

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

July 8, 2024

FROM

PATRICK J. MARTINEZ, City Manager, City of Needles

SUBJECT

Resolution Approving the Successor Agency to the Redevelopment Agency of the City of Needles' Request for Final Dissolution

RECOMMENDATION(S)

Adopt a **Resolution No. 2024-21** of the San Bernardino Countywide Oversight Board approving the Successor Agency to the Redevelopment Agency of the City of Needles' Request for Final Dissolution.

(Presenter: Steven H. Dukett, Consultant to the City of Needles, (909) 967-8205)

BACKGROUND INFORMATION

California Health and Safety Code Section (HSC) 34179(e) requires all action items of the San Bernardino Countywide Oversight Board be accomplished by resolution. Pursuant to HSC Section 34187(b), in order to dissolve, a successor agency is required to submit to its Countywide Oversight Board ("CWOB") a request to dissolve, with a copy of the request to the County Auditor-Controller ("CAC").

Pursuant to HSC Section 34187(e), the Successor Agency must take the following steps within 100 days of the California Department of Finance ("DOF") dissolution approval:

- Dispose of all remaining assets and transfer any proceeds to the CAC for distribution to the affected taxing entities.
- Send notification to the Oversight Board that it has complied with such disposition and transfer of any proceeds.

The Successor Agency to the Redevelopment Agency of the City of Needles ("SARDA") made the determination to dissolve in Resolution No. 11-14-23-SARDA and forwarded said Resolution to the CWOB and CAC. The CWOB approved SARDA's request to dissolve in Resolution No. 2024-12. In its letter dated February 23, 2024, the DOF approved SARDA's request to dissolve subject to meeting the conditions of HSC Section 34187(e), which in essence requires SARDA's remaining assets, if any, to be transferred to the CAC.

As a follow-up to the DOF letter, the City of Needles engaged the services of Burke Consulting Group, PLLC ("BCG"), a firm specializing in forensic accounting, to review SARDA's financial records with respect to its request to dissolve pursuant to HSC Section 34187(b) and in particular review pertinent documentation related to the payment of \$1,280,648 referenced in SARDA's Low- and Moderate-Income Housing and Other Funds and Accounts Due Diligence Review dated September 11, 2014 ("DDR Amount").

On May 23, 2024, BCG issued its final report entitled SARDA Request for Dissolution/Final Accounting in which BCG concluded that SARDA has used all of its RPTTF, Other Funds and Reserve Balances (i.e., inclusive of the DDR Amount) to fund its enforceable obligations and that

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the City of Needles contributed \$113,038 toward such enforceable obligations without reimbursement, which resulted in SARDA's net fund balance at dissolution equaling a negative (\$113,038).

It is recommended that the CWOB adopt the attached resolution to formally dissolve the Successor Agency to the Redevelopment Agency of the City of Needles effective immediately upon adoption.

ATTACHMENTS

Attachment A – Resolution

Attachment B – BCG Final Report

Attachment C – Resolution No. 11-14-23-SARDA

Attachment D – DOF Letter dated 2/23/2024 approving Request to Dissolve

Attachment E – Letter from Successor Agency Counsel regarding Litigation

Attachment F – Remittance of Sale Proceeds to San Bernardino County for APN 0185-046-05

Attachment G – Remittance of Sale Proceeds to San Bernardino County for APN 0186-222-07

Attachment H – Remittance of Sale Proceeds to San Bernardino County for APN 0186-233-08

Attachment I – Final Debt Service Payment Invoice for 1992 Series A Tax Allocation Bond

REVIEW BY OTHERS

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector on June 18, 2024 and San Bernardino Countywide Oversight Board Legal Counsel on June 13, 2024.

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Record of Action of the San Bernardino Countywide Oversight Board

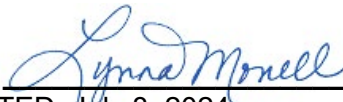
APPROVED

Moved: Acquanetta Warren Seconded: Richard DeNava

Ayes: Richard DeNava, Cindy Saks, Daniel Walden, Acquanetta Warren, David Wert

Absent: Becky Lepins

Lynna Monell, SECRETARY

BY 
DATED: July 8, 2024



cc: File - San Bernardino Countywide Oversight Board w/resolution
& attachments

CCM 07/22/2024

RESOLUTION NO. 2024- 21

RESOLUTION OF THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD APPROVING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF NEEDLES' REQUEST FOR FINAL DISSOLUTION

On Monday, July 8, 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 Section (HSC) 34179(e) requires all action items of the San Bernardino Countywide Oversight Board be accomplished by resolution; and

WHEREAS, pursuant to HSC § 34187(b), in order to dissolve, a successor agency is required to submit to its Countywide Oversight Board ("CWOB") a request to dissolve, with a copy of the request to the County Auditor-Controller ("CAC"); and

WHEREAS, the Successor Agency to the Redevelopment Agency of the City of Needles ("SARDA") made the determination to dissolve in its Resolution No. 11-14-23-SARDA, and forwarded its Resolution to the CWOB and CAC; and

WHEREAS, the CWOB approved SARDA's request to dissolve in Resolution No. 2024-12; and

WHEREAS, the California Department of Finance ("DOF") approved SARDA's request to dissolve on February 23, 2024, subject to meeting the conditions of HSC § 34187(e); and

WHEREAS, as a follow-up to the DOF letter, the City of Needles engaged the services of Burke Consulting Group, PLLC ("BCG"), a firm specializing in forensic accounting, to review SARDA's financial records with respect to its request to dissolve pursuant to HSC § 34187(b) and in particular review pertinent documentation related to the payment of \$1,280,648 referenced in SARDA's Low- and Moderate-Income Housing and Other Funds and Accounts Due Diligence Review dated September 11, 2014 ("DDR Amount"); and

WHEREAS, on May 23, 2024 BCG issued its final report entitled SARDA Request for Dissolution/Final Accounting ("BCG Final Report"); and

WHEREAS, as stated in the BCG Final Report, BCG concluded that SARDA has used all of its RPTTF, Other Funds and Reserve Balances (i.e., inclusive of the DDR Amount) to fund its enforceable obligations and that the City of Needles contributed \$113,038 toward such enforceable obligations without reimbursement, which resulted in SARDA's net fund balance at dissolution equaling a negative (\$113,038); and

WHEREAS, pursuant to HSC § 34187 (f), the CWOB shall: (i) verify all of the Successor Agency's obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets have been disposed; and (ii) within 14 days of verification, adopt a final resolution of dissolution for the Successor Agency, which shall be effective immediately; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, the San Bernardino Countywide Oversight Board hereby resolves, determines and orders as follows:

Section 1. The foregoing recitals are true and correct and incorporated herein by this reference.

Section 2. Based upon the foregoing, the San Bernardino Countywide Oversight Board hereby verifies that all obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets have been disposed of, and on that basis, hereby adopts this Resolution for final dissolution of SARDA.

Section 3. The SARDA is hereby dissolved.

Section 4. The CWOB hereby directs the designated contact official, or his or her designee, to provide written notice of and information about this Resolution to the DOF, the San Bernardino County Auditor-Controller/Treasurer/Tax Collector and the State Controller's Office in accordance with HSC § 34187(f), and further directs the designated contact official to carry out such actions as may be necessary to carry out the purposes of this Resolution, including, but not limited to, submitting this Resolution to such other entities as may be required by applicable law.

Section 5. 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, Cindy Saks, Daniel Walden
Acquanetta Waren, David Wert

NOES: OVERSIGHT BOARD MEMBER: None

ABSENT: OVERSIGHT BOARD MEMBER: Becky Lepins

* * * * *

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 July 8, 2024. #2 CCM

LYNNA MONELL
Secretary to the San Bernardino Countywide
Oversight Board

By _____

