

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

January 11, 2024

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 2024-25

RECOMMENDATION(S)

Adopt **Resolution No. 2024-02** approving the Successor Agency to the Redevelopment Agency of the City of Adelanto's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2024-25.

(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 2024-25 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 2024-25 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 \$172,716 requested in the amount required from the RPTTF from the last annual ROPS approved. Changes to the amounts requested for remaining 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 ROPS Detail includes Item 31, Excess Bond Proceeds. 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 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 has determined the amount

**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 2024-25
January 11, 2024**

of unspent bond proceeds currently held by the Successor Agency, including interest on the original proceeds from principal received, is \$3,139,426.

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 has submitted a separate agenda item requesting approval to enter into a Bond Proceeds Expenditure Agreement with the City of Adelanto for the expenditure of the excess bond proceeds. Expenditure of the full amount of Excess Bond Proceeds (principal and interest) is requested to be transferred to the City during the ROPS 24-25A period on the ROPS Detail, Item 31.

The Successor Agency has decreased its request for Administrative Costs from RPTTF from \$250,000 in the ROPS 23-24 period to \$149,445, a decrease of \$100,555 or approximately 40%. The decrease results primarily from the engagement by the Successor Agency of outside accountants, counsel and other consultants in an effort to address the final matters needed to prepare a Last & Final ROPS. The engagement of such consultants is anticipated to reduce the amount of time spent by Successor Agency and City staff on Successor Agency matters. Additionally, the Successor Agency has transferred or is in the process of obtaining approval to transfer its remaining real property in accordance with the Dissolution Law, and the majority of the costs of doing so will be incurred prior to the ROPS 24-25 period.

It is recommended the CWOB approve the Successor Agency's 2024-25 ROPS and administrative budget. The draft 2024-25 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 2024-25 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 2024-25

Attachment C – Administrative Budget for Fiscal Year 2024-25

REVIEW BY OTHERS

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on January 4, 2024 and San Bernardino Countywide Oversight Board Legal Counsel on December 28, 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 2024-25
January 11, 2024**

Record of Action of the San Bernardino Countywide Oversight Board

APPROVED

Moved: Acquanetta Warren Seconded: Richard DeNava

Ayes: Richard DeNava, T. Milford Harrison, Kenneth Miller, Acquanetta Warren, David Wert

Absent: Lawrence Strong, Mario Vasquez

Lynna Monell, SECRETARY

BY



DATED: January 11, 2024



cc: File - San Bernardino Countywide Oversight Board w/ reso and attachments

jm 01/17/2024

RESOLUTION NO. 2024- 02

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 2024-25

On Thursday, January 11, 2024 on motion of San Bernardino Countywide Oversight Board Member Warren, duly seconded by San Bernardino Countywide Oversight Board Member DeNava 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 2024-25 to the Department of Finance is February 1, 2024.

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 2024-25 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 2024-25 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: Richard DeNava, T. Milford Harrison,
Kenneth Miller, Acquanetta Warren,
David Wert

NOES: OVERSIGHT BOARD MEMBER: None

ABSENT: OVERSIGHT BOARD MEMBER: Lawrence Strong, Mario Vasquez

* * * * *

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 11, 2024. #2 JM

LYNNA MONELL
Secretary to the San Bernardino Countywide
Oversight Board

By _____



Deputy

Recognized Obligation Payment Schedule (ROPS 24-25) - Summary
Filed for the July 1, 2024 through June 30, 2025 Period


Successor Agency: City of Adelanto
 County: San Bernardino

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	24-25 A Total (July - December)	24-25 B Total (January - June)	ROPS 24-25 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 3,921,334	\$ -	\$ 3,921,334
B Bond Proceeds	3,139,426	-	3,139,426
C Reserve Balance	-	-	-
D Other Funds	781,908	-	781,908
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 2,571,682	\$ 1,398,221	\$ 3,969,903
F RPTTF	2,496,959	1,323,499	3,820,458
G Administrative RPTTF	74,723	74,722	149,445
H Current Period Enforceable Obligations (A+E):	\$ 6,493,016	\$ 1,398,221	\$ 7,891,237

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 11, 2024

 Signature Date

City of Adelanto Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail
July 1, 2024 through June 30, 2025
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L					O	R					W							
											M						N	P					Q						
											24-25 A (July - December)							24-25 A Total	Fund Sources					24-25 B (January - June)					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF				Bond Proceeds	Reserve Balance	Other Funds		RPTTF	Admin RPTTF					
								\$ 90,804,339		\$ 7,891,237	\$ 3,139,426	\$ -	\$ 781,908	\$ 2,496,959	\$ 74,723	\$ 6,493,016	\$ -	\$ -	\$ -	\$ 1,323,499	\$ 74,722	\$ 1,398,221							
1	Adelanto Improvement Project, 1993 \$ Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1993	6/30/2024	Trustee-US Bank	Finance costs of Redevelopment Plan Implementation	80-1 (Amended) Adelanto Improvement Project	-	Y	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
2	Adelanto Public Financing Authority, Local Agency 1995A Taxable Subordinated Revenue Bonds	Bond Reimbursement Agreements	1/9/1996	6/30/2026	Trustee-US Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project	2,640,360	N	\$ 1,319,460	-	-	781,908	491,652	-	\$ 1,273,560	-	-	-	-	45,900	\$ 45,900							
3	Adelanto Public Financing Authority, Local Agency Second Subordinated 1995B Revenue Bonds	Bond Reimbursement Agreements	1/9/1996	6/30/2026	Trustee-US Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project	10,091,348	N	\$ 1,234,198	-	-	-	991,018	-	\$ 991,018	-	-	-	243,180	-	\$ 243,180							
4	Adelanto Public Financing Authority, Local Agency Third Subordinated 1995C Revenue Bonds	Bond Reimbursement Agreements	1/9/1996	6/30/2026	Trustee-US Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project	8,878,442	N	\$ 1,870,508	-	-	-	919,939	-	\$ 919,939	-	-	-	950,569	-	\$ 950,569							
5	Adelanto Improvement Project, Area No.3, 2007 Bonds	Bonds Issued On or Before 12/31/10	12/19/2007	9/1/2037	Trustee-US Bank	Economic Development along HWY 395	Project Area 3	4,029,200	N	\$ 145,200	-	-	-	72,600	-	\$ 72,600	-	-	-	72,600	-	\$ 72,600							
6	County of San Bernardino Tax Increment Loan	City/County Loan (Prior 06/28/11), Other	6/18/2005	6/30/2014	County	Tax Increment Loan per Settlement Agreement	80-1 (Amended) Adelanto Improvement Project	57,326,463	N	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
7	Intermountain Power Agency Settlement Agreement	Litigation	6/15/2005	6/30/2014	IPA	Settlement Agreement	80-1 (Amended) Adelanto Improvement Project	1,989,390	N	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
8	Note Payable to the City of Adelanto	City/County Loan (Prior 06/28/11), Other	6/25/2005	6/30/2014	City of Adelanto	Note Payable to the City for original formation costs	All	2,524,245	N	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
9	Administration Allowance	Admin Costs	7/1/2024	6/30/2025	City of Adelanto	Admin Allowance	All	149,445	N	\$ 149,445	-	-	-	-	74,723	\$ 74,723	-	-	-	-	74,722	\$ 74,722							
10	Audit Fees	Admin Costs	7/1/2024	6/30/2025	Pun Group	Annual Audit	All	-	Y	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
11	Bond Admin Fees	Fees	7/1/2024	6/30/2025	Trustee-US Bank	Trustee of Bonds	All	18,500	N	\$ 18,500	-	-	-	9,250	-	\$ 9,250	-	-	-	9,250	-	\$ 9,250							
12	Legal Fees	Admin Costs	7/1/2024	6/30/2025	Rutan & Tucker	Legal Consulting	All	-	Y	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
15	Adelanto Improvement Project 3	Improvement/ Infrastructure	1/1/2014	6/30/2014	Various Contracts	Improvements developments on 395	Project Area 3	-	Y	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
16	Adelanto Public Financing Authority, Local Agency Taxable Subordinated Revenue Bonds	RPTTF Shortfall	1/9/1996	6/30/2026	Trustee-US Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project	-	Y	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
17	Adelanto Public Financing Authority, Local Agency Second Subordinated Revenue Bonds	RPTTF Shortfall	1/9/1996	6/30/2026	Trustee-US Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project	-	Y	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
18	Adelanto Improvement Project, Area No.3	RPTTF Shortfall	12/19/2007	9/1/2037	Trustee-US Bank	Economic Development along HWY 395	Project Area 3	-	Y	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
25	Long Range Property Plan	Property Disposition	3/1/2014	12/31/2014	Kosmont Companies	Property Management Plans	All	-	N	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
27	Long Range Property Plan	Property Disposition	1/1/2014	12/31/2014	Title Company	Pull titles for various properties	All	-	N	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
28	Administrative Reimbursement	RPTTF Shortfall	1/3/2017	6/30/2049	City of Adelanto	Loan to cover shortfall in Administrative Expense	All	-	Y	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -							
29	Bonds Annual Continuing Disclosure	Fees	12/7/2016	9/1/2037	H&L, Coren and Cone	Annual Disclosure & Dissemination	All	10,000	N	\$ 7,000	-	-	-	5,000	-	\$ 5,000	-	-	-	2,000	-	\$ 2,000							
30	Arbitrage Calculations	Fees	1/11/0001	9/1/2037	Wildan Financial Services	Bond Arbitrage Calculations	All	7,500	N	\$ 7,500	-	-	-	7,500	-	\$ 7,500	-	-	-	-	-	\$ -							
31	Excess Bond Proceeds	Bonds Issued On or Before 12/31/10	6/1/2022	9/1/2037	City of Adelanto Vendors	Bond Expenditure Agreement	Project Area 3	3,139,426	N	\$ 3,139,426	3,139,426	-	-	-	-	\$ 3,139,426	-	-	-	-	-	\$ -							

City of Adelanto Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances
July 1, 2021 through June 30, 2022
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	
		Fund Sources						
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	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 07/01/21) RPTTF amount should exclude "A" period distribution amount	7,975,935	0	3,472,260	781,631	3,404	G1 - 18-19 PPA	
2	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller	91,212	0	0	277	4,873,712		
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)		0	0	0	4,793,492		
4	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	8,067,147	0	3,472,260	0	0	C4 - Restricted bond proceeds held by trustee plus the balance of item #31 E4 - Reserved for bond payments held at 50% of the required payments in the last year of each bond in order to mitigate a potential RPTTF shortfall	
5	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC	No entry required					83,624	21-22 PPA
6	Ending Actual Available Cash Balance (06/30/22) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 781,908	\$ 0	F6 - Requested to use other funds on the 24-25 ROPS	

City of Adelanto Recognized Obligation Payment Schedule (ROPS 24-25) - Notes July 1, 2024 through June 30, 2025

Item #	Notes/Comments
2	All available Other Funds have been applied to make the first payment on the 1995A Taxable Subordinated Revenue Bonds
31	All bond proceeds transferred to the Successor Agency during the RDA dissolution, plus interest earned, is being requested for transfer back to the City to be used for authorized balances per the bond indenture.