

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

March 7, 2022

## FROM

KONRAD BOLOWICH, City Manager, City of Grand Terrace

## SUBJECT

Approve Resolution of the San Bernardino Countywide Oversight Board Approving Final Dissolution of the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace Pursuant to Health & Safety Code Section 34187(f)

## RECOMMENDATION(S)

Adopt a **Resolution No. 2022-20** of the San Bernardino Countywide Oversight Board Approving Final Dissolution of the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace Pursuant to Health & Safety Code Section 34187(f).

(Presenter: Konrad Bolowich, City Manager, City of Grand Terrace, (909) 824-6621)

## BACKGROUND INFORMATION

Per Health and Safety Code (HSC) Section 34173(d)(1), the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace is the Successor Agency to the former Community Redevelopment Agency of the City of Grand Terrace (RDA). In order for the Successor Agency to dissolve, HSC Section 34187(b) requires the following:

- A. All enforceable obligations have been retired or paid off;
- B. All real property has been disposed of pursuant to HSC Section 34181 or 34191.4; and,
- C. All outstanding litigation has been resolved.

At its June 14, 2021 meeting, the Countywide Oversight Board (CWOB) approved various actions that would allow the Successor Agency to meet the requirements above in order for it to dissolve pursuant to HSC Section 34187(b). These actions have been completed and the Successor Agency submitted a request to dissolve pursuant to HSC Section 34187(b) which was approved by the CWOB on September 16, 2021. HSC Section 34187(b) required the CWOB's resolution approving the Successor Agency's request for dissolution to be submitted to the Department of Finance (DOF). The DOF approved the Successor Agency's request for dissolution pursuant to HSC Section 34187(d) in its letter dated October 14, 2021.

After DOF's approval of the Successor Agency's request for dissolution, the Successor Agency has 100 days to complete the following tasks pursuant to HSC Section 34187(e):

- (1) Dispose of all remaining assets as directed by the CWOB. Any proceeds from the disposition of assets shall be transferred to the county auditor-controller for distribution to the affected taxing entities pursuant to HSC Section 34183.
- (2) Notify the CWOB that it has complied with the above requirement.

**Approve Resolution of the San Bernardino Countywide Oversight Board Approving Final Dissolution of the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace**

Review of the Successor Agency's records for remaining assets shows that \$169,267 was spent on the costs of defeasance of the 2011 Tax Allocation Bonds Series A & B. The CWOB approved the defeasance of the 2011 bonds and the approval included the payment of costs to defease the bonds with the remainder of the net proceeds of those bonds in CWOB Resolution No. 2019-31 at its June 17, 2019 meeting. Included with the support was ATT-GRAND TERRACE-06-17-2019-2011 TAB DEFEASANCE (ATTACHMENT H), Sources and Uses of Funds. The cost of defeasance was listed at \$323,175. The Department of Finance, in letters dated August 20, 2019 and October 3, 2019, conditionally approved the expenditure of bond proceeds by the Successor Agency to redeem and defease the Successor Agency's Tax Allocation Bonds 2011A and 2011B. The costs of defeasance were included in the Successor Agency's Last and Final ROPS Amendment No. 1 (approved by the CWOB in Resolution No. 2019-32). The costs to defease the bonds were then authorized pursuant to DOF's approval of the Last and Final ROPS Amendment No. 1 in its letter dated August 20, 2019. Therefore, the expenditure of the \$169,267 to pay for the costs of defeasance have been approved by the CWOB and DOF.

The remaining assets were determined by the balance of cash and investments on the Successor Agency General Ledger after all obligations were paid and adjustments were made for the County of San Bernardino PPA adjustments that were identified by County Staff. The Successor Agency paid the remaining assets of \$240,297.07 on January 21, 2022 and \$56,528 on February 28, 2022 to the Auditor Controller/Treasurer/Tax Collector. The Successor Agency has notified the CWOB of completion thereof in its letter submitted to the CWOB dated January 21, 2022.

Therefore, the Successor Agency certifies that it has disposed of all remaining assets and all proceeds have been transferred to the Auditor Controller/Treasurer/Tax Collector for distribution to the affected taxing entities.

**Recommendation**

The Successor Agency is recommending that the CWOB adopt the attached Resolution approving final dissolution of the Successor Agency for the Community Redevelopment Agency of the City of Grand Terrace pursuant to Health & Safety Code Section 34187(f). This resolution will be effective immediately pursuant to HSC Section 34187(f).

**ATTACHMENTS**

- Attachment A – Resolution Approving Final Dissolution of the Successor Agency
- Attachment B – CWOB Notification dated January 21, 2022
- Attachment C – Statement of Remaining Assets
- Attachment D – Successor Agency Check Copy
- Attachment E – DOF approval of the Successor Agency's Request to Dissolve
- Attachment F – DOF Letter Dated August 20, 2019
- Attachment G – Approved Last and Final ROPS Amendment No. 1
- Attachment H - CSG Advisors Review TAB Defeasance – Sources and Use of Funds
- Attachment I – Cost of Defeasance

**REVIEW BY OTHERS**

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on February 28, 2022 and San Bernardino Countywide Oversight Board Legal Counsel on February 28, 2022.

**Approve Resolution of the San Bernardino Countywide Oversight Board Approving Final Dissolution of the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace**

Record of Action of the San Bernardino Countywide Oversight Board

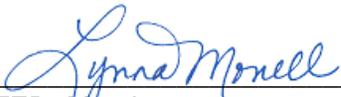
**APPROVED**

Moved: Kenneth Miller Seconded: Frederick Ang

Ayes: Frederick Ang, Katie Hylton, Kenneth Miller, Cindy Saks, Lawrence Strong, Acquanetta Warren, David Wert

Lynna Monell, SECRETARY

BY



DATED: March 7, 2022



cc: W/Resolution

File - San Bernardino Countywide Oversight Board w/ attach

KS 03/8/2022

**RESOLUTION NO. 2022-20**

**RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD  
APPROVING FINAL DISSOLUTION OF  
THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF GRAND TERRACE  
PURSUANT TO HEALTH & SAFETY CODE SECTION 34187(f)**

On Monday, March 7, 2022 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, pursuant to California Health & Safety Code (“HSC”) Section 34173(d), the Successor Agency to the Community Redevelopment Agency of the City of Grand Terrace is the successor agency (the “Successor Agency”) to the former Community Redevelopment Agency of the City of Grand Terrace (“RDA”); and

WHEREAS, the Successor Agency has carried out all necessary actions so that it is eligible for dissolution pursuant to HSC Section 34187 as follows:

- A. All enforceable obligations have been retired or paid off. The Successor Agency has retired or paid off all of its enforceable obligations; and
- B. All real property has been disposed of. The Successor Agency has disposed of all of its real property and currently holds no real property; and
- C. All outstanding litigation has been resolved. There is no outstanding litigation for the Successor Agency; and

WHEREAS, based upon the foregoing, the CWOB approved the Successor Agency’s request to dissolve pursuant to HSC Section 34187(b) at its meeting on September 16, 2021, and the California Department of Finance (“DOF”) has approved thereof by its letter dated October 14, 2021; and

WHEREAS, a review of the Successor Agency’s records for remaining assets shows that \$169,267 was spent on the costs of defeasance of the 2011 Tax Allocation Bonds Series A & B pursuant to CWOB’s approval of the defeasance of the bonds in Resolution No. 2019-31 and DOF’s approval of the defeasance via its letter dated October 3, 2019 regarding its approval of Amendment No. 1 to the Last and Final ROPS; and

WHEREAS, based upon the foregoing, the Successor Agency certifies it has disposed of all remaining assets as directed by the CWOB and has transferred any proceeds from the disposition thereof to the San Bernardino County Auditor-Controller/Treasurer/Tax Collector for distribution to the affected taxing entities pursuant to HSC Section 34187(e); and

WHEREAS, based upon the foregoing, the Successor Agency has notified the CWOB pursuant to the Successor Agency’s letter dated January 21, 2022 that it has disposed of all remaining assets as directed by the CWOB and that all remaining assets have been transferred to the San Bernardino County Auditor-Controller/Treasurer/Tax Collector for distribution to the affected taxing entities, in compliance with HSC Section 34187(e); and

WHEREAS, based upon the foregoing, the Successor Agency is therefore eligible for final dissolution pursuant to HSC Section 34187(f); and



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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 March 7, 2022. #1 KS

LYNNA MONELL  
Secretary to the San Bernardino Countywide  
Oversight Board

By \_\_\_\_\_

The seal of the San Bernardino Countywide Oversight Board is circular with a purple border. The outer ring contains the text "SAN BERNARDINO COUNTYWIDE" at the top and "OVERSIGHT BOARD" at the bottom. The inner circle features the County of San Bernardino seal, which includes a shield with a landscape scene, a sun, and a mountain range. The text "COUNTY OF SAN BERNARDINO" and "1851" are also visible within the inner seal.