

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

January 12, 2023

## FROM

**DERIK DESPAIN, Senior Accountant, Successor Agency to the Redevelopment Agency of the City of Adelanto**

## SUBJECT

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

## RECOMMENDATION(S)

Adopt a **Resolution No. 2023-01** approving the Successor Agency to the Redevelopment Agency of the City of Adelanto's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2023-24.

(Presenter: Derik Despain, Senior Accountant, Successor Agency to the Redevelopment Agency of the City of Adelanto, (442) 249-1125)

## 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 Adelanto'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 increase of \$62,810 requested in the amount required from the RPTTF from the last annual ROPS approved. On Item 1, the payment of \$1,191,000 from reserves represents the final payment due on the Adelanto Improvement Agency 1993B Tax Allocation Bonds. Changes to the amounts requested for debt service for the Successor Agency's bonds reflect amounts required to pay debt service pursuant to the amortization schedule for each of the bonds.

The Successor Agency has added Item 31, Excess Bond Proceeds, to the ROPS Detail. The Successor Agency has been holding bond proceeds from the Adelanto Improvement Agency 2007 Tax Allocation Bonds (2007 Bonds) since its formation. The Successor Agency's 2013

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

Other Funds Due Diligence review reported that in 2013, the Successor Agency had unspent bond proceeds of \$3,056,314 transferred from the 2007 Tax Allocation Bond cash with fiscal agent to cash in bank in Fund 555, RDA Capital Project Funds, in FYE 07-08. The Successor Agency is in the process of auditing its books to determine the amount of unspent bond proceeds currently held by the Successor Agency.

The Successor Agency received a Finding of Completion on October 3, 2013. As a result, pursuant to HSC section 34191.4(c)(1)(A), bond proceeds derived from bonds issued on or before December 31, 2010, may be expended in a manner consistent with the original bond covenants. The Successor Agency intends to enter into a Bond Fund Expenditure Agreement with the City of Adelanto for the expenditure of the excess bond proceeds and will request the Oversight Board's approval of such agreement in early 2023. The Successor Agency anticipates amending the ROPS to provide for the transfer of the remainder of unspent bond proceeds in the ROPS 23-24B period.

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.

**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 January 3, 2023.

**Resolution Approving the Successor Agency to the Redevelopment Agency of the City of Adelanto'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

BY   
DATED: January 12, 2023



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

**RESOLUTION NO. 2023- 01**

**RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD ADOPTING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF ADELANTO'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 City of Adelanto'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. #1 CCM

LYNNA MONELL  
Secretary to the San Bernardino Countywide  
Oversight Board

By \_\_\_\_\_  
Deputy




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

Successor Agency: Adelanto Successor Agency  
 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>\$ 3,282,101</b>	<b>\$ 50,000</b>	<b>\$ 3,332,101</b>
B Bond Proceeds	-	50,000	50,000
C Reserve Balance	3,282,101	-	3,282,101
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 3,172,680</b>	<b>\$ 1,816,407</b>	<b>\$ 4,989,086</b>
F RPTTF	3,047,680	1,691,407	4,739,086
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 6,454,781</b>	<b>\$ 1,866,407</b>	<b>\$ 8,321,187</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  
  
 Signature Date  
 January 12, 2023



**Adelanto 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	7,672,861	-	2,565,696	1,038,465	625,906	Amounts shown in Col. G1 includes Prior Period Adjustments for ROPS 17-18 (\$598,070), ROPS 18-19 (\$3,404) and ROPS 19-20 (\$94,755). Also included are amounts due from the City for amounts paid in excess of the SA administration allowance
<b>2</b>	<b>Revenue/Income (Actual 06/30/21)</b> RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller	89,021	-	-	6,207	4,223,663	Amount shown in Col. G2 includes the RPTTF received for ROPS 20-21A and ROPS 20-21B
<b>3</b>	<b>Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)</b>	1,201,527	-	2,123,654	-	1,414,168	Amounts shown on Col. G3 reflects expenditures paid during ROPS 20-21 and does not reflect amounts reserved for future periods as shown on Col. G4
<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)	6,560,355	-	442,044	1,044,671	3,124,703	Col. G4 - Please see ROPS 20-21 PPA
<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					282,862	Amount ties to ROPS 20-21 PPA Form
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/21)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ (2)	\$ 1	\$ 27,836	<b>Amounts shown in Col. G1 includes Prior Period Adjustments for ROPS 18-19 (\$3,404) and ROPS 19-20 (\$94,755). Also included are amounts due from the City for amounts paid in excess of the SA administration allowance including Trustee Fees.</b>



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

Item #	Notes/Comments
1	Debt Service due December 1, 2023 was fully funded during the ROPS 22-23 Period
2	In order to mitigate a potential RPTTF Shortfall, Column O reflects the reserve for the 100% of the debt service due during the 2024 Bond Year.
3	In order to mitigate a potential RPTTF Shortfall, Column O and Column U reflects the reserve for the 50% of the debt service due during the 2024 Bond Year.
4	In order to mitigate a potential RPTTF Shortfall, Column O and Column U reflects the reserve for the 50% of the debt service due during the 2024 Bond Year.
5	In order to mitigate a potential RPTTF Shortfall, Column O and Column U reflects the reserve for the 50% of the debt service due during the 2024 Bond Year.
31	The Successor Agency's 2013 Other Funds Due Diligence review reported that in 2013, the Successor Agency had unspent bond proceeds of \$3,056,314 transferred from the 2007 Tax Allocation Bond cash with fiscal agent to cash in bank in Fund 555, RDA Capital Project Funds, in FYE 07-08 . The Successor Agency is in the process of auditing its books to determine the amount of unspent bond proceeds currently held by the Successor Agency. In the event changes are necessary to the amounts reported on the ROPS, the Successor Agency will submit an Amended ROPS 23-24B ROPS prior to making any expenditure of bond funds.