

SUBJECT

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

RECOMMENDATION(S)

Adopt a **Resolution No. 2023-08** approving the Successor Agency to the Redevelopment Agency of the City of Loma Linda's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2023-24.

(Presenter: Steven H. Dukett, Consultant to Loma Linda, (909) 967-8205)

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 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 a \$39,939 (or less than 1%) net increase requested in the amount required from the RPTTF from the last annual ROPS approved. This modest increase was caused by the combined effect of actual or anticipated cost increases for non-administrative enforceable obligations and reductions in available other funds (i.e., interest earnings) that were somewhat offset with a reduction in the amount requested for the administrative cost allocation.

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(l)(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 Loma Linda'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 Loma Linda'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: Kenneth Miller Seconded: Frederick Ang
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- 08

RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD APPROVING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LOMA LINDA'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 Miller, duly seconded by San Bernardino Countywide Oversight Board Member Ang 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 Loma Linda'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

* * * * *

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. #8 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: Loma Linda
 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
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 1,207,156	\$ -	\$ 1,207,156
B Bond Proceeds	-	-	-
C Reserve Balance	1,200,864	-	1,200,864
D Other Funds	6,292	-	6,292
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 2,441,934	\$ 2,456,365	\$ 4,898,299
F RPTTF	2,369,090	2,368,865	4,737,955
G Administrative RPTTF	72,844	87,500	160,344
H Current Period Enforceable Obligations (A+E):	\$ 3,649,090	\$ 2,456,365	\$ 6,105,455

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
 _____
 Signature Date
 January 12, 2023

Loma Linda 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	
		Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
	ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)	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 07/01/20) RPTTF amount should exclude "A" period distribution amount			1,117,500	31,009	1,242,109	The amount shown in Cell B-1 is interest earned from DS payments held by the trustee bank until distributed to bond holders. For Cells E-1 and F-1, amounts are the amounts authorized to be spent from reserves and other funds for bond debt service in 2020-21 ROPS.	
2	Revenue/Income (Actual 06/30/21) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller				6,292	3,843,581	The amount shown in Cell B-2 is interest earned from DS payments held by the trustee bank until distributed to bond holders. The amount shown in Cell F-2 is interest earned on RPTTF held by the Successor Agency until such funds were needed for payment on an enforceable obligation. Cell G-2 is the actual amount of RPTTF received.	
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)			1,117,500	31,009	3,959,826	From PPA for ROPS 20-21 as filed by Loma Linda 10/3/2022: Cell E-3 is the DSR from ROPS 19-20 for use during ROPS 20-21 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 3-17-2020. approving ROPS 20-21.	
4	Retention of Available Cash Balance (Actual 06/30/21) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					1,117,500	The amount shown in Cell G-4, (\$1,117,500) is the DSR for ROPS 21-22, which has been expended.	
5	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					8,364	The \$8,364 shown in Cell G-9 is unused RPTTF from the ROPS 20-21 PPA, which is to be used during ROPS 23-24 (see EO # 27).
6	Ending Actual Available Cash Balance (06/30/21) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 6,292	\$ 0	The \$6,292 is interest earnings from RPTTF (see note in H-2), which is to be used during ROPS 23-24 (see EO # 27).	

Loma Linda Recognized Obligation Payment Schedule (ROPS 23-24) - Notes July 1, 2023 through June 30, 2024

Item #	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 estimated balance as of 6/30/20223. 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. For ROPS 23-24, the Successor Agency is reducing its administrative cost allocation by \$20,000 resulting in a current request of \$175,000.
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.
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 23-24B for use during ROPS 24-25A.
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.
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 23-24B for use during ROPS 24-25A.
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.