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

January 12, 2023

## <u>FROM</u>

KEITH METZLER, Executive Director, Victor Valley Economic Development Authority Successor Agency

## SUBJECT

Resolution Approving the Successor Agency to the Redevelopment Agency of the Victor Valley Economic Development Authority's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2023-24.

### **RECOMMENDATION(S)**

Adopt a **Resolution No. 2023-16** approving the Successor Agency to the Redevelopment Agency of the Victor Valley Economic Development Authority's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2023-24.

(Presenter: Dima Galkin, Consultant, Harris & Associates, (949) 655-3900)

### **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 Victor Valley Economic Development Authority'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 decrease of \$25,196,672 requested in the amount required from the RPTTF from the last annual ROPS approved. The decrease is mostly due to the re-assignment of the Supplemental Educational Revenue Augmentation Fund and Property Acquisition Loans from VVEDA Successor Agency, per a suggestion from DOF, as well as a proposed settlement to the Bear Valley Loan.

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

Resolution Approving the Successor Agency to the Redevelopment Agency of the Victor Valley Economic Development Authority's Recognized Obligation Payment Schedule and Administrative Budget for Fiscal Year 2023-24. January 12, 2023

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.

#### **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 29, 2022 and San Bernardino Countywide Oversight Board Legal Counsel on January 3, 2023.

Resolution Approving the Successor Agency to the Redevelopment Agency of the Victor Valley Economic Development Authority'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: Acquanetta Warren Seconded: Frederick Ang Ayes: Frederick Ang, Richard DeNava, Kenneth Miller, Cindy Saks, Lawrence Strong, Acquanetta Warren, David Wert

Lynna Monell, SECRETARY

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DATED: January 12, 2023



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

CCM 01/19/2023

#### **RESOLUTION NO. 2023-16**

#### RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD ADOPTING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY'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 Warren, 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 the Victor Valley Economic Development Authority'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 )

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 12, 2023. #16 CCM



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

Successo	r Agency:	Victor Valley EDA					
County:		San Bernardino					
Current P	Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		23 (July	23-24 B Total (January - June)	ROPS 23-24 Total		
А	Enforceable Obl	gations Funded as Follows (B+C+D):	\$	31,550	\$ -	\$	31,550
В	Bond Proceeds			(*)			100
С	Reserve Balance	ee					
D	Other Funds			31,550	-		31,550
Е	Redevelopmer	nt Property Tax Trust Fund (RPTTF) (F+G):	\$	14,598,889	\$ 9,067,418	\$	23,666,307
F	RPTTF			14,481,439	8,918,418		23,399,857
G	Administrative	RPTTF		117,450	149,000		266,450
н	Current Period E	nforceable Obligations (A+E):	\$	14,630,439	\$ 9,067,418	\$	23,697,857

	David Wert	Chairman
Certification of Oversight Board Chairman:	Name	Title
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		January 12, 2023
agency.	Signature	Date
agency.	Signature	Date

	Victor Valley EDA Recognized Obligation Payment Schedule (ROPS 23-24) - ROPS Detail July 1, 2023 through June 30, 2024 (Report Amounts in Whole Dollars)																		
A	В	C	D	E	F	G	н	l Total	J	К	L M 23-2	N 4 A (July - Decerr	Onber)	Р	Q	R S T U V W 23-24 B (January - June)			
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement	Contract/Agreement	Payee	Description/Project Scope	Project Area	Outstanding	Retired	ROPS 23-24		Fund Sources			23-24 A		Fund Sources		23-24 B
item#	Project Name/Debt Obligation	Obligation Type	Execution Date	Termination Date	Fayee	Description/Project Scope	FIOJECTATEA	Debt or Obligation	Retired	Total	Bond Proceeds Reserve Balance		RPTTF	Admin RPTTF	Total	Bond Proceeds Reserve Balance		E Admin	Total RPTTF
								\$ 624,015,817		\$ 23,697,857		\$ 31,550			\$ 14,630,439				149,000 \$ 9,067,41
2	Joint Powers Authority Agreement	Bonds Issued On or Before 12/31/10	6/2/2005	12/1/2050	City of Victorville/SCLAA	Bonds issued to fund projects	VVEDA Project Area				Ŷ Ŷ	• • • • • • •				•			
7	(SCLAA Bonds 1-9)	Admin Costs	7/1/2023	6/30/2024	Successor Agency	Agency administrative costs	VVEDA Project Area	573,331,644	N	\$ 21,440,859			14,253,239		\$ 14,253,239		7,18	7,620	\$ 7,187,62
	Administrative Costs	Improvement/Infrastructur				4/23/03 Cooperative Agreement		8,764,000	Ν	\$ 298,000		31,550		117,450	\$ 149,000				149,000 \$ 149,00
23	Adelanto-Victorville Cooperative Agreement for Street Improvements	e	4/23/2003	6/23/2052	City of Victorville	related to street improvements at Adelanto Road and Air Expressway, in which Adelanto agreed to pay Victorville for such improvements from its portion of VVEDA tax increment	VVEDA Project Area	1,555,298	N	\$ 1,555,298					\$-		1,55	5,298	\$ 1,555,29
		SERAF/ERAF			Victorville Housing	Loan from housing to non-housing funds for the FY 09-10 SERAF													
24	SERAF Loan FY 2009-10	LMIHF Loans	5/4/2010	6/30/2052	Successor Agency	payment	VVEDA Project Area	6,987,500	N	\$-					\$-				\$ -
25	LMIHF Loan		10/3/2006	6/30/2052	Victorville Housing Successor Agency	Loan from housing to non-housing funds for general RDA activities	VVEDA Project Area	5,634,375	N	s -					s -				s -
26	SCLAA Bonds Trustee Fees	Fees	6/2/2005	12/1/2050	Bank of New York-Mellon	Trustee fees for SCLAA bonds	VVEDA Project Area	700,000	N	\$ 25,000			25,000		\$ 25,000				\$
20	SCLAA Bonds Arbitrage Fees	Fees	6/2/2005	12/1/2050	BLX Group	Arbitrage fees for SCLAA bonds	VVEDA Project Area	125,400		\$ -			20,000		\$ 23,000				\$ -
		Fees				Professional services to fulfill annual													
	SCLAA Continuing Disclosure Costs	Fees	8/27/2020	12/1/2050	Harris & Associates		VVEDA Project Area	550,000	N	\$ 22,000			22,000		\$ 22,000				\$ -
29	Apple Valley Bonds Fiscal Agent Fees	Fees	9/9/2020	6/1/2037	US Bank	Trustee fees for Apple Valley bonds	VVEDA Project Area	17,500	N	\$ 1,250			1,250		\$ 1,250				\$ -
30	Apple Valley Continuing Disclosure Costs		9/9/2020	6/1/2037	Urban Futures	Professional services to fulfill annual requirement of Apple Valley bonds	VVEDA Project Area	62,300	N	\$ 4,450			4,450		\$ 4,450				\$ -
		Reserves				Reserve to cover anticipated pledged revenues shortfall in the following													
31	Reserve for SCLAA Bonds Shortfall	Refunding Bonds Issued	6/2/2005	12/1/2050	City of Victorville/SCLAA	period Refunded bonds for the Apple Valley	VVEDA Project Area	-	N	\$ -					\$-				\$ -
32	Apple Valley - VVEDA Loan (Apple Valley 2020A Series Bonds)	After 6/27/12	9/9/2020	6/1/2037	Town of Apple Valley	2005 and 2007 Bonds issued to fund projects	VVEDA Project Area	12,162,800	N	\$ 351,000			175,500		\$ 175,500		17	5,500	\$ 175,50
32	Validy 2020/ Conico Bondoy	City/County Loan – (Prior 06/28/11) Cash Exchange	5/5/2020	0/1/2037	round round y	Loan from the Victorville RDA to the VVEDA RDA for SCLAA capital	VVEDA Ploject Area	12,102,000	N	\$ 331,000			173,300		φ 175,500		17	3,300	\$ 173,30
	Bear Valley Loan	06/26/11) Cash Exchange			Victorville Successor	improvements and redevelopment													
33	Bear Valley Loan		9/22/2009	6/30/2052	Agency	projects.	VVEDA Project Area	14,125,000	N	\$-					<u>\$</u> - \$-				\$ -
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# Victor Valley EDA Recognized Obligation Payment Schedule (ROPS 23-24) - Report of Cash Balances July 1, 2020 through June 30, 2021 (Report Amounts in Whole Dollars)

Α	В	С	D	E	F	G	н
				Fund Sources			
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 20-21 Cash Balances			Prior ROPS RPTTF and Reserve Balances retained for	Rent, Grants.	Non-Admin and	
	(07/01/20 - 06/30/21)	before 12/31/10	after 01/01/11	future period(s)	Interest, etc.	Admin	Comments
	· · · · · ·						
1	Beginning Available Cash Balance (Actual 07/01/20) RPTTF amount should exclude "A" period distribution amount						E: 18-19 PPA of \$10,308,042 is committed to 21-22 expenditures. 19-20 PPA of \$396,418 is committed to 22-23 expenditures. F: \$55,243 are committed for expenditure in 20-21. \$73,721 are committed for expenditure in 21-22. \$70,373 are committed for expenditure in 22-23. G: 17-18 PPA of \$4,664,461 is committed to 20-21 expenditures.
				10,704,460	199,337	4,664,461	
	<b>Revenue/Income (Actual 06/30/21)</b> RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller				31,550		F: Interest earnings in FY 2020-21. G: RPTTF per DOF letter and CAC reports.
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)				55,243	22,405,400	F: Expenditure of \$55,243 in other funds, per DOF approval. G: Based on the ROPS 20-21 PPA actuals for RPTTF non-admininistrative and administrative.
	Retention of Available Cash Balance (Actual 06/30/21) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			10,704,460	175,644		E: 18-19 PPA of \$10,308,042 is committed to 21-22 expenditures. 19-20 PPA of \$396,418 is committed to 22-23 expenditures. F: \$73,721 are committed for expenditure in 21-22. \$70,373 are committed for expenditure in 22-23. Available Other Funds of \$31,550 are being requested for ROPS 23-24 expenditures.
	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				436,637	G: 20-21 PPA of \$436,637, pending CAC review.
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	\$0	\$0	

	Victor Valley EDA Recognized Obligation Payment Schedule (ROPS 23-24) - Notes July 1, 2023 through June 30, 2024						
Item #	Notes/Comments						