

### Community Development & **Housing Agency Community Development & Housing**

**Dena Fuentes** Deputy Executive Officer

> Gary Hallen Director

January 28, 2019

RE: SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD APPROVED ITEMS

To Whom It May Concern:

Enclosed are the Successor Agency's items approved by the San Bernardino Countywide Oversight Board on January 14, 2019.

Sincerely,

Gary Hallen, Director

Community Development and Housing

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

**January 14, 2019** 

FROM:

T. JARB THAIPEJR, City Manager **Loma Linda Successor Agency** 

SUBJECT:

RESOLUTION APPROVING THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY'S RECOGNIZED OBLIGATION PAYMENT

SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2019-20

RECOMMENDATION(S)

Adopt Resolution No. 2019-0007 approving the Successor Agency to the Loma Linda Redevelopment Agency's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2019-20.

(Presenter: Diane Hadland, Agency Consultant, (562) 426-1150)

#### BACKGROUND INFORMATION

California Health & Safety Code Section (HSC) 34177 requires the San Bernardino Countywide Oversight Board (CWOB) to approve the 2019-20 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 1st of each year. Pursuant to HSC 34179(h)(1)(B), the administrative budget is not required to be sent to DOF.

DOF will have until April 15th to review the 2019-20 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 15th or 15 days prior to the June 1st Redevelopment Property Tax Trust Fund (RPTTF) distribution.

The recommended action will further the Successor Agency to the Loma Linda Redevelopment Agency'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 slight increase requested in the amount required from the RPTTF from the last annual ROPS approved primarily because of a decrease in the amount of other revenues available to fund the planned expenses and also because the amount needed for bond debt service increased slightly.

It is recommended the CWOB approve the Successor Agency's 2019-20 ROPS and administrative budget. The draft 2019-20 ROPS will be provided to DOF, the County Auditor-

Page 1 of 2

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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 2019-20 JANUARY 14, 2019 PAGE 2 OF 2

Controller and the County Administrative Office as required by HSC 34177(I)(2)(B). The adopted 2019-20 ROPS will be provided to DOF and the County Auditor-Controller pursuant to HSC 34177(o). This will commence the DOF review period.

#### **ATTACHMENTS**

Attachment A - Resolution

Attachment B - ROPS for Fiscal Year 2019-20

Attachment C - Administrative Budget for Fiscal Year 2019-20

#### **REVIEW BY OTHERS**

This item has been reviewed by Community Development and Housing Agency on December 19, 2018 and San Bernardino Countywide Oversight Board Legal Counsel on December 23, 2018.

#### **RESOLUTION NO. 2019-0007**

RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD ADOPTING THE SUCCESSOR AGENCY TO THE LOMA LINDA REDEVELOPMENT AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2019-20

On Monday, January 14, 2019 on motion of San Bernardino Countywide Oversight Board Member De Nava, duly seconded by San Bernardino Countywide Oversight Board Member Warren and carried, the following resolution is adopted by the San Bernardino Countywide Oversight Board, State of California.

WHEREAS. California Health and Safety Code Section (HSC) 34179(e) requires all action items of the San Bernardino Countywide Oversight Board be accomplished by resolution; and

WHEREAS, HSC 34177 requires the San Bernardino Countywide Oversight Board to approve the Recognized Obligation Payment Schedule (ROPS) and administrative budget; and

WHEREAS, pursuant to HSC 34177(o), the deadline for submitting the ROPS for Fiscal Year 2019-20 to the Department of Finance is February 1, 2019.

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 Loma Linda Redevelopment Agency's ROPS and administrative budget for Fiscal Year 2019-20 in the form presented, together with such changes thereto as may be approved by the San Bernardino Countywide Oversight Board, are hereby approved.

Section 3. 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 De Nava, Ken Miller, Cindy Saks,

Lawrence Strong, Acquanetta Warren,

David Wert

NOES:

OVERSIGHT BOARD MEMBER: None

ABSENT:

OVERSIGHT BOARD MEMBER: Mario Vasquez

STATE OF CALIFORNIA	)	
	)	SS.
COUNTY OF SAN BERNARDINO	)	

I, LAURA H. WELCH, 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 14, 2019. #6 mb

LAURA H. WELCH

Secretary to the San Bernardino Countywide

Oversight Board

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Deputy

## Recognized Obligation Payment Schedule (ROPS 19-20) - Summary Filed for the July 1, 2019 through June 30, 2020 Period

Successor Agency:	Loma Linda
County:	San Bernardino

Currer	nt Period Requested Funding for Enforceable Obligations (ROPS Detail)		-20A Total - December)	19-20B Total (January - June)	ROPS 19-20 Total		
A	Enforceable Obligations Funded as Follows (B+C+D):	\$	1,097,500	-	\$ 1,097,500		
В	Bond Proceeds	,	_	-			
С	Reserve Balance		1,097,500	-	1,097,500		
D	Other Funds		_	· -	·		
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$	2,492,606 \$	2,494,387	\$ 4,986,993		
F	RPTTF		2,367,606	2,369,387	4,736,993		
G	Administrative RPTTF		125,000	125,000	250,000		
Н	Current Period Enforceable Obligations (A+E):	\$	3,590,106 \$	2,494,387	\$ 6,084,493		

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.

Name

Title

| I - 14 - 2019 |
| Signature | Date

#### Loma Linda Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail

#### July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

			r					(керс	n Amour	nts in Whole Do	ollars)											
Α	В	С	D	E	F	G	н	Ĭ	J	к	L	м	N	0	Р	Q	R	9	т	U	v	w
												19-20A (July - December)					19-20B (January - June)			v	VV	
						1						Fund Sources					Fund Sources					
Item#	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope		Total Outstanding		ROPS 19-20					19-20A		T i	una ocuroc				
							Project Area	Debt or Obligation \$ 47,127,238	Retired	Total \$ 6,084,493	Bond Proceeds Re	eserve Balance 1,097,500	Other Funds  \$ 0	RPTTF \$ 2,367,606	Admin RPTTF	Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20B Total
	Professional Services Contractual Services	Fees Property Dispositions	7/1/2017 7/1/2017	6/30/2020	Stradling, Yocca, Carlson &	Continuing Disclosure annual reports Property Appraisals	Merged	5,000	N N	\$ 5,000 \$ 6,500		1,057,500	<b>9</b> U.	1,500 1,000	\$ 125,000	\$ 3,590,106 \$ 1,500	\$ 0	\$ 0	\$ 0	\$ 2,369,387	\$ 125,000	
	Contractual Services	Property Maintenance	2/1/1989	6/30/2020 6/30/2020	JJ Ramirez Citrus Mgmt	IVVeed Abatement and Maintenance of	f   Merged	5,000 6,500 7,000	N N	\$ 6,500 \$ 7,000				1,000 3,500		\$ 1,000 \$ 3,500				3,500 5,500 3,500		\$ 3,50 \$ 5,50 \$ 3,50
						Successor Agency land held for resal	e			,,,,,,	1 1			3,300		\$ 3,500				3,500		\$ 3,50
	Loans from the City of Loma Linda	1 <del>2</del> 0 30000 (300000)			City of Loma Linda	Loans for Redevelopment Activities (Cash Principal & Accrued Interest)		11,069,373	N	\$ 1,639,148				819,574		\$ 819,574				819,574		\$ 819,57
	Adminstrative Costs	Admin Costs		6/30/2020	Employees, various consultants	To fund SA administrative budget as approved by the Oversight Board Refunding of 2003, 2005 and 2008	Merged	250,000	N	\$ 250,000					125,000	\$ 125,000					125,000	\$ 125,00
	Series 2016A	Bonds Issued On or Before 12/31/10				TA Bonds for debt service savings	Merged	6,071,490	N	\$ 595,051		202,500		300,563		\$ 503,063				91,988		\$ 91,98
	Tax Allocation Refunding Bonds, Series 2016A Reserve Tax Allocation Refunding Bonds	Reserves		8/2/2026	U.S. Bank (Trustee)	Refunding of 2003, 2005 and 2008 TA Bonds for debt service savings Refunding of 2003, 2005 and 2008	Merged	207,500	N							\$ -				207,500		\$ 207,50
	Series 2016B  Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10 Reserves		8/2/2026		ITA Bonds for debt service savings	1	28,596,275	N	\$ 2,460,194		895,000		1,237,369		\$ 2,132,369				327,825		\$ 327,82
	Series 2016B Reserve Contractual Agreement (Contract			8/2/2026		Refunding of 2003, 2005 and 2008 TA Bonds for debt service savings		910,000	N	\$ 910,000						\$ -				910,000		\$ 910,00
51	erm ongoing)	1 003	12/1/2016	6/30/2020	U.S. Bank (Trustee)	Bond Trustee Services - Series A and B	Merged	4,100	N	\$ 4,100				4,100		\$ 4,100						\$
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54 55									N	\$ -												\$
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# Loma Linda Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances July 1, 2016 through June 30, 2017 (Report Amounts in Whole Dollars)

source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet. Α В C D E F G Н **Fund Sources Bond Proceeds** Reserve Balance Other Funds **RPTTF** Prior ROPS RPTTF and Reserve Rent, Non-Admin **ROPS 16-17 Cash Balances** Bonds issued on or Bonds issued on or Balances retained Grants. and (07/01/16 - 06/30/17) before 12/31/10 after 01/01/11 for future period(s) Interest, etc. Admin Comments 1 Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount Column F and G are ending balances for 2015-16 as corrected by DOF plus an additional \$501 in Column F for the "Other Funding" amount 890,003 2.259 94,190 included in the ROPS for 2016-17A. 2 Revenue/Income (Actual 06/30/17) Column G equals interest earnings on non-bond RPTTF amount should tie to the ROPS 16-17 total distribution from the proceeds. Column C is unused bond proceeds, County Auditor-Controller plus interest earnings from the bond refunding that were transferred from costs of issuance to 4,525 23,605 7,479,529 the interest account. 3 Expenditures for ROPS 16-17 Enforceable Obligations Column C equals bond proceeds held by the (Actual 06/30/17) Fiscal Agent as a debt service reserve which amount was applied to the bond refunding. Column G equals expenditures in the "Other 890,003 501 7,479,529 Funding" column as included in ROPS 16-17A 4 Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) Amounts in Column F and G have been included 1,758 94,190 as available funding for ROPS 2018-19. 5 ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC No entry required 6 Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)Column F is available as funding for ROPS 2019-4,525 \$ 0 \$ 0 | \$ 23,605 \$ 0 20

	Loma Linda Recognized Obligation Payment Schedule (ROPS 19-20) - Notes July 1, 2019 through June 30, 2020
Item #	Notes/Comments
6	The estimated cost for continuing disclosure requirements
7	The estimated cost for property appraisals.
14	Estimated costs for standard property maintenance.
15	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. The amount outstanding is the balance of the loan as of 6/1/2018.
15 (cont)	
	BACKGROUND ON THE CITY LOAN: Approved through the settlement of litigation. See Settlement Agreement by and between the City, the Successor Agency, the State Department of Finance and the State Controller's Office. As of June 1, 2012, the unpaid principal balance plus accrued interest owing by the RDA to the City was \$21,175,072. The 6/30/2016 balance included in Column "I" is the June 30, 2016 balance. The City and RDA entered into their original Cooperative Agreement on Ma 29, 1979. The original Cooperative Agreement was subsequently amended on or about November 1, 2005, and March 8, 2011, and was implemented by and through at least 17 loan advances that occurred and the loan amounts for which were carefully memorialized between approximately August 8, 1995, and June 14, 2011. This loan was re-authorized by the Loma Linda Oversight Board on May 8, 2012, pursuant to Health & Safety Code Sections 34178(a) and 34180(a) (as the same were in effect prior to the enactment of AB 1484, which was not effective until June 27, 2012), subject to extension of the repayment term (from 10 years to not to exceed 15 years), reduction of the interest rate on a prospective basis (from 12% per annum to the LAIF rate in effect from time to time), and fixed semi-annual payments of \$819,574.00 (which were based on a presumed full amortization of the loan over 15 years at a 2%/annum average interest rate).
	Amount that was shown as due in ROPS 2017-18 and prior ROPS included the amount included in the Settlement Agreement, plus a \$819,475 semi-annual payment, less the amount that is estimated to be paid in the prior ROPS period. The Settlement Agreement amount equals payments DOF previously denied for the obligation, defined in the Settlement Agreement as the Past Due Balance of \$5,759,804, plus the \$819,574 regular semi-annual payments that became due after the Settlement Agreement, starting with ROPS 2015-16B.
27	Minimum administrative cost allowance
	This item is retired
	Debt service due on the 2016A and 2016B refunding bonds. 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 January RPTTF and the balance payable from the June payment. This is a different payment schedule than the prior bonds which were due on July 1 and January 1. The balance outstanding equals the amount outstanding after the February 1st debt service payments are made, less the amounts shown as outstanding as reserves.
51	Trustee fees as required by the 2016A and B Refunding Bonds. Amounts are generally due to the Trustee in August of each year.

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