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

December 12, 2022

FROM

SOPHIE L. SMITH, Deputy City Manager, Successor Agency to the Victorville Redevelopment Agency

SUBJECT

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

RECOMMENDATION(S)

Adopt a **Resolution No. 2022-31** approving the Successor Agency to the Victorville Redevelopment Agency's Recognized Obligation Payment Schedule and administrative budget for Fiscal Year 2023-24.
(Presenter: Sophie L. Smith, Deputy City Manager, City of Victorville, (760) 955-5033)

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 Victorville Redevelopment Agency's (Successor Agency) dissolution as an annual ROPS is required by DOF as part of the wind-down of the Successor Agency.

Included in the administrative costs is $123,171, which represents the same dollar amount from the loan agreement between the Successor Agency and the City of Victorville that was approved by the Oversight Board through Resolution No. 2022-24 on September 20, 2022. As you may recall, the loan agreement was intended to reimburse the City of Victorville for Successor Agency administrative budget costs for FY 2022-23. Because the Successor Agency had received no allocation of RPTTF for FY 2021-22 due to using other funds to pay enforceable obligations, the DOF denied the loan agreement. There was no ability to appeal the DOF's denial of the loan agreement because only ROPS items are appealable. Although the DOF denied the loan agreement on October 19, 2022, the Successor Agency finds it necessary to include this amount in the 2023-24 ROPS as part of its 2023-24 administrative budget to facilitate a meet and confer with the DOF if denied. The Successor Agency would initiate the administrative appeal process if

the administrative costs were denied to demonstrate that these costs are a part of the wind-down activities.

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 6, 2022 and San Bernardino Countywide Oversight Board Legal Counsel on December 6, 2022.

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

Record of Action Of the San Bernarino County Wide Oversight Board

APPROVED

Moved: Kenneth Miller Seconded: Frederick Ang
Ayes: Frederick Ang, Richard DeNava, Kenneth Miller, Cindy Saks, David Wert
Absent: Lawrence Strong, Acquanetta Warren

Lynna Monell, SECRETARY

BY Lynna Monell
DATED: December 12, 2022

cc: w/Resolution
File - San Bernardino Countywide Oversight Board

GC 12/14/2022

RESOLUTION NO. 2022- 31

RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD APPROVING THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2023-24

On Monday, December 12, 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, 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 Victorville Redevelopment Agency'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: Frederick Ang, Richard DeNava, Kenneth Miller, Cindy Saks, David Wert

NOES: None

ABSENT: Lawrence Strong, Acquanetta Warren

* * * * *

STATE OF CALIFORNIA)
) ss.
SAN BERNARDINO COUNTY)

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 December 12, 2022. Item #5 GC

LYNNA MONELL
Secretary to the San Bernardino Countywide
Oversight Board

By _____

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

Successor Agency: **Successor Agency to the Victorville Redevelopment 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):**	**$ -**	**$ -**	**$ -**
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	-	-	-
E	**Redevelopment Property Tax Trust Fund (RPTTF) (F+G):**	**$ 2,713,040**	**$ 2,178,379**	**$ 4,891,418**
F	RPTTF	2,589,869	2,059,379	4,649,247
G	Administrative RPTTF	123,171	119,000	242,171
H	**Current Period Enforceable Obligations (A+E):**	**$ 2,713,040**	**$ 2,178,379**	**$ 4,891,418**

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

December 12, 2022

Signature — Date

Successor Agency to the Victorville Redevelopment Agency 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
											23-24 A (July - December)						23-24 B (January - June)					
											Fund Sources						Fund Sources					
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	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	23-24 A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	23-24 B Total
								$ 56,327,938		$ 4,891,418	$ -	$ -	$ -	$ 2,589,869	$ 123,171	$ 2,713,040	$ -	$ -	$ -	$ 2,059,379	$ 119,000	$ 2,178,379
1	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/22/2002	12/1/2036	The Bank of New York Trust Company N.A.	RDA Non-Housing Bond Issues	Bear Valley	38,681,200	N	$ 3,181,006				2,442,869		$ 2,442,869				738,138		$ 738,138
2	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Fees	8/22/2002	12/1/2036	The Bank of New York Trust Company N.A.	Fiscal Agents Fee	Bear Valley	11,500	N	$ 11,500				8,000		$ 8,000				3,500		$ 3,500
3	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Fees	8/22/2002	12/1/2036	Harris Industries	Continuing Disclosure Report	Bear Valley	25,000	N	$ 25,000				10,000		$ 10,000				15,000		$ 15,000
4	Northgate Apartments	Business Incentive Agreements	7/15/2005	10/1/2034	National Core (formerly So Calif Housing Develop Corp)	Aff Housing Agmt/Operational Subsidy	Bear Valley	3,250,000	N	$ 250,000				125,000		$ 125,000				125,000		$ 125,000
33	Project legal costs	Legal	7/1/2023	6/30/2024	Green, de Bortnowsky & Quintanilla	Project specific legal costs	Bear Valley	5,000	N	$ 5,000				2,000		$ 2,000				3,000		$ 3,000
34	Special Assessments on SA properties	Property Maintenance	7/25/2013	7/1/2033	City of Victorville	Street Light Assessment District taxes	Bear Valley	300	N	$ 300				-		$ -				300		$ 300
35	Vict RDA Series 2002A, 2003A, 2003B, 2006A Tax Allocation Bonds	Fees	8/22/2002	12/1/2036	BLX	Arbitrage fees for bonds	Bear Valley	-	N	$ -				-		$ -				-		$ -
49	SA Contract Services	Property Dispositions	7/1/2023	6/30/2024	Unknown vendor(s)	appraisals and other costs for LRPMP transactions	Bear Valley	7,000	N	$ 7,000				2,000		$ 2,000				5,000		$ 5,000
55	Admin Costs	Admin Costs	7/1/2023	6/30/2024	Various - City of Victorville, Staples, unknown vendor(s)	wages, benefits, PERS, W/C, indirect cost allocation for SA, paper, office supplies, postage, utilities, copier costs, travel/training for SA/OB matters, H&S 34177(n) audit/component unit audit, legal/consultants for SA/Dissolution and OB	Bear Valley	242,171	N	$ 242,171					123,171	$ 123,171					119,000	$ 119,000
56	SERAF Loan	City/County Loan (Prior 06/28/11) – Other	8/4/2010	4/1/2035	Victorville Housing Successor Agency	Partially fund SERAF payment required by State Assembly Bill 26 4X	Bear Valley	8,201,120	N	$ -				-		$ -				-		$ -
57	Property Acquisition Loan	LMIHF Loans	10/3/2006	4/1/2029	Victorville Housing Successor Agency	Acquired property for planned Eucalyptus freeway interchange	Bear Valley	5,904,647	N	$ 1,169,441				-		$ -				1,169,441		$ 1,169,441

Successor Agency to the Victorville Redevelopment Agency 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	
	ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)	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 07/01/20)** RPTTF amount should exclude "A" period distribution amount				3,890,931	93,794	**Amount remaining cash on hand per DOF reconciliation with Brian Johnson on 3/15/22.**
2	**Revenue/Income (Actual 06/30/21)** RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller				10,994	3,183,339	F2= interest, G2= RPTTF distribution
3	**Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)**				590,370	3,066,426	F3= expenditures over RPTTF distribution per DOF determination
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)						
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	No entry required				116,914	Amount to report on revised PPA
6	**Ending Actual Available Cash Balance (06/30/21)** **C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)**	**$ 0**	**$ 0**	**$ 0**	**$ 3,311,555**	**$ 93,793**	G6 will move to F8 for next year

Successor Agency to the Victorville Redevelopment Agency Recognized Obligation Payment Schedule (ROPS 23-24) - Notes
July 1, 2023 through June 30, 2024

Item #	Notes/Comments
2	Total Obligations are for FY23/24 as cannot properly forecast fees until end of bond terms.
3	Total Obligations are for FY23/24 as cannot properly forecast disclosure fees until end of contract or bond.
35	No arbitrage for FY23/24
49	Total Obligations are for FY23/24 as cannot properly forecast appraisal costs per year for remaining LRPMP properties.
55	Estimated admin costs associated with handling all items on this ROPS
56	Per DOF comment, adding to ROPS as described in staff report. Repayment scheduled to start FY 2028-29.
57	Per DOF comment, adding to ROPS as described in staff report.