

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.

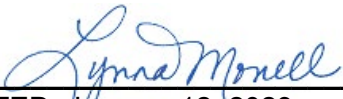
**Resolution Approving the Successor Agency to the Redevelopment
Agency of the City of Adelanto's Recognized Obligation Payment
Schedule and Administrative Budget for Fiscal Year 2023-24
January 12, 2023**

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 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**

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
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 3,282,101	\$ 50,000	\$ 3,332,101
B	Bond Proceeds	-	50,000	50,000
C	Reserve Balance	3,282,101	-	3,282,101
D	Other Funds	-	-	-
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 3,172,680	\$ 1,816,407	\$ 4,989,086
F	RPTTF	3,047,680	1,691,407	4,739,086
G	Administrative RPTTF	125,000	125,000	250,000
H	Current Period Enforceable Obligations (A+E):	\$ 6,454,781	\$ 1,866,407	\$ 8,321,187

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 12, 2023
Signature	Date

Adelanto Recognized Obligation Payment Schedule (ROPS 23-24) - ROPS Detail																						
July 1, 2023 through June 30, 2024 (Report Amounts in Whole Dollars)																						
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 23-24 Total	23-24 A (July - December)					23-24 A Total	23-24 B (January - June)					23-24 B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$ 93,137,126		\$ 8,321,187	\$ -	\$ 3,282,101	\$ -	\$ 3,047,680	\$ 125,000	\$ 6,454,781	\$ 50,000	\$ -	\$ -	\$ 1,691,407	\$ 125,000	\$ 1,866,407
1	Adelanto Improvement Project, 1993 B Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1993	6/30/2024	Trustee-Union Bank	Finance costs of Redevelopment Plan Implementation	80-1 (Amended) Adelanto Improvement Project	1,191,900	N	\$ 1,191,900		1,191,900				\$ 1,191,900						\$ -
2	Adelanto Public Financing Authority, Local Agency 1995A Taxable Subordinated Revenue Bonds	Bond Reimbursement Agreements	1/9/1996	6/30/2026	Trustee-Union Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project	2,817,480	N	\$ 1,450,680		88,560		1,362,120		\$ 1,450,680						\$
3	Adelanto Public Financing Authority, Local Agency Second Subordinated 1995B Revenue Bonds	Bond Reimbursement Agreements	1/9/1996	6/30/2026	Trustee-Union Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project	11,288,700	N	\$ 2,188,370		931,335		628,518		\$ 1,559,853				628,518		\$ 628,518
4	Adelanto Public Financing Authority, Local Agency Third Subordinated 1995C Revenue Bonds	Bond Reimbursement Agreements	1/9/1996	6/30/2026	Trustee-Union Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project	22,480,595	N	\$ 2,735,237		892,706		922,592		\$ 1,815,298				919,939		\$ 919,939
5	Adelanto Improvement Project, Area No.3, 2007 Bonds	Bonds Issued On or Before 12/31/10	12/19/2007	9/1/2037	Trustee-Union Bank	Economic Development along HWY 395	Project Area No. 3	3,664,700	N	\$ 426,500		177,600		124,450		\$ 302,050				124,450		\$ 124,450
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 and loan agreement	80-1 (Amended) Adelanto Improvement Project	43,693,252	Y	\$ -						\$ -						\$ -
7	Intermountain Power Agency Settlement Agreement	Litigation	6/15/2005	6/30/2014	IPA	Settle Agreement	80-1 (Amended) Adelanto Improvement Project	1,989,390	N	\$ -						\$ -						\$ -
8	Note Payable to City of Adelanto	City/County Loan (Prior 06/28/11), Other	1/1/2003	6/30/2014	City	Note Payable to City for original form	All	2,524,245	N	\$ -						\$ -						\$ -
9	Administration Allowance	Admin Costs	7/1/2023	6/30/2024	City of Adelanto	Admin Allowance	All	250,000	N	\$ 250,000					125,000	\$ 125,000				125,000		\$ 125,000
10	Audit Fees	Admin Costs	7/1/2023	6/30/2024	Moss, Levy, Hartzheim	Annual Audit	All		N	\$ -						\$ -						\$ -
11	Bond Admin	Fees	2/1/2012	9/1/2037	Union Bank	Trustee of Bonds	All	101,000	N	\$ 12,500				2,500		\$ 2,500				10,000		\$ 10,000
12	Legal Fees	Admin Costs	7/1/2023	6/30/2024	Rutan & Tucker	Legal Consulting	All		N	\$ -						\$ -						\$ -
15	Adelanto Improvement Project 3	Improvement/Infrastructure	1/1/2014	6/30/2014	Various Contractors	Improvements developments on	Project Area No. 3		N	\$ -						\$ -						\$ -
16	Adelanto Public Financing Authority	RPTTF Shortfall	1/9/1996	6/30/2026	Trustee-Union Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project		N	\$ -						\$ -						\$ -
17	Adelanto Public Financing Authority	RPTTF Shortfall	1/9/1996	6/30/2026	Trustee-Union Bank	Various Agency Activities	80-1 (Amended) Adelanto Improvement Project		N	\$ -						\$ -						\$ -
18	Adelanto Improvement Project, Area No.3, 2007 Bonds	RPTTF Shortfall	12/19/2007	9/1/2008	Trustee-Union Bank	Economic Development along HWY 395	Project Area No. 3		N	\$ -						\$ -						\$ -
25	Long Range Property Plan	Property Dispositions	3/1/2014	12/31/2014	Kosmont Companies	Property Management Plans	All		N	\$ -						\$ -						\$ -
27	Long Range Property Plan	Property Dispositions	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 Administration	All		N	\$ -						\$ -						\$ -
29	Bonds Annual Continuing Disclosure	Fees	12/7/2016	9/1/2037	HdL Coren & Cone	Annual Disclosure & Dissemination	All	72,050	N	\$ 8,500						\$ -				8,500		\$ 8,500
30	Arbitrage Calculations	Fees	1/1/2021	9/1/2037	Willdan 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		City of Adelanto	Bond Expenditure Agreement	Project Area No. 3	3,056,314	N	\$ 50,000						\$ -	50,000					\$ 50,000
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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
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		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	
	ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)						Comments
1	Beginning Available Cash Balance (Actual 07/01/20) RPTTF amount should exclude "A" period distribution amount						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
		7,672,861	-	2,565,696	1,038,465	625,906	
2	Revenue/Income (Actual 06/30/21) RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller						Amount shown in Col. G2 includes the RPTTF received for ROPS 20-21A and ROPS 20-21B
		89,021	-	-	6,207	4,223,663	
3	Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)						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
		1,201,527	-	2,123,654	-	1,414,168	
4	Retention of Available Cash Balance (Actual 06/30/21) 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
5	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
6	Ending Actual Available Cash Balance (06/30/21) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)						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.
		\$ 0	\$ 0	\$ (2)	\$ 1	\$ 27,836	

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.